SJS Enterprises (SJSENT)

Price Band: ₹ 531-542

SUBSCRIBE

October 28, 2021

Vehicular premiumisation play with strong financials

About the Company: SJS Enterprises (SJS), incorporated in 1987, is a leading 'design-to-delivery' player in the Indian decorative aesthetics industry serving automotive (~75% of sales) & consumer appliances (~25% of sales) sectors.

- Its product range includes decals and body graphics, 2D & 3D appliques/dials, 3D lux badges, overlays, aluminium badges, IMD/IML, lens mask assembly & chrome plated injection moulding plastic parts, etc
- SJS has two manufacturing facilities (Bengaluru and Pune)
- Within automotive, 2-W, PV contributed ~58%, ~16.7% of FY21 sales, respectively. India constituted ~84% of sales as of FY21

Key triggers/Highlights:

- Aesthetics are a growing source of product differentiation for OEMs amid wider customer preference for aesthetically pleasing, premium products. SJS is one of the industry leaders with the widest product portfolio spanning traditional as well as advanced technology offerings
- Decorative aesthetics are unaffected by the EV transition and would instead be poised to gain from a kit value perspective
- SJS has been among the fastest growing players in aesthetics (FY14-20 CAGR at ~15%), while being among the most profitable at EBITDA and PAT levels. It has a net-cash b/s with history of consistent CFO generation
- Demonstrated capability of gaining wallet share via introduction of new products and locations; history of established customer relationships

What should investors do? On a consolidated basis (inclusive of Exotech) SJS clocked EBITDA margins of 26.1% in FY21 with RoCE at ~19%. At the upper end of the price band (₹ 531-542) it is valued at ~32x FY21 P/E. With nearly ~50% capacity utilization levels (FY21), SJS possesses healthy organic growth prospects.

- We assign **SUBSCRIBE** rating on premiumisation play, strong financials.

Key risk & concerns

- Heavy 2-W exposure could act as growth headwind
- Client and segment concentration
- Inorganic growth risk

IPO Details

Issue Details	
Issue Opens	1st November 2021
Issue Closes	3rd November 2021
Issue Size	~₹ 800 crore
QIB (Institutional) Share	~50% of issue
Non-Institutional Share	~15% of issue
Retail Share	~35% of issue
Issue Type	OFS
Price Band (₹/share)	₹ 531-542
Market Lot	27 shares
Face value (₹/share)	₹ 10
Listing Market Cap @ Upper price band	~₹ 1,650 crore

Shareholding pattern

	Pre-Issue	Post-Issue
Promoters	98.9	51.5
Public	1.1	48.5
Total	100.0	100.0

Objects of the issue

Objects of the issue

This is a pure offer for sale (OFS) with company receiving no proceeds from IPO. The company wants to achieve the benefits of listing Equity shares on stock exchanges

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Key Financial Summary

Key Financials (₹ crore)	FY19	FY20	FY21	FY21 (Proforma Consol)	Q1FY22	CAGR (FY19-21)
Net Sales	237.3	216.2	251.6	320.1	74.3	16.2%
EBITDA	68.1	63.5	76.2	83.7	17.6	10.8%
EBITDA Margins (%)	28.7	29.4	30.3	26.1	23.6	
Net Profit	37.6	41.3	47.8	52.0	9.5	17.6%
Reported EPS (₹)	12.4	13.6	15.7	17.1	NA	
P/E	43.9	40.0	34.5	31.7	NA	
RoNW (%)	15.8	14.8	15.2	16.5	NA	
RoCE (%)	21.5	17.0	18.4	18.9	NA	

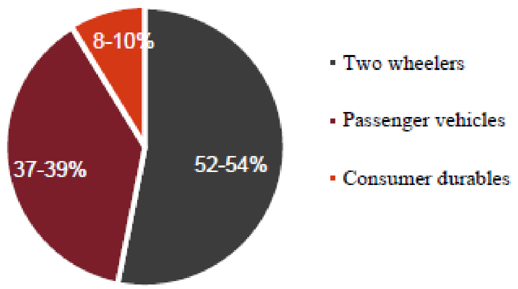
Source: RHP, ICICI Direct Research; Note – CAGR based on proforma consolidated numbers; FY21 (Proforma Consol) Numbers includes the acquisition of Exotech

