AEROFLEX INDUSTRIES LTD

18th August, 2023

AEROFLEX INDUSTRIES LIMITED

ISSUE DETAILS	
Issue Opens	22-08-2023
Issue Closes	24-08-2023
Issue Size (Rs. Crore)	351.00
Issue Size – Fresh (Shares)	1,50,00,000
Issue Size – OFS (Shares)	1,75,00,000
Authorised Shares	17,50,00,000
Subscribed & Paid-Up Shares	11,43,20,370
Face Value (Rs.)	2.00
Price Band (Rs.)	102.00 – 108.00
Lot Size	130 Shares
Reservation	5,00,000 shares for Shareholders of SAT Industries
Issue Type	Book Build Issue
Exchanges	BSE & NSE
BRLMs	Pantomath Capital Advisors
Registrar	Link Intime India
Finalisation of Allotment	On or Around 29-08-2023
Initiation of Refund	On or Around 30-08-2023
Credit to DMAT Account	On or Around 31-08-2023
Listing on Exchanges	On or Around 01-09-2023

ISSUE STRUCTURE	
Categories	**Allocation**
QIBs	50.00%
Non – Institutional	15.00%
Retail	35.00%
Total	**100.00%**

SHAREHOLDING PATTERN		
Categories	**Pre – IPO**	**Post – IPO**
Promoter & Promoter Group	91.09%	66.99%
Public	8.91%	33.01%
Total	**100.00%**	**100.00%**

PRE IPO SHAREHOLDING	
Particulars	**Holding**
Promoter & Promoter Group	**91.09%**
Mr. Ashish Kacholia	**2.03%**
Bengal Finance & Investments	**2.03%**
Mr. Jagdish Master	**1.14%**
Carnelian Shift Fund	**1.10%**
Rosy Blue India	**1.00%**
Others	**1.61%**

RECOMMENDATION
SUBSCRIBE

Company Background

Aeroflex Industries Limited (AIL) is a market leader in the field of metallic flexible flow solutions, offering a comprehensive range of products including corrugated stainless steel hoses, interlock flexible metal hoses, PTFE hoses, composite hoses, and stainless steel hose assemblies. It offers extensive and diverse product portfolio, the company has over 1,700 distinct SKUs as of January 31, 2023. These advanced solutions find applications across a spectrum of industries including steel, oil & gas, refineries, fire sprinklers, metal & mining, and aerospace & defense.

Objectives of the Issue

- Repayment of outstanding secured borrowings – Rs. 32 Crores.
- Funding working capital requirements – Rs. 84 Crores
- General corporate purposes and Inorganic Acquisitions – Balance
- Offer for Sale (OFS) by the selling shareholders of 1,75,00,000 shares. The company shall not receive any proceeds from the offer.

Key Points

- AIL has historically derived a significant portion of its revenue from exports, indicating its global reach and ability to capture international market share. With 51 countries served during the FY23, Aeroflex has established itself as a key player in the global export market.
- Despite a decline in FY21, AIL has showcased a consistent trend of revenue growth over the past years, culminating in a total Revenue of Rs. 269.48 Crores for FY2022 – 2023. The revenue is further expected to grow at a CAGR of 35 – 40% by FY26.
- AIL operates in a niche segment, offering flexible flow solutions to diverse industries. These products serve to critical requirement of conventional industries with global clientele.
- AIL has an extensive product pipeline of over 55 products under development, which highlights its proactive approach to meeting evolving customer demands and fostering potential revenue streams. The presence of significant entry barriers helps the company to act proactively and induce innovation through continuous investments in new products and design.
- The inclusion of SAT Industries as a promoter enhances AIL's strategic alliances and benefits from their expertise in expanding a variety of businesses.
- **Aeroflex Industries (AIL) has exhibited impressive financial growth and established strong client relationships, holding a dominant market position in India. With the support of seasoned promoters, prominent HNI investors, and a forward-looking strategy, AIL is excellently poised for enduring success within the burgeoning Flexible Flow Solutions sector. We recommend *SUBSCRIBE* to the issue for long term.**

Consolidated Financials (In Rs. Crore)	FY 2023	FY 2022	FY 2021
Revenue from Operations	270.14	241.54	144.77
Operating Profit (Excl. OI)	54.36	47.05	22.68
Profit Before Tax (PBT)	41.21	36.86	8.05
Profit After Tax (PAT)	11.06	9.36	2.04
EPS (Rs.)	2.64	2.41	2.63
Equity	22.86	22.86	22.86
Book Value (Rs.)	9.81	7.46	5.14

