

Key player in fastest growing sports shoes category

About the Company: Campus Activewear (Campus) is one of the fastest growing sports and athleisure footwear brands in India, which covers ~85% of its total addressable market.

- Campus has ~17% market share in branded sports and athleisure footwear in India and is the largest player in terms of volume (13.6 million pairs)
- The company registered a healthy revenue CAGR of ~20% in FY18-20 with average EBITDA margins of ~18%. Capital efficient business model translates into average RoCE of ~21%

Key triggers/Highlights:

- Campus has a pan-India trade distribution network with over 425 distributors servicing over 19200 retail touch points (major presence in northern region). In addition, it has an extensive online presence (D2C) which complements the trade channel in underpenetrated geographies
- It has a vertically integrated manufacturing process with 100% of shoe assembly operations done in-house. Furthermore, it manufactures 38% of sole requirements and 17% of uppers in-house. Combination of in-house manufacturing facilities combined with integrated supply chain gives an edge over peers, with industry best lead time (60-90 days)
- The company caters to a wide range of price points across entry (~38%), mid (~21%) and premium (~41%). Revenue contribution from premium products has increased from 31% in FY19 to 41% in 9MFY22
- For 9MFY22, the company clocked ~13.6 million pair volumes (up 67% YoY) with realisations up 15% YoY to ₹ 615/pair
- The overall footwear Industry (₹ 72000 crore) is expected to grow at a CAGR of 8% in FY20-25E whereas sports and athleisure segment (₹ 11000 crore) is expected to increase at a CAGR of 15% during the same period

What should investors do? Campus is an aspirational Indian brand in footwear category, which caters to economic to mid premium category of footwear. Over the last decade, it has grown its volumes at ~20% CAGR. Replicating similar growth trajectory would be a critical factor in sustaining premium valuations. At the upper price band, the company is valued at 8x MCap/sales and ~93x P/E on TTM basis.

- We assign **Subscribe** rating given its niche positioning in a fast growing segment, which would enable it to deliver sustainable profitable growth

Key risk & concerns

- Reliance on third parties to manufacture certain products
- Competitive pressure from international and domestic footwear brands
- Inability to pass on input cost pressures can impact profitability



IPO Details

Issue Details

Issue Opens	April 26, 2022
Issue Closes	April 28, 2022
Issue Size	~ ₹ 1400 crore
Issue Type	Offer for sale
Price Band	₹ 278 - ₹ 292
No of shares	~ 4.8
Market Lot	51.0
Face Value	5.0
QIB (%)	50.0
Non-Institutional (%)	15.0
Retail (%)	35.0

Shareholding pattern (%)

	Pre-offer	Post-offer
Promoter	78.2	74.1
Public	21.8	25.9
Total	100.0	100.0

Objects of the issue

Objects of Issue

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

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Key Financial Summary

₹ crore	FY19	FY20	FY21	9MFY22
Net Sales	594.9	732.4	711.3	841.8
EBITDA	100.1	136.7	116.1	163.0
PAT	38.6	62.8	26.9	84.8
Diluted EPS	1.3	2.1	0.9	2.8
P/E (x)	230.0	141.5	329.9	
EV/EBITDA (x)	90.5	66.3	77.7	
Mcap/Sales (x)	14.9	12.1	12.5	
RoCE (%)	23.2	21.9	19.4	
RoE (%)	19.1	22.0	8.6	

Company Background

Incorporated in 2005, Campus is the largest sports and athleisure footwear brands in India in terms of value and volume in FY21. The company offers one of the widest portfolios of footwear products among sports and athleisure footwear brands in India in terms of SKUs (6388). It is one of the very few established Indian brands in a segment, which is primarily dominated by international brands (Puma, Adidas, Sketchers, etc). The top three players in the category in India include two international players and one domestic player – Adidas, Puma and Campus. While Campus was one of the top three sports and athleisure footwear brands in FY19 and FY20, it is the largest sports and athleisure footwear brand in India by value in FY21.

Exhibit 1: Key players: Footwear SKU offer across usage types

Brands	SKUs	Casual	Sports & Athleisure	Formal	Outdoor	School
Adidas	7673.0	0.0%	92.0%	0.0%	8.0%	0.0%
Asics	1486.0	21.0%	60.0%	0.0%	19.0%	0.0%
Bata	5176.0	69.0%	10.0%	17.0%	2.0%	2.0%
Campus	6388.0	0.0%	100.0%	0.0%	0.0%	0.0%
Decathlon	292.0	0.0%	80.0%	0.0%	20.0%	0.0%
Fila	1000.0	0.0%	100.0%	0.0%	0.0%	0.0%
HRX	470.0	34.0%	62.0%	0.0%	4.0%	0.0%
Relaxo	5175.0	72.0%	18.0%	5.0%	0.0%	5.0%
Khadim	1281.0	38.0%	12.0%	30.0%	17.0%	3.0%
Metro	1419.0	63.0%	0.0%	20.0%	17.0%	0.0%
Nike	2570.0	15.0%	76.0%	0.0%	9.0%	0.0%
Puma	7234.0	28.0%	64.0%	0.0%	8.0%	0.0%
Sketchers	1117.0	10.0%	47.0%	4.0%	39.0%	0.0%
Reebok	1644.0	6.0%	78.0%	0.0%	16.0%	0.0%
Liberty	1516.0	52.0%	19.0%	18.0%	9.0%	2.0%

