Privi Speciality Chemicals (ADIFIN)

ICICI Direct

CMP: ₹ 3,670 | Target: ₹ 4,490 (22%) | Target Period: 12 months | BUY

July 21, 2026

Value unlocking through "waste to wealth" ...

About the Company: Privi Specialty Chemicals (Privi) is a leading manufacturer and exporter of aroma and specialty chemicals, primarily used in the flavors & fragrance (F&F), personal care, home care, and FMCG industries.

- It owns seven manufacturing facilities located at Jhagadia, Gujarat and Mahad, Maharashtra and has a product portfolio of +75 products. Exports accounted for ~67% of the revenues in FY26.
- The company has planned a capacity expansion from 48000 MTPA to 74000 MTPA, wherein it plans to incur capex of ₹1,200-₹1,400 crore over the next 2-3 years and expects to achieve revenues of ₹ 5000 crore and EBITDA of ₹ 1000 crore over the next 3-4 years (5k:1k vision)

Investment Rationale:

- **Capacity expansion to support aspirational target achievements**: Privi has evolved from a two-product aroma-chemical manufacturer in 1992 into an integrated supplier with more than 75 products and relationships with leading fragrance houses and FMCG companies. Going ahead, the growth is expected from new products such as Furfural, Maltol, Ethyl Maltol, several speciality aroma chemicals such as Cyclopentanone and 40+ PRIGIV products. Accordingly, the company has planned a capacity expansion from 48,000 MTPA to 74,000 MTPA. This planned expansion is expected to drive the future performance which is crucial for achieving revenues of ₹5,000 crore and ₹1,000 crore of EBITDA in the next 3-4 years. The expansion is based on firm visibility.
- **Backward Integration, a critical moat:** The company's key competitive moat is its backward integration using the Crude Sulphate Turpentine (CST) technology, a cost-effective pine based raw material sourced from 60+ paper & pulp mills worldwide. On an average, CST provides a 15-20% cost benefit and price stability through long term contracts compared to an alternative technology i.e. Gum Turpentine Oil (GTO). Privi is one of the only four global companies to have this technology, giving them an advantage to enter long term contracts with their clients.
- **Tie-up with Givaudan SA to provide strategic direction:** Strategic collaboration with global fragrance leader Givaudan through the PRIGIV joint venture (subsidiary) has opened a new avenue for growth in advanced aroma chemicals. This partnership is expected to strengthen Privi's engagement with international FMCG and fragrance brands. PRIGIV is expected to manufacture 40+ high end products for Givaudan with an estimated project cost of ₹178 crore. From the revenues of ₹55 crore in FY26, this JV is expected to generate revenues of ₹300 crore in 3-4 years and is expected to maintain momentum beyond.

Rating and Target Price

- **We initiate coverage on the company with a BUY rating and arrive at a target price of ₹ 4,490 based on 20x FY28E EBITDA of ₹908.6 crore**

PRIVI SPECIALITY CHEMICALS LIMITED

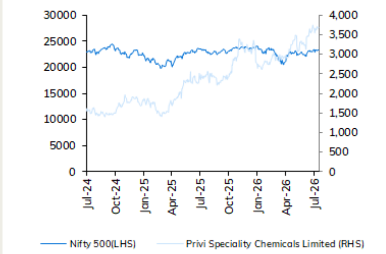
Particulars

Particular	Amount
Market cap (₹ Crore)	14,146
FY26 Total Debt (₹ Crore)	1,021
FY26 Cash & Inv (₹ Crore)	44
EV (₹ Crore)	15,123
52 Week H/L	3770/2173
Equity Capital (₹ Crore)	39
Face Value (₹)	10
CMP	3,670

Shareholding pattern

in %	Sep-25	Dec-25	Mar-26	Jun-26
Promoter	69.9	60.6	60.6	60.6
DII	4.6	10.3	10.7	10.1
FII	1.3	1.6	1.4	1.9
Others	24.2	27.5	27.4	27.4

Price Chart



Key risks

(i) slower than expected ramp-up from the new capex, (ii) Unforeseen disturbances in CST sourcing

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Conviction Pick

ICICI Securities – Retail Equity Research

Key Financial Summary

(₹ Crore)	FY24	FY25	FY26	2 year CAGR (FY24-26)	FY27E	FY28E	FY29E	2 year CAGR (FY27E-29E)
Net Revenue	1,752.2	2,101.2	2,563.7	21.0%	3,091.3	3,785.8	4,596.3	21.9%
EBITDA	325.0	453.5	646.2	41.0%	725.8	908.6	1,149.1	25.8%
EBITDA Margins (%)	18.5%	21.6%	25.2%		23.5%	24.0%	25.0%	
Adj.PAT	95.4	184.8	316.7	82.2%	366.1	489.5	655.0	33.8%
Adj. EPS (₹)	24.5	47.4	81.2		93.9	125.5	168.0	
EV/EBITDA	46.4x	33.4x	23.3x		20.8x	16.5x	12.8x	
P/E	148.5x	76.7x	44.7x		38.7x	29.0x	21.6x	
ROE (%)	10.3	16.7	22.4		21.1	22.5	23.5	
ROCE (%)	11.7	15.1	21.2		21.2	23.6	25.9	