About the Company (AIL)

Aeroflex Industries Limited holds a dominant position in the metallic flexible flow solutions sector, presenting a wide array of offerings encompassing corrugated stainless steel hoses, interlock flexible metal hoses, PTFE hoses, composite hoses, and stainless steel hose assemblies. With an expansive and diverse product line-up, AIL currently boasts more than 1,700 distinct Stock Keeping Units (SKUs) as of January 31, 2023. These advanced solutions cater to various industries such as steel, oil & gas, refineries, fire sprinklers, metal & mining, as well as aerospace & defence.

Aeroflex benefits from a robust lineage, backed by SAT Industries Ltd., a well-established conglomerate with 37 years of experience. Among its sibling subsidiaries are prominent names such as Sah Polymers Ltd., Aeroflex International Ltd., Italica Furniture Pvt. Ltd., Aeroflex Finance Pvt. Ltd., and Italica Global FZC. Operating with a global perspective, Aeroflex Industries serves both domestic and international markets, exporting its offerings to more than 80 countries including prominent regions like Europe and the USA. At the heart of its operations lies a state-of-the-art manufacturing unit situated in Taloja in Navi Mumbai, Maharashtra, bolstered by a dedicated in-house research and development team that fuels continuous innovation.

Catering to a discerning clientele, Aeroflex collaborates with a wide array of stakeholders such as Original Equipment Manufacturers (OEMs), Maintenance Repair and Operations (MRO) companies, and fabricators. In FY22, the company's roster of 606 customers spanning 49 countries further solidified its reputation as a global industry frontrunner.

Marquee Clients

इसरो isro, ArcelorMittal, TATA STEEL, Reliance Industries Limited, ओएनजीसी ONGC, Victaulic, adani Ports and Logistics, हिएलि HAL, MAHANAGAR GAS, Linde, इंडियनऑयल IndianOil, Bharat Petroleum, BRIDGESTONE HOSEPOWER, बी एच ई एल BHEL, TATA TATA METALIKS, सेल SAIL, ERIKS, HMEL

Product Portfolio

Stainless Steel Corrugated Flexible Hoses

Stainless Steel Braiding

Stainless Steel Interlock Hoses

Assemblies

AIL specializes in producing metallic flexible flow solutions that replace traditional materials, offering superior performance and durability. With applications spanning across critical industries such as steel, oil and gas, aerospace, defence, mining, and solar, the company's extensive product portfolio mitigates industry-specific risks and positions it as a vital player in essential industrial ecosystems.

Industry Use Case for Aeroflex's Products

- Fire Sprinklers
- Aerospace and Defence
- Semiconductors
- Robotics and Automation
- Hydrogen
- Electric Mobility
- HVAC
- Natural Gas
- Steel & Metal
- Petrochemicals and Oil Refineries
- Solar
- Bulk Terminal Handling
- Chemicals, Food and Pharma
- Paper and Pulp

HVAC = Heating, Ventilation, and Air Conditioning

Industry Wise Revenue (in Rs. Crore)

Industry / Sector	10 Months (January ended 31, 2023)		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Revenue	%	Revenue	%	Revenue	%	Revenue	%
Steel	475.99	22.15%	509.51	21.72%	381.79	27.16%	394.15	28.36%
Oil and Gas	408.39	19.00%	375.31	16.00%	200.19	14.24%	211.15	15.19%
Refineries	355.12	16.52%	316.67	13.50%	171.59	12.21%	168.92	12.15%
Fire Sprinklers & Fire Fighting	340.23	15.83%	572.10	24.39%	285.99	20.35%	253.39	18.23%
Chemicals & Petrochemicals	337.37	15.70%	351.85	15.00%	228.79	16.28%	239.31	17.22%
Metals & Mining	177.56	8.26%	159.61	6.80%	111.96	7.97%	102.29	7.36%
Solar	17.11	0.80%	-	-	-	-	-	-
Others	37.48	1.74%	60.63	2.58%	25.24	1.80%	20.74	1.49%
Total	**2149.25**	**100%**	**2345.68**	**100%**	**1405.56**	**100%**	**1389.95**	**100%**

Source: Company DRHP, AUM Research

Key Industry Highlights

Favourable Government Regulations:

- The Iron & Steel industry is of strategic importance in India's infrastructure sector. The Government has focused on several initiatives since 1991, including Foreign Investment caps removal and Global Trade Agreements to facilitate the industry and its ancillary industries. These initiatives have resulted in technological advancements and increased capital inflow.
- The Steel and Steel Products (Quality Control) Order 2020, which enforces Indian quality standards, has had a positive impact on Flexible Flow Solutions' raw material sourcing and industry's emphasis on quality.
- The Domestically Manufactured Iron and Steel Products Policy (DMISP) promotes domestic sourcing. It leads to import substitution, benefiting established industry players.
- With Government's focus on sourcing key inputs domestically, opportunities arise in sectors like Oil & Gas with significant PSU presence.

