

## Atul Ltd

No. of shares (m)	29.44
Mkt cap (Rs crs/\$m)	22931/2738.6
Current price (Rs/\$)	7789/93.0
Price target (Rs/\$)	9514/113.6
52 W H/L (Rs.)	7978/5183
Book Value (Rs/\$)	1788/21.3
Beta	1.0
Daily volume NSE (avg. monthly)	127230
P/BV (FY25e/26e)	4.0/3.6
EV/EBITDA (FY25e/26e)	21.9/17.7
P/E (FY25e/26e)	45.6/34.4
EPS growth (FY24/25e/26e)	-36.5/56.2/32.8
OPM (FY24/25e/26e)	13.5/17.5/17.7
ROE (FY24/25e/26e)	6.7/9.3/11.0
ROCE (FY24/25e/26e)	6.4/8.9/10.5
D/E ratio (FY24/25e/26e)	0.0/0.0/0.0
BSE Code	500027
NSE Code	ATUL
Bloomberg	ATLP IN
Reuters	ATLP.NS

Shareholding pattern	%
Promoters	45.2
MFs / Banks / FIs	25.8
FPIs	8.6
Govt. Holding	0.0
Public & Others	20.4
<b>Total</b>	<b>100.0</b>

As on June 30, 2024

## Recommendation

**BUY**

## Analyst

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## Company Brief

Atul Ltd manufactures value added chemicals for diverse industries - agriculture, construction, textiles, pharmaceuticals and automobiles.

## Quarterly Highlights

- Buoyed by the revival of its life science chemicals business, Atul posted 11.8% growth in revenues in Q1FY25 while operating profit jumped by 22.5% to Rs 223.23 crs as against Rs 182.26 crs, resulting in 150 bps expansion in OPMs to 16.9% from 15.4%. Some reflection that life science chemicals business has changed course was visible in the fact that crop protection retail (CPR) generated pre-tax earnings after a period of eight years. Atul Bioscience also part of LSC business reported positive earnings last fiscal after posting a loss in FY23.
- Although the performance and other chemicals did witness increased traction last quarter - when compared to Q4, EBIT declined by some 4% on yoy basis, resulting in over 100 bps suppression in EBIT margins. Given the higher weightage of performance and other chemicals business in over scheme of things, Atul's overall pre-tax earnings advanced by just 13% to Rs 154.31 crs in Q1 while its post-tax earnings rose by 8.3% to Rs 111.88 crs as against Rs 103.35 crs in the same period a year ago.
- Revival in finished product prices coupled with sorting of production related problems in some of its businesses would help push overall capacity utilization in the current fiscal. Given the current installed capacities, Atul could see not unworthy ramp up in revenues over the course of next few years, though availability of higher capacity no way guarantees business scaling. Its retail business which turned a corner last fiscal too has the potential of ramp up in revenues without any major additional investment.
- The stock currently trades at 45.6x FY25e EPS of Rs 170.63 and 34.4x FY26e EPS of Rs 226.52. Much of the recovery in earnings (56.2% estimated) for the current fiscal rests on expansion in margins as revenues are estimated to grow by just 10%. Massive ramp up in production would be required for ROE to edge past 20% (11% estimated for FY26). Yet Atul's competitive advantage in few products, which manifests itself in revering market share in global markets, would barely hinder scaling. Balancing odds, we maintain our buy rating on the stock with revised target of Rs 9514 (previous target: Rs 8248) based on 42x FY26e earnings over a period of 9-12 months.