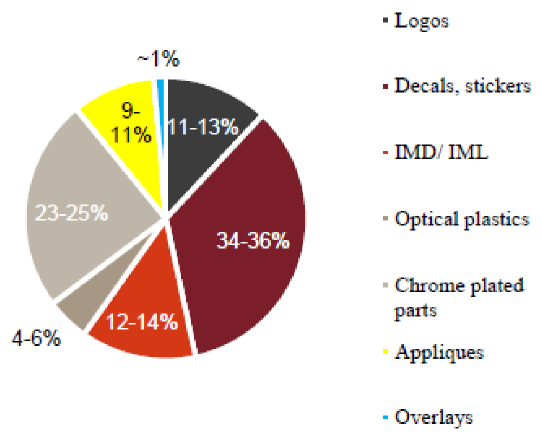
Industry Overview

Aesthetics are an important purchase consideration for buyers of discretionary consumption products such as automobiles and consumer durables, thereby being a product differentiator for OEMs. Decorative aesthetic components include logos, stickers, decals, appliques, overlays, chrome related parts, etc. Some components such as appliques, overlays and optical plastics also possess functional attributes in addition to aesthetic value. Unlike other auto components, aesthetic products are compact in size and require lesser outlay on logistics costs, thereby enabling manufacturers to set up plants at cheaper locations away from automobile hubs. This helps aesthetic product manufacturers achieve higher capital efficiency.

As per Crisil Research, the size of the decorative aesthetic market in India catering to OEMs was at ~₹ 1,990 crore in FY21, with 2-W, PV & consumer durables comprising 52-54%, 37-39% and 8-10% of demand, respectively. In terms of products, decals, stickers and aluminium badges accounted for 34-36% of the industry, followed by chrome-related products (23-25%), in-mould decorations/labels i.e. IMD/IML (12-14%) & appliques (9-11%). Globally, the decorative aesthetics industry for major PV markets like US & EU was at US$2.7 billion in CY19, as per Crisil Research.

Exhibit 1: Indian decorative aesthetic industry by user segment (left) and product-type (right) as of FY21





Source: RHP, Crisil Research, ICICI Direct Research

Crisil Research expects the Indian decorative aesthetic market catering to OEMs to grow at 20% CAGR to ~₹ 4,920 crore by FY26E, led by growth in the underlying application segments, shift towards premium products (e.g. bigger cars, higher demand for mid/top car variants), higher penetration of superior aesthetic products (such as optical plastics and chrome-related parts) and technology shift towards newer products that cost more (e.g., shift from 2D to 3D appliques/dials, shift from analogue to digital appliques/decals, shift from analogue to touch based navigation in cars, shift from plain moulded components to IML/IMD, etc).

The onboarding process of OEM clients in auto and consumer durable industries is often stringent and time consuming due to the expectation of maintaining high number of decorative aesthetic SKUs and partnering with clients from the stages of concept to execution and innovations. However, certain segments such as decals, graphics and logos are highly commoditised and have low entry and exit barriers, thereby leading to a greater degree of industry fragmentation. The Indian decorative aesthetics industry caters to leading auto OEMs, global independent tier-I automotive component makers and also consumer appliance companies. Polyplastics Industries India, Classic Stripes and SJS are the top three industry players by revenue, with SJS having widest product coverage across segments.

Logos

Brand and model logos featured on automobiles and consumer durables convey brand value and may be of various types e.g., metallic badges, domes stickers, chrome-plated or 3D lux badges.

Exhibit 2: Logos

Source: RHP, ICICI Direct Research

Decals/graphic stickers

Decal stickers are printed on vinyl films, particularly 2-Ws. Affordable (economy and executive segment) vehicles typically use decal stickers because of their cost effective nature while premium vehicles often use moulded plastic components as decorative elements along with decals.