Growing Global Market:

- The Global Stainless Steel Flexible Hose market was valued at US$ 25 Billion in 2020, of which Stainless Steel (SS) Corrugated Hoses contribute US$ 12.5 Billion. This is projected to expand to US$ 38 Billion and US$ 18 Billion, respectively, by 2027 with growth driven by urbanization, infrastructure, and real estate. The favourable market attributes support market growth.
- The Asia Pacific region leads SS exports with growth driven by China and India. There is a surge in demand for such products due to extensive usage in electric vehicles, renewable water heating, and energy-efficient appliances.
- Continued infrastructure spending and carbon reduction initiatives aid growth to the demand for flexible hoses which is further supplemented by manufacturing sector shift towards factory automation.

Growing Global Market Size of SS Flexible Hoses and SS Corrugated Hoses (in US$ Billion)

Growing Domestic Demand:

- The demand for Flexible Flow Solutions using Stainless Steel Corrugation is historically fuelled by the industrial sector, including manufacturing plants and Heating, Ventilation and Air Conditioner (HVAC) applications. The increased industrial activity and the shift from conventional hoses to stainless steel solutions have further contributed to demand growth.
- Completion of multiple manufacturing projects and the emphasis on renewable energy have further boosted demand.
- Ongoing expansion in sectors like oil and gas, steel manufacturing, and chemicals is backed by government initiatives such as *Atmanirbhar Bharat* and *Production Linked Incentive (PLI) Schemes*. These initiatives are expected to establish a stable user base for the industry.
- Emerging sectors like electric vehicles, lithium-ion battery applications, solar energy, natural gas pipeline infrastructure, and industry 4.0 automation are anticipated to drive future demand, expanding the potential market and ensuring sustained growth.

Strong Revival in Exports

- India's exports of flexible tubing of iron and steel have displayed substantial growth over time. In FY22, exports surged to Rs 5,258 million, showing an impressive 17.4% CAGR from FY18 to FY22. The Export volumes reached 9,320 tons, marking a steady 10.7% CAGR over the same period.
- Despite a pandemic-induced decline in FY20 and FY21, FY22 marked a recovery, surpassing FY21 figures in both value and volume. This recovery continued into 10M FY23, with robust YoY growth of 39% in value and 12% in volume.
- Key export partners included the US, UK, Singapore, UAE, and Saudi Arabia, have contributed significantly to exports. The US maintained its strong position as a key importer for Indian produce, thus contributing to consistent growth in value and volume.

India's Exports of Flexible Tubing of Iron/Steel (in Rs. Million)

India's Exports of Flexible Tubing of Iron / Steel (in Tonnes)

Competitive Market Scenario:

- The Flexible Flow Solutions made with Stainless Steel Corrugation manufacturing landscape is characterized by fragmentation, featuring both small and medium-sized players alongside a select few larger entities.
- The Key differentiating factors within the industry include the quality of corrugation, stainless-steel braiding, and the ability to design versatile hose assemblies catering to diverse industrial needs. These distinguishing factors have empowered leading players to establish significant market presence and secure complex contracts, in contrast to smaller competitors hindered by limited R&D and manufacturing capacities.

Positive Industry Demand Outlook:

- In the short term, the demand for Flexible Flow Solutions made with Stainless Steel Corrugation will be primarily fuelled by traditional sectors, including process industries and HVAC systems. This surge is attributed to capacity expansion and modernization efforts within these sectors.
- Looking ahead, the long-term growth trajectory of the industry will be steered by innovative applications in emerging sectors. Notably, energy storage in the form of Li-ion batteries, semiconductor manufacturing, and robotics are anticipated to play pivotal roles in improving demand for such flow solutions.
- India's strong emphasis on electric mobility, propelled by government policies, is expected to drive the adoption of electric vehicles, potentially leading to increased demand for Stainless Steel Corrugation solutions. The continued expansion of the renewable energy sector, coupled with advancements in semiconductor manufacturing and robotics, is projected to sustain the demand momentum for Flexible Flow Solutions made with Stainless Steel Corrugation.

