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PLASTIC PRODUCTS

28 September 2022

Expect revival in H2 but a muted FY23

- **Leading pipe companies likely to report high inventory losses in Q2FY23 owing to freefall in PVC prices (trading below Rs 90/kg)**
- **Volume offtake should improve in H2 as PVC prices expected to stabilise, agricultural demand picks up and channel re-stocking kicks in**
- **Retain HOLD on ASTRA, SI and FNXP; use any weakness in ASTRA and SI as an opportunity to enter**

Ruchitaa Maheshwari
research@bobcaps.in

PVC prices in freefall: PVC prices are currently at ~Rs 88/kg from Rs 119/kg in Q1FY23, following a ~Rs 4/kg reduction by Reliance Industries. This coupled with lean stocking by channel partners is likely to exert pressure on Q2FY23 margins.

Expect heavy inventory losses in Q2: In Q1FY23, PVC prices fell by Rs 32.5/kg, fuelling inventory losses among pipe companies with ASTRA/SI/FNXP reporting EBIT/kg declines of 13%/34%/24% YoY (and 22%/28%/51% QoQ). Companies that carried above-normal stock reported inventory losses during Q1 (ASTRA: Rs 250mn; SI & FNXP: undisclosed). We expect further unwinding of high-cost inventory and, hence, losses to continue in Q2 given the sustained downslide in PVC prices during Jul-Sep'22 thus far by Rs 23.5/kg (-20% QoQ).

Profitability pressures forecast for Q2: Our market checks indicate that pipe companies could report lower sale volumes in Q2FY23 as channel partners have delayed restocking due to the fluctuating PVC prices. This adds to headwinds from demand deferral by the agriculture segment, subdued demand from the plumbing segment where new projects have slowed, and seasonal weakness in Q2 due to lower construction activity during the monsoons. We believe lower PVC prices can bolster volume offtake in the agricultural segment due to the price elasticity of rural demand, but note that margins here are lower than the plumbing/SWR (soil, waste, rain) segment.

Expansion into adjacent products: Given significant channel overlap, pipe companies are aggressively focusing on deepening the addressable market through innovations, launches (plastic storage tanks, industrial valves), and forays into bathware. For instance, ASTRA bought a ready-to-use asset in Jamnagar in Q1FY23 for the manufacture of faucets and expects a meaningful contribution from Q3. We believe these initiatives will further boost the growth longevity for pipe companies.

Maintain HOLD: ASTRA (TP Rs 2,205) has strong growth prospects and is emerging as a complete building solutions player, while SI (TP Rs 2,055) leads in pipes and incremental capacity to support long-term growth. But at 62x and 29x FY24E P/E respectively, valuations appear full; we retain HOLD and recommend buying on dips.

Recommendation snapshot

Ticker	Price	Target	Rating
ASTRA IN	2,162	2,205	HOLD
FNXP IN	139	140	HOLD
SI IN	2,060	2,055	HOLD

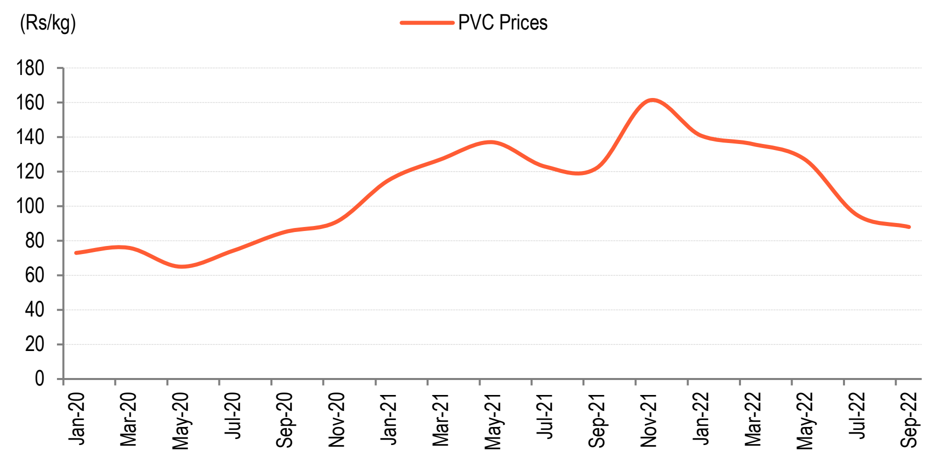
Price & Target in Rupees | Price as of 27 Sep 2022