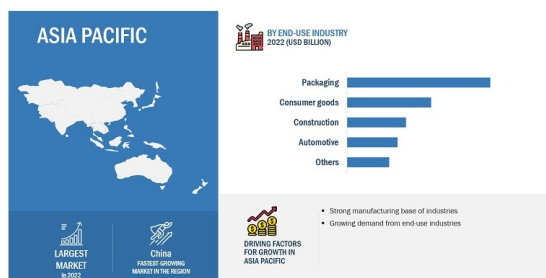
(Figures in Rs crs)	FY22	FY23	FY24	FY25e	FY26e
Income from operations	5080.89	5427.52	4725.68	5320.03	6314.67
Other Income	76.00	114.87	58.19	76.52	113.30
EBITDA (other income included)	987.44	889.72	694.88	991.47	1231.75
Adjusted PAT	606.07	507.62	321.54	502.36	666.92
EPS(Rs)	204.84	171.99	109.21	170.63	226.52
EPS growth (%)	-7.4	-16.0	-36.5	56.2	32.8

## Outlook & Recommendation

### Global Specialty Chemicals Update

According to a report by Markets & Markets, the global specialty chemical is estimated to grow by 5% CAGR during 2023-2028 period. Part of this growth, the report posits, can be attributed to growing economy and rapid urbanization in Asia Pacific. Much of the recent rise in demand for specialty chemicals can be attributed to expansion of different end-use industries including automotive, electronics, construction, medical and packaging. Demand for specialty is not expected to abate not least due to increasing innovation in these sectors.

Rapid growth in India, China and other Southeast Asian countries has led to increased construction activities, infrastructure development and urbanization in these countries. These factors have become a boon for specialty chemicals industry. Given the low cost status of India and China, automobile manufacturers prefer to set up factories in these countries which also help support the growth of specialty chemicals industry in Asia - Pacific region.



Source: Markets & Markets

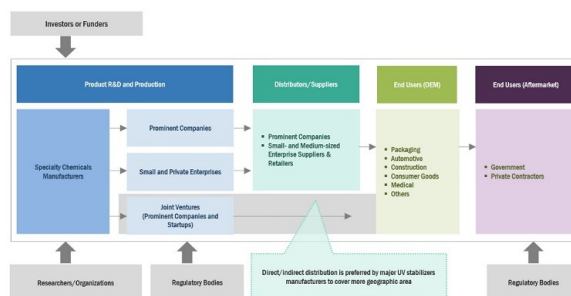


Source: Markets & Markets

For India, KPMG reckons that the emergence of Indian specialty chemicals industry has been driven by the country's strong process engineering capabilities, low cost manufacturing capabilities and abundant manpower. Further, manufacturers have shown greater confidence to invest in India due to government initiatives such as petroleum, chemicals, and petrochemicals investment region (PCPIR) policy and production-linked incentive (PLI) schemes. India also stands to gain as pollution control regulations become more stringent in other countries, promoting manufacturers to diversify their production capabilities. It also enlists strength in R&D, economies of scale and expanding domestic demand as demand enablers of specialty chemicals in India.



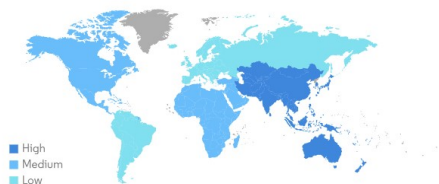
Source: Markets & Markets



Source: Markets & Markets

Modor Intelligence posits that the growth of construction sector in Asia-Pacific region is majorly driven by the service sector expansion, leading to an increase in demand for office spaces, increase in residential construction projects and inflow of investments from MNCs to set up industrial base in the region. These factors will possibly increase demand for paints and coatings, adhesives and sealants, construction chemicals and specialty polymers in the area, which would doubtlessly buoy demand for specialty chemicals.