AIL's Product Overview

- **Diverse Product Portfolio with Versatile Applications:**
  Aeroflex Industries Limited (AIL) offers a comprehensive range of metallic flexible flow solutions, including braided hoses, unbraided hoses, solar hoses, gas hoses, vacuum hoses, interlock hoses, composite hoses, hose assemblies, lancing hose assemblies, jacketed hose assemblies, exhaust connectors, exhaust gas recirculation (EGR) tubes, expansion bellows, compensators, and related end fittings.
  These products serve a wide array of industries, such as steel, oil and gas, refineries, aerospace and defence, fire sprinklers and firefighting, metals and mining, solar, and other flexible flow solutions. These solutions facilitate the controlled flow of various substances, including air, liquids, and solids, across diverse environmental and operational conditions.

- **Robust Catalogue:** With over 1,700 Product SKUs, its product portfolio encompasses Stainless Steel Corrugated Flexible Hoses (with and without braiding), SS Braiding, and Interlock Hoses. The company's products are designed to handle temperatures ranging from -196°C to 982°C and pressure up to 300 bars making it fit for use in variety of use cases.

- **Eco-Friendly Approach:** AIL's commitment to environmental sustainability is evident in its use of metallic flexible flow solutions made of stainless steel. These solutions produce significantly lower carbon emissions compared to those made with synthetic rubber, aligning with green and sustainable business practices.

Replacement Demand:

- **Integral Role in Operations**
  AIL's solutions are crucial for various industries, ensuring continuous substance flow amid operational efficiency, regulatory compliance, and zero waste mandates. Replacements over time further cement their importance in industrial processes.
- **Ongoing Replacement Demand**
  AIL's solutions adhere to set lifespans, leading to recurring replacement demand driven by efficiency optimization, regulatory compliance, and zero waste goals. This consistent demand cycle provides steady revenue and growth potential. As industries upgrade, AIL's solutions remain vital for smooth operations and the company's success.

Investment Rationale

Aeroflex Industries Command Strong Market Share with Export Oriented Business:

- AIL boasts one of the most extensive installed production capacities, reaching a substantial 11 million meters. It offers a diverse array of products that cater comprehensively to virtually all economic sectors.
- AIL holds a commanding position as a dominant exporter, distinguished by the prestigious Star Export House label with exports spanning across nearly 80 countries.
- A strong presence in the United States market, has contributed significantly to AIL's export revenue (45% of Total Exports) and making it the world's largest market for Flexible Flow Solutions made with Stainless Steel Corrugation.
- AIL also demonstrates an impressive track record with its holding company, SAT Industries Ltd., providing strategic advantages and enabling effective utilization of emerging opportunities.

High Entry and Exit Barriers in the Industry:

- Aeroflex Industries is aided by formidable entry barriers for potential competitors, acting as a strong MOAT, due to the imposition of stringent quality standards and regulatory requisites.
- AIL maintains a rigorous system for product approval, enforcing exacting design, engineering, and usage specifications to ensure the delivery of high-calibre products. Its solutions play a pivotal role in various applications, subjecting them to scrutiny both at the customer level and by regulatory authorities.
- Original Equipment Manufacturers (OEMs) place stringent regulatory and industry standards on their final products, further solidifying the obstacles for new market entrants competing with Aeroflex.

Stringent Product Approval Process Creates a Strong MOAT

- Aeroflex Industries (AIL) follows a comprehensive product approval process, spanning certification (3-12 months), client on boarding (2-3 months), product validation & customer approval (2-4 months), and customer agreement & commercial production (1-2 months). Due to the involved nature of supplier selection and relationship development, customers tend to maintain long-term associations.
- Globally, Parker-Hannifin Corporation and Senior PLC are two companies engaged in a business similar to AIL, but no such listed company operates in India. Presently, AIL's capacity is 11 Million Meters per annum which the management has planned to rise to 13.5 million meters by FY24 with ongoing expansion at a cost of Rs 48 Crores. The subsequent phase by FY25 will elevate capacity to 15.50 million meters, including a robotic line, necessitating a capex of Rs 125 Crores.