Fig 1 – Comparative analysis of pipe companies

Company	Q1FY23	Q1FY22	YoY (%)	Q4FY22	QoQ (%)	3Y CAGR (%)
Plastic Pipe Sales Volume (MT)						
ASTRA	36,578	24,627	48.5	47,211	(22.5)	5.0
SI	79,424	48,111	65.1	96,507	(17.7)	(2.0)
FNXP	71,960	55,819	28.9	78,629	(8.5)	(8.0)
Plastic Pipe Realisation (Rs/kg)						
ASTRA	240.0	205.0	17.1	230.0	4.3	19.0
SI	184.2	172.7	6.7	186.5	(1.2)	20.0
FNXP	157.3	151.4	3.9	162.4	(3.1)	19.0
Plastic Pipe EBIT (Rs/kg)						
ASTRA	26.7	30.8	(13.3)	34.4	(22.4)	22.0
SI	19.4	29.4	(34.0)	26.8	(27.6)	28.0
FNXP	5.9	7.8	(24.4)	12.0	(50.8)	(9.0)
Plastic Pipe Revenue (Rs mn)						
ASTRA	8,761	5,041	73.8	10,841	(19.2)	24.0
SI	14,633	8,311	76.1	17,997	(18.7)	18.0
FNXP	11,320	8,454	33.9	12,769	(11.3)	10.0
Plastic Pipe EBITDA (Rs mn)						
ASTRA	1,386	1,069	29.7	2,002	(30.8)	21.0
SI	1,845	1,716	7.5	2,890	(36.2)	22.0
FNXP	544	555	(2.0)	1,061	(48.7)	(13.0)
Plastic Pipe EBITDA (%)			**(bps)**		**(bps)**	
ASTRA	15.8	21.2	(539)	18.5	(265)	-
SI	12.6	20.6	(804)	16.1	(345)	-
FNXP	4.8	6.6	(176)	8.3	(350)	-

Source: Company, BOBCAPS Research

Fig 2 – PVC Price movement



Source: Bloomberg, Company

Valuation and View

ASTRA: Complete building solutions player; HOLD

ASTRA is among the leading players in India's CPVC/PVC plumbing pipe market. We expect strong growth traction in the company's pipe business led by likely industry consolidation, further expansion in the valve segment, new launches (water storage tanks in particular – a Rs 50bn market, ~70% unorganised), and margin improvement from a richer product mix. Housing demand pickup and rising government spends on infrastructure and agriculture would also bolster sales. The company is extending its reach into eastern markets by setting up a plant in Odisha, which will aid growth.

Overall, we like ASTRA for its strong growth prospects, market leadership, net debt-free balance sheet, wide distribution network and healthy return ratios. That said, the stock offers limited upside at current valuations of 62x FY24E P/E and we thus recommend using any weakness as an entry-point. We retain HOLD with an unchanged TP of Rs 2,205, set at 62x FY24E EPS (vs. its five-year median of ~71x).

SI: Market leader in piping segment; HOLD

We remain positive on SI's growth supported by incremental capacity as well as improving housing demand, benefits from government schemes such as 'Nal Se Jal', infrastructure development, the company's net debt-free balance sheet and healthy return ratios. While we believe positives are priced in at current valuations of 29x FY24E P/E and hence retain HOLD, we would recommend buying the stock on dips. Our TP remains unchanged at Rs 2,055, set at 29x FY24E EPS (vs. its five-year median of ~33x).

FNXP: Profitability marred by dependency on agriculture segment; HOLD

We like FNXP for its pipes business and robust balance sheet but expect earnings to be lower over FY22-FY24 due to a high base and correcting PVC/EDC spreads. Demand was lukewarm in Q1FY23 owing to pressure on PVC prices, resulting in a substantial decline in margins. Given the further drop in PVC prices by ~Rs 24/kg thus far in July-September and a lean season in Q2, we expect demand and margins to remain under stress. However, the gradual shift in sales mix from agricultural to non-agricultural pipes could bring in better margins and valuations over the long term. We retain HOLD with an unchanged TP of Rs 140, set at 16x FY24E EPS (vs. its five-year median of 17.3x).