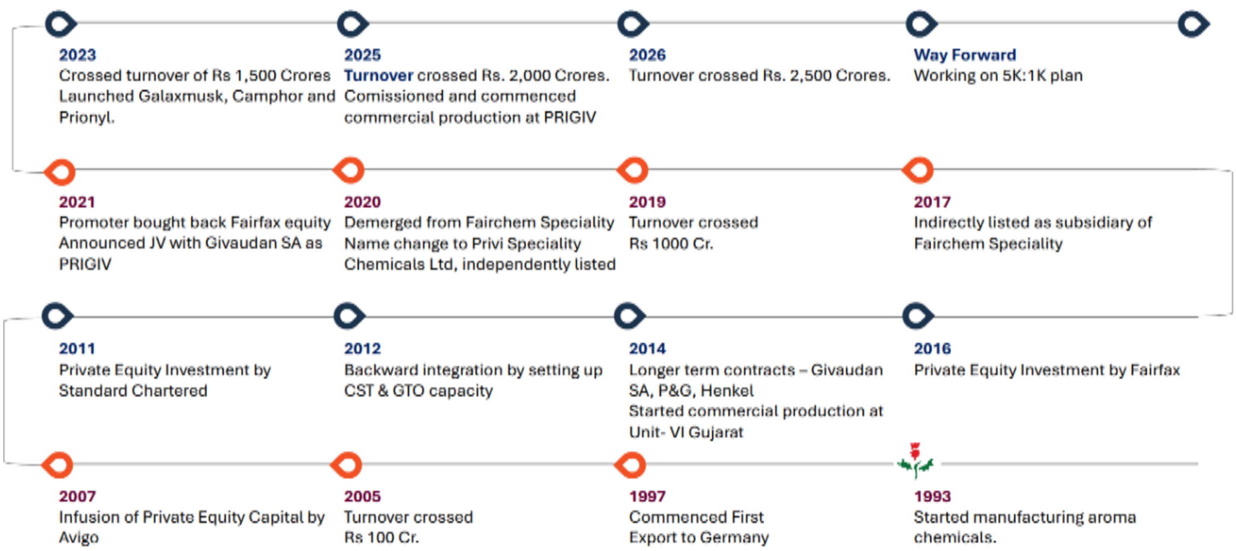
Source: Company, ICICI Direct Research

Company Background

Established by Mr. Mahesh Babani, Privi Speciality Chemicals Ltd (Privi) is a leading manufacturer and exporter of aroma and specialty chemicals which are primarily used in the flavors & fragrance (F&F), personal care, home care, and FMCG industries. With over three decades of experience, the company has built a strong portfolio of more than 75 aroma molecules, including key products like Dihydromyrcenol, Amber Fleur, and Citral among others which are used in everyday consumer products globally.

Privi derives nearly 70% of the business from the Pinene Chemistry (derived naturally from pine trees) and its derivatives. A core strength of the company lies in its backward integration and raw material security. It is amongst the only four companies globally—and the only one in Asia—that uses Crude Sulphate Turpentine (CST), a by-product derived from the manufacture of pulp & paper, as a key feedstock. Exports accounted for ~67% of the revenues in FY26 with 40+ export destinations. It is one of the the preferred suppliers leading global flavour and fragrance (F&F) houses such as Givaudan (Switzerland), Firmenich (Switzerland), Symrise (Germany), IFF (France) among others and leading FMCG players such as P&G, RB (Reckitt Benckiser) and Henkel.

Exhibit 1: Historical Timeline



Source: Company Annual Rreport, ICICI Direct Research

GTO and CST technologies explained

Exhibit 2: GTO v/s CST

GTO (Gum Turpentine Oil)	CST (Crude Sulphate Turpentine)
GTO is a natural material derived from distillation of sap extracted from Pine trees	CST or wood turpentine is derived from the kraft process of the paper industry
The GTO has no sulphur content and is further processed to derive alpha and beta pinene along with other terpenes (Di-pentenes)	The CST has high sulphur content resulting in a foul smell, The sulphur extraction process is very niche and only few companies around the world have expertise to perform the chemistry
GTO exhibits significant price volatility, with prices often fluctuating on a weekly basis. This frequent movement increases raw material cost sensitivity and neccisitates agile procurement and pricing sensitivity to mitigate margin volatility	CST is a byproduct of paper industry; thus, it is cheaper and prices are less volatile.

Source: Company, ICICI Direct Rresearch

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Manufacturing facilities

The company owns 7 manufacturing facilities, 6 in Mahad, Maharashtra and one in Jhagadia, Gujarat. These facilities are strategically located near JNPT Port & Ankleshwar Dry Port, respectively thereby enabling logistical ease for exports. The current manufacturing capacity is 48,000 MTPA which includes 36,000 MTPA of CST and 12000 MTPA of GTO. The company started backward integration to CST and GTO in 2010 on a smaller basis and has scaled up significantly over the years. It currently procures 20-25% of global CST/GTO supplies. On the R&D front, the company has 2 centres with a team of 114 members including scientists and microbiologists.

Exhibit 3: Plant Details & R&D development

Plant Details			R&D development	
Location	**Mahad, Maharashtra**	**Jhagadia, Gujarat**	**New products developed**	**Products under development**
No of Units	**6**	**1**	Camphor	Furfural
	Dihydromycernol	OTBCHA	Galaxmusk	Maltol
	Amber Fleur	PTBCHA	Prionyl	Ethyl Maltol
	Pine Oil and Terpinol	Galaxmusk	Floravone	10+ other High end Specialty Products
	Camphor	Indomerane	Indomerane	40+ Products under PRIGIV
	Speciality	Florovane	Amber Woody Xtreme	Cyclopentanone
	Citral		Ionone Products	
	Ionone Products		Prionyl	
	Prionyl			

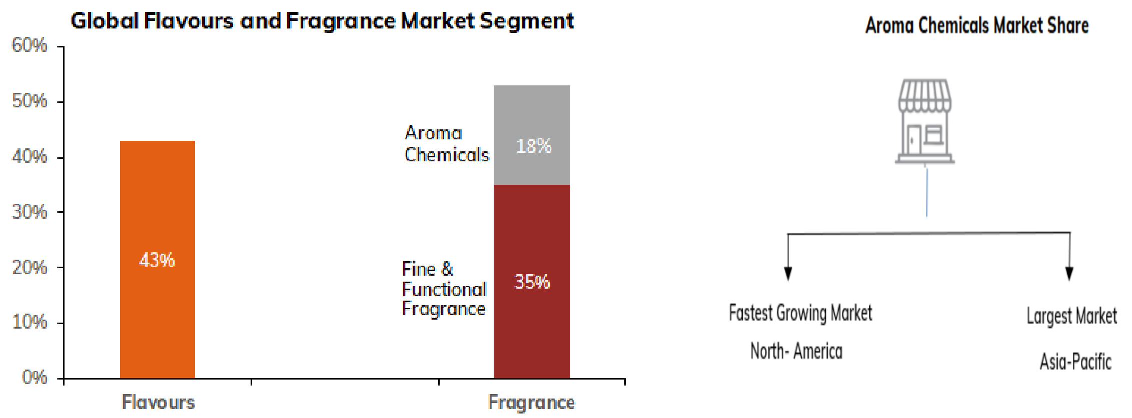
Source: Company, ICICI Direct Research

Exhibit 4: Diversified customer base

Source: Company, ICICI Direct Research

Global Scenario & Demand drivers

Exhibit 5: Global Flavours and Fragrance Segmentation & Aroma Chemicals Market Share



Source: Annual Report, ICICI Direct Research

The Flavours and Fragrance Industry-

The Flavours and Fragrance Industry is divided into two main segments: Flavours, which account for 43% of the market, and Fragrances, representing 53%.

