



TM

Raymond Lifestyle Ltd

23 October 2024

Recalibration of business to drive shareholder value

INITIATING COVERAGE

Sector: Retail Rating: BUY

CMP: Rs 2,250 Target Price: Rs 2,845

Stock Info

Sensex/Nifty	80,221/ 24,472
Bloomberg	RAYMONDL
Equity shares (mn)	60.9
52-wk High/Low	Rs 3,100/2,081
Face value	Rs2
M-Cap	Rs 142bn/\$1.7bn
3-m Avg volume	NA

Financial Snapshot (Rs mn)

Y/E Mar	FY25E	FY26E	FY27E
Sales	69,844	77,298	86,257
Adj. PAT	5,466	7,088	8,387
Adj. EPS (Rs)	89.7	116.4	137.7
PE (x)	25.1	19.3	16.3
EV/EBITDA (x)	14.2	12.3	10.7
P/BV (x)	1.3	1.2	1.2
EV/Sales	2.0	1.8	1.6
RoE (%)	5.5	6.7	7.3
RoCE (%)	6.9	8.4	9.4
NWC (days)	75	72	71
Net gearing (x)	(0.0)	(0.0)	(0.0)

Shareholding Pattern (%)

	Sep-24
Promoter	54.7
-Pledged	-
FII	12.6
DII	7.9
Others	24.8

Raymond Lifestyle (RAYMONDL) is set to realize its full potential and generate shareholder value, courtesy a new management and a renewed strategy. RAYMONDL has bifurcated the business in three strategic parts: a) Core business - flagship Branded Textiles, b) Growth businesses - Branded Apparel and Garmenting, and c) Emerging business - *Ethnix* by Raymond, Sleepwear and Innerwear. These are slated to drive growth as follows: 1) Through its legacy 'Suiting' and emerging '*Ethnix*' businesses, where RAYMONDL commands 5% share in the men's wedding category, management is targeting 15% CAGR to garner 6-7% market share by 2027; 2) In Branded Apparel company plans to add ~650+ stores over the next 3 years to likely generate double-digit growth in the segment. This business will focus on retail expansion, casualization and product development. Each of its power brands – *RTW*, *Park Avenue* and *ColorPlus* are expected to operate ~200-250 EBOs each; 3) In *Ethnix* by Raymond, the company intends to enhance its store count to 350+ stores over the next 3 years from 114 as at Mar 2024. Factors such as differentiated and premium offerings, shift from unorganized to organized, optimal mix of core and smart ethnics, affordable pricing, leveraging large TRS network and partnering premium MBOs would spur growth in the *Ethnix* business. The Sleepwear and Innerwear businesses are expected to generate revenue of ~Rs 5-7 bn over the next 2-3 years; 4) Company expects to generate strong double-digit growth in the garmenting business, given the rise in its capacity to 10mn units annually (from 6.6mn units earlier) led by cumulative capex of Rs 2 bn during FY24-25E, accompanied by a strong order book. 5) RAYMONDL has strengthened its Board and top management during the past three years, thus fortifying strong leadership and decision making. 6) Company has substantially reduced its NWC days (to 78 days from +100 days earlier) led by a reduction in debtor days and better inventory control. 7) Going forward, during FY24-27E we expect an annual OCF of ~Rs 6.9 bn (cumulative ~Rs 21bn) and annual FCF of Rs 6.4 bn (cumulative ~Rs 19.2bn). We have factored in 9.7%/ 11.8%/ 20.5% revenue/ EBITDA/ Adj. PAT CAGR over FY24-FY27E. We assign a BUY rating with a target price of Rs 2,845 (vs. earlier fair value of Rs 2,293) for its lifestyle business on SOTP-based method, valuing branded textiles, branded apparel and B2B businesses at 11x/18x/9x Sept 2026E EV/EBITDA.

Branded Textiles

Branded Textiles segment (53% of revenue) continues to be the flagship business of the Raymond Lifestyle. It positions itself as a leading B2C brand for suiting and shirting in India.

The key focus areas include:

- **In Suiting** – 1) Drive category premiumization through highly differentiated wool rich blends and all wool products such as Exotic & Regio Italia; 2) Expand distribution and gain share in top end MBOs for Regio Italia; 3) Grow through programs like 'Pride' – mass end indirect MBO expansion and engagement initiative.
- **In Shirting** – 1) Drive premiumization through category building of line, premium cotton with high fashion quotient prints – Regio Italia and performance products such as 'Fear less'; 2) Volume growth in mass segment and trade channel through right product segment fit.

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- Expanding distribution network to cover Tier I to Tier VI towns and cities.
- Enhancing the tailoring ecosystem through talent development initiatives.

Recent innovations and product offerings include – ECO LIFE Sustainable fabric, SUPERLUXE finest wool fabric, FASHMODA youth-oriented collection, Royal Trousing and Primafino collections, Fearless White range, Regio Italia high fashion prints in 100% silk.