Source: RHP, ICICI Direct Research

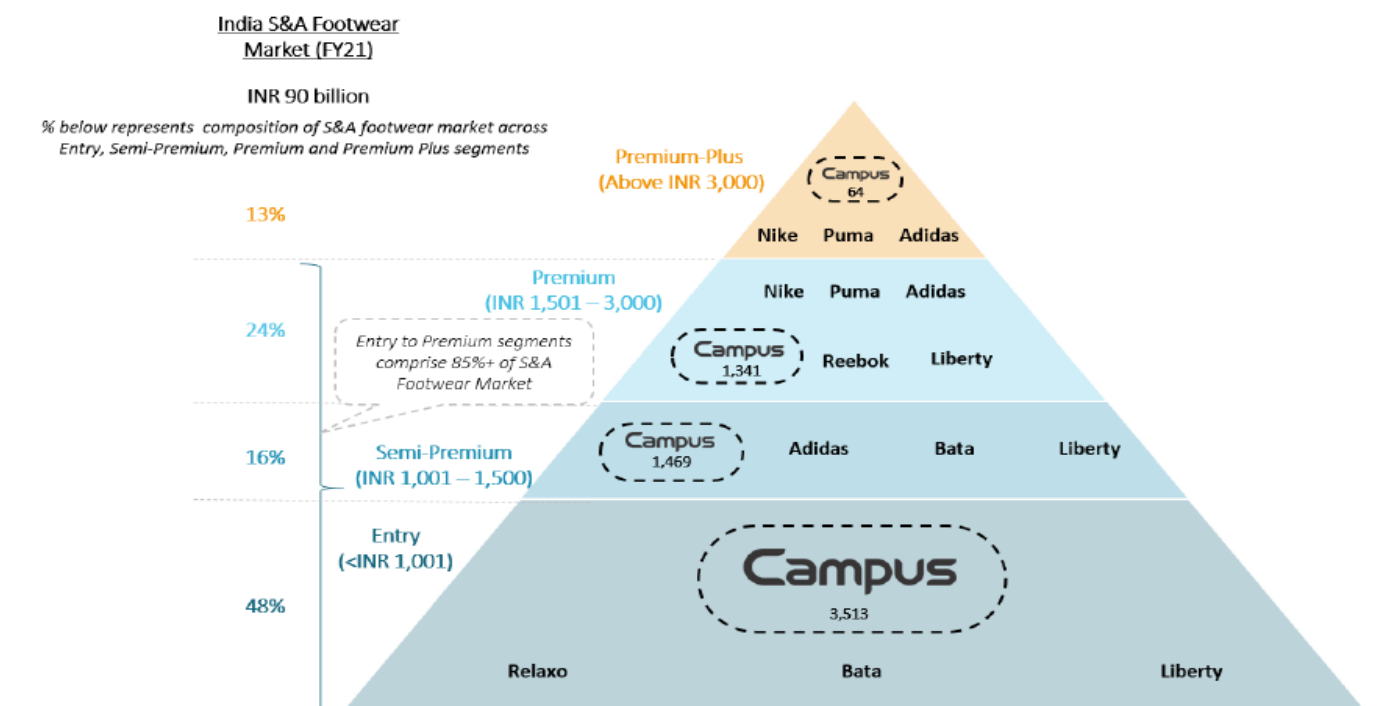
Exhibit: 2 Revenue of key sports and athleisure focused players in India (₹ crore)

Key Sports and Athleisure Focussed Brands	Indian/ International	Total Revenue			Revenue from Footwear Segment			CAGR FY19-21 (Revenue)	Total Footwear Volume (Estimated)	
		FY 2019	FY 2020	FY 2021	FY 2019	FY 2020	FY 2021		FY 2020	FY 2021
Campus	Indian	590	732	710	590	732	710	10%	1.4	1.3
Puma*	International	1153	1,412	1,271	600	734	650	4%	0.4	0.3
Adidas	International	1221	1,198	914	599	756	517	-7%	0.5	0.3
Skechers**	International	627	750	650	439	525	455	2%	0.2	0.2
Nike *	International	814	760	NA	549	502	377	-17%	0.3	0.2
SparX	Indian	770	840	670	340	380	270	-11%	0.7	0.6
Reebok	International	400	429	310	311	334	263	-8%	0.3	0.2
Power	International	440	458	256	440	458	256	-24%	0.8	0.5
Asics	International	137	162	177	119	141	156	14%	0.1	0.1
Asian	Indian	64	103	NA	64	103	NA	NA	0.2	NA

Source: RHP, ICICI Direct Research

The brand aims to generate an optimum blend of aspiration and value proposition for its target consumers seeking quality sports and athleisure footwear in the latest trends and designs at attractive prices. Among key sports and athleisure brands, the international brands are largely present in the semi premium and premium segment (₹ 2000+) and there is limited offering in the value and mid premium price points. Players like Campus fill the gaps to capture these segments. Campus is one of the most relevant brands in sports and athleisure footwear in India and covers over 85% of the addressable market as of FY21, which is the highest among key sports and athleisure footwear brands.