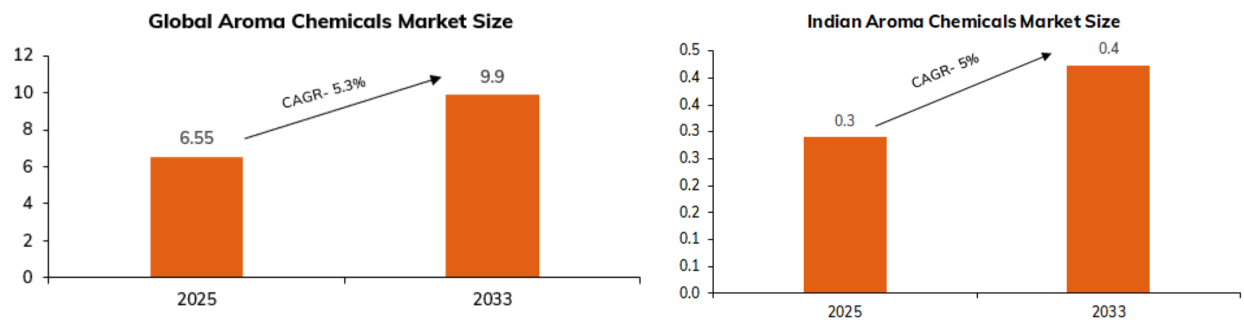
Within the Flavour Segment

- Beverages dominate this category, with growing demand for flavoured water, functional drinks, and ready-to-drink options.
- Dairy, bakery, and confectionery are also significant contributors, as consumers seek innovative, clean label, and healthier flavour profiles across these categories.

Within the Fragrance Industry

- Fine and functional fragrances hold the largest share at 35%, driven by the rising demand for perfumes, personal care products, and homecare solutions. Key players in the global market include BASF SE, Solvay and Privi Speciality Chemicals Limited.
- Aroma chemicals account for 18%, playing a crucial role in fragrance formulation by providing unique and long-lasting scent compounds.

Exhibit 6: Global & Indian Fragrance Market Size growth estimates in US$ billion

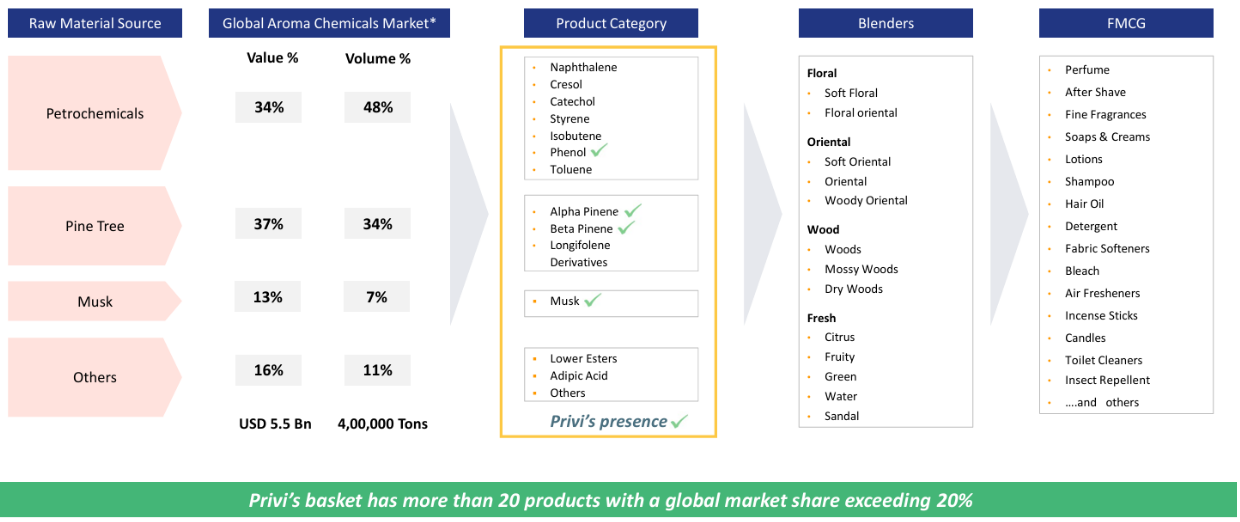


Source: Company Annual Report, ICICI Direct Research

The growth of the global aroma chemicals market during the forecast period stems from evolving consumer preferences and ongoing industry innovations. The increasing adoption of sustainable and green chemistry practices plays a crucial role. The rising popularity of home fragrances and the exploration of alternative sources for aroma chemicals further drive momentum.

The Indian Aroma Chemicals Market growth is fuelled by rising disposable incomes, increasing brand awareness, demand from a growing middle class, and the affordability of mass-market perfumes and deodorants

Exhibit 7: Privi's presence across the value chain



Source: Company, ICICI Direct Research

Investment Rationale

Growth capex, new launches to drive growth- Aspirational 5k:1k target

Privi entered the CST value chain over a decade ago (when it was a part of erstwhile Fairchem Speciality Limited), joining a select group of global fragrance ingredient manufacturers such as IFF and Symrise. This early-mover advantage has enabled the company to establish long-term customer relationships, diversify its feedstock sourcing, mitigate raw material price volatility and create meaningful entry barriers, thereby strengthening its competitive positioning in the global aroma chemicals market. The company's revenues are well diversified which is apparent from the fact that its largest customer contributes just ~3-4% to the revenues.

After establishing a critical mass in global aroma chemicals, the company is looking for an aggressive expansion (current capacity utilisation already reached at ~85-90%).

The growth is expected from new products such as Furfural, Maltol, Ethyl Maltol and Cyclopentanone among others besides growth from existing products through de-bottlenecking. Accordingly, the company has planned a capacity expansion from 48,000 MTPA to 74,000 MTPA. This expansion will be crucial in its quest in achieving revenues of ₹5,000 crore and EBITDA of ₹1,000 crore over the next 3-4 years.

Through this expansion, the company plans to extend the product portfolio to nearly 100 products with 15 products being in the pipeline currently and 10 more under development. Privi command +20% market share in at least ten of its key products.

