

## Integrated EMS player with diverse capabilities...

**About the company:** Avalon Technologies (Avalon) is an integrated electronic manufacturing services (EMS) company with end-to-end operations in delivering box build solutions.

- The company's capabilities include: 1) printed circuit board (PCB) design and assembly, 2) cable assembly and wire harnesses, 3) sheet metal fabrication and machining, 4) magnetics, 5) injection moulded plastics and 6) end-to-end box build of electronic systems
- Avalon's products find usage in sectors like clean energy, mobility, industrials, communication, medical and others
- Consolidated revenues grew at a CAGR of ~14% over FY20-22

### Key triggers/highlights:

- India's EMS industry is likely to grow at a CAGR of 32.3% from ₹ 1,469 billion in FY22 to ₹ 4,502 billion in FY26. The EMS market in North America is expected to grow at a CAGR of 4.8% from US\$91 billion in CY21 to US\$114 billion in CY26
- Vertically integrated business model to help gain wallet share of customers and enhance market share
- Manufacturing facilities in the US give a competitive edge
- Caters to high growth industry verticals such as clean energy
- Avalon has long standing relations with its customers

**What should investors do?** Avalon is a fully integrated EMS company, catering to global clients into clean energy, mobility, industrial and communications domains. The company earned ~62% (FY22) of its total revenue from exports (mainly to the US) while the rest comes from the domestic market. The company's consolidated revenue grew at a CAGR of ~14% in FY20-22 led by clean energy segment (EV, solar, hydrogen) which grew at ~30% CAGR during the same period. Despite higher raw material costs, the EBITDA margin increased 160 bps to 11.6% supported by savings in employee and other costs. PAT grew ~5.5x to ₹ 68 crore tracking one-time gains and EBITDA margin expansion. At the upper price band of ₹ 436, the stock is priced at 56x FY23 annualised EPS of ₹ 7.8/share (based on fully diluted post issue of equity)

- We assign **UNRATED** rating to the IPO

### Key risk & concerns

- Operates in a highly competitive industry
- Dependent on imports for supply of raw materials
- Higher working capital days
- Disruption in manufacturing facilities



### IPO Details

#### Issue Details

Issue Opens	3rd April 2023
Issue Closes	6th April 2023
Issue Size*	₹ 865 crore
Fresh Issue	₹ 320 crore
Price Band	₹ 415-436
No. of shares on offer (in crore)	2.0
QIB (%)	75
Retail (%)	10
Non-Institutional (%)	15
*based on upper price band	

### Shareholding pattern (%)

	Pre-Issue	Post-Issue
Promoter Group	70.7	51.2
Public	29.3	48.8

### Objects of the issue

Objects of the Issue	₹ crore
Repayment of debt	145.0
Working capital requirements	90
General Corporate Purposes	-
<b>Fresh Issue</b>	<b>320</b>
<b>Offer for sale</b>	<b>545</b>

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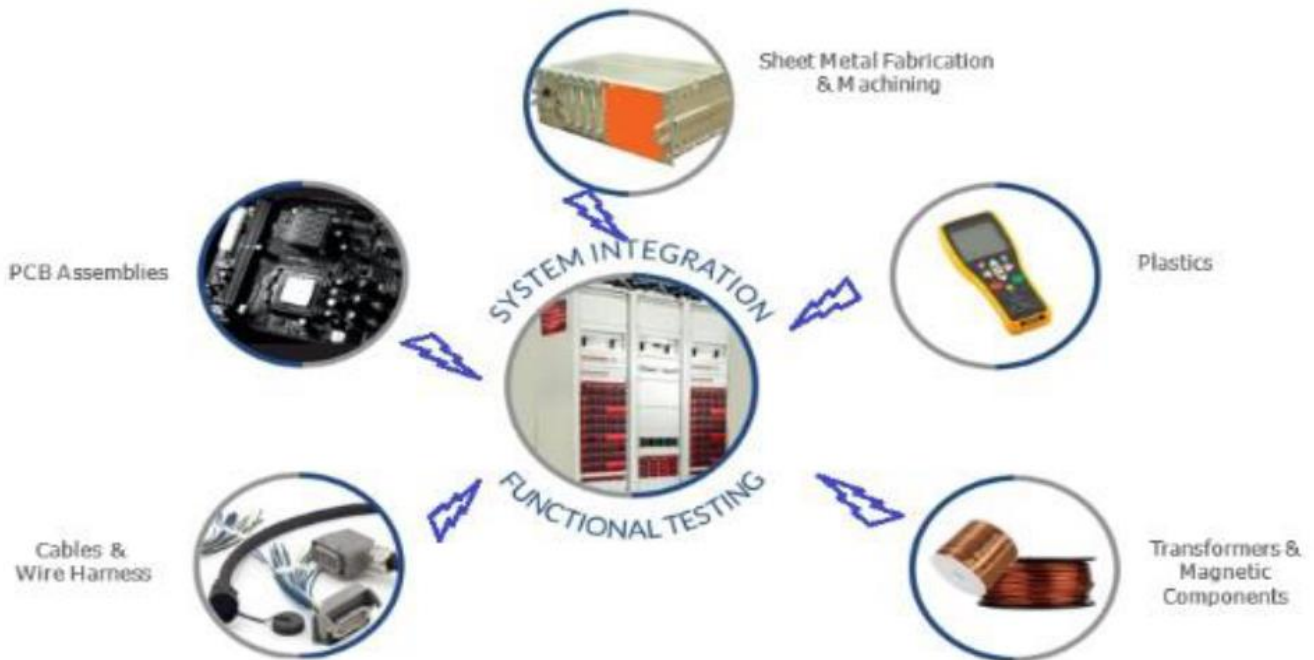
### Key Financial Summary