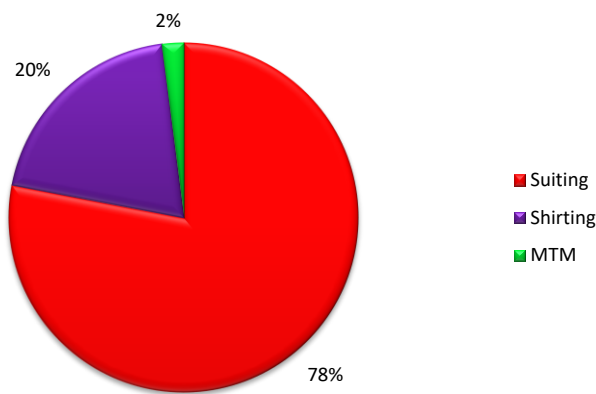
Branded Textile business commands manufacturing excellence and is one of the world’s largest horizontally and vertically integrated worsted suiting manufacturer. Raymond is globally renowned for manufacturing Super 250s, the world’s finest worsted suiting fabric. Company holds ~65% market share in the worsted suiting category in the country. Company has three state-of-the-art facilities across Vapi (Gujarat), Chhindwara (MP) and Jalgaon (Maharashtra). These facilities hold an aggregate capacity of 43 mn metres of suiting fabric across wool, poly-wool, silk and other premium blends.

Raymond Lifestyle has unrivaled channel reach and long-standing trade contacts in India. The majority of Raymond channel partners have been with the company for over 50 years. Extensive reach includes 170+ wholesalers and 1430+ MBOs and The Raymond Shop (TRS) network across Tier 1 and Tier VI towns.

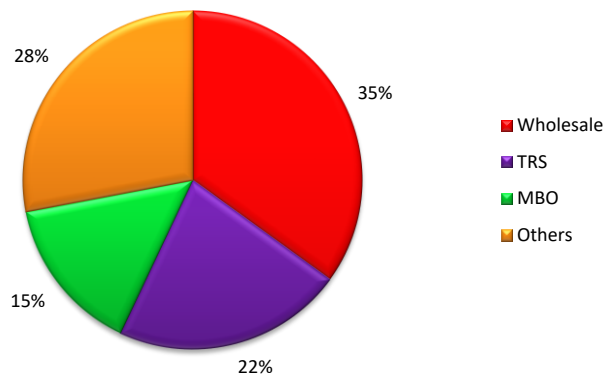
We expect the suiting/ shirting businesses to grow at a CAGR of 2.3%/ 6.9% during FY24-FY27E, thus on a blended basis Branded Textiles shall witness a CAGR of 3.7% for the same period. EBITDA margin to expand to 21.9% in FY27E from 20.9% in FY24.

Key risks – 1) The fabric business faces increasing competition from ready-made garments, witnessing modest impact on growth; 2) The tailoring community’s limited technical knowledge and lack of formal training undermine their ability to compete with the ready-made garments industry.

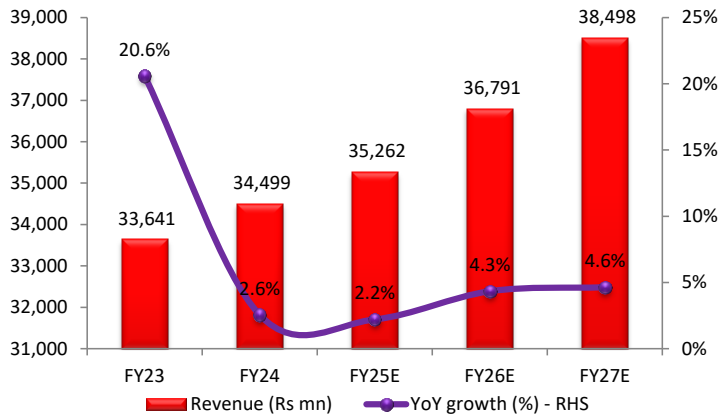
Exhibit 1: Suiting commanding majority share in Branded Textiles (%) **Exhibit 2: Higher share of wholesale and TRS in the channel mix (%)**



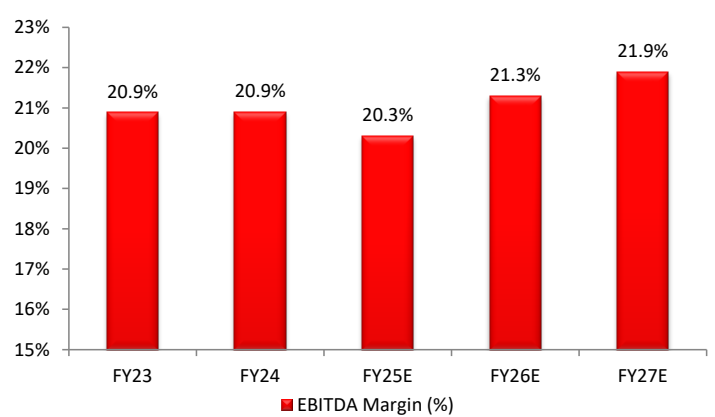
Source: Company, Systematix Institutional Research



Source: Company, Systematix Institutional Research

Exhibit 3: Branded Textile revenue CAGR of 3.7% during FY24-FY27E Exhibit 4: EBITDA margin to expand by 100 bps during FY24-FY27E

Source: Company, Systematix Institutional Research



Source: Company, Systematix Institutional Research

Branded Apparel

Apparel business consists of ready to wear segment including brands such as Raymond Ready to Wear (RTW), Park Avenue (PA), ColorPlus (CP) and Parx. Additionally, 'Ethnix by Raymond' caters to discerning customers seeking elegant menswear for weddings and special occasions. The company has now forayed in the Sleepwear and Innerwear categories too.