Robust Financial Performance:

- Aeroflex's emphasis on value-added solutions has cemented its position within the flow solutions value chain which in turn has been instrumental in driving robust financial results. AIL's unwavering commitment to delivering high-quality solutions has fostered deep trust and active customer engagement, leading to increased customer retention rates and widespread adoption of its products in diverse industries and global markets.
- Currently, AIL's revenue distribution consists of Hoses at Rs 169.30 Crs (65% of revenues), Assemblies & Fittings at Rs 79.26 Crs (30% of revenues), Braiding at Rs 10.60 Crs (4% of revenues), and other products at Rs 1.37 Crores (1% of revenues). Notably, Assemblies & Fittings' share increased from Rs 33.94 Crores (23% of revenues) to Rs 79.26 Crores (30% of revenues) between FY21 and FY23, contributing to improved EBIDTA margins.
- EBIDTA margins for Assemblies & Components typically range from 25% to 30%, while Hoses in meter form exhibit margins around 15%. This dynamic drove AIL's EBIDTA margins from 15.43% in FY21 to a significant 20.05% in FY23. AIL aims to amplify the Assembly & Components revenue share to approximately 80% over the next 3 years, targeting EBIDTA margins of 27-28%.

Continued Growth in Revenue from Operations

Strong EBITDA and PAT Margins

Stable RoCE and RoE

Stronger Book Value YoY (Amount in Rs.) (Adjusted)

Source: Company Reports, AUM Research

Key Performance Indicators:

Particulars (in Rs. Crore)	Mar-21	Mar-22	Mar-23
Revenue from operations	14.48	24.08	26.95
Total number of customers served (Nos.)	538	606	723
Total capacity utilisation (%)	*71.01%*	*90.41%*	*83.16%*
Exports revenue as % of revenue from operations (%)	*80,90%*	*84,53%*	*80,60%*
Foreign currency gain / (loss)	19.21	32.37	53.13
Cost of goods sold as % of revenue from operations (%)	*64,62%*	*64,81%*	*63.11%*
Net profit margin (%)	*4.15%*	*11,41%*	*11.19%*
Net worth (in Rs. Crore)	5.87	8.62	11.41
Return on capital employed (%)	*17.13%*	*36.29%*	*31,91%*
Return on equity (%)	*10,24%*	*31,90%*	*26.43%*
Debt to equity ratio (times)	0.9	0.45	0.39
Fixed asset turnover ratio (times)	3.37%	5.26	4.85

Source: Company Reports, AUM Research

Vast Addressable Market with Global Aspirations

- AIL holds a prominent position on the global stage in the realm of flexible flow solutions, specializing in the creation and manufacturing of metallic flexible corrugated hoses, assemblies, and fittings. These solutions are pivotal across multiple industries, ensuring the seamless and efficient transfer of diverse materials – whether liquids, gases, or solids – between points. Their importance lies in their critical role in facilitating processes and upholding entire ecosystems. Backed by a state-of-the-art manufacturing facility, certified processes, an expansive global presence spanning 80+ countries, a track record of successful product launches and scaling, and a robust research and development capability, AIL is strategically poised to cater to the varied requirements of different end-user industries.
- AIL operates as an export-oriented entity, showcasing its prowess by successfully exporting products to an impressive roster of 51 countries in the fiscal year 2023. Among these, the top 10 nations in terms of export volumes comprised the USA, UAE, Italy, Spain, Canada, Belgium, Brazil, UK, Russia, and South Africa, among others. The company is poised to capitalize on its diverse and far-reaching delivery model, marked by a keen focus on tailoring flexible flow solutions to precisely match customer preferences. Armed by its well-established associations and a consistent track record of punctual deliveries, AIL possesses the capability to accompany its existing clientele into new geographical domains, and thus facilitating its expansion into previously uncharted territories.

Top 5 Countries of India's Export of Flexible Tubing of Iron / Steel (in terms of Value) (for FY 2022)

Top 5 Countries of India's Export of Flexible Tubing of Iron / Steel (in terms of Volume) (for FY 2022)

Source: Company DRHP, AUM Research

Constant Investment in In-House R&D

- AIL boasts an internal team comprising of Design and R&D experts who are dedicated to crafting intricate and cutting-edge flow solutions aligned with global industrial trends and standards. This team conducts research on both existing and novel high-end materials, while also streamlining the manufacturing processes. AIL's strategic vision involves a substantial expansion of its Design and R&D endeavors. This expansion entails the addition of resources and highly skilled personnel, enabling the undertaking of intricate research, development, and innovative initiatives involving advanced materials. Furthermore, the focus extends to exploring new applications for products and designing complex solutions in-house, catering to diverse industrial segments.