Specialty Chemicals Market - Growth Rate by Region, 2023-2028

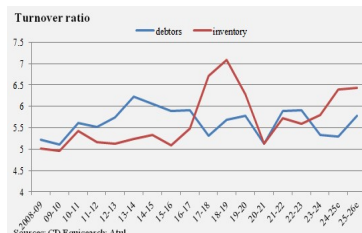
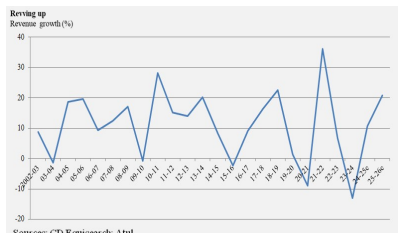


Source: Modor Intelligence

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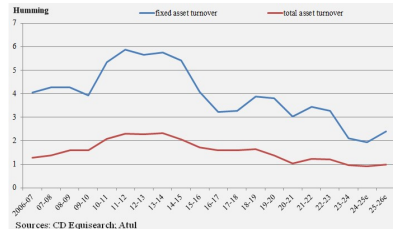
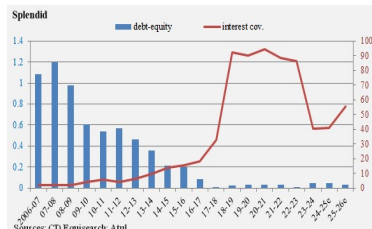
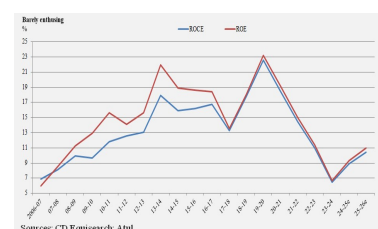
## Financials & Valuation

Much of the expected recovery in earnings over the next few quarters stems from multitude of factors: stabilization of Atul Products caustic chlorine plant; commissioning of phosgene downstream products plant which was destroyed by fire; improving finished product prices; turnaround in retail crop protection business. Thence, margins may inch upwards to some 17.5% in the current fiscal, an enlargement of some 400 bps. Yet teething problems in Anaven - plant continues to operate at sub-optimal capacity due to lower product offtake and falling chlorine prices (imperiling production ramp up at Atul Products) barely lends antifragility to earnings.



Atul's sliding ROE hardly conceals the impeding effect of production problems at Atul Products which announced commencement of 300 tpd caustic chlorine facility and 50 MW power plant set up with an investment of Rs 1000 crs - this business reported loss of over Rs 32 crs in FY24. Anaven LLP too toiled to ramp up its monochloroacetic acid plant but with little success as it also also widening of loss last fiscal. Threat of Chinese competition rearing its head cannot be ardently dismissed.

Dismal run of Atul's colors business continued last fiscal as demand for textile dyes and chemicals was affected by high inflation in textile importing nations and higher inventory levels across the textile value chain. Lower demand for textile dyes and chemicals bore stinging impact on selling prices and margins. Atul's pharma business was a mixed bag last fiscal as volume growth of 13% was accompanied with 16% decline in revenues of Atul Biosciences (its 1005 subsidiary) as the latter reduced its exposure to non-strategic areas of the business.



The stock currently trades at 45.6x FY25e EPS of Rs 170.63 and 34.4x FY26e EPS of Rs 226.52. Recovery in exports coupled with recovery in crop protection holds key for any expected rebound in earnings to materialize. Volume growth some 20% in the first quarter of current fiscal does portend demand boost in general, although setbacks in business scaling of subsidiaries and JVs are not low probability scenarios. Redundancies in capacity (current utilization at some 65%) does manifest potential for production ramp up in Atul's various businesses; yet lower Chinese cost of production in more than a handful of products do pose no small risk of dumping. Weighing odds, we maintain our buy rating on the stock with revised target of Rs 9514 (previous target: Rs 8248) based on 42x FY26e earnings (three year average TTM P/E: 48x). For more info refer to our May, 23 report.