(₹ Crore)	FY20	FY21	FY22	CAGR (20-22)
Net Sales	641.9	690.5	840.7	14.4
EBITDA	64.5	66.1	97.5	23.0
EBITDA Margin (%)	10.0	9.6	11.6	
Net Profit	12.3	23.1	68.2	135.2
EPS (₹)	1.9	3.5	10.4	
P/E (x)	231.0	123.3	41.8	
Price/Book (x)	61.1	47.5	32.6	
Mcap/Sales (x)	4.4	4.1	3.4	
RoE (%)	26.5	38.5	96.0	
RoCE (%)	21.7	16.2	22.5	

## Company Background

Incorporated in November 1999, Avalon is a fully integrated EMS company with end-to-end operations in delivering box build solutions. The company is promoted by Kunhamed Bicha and Bhaskar Srinivasan. Avalon operates an entire value chain with capabilities in PCB design and assembly, cable assembly & wire harnesses, sheet metal fabrication and machining, magnetics, injection moulded plastics and end-to-end box build of electronic systems. The company provides these services to certain global OEMs, including OEMs in the US, China, Netherlands and Japan. It caters to end-use industries such as clean energy, mobility/transportation, industrials, communication, medical & others. As of 8MFY23, the company caters to 89 customers and has an order book of ~₹ 1190.2 crore.

Exhibit 1: End-to-end integrated business model



Source: RHP, ICICI Direct Research

Exhibit 2: Product portfolio

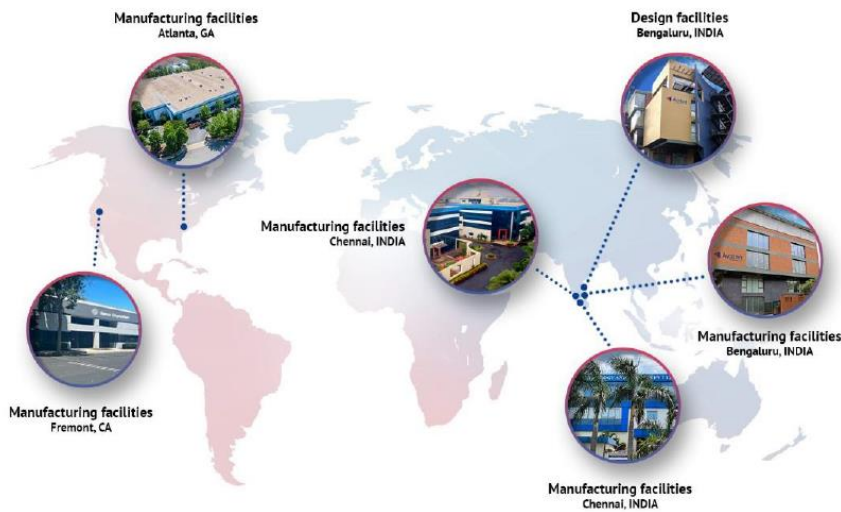


Source: RHP, ICICI Direct Research

## Global delivery model

Avalon has a global delivery model, comprising design and manufacturing capabilities across both India and the US. It has 12 manufacturing units across the US and India: 8 units in South India and 2 units in the U.S. The company is also coming up with a new facility in Chennai, Tamil Nadu, which is currently under construction. Each of its manufacturing facilities integrates manufacturing, warehousing and logistics. Currently, Avalon is operating at a capacity utilisation of ~65%. Its electronic manufacturing facilities comprise an aggregate of 66 production lines, consisting of 11 SMT lines, 12 THT lines and 43 assembly lines. Avalon has separate lines for its sheet metal fabrication, machining, cable assembly and wire harnesses, magnetics and plastics. Each of its facilities is accredited with global quality standards and certifications. The company’s manufacturing facilities are staffed by a workforce of 2,004 persons as of 8MFY23. This global delivery model enables Avalon to offer clients local manufacturing services across locations depending on their needs, and also leverage favourable policy initiatives such as ‘Make in India’ initiative.