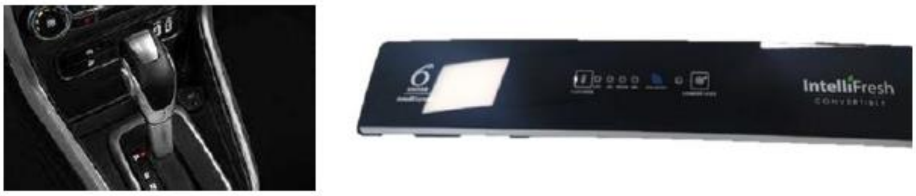
Exhibit 3: Decals/graphic stickers

Source: RHP, ICICI Direct Research

IMD/IML parts

IMD/IML is the process of integrating decorations/labels in the plastic injection moulding process to enhance visual appeal and durability.

Exhibit 4: IMD/IML parts



Source: RHP, ICICI Direct Research

Optical plastics

Optical plastics allow display visibility without any distortion and provide mechanical protection to TFT screen. Higher end products also provide anti-reflective, anti-glare, anti-finger print properties.

Exhibit 5: Optical plastics

Source: RHP, ICICI Direct Research

Chrome-plated parts

Chrome-plated parts are injection moulded parts coated with chrome to enhance visual appeal. They are finding increasing application in the interior as well as exterior of vehicles such as bumper inserts, tailgate, door handles, finger guard, mirror covers, headlight covers, HVAC, infotainment areas, etc.

Exhibit 6: Chrome plated parts

Source: RHP, ICICI Direct Research

Appliques/automotive dials

These are a part of the instrument cluster in automobiles and span various gauges such as fuel level indicators, engine RPM, speedometers, engine temperature, safety warnings, trip configuration, driving efficiency indicators, etc. They can be fully analogue, fully digital or hybrid and can be 2D or 3D printed. OEMs are increasingly preferring 3D dials over 2D dials due to higher enhanced graphical quality and resolution. In India, select PV OEMs have deployed 3D dials in popular models such as i20, Venue, Creta, Santro, Seltos, Sonet, Scorpio, etc. High end variants of affordable models like Kwid have started featuring fully digital instrument clusters. Among 2-W, electric 2-W like Ather 450X, TVS iQube, Bajaj Chetak feature fully digital instrument clusters while popular ICE models such as Passion Pro, Pulsar 125, Glamour and Activa 125 have hybrid instrument clusters.

Exhibit 7: Appliques/automotive dials

Source: RHP, ICICI Direct Research

Overlays

Overlays find application in consumer durables, consumer electronics, medical devices, etc. They are laid on control panels having printed circuit boards with buttons and can be tactile or capacitive (touch screen).

Exhibit 8: Overlays

Source: RHP, ICICI Direct Research

Company Background

SJS, initially incorporated as a partnership firm in 1987, is a leading 'design-to-delivery' player in the Indian decorative aesthetics industry, offering the widest range of aesthetic products, as per Crisil Research. In FY21, the company supplied 11.5 crore parts spanning >6,000 SKUs for varied segments across automotive and non-automotive industries such as 2-W, PV, CV, consumer appliances, farm equipment, medical devices, and sanitary ware. Its product offerings include decals and body graphics, 2D & 3D appliques/dials, 3D lux badges, domes, overlays, aluminium badges, IMD/IML, lens mask assembly & chrome plated injection moulding plastic parts apart from 2-W & PV aftermarket accessories under 'Transform' brand.

Exhibit 9: Product-wise revenue split at SJS over the years

Particulars	FY19		FY20		FY21	
	₹ crore	% of total	₹ crore	% of total	₹ crore	% of total
Decals and body graphics	116.7	49.5	79.5	37.3	88.6	35.8
2D appliques and dials	18.2	7.7	19.3	9.1	17.4	7.0
3D appliques and dials	-	-	8.9	4.2	19.4	7.8
3D lux badges	56.8	24.1	44.2	20.8	44.6	18.0
Domes	5.6	2.4	6.5	3.1	7.2	2.9
Overlays	29.3	12.4	33.3	15.6	40.1	16.2
Aluminium badges	5.9	2.5	7.2	3.4	7.5	3.0
IMD/IML	0.1	0.0	3.6	1.7	5.2	2.1
Lens mask assembly	0.6	0.3	6.7	3.2	10.4	4.2
Nickel badges	2.6	1.1	3.9	1.8	7.4	3.0
Total	**235.8**	**100.0**	**213.1**	**100.0**	**247.8**	**100.0**