### Cross Sectional Analysis

Company	Equity (Rs crs)	CMP (Rs crs)	Mcap (Rs crs)	Inc. from ops. (Rs crs)	Profit (Rs crs)	OPM (%)	NPM (%)	Int. cov.	ROE (%)	Mcap / IO	P/BV	P/E
Atul Ltd	29	7789	22931	4866	330	14.0	6.6	32.6	6.6	4.7	4.4	69.5
Deepak Nitrite	27	3078	41981	7682	750	14.7	9.8	68.5	17.3	5.5	8.9	55.9
Sudarshan Chem	14	942	6,520	2539	143	13.9	5.7	7.0	14.7	2.6	5.7	45.4
Aarti Inds.	181	743	26926	6372	415	15.3	6.5	2.9	8.2	4.2	5.1	64.9

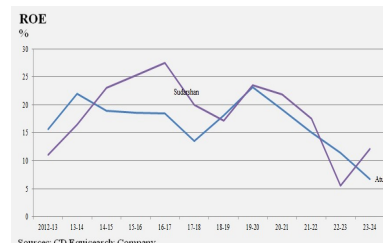
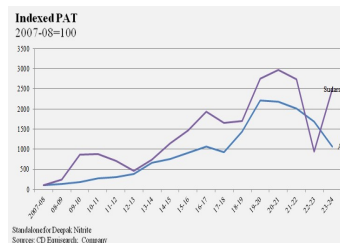
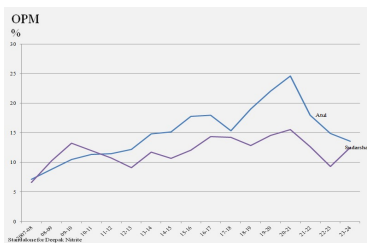
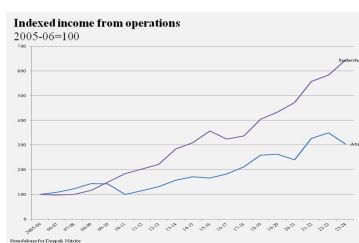
;calculations on ttm basis

ROE of IC adjusted for revaluation reserves; book value adjusted for goodwill & revaluation reserves wherever applicable;

With an aim of augmenting capacities at its Roha and Mahad facilities, Sudarshan Chemicals incurred a capex of some Rs 34 crs last fiscal. After this expansion, the Roha plant has become one of the largest pigment manufacturing sites globally. Besides the manufacturing infrastructure, the company has also invested in analytical labs, effluent treatment plants and warehousing. With the enhanced capacity, the company witnessed increased for its products and the ramp up in sales from enhanced capacities is expected to continue in the current fiscal.

Deepak Nitrate would see much of the vivacity in investments stemming from the planned outlay of its wholly owned subsidiary, Deepak Chem Tech Limited (DCTL), which has signed a MOU with the Government of Gujarat for investing Rs 9000 crs in setting up plants in Dahej - production expected by 2027. With an eye to tap rapid advancing industries like aviation, defence, electrical components, 5G, electronic chemicals etc, the company plans to manufacture polycarbonate resins & compounds, methyl methacrylate (MMA), poly methyl methacrylate (PMMA) resins & compounds and aniline at this new facility in Dahej. The planned outlay also includes investment of Rs 5000 crs for manufacturing specialty chemicals, phenol, acetone and bisphenol.

After commercializing NCB expansion and acid phase I revamp cum expansion, Aarti Industries would rush to complete expansion of NT, ethylation and some specialty chemicals in FY25. Last fiscal the company managed to secure large contracts including a four supply contract worth Rs 6000 crs and another worth Rs 3000 crs. To tap the growing CMO & CDMO opportunities in the specialty chemical sector, the company is in process of setting up a multi-purpose plant. It also forged a 50:50 JV with UPL for facilitating the manufacturing of critical chemical products in India.