To streamline and support long-term growth plans, the company is planning amalgamate subsidiaries Privi Fine Sciences Private Limited (PFSPL) and Privi Biotechnologies Private Limited (PBPL) with itself. The proposed merger is expected to streamline complementary capabilities across speciality chemicals, integrate fine sciences and biotechnology, creating a more integrated platform for future growth.

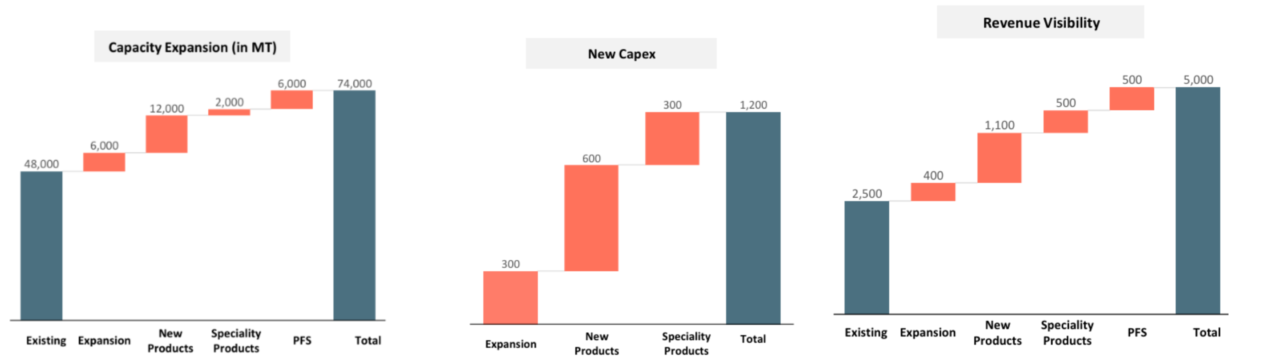
Revenue contribution from the new products is expected to be in the range of ₹1,000-₹1,200 crore.

Exhibit 8: Capex Plans crucial for achieving the aspirational targets

Phase	Focus	Added Caoacity	Indicative Spend
Phase I	Expansion of existing flagship product capacities through debottlenecking initiatives to support near-term demand and	~6,000 MTPA	~₹300-350 crore
Phase II	Diversification of the product portfolio through new speciality chemicals derived from renewable feedstocks, creating additional high-value revenue streams.	~12,000 MTPA	~₹650-700 crore
Phase III	Expansion of the speciality chemicals platform through the introduction of 12–15 advanced products, broadening the portfolio and deepening market presence.	~6,000 MTPA	~₹300 crore
Capacity expansion from 48,000 to ~74,000 MTPA by		~+26,000 MTPA	~₹1,200-₹1,400 crore

Source: Company, ICICI Direct Research

Exhibit 9: Decomposition of capex – leading to aspirational revenues target



Source: Company, ICICI Direct Research. * PFS- Privi Fine Sciences

Exhibit 10: New Product Development- to strengthen differentiated offerings

New Product Development

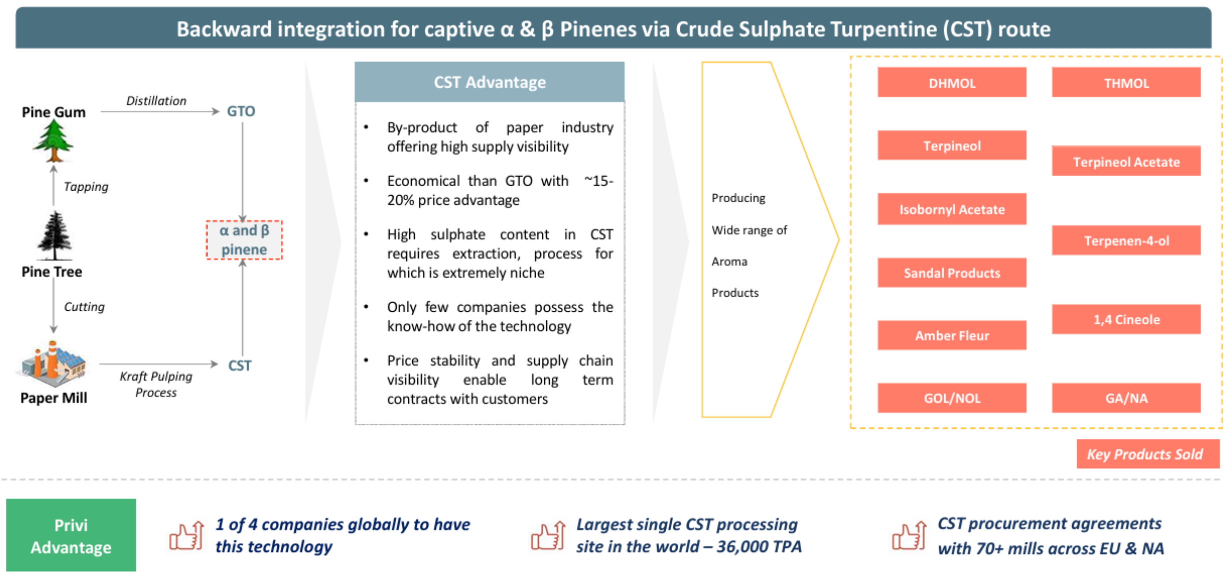
Segment	Product	Status
Flavour	Maltol and Ethyl Maltol	Civil work half-way completed. Process finalized, Detail Engineering in progress
Fragrance	Ethylene Brassylate (Musk T)	Civil work half-way completed. Process finalized, Detail Engineering in progress
Speciality Chemical	Cyclopentanone	Process optimization underway

Source: Company Annual Report, ICICI Direct Research

Backward Integration, a critical moat…

The company has established itself as a global leader in pine-based aroma chemicals, driven by its strategic backward integration and CST refinery. The company commissioned one of the largest single-sight CST refineries in 2016, thus becoming the market leader in some key products such as Dihydromyrcenol (DHMOL), Amber Fleur and Terpineol-Pine Oil among others.

Exhibit 11: CST based manufacturing process acts as a significant entry barrier



Source: Company, ICICI Direct Research

- Alpha Pinene is used to manufacture DHMOL, Terpinol Acetate and Sandalwood based molecules.
- Beta Pinene serves as the the precursor for products such as Amber Fleur and Geraniol.