Source: RHP, ICICI Direct Research

As of FY21, sales to OEMs comprised ~70% of revenues from operations, with sales to Tier-I suppliers constituting 29.7%. Among segments, 2-W and PV comprised ~58% and ~16.6% of FY21 sales, respectively, with most of the rest being contributed by consumer appliance manufacturers. The company's key clients include OEMs such as Bajaj Auto, TVS Motors, Royal Enfield, Honda Motorcycle, M&M, Suzuki and Volkswagen; Tier-I auto component makers such as Marelli, Visteon and Mindarika; consumer durables/appliance makers such as Whirlpool, Panasonic, Samsung, Eureka Forbes and Godrej; medical device manufacturers such as Sensa Core and sanitary ware manufacturers such as Gebreit. In terms of geography, SJS derived ~16% of FY21 sales from customers outside India.

Its manufacturing facilities are located in Bengaluru (annual capacity 20.8 crore units), with the April 2021 acquisition of subsidiary Exotech having an annual capacity of 2.95 crore units in Pune.

Exhibit 10: SJS capacities and utilisation trends

Particulars	Industry	FY19		FY20		FY21	
		Capacity (crore units)	% utilisation	Capacity (crore units)	% utilisation	Capacity (crore units)	% utilisation
Bengaluru							
Dials	Automotive	1.1	71.2	1.1	64.3	1.3	44.0
Consumer durables/appliances (CD/A)	CD/A	1.8	57.2	1.8	53.4	2.2	44.5
Decals	Automotive, CD/A	13.2	49.4	13.5	50.3	13.5	44.8
3D lux badges	Automotive, CD/A	1.7	52.5	1.7	49.5	2.0	39.8
Aluminium badges	Automotive, CD/A	1.4	28.8	1.4	30.7	1.6	43.2
IMD/IML	Automotive, CD/A	0.2	6.8	0.2	40.8	0.3	40.7
Total		**19.4**	**49.8**	**19.7**	**49.8**	**20.9**	**44.1**
Pune							
Chrome plating	Automotive, CD/A	2.0	75.2	2.0	55.8	2.0	52.0
Moulding	Automotive, CD/A	0.7	81.8	0.7	61.8	0.7	61.7
Painting	Automotive, CD/A	0.2	44.0	0.2	33.1	0.2	32.1
Total		**3.0**	**74.4**	**3.0**	**55.5**	**3.0**	**52.9**

Source: RHP, ICICI Direct Research

As of FY20, SJS was among the top three Indian decorative aesthetics players by revenue. It has differentiated itself through an expansive product suite offered across automotive and consumer durables segments, covering both traditional and advanced technologies.

Exhibit 11: Breadth of product coverage in decorative aesthetics industry

Company	Traditional aesthetic products						Advance technology products				Segments covered		
	Logos	Decals	Stickers, aluminium badges	Chrome related parts	2D dials	Traditional overlays	3D dials	Capacitive overlays	IMD/IML	Optical plastics	2-W	PV	CD
Classic Stripes	Y	Y	N	N	Y	Y	Y	Y	N	N	Y	Y	Y
Galva Deco Parts	Y	N	N	Y	N	N	N	N	N	N	Y	Y	N
Kongovi Pvt Ltd	Y	N	N	Y	N	N	N	N	N	N	N	Y	N
Monochem Graphics	Y	Y	Y	N	Y	Y	Unclear	Unclear	N	N	Y	Y	Y
Polyplastics Industries	Y	N	N	Y	N	N	N	N	N	N	Y	Y	N
Pragati Industries	Y	N	N	Y	N	N	N	N	N	N	Y	Y	N
PRS Permacel	N	Y	Y	N	N	N	N	N	N	N	Y	Y	N
SJS Enterprises	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
Unique Labels	N	N	Y	N	Y	N	Unclear	Unclear	Y	N	Y	Y	N