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## Financials

## Quarterly Results

Figures in Rs crs

	Q1FY25	Q1FY24	% chg.	FY24	FY23	% chg.
<b>Income from operations (net)</b>	<b>1322.05</b>	<b>1182.02</b>	<b>11.8</b>	<b>4725.68</b>	<b>5427.52</b>	<b>-12.9</b>
Other Income	13.04	8.20	59.0	58.19	114.87	-49.3
<b>Total Income</b>	<b>1335.09</b>	<b>1190.22</b>	<b>12.2</b>	<b>4783.87</b>	<b>5542.39</b>	<b>-13.7</b>
Total Expenditure	1098.82	999.76	9.9	4088.99	4652.67	-12.1
<b>PBIDT (other income included)</b>	<b>236.27</b>	<b>190.46</b>	<b>24.1</b>	<b>694.88</b>	<b>889.72</b>	<b>-21.9</b>
Interest	5.38	2.03	165.0	11.08	7.90	40.3
Depreciation	76.58	51.93	47.5	242.88	197.81	22.8
<b>PBT</b>	<b>154.31</b>	<b>136.50</b>	<b>13.0</b>	<b>440.92</b>	<b>684.01</b>	<b>-35.5</b>
Tax	45.52	36.41	25.0	126.50	181.21	-30.2
<b>PAT</b>	<b>108.79</b>	<b>100.09</b>	<b>8.7</b>	<b>314.42</b>	<b>502.80</b>	<b>-37.5</b>
Profit/loss of associate & JV	3.28	1.96	67.3	9.70	3.83	153.3
MI	0.19	-1.30	-114.6	1.10	-7.46	-114.7
<b>Net profit after MI &amp; JV</b>	<b>111.88</b>	<b>103.35</b>	<b>8.3</b>	<b>323.02</b>	<b>514.09</b>	<b>-37.2</b>
Extraordinary Item	-	-	-	1.48	6.47	-77.2
<b>Adjusted Net Profit</b>	<b>111.88</b>	<b>103.35</b>	<b>8.3</b>	<b>321.54</b>	<b>507.62</b>	<b>-36.7</b>
EPS (F.V. 10)	38.00	35.02	8.5	171.99	204.84	-16.0

## Segment Results

Figures in Rs crs

	Q1FY25	Q1FY24	% chg.	FY24	FY23	% chg.
<b>Segment Revenue</b>						
Life Science Chemicals	423.63	350.22	21.0	1426.70	1959.16	-27.2
Performance & Other Chemicals	938.62	874.46	7.3	3453.10	3706.17	-6.8
Others	19.41	11.71	65.8	63.26	49.64	27.4
<b>Sub Total</b>	<b>1381.66</b>	<b>1236.39</b>	<b>11.7</b>	<b>4943.06</b>	<b>5714.97</b>	<b>-13.5</b>
Inter - Segment Revenue	59.61	54.37	9.6	217.38	287.45	-24.4
<b>Income from ops.</b>	<b>1322.05</b>	<b>1182.02</b>	<b>11.8</b>	<b>4725.68</b>	<b>5427.52</b>	<b>-12.9</b>
<b>Segment EBIT</b>						
Life Science Chemicals	70.97	52.24	35.9	203.05	422.65	-52.0
Performance & Other Chemicals	85.15	89.02	-4.3	239.79	240.25	-0.2
Others	5.03	1.82	176.4	5.69	1.15	394.8
<b>Sub Total</b>	<b>161.15</b>	<b>143.08</b>	<b>12.6</b>	<b>448.53</b>	<b>664.05</b>	<b>-32.5</b>
Interest	5.38	2.03	165.0	11.08	7.90	40.3
Other Unallocable Exp. (net of income)	1.46	4.55	-67.9	-3.47	-27.86	-87.5
<b>PBT</b>	<b>154.31</b>	<b>136.50</b>	<b>13.0</b>	<b>440.92</b>	<b>684.01</b>	<b>-35.5</b>