There are two primary routes to obtain the building blocks used in manufacturing pinene-based aroma chemicals:

i) Tapping Pine trees to extract Gum Turpentine Oil (GTO)
ii) Utilising Crude Sulphate Turpentine (CST), a byproduct from pulp and paper mills

While GTO prices are highly volatile largely influenced by supplies from China, CST offers better pricing stability, with procurement possible through six-month to one-year fixed contracts.

However, CST possesses processing challenges due to its foul odour caused by sulphur impurities. Leveraging its core chemistry capabilities, Privi has developed a sulphur separation process and designed a specialized CST refining plant.

Privi enjoys a structural competitive advantage that insulates it from Chinese competition to a greater extent. Chinese producers have largely remained focused on GTO-based manufacturing and have shown limited inclination to adopt CST technology, as it requires making significant technological investments besides stringent quality control (impurity tests).

The company sources CST directly from 60+ mills across Europe and North America. This arrangement ensures long-term sustainability and cost visibility for raw materials, translating into better pricing control in aroma chemicals business.

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This flexibility to switch cost between CST and GTO based on cost dynamics makes Privi, one of the lowest cost producers in the industry, while enabling stable pricing to its B2B customers.

PRIGIV- JV with Givaudan, Switzerland to open additional growth avenues

In October 2024, the company entered a joint venture with Swiss fragrance giant Givaudan SA along to extend the long-standing partnership and inaugurated a green field facility in Mahad, which was aimed at bolstering production of specialty fragrance ingredients. The joint venture (named PRIGIV) was formed to manufacture +40 bespoke products especially for Givaudan SA.

Strategic Design & Capacity Expansion

- Privi Speciality holds a 51% stake, with Givaudan owning 49%
- The JV features a greenfield production facility focused on small-to-mid volume, medium-to-high complexity fragrance molecules.
- The total capex incurred has been ₹178 crore, funded by equity capital of ₹ 35 crore (₹ 18 crore by Privi and ₹ 17 crore by Givaudan) and loans from Givaudan to the tune of ₹ 230 crore for fixed assets and working capital.
- The company is adding ₹ 50 crore of capex in the existing building. The JV achieved positive PAT in Q4FY26.
- PRIGIV to receive around ₹ 180 crore non-interest-bearing trade advance from Givaudan shortly, which will help in reducing debt and lower interest costs.

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Commercial launch & capacity expansion

- Commercial Production at the Mahad site began in January 2025, with plans to steadily ramp up production over 2-3 years.
- The facility produces a wide range of value-added, small-volume fragrance ingredients, originally made at Givaudan's Vernier, Switzerland site.
- Initially the JV is targeting 40 specialty molecules, targeting further expansion to cover Givaudan's broader portfolio
- The revenue potential from this JV by FY30/31E is expected to be ~₹300 crore

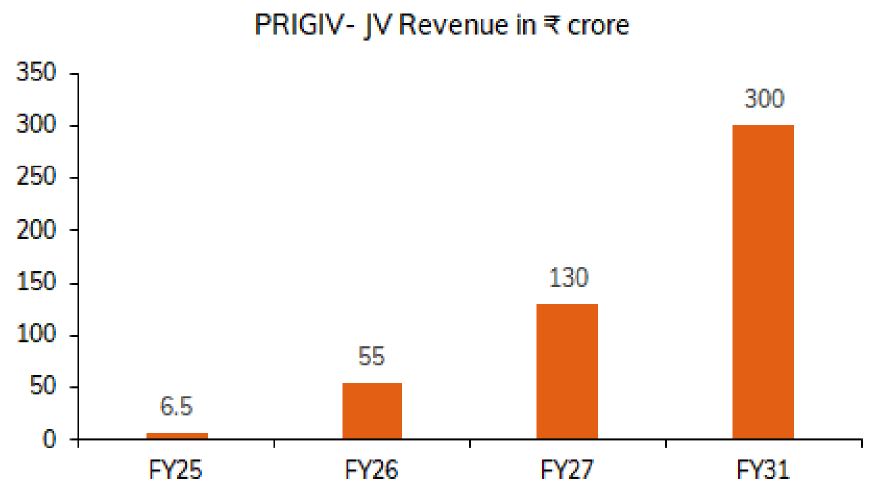
The company is adding ₹ 50 crore of capex in the existing building

About Givaudan

- Givaudan SA is a Swiss multinational company and the global leader in the creation of flavours, fragrances, and active cosmetic ingredients. Headquartered in Vernier, Switzerland, Givaudan serves a wide range of industries including food and beverage, personal care, household products, and fine fragrances.

- With a legacy that spans more than 250 years, the company is known for its strong innovation capabilities, sustainability initiatives, and close collaboration with customers to develop tailor-made sensory experiences.
- Givaudan operates globally with manufacturing sites, creative centres, and research hubs across more than 50 countries.

Exhibit 12: PRIGIV Revenue Potential over the next 3-4 years

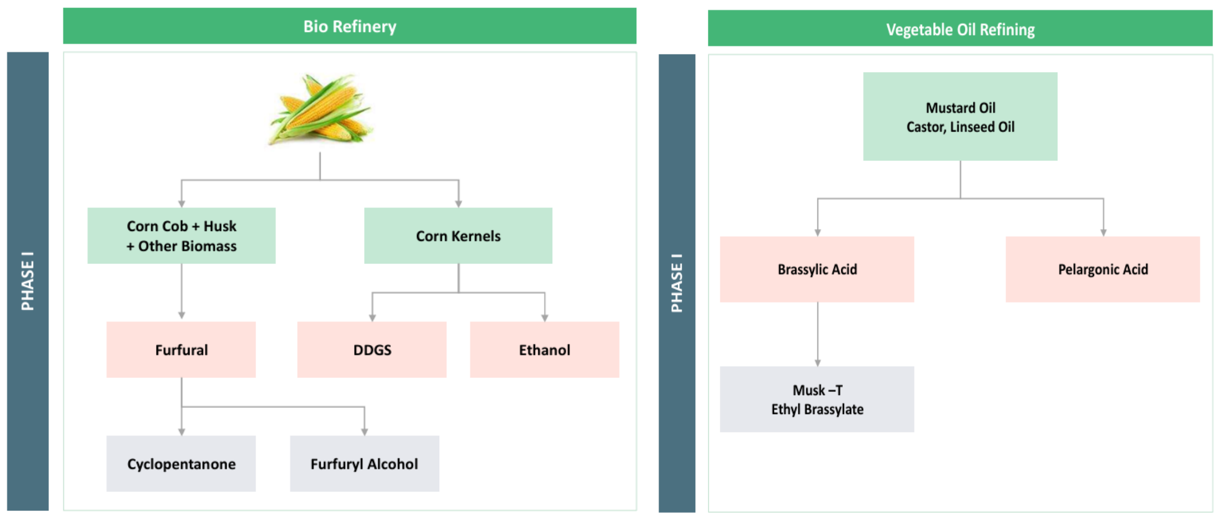


Source: Company, ICICI Direct Research

The company is working on some new products having biotech route like ferulic acid & bio-vanillin among others