Digitisation Focus

- AIL is committed to enhancing operational efficiencies through a diverse array of technology-driven tools and digitization techniques. Additionally, it aims to implement process automation to enhance energy usage efficiency, minimize wastage, boost productivity, optimize manpower allocation, refine water discharge practices, and consistently seek avenues for cost reduction. These efforts include the application of various techniques to streamline their product offerings and reduce overall costs.

Near Monopoly in the Domestic Market

- AIL's most significant competitive advantage lies in its monopoly within the market, devoid of local competition. Notably, replacement sales contribute substantially to its profitability, further reinforced by extended customer lifecycles lasting a decade or more.

Future Outlook

- AIL is focused on consistently growing the proportion of value-added offerings, such as assemblies, composites, and interlock solutions, while expanding its capabilities to cater to diverse industrial sectors. This strategy aims to strengthen their global position in flexible flow solutions. Additionally, AIL has strategic capital expenditure plans for PTFE-based solutions, a high-margin and high-performance product widely recognized in global markets.
- In the near term, the demand for Stainless Steel Corrugation-based Flexible Flow Solutions will be sustained by established sectors like process industries and HVAC systems through capacity expansion and plant modernization. This stability will be underpinned by a shift from traditional hose materials to Stainless Steel Corrugation. Looking ahead, AIL's long-term growth will be driven by innovative applications in burgeoning fields such as energy storage (notably Li-ion batteries), semiconductor manufacturing, and aviation, particularly drones. The surge in demand for Li-ion battery packs due to electric vehicles and renewables, coupled with India's ambitious clean energy goals, reinforces a positive trajectory.
- With capacity utilisation hovering around 69%, the company is well poised to cater to the expanding demand without substantial capital expenditure.

Period	Total Capacity (Mtr) Annually		
	Installed Capacity	Actual Production	Utilisation
2019 – 2020	1,10,02,389	77,91,299	71%
2020 – 2021	1,10,02,389	78,13,316	71%
2021 – 2022	1,10,02,389	99,47,049	90%
2022 – 2023 (10 Month)	1,10,02,389	76,08,870	69%

Source: Company DRHP, AUM Research

Financial Highlights (Consolidated) (Amount in Crore)			
DESCRIPTION	**Mar-23**	**Mar-22**	**Mar-21**
Income / Expense Performance			
Gross Sales	270.14	241.54	144.77
Total Income	269.48	240.99	144.83
Total Expenditure	215.10	193.75	122.09
Gross Profit	99.40	84.74	51.22
PBIDT	54.38	47.24	22.74
PBIT	46.09	43.47	17.34
PBT	41.21	36.86	8.05
PAT	30.15	27.51	6.01
Cash Profit	35.37	31.69	9.79
Sources of Funds			
Equity Paid Up	22.86	22.86	22.86
Reserves and Surplus	91.23	63.36	35.85
Net Worth	112.11	85.34	58.72
Total Debt	45.01	39.13	53.07
Capital Employed	157.12	124.46	111.79
Application of Funds			
Gross Block	127.99	112.57	105.53
Investments	-	-	-
Cash and Bank balance	6.25	8.33	3.59
Net Current Assets	75.51	53.72	48.74
Total Current Liabilities	78.93	75.24	66.70
Total Assets	213.98	183.44	160.67
Cash Flow			
Cash Flow from Operations	3.79	32.06	12.09
Cash Flow from Investing activities	(9.46)	(13.39)	(2.91)
Cash Flow from Finance activities	3.59	(13.94)	(10.39)
Free Cash flow	(5.89)	17.65	7.14
Key Ratios			
Debt to Equity(x)	0.4x	0.5x	0.9x
Current Ratio(x)	2.0x	1.7x	1.7x
RoCE (%)	32.73%	36.80%	15.21%
RoNW (%)	30.54%	38.19%	10.79%
GPM (%)	36.79%	35.08%	35.38%
PBIDTM (%)	20.13%	19.56%	15.71%
PATM (%)	11.16%	11.39%	4.15%
CPM (%)	13.09%	13.12%	6.76%
Adjusted EPS	2.64	2.41	0.53
Cash EPS	3.09	2.77	0.86
Enterprise Value	61.62	53.66	72.34

Source: ACE Equity, AUM Research

AUM Capital Research Desk

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