Source: RHP, ICICI Direct Research; Note – Y = Present, N = Not present, CD = Consumer Durables

Over the years, SJS has introduced several new products, which have been developed in-house, including IMD/IML, aluminium badges, 3D appliques and dials and lens mask assemblies and optical plastics. In the past, the company has successfully helped OEM clients in conceptualisation and design of graphical elements. For instance, SJS collaborated with Suzuki to design and develop graphics for Swift, Ertiga and WagonR models and has also previously worked with Honda Motorcycle, Royal Enfield, TVS Motors, Eureka Forbes, Bajaj Auto and Whirlpool.

The average age of relationships with its top-10 customers spans 15 years. The company typically enters into a customer relationship for a specific product and then seeks to increase business share with them by pursuing cross-selling opportunities and expanding into other products and geographies with the customer and its related entities. In the past SJS has successfully managed to improve its wallet share in this manner.

Exhibit 12: New product/geography additions to existing clients

Customer	Industry	Start of relationship			As of FY21	
		Year	Product offered	Location	Product offered	Location
Godrej	CD/A	1993	Overlays	Mumbai	CD/A	Mumbai, Mohali, Shirwal, Chennai
Whirlpool India	CD/A	1997	Overlays	Pune	3D lux badges, CD/A, aluminium badges, IMD/IML	Puducherry, Pune and Faridabad
Visteon India	PV	1998	Dials	Chennai	Dials, IMD/IML	Chennai
TVS Motors	2-W	2004	Decals	Hosur	3D lux badges, decals, CD/A	Hosur, Rudrapur, Mysuru
Samsung	CD/A	2004	Overlays	Noida	CD/A	Noida, Chennai
Honda Motorcycle	2-W	2007	Decals	Gurugram	3D lux badges, decals, CD/A	Gurugram, Narasapur, Tapukara, Gujarat
Bajaj Auto	2-W	2010	3D lux badges	Pune	3D lux badges, decals, CD/A	Pune, Aurangabad, Rudrapur
Royal Enfield	2-W	2010	Decals	Chennai	3D lux badges, decals	Chennai
Whirlpool	Home appliances	2010	Overlays	Italy	3D lux badges, CD/A, aluminium badges	Italy, Poland, Slovakia, USA, Turkey

Source: RHP, ICICI Direct Research

Principal raw materials used in manufacturing SJS aesthetic products are plastics, aluminium, plastic polymers such as PVC, inks, chemicals and adhesives. Raw material costs formed ~38.4% of revenues from operations in FY21. Raw material costs are higher for Exotech (~54.5% in FY21) with key raw materials being polymer granules, chemicals, paints, copper, nickel, tapes and packing materials. The company procured ~33.7% of raw materials from outside India in FY21.

Investment Rationale

Premiumisation play; leading aesthetics solutions provider

Vehicular premiumisation has emerged as a clear trend in India over the past decade. For instance, the share of UVs within the overall PV volume mix has trebled to 39% in FY21 from 13% in FY11 while the share of entry level motorcycles (up to 110cc) has declined from 65% in FY15 to 54% in FY21. These segments have benefited from rising disposable incomes, aspiration value attached with a vehicle purchase and introduction of relatively affordable premium elements. Increasingly, aesthetics are emerging as an important purchase consideration (e.g. LED lights, alloy wheels) and consequently, as a product differentiator for OEMs. As of FY20, SJS was among the top three Indian decorative aesthetics players by revenue, with the widest range of aesthetics products, as per Crisil Research. SJS' product portfolio spans traditional (e.g., logos, declas, 2D dials, chrome related parts, traditional overlays, etc.) and advanced technologies (e.g., 3D dials, IMD/IML, capacitive overlays, optical plastics) across automotive and consumer durables segments. The company supplied over 11.5 crore parts with >6,000 SKUs in FY21, with ~16% operating income being derived from exports. It offers 'design-to-delivery' capabilities and has in the past successfully helped OEM clients for conceptualization and design of graphical elements. For instance, SJS collaborated with Suzuki to design and develop graphics for Swift, Ertiga and WagonR models and has also previously worked with Honda Motorcycle, Royal Enfield, TVS Motors, Eureka Forbes, Bajaj Auto and Whirlpool. We believe SJS offers a unique play on vehicular premiumisation given its status as a leading aesthetics player with proven capabilities.