Privi is expanding its traditionally petro- and pine-chemistry based portfolio into biotechnology-enabled aroma ingredients, with ferulic acid and bio-vanillin. Ferulic acid has standalone value as an antioxidant active in cosmetics and personal care and as a nutraceutical ingredient, giving the company more than one route to monetise the platform. The ferulic-acid to-bio-vanillin programme signals the company's transition from a purely chemical-synthesis company towards a hybrid chemistry-plus-biotechnology model aimed at the premium natural-ingredients segment. These products are still at the pilot stage, wherein the company will be setting up a demonstration plant with a capex of ~₹ 70-75 crore. The management expects another 3-5 years before the company is ready for a full-scale manufacturing.

Exhibit 13: Corn Cob Value Chain



Source: Company, ICICI Direct Research

Peer Comparison

Exhibit 14: Peer Comparison – Symrise AG, International Flavours & Fragrances, Oriental Chemicals & Gem Aromatics

Symrise AG			
Particulars	**FY23**	**FY24**	**FY25**
Revenue (In € mn)	4,730	4,999	4,929
YoY%		6%	-1.4%
EBITDA	559	718	465
EBITDA Margins	12%	14%	9%
PAT	345	482	253.568
PAT %	7%	10%	5%

International Flavours & Fragrances (IFF)			
Particulars	**FY23**	**FY24**	**FY25**
Revenue (In US$ mn)	11,479	11,484	10,890
YoY%		0.0%	-5.2%
EBITDA	-2,110	766	-382
EBITDA Margins	-18%	7%	-4%
PAT	-2563	247	-359
PAT %	-22%	2%	-3%
Indian Competition			
Oriental Chemicals			
Particulars	**FY24**	**FY25**	**FY26**
Revenue (In ₹ crore)	836	928	1,031
YoY%		11.0%	11.0%
EBITDA	47	93	68
EBITDA Margins	5.7%	10%	7%
PAT	10	34.3	3.2
PAT %	1%	4%	0.3%

Gem Aromatics			
Particulars	**FY24**	**FY25**	**FY26**
Revenue (In ₹ crore)	452	504	366
YoY%		11.5%	-27.4%
EBITDA	78	88	41
EBITDA Margins	17.3%	17%	11%
PAT	50	53	1
PAT %	11%	11%	0.3%
Privi Speciality Chemicals Limited			
Particulars	**FY24**	**FY25**	**FY26**
Revenue (In ₹ crore)	1,752	2,101	2,564
YoY%		19.9%	22.0%
EBITDA	325	454	646
EBITDA Margins	18.5%	22%	25%
PAT	95	185	317
PAT %	5%	9%	12.4%

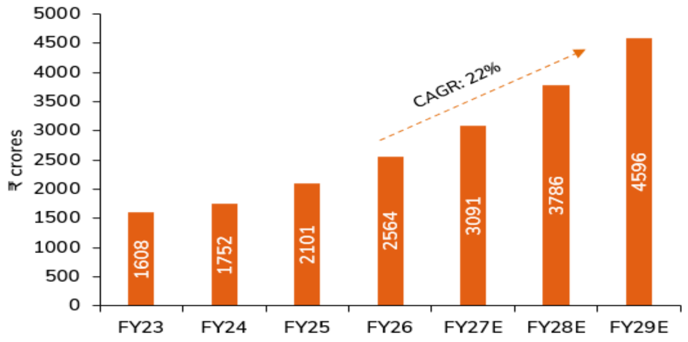
Source: Company, ICICI Direct Research

Key Financial Summary

Capacity Expansion to drive the next leg of growth

Privi has delivered a healthy revenues CAGR of 15% over FY20–25, driven by steady demand across its aroma chemicals portfolio. In FY26, the company reported a growth of 22% driven by volume growth, better product mix and ~8% price increase. We expect the high growth trajectory to sustain with revenues projected to register a 22% CAGR during FY27E–29E, to ₹ 4,596 crore driven by the new capex and incremental launches. The company plans to increase the installed capacity by ~54% to 74,000 MTPA from the current 48,000 MTPA over the next 2–3 years. The expanded capacity should support management's long-term aspiration of achieving ₹5,000 crore revenues over the next 3-4 years.

Exhibit 15: Revenues growth to be driven by augmented capacities



Source: Company, ICICI Direct Research

EBITDA margins to stabilise at 23-25%...

After languishing around 12-16% range during FY17-FY23, the company has witnessed a significant expansion in EBITDA margins from FY24. This was attributable to a gradual shift towards high-margin products as well as better operating leverage.

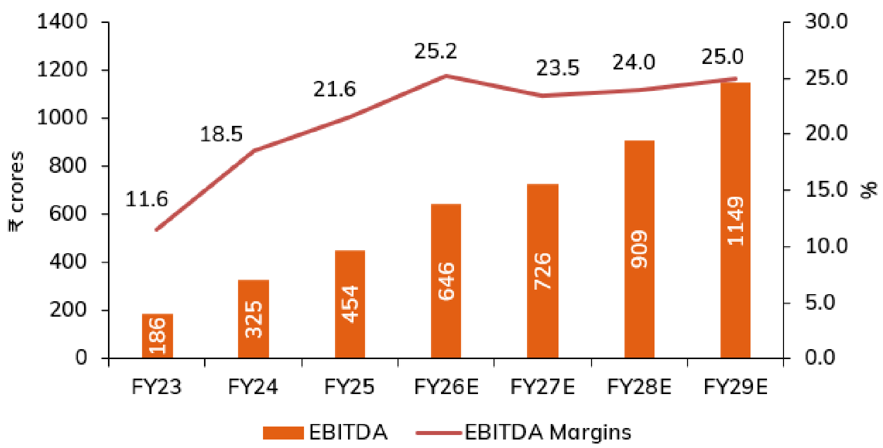
The current margins profile is underpinned by its backward integration into α-pinene and β-pinene through crude sulphate turpentine (CST) and gum turpentine oil (GTO), providing a structural cost advantage. The company sources renewable feedstock from over 60 pulp and paper mills across the US, Canada, Europe, Brazil and Indonesia, accounting for nearly 20–25% of global CST supply.