Exhibit 5: Defined focus areas for each brand

Brands	Brand Positioning	Product Portfolio	Channels
Raymond RTW	Readymade premium fashion wear	Stylish formals, ceremonial and casual collection	Retail & LFS network
Park Avenue	Hybrid Formal Wear brand	Casualization, stylish hybrid workplace dressing and performance products such as Flextech/ Airlite	Retail, LFS network and MBOs.
ColorPlus	Brand relevant to millennials	Leadership in Chinos category, launch of CP Sport, casuals with focus on colors, comfort and premiumness	Retail and LFS network.
Parx	Trendy casual wear for GenZ	Value for money casual wear, denim and athleisure	MBO, LFS network and online

Source: Company, Systematix Institutional Research

Emerging categories to be the next growth levers for Branded Apparel

Ethnix by Raymond – Raymond has a strong understanding of the wedding business led by its suiting business. Moreover, Ethnix by Raymond has a right to win in the ethnic category led by the following factors - 1) Differentiated design for all occasions, high quality offerings at affordable pricing, strong presence in wedding category; 2) Mix of core ethnics (wedding) and smart ethnics (non-wedding) catering occasion wear to regular wear; 3) Leverage TRS network, selective partnering with LFS and premium MBOs; 4) Consistent brand investment across media to build brand salience and connect.

In coming 3-4 years company expects the 'Ethnix' business to touch ~Rs 10bn in revenue from current ~Rs 1bn.

SleepZ by Raymond – Company has entered the Sleepwear category with strong plans to expand the business. Sleepwear will consist Indian wear & Western wear. Raymond Lifestyle shall be the first Men's branded player in this segment. Company shall appoint distributors PAN India for a wide coverage across the country. Company shall launch the Sleepwear at attractive prices to convert unorganized play to organized one.

Innerwear Park Avenue – Company believes it has the strength to gain substantial business in the innerwear space despite increased competition. Company will be targeting the semi-premium and premium category (>50% of the market). Pricing will be competitive catering to the mid-premium and upwards price segment. Company will leverage the Park Avenue brand for the innerwear business. For distribution, an omni channel strategy with strong focus on MBO channel expansion will be put in place.

The Sleepwear and Innerwear business holds potential to generate Rs5-7 bn in revenue over the next 2-3 years.

Aggressive store expansions to drive branded apparel business

The store count as on March'2024 stands at – 1,065 The Raymond Shop (TRS), 409 Exclusive Brand Outlets (EBOs), 44 Made-to-Measure (MTM), 4,525 Multi Brand Outlets (MBOs) and 1,350 Large Format Stores (LFS). By FY27E, the company plans to operate 1,200 TRS, 900 EBOs, 50 MTM, 5,500 MBOs and 2,500 LFS. RAYMONDL targets to operate ~200-250 EBOs for each of its Branded Apparel brands. Ambitions for Ethnix store expansion stays high targeting +350 store count in coming 3 years from current 114 stores (as on March 2024).

Exhibit 6: Expanding EBO network for enhanced apparel growth

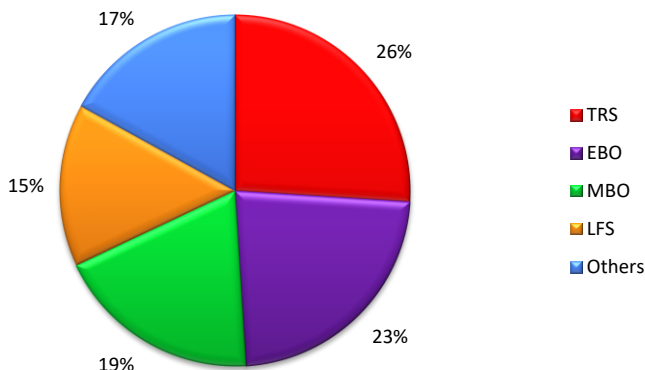
Store count	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY27E
TRS	763	852	1,041	1,135	1,090	1,055	1,053	1,065	1,200
EBO	257	299	335	436	349	261	316	409	900
MTM	60	68	68	67	47	35	40	44	50
MBO	n.a	n.a	n.a	n.a	5,425	5,425	5,830	4,525	5,500
LFS	n.a	n.a	n.a	n.a	1,250	1,000	1,150	1,350	2,500

Source: Company, Systematix Institutional Research

We expect the branded apparel business to grow at a CAGR of 18% during FY24-FY27E driven by increased focus on the power brands Raymond Ready to Wear, Park Avenue, Color Plus and strong growth in emerging businesses (Ethnix by Raymond, Sleepwear, Innerwear). EBITDA margin to expand 197 bps to 13.8% in FY27E.

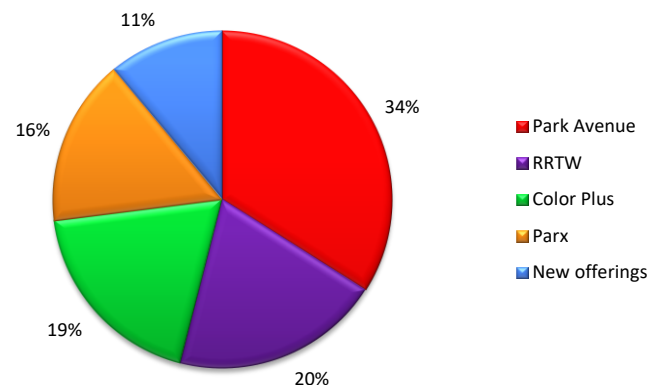
Key risks – 1) The industry faces the challenge of a shortened product cycle due to rapidly evolving fashion trends and intense competition; 2) Intense competition from value-based retail formats and a surge of international fashion brands have led to heightened market pressure.