Resistant to EV disruption

Electric vehicles (EVs) have emerged as a mega change in the mobility industry in major markets globally as a response to tightening emission controls and the need for reduced dependence on fossil-fuel powered internal combustion engine (ICE) vehicles. EV penetration in India is miniscule at present (~1% in 2-W and ~0.2% in PV as of FY21, as per Crisil Research) but is expected to pick up pace in coming years driven by impressive incentives on offer (at central and state levels), reducing costs (particularly of lithium ion batteries) and expanding product choices. EV models globally typically have better technology and aesthetic design compared to ICE vehicles, e.g., more connected features, larger and more number of screens, etc. Consequently, the aesthetics industry is not seen being impacted by rising EV penetration in coming years, unlike other parts of the ancillary universe that face associated product obsolescence risk. Conversely, EVs could be poised to benefit aesthetics players like SJS courtesy adoption of advanced technology and consequently higher kit value. For instance, Tata Nexon EV uses 3D-lux logos as opposed to a chrome plated logo used in Nexon ICE vehicles.

Strong financials

In FY20, as per Crisil Research, SJS was the third largest aesthetics player in India, having grown revenues at ~15% CAGR over FY14-20. The company has managed to maintain EBITDA margins in the ~29-30% range during FY20-21 despite a sharp slowdown in the automotive sector in that time on the back of controlled costs. On the b/s front, the company's leverage levels are limited to ₹ 9.2 crore as of FY21 – which mainly comprised of working capital facilities. As of FY21, it had cash and equivalents of ~₹ 119 crore, amounting to ~7% of sought market capitalisation. The company has generated healthy ~17-21% RoCE over FY19-21 along with consistent CFO generation over in that timeframe. The company is among the most profitable (compared to peer group) at EBITDA and PAT levels.

Exhibit 13: Peer set comparison of key financials

Company	Operating income FY20 (₹ cr)	Operating income FY14-20 CAGR	FY20 Exports	FY20 EBITDA margin	FY20 PAT margin	FY20 Gearing ratio
Polyplastics Industries	450.4	13.4%	8.0%	12.2%	4.9%	0.6
Classic Stripes	358.8	1.5%	-	28.9%	11.8%	0.5
SJS Enterprises	**215.5**	**15.1%**	**15.0%**	**31.9%**	**18.0%**	-
PRS Permacel	135.1	8.6%	-	1.9%	-1.5%	3.6
Monochem Graphics	108.0	11.1%	-	24.2%	28.0%	-
Galva Deco Parts	107.0	23.6%	-	22.7%	-3.6%	2.9
Kongovi Pvt Ltd	96.9	9.8%	25.0%	17.2%	7.0%	1.0

Source: RHP, Crisil Research, ICICI Direct Research; Note – PAT margin for Monochem Graphics includes non-operating income

Long standing client relationships

The company's key clients include OEMs such as Bajaj Auto, TVS Motors, Royal Enfield, Honda Motorcycle, M&M, Suzuki and Volkswagen; Tier-I auto component makers such as Marelli, Visteon and Mindarika; consumer durables/appliance makers such as Whirlpool, Panasonic, Samsung, Eureka Forbes and Godrej; medical device manufacturers such as Sensa Core and sanitary ware manufacturers such as Gebreit. The average age of relationships with its top-10 customers spans 15 years. The company typically enters a customer relationship for a specific product and then seeks to increase business share with them by pursuing cross-selling opportunities and expanding into other products and geographies with the customer and its related entities. In the past, SJS has successfully managed to improve its wallet share in this manner. The company has received several awards from key customers such as Honda Motorcycle, Suzuki, Whirlpool and Samsung for supplier excellence, quality performance, price competitiveness, support and valuable contribution.