On the revenues front, Privy has committed nearly 70% of the capacity with customers on a yearly basis, thus insulating it from the fluctuation in the prices of key products in spot market.

In addition, its procurement strategy—comprising annual contracts for key renewable raw materials, inventory coverage of nearly one quarter, and an additional 2–3 months of pipeline stock—helps mitigate supply disruptions and raw material price volatility.

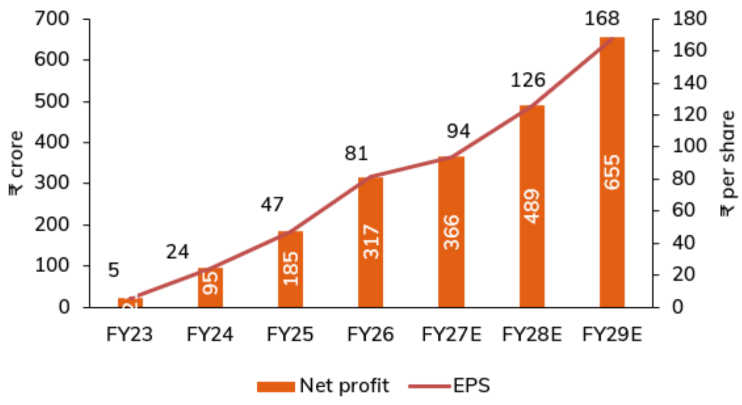
We expect EBITDA to grow at a CAGR of 26 % to ₹1,149 crore during FY27-29E. Our assumption is based on the company's quest for high-margin products, backward integration and management's confidence of maintaining +20% margins.

Exhibit 16: Trend in EBITDA & EBITDA Margins



Source: Company, ICICI Direct Research

Exhibit 17: PAT and EPS trend

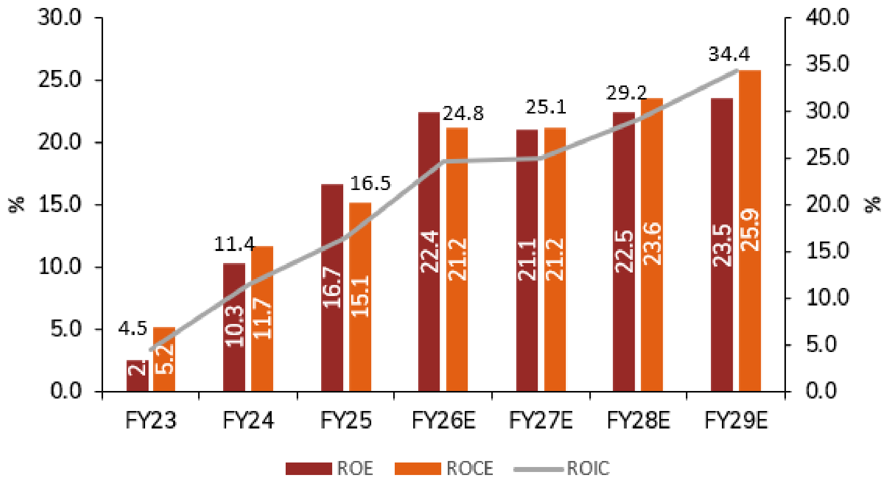


Source: Company, ICICI Direct Research

Return Ratios to remain resilient over the long run

As the company embarks into significant capex phase (₹ 1200-1400 crore in three phases over the period of 2-3 years), we expect return ratios to improve gradually as the expansion is expected to improve profitability due to expected improvement in product mix.

Exhibit 18: Trend in Return Ratios- Gradual improvement tracking capex capital intensity



Source: Company, ICICI Direct Research

Valuation-

In the specialty chemicals space, impacted by oversupplies and overcapacities, Privy provides a significant alternative with 1) a shift toward renewable, bio-based feedstocks, 2) growing adoption of CST-based chemicals by global fragrance chemical suppliers and 3) decent growth prospects for the fragrance chemicals piggybacking on growing demand from the global FMCG industry following premiumisation trends.

Technological moat is the key differentiator for the company, wherein it is one of the four companies globally with the CST technology expertise. High barriers to entry and customer stickiness due to handful of players has created conducive business environment. The company which started with 2 products has now evolved into an integrated supplier with more than 75 products. Strong promoter pedigree with more than 30 years of experience in handling the industry nuances and strong customer relationships are some of the additional plus points for the company. We expect Revenue, EBITDA and PAT to grow at CAGR of 22%, 26% and 34% respectively over the period of FY27-FY29E. Our target price is ₹ 4,490 based on 20x FY28E EBITDA of ₹ 908.6 crore

Risk and Concerns

Delay in the planned expansion of capacities

Privi Speciality has outlined a capex plan of ₹ 1,200 crore over the next 2-3 years to scale up capacity from 48,000 MTPA to 74,000 MTPA, a key pillar of its strategy to achieve targeted revenues and EBITDA of ₹5,000 crore and ₹1,000 crore, respectively. However, this expansion remains exposed to execution risk from external factors such as geopolitical tensions extreme weather conditions which could delay project timelines and, in turn, the anticipated revenue/earnings trajectory. While we build in the base-case capex timeline into our estimates, any prolonged delay in execution remains a key risk. Our assumptions are based on seamless capex execution.

Supply side issues

Having significant dependence on CST supplies, the company remains vulnerable to any disturbances emerging from environmental regulations or other issues such as price fluctuations. Being a byproduct, any reduction in pulp and paper manufacturing could significantly impact seamless sourcing. Although the company has worked over the years to secure the supplies (tie-up with 60 mills globally for CST supplies), the vulnerability towards environmental regulations and supply disturbances remain.