**Exhibit 3: Manufacturing & design facilities**



Source: RHP, ICICI Direct Research

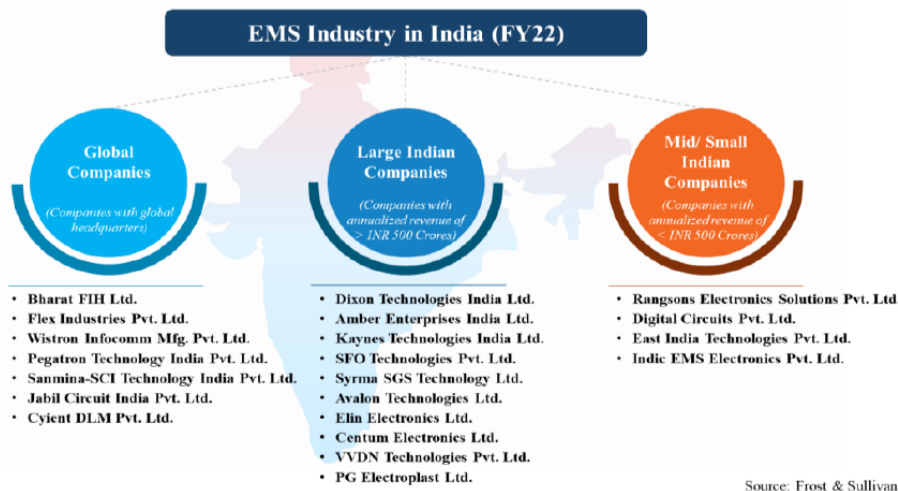
## Industry Overview

### Indian EMS industry: Poised for growth

Established over 30 years ago, the Indian EMS industry is currently at its nascent stage. The EMS industry has grown in prominence over the last decade, particularly in the last five years. The industry, which was traditionally a domain of PSUs, has seen the participation of a few MNCs and many private sector Indian companies post-liberalisation of the Indian economy. These companies were addressing the requirements of consumer electronics OEMs while some of them were manufacturing for their global requirement. The Indian market opportunity is driven by the expected geographical diversification by global OEMs of their manufacturing needs to reduce dependence on China and the availability of government incentives and other schemes, among others.

There are nearly 700 EMS companies in India, ranging from large to medium-sized to small players. Major global companies are Bharat FIH, Flex, Wistron, Pegatron, Jabil; large Indian companies include Dixon, Amber, SFO Technologies, Syrma, Elin, Avalon Technologies etc. Ambitious expansion plans and an increase in capacity of Indian EMS players to capitalise on favourable policy initiatives ensure that the EMS sector in India will witness heightened growth in coming years.

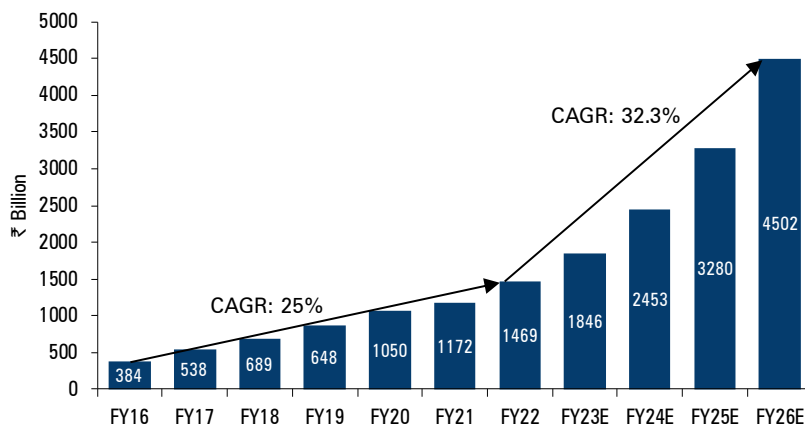
Exhibit 4: Indian EMS Industry (FY22)



Source: RHP, ICICI Direct Research

The Indian EMS market was valued at ₹ 1,469 billion in FY22 and is expected to grow at a CAGR of 32.3% to reach a value of ₹ 4,502 billion in FY26. The Indian EMS industry is part of the country’s larger electronics ecosystem. A systematic approach has been applied to separate the various components of the Indian electronics market and achieve potential growth for EMS businesses in India. Mobile phones, consumer electronics and industrial electronics contribute to more than 75% of the total EMS market in India. A few EMS providers are slowly evolving to offer complete design services apart from contract manufacturing. This is an advantage for both EMS players as well as OEMs; EMS players obtain higher margins through this model, and OEMs benefit by outsourcing manufacturing and design activities, enabling them to focus on other activities. High volumes will influence EMS companies to establish the component ecosystem locally and enhance domestic capabilities for component sourcing, making the ecosystem stronger.