Exhibit 7: Sales channel mix (%)



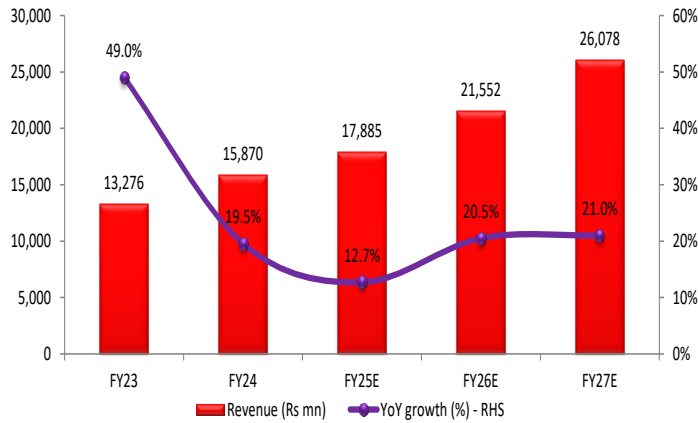
Source: Company, Systematix Institutional Research

Exhibit 8: Brand wise sales mix (%)



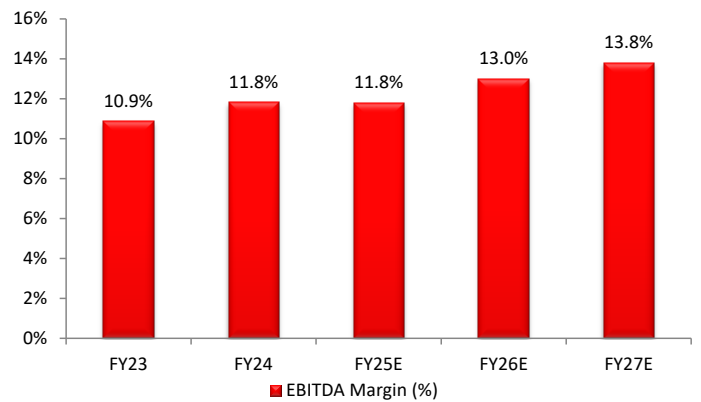
Source: Company, Systematix Institutional Research