## Consolidated Income Statement

Figures in Rs crs

	FY22	FY23	FY24	FY25e	FY26e
<b>Income from operations</b>	<b>5080.89</b>	<b>5427.52</b>	<b>4725.68</b>	<b>5230.03</b>	<b>6314.67</b>
Growth (%)	36.2	6.8	-12.9	10.7	20.7
Other Income	76.00	114.87	58.19	76.52	113.30
<b>Total Income</b>	<b>5156.89</b>	<b>5542.39</b>	<b>4783.87</b>	<b>5306.54</b>	<b>6427.97</b>
Total Expenditure	4169.45	4652.67	4088.99	4315.07	5196.22
<b>EBITDA (other income included)</b>	<b>987.44</b>	<b>889.72</b>	<b>694.88</b>	<b>991.47</b>	<b>1231.75</b>
Interest	9.17	7.90	11.08	16.61	16.28
<b>EBDT</b>	<b>978.27</b>	<b>881.82</b>	<b>683.80</b>	<b>974.86</b>	<b>1215.48</b>
Depreciation	176.69	197.81	242.88	310.85	330.85
Tax	205.00	181.21	126.50	172.64	230.00
<b>Net profit</b>	<b>596.58</b>	<b>502.80</b>	<b>314.42</b>	<b>491.36</b>	<b>654.62</b>
Profit/loss of associate & JV	8.16	3.83	9.70	12.00	13.80
MI	0.48	-7.46	1.10	1.00	1.50
<b>Net profit after MI</b>	<b>604.26</b>	<b>514.09</b>	<b>323.02</b>	<b>502.36</b>	<b>666.92</b>
Extraordinary item	-1.81	6.47	1.48	-	-
<b>Adjusted Net Profit</b>	<b>606.07</b>	<b>507.62</b>	<b>321.54</b>	<b>502.36</b>	<b>666.92</b>
EPS (Rs.)	204.84	171.99	109.21	170.63	226.52

## Segment Results

Figures in Rs crs

	FY22	FY23	FY24	FY25e	FY26e
<b>Segment Revenue</b>					
Life Science Chemicals	1465.10	1959.16	1426.70	1782.67	2082.74
Performance & Other Chemicals*	3545.81	3418.72	3235.72	3371.45	4140.84
Others	69.98	49.64	63.26	75.91	91.09
<b>Income from operations</b>	<b>5080.89</b>	<b>5427.52</b>	<b>4725.68</b>	<b>5230.03</b>	<b>6314.67</b>
<b>Segment EBIT</b>					
Life Science Chemicals	178.88	422.65	203.05	320.88	374.89
Performance & Other Chemicals	575.89	240.25	239.79	337.14	496.90
Others	24.43	1.15	5.69	7.59	9.11
<b>Sub Total</b>	<b>779.20</b>	<b>664.05</b>	<b>448.53</b>	<b>665.62</b>	<b>880.90</b>
Interest	9.17	7.90	11.08	16.61	16.28
Other Unallocable Exp. (net of income)	-31.55	-27.86	-3.47	-15.00	-20.00
<b>PBT</b>	<b>801.58</b>	<b>684.01</b>	<b>440.92</b>	<b>664.01</b>	<b>884.63</b>