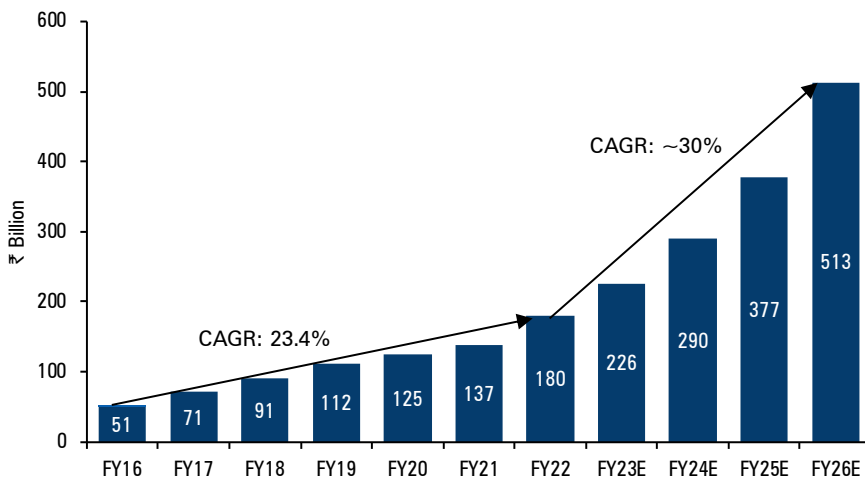
Exhibit 5: India's EMS industry to grow at CAGR of ~32% by FY26



Source: RHP, ICICI Direct Research

The EMS market is divided into the B2B and B2C segment. Avalon solely caters to the B2B market currently. In FY22, the B2B market was valued at ₹ 180 billion and is expected to grow to ₹ 513 billion by FY26.

Exhibit 6: Indian B2B EMS market size



Source: RHP, ICICI Direct Research

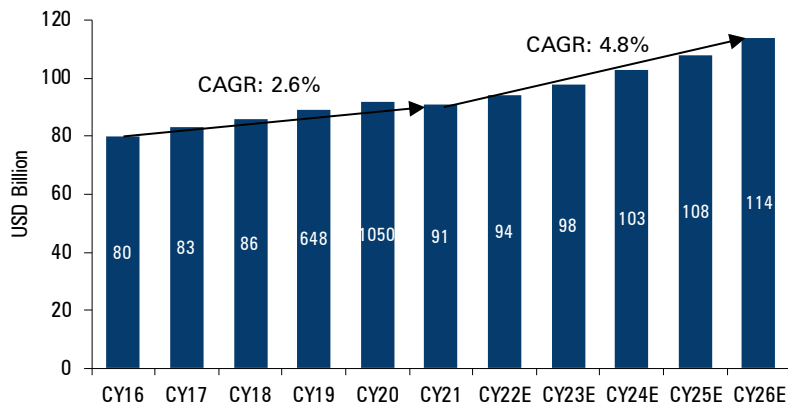
### North American EMS Industry

The EMS market in North America was valued at US\$91 billion in CY21 and is expected to grow at a CAGR of 4.8% to reach US\$114 billion in CY26. During the past decade, the region has lost market share due to offshore activities and changes in manufacturing investment. The offshoring tide has since been curtailed and now investment is returning to the region, which has focused on low-cost production regions like Mexico and Central America.

The US remains attractive for the low- to medium-volume and complex electronics product manufacturing sectors, predominantly in the medical, telecom, IT, automotive, industrial, and military/aerospace divisions. In case of Avalon, the presence of manufacturing capability in the US offers it an edge in the North American markets.



Exhibit 7: Growth trajectory of North American EMS industry



Source: RHP, ICICI Direct Research

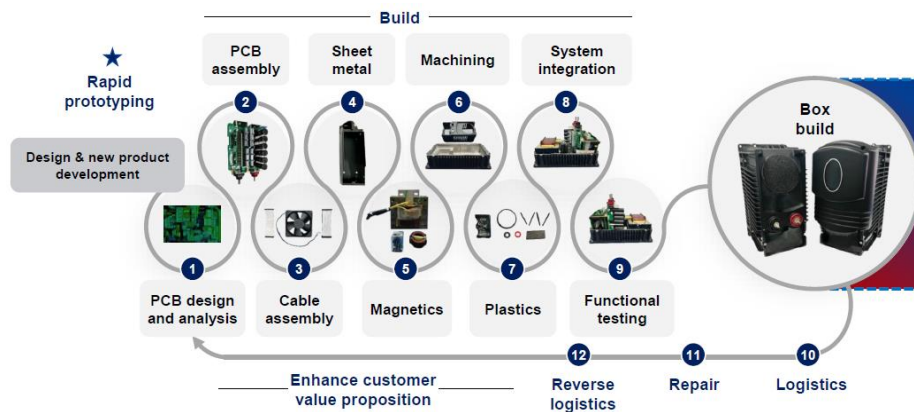
The North American EMS market is growing on the back of various factors. It is benefitting from the US-China trade tensions that are causing a reshoring of manufacturing back to the U.S. Several companies like Apple, Lenovo and GE are shifting a part of their EMS strategy back to the US. This is further strengthened by the supply chain issues caused by the Covid pandemic, inducing OEMs and EMS companies to rethink their supply chain strategy to be one that is reliant on the local network. The expansion of the EV industry owing to the rising stringency in government policies to curb the carbon footprint is likely to encourage automakers to opt for electronic manufacturing services (EMS). EMS proficiency in the automotive sector includes box build assembly, PCB assembly services and module assembly to provide high-volume production units to the OEMs. America is the second leading EV market after China with, specifically, the US having a well-developed charging infrastructure that supports the growth of EV sales.