Exhibit 9: Branded Apparel to grow at 18% CAGR in FY24-FY27E



Source: Company, Systematix Institutional Research

Exhibit 10: EBITDA margin to expand by 197 bps during FY24-FY27E

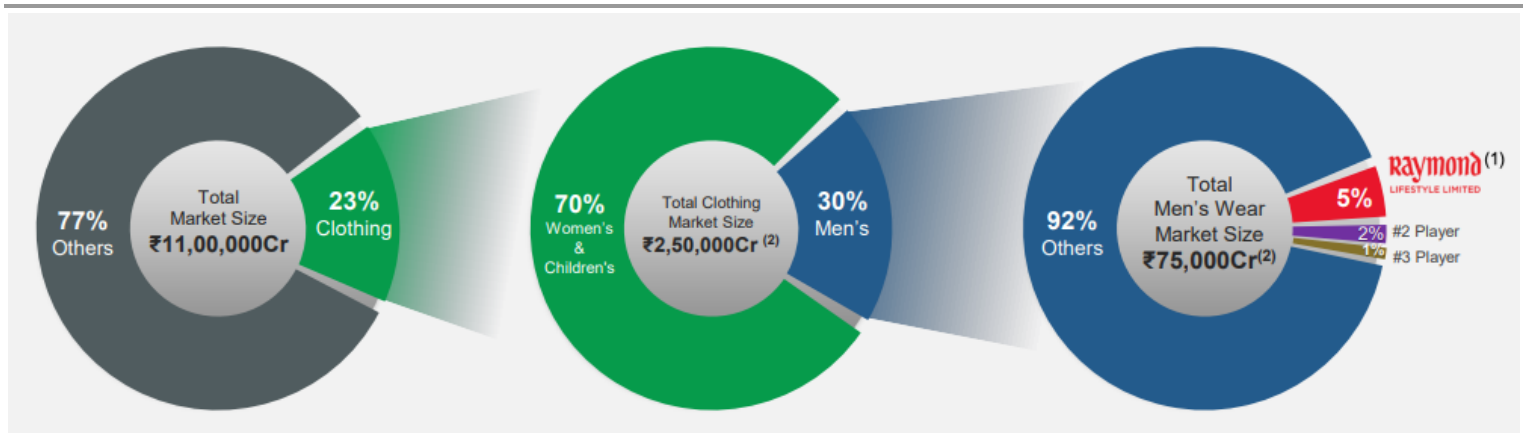


Source: Company, Systematix Institutional Research

Positioned as India’s largest men’s wedding wear company

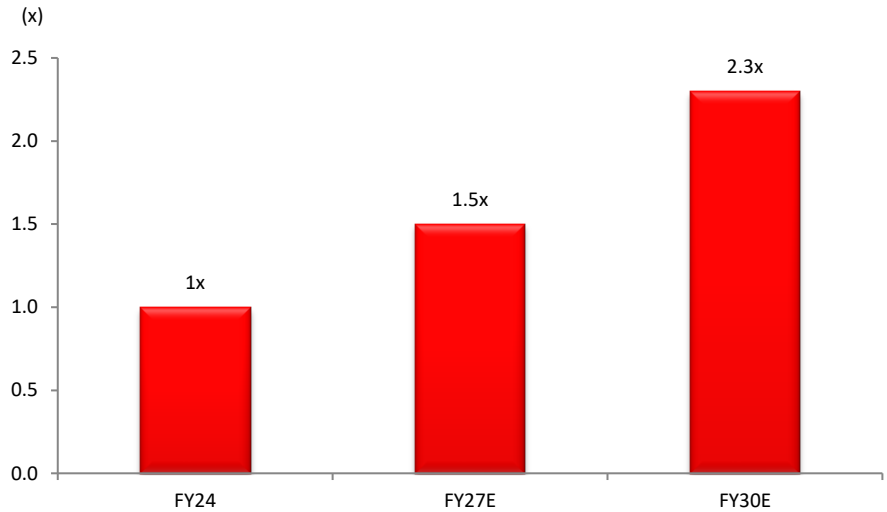
Out of the Rs 750 bn men’s wear wedding market, Raymond Lifestyle commands ~5% share while No.2/ No.3 players share stand at ~2%/ 1% respectively. Currently the wedding share in RAYMONDL’s branded apparel stands at 55-60% and in branded apparel it stands at 20-25%, while on consolidated basis the wedding share for Raymond Lifestyle stands at ~ 35-40%. Going ahead, the company targets to grow this business at 15% CAGR to attain 6-7% market share (current 5%) in the fast-growing men’s wear wedding market by 2027.

Exhibit 11: Targeting 15% CAGR to attain 6-7% market share in the fast-growing men’s-wear wedding market by 2027



Source: Company, Systematix Institutional Research

Exhibit 12: Wedding & ceremonial portfolio to witness strong growth ahead for RAYMONDL

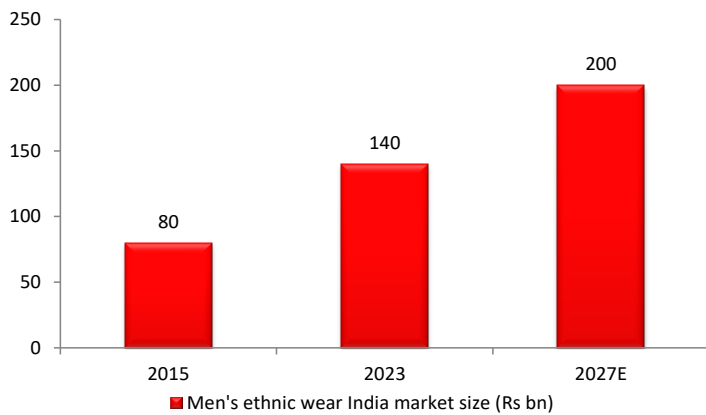


Source: Company, Systematix Institutional Research

Men’s Ethnic Wear Market

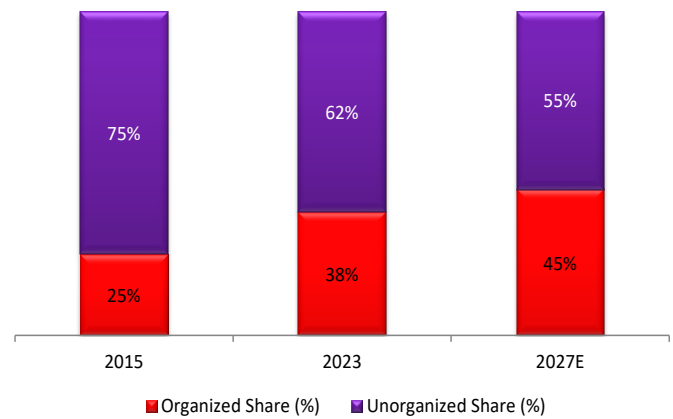
The size of men’s ethnic wear market in India stood at Rs 140bn in 2023 and is expected to touch Rs 200 bn by 2027. The share of organized players stands at 38% and is expected to rise to 45% by 2027. The organized market has been witnessing a strong growth rate of 14% while the unorganized has grown at a rate of 5%.

Exhibit 13: Men’s ethnic wear India market size (Rs bn)



Source: Company, Systematix Institutional Research

Exhibit 14: Organized & unorganized share in men’s ethnic wear



Source: Company, Systematix Institutional Research

Garmenting

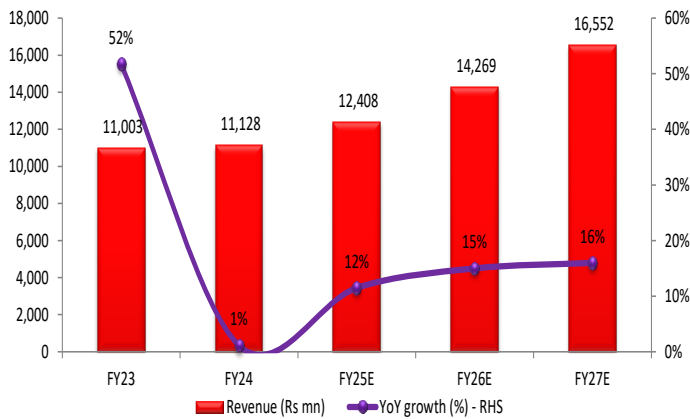
Raymond is among the largest exporter of men’s tailored suits, jackets, and trousers from India (25+ countries). Exports constituted +95% of company’s garments business in FY24, with the business seeing strong export momentum in the US, UK, and European markets. Raymond’s garmenting business emerged as a strong player to cater to global demands in the wake of China +1 strategy adopted by global brands. High demand in bulk business and tailored clothing from existing customers and new customer acquisitions in the US and European markets is expected to propel sales growth. Moreover, the Bangladesh issues (Bangladesh has \$50 bn of garmenting business which is 7% of the Global Garmenting market), new FTAs with UK, EU and Australia shall be the additional growth levers for the business.