Stock performance

Fig 3 – ASTRA

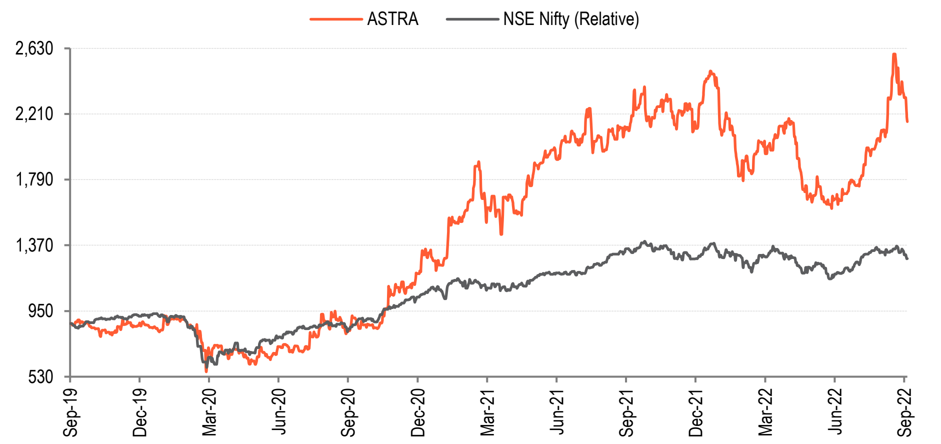


Fig 4 – FNXP

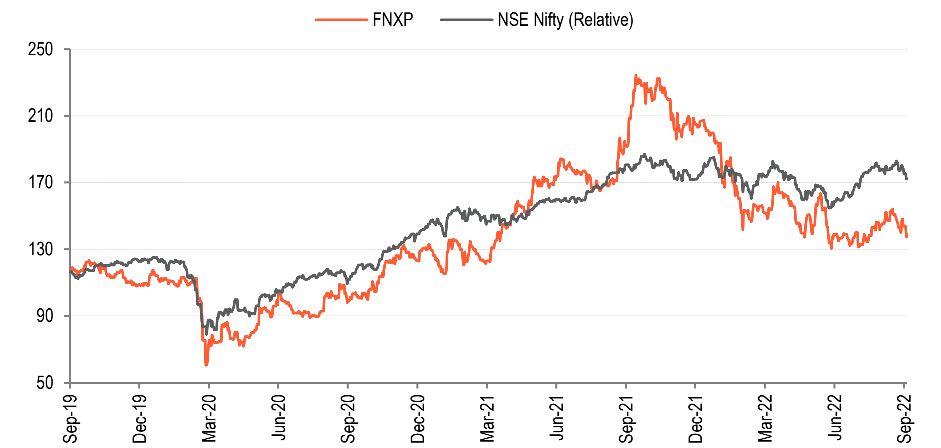
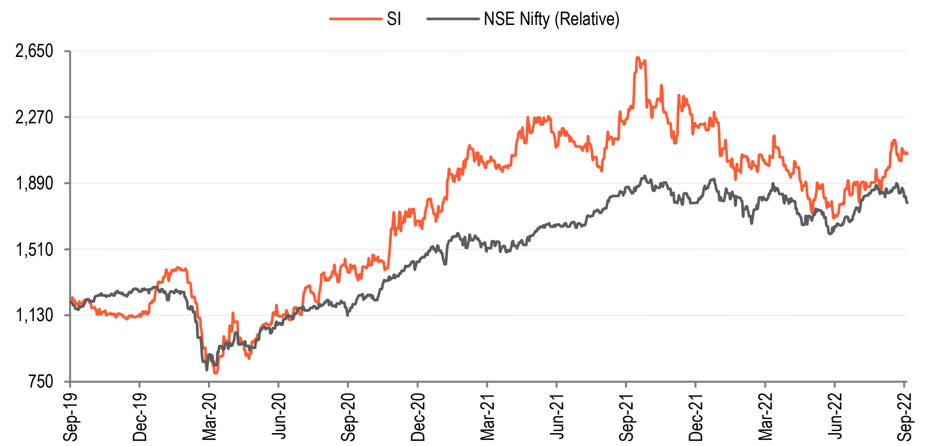