## Investment Rationale

### Strong business model with presence across industry verticals

Avalon offers one-stop services from PCB design and analysis to new product development and subsequent volume production. The company has capabilities to develop an entire box-build by undertaking designing and assembly of PCBs, cables, sheet metals, magnetics and plastics. Providing entire box-build services helps the company to gain wallet share from existing customers. The company also focuses on new product development to build long term relationships with its customers as well as acquire new customers.

Exhibit 8: End-to-end integrated solutions



Source: RHP, ICICI Direct Research

The company has diversified its product portfolio to cater to customers across various industry verticals. As of 8MFY23, box build is the major contributor to the company’s overall revenue at ~48%, followed by PCBs at ~33% while the remaining ~19% comes from other service offerings.

Exhibit 9: Service offering wise revenue contribution

(in ₹ crore)

Service Offerings	FY20		FY21		FY22		8MFY23	
	Revenue	Contribution (%)	Revenue	Contribution (%)	Revenue	Contribution (%)	Revenue	Contribution (%)
Design	14.0	2.2	15.1	2.2	18.5	2.2	13.6	2.3
PCB	228.6	35.6	242.9	35.2	296.2	35.2	194.0	33.2
Box Build	283.1	44.1	327.7	47.5	374.0	44.5	281.9	48.2
Cables	54.5	8.5	63.5	9.2	84.6	10.1	57.6	9.8
Metal	45.5	7.1	29.1	4.2	35.2	4.2	22.4	3.8
Magnetics	6.8	1.1	8.8	1.3	26.6	3.2	10.7	1.8
Plastics	9.4	1.5	3.3	0.5	5.7	0.7	4.5	0.8
<b>Total</b>	<b>641.9</b>	<b>100.0</b>	<b>690.5</b>	<b>100.0</b>	<b>840.7</b>	<b>100.0</b>	<b>584.8</b>	<b>100.0</b>

Source: RHP, ICICI Direct Research

As a result of its integrated solutions, Avalon serves customers across various industry categories like clean energy, mobility/transportation, industrials, communication, medical & others. As of 8MFY23, industrials (power & automation verticals) contribute the highest (~28%) to the overall revenue of the company, followed by clean energy (~23%) & mobility (~22%), respectively.



**Exhibit 10: Service offering wise revenue contribution** (in ₹ crore)

Industry Category	Industry Vertical	FY20		FY21		FY22		8MFY23	
		Revenue	Contribution (%)	Revenue	Contribution (%)	Revenue	Contribution (%)	Revenue	Contribution (%)
Clean Energy	Solar, Electric Vehicles, Hydrogen	102.6	15.71	123.4	17.74	172.7	20.28	138.9	23.26
Mobility/Transportation	Railways, Automotive, Aerospace	201.2	30.80	198.4	28.51	226.5	26.59	133.7	22.39
Industrial	Power & Automation	182.3	27.92	204.2	29.35	255.8	30.04	167.6	28.07
Communication	Telecom and Satellite, Digital Infrastructure (IOT and 5G)	40.9	6.27	54.7	7.86	61.1	7.18	53.9	9.03
Medical	-	52.7	8.07	54.5	7.83	65.6	7.71	52.0	8.70
Others*	Defense Design	73.3	11.22	60.7	8.72	69.9	8.21	51.0	8.54
<b>Total</b>		<b>653.1</b>	<b>100.0</b>	<b>695.9</b>	<b>100.0</b>	<b>851.7</b>	<b>100.0</b>	<b>597.0</b>	<b>100.0</b>

Source: RHP, ICICI Direct Research \*Others includes other income

## Competitive edge in North American markets

Avalon has two manufacturing facilities in the US through its subsidiary, Sienna Corporation. Avalon is the only Indian EMS company with manufacturing facilities in the US giving it a competitive advantage to cater to the North American markets. The EMS market in North America was valued at US\$91 billion in CY21 and is expected to grow at a CAGR of 4.8% to reach US\$114 billion in CY26. Over the last three years, exports contributed ~62% of its overall revenue. However, 80% of the company's overall manufacturing is done in India to maintain cost-effectiveness.

**Exhibit 11: Geography wise revenue contribution** (in ₹ crore)

Geography	FY20		FY21		FY22		8MFY23	
	Revenue	Contribution (%)	Revenue	Contribution (%)	Revenue	Contribution (%)	Revenue	Contribution (%)
United States	406.6	62.3	436.0	62.6	529.7	62.2	345.4	57.9
India*	246.5	37.7	259.9	37.4	322.0	37.8	251.6	42.1
<b>Total</b>	<b>653.1</b>	<b>100.0</b>	<b>695.9</b>	<b>100.0</b>	<b>851.7</b>	<b>100.0</b>	<b>597.0</b>	<b>100.0</b>