Exhibit: 3 Campus presence across Price Pyramid



Source: RHP, ICICI Direct Research

Exhibit 4: Brand wise price segmentation

Brands	Total Footwear SKUs	Mass (<₹ 500)	Economy (₹ 501 - ₹ 1,000)	Mid (₹ 1,001 - ₹ 1,500)	Mid Premium (₹ 1,501 - ₹ 2,000)	Premium (₹ 2,001 - ₹ 3,000)	Premium Plus (₹ 3,000+)
Adidas	7,673	0%	1%	4%	4%	18%	73%
Asian Footwear	3,970	8%	77%	15%	0%	0%	0%
Asics	1,496	0%	0%	2%	2%	4%	92%
Bata	5,176	17%	31%	8%	12%	11%	21%
Campus	6,388	10%	45%	23%	18%	3%	approximately <1%
Decathlon	292	3%	13%	15%	18%	18%	32%
Fila	1,000	0%	0%	0%	0%	0%	100%
HRX	470	0%	0%	0%	0%	30%	70%
Khadim	1,281	37%	49%	8%	3%	2%	<1%
Lancer	600	0%	65%	15%	20%	0%	0%
Liberty Shoes	1,516	21%	38%	12%	12%	8%	9%
Lotto	200	0%	0%	0%	0%	0%	100%
Metro Shoes	1,419	0%	0%	0%	6%	9%	85%
Mirza International	1,364	0%	0%	0%	0%	7%	93%
New Balance	3,049	0%	0%	0%	1%	4%	95%
Nike	2,570	0%	0%	0%	0%	6%	94%
Onitsuka Tiger	453	0%	0%	0%	0%	0%	100%
Puma	7,234	0%	0%	0%	10%	30%	60%
Reebok	1,644	0%	1%	3%	4%	10%	82%
Relaxo	5,175	78%	16%	4%	2%	0%	0%
Skechers	1,117	0%	0%	0%	0%	6%	94%

Source: RHP, ICICI Direct Research

Campus has established an extensive 'omni-channel experience', pan-India distribution network, across trade distribution and direct-to-consumer channels to drive sales of footwear and increase volumes of sales in the premium category. It has two channels of distribution; (i) trade distribution and (ii) direct-to-consumer.

- Trade distribution: It has over 425 distributors directly servicing and fulfilling orders of over 19,200 geographically mapped retailers at a pan-India level as on December 31, 2021. Campus executed agreements with all distributors, which carry a credit term of 30 to 60 days. Diversified sales mix across trade distribution channel and top 15 distributors contributed 21% and 13% towards sale of goods in FY21 and nine months ended December 31, 2021
- Direct to consumer (D2C): This channel consists of online and offline direct-to-consumer channels. The company has an expansive online presence across several e-commerce channels such as Flipkart, Myntra, Udaan and Fynd, among others, as well as its own e-commerce website. This has been the fastest growing channel for the company with revenues growing at a CAGR of 197% in FY19-21 and contribution increasing materially to ~32% in 9MFY22. In addition, it has 57 company owned company operated outlets (COCO) and 28 franchisee outlets as on December 31, 2021. The company launched its first EBO in FY17 mainly with the intention to premiumise products across its trade distribution network

Exhibit 5: Channel wise revenue mix

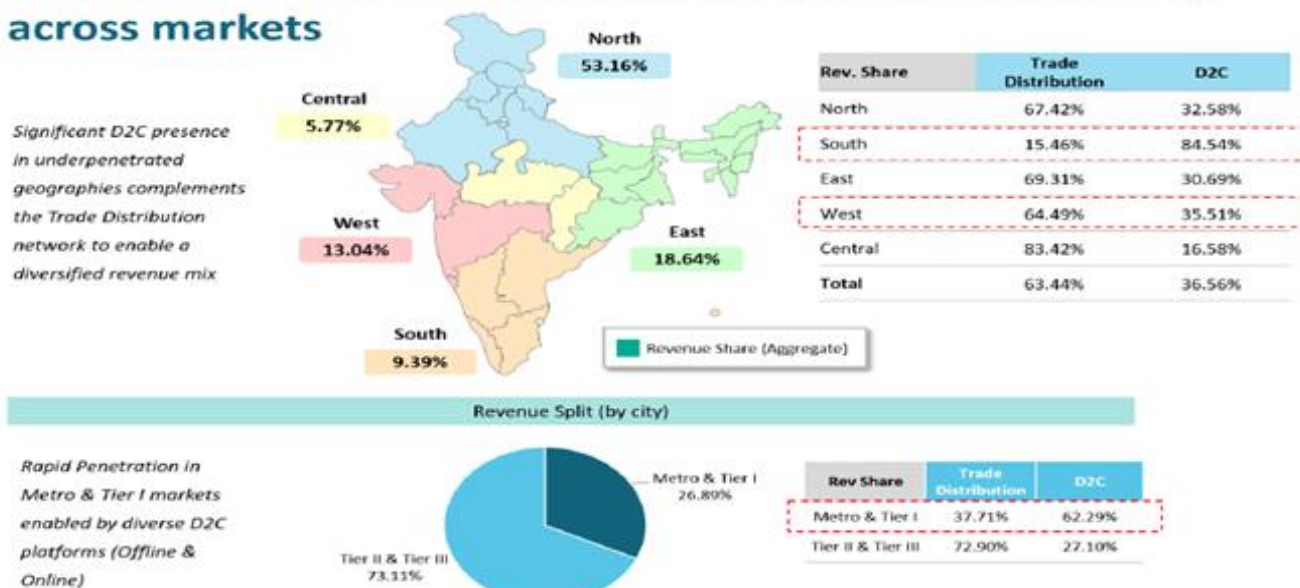
Revenue (₹ crore)	FY19	FY20	FY21	9MFY21	9MFY22
MBO	554.8	641.6	535.3	327.1	531.5
% to sales	93%	88%	75%	75%	63%
Growth		16%	-17%		63%
D2C Online	16.9	57.3	150.2	95.9	271.3
% to sales	3%	8%	21%	22%	32%
Growth		239%	162%		183%
D2C Offline	18.1	33.0	24.7	13.1	35.2
% to sales	3%	5%	3%	3%	4%
Total	594.9	732.4	711.3	436.1	841.0

Source: RHP, ICICI Direct Research

The D2C channel has extensively complemented trade distribution channel towards extending its pan-India reach. Its omni-channel experience, coupled with D2C channel scale-up, helped it unlock new consumer bases while accelerating portfolio premiumisation.