Key Risk

Heavy 2-W exposure could act as growth headwind

The 2-W space is experiencing sluggish demand conditions amid reduced spending propensity for the entry-level segment (affected by sharp increase in ownership costs due to spike in fuel prices, higher vehicle acquisition costs post BS-VI) and the general impact of the Covid crisis. Additionally, the ongoing rapid advent of electric 2-W offerings by new age as well as existing OEMs provide a growing threat to the scooter segment in particular. These challenges are expected to result in relatively softer near to medium term growth prospects for 2-W industry. Among served segments, 2-W has a dominant revenue share at SJS (~58% in FY21). The company counts major players such as Honda Motorcycle, Bajaj Auto and Royal Enfield among its key clients. In our view, heavy 2-W exposure could act as a growth headwind for SJS to an extent going forward.

Client and segment concentration

Sales to the top customer formed ~21.5% of FY21 sales. Further, the company's top five and top 10 customers accounted for ~62.7% and 87.3% of FY21 sales, respectively. The company's client exposure is fairly concentrated, opening it up to the risk of significant impact on revenues in case of reduction in demand or loss of any key customer. In terms of segments, 2-W, PV, consumer durables formed ~58%, ~16.7%, 25% of FY21 sales respectively. Given this concentrated exposure, any slowdown in served segments could have a disproportionate impact on SJS financials.

Inorganic growth risk

SJS has in April 2021 completed the acquisition of Exotech, which is now a wholly-owned subsidiary. The company intends to selectively pursue inorganic opportunities in the future via strategic alliances, acquisitions, JVs, technological collaborations, etc. In our view, inorganic growth often carries a greater risk of failure due to a variety of reasons, such as lack of strategic or cultural fit, sub-optimal valuation, stretched management bandwidth, etc. Further, the company's strong financial position (~29-30% margins, ~17-21% RoCE, net-cash B/S) could be diluted in the event of integration of a relatively weaker acquisition in the future.

Financial summary

Exhibit 14: Profit and loss statement (₹ crore)

(Year-end March)	FY19	FY20	FY21	Q1FY22
Total operating Income	**237.3**	**216.2**	**251.6**	**74.3**
Growth (%)	NA	(8.9)	16.4	(70.5)
Raw Material Expenses	95.1	82.4	97.2	30.9
Employee Expenses	31.7	32.9	36.1	12.0
Other Expenses	42.3	37.4	42.2	13.8
Total Operating Expenditure	169.1	152.7	175.5	56.7
EBITDA	**68.1**	**63.5**	**76.2**	**17.6**
Growth (%)	NA	(6.8)	19.9	(76.9)
Depreciation	9.7	12.8	14.7	5.1
Interest	1.7	1.5	0.8	0.7
Other Income	3.5	5.1	3.5	1.0
PBT	60.3	54.4	64.2	12.8
Total Tax	15.4	13.1	16.4	3.3
Reported PAT	**37.6**	**41.3**	**47.8**	**9.5**
Growth (%)	NA	9.8	15.7	(80.1)
Reported EPS (₹)	**12.4**	**13.6**	**15.7**	**3.1**

Source: RHP, ICICI Direct Research

Exhibit 15: Cash flow statement (₹ crore)

(Year-end March)	FY19	FY20	FY21	Q1FY22
Profit after Tax	**37.6**	**41.3**	**47.8**	**9.5**
Add: Depreciation & Interest	11.4	14.3	15.5	5.8
(Inc)/dec in Current Assets	2.2	(5.0)	(21.3)	18.1
Inc/(dec) in CL and Provisions	(10.2)	8.3	16.1	(10.1)
Others	(5.2)	(0.6)	(0.1)	(1.3)
CF from operating activities	**35.8**	**58.3**	**57.9**	**22.1**
(Inc)/dec in Investments	3.3	(11.4)	(9.2)	40.9
(Inc)/dec in Fixed Assets	(44.1)	(16.7)	(10.0)	(2.2)
Others	(3.6)	(4.4)	(18.3)	(63.9)
CF from investing activities	**(44.4)**	**(32.4)**	**(37.4)**	**(25.1)**
Proceeds from Issuance of Equity	1.2	(1.0)	(0.5)	(0.3)
Others	7.7	(17.1)	3.0	(6.2)
Dividend paid & dividend tax	-	-	(12.2)	(5.0)
CF from financing activities	**8.9**	**(18.1)**	**(9.6)**	**(11.5)**
Net Cash flow	0.3	7.9	26.8	(1.8)
Opening Cash	2.6	2.9	10.8	37.6
Closing Cash	**2.9**	**10.8**	**37.6**	**35.8**