Source: RHP, ICICI Direct Research \*Revenue from India includes other income

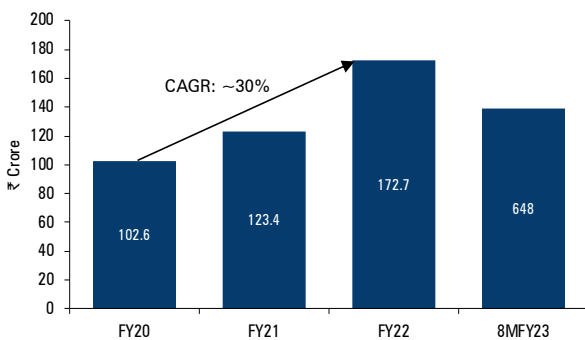
The company's order book in the US has increased by ~84% from ~₹ 201 crore in FY20 to ~₹ 370 crore in FY22. As of 8MFY23, Avalon's US order book was at ~₹ 493 crore, which represents ~83% of the company's total income. The company intends to continue focusing on increasing its order book and customer base in the US. The EMS market in North America is benefitting from the US-China trade tensions that are causing a reshoring of manufacturing back to the US, which is further strengthened by supply chain issues caused by the Covid-19 pandemic inducing OEMs and EMS companies to rethink their supply chain strategy that is reliant on the local network. Further, the rising stringency in government policies in North America to curb the carbon footprint is witnessing an expansion of electric vehicles and is likely to encourage automakers to opt for electronic manufacturing services.

The Indian EMS market, being at a nascent stage, is growing faster than North America and is likely to grow at a CAGR of 32.3% to reach a value of ₹ 4,502 billion in FY26. In order to tap the growing opportunities in the domestic market, going forward, the management plans to diversify the company's geographical risk by balancing the revenue contribution from overseas and India.

## Caters to high growth industry verticals – Clean Energy, Communications

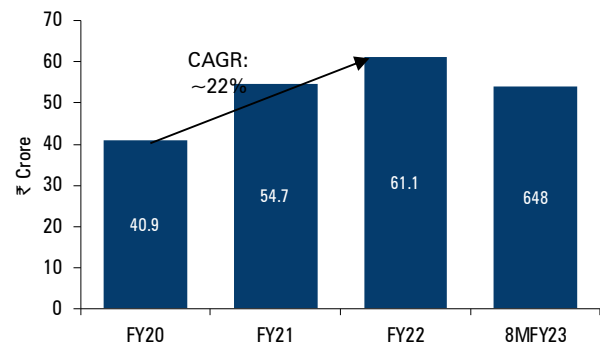
Avalon caters to rapidly growing verticals such as solar, electric vehicles and hydrogen in the clean energy sector and digital infrastructure in the communications sector. The EMS industry in the clean energy segment is in a growth phase and India is competing with global leaders. India is the third largest carbon emitter globally and has planned to become carbon neutral by 2070. This has led to a growing need for the development of safer alternatives and efficient energy solutions. Supporting the transition to a greener future, electronic manufacturers are providing customised solutions to clean energy (solar, wind and other renewables), especially in products such as battery management systems, solar inverters and chargers, etc. Moreover, the electric vehicle market, specifically for products like carry and static chargers, controllers and battery management systems (BMS), have high potential. India is also on a continuous trajectory of growth in the EMS market in the EV segment. Leading companies are looking at India as an option. Avalon is one of the few EMS companies in India with a presence in green hydrogen. During FY20 to FY22, Avalon’s revenue from the clean energy segment grew at a CAGR of ~30% to ~₹ 172.7 crore in FY22 and. Revenue from the communications industry has grown at a CAGR of ~22% to ~₹ 61 crore in FY22.

**Exhibit 12: Revenue growth of clean energy vertical (in ₹ crore)**



Source: RHP, ICICI Direct Research

**Exhibit 13: Revenue growth from communications vertical (in ₹ crore)**



Source: RHP, ICICI Direct Research

In addition, North America is the most important region in the development and adoption of hydrogen technology. The region is actively executing measures to reduce emissions and support alternative clean energy sources. Large carbon capture & storage projects in the US and Canada will drive future adoption of hydrogen technology. Major oil & gas companies are investing in clean and renewable energy, carbon capture, utilisation & storage and bioenergy. Since Avalon has a presence in the US, it is likely to be a beneficiary of the growing focus on clean energy in the country. Avalon serves 14 customers in the clean energy vertical and 11 customers in the communications vertical as of November 2023.

### Long-standing relations with marquee customers

Avalon’s end-to-end integrated business model has helped it to build relationships with its customer base and also opened cross-selling opportunities. This eventually helps in gaining wallet share of existing customers. The varied applications of Avalon’s products have helped it build a customer base across many end-use industries. The company’s customer base includes several multinational companies. As of 8MFY23, Avalon serves 89 customers across end-use industries. The company serves customers in India as well as overseas. Some marquee customers that Avalon caters to include Kyosan India, Faiveley Transport Rail Technologies India, a Wabtec Company, TransDigm Technologies India, Zonar Systems and Collins Aerospace in the mobility industry. In the medical sector, Avalon serves Caire Inc. In the industrial sector, the company’s marquee customers include e-Infochips and Haas

Automation. Avalon’s key customers in the clean energy sector include TMEIC and Ohmium. Avalon’s wide customer base across various sectors helps it to reduce its dependence on any one end-use industry and provides a natural hedge against market instability in a particular end-use industry.