Exhibit: 6 Region specific revenue mix

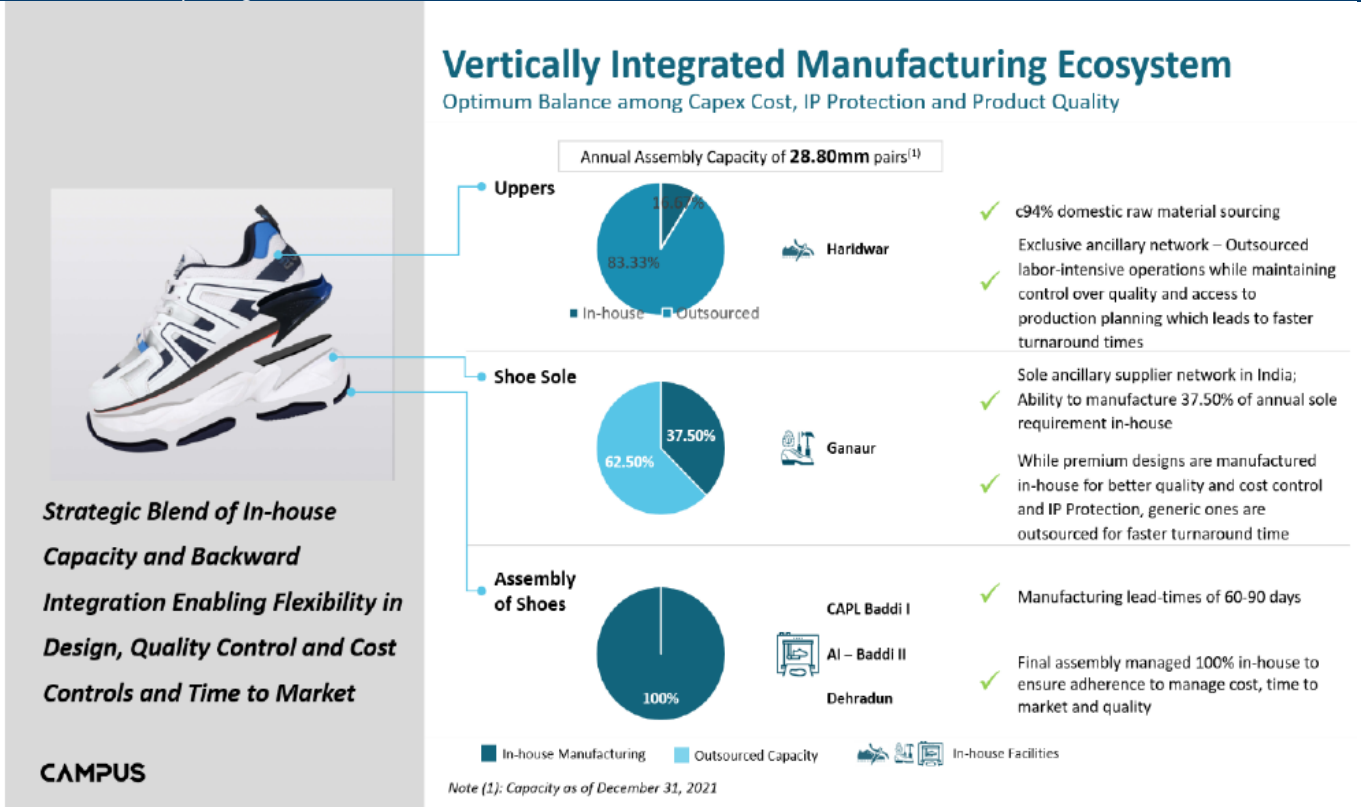
Omnichannel network resulting in enhanced accessibility across markets



Source: RHP, ICICI Direct Research

Campus has a vertically integrated manufacturing process with 100% of the shoe assembly operations done in-house (annual capacity: 28.8 mn pairs). Furthermore, it manufactures 38% of sole requirements and 17% of uppers in-house. A majority of annual designs are conceptualised and commercialised under two flagship seasons: (i) spring-summer by February/March; and (ii) autumn-winter by August/September. Each collection usually takes around 120 to 180 days from product planning to commercialisation. During YTFY22, the company; (i) set up additional footwear assembly lines at its manufacturing facilities in Dehradun, Uttarakhand and Baddi, Himachal Pradesh; (ii) additional manufacturing capacity was at its sole manufacturing facility at Ganaur, Haryana; and (iii) additional manufacturing capacity at uppers manufacturing facility at Haridwar, Uttarakhand. In FY21, it commissioned a sole manufacturing facility at Ganaur, Haryana and in FY20, commissioned an uppers manufacturing facility at Haridwar, Uttarakhand. Combination of in-house manufacturing facilities combined with its integrated and exclusive supply chain creates an ecosystem that is not easily replicable. On the raw material sourcing front, the company imports 10% from China and Vietnam while 90% is sourced domestically. Only 15% of raw material is directly linked to crude.