The Garmenting capacity is expected to expand to ~10 mn units annually (from ~6.6 mn units) led by cumulative capex of Rs 2bn during FY24-25E. We expect the garmenting revenue to grow at a CAGR of 14.2% during FY24-FY27E while EBITDA margin to expand by 102 bps to 10.8% in FY27E.

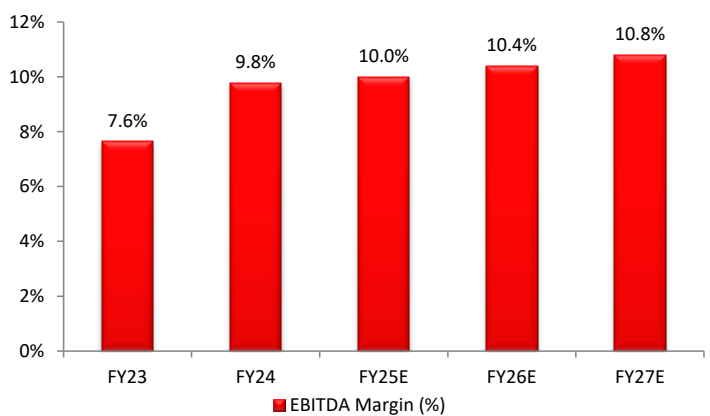
Key risks – 1) Frequent disruptions in the global supply chain and high freight costs continue to pose significant operational challenges; 2) Increasing competition from neighboring Asian countries who offer low-cost garmenting solutions and leverage existing free trade agreements with European regions are putting pressures on margin.

Exhibit 15: Garmenting to grow at 14.2% CAGR during FY24-FY27E

Exhibit 16: Garmenting EBITDA margin to expand 102 bps during FY24-27E



Source: Company, Systematix Institutional Research



Source: Company, Systematix Institutional Research

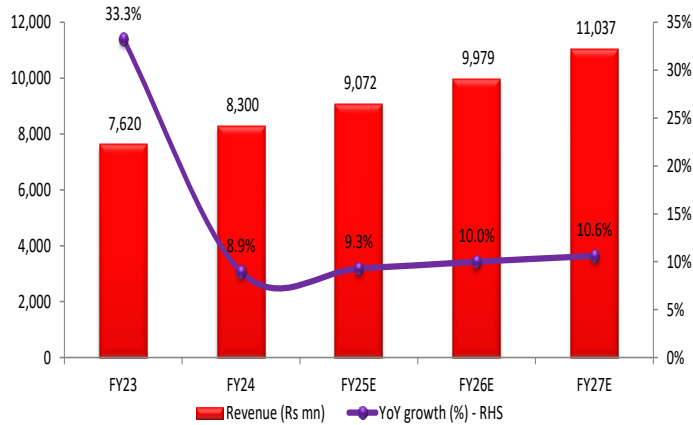
High Value Cotton Shirting

With a clear domain in crafting natural fabrics in India, RAYMONDL has an edge in creating the best cotton and linen fabrics. It has the prowess to manufacture 340s count cotton and 150s linen, which makes it a leading supplier for domestic and international brands, both in high-value cotton and linen fabrics, along with bottom weight fabrics. Diversified proximity to weaving clusters enables better efficiencies in procurement, enabling cost advantages.

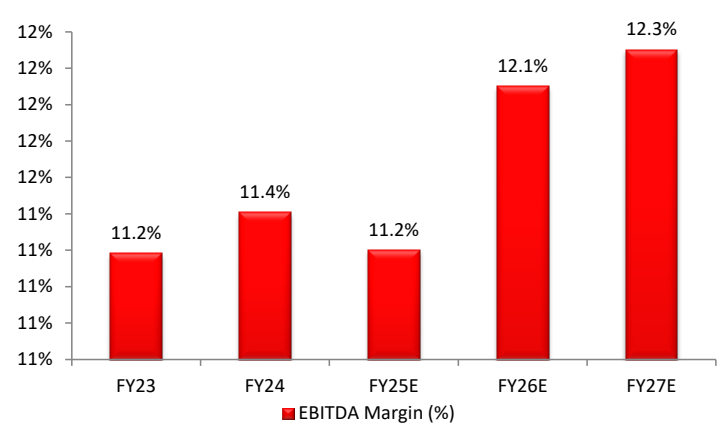
We believe the company's innovation and high-value differentiated product offerings and services to customers would continue, as we expect value addition to improve realization. Increasing footprints across new geographies should help it in expanding its customer base. Sustainable cost saving initiatives would enable operational efficiencies to enhance profitability.

We expect the high value cotton shirting business to grow at 10% CAGR during FY24-FY27E while the EBITDA margin to expand by 89 bps to 12.3% by FY27E.

Key risks – 1) The influx of low-priced, low-quality fabrics from China continues to pose a threat to company's market demand; 2) Increasing cotton prices, along with a spike in linen flax seed prices, may narrow profit margins if left unchecked.