Fig 5 – SI



Source: NSE

Financials – ASTRA

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Total revenue	**25,779**	**31,763**	**43,940**	**52,095**	**59,596**
EBITDA	4,441	6,445	7,553	9,159	10,781
Depreciation	(1,079)	(1,165)	(1,269)	(1,490)	(1,560)
EBIT	3,362	5,280	6,284	7,669	9,221
Net interest inc./(exp.)	(394)	(116)	(61)	(188)	(138)
Other inc./(exp.)	115	251	349	307	418
Exceptional items	0	0	0	0	0
EBT	3,083	5,415	6,572	7,788	9,502
Income taxes	(568)	(1,248)	(1,581)	(1,869)	(2,280)
Extraordinary items	(19)	(15)	(68)	0	0
Min. int./Inc. from assoc.	(17)	(108)	(85)	(80)	(80)
Reported net profit	**2,479**	**4,044**	**4,838**	**5,839**	**7,141**
Adjustments	19	15	68	0	0
Adjusted net profit	**2,498**	**4,059**	**4,906**	**5,839**	**7,141**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Accounts payables	4,754	5,172	7,484	7,564	8,654
Other current liabilities	563	1,250	1,457	1,570	1,796
Provisions	92	69	35	156	179
Debt funds	1,856	666	851	651	451
Other liabilities	0	0	0	0	0
Equity capital	151	201	201	201	201
Reserves & surplus	14,878	18,757	23,165	28,297	34,142
Shareholders' fund	15,029	18,958	23,366	28,498	34,343
Total liab. and equities	**22,462**	**26,327**	**33,471**	**38,798**	**45,861**
Cash and cash eq.	1,301	4,760	6,418	11,291	17,729
Accounts receivables	2,278	2,767	2,691	3,283	3,755
Inventories	5,404	4,721	7,334	7,136	8,164
Other current assets	913	769	1,234	1,285	1,469
Investments	2	0	0	0	0
Net fixed assets	12,194	12,850	14,665	14,675	13,614
CWIP	444	566	1,232	1,232	1,232
Intangible assets	355	295	295	295	295
Deferred tax assets, net	(429)	(401)	(398)	(398)	(398)
Other assets	0	0	0	0	0
Total assets	**22,462**	**26,327**	**33,471**	**38,798**	**45,861**

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Cash flow from operations	**4,133**	**6,745**	**5,651**	**7,387**	**8,492**
Capital expenditures	(2,085)	(1,717)	(3,750)	(1,500)	(500)
Change in investments	(1)	2	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(2,085)**	**(1,715)**	**(3,750)**	**(1,500)**	**(500)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(897)	(1,190)	185	(200)	(200)
Interest expenses	(394)	(116)	(61)	(188)	(138)
Dividends paid	(240)	(151)	(517)	(706)	(1,296)
Other financing cash flows	(198)	(114)	66	80	80
Cash flow from financing	**(1,729)**	**(1,571)**	**(327)**	**(1,014)**	**(1,554)**
Chg in cash & cash eq.	**320**	**3,459**	**1,574**	**4,873**	**6,438**
Closing cash & cash eq.	**1,301**	**4,760**	**6,334**	**11,207**	**17,645**

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22A	FY23E	FY24E
Reported EPS	12.3	20.1	24.1	29.1	35.5
Adjusted EPS	12.4	20.2	24.4	29.1	35.5
Dividend per share	1.0	1.0	1.2	2.9	5.3
Book value per share	74.8	94.4	116.2	141.8	170.9

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22A	FY23E	FY24E
EV/Sales	16.9	13.7	9.8	8.2	7.2
EV/EBITDA	98.2	67.6	57.3	46.9	39.5
Adjusted P/E	173.8	107.0	88.5	74.4	60.8
P/BV	28.9	22.9	18.6	15.2	12.7

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22A	FY23E	FY24E
Tax burden (Net profit/PBT)	81.0	75.0	74.7	75.0	75.2
Interest burden (PBT/EBIT)	91.7	102.6	104.6	101.6	103.0
EBIT margin (EBIT/Revenue)	13.0	16.6	14.3	14.7	15.5
Asset turnover (Rev./Avg TA)	120.1	130.2	147.0	144.2	140.8
Leverage (Avg TA/Avg Equity)	1.5	1.4	1.4	1.4	1.3
Adjusted ROAE	18.0	23.9	23.2	22.5	22.7