Exhibit: 7 Vertically integrated business model

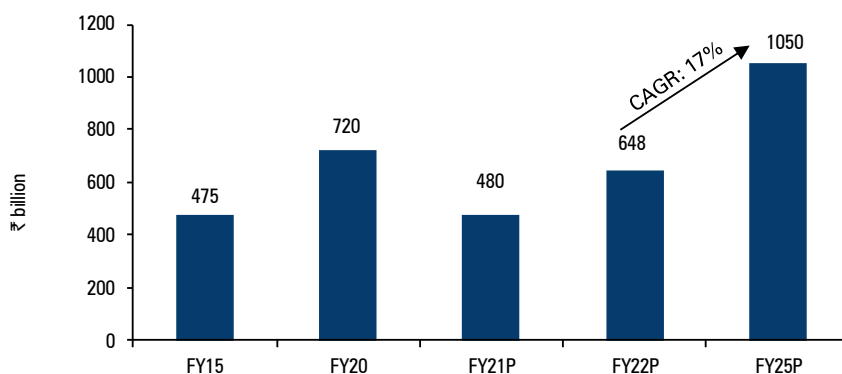


Source: RHP, ICICI Direct Research

Industry Overview

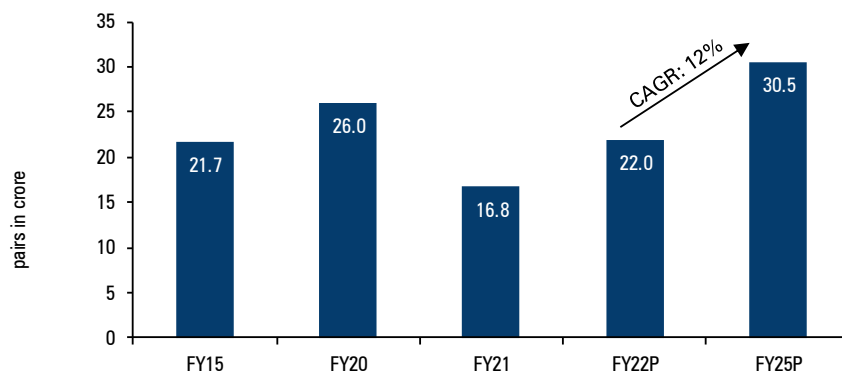
The Indian footwear market has followed the trend and witnessed healthy growth on account of a rise in income levels, increase in awareness of brands and fashion styles, rise in modern retail, heightened discretionary spending and increase in urbanisation. Consequently, the Indian footwear market, in value terms, has grown from | 47500 crore in FY15 to | 72000 crore in FY20 at CAGR of 9%. The market size witnessed a decline of ~33% YoY in FY21 on account of reduced consumer spending due to the pandemic. Going forward, the Indian footwear consumption in value terms is expected to grow at 17% CAGR in FY22-25E. Rise in income levels, standard of living, footwear as fashion statement, footwear volumes in urban areas with different footwear purchased for different occasions, women workforce participation and brand awareness are expected to contribute to growth of the footwear market.

Exhibit 8: Indian footwear industry (value)



Source: RHP, ICICI Direct Research

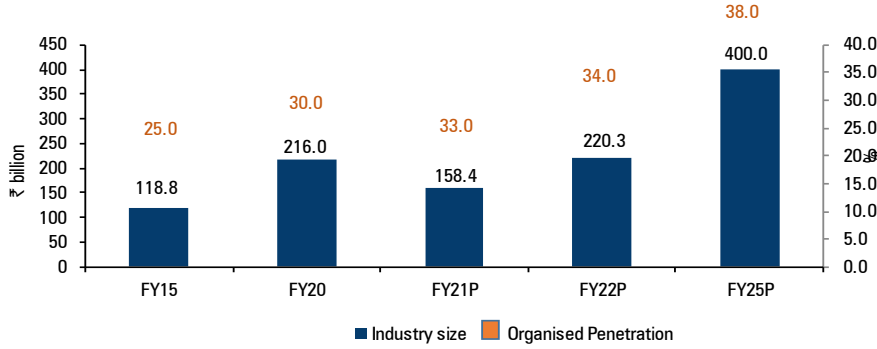
Exhibit 9: Indian footwear industry (volumes)



Source: RHP, ICICI Direct Research

The share of organised players has grown at a CAGR of ~13% in the past five years, largely on account of a rise in urbanisation levels and increasing acceptance of brands and modern retail formats by the Indian consumer. Additionally, initiatives by footwear players such as enhancing the overall customer experience via increased frequency of designs, advertising and promotional activities to raise brand awareness as well as increased geographical reach has also aided growth of the organised segment. Industry interactions also reveal that organised players have adjusted better to the Covid-19 pandemic compared to their unorganised counterparts. Due to their stronger balance sheets and more robust supply chains, organised players like Campus, etc. are expected to disproportionately benefit from the organised shift and emerge stronger post Covid-19. The organised industry is expected to grow at a CAGR of 22% in FY22-25E with organised penetration expected to increase from 34% to ~38%.