Exhibit 17: High value cotton shirting to grow at 10% CAGR during FY24-FY27E**Exhibit 18: EBITDA margin to expand 89 bps during FY24-27E**

Source: Company, Systematix Institutional Research



Source: Company, Systematix Institutional Research

Valuation & View

Raymond Lifestyle Ltd (RAYMONDL) – the demerged retail and lifestyle business of Raymond Ltd was listed on the stock exchanges on September 5, 2024. The stock was listed at a price of ~Rs 3,000 per share (31% premium to our fair value of Rs 2,293) at a valuation of Rs 183 bn. Post the listing the stock has now seen some correction. Going forward, presence of multiple triggers in the branded textiles, branded apparel and the garmenting businesses coupled with the new management’s efforts to pivot the businesses and make them more relevant, should help drive consistent revenue and earnings growth going forward. We have build in revenue/ EBITDA/ Adjusted PAT CAGR of 9.7%/ 11.8%/ 20.5% respectively. We expect the EBITDA margin to expand by 86 bps to 15.2% in FY27E from 14.3% in FY24. The company has also reduced its working capital days to 78 in FY24 from +100 days earlier, this was led by a reduction in debtor days, and better inventory management driven by tight collection policies across its dealers and franchisees. RAYMONDL has achieved net cash status as a result of the strategic sale of its FMCG business. Moving forward, the company intends to expand stores using an asset-light franchising model while optimizing working capital management. Over FY24-27E, this strategy is estimated to create an annual operating cash flow (OCF) of ~Rs 6.9 bn (cumulative ~Rs 21 bn). Taking into consideration the maintenance capex and additional garmenting capex, RAYMONDL is expected to generate a healthy free cash flow of Rs 6.4 bn (cumulative ~Rs 19.2 bn) annually during FY24-27E. We assign a BUY rating to the stock with a target price of Rs 2,845 (vs. earlier fair value of Rs 2,293) for the lifestyle business on a SOTP based method valuing branded textiles, branded apparel and B2B businesses at 11x/18x/9x Sept 2026E EV/EBITDA.

Exhibit 19: SOTP based valuation – BUY rating with Price Target of Rs 2,845

SOTP Valuation	EBITDA (Sept 2026E)	Multiple (x)	Enterprise Value (EV)
	INR Mn		INR Mn
Branded Textile	8,134	11	89,472
Branded Apparel	3,200	18	57,605
Garmenting	1,636	9	14,722
High Value Cotton	1,282	9	11,542
Corporate eliminations	251	10	2,512
Enterprise Value			170,829
Gross Debt			3,800
Cash and equivalents			6,204
Equity value			173,233
Outstanding shares (Mn)			60.9
Equity value per share			2,845
Current Market Price			2,250
% Upside/ (Downside)			26%

Source: Company, Systematix Institutional Research

Exhibit 20: Peer comparison

Companies	M. Cap Rs bn	PE (x)				EV/ EBITDA (x)				ROE (%)				FY24-FY27E CAGR (%)		
		FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	Revenue	EBITDA	PAT
Raymond Lifestyle	142	28.6	25.1	19.3	16.3	13.9	14.2	12.3	10.7	4.9	5.5	6.7	7.3	9.7	11.8	20.5
ABFRL	334	-42.5	-75.7	-187.2	338.9	24.1	18.0	14.0	11.1	-18.2	-9.1	-4.0	2.2	18.9	27.2	NA
Trent	2,675	257.4	176.6	116.4	90.1	139.6	94.4	67.2	54.4	30.7	31.5	34.9	32.7	37.0	39.2	41.9
Vmart	86	-86.9	-544.4	252.0	214.6	45.9	26.2	19.0	16.2	-12.1	-2.1	4.5	5.0	18.5	41.6	NA
Arvind Fashions	76	132.4	65.8	38.9	28.3	15.2	12.1	9.3	7.7	8.5	10.4	14.6	16.2	12.7	20.5	67.3
Page Industries	491	86.1	74.3	58.9	49.1	55.9	48.1	38.9	32.6	38.5	39.9	46.5	51.1	15.9	19.7	20.5
Shoppers Stop*	79	102.4	108.6	53.1	34.4	14.9	13.2	10.5	9.3	30.4	6.5	45.0	38.7	14.9	17.0	43.4
Vedant Fashions*	316	75.5	70.4	57.8	48.2	47.3	44.0	36.7	30.9	27.6	25.6	26.4	27.3	14.7	15.2	16.3
Go Fashion*	66	78.3	60.0	46.0	37.2	27.9	21.6	22.9	20.0	14.7	16.4	18.2	19.2	19.4	18.1	26.9
Arvind*	89	27.2	21.2	14.3	12.1	13.0	10.8	8.4	7.6	9.8	11.4	15.1	15.6	12.7	16.2	28.5
Gokaldas Exports*	61	40.1	39.2	22.7	19.1	23.7	17.6	12.9	11.6	12.0	11.6	14.6	15.2	24.0	31.4	35.7
KPR Mills*	307	39.0	31.5	27.5	23.5	26.1	22.3	19.0	16.3	19.9	20.1	20.6	20.2	11.8	17.0	19.2

Source: Company, Systematix Institutional Research, Note: * Bloomberg consensus

Exhibit 21: Strong governance with high pedigree board members



GAUTAM SINGHANIA
Chairman
(Raymond Group)



K NARASIMHA MURTHY
Independent Director
Ex Director NSE, ONGC, LIC & UTI



VENEET NAYAR
Independent Director
Ex CEO- HCL



ANISHA MOTWANI
Independent Director
Strategic Advisor- World Bank



MAHENDRA V DOSHI
Independent Director
Promoter-LKP Group



RAVINDRA DHARIWAL
Independent Director
Cofounder Sagacito Technologies & Ex. Group CEO Bennett Coleman