\*adjusted for inter-segmental revenue

## Consolidated Balance Sheet

Figures in Rs crs

	FY22	FY23	FY24	FY25e	FY26e
<b>SOURCES OF FUNDS</b>					
Share Capital	29.61	29.53	29.46	29.46	29.46
Reserves	4399.35	4641.85	5084.88	5807.79	6507.71
<b>Total Shareholders Funds</b>	<b>4428.96</b>	<b>4671.38</b>	<b>5114.34</b>	<b>5837.25</b>	<b>6537.17</b>
Minority Interest	30.88	48.04	49.05	50.05	51.55
Long term debt	61.05	28.71	209.30	270.00	220.00
<b>Total Liabilities</b>	<b>4520.89</b>	<b>4748.13</b>	<b>5372.69</b>	<b>6157.30</b>	<b>6808.72</b>
<b>APPLICATION OF FUNDS</b>					
Gross Block	2345.00	2642.77	3884.79	4134.79	4384.79
Less: Accumulated Depreciation	728.50	893.03	1113.61	1424.46	1755.31
<b>Net Block</b>	<b>1616.50</b>	<b>1749.74</b>	<b>2771.18</b>	<b>2710.33</b>	<b>2629.48</b>
Capital Work in Progress	420.47	1032.85	280.75	220.00	200.00
Investments	1338.70	880.94	1392.07	2057.74	2683.14
<b>Current Assets, Loans &amp; Adv.</b>					
Inventory	864.12	789.36	618.26	732.20	884.05
Sundry Debtors	989.01	844.61	927.04	1046.01	1136.64
Cash and Bank	68.92	52.03	72.30	130.43	160.47
Other Assets	216.80	215.40	231.61	247.43	265.25
<b>Total CA &amp; LA</b>	<b>2138.85</b>	<b>1901.40</b>	<b>1849.21</b>	<b>2156.06</b>	<b>2446.42</b>
Current liabilities	951.75	819.40	867.37	920.66	1063.18
Provisions	46.80	20.83	21.04	21.65	23.18
<b>Total Current Liabilities</b>	<b>998.55</b>	<b>840.23</b>	<b>888.41</b>	<b>942.31</b>	<b>1086.36</b>
Net Current Assets	1140.30	1061.17	960.80	1213.76	1360.06
Net Deferred Tax	-127.13	-117.41	-152.90	-172.90	-197.90
Other Assets (Net of liabilities)	132.05	140.84	120.79	128.37	133.94
<b>Total Assets</b>	<b>4520.89</b>	<b>4748.13</b>	<b>5372.69</b>	<b>6157.30</b>	<b>6808.72</b>

## Key Financial Ratios

	FY22	FY23	FY24	FY25e	FY26e
<b>Growth Ratios</b>					
Revenue (%)	36.2	6.8	-12.9	10.7	20.7
EBIDTA (%)	-3.0	-11.0	-21.4	43.1	24.2
Net Profit (%)	-7.6	-16.2	-36.7	56.2	32.8
EPS (%)	-7.4	-16.0	-36.5	56.2	32.8
<b>Margins</b>					
Operating Profit Margin (%)	18.0	14.9	13.5	17.5	17.7
Gross Profit Margin (%)	19.3	16.1	14.4	18.6	19.2
Net Profit Margin (%)	11.8	9.1	6.6	9.4	10.4
<b>Return</b>					
ROCE (%)	14.4	11.0	6.4	8.9	10.5
ROE (%)	15.0	11.4	6.7	9.3	11.0
<b>Valuations</b>					
Market Cap / Sales	6.0	3.8	3.6	4.4	3.6
EV/EBIDTA	29.5	22.4	22.7	21.9	17.7
P/E	50.2	40.5	52.6	45.6	34.4
P/BV	7.0	4.5	3.4	4.0	3.6
<b>Other Ratios</b>					
Interest Coverage	88.7	86.5	40.6	41.0	55.4
Debt-Equity Ratio	0.0	0.0	0.0	0.0	0.0
Current Ratio	3.2	2.9	3.4	4.1	4.3
<b>Turnover Ratios</b>					
Fixed Asset Turnover	3.4	3.3	2.1	1.9	2.4
Total Asset Turnover	1.2	1.2	1.0	0.9	1.0
Debtors Turnover	5.9	5.9	5.3	5.3	5.8
Inventory Turnover	5.7	5.6	5.8	6.4	6.4
Creditors Turnover	7.0	7.9	7.3	7.2	7.5
<b>WC Ratios</b>					
Debtor Days	61.9	61.7	68.4	68.8	63.1
Inventory Days	63.9	65.3	62.9	57.1	56.8
Creditor Days	52.5	46.3	49.9	51.0	48.7
Cash Conversion Cycle	73.3	80.6	81.4	74.9	71.2