Financial summary

Profit and loss statement ₹ crore

(Year-end March)/ (₹ crore)	FY26	FY27E	FY28E	FY29E
Total Operating Income	**2563.7**	**3091.3**	**3785.8**	**4596.3**
Growth (%)	22.0	20.6	22.5	21.4
Raw Material Expenses	1490.8	1762.0	2195.8	2619.9
Gross Profit	1072.9	1329.3	1590.1	1976.4
Gross Profit Margins (%)	41.8	43.0	42.0	43.0
Employee Expenses	114.7	201.6	189.3	229.8
Other Expenditure	312.0	401.9	492.2	597.5
Total Operating Expenditure	1917.5	2365.5	2877.2	3447.2
EBITDA	**646.22**	**725.80**	**908.60**	**1149.06**
Growth (%)	42.5	12.3	25.2	26.5
Interest	82.0	81.7	81.7	81.7
Depreciation	143.8	158.9	175.5	192.1
Other Income	19.2	23.2	28.4	34.5
PBT before Exceptional Items	439.7	508.4	679.8	909.8
Less: Exceptional Items	0.0	0.0	0.0	0.0
PBT after Exceptional Items	439.7	508.4	679.8	909.8
Total Tax	123.0	142.4	190.4	254.7
PAT before MI	316.7	366.1	489.5	655.0
PAT	**316.72**	**366.06**	**489.48**	**655.03**
Growth (%)	71.4	15.6	33.7	33.8
EPS (Adjusted)	81.2	93.9	125.5	168.0

Source: Company, ICICI Direct Research

Cash flow statement ₹ crore

(Year-end March)/ (₹ crore)	FY26	FY27E	FY28E	FY29E
Profit/(Loss) after taxation	**323.4**	**366.1**	**489.5**	**655.0**
Add: Depreciation & Amortization	135.8	158.9	175.5	192.1
Net Increase in Current Assets	-134.5	-299.4	-371.0	-433.0
Net Increase in Current Liabilities	125.2	110.3	145.3	169.1
Others	100.2	81.7	81.7	81.7
CF from Operating activities	**550.1**	**417.5**	**520.9**	**665.0**
Investments	0.0	0.0	0.0	0.0
(Purchase)/Sale of Fixed Assets	-320.0	-300.0	-300.0	-300.0
Others	-38.1	1.7	1.7	1.7
CF from Investing activities	**-358.1**	**-298.3**	**-298.3**	**-298.3**
(inc)/Dec in Loan	-210.5	0.0	0.0	0.0
Dividend & Dividend tax	-19.5	-46.9	-46.9	-46.9
Other	32.4	-81.7	-81.7	-81.7
CF from Financing activities	**-197.7**	**-128.6**	**-128.6**	**-128.6**
Net Cash Flow	-5.7	-9.5	93.9	238.1
Opening Cash	49.8	44.1	34.6	128.6
Closing Cash	**44.1**	**34.6**	**128.6**	**366.7**

Source: Company, ICICI Direct Research

Balance Sheet ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Equity Capital	**39.1**	**39.1**	**39.1**	**39.1**
Reserve and Surplus	1,373.4	1,692.5	2,135.1	2,743.2
Total Shareholders funds	1,412.4	1,731.6	2,174.1	2,782.2
Total Debt	1,021.3	1,021.3	1,021.3	1,021.3
Deferred Tax Liability	22.7	23.1	23.6	24.1
Long-Term Provisions	33.2	33.9	34.6	35.3
Minority Interest	28.2	28.7	29.3	29.9
Other Non Current Liabilities	0.0	0.0	0.0	0.0
Source of Funds	**2,517.8**	**2,838.6**	**3,282.9**	**3,892.7**
Gross Block - Fixed Assets	1,814.2	2,014.2	2,214.2	2,414.2
Accumulated Depreciation	653.1	812.0	987.5	1,179.5
Net Block	1,161.1	1,202.2	1,226.7	1,234.6
Capital WIP	297.6	397.6	497.6	597.6
Fixed Assets	1,458.7	1,599.8	1,724.4	1,832.3
Investments	115.2	115.2	115.2	115.2
Inventory	826.1	1,058.7	1,296.5	1,574.1
Debtors	526.0	592.9	726.1	881.5
Other Current Assets	199.7	199.7	199.7	199.7
Cash	44.1	34.6	128.6	366.7
Total Current Assets	**1,595.9**	**1,885.9**	**2,350.9**	**3,021.9**
Creditors	527.4	635.2	777.9	944.4
Provisions	3.7	3.7	3.8	3.9
Other Current Liabilities	121.0	123.4	125.8	128.4
Total Current Liabilities	652.0	762.3	907.6	1,076.7
Net Current Assets	943.9	1,123.6	1,443.3	1,945.3
Application of Funds	**2,517.8**	**2,838.6**	**3,282.9**	**3,892.7**

Source: Company, ICICI Direct Research

Key ratios

(Year-end March)	FY26	FY27E	FY28E	FY29E
Per share data (₹)				
Reported EPS	81.2	93.9	125.5	168.0
Cash EPS	69.2	81.8	113.5	155.9
BV per share	362.2	444.0	557.5	713.4
Cash per Share	11.3	8.9	33.0	94.0
Dividend per share	12.0	12.0	12.0	12.0
Operating Ratios (%)				
Gross Profit Margins	41.8	43.0	42.0	43.0
EBITDA margins	25.2	23.5	24.0	25.0
PAT Margins	12.4	11.8	12.9	14.3
Asset Turnover	1.4	1.5	1.7	1.9
EBITDA conversion Rate	85	58	57	58
Cash Conversion Cycle	149	144	145	145
Return Ratios (%)				
RoE	22.4	21.1	22.5	23.5
RoCE	21.2	21.2	23.6	25.9
RoIC	24.8	25.1	29.2	34.4
Valuation Ratios (x)				
P/E (Adjusted)	44.7	38.7	29.0	21.6
EV / EBITDA	23.3	20.8	16.5	12.8
EV / Net Sales	5.9	4.9	4.0	3.2
Market Cap / Sales	5.5	4.6	3.7	3.1
Price to Book Value	10.0	8.2	6.5	5.1
Solvency Ratios				
Debt / EBITDA	1.6	1.4	1.1	0.9
Debt / Equity	0.7	0.6	0.5	0.4
Current Ratio	2.4	2.4	2.4	2.5
Quick Ratio				
Inventory days	118	125	125	125
Debtor days	75	70	70	70
Creditor days	75	75	75	75

Source: Company, ICICI Direct Research

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Sell: <-15%

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