DINESH LAL
Independent Director
Over 50 years of diverse industry experience



GIRISH C CHATURVEDI
Independent Director
Ex Chairman ICICI, NSE & PFRDA



RAJIV SHARMA
Non-Executive Director
Ex CEO Coats



SUNIL KATARIA
Chief Executive Officer
Ex Godrej Consumer Products

Source: Company, Systematix Institutional Research

Exhibit 22: Lifestyle business led by experienced management team



SUNIL KATARIA
Chief Executive Officer
(Lifestyle)



DEBDEEP SINHA
Chief Business Officer
(Apparel)



VIKRAM MAHALDAR
Chief Business Officer
(Suiting)



MANISH BHARATI
Chief Business Officer
(Garmenting)



BIDYUT BHANJDEO
Chief Business Officer
(Ethnix)



ANUPAM DIKSHIT
Chief Business Officer
(Shirting)



VINOD SALVI
Chief Business Officer
(Home)



SAMEER SHAH
Chief Financial Officer
(Lifestyle)



RAVI HUDDA
CDO, Lifestyle & CIO,
(Raymond Group)



HIMANSHU KHANNA
Chief Marketing Officer
(Lifestyle)



MLN PATNAIK
Chief HR Officer
(Lifestyle)



ABHIJIT BHALERAO
Chief Information Officer
(Lifestyle)



Dr. SUBHASH NAIK
Chief Manufacturing Officer
(Lifestyle)

Source: Company, Systematix Institutional Research

FINANCIALS (CONSOLIDATED)

Profit & Loss Statement

YE: Mar (Rs mn)	FY24	FY25E	FY26E	FY27E
Revenue	65,354	69,844	77,298	86,257
Gross profit	36,095	38,764	43,132	48,304
GP margin (%)	55%	56%	56%	56%
Operating profit	9,368	9,687	11,377	13,104
OP margin (%)	14.3%	13.9%	14.7%	15.2%
Depreciation	2,478	2,548	2,597	2,647
EBIT	6,890	7,139	8,780	10,457
Interest expense	1,957	1,375	901	906
Other income	1,558	1,636	1,718	1,803
Profit before tax	6,491	7,400	9,597	11,355
Taxes	1,697	1,934	2,508	2,968
Tax rate (%)	26%	26%	26%	26%
Adj. PAT	4,795	5,466	7,088	8,387
Exceptional loss	-92	-	-	-
Net profit	4,703	5,466	7,088	8,387
Adj. EPS	78.7	89.7	116.4	137.7

Source: Company, Systematix Institutional Research

Balance Sheet

YE: Mar (Rs mn)	FY24	FY25E	FY26E	FY27E
Equity capital	122	122	122	122
Reserves	97,273	1,02,738	1,09,827	1,18,214
Debt	8,254	5,800	3,800	3,820
Deferred tax liab (net)	-12,159	-12,159	-12,159	-12,159
Other non current liabilities	6,341	6,341	6,341	6,341
Total liabilities	99,831	1,02,843	1,07,931	1,16,338
Fixed Asset	75,461	73,613	72,216	70,569
Investments	9,000	9,000	9,900	11,700
Other Non-current Assets	6,071	6,071	7,871	11,071
Inventories	17,328	17,987	19,272	21,269
Sundry debtors	9,248	9,376	9,953	10,871
Cash & equivalents	1,524	6,015	6,204	7,427
Loans and Advances	483	483	883	1,383
Sundry creditors	12,593	13,012	13,977	15,361
Other current liabilities	6,691	6,691	4,391	2,591
Total Assets	99,831	1,02,843	1,07,931	1,16,338

Source: Company, Systematix Institutional Research

Cash Flow

YE: Mar (Rs mn)	FY24	FY25E	FY26E	FY27E
PBIT	33,160	7,400	9,597	11,355
Depreciation	2,478	2,548	2,597	2,647
Tax paid	-1,768	-1,934	-2,508	-2,968
Working capital Δ	-5,041	-368	-896	-1,531
Other operating items	-25,785	1,375	-2,199	-4,194
Operating cashflow	3,044	9,021	6,590	5,309
Capital expenditure	-1,533	-700	-500	-500
Free cash flow	1,511	8,321	6,090	4,809
Equity raised				
Investments				
Debt financing/disposal	-11,054	-2,454	-2,000	20
Interest Paid	-1,607	-1,375	-901	-906
Dividends paid				
Other items	10,546	7	-3,000	-2,700
Net Δ in cash	-604	4,498	189	1,223

Source: Company, Systematix Institutional Research

Ratios

YE: Mar	FY24	FY25E	FY26E	FY27E
Revenue growth (%)	n.a	6.9%	10.7%	11.6%
Op profit growth (%)	n.a	3.4%	17.5%	15.2%
Adjusted Net profit growth (%)	n.a	14.0%	29.7%	18.3%
OPM (%)	14.3%	13.9%	14.7%	15.2%
Adjusted Net profit margin (%)	7.3%	7.8%	9.2%	9.7%
RoCE (%)	6.6%	6.9%	8.4%	9.4%
RoNW (%)	4.9%	5.5%	6.7%	7.3%
EPS (Rs)	78.7	89.7	116.4	137.7
DPS (Rs)				
BVPS (Rs)	1,599	1,689	1,805	1,943
Debtor days	52	49	47	46
Inventory days	97	94	91	90
Creditor days	70	68	66	65
P/E (x)	28.6	25.1	19.3	16.3
P/B (x)	1.4	1.3	1.2	1.2
EV/EBITDA (x)	13.9	14.2	12.3	10.7

Source: Company, Systematix Institutional Research

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