Source: RHP, ICICI Direct Research

Exhibit 16: Balance sheet (₹ crore)

(Year-end March)	FY19	FY20	FY21	Q1FY22
Liabilities				
Equity Capital	30.4	30.4	30.4	30.4
Reserve and Surplus	208.1	249.2	284.8	289.3
Total Shareholders funds	**238.6**	**279.6**	**315.2**	**319.8**
Total Debt	23.3	6.2	9.2	8.6
Deferred Tax Liability	10.1	11.9	9.2	8.5
Minority Interest / Others	-	-	-	-
Total Liabilities	**271.9**	**297.7**	**333.6**	**351.8**
Assets				
Gross Block	190.2	205.1	210.7	247.1
Less: Acc Depreciation	41.4	52.8	62.0	73.1
Net Block	**148.8**	**152.4**	**148.6**	**174.0**
Capital WIP	0.2	0.2	4.3	4.4
Total Fixed Assets	149.0	152.6	152.9	178.4
Goodwill & Investments	64.0	77.4	88.0	76.0
Inventory	24.7	27.8	33.2	45.0
Debtors	45.8	44.8	59.7	61.3
Other Current Assets	2.3	4.1	6.0	10.1
Cash	**2.9**	**10.8**	**37.6**	**35.8**
Total Current Assets	75.7	87.5	136.6	152.3
Creditors	10.7	21.2	25.3	25.7
Provisions	1.1	0.9	1.3	1.8
Other current liabilities	20.4	12.4	23.4	36.9
Total Current Liabilities	32.1	34.5	49.9	64.4
Net Current Assets	**43.5**	**52.9**	**86.6**	**87.9**
Others	15.2	14.4	5.5	7.6
Application of Funds	**271.9**	**297.7**	**333.6**	**351.8**

Source: RHP, ICICI Direct Research

Exhibit 17: Key ratios

(Year-end March)	FY19	FY20	FY21	Q1FY22
Per share data (₹)				
EPS	12.4	13.6	15.7	3.1
Cash EPS	15.5	17.8	20.5	4.8
BV	78.4	91.9	103.6	105.1
Cash Per Share	1.0	3.5	12.4	11.8
Operating Ratios (%)				
EBITDA Margin	28.7	29.4	30.3	23.6
PBT / Net sales	24.6	23.5	24.4	16.8
PAT Margin	15.8	19.1	19.0	12.8
Inventory days	38.0	46.9	48.2	NA
Debtor days	70.4	75.7	86.6	NA
Creditor days	16.4	35.9	36.7	NA
Return Ratios (%)				
RoE	15.8	14.8	15.2	NA
RoCE	21.5	17.0	18.4	NA
RoIC	27.3	23.4	29.2	NA
Valuation Ratios (x)				
P/E	38.5	40.0	34.5	NA
EV / EBITDA	23.4	24.7	20.1	NA
EV / Net Sales	6.7	7.3	6.1	NA
Market Cap / Sales	7.0	7.6	6.6	NA
Price to Book Value	6.9	5.9	5.2	NA
Solvency Ratios				
Debt/EBITDA	0.3	0.1	0.1	NA
Debt / Equity	0.1	0.0	0.0	0.0
Current Ratio	2.7	2.5	2.3	NA
Quick Ratio	**1.8**	**1.6**	**1.5**	**NA**

Source: RHP, ICICI Direct Research

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