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22A	FY23E	FY24E
YoY growth (%)					
Revenue	2.8	23.2	38.3	18.6	14.4
EBITDA	15.3	45.1	17.2	21.3	17.7
Adjusted EPS	25.4	62.5	20.9	19.0	22.3
Profitability & Return ratios (%)					
EBITDA margin	17.2	20.3	17.2	17.6	18.1
EBIT margin	13.0	16.6	14.3	14.7	15.5
Adjusted profit margin	9.7	12.8	11.2	11.2	12.0
Adjusted ROAE	18.0	23.9	23.2	22.5	22.7
ROCE	16.8	22.0	21.5	21.6	21.7
Working capital days (days)					
Receivables	40	29	23	21	22
Inventory	107	94	75	77	72
Payables	74	72	63	64	61
Ratios (x)					
Gross asset turnover	1.8	2.0	2.3	2.5	2.7
Current ratio	1.6	1.9	1.9	2.4	2.9
Net interest coverage ratio	8.5	45.5	103.0	40.8	66.9
Adjusted debt/equity	0.0	(0.2)	(0.2)	(0.4)	(0.5)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – FNXP

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Total revenue	**29,860**	**34,628**	**46,473**	**47,924**	**49,495**
EBITDA	4,481	9,893	10,237	6,684	7,899
Depreciation	(738)	(777)	(834)	(1,198)	(1,237)
EBIT	3,743	9,116	9,403	5,486	6,662
Net interest inc./(exp.)	(119)	(73)	(141)	(167)	(226)
Other inc./(exp.)	299	716	822	863	780
Exceptional items	0	0	0	0	0
EBT	3,923	9,759	10,085	6,182	7,216
Income taxes	(852)	(2,543)	(3,377)	(1,570)	(1,831)
Extraordinary items	0	0	3,761	0	0
Min. int./Inc. from assoc.	256	162	(15)	50	50
Reported net profit	**3,327**	**7,378**	**10,453**	**4,662**	**5,435**
Adjustments	0	0	0	0	0
Adjusted net profit	**3,327**	**7,378**	**10,453**	**4,662**	**5,435**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Accounts payables	2,334	3,952	4,631	3,762	3,753
Other current liabilities	1,723	3,085	4,429	3,020	3,119
Provisions	297	420	197	656	678
Debt funds	2,827	2,039	2,780	1,980	1,780
Other liabilities	1,873	2,053	2,138	2,028	1,918
Equity capital	1,241	1,241	1,241	1,241	1,241
Reserves & surplus	18,619	30,149	38,037	40,601	43,590
Shareholders' fund	19,860	31,390	39,278	41,842	44,831
Total liab. and equities	**28,913**	**42,939**	**53,454**	**53,289**	**56,079**
Cash and cash eq.	932	3,363	810	(1,552)	453
Accounts receivables	732	1,480	3,345	1,313	1,356
Inventories	8,578	9,188	10,155	11,872	11,676
Other current assets	710	779	222	1,444	1,356
Investments	6,607	16,792	27,177	27,877	28,577
Net fixed assets	10,153	10,013	9,922	10,305	10,568
CWIP	73	82	95	50	50
Intangible assets	16	11	11	11	11
Deferred tax assets, net	0	0	0	0	0
Other assets	1,113	1,233	1,719	1,969	2,034
Total assets	**28,913**	**42,939**	**53,454**	**53,289**	**56,079**

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Cash flow from operations	**1,057**	**9,209**	**9,917**	**1,677**	**6,335**
Capital expenditures	(603)	(647)	(837)	(1,455)	(1,500)
Change in investments	0	0	0	0	0
Other investing cash flows	942	(5,859)	(10,384)	(700)	(700)
Cash flow from investing	**340**	**(6,507)**	**(11,222)**	**(2,155)**	**(2,200)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	1,921	(788)	742	(800)	(200)
Interest expenses	(119)	(73)	(141)	(167)	(226)
Dividends paid	(2,873)	(42)	(4,704)	(2,098)	(2,446)
Other financing cash flows	315	632	2,855	1,181	741
Cash flow from financing	**(756)**	**(271)**	**(1,248)**	**(1,884)**	**(2,130)**
Chg in cash & cash eq.	**641**	**2,431**	**(2,552)**	**(2,362)**	**2,004**
Closing cash & cash eq.	**932**	**3,363**	**810**	**(1,552)**	**453**