Exhibit 10: Organised footwear market and retail penetration

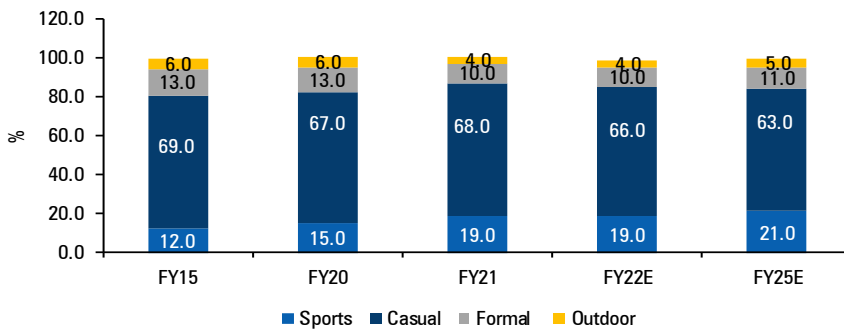


Source: RHP, ICICI Direct Research

The Indian footwear retail market is loosely defined around formal or dress, casual, sports and athleisure and outdoor segments. While the casual segment is the largest segment accounting for almost 67% of the total market in FY20, sports and athleisure is the fastest growing segment gradually consolidating market share. Health, fitness and wellbeing have become an important pivot for most retail categories. Sports and athleisure footwear is expected to double in value from ₹ 11000 crore in FY20 to reach a market size of ~₹ 22000 crore by FY25, growing at a CAGR of ~15%. Further, the branded sports and athleisure footwear segment is also expected to grow at a CAGR of ~17% during the same period.

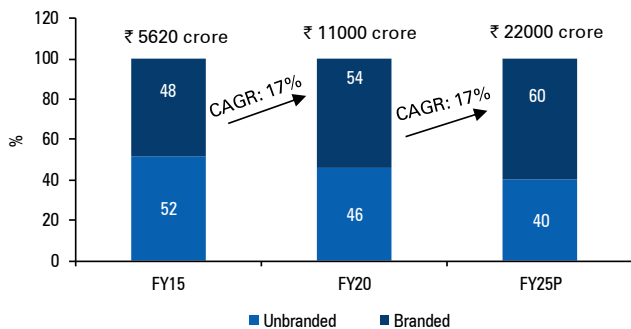
Increasing health and fitness awareness developing sports and outdoor infrastructure, heightened influence of sports personalities and sports events is creating higher demand for sports and athleisure footwear. This is the fastest growing segment compared to other footwear segments. Consumers are increasingly adopting an active lifestyle by participating and engaging in activities such as running, trekking, home workouts, working out in the gym, yoga and sports such as tennis, cricket, badminton, basketball, and football. This had led to a rise in demand for activity-specific sports footwear. Sports, as a habit, is increasing across demographics of gender and age thereby broad basing the target customer. Covid-19 has accelerated the demand in this segment.

Exhibit 11: Usage wise break-up in Indian footwear retail market



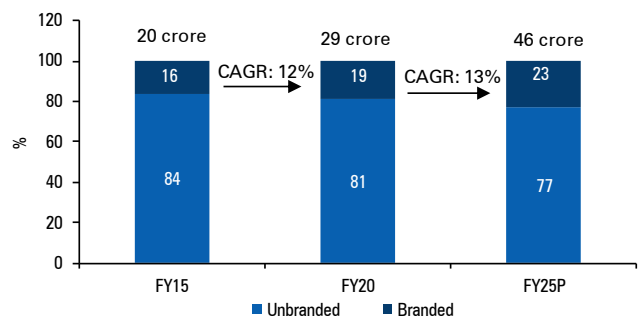
Source: RHP, ICICI Direct Research

Exhibit 12: Sports and Athleisure footwear industry (value)



Source: RHP, ICICI Direct Research

Exhibit 13: Sports and athleisure footwear industry (volume)



Source: RHP, ICICI Direct Research

Key Strategies

Enhanced focus on women and kid’s footwear

Campus intends to enhance the number of styles and products in the women, kids and children category. The company launched 92 styles in the women segment and 159 new styles in the kid categories in YTD FY22. Currently, this category has a number of players selling unbranded products with limited offerings from established players. It intends to leverage its brand quality and pricing strategy to increase the market penetration in the women and kids categories.

Exhibit: 14 Currently men’s segment dominates product portfolio

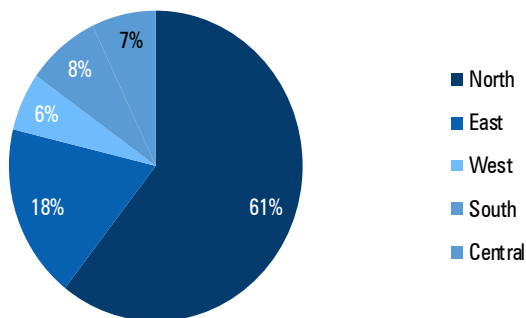
Demography	FY20			FY21			9MFY22		
	Revenue (₹ crore)	Volume (in mn)	ASP (₹)	Revenue (₹ crore)	Volume (in mn)	ASP (₹)	Revenue (₹ crore)	Volume (in mn)	ASP (₹)
Men	608.5	10.1	605.5	622.1	10.5	593.6	698.6	10.5	664.7
Women	29.7	0.7	430.4	32.7	0.7	488.1	65.3	1.2	530.9
Kids	92.8	3.6	256.4	55.2	1.9	298.4	75.1	1.9	393.2
	731.0	14.4	509.1	710.0	13.0	546.2	839.0	13.7	614.7