**Cumulative Financial Data**

Figures in Rs crs	FY15-17	FY18-20	FY21-23	FY24-26e
Income from operations	8085	11427	14240	16270
Operating profit	1373	2176	2639	2673
EBIT	1242	1954	2380	2031
PBT	1163	1924	2354	1987
PAT after EO	821	1376	1770	1491
Dividends	104	199	229	221
OPM (%)	17.0	19.0	18.5	16.4
GPM (%)	17.1	20.0	20.1	17.7
NPM (%)	10.0	12.0	12.3	9.0
Interest coverage	15.8	66.1	90.1	46.2
ROE (%)	18.7	18.2	15.3	9.0
ROCE (%)	16.6	17.4	14.9	8.8
Debt-equity ratio*	0.1	0.0	0.0	0.0
Fixed asset turnover	3.7	3.7	3.4	2.5
Total asset turnover	1.8	1.5	1.2	1.0
Debtors turnover	5.6	6.1	6.1	5.5
Inventory turnover	5.2	6.7	6.0	5.4
Creditors turnover	6.8	7.6	7.6	7.0
Debtors days	64.7	59.4	60.1	66.7
Inventory days	69.6	54.6	61.0	67.4
Creditor days	54.0	48.2	48.0	52.2
Cash conversion cycle	80.3	65.7	73.2	81.9
Dividend payout ratio (%)	12.7	14.6	13.1	15.2

FY15-17 implies three years ending fiscal 17; \*as on terminal year

Barely robust growth in cumulative operating profit during FY24-26e period underscores the fragility of the Indian chemical industry which saw perceptible drop in finished product prices which resulted in contraction in margins. Atul was no exception for it suffered from lower product prices and manufacturing related problems in some of its businesses, which scarcely helped overcome growth in volumes. But with commencement of its phosgene downstream products plant and ramp up in capacity utilization of Atul Products and Anaven, the company could see revival of sorts in the current fiscal and next. Consequently, OPMs which dived to nerve-wracking 13.5% in FY24 would inched up to 16.4% during FY24-26 period when compared to 18.5% in FY21-23 period (see table).

But this expected change in fortunes (seemingly though) would fail to revive return on capital - ROE estimated at a measly 9% for FY24-26 period as against 15.3% for FY21-23 period - presumably due to downcast capacity utilization - FY24's capacity utilization stood at some 65% - and subdued earnings (cumulative PAT projected to drop over 15%). Ramp up in revenues both Atul and its subsidiaries would barely help the company get out of the rut for fixed asset turnover is projected at 2.5 for FY24-26 period when compared with 3.7 for FY18-20. Cash conversion cycle though is expected to improve marginally in the ensuing period (see table).

## Financial Summary – US dollar denominated

million \$	FY22	FY23	FY24	FY25e	FY26e
Equity capital	3.9	3.6	3.5	3.5	3.5
Shareholders funds	570.6	555.7	602.9	684.9	766.7
Total debt	18.3	5.7	27.8	32.2	26.3
Net fixed assets (incl CWIP)	264.9	334.9	362.6	346.5	334.4
Investments	176.6	107.1	167.0	245.8	320.4
Net current assets	140.7	117.4	108.2	136.2	151.9
Total assets	582.8	562.3	633.9	723.1	799.1
Revenues	681.9	675.1	570.8	624.6	754.1
EBITDA	132.8	109.6	83.7	118.4	147.1
EBDT	131.6	108.6	82.3	116.4	145.2
PBT	107.9	84.0	53.0	79.3	105.6
PAT	81.3	63.1	38.8	60.0	79.6
EPS(\$)	2.75	2.14	1.32	2.04	2.71
Book value (\$)	19.3	18.8	20.5	23.3	26.0

\*income statement figures translated at average rates; balance sheet and cash flow at year end rates; projections at current rates(Rs 83.73/\$)

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Exchange Rates Used- Indicative

Rs/\$	FY20	FY21	FY22	FY23	FY24
Average	70.88	74.20	74.51	80.39	82.79
Year end	75.39	73.50	75.81	82.22	83.37

All \$ values mentioned in the write-up translated at the average rate of the respective quarter/ year as applicable. Projections converted at current exchange rate. Cumulative dollar figure is the sum of respective yearly dollar value.