**Exhibit 14: Number of customers across industry verticals**

End-use Industry	No. of Customers			
	FY20	FY21	FY22	8MFY23
Clean Energy	4	6	11	14
Mobility/ Transportation	11	12	14	13
Industrial	26	30	38	39
Communication	5	6	8	11
Medical & Others	8	8	10	12
<b>Total</b>	<b>54</b>	<b>62</b>	<b>81</b>	<b>89</b>

Source: RHP, ICICI Direct Research

The company has an average relationship of eight years with customers who contribute to 80% of the revenue. As of 8MFY23, Avalon’s top five customers contribute ~37% to the overall revenue and top 10 customers contribute ~54% to the company’s overall revenue.

**Exhibit 15: Revenue contribution from top customers**

(in ₹ crore)

Customer	FY20		FY21		FY22		8MFY23	
	Revenue	Contribution (%)	Revenue	Contribution (%)	Revenue	Contribution (%)	Revenue	Contribution (%)
Top 5	298.3	45.7	338.6	48.7	422.8	49.7	221.7	37.1
Top 10	414.0	63.4	457.8	65.8	549.9	64.6	321.9	53.9

Source: RHP, ICICI Direct Research

Going forward, the management expects the top 10 customers to contribute ~60% to the company’s revenue.

## Key Risks

### Operates in highly competitive industry

Avalon faces competition from both Indian and global EMS companies like Bharat FIH, Dixon Technologies, Amber Enterprises, Kaynes Technology SFO Technologies, Foxconn, Syrma SGS Technology, Pegatron, Wistron, etc. In order to be preferred by its customers, Avalon will have to maintain its cost efficiency. The competitive nature of the industry may result in substantial price competition. Increased competition could result in significant price competition, reduced revenues, lower profit margins, or loss of market share, any of which could adversely impact Avalon's business.

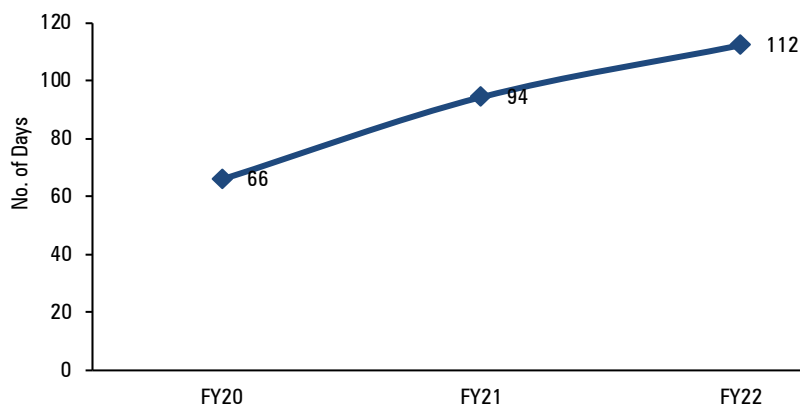
### High dependency on imports for supply of raw materials

As of 8MFY23, Avalon imported ~49% of its raw materials from various countries including Singapore, China, US, Hong Kong, etc. As of 8MFY23, imports accounted for ~23% of the company's total raw material cost. Avalon is exposed to the risk of being unable to acquire necessary raw materials and components for its business on time. In FY21 & FY22, the company faced significant shortage of key components, specifically in relation to semiconductors, integrated circuits, MOSFET devices and transistors. Avalon's business was highly impacted by volatility in prices of raw materials and input costs. In addition, to be at par with competition, the company will have to calibrate its pricing accordingly. Any delay in taking price hikes will, in turn, negatively impact the company's margins and operational performance.

### Higher working capital days

Avalon's working capital days have increased from 66 days in FY20 to 112 days in FY22. Consistent increase in working capital days could indicate the company's inefficiency to convert working capital into sales. Further increase in working capital days would require the company to take short term loans thereby impacting the PAT margin of the company.

Exhibit 16: Working capital days movement



Source: RHP, ICICI Direct Research

### Disruption in manufacturing facilities

The company operates 12 manufacturing facilities across India and the US. Disruption in its manufacturing facilities may result in production shutdowns. The company's manufacturing facilities in Tamil Nadu and Bangalore remained shut for 21 days and 30 days, respectively, in March 2020 due to Covid-19 thereby resulting in loss of production during the period. The company's facilities in the US did not remain shut during Covid-19 but faced disruptions related to manpower. Geopolitical and supply-chain issues also pose a risk to the continuous operation of the company's manufacturing facilities. Since Avalon's manufacturing facilities are critical to its business, disruption in these facilities would result in an adverse impact on the company's business.