Source: RHP, ICICI Direct Research

Further expand and deepen distribution network

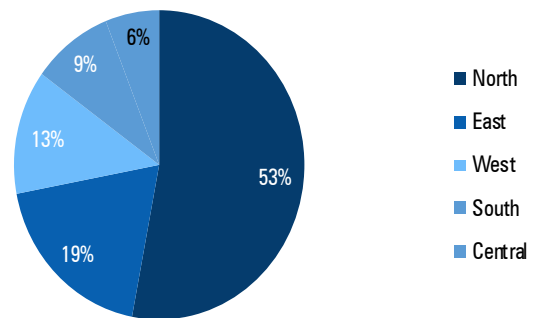
Campus is a pan-India brand and has been steadily increasing its distribution coverage. As on YTD FY22, the company services retail outlets in 664 cities of India. Campus added 190 and 70 new distributors in FY21 and YTD FY22, respectively. In addition, it added 9786 and 2085 new retail points of sale in FY21 and YTD FY22. The company aims to continue to increase its distribution network in states in which it currently operates (north and east) and also actively deepen its presence in under penetrated regions such as west and south. In addition, the company aims to increase the rollout of EBOs and franchisees to increase its presence in select geographies across India. Also, it will focus on increasing online sales in the future through specially manufactured ranges for online channels as well as increased marketing focus on online channels.

Exhibit 15: Region specific revenue break-up (FY19)



Source: RHP, ICICI Direct Research

Exhibit 16: Region specific revenue break-up (9MFY22)



Source: RHP, ICICI Direct Research

Targeted product development to increase diversification

The company aims to diversify revenues through number of measures:

- **Entry level:** The company launched 335 and 309 new styles in the entry-level category in FY21 and YTD FY22, respectively, to enable consumers to move from the unbranded to the branded category of sports and athleisure footwear. Campus intends to maintain focus on the entry level category to introduce consumers to the Campus brand at a compelling value
- **Premiumisation:** The company has steadily been increasing the number of launches in the premium category with 122 and 106 styles launched in FY21 and FY20, respectively. Consequently, revenue contribution from premium products increased from 31% in FY19 to 41% in YTD FY22. Campus intends to focus on the premium segment of the market to capture new consumers and improve the customer experience of existing consumers

The company also intends to enhance the number of styles in the open footwear category to meet demand in the summer and rainy seasons.

Exhibit 17: Gradual premiumisation of product portfolio

Revenue (₹ crore)	FY19	FY20	FY21	9MFY21	9MFY22
< ₹1049	280.9	342.6	327.1	206.2	319.3
% to sales	48%	47%	46%	47%	38%
<i>growth</i>		22%	-5%		55%
₹1050-1499	124.2	204.8	150.3	104.0	179.2
% to sales	21%	28%	21%	24%	21%
<i>growth</i>		65%	-27%		72%
>₹1500	184.6	183.7	232.6	125.0	340.6
% to sales	31%	25%	33%	29%	41%
Total	589.7	731.1	710.0	435.2	839.1

Source: RHP, ICICI Direct Research

Intends to continue to invest, integrate supply chain

The company relies on a network of suppliers and manufacturers for a number of raw materials and components in the manufacture of footwear. Currently, its manufacturing facilities enable it to manufacture 37.5% of requirements of soles, 16.7% of footwear uppers in-house with 100% in-house assembly of all its products. This has allowed Campus to demonstrate greater control over the manufacturing process, manage costs and improve time to market for product launches. It intends to expand manufacturing capabilities over time and will look to acquire land and construct manufacturing facilities over time. Also, it intends to continue to evaluate options to further backward integrate in other aspects of the manufacturing process. This may be through acquisitions as well.

Key Risk

Competitive pressure from international, domestic footwear brands

The sports and athleisure footwear industry is highly competitive in India. The company has to compete primarily against international sportswear brands, local branded manufacturers and manufacturers from the unorganised sector. With the emergence of online marketplace, entry barriers have come down for new players in the footwear market in India. The company's competitors may also manufacture products at price points that are lower than the company, or enter into business combinations or alliances that strengthen their competitive positions. Also, Campus' competitors may be able to respond more quickly and effectively than the company to new or changing opportunities, standards or consumer preferences. Inability to effectively compete, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of the company's products, which may result in a decline in the company's revenues and profitability.

Inability to anticipate consumer trends can impact revenues

Most of the company's products are subject to changing consumer preferences and fashion trends that cannot be predicted with certainty. The company's new products may not receive consumer acceptance as consumer preferences could shift rapidly, and the company's future success depends on its ability to anticipate and respond to these changes. If the company fails to anticipate accurately and respond to trends and shifts in consumer preferences by adjusting the mix of existing product offerings, developing new designs, styles and categories, it could experience lower sales, excess inventories and lower profit margins. Any of this could have an adverse effect on its results of operations and financial conditions. In addition, market acceptance of new designs and products that the company may introduce is subject to uncertainty. Achieving market acceptance may require substantial marketing efforts and expenditures. The failure of the new product lines to gain market acceptance or the company's inability to maintain its current product margins with the new products could adversely affect its financial performance.

Reliance on third parties to manufacture certain products.

The company relies on third parties to manufacture certain products. It depends on these third party manufacturers to allocate to the company a portion of their manufacturing capacity sufficient to meet the company's needs, to manufacture products of acceptable quality and at acceptable manufacturing yields and deliver those products on a timely basis and at acceptable prices. However, any inability of the third party manufacturers to deliver the goods or delay in delivery could result in lost sales or increased costs which can have an adverse effect on the business.

Inability to pass on input cost pressures may impact profitability

Input costs have been increasing across industries and the ability of the company to pass on the cost pressure with price increase to final consumers becomes critical to maintain the profitability of the business. The ability of the company to pass on the input cost increase to consumers depends on the brand strength and competitive position in the category. Campus being a value for money brand operates in a price sensitive market and significant price increase can impact the volume growth of the company while inability to pass on the input price increase to final consumers can negatively impact the profit margin of the company.