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22A	FY23E	FY24E
Reported EPS	1.1	11.9	16.8	7.5	8.8
Adjusted EPS	1.1	11.9	16.8	7.5	8.8
Dividend per share	2.0	4.0	6.3	2.8	3.3
Book value per share	6.4	50.6	63.3	67.4	72.3

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22A	FY23E	FY24E
EV/Sales	2.9	2.5	1.8	1.6	1.5
EV/EBITDA	19.1	8.7	8.1	11.3	9.1
Adjusted P/E	129.5	11.7	8.2	18.5	15.9
P/BV	21.7	2.7	2.2	2.1	1.9

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22A	FY23E	FY24E
Tax burden (Net profit/PBT)	84.8	75.6	103.7	75.4	75.3
Interest burden (PBT/EBIT)	104.8	107.1	107.2	112.7	108.3
EBIT margin (EBIT/Revenue)	12.5	26.3	20.2	11.4	13.5
Asset turnover (Rev./Avg TA)	95.9	96.4	96.4	89.8	90.5
Leverage (Avg TA/Avg Equity)	1.4	1.4	1.4	1.3	1.3
Adjusted ROAE	14.6	28.8	29.6	11.5	12.5

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22A	FY23E	FY24E
YoY growth (%)					
Revenue	(3.4)	16.0	34.2	3.1	3.3
EBITDA	(25.9)	120.8	3.5	(34.7)	18.2
Adjusted EPS	(13.8)	1009.0	41.7	(55.4)	16.6
Profitability & Return ratios (%)					
EBITDA margin	15.0	28.6	22.0	13.9	16.0
EBIT margin	12.5	26.3	20.2	11.4	13.5
Adjusted profit margin	11.1	21.3	22.5	9.7	11.0
Adjusted ROAE	14.6	28.8	29.6	11.5	12.5
ROCE	15.2	32.5	24.9	12.8	14.7
Working capital days (days)					
Receivables	9	12	19	18	10
Inventory	139	168	124	132	141
Payables	37	46	43	37	33
Ratios (x)					
Gross asset turnover	1.3	1.5	1.9	1.9	1.8
Current ratio	1.5	1.6	1.2	1.4	1.6
Net interest coverage ratio	31.4	125.4	66.7	32.9	29.5
Adjusted debt/equity	0.1	0.0	0.1	0.1	0.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Financials – SI

Income Statement

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Total revenue	**55,087**	**63,496**	**77,728**	**78,640**	**85,831**
EBITDA	8,563	12,786	12,421	11,674	13,018
Depreciation	(2,057)	(2,128)	(2,295)	(2,727)	(3,024)
EBIT	6,506	10,658	10,126	8,947	9,993
Net interest inc./(exp.)	(297)	(221)	(52)	(95)	(177)
Other inc./(exp.)	84	37	200	259	311
Exceptional items	(192)	189	0	0	0
EBT	6,293	10,473	10,274	9,111	10,128
Income taxes	(1,739)	(2,341)	(2,633)	(2,724)	(3,031)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	312	1,460	2,044	1,700	1,900
Reported net profit	**4,674**	**9,781**	**9,684**	**8,087**	**8,997**
Adjustments	192	(189)	0	0	0
Adjusted net profit	**4,866**	**9,592**	**9,684**	**8,087**	**8,997**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Accounts payables	5,475	6,462	7,940	7,541	8,230
Other current liabilities	2,347	3,377	2,294	3,016	3,292
Provisions	313	364	320	550	601
Debt funds	4,113	10	40	908	858
Other liabilities	947	919	904	904	904
Equity capital	254	254	254	254	254
Reserves & surplus	22,358	31,438	38,190	42,381	46,479
Shareholders' fund	22,612	31,692	38,444	42,635	46,733
Total liab. and equities	**35,807**	**42,823**	**49,942**	**55,555**	**60,619**
Cash and cash eq.	1,614	1,039	5,307	7,167	7,302
Accounts receivables	3,128	3,898	4,668	4,955	5,408
Inventories	8,906	7,608	12,602	11,204	12,228
Other current assets	2,379	2,614	3,140	3,016	3,292
Investments	2,773	10,011	4,995	5,795	7,495
Net fixed assets	15,917	17,033	17,685	21,872	23,348
CWIP	929	508	1,546	1,546	1,546
Intangible assets	160	112	0	0	0
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	**35,807**	**42,823**	**49,942**	**55,555**	**60,619**