## Financial summary

Exhibit 17: Profit and loss statement			
	₹ crore		
(Year-end March)	FY20	FY21	FY22
<b>Revenue</b>	<b>641.9</b>	<b>690.5</b>	<b>840.7</b>
Growth (%)		7.6	21.8
Raw material expense	411.3	456.0	554.1
Employee expenses	116.2	119.2	131.4
Advertisement Exp	0.0	0.0	0.0
Other expenses	49.9	49.1	57.7
Total Operating Exp	577.4	624.3	743.2
<b>EBITDA</b>	<b>64.5</b>	<b>66.1</b>	<b>97.5</b>
Growth (%)		2.6	47.5
Depreciation	15.5	15.7	17.2
Interest	45.0	27.0	24.8
Other Income	11.3	5.4	10.9
PBT	15.3	28.8	86.4
Total Tax	3.0	5.7	18.3
<b>PAT</b>	<b>12.3</b>	<b>23.1</b>	<b>68.2</b>

Source: Company, ICICI Direct Research

Exhibit 18: Cash flow statement			
	₹ crore		
(Year-end March)	FY20	FY21	FY22
Profit after Tax	12.3	23.1	68.2
Add: Depreciation	15.5	15.7	17.2
(Inc)/dec in Current Assets	-286.1	-60.0	-94.1
Inc/(dec) in CL and Provisions	169.9	-2.5	13.8
Others	45.0	27.0	24.8
<b>CF from operating activities</b>	<b>-43.4</b>	<b>3.3</b>	<b>29.9</b>
(Inc)/dec in Investments	-2.4	2.4	0.0
(Inc)/dec in Fixed Assets	-116.8	-18.5	-27.3
Others	-48.6	9.7	41.1
<b>CF from investing activities</b>	<b>-167.8</b>	<b>-6.5</b>	<b>13.7</b>
Issue/(Buy back) of Equity	1.5	0.1	0.0
Inc/(dec) in loan funds	248.5	46.9	-1.3
Dividend paid & dividend tax	0.0	0.0	0.0
Others	0.1	-36.8	-65.5
<b>CF from financing activities</b>	<b>250.1</b>	<b>10.1</b>	<b>-66.8</b>
Net Cash flow	38.9	6.9	-23.1
Opening Cash	0.0	26.6	33.5
Closing Cash	26.6	33.5	10.4

Source: Company, ICICI Direct Research

Exhibit 19: Balance sheet			
	₹ crore		
(Year-end March)	FY20	FY21	FY22
<b>Liabilities</b>			
Equity Capital	1.5	1.6	1.6
Reserve and Surplus	45.0	58.3	85.9
Total Shareholders funds	46.6	59.9	87.5
Total Debt	248.5	295.3	294.1
Other non current liabilities	-15.3	-10.2	25.6
<b>Total Liabilities</b>	<b>279.7</b>	<b>345.1</b>	<b>407.1</b>
<b>Assets</b>			
Gross Block	112.6	133.5	151.2
Less: Acc Depreciation	13.9	29.4	39.0
Total Fixed Assets	101.3	104.1	114.2
Investments	2.4	0.0	0.0
Inventory	155.3	145.8	233.0
Debtors	113.8	181.9	177.4
Loans and Advances	0.0	0.0	0.0
Other CA	17.0	18.4	29.8
Cash	26.6	33.5	10.4
Total Current Assets	312.7	379.6	450.6
Creditors	135.8	127.5	118.5
Provisions	8.5	9.0	9.7
Other CL	25.7	31.0	52.9
Total Current Liabilities	169.9	167.4	181.2
Net current assets	142.7	212.2	269.4
Other non current assets	33.3	28.8	23.5
<b>Total Assets</b>	<b>279.7</b>	<b>345.1</b>	<b>407.1</b>

Source: Company, ICICI Direct Research

Exhibit 20: Key ratios			
	₹ crore		
(Year-end March)	FY20	FY21	FY22
<b>Per share data (₹)</b>			
EPS	1.9	3.5	10.4
Cash EPS	4.3	5.9	13.1
BV	7.1	9.2	13.4
DPS	0.0	0.0	0.0
<b>Operating Ratios (%)</b>			
EBITDA Margin	10.0	9.6	11.6
PAT Margin	1.9	3.3	10.0
Asset Turnover	5.7	5.2	5.6
Inventory Days	88.3	77.1	101.2
Debtor Days	64.7	96.2	77.0
Creditor Days	77.2	67.4	51.4
<b>Return Ratios (%)</b>			
RoE	26.5	38.5	96.0
RoCE	21.7	16.2	22.5
RoIC	22.6	17.8	21.6
<b>Valuation Ratios (x)</b>			
P/E	231.0	123.3	41.8
EV / EBITDA	47.6	47.0	32.1
EV / Net Sales	4.8	4.5	3.7
Market Cap / Sales	4.4	4.1	3.4
Price to Book Value	61.1	47.5	32.6
<b>Solvency Ratios</b>			
Debt / Equity	5.3	4.9	3.4
Current Ratio	1.7	2.1	2.4
Quick Ratio	0.8	1.2	1.1

Source: Company, ICICI Direct Research

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