Financial summary

Exhibit 18: Profit and loss statement				
	₹ crore			
(Year-end March)	FY19	FY20	FY21	9MFY22
Net Sales	594.9	732.4	711.3	841.8
Growth (%)		23.1	(2.9)	
Total Raw Material Cost	321.2	380.1	374.3	415.6
Gross Margins (%)	46.0	48.1	47.4	50.6
Employee Expenses	43.1	57.0	55.2	47.9
% to sales	7.2	7.8	7.8	5.7
Other Expenses	130.5	158.6	165.7	215.3
% to sales	21.9	21.7	23.3	25.6
Total Operating Expenditure	494.8	595.7	595.2	678.8
EBITDA	100.1	136.7	116.1	163.0
EBITDA Margin	16.8	18.7	16.3	19.4
Interest	21.2	16.5	17.2	13.5
Depreciation	14.4	23.1	32.7	37.7
Other Income	1.8	2.1	3.8	2.1
Exceptional Expense	-	-	-	-
PBT	66.3	99.2	70.0	113.9
Total Tax	27.7	36.4	43.1	29.2
Profit After Tax	38.6	62.8	26.9	84.8

Source: Company, ICICI Direct Research

Exhibit 19: Cash flow statement				
	₹ crore			
(Year-end March)	FY19	FY20	FY21	9MFY22
Profit Before Tax	66.3	99.2	70.0	113.9
Add: Depreciation	14.4	23.1	32.7	37.7
Add: Finance Cost	21.2	16.5	17.2	13.5
Others	10.0	18.2	8.7	9.0
Net (Increase)/decrease in WC	-48.3	-18.0	20.9	-146.8
Tax paid	-9.2	-39.7	-25.2	-27.6
CF from operating activities	54.4	99.3	124.3	-0.3
(Inc)/dec in Fixed Assets	-30.0	-109.8	-55.6	-22.5
Others	1.2	-44.9	46.6	-0.3
CF from investing activities	-28.8	-154.7	-9.0	-22.8
Inc / (Dec) in Equity/preference share	0.0	17.9	0.0	3.2
Inc / (Dec) in Loan	-3.4	68.4	-107.8	38.7
Others	-21.7	-17.4	-21.5	-19.2
CF from financing activities	-25.1	68.9	-129.3	22.7
Net Cash flow	1.6	13.53	-14.1	-0.4
Opening Cash	0.1	1.8	15.3	1.2
Closing Cash	1.8	15.3	1.2	0.8

Source: Company, ICICI Direct Research

Exhibit 20: Balance sheet				
	₹ crore			
(Year-end March)	FY19	FY20	FY21	9MFY22
Equity Capital	0.1	151.9	151.9	152.2
Reserve and Surplus	201.7	132.9	160.8	250.4
Total Shareholders funds	201.8	284.8	312.7	402.6
Non Controlling interests	(2.6)	0.1	0.4	-
Total Debt	174.8	243.2	135.6	174.2
Non Current Liabilities	24.2	32.3	41.6	67.0
Source of Funds	398.2	560.4	490.34	643.75
Net Fixed Assets	69.4	126.2	206.2	198.5
Capital WIP	24.6	35.2	0.3	2.1
Intangible assets	1.2	1.4	0.9	0.8
Right of use assets	29.8	41.6	49.1	72.3
Investments & bank balance	-	45.0	-	-
Inventory	118.2	169.9	202.5	320.5
Cash	1.8	15.3	1.2	0.8
Debtors	162.0	144.3	98.2	122.6
Loans & Advances & Other CA	30.8	57.1	81.3	118.3
Total Current Assets	312.8	386.6	383.2	562.2
Creditors	80.6	122.8	170.9	206.2
Provisions & Other CL	26.8	36.0	26.5	34.7
Total Current Liabilities	107.4	158.8	197.4	240.9
Net Current Assets	205.3	227.8	185.8	321.4
LT L& A, Other Assets	67.8	83.3	48.2	49.0
Other Assets	0.0	0.0	0.0	0.0
Application of Funds	398.2	560.5	490.3	644.0

Source: Company, ICICI Direct Research

Exhibit 21: Key ratios				
	₹ crore			
(Year-end March)	FY19	FY20	FY21	9MFY22
Per share data (₹)				
Diluted EPS	1.3	2.1	0.9	2.8
Cash EPS	1.7	2.8	2.0	4.0
BV Per Share	6.6	9.4	10.3	13.2
Cash Per Share	0.1	2.0	0.0	0.0
Operating Ratios (%)				
EBITDA margins	16.8	18.7	16.3	19.4
PBT margins	11.2	13.5	9.8	13.5
Net Profit margins	6.5	8.6	3.8	10.1
Inventory days	72.5	84.7	103.9	
Debtor days	99.4	71.9	50.4	
Creditor days	49.5	61.2	87.7	
Return Ratios (%)				
RoE	19.1	22.0	8.6	
RoCE	23.2	21.9	19.4	
Valuation Ratios (x)				
P/E	230.0	141.5	329.9	
EV / EBITDA	90.5	66.3	77.7	
EV / Sales	15.2	12.4	12.7	
Market Cap / Revenues	14.9	12.1	12.5	
Price to Book Value	44.0	31.2	28.4	
Solvency Ratios				
Debt / Equity	0.9	0.9	0.4	
Debt/EBITDA	1.7	1.8	1.2	
Current Ratio	2.9	2.4	1.9	
Quick Ratio	1.8	1.4	0.9	

Source: Company, ICICI Direct Research

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