Cash Flows

Y/E 31 Mar (Rs mn)	FY20A	FY21A	FY22A	FY23E	FY24E
Cash flow from operations	**6,038**	**14,491**	**6,093**	**12,698**	**11,460**
Capital expenditures	(2,953)	(2,774)	(4,381)	(6,407)	(4,500)
Change in investments	(550)	(7,238)	5,016	(800)	(1,700)
Other investing cash flows	(211)	0	15	0	0
Cash flow from investing	**(3,714)**	**(10,012)**	**650**	**(7,207)**	**(6,200)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	2,500	(4,103)	31	868	(50)
Interest expenses	(297)	(221)	(52)	(95)	(177)
Dividends paid	(3,522)	(635)	(3,689)	(4,403)	(4,899)
Other financing cash flows	235	(94)	0	0	0
Cash flow from financing	**(1,084)**	**(5,053)**	**(3,710)**	**(3,630)**	**(5,125)**
Chg in cash & cash eq.	**1,240**	**(575)**	**3,034**	**1,860**	**135**
Closing cash & cash eq.	**1,613**	**1,039**	**4,073**	**5,933**	**6,067**

Per Share

Y/E 31 Mar (Rs)	FY20A	FY21A	FY22A	FY23E	FY24E
Reported EPS	36.8	77.0	76.2	63.7	70.8
Adjusted EPS	38.3	75.5	76.2	63.7	70.8
Dividend per share	14.0	14.0	24.0	28.6	31.9
Book value per share	178.0	249.5	302.6	335.6	367.9

Valuations Ratios

Y/E 31 Mar (x)	FY20A	FY21A	FY22A	FY23E	FY24E
EV/Sales	4.7	4.1	3.4	3.4	3.1
EV/EBITDA	30.4	20.3	21.0	22.7	20.5
Adjusted P/E	53.8	27.3	27.0	32.4	29.1
P/BV	11.6	8.3	6.8	6.1	5.6

DuPont Analysis

Y/E 31 Mar (%)	FY20A	FY21A	FY22A	FY23E	FY24E
Tax burden (Net profit/PBT)	79.8	90.0	94.3	88.8	88.8
Interest burden (PBT/EBIT)	93.8	100.0	101.5	101.8	101.3
EBIT margin (EBIT/Revenue)	11.8	16.8	13.0	11.4	11.6
Asset turnover (Rev./Avg TA)	162.6	161.5	167.6	149.1	147.8
Leverage (Avg TA/Avg Equity)	1.5	1.4	1.3	1.3	1.3
Adjusted ROAE	22.0	35.3	27.6	19.9	20.1

Ratio Analysis

Y/E 31 Mar	FY20A	FY21A	FY22A	FY23E	FY24E
YoY growth (%)					
Revenue	(1.8)	15.3	22.4	1.2	9.1
EBITDA	9.6	49.3	(2.9)	(6.0)	11.5
Adjusted EPS	32.1	97.1	1.0	(16.5)	11.3
Profitability & Return ratios (%)					
EBITDA margin	15.5	20.1	16.0	14.8	15.2
EBIT margin	11.8	16.8	13.0	11.4	11.6
Adjusted profit margin	8.8	15.1	12.5	10.3	10.5
Adjusted ROAE	22.0	35.3	27.6	19.9	20.1
ROCE	18.7	28.5	21.5	15.3	15.4
Working capital days (days)					
Receivables	23	20	20	22	22
Inventory	84	75	69	81	73
Payables	43	43	40	42	40
Ratios (x)					
Gross asset turnover	1.9	2.0	2.2	1.9	1.9
Current ratio	1.3	1.5	2.4	2.2	2.2
Net interest coverage ratio	21.9	48.2	196.6	94.3	56.6
Adjusted debt/equity	0.1	0.0	(0.1)	(0.1)	(0.1)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Disclaimer

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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