

# HSIE Results Daily

## Contents

### Results Reviews

- **Asian Paints:** Asian Paints' (APNT) Q4 performance was broadly in line. Sales growth, at 18.7% (three year CAGR: 17%), marginally exceeded expectations (+3% vs HSIE). Decorative business clocked 8/21% volume/value growth (FY19-22 volume/value CAGR: 18/15% resp). Growth was all-round (across tiers and price points). Adjacencies continue to perform well. GM recoup is well underway but falls short of expectations (38.7% vs HSIE: 40.7%). Future price hikes are on the anvil but are likely to lag RM inflation, as demand elasticity from hereon may get tested. We marginally tone down our FY23/24 EPS estimates by 3.6/2% to account for lower GM and maintain SELL on APNT with a DCF-based TP of INR 2,550/sh (unchanged), implying 53x FY24 P/E.
- **SRF:** We retain our ADD rating on SRF, with a target price of INR 2,330, on the back of (1) continued healthy performance from speciality chemicals business and packaging films business; (2) strong balance sheet; and (3) deployment of Capex for high-growth speciality chemicals business over the next 3-4 years to tap opportunities emerging from agrochemical and pharmaceutical industries. EBITDA/APAT were 15/25% above our estimates, owing to lower-than-expected raw material costs and lower-than-expected tax outgo but were offset by higher-than-expected finance cost.
- **Gujarat Gas:** Our BUY recommendation on Gujarat Gas (GGL), with a price target of INR 625, is premised on (1) margin improvement; (2) portfolio of mature, semi-mature, and new geographical areas (GAs); and (3) compelling valuations, given superior return ratios among the city gas distribution players. Q4FY22 EBITDA was 19% above our estimate and APAT was 18% above, owing to 27% above expectation per unit EBITDA margin. The beat on margins was driven by lower than expected gas cost due to lower offtake of expensive spot LNG gas by the industrial/commercial customers. Overall volumes declined 13% QoQ mainly due to sharp 20% decline in industrial volumes.
- **Dalmia Bharat:** Dalmia Bharat reported strong Q4FY22 result, led by a healthy rebound in its cement realisation, leading to a ~25% EBITDA beat vs ours and consensus estimates. While consolidated revenue rose 7% YoY on both realisation and volume uptick, EBITDA fell 11% on sharp energy cost inflation. Unitary EBITDA rebound 44% QoQ to INR 1,035/MT due to a healthy cement price recovery in the east, rise in share of trade sales, and op-lev gains. Continued gains in its IEX investments turned balance sheet net cash in Mar-22. Dalmia noted that its plans to expand capacity to 49mn MT by FY24E is on track. Owing to its attractive valuation, we maintain our BUY rating, with a revised TP of INR 2,030/sh (13x its Mar-24E consolidated EBITDA).
- **Max Financial:** MAXL disappointed on total APE (15% below our estimates); however, the shift in product mix towards NPAR and group credit-life resulted in higher-than-anticipated VNB margin at 31.9% (+648bps vs. estimate), leading to VNB clocking in at INR5.86bn (two-year CAGR of 35%). We flag MAXL's 500bps loss in AXSB wallet share as a key business concern and believe that maintaining/recouping this wallet share remains a key monitorable in the near to medium term. We lower our VNB estimates by 5-6% for FY23E-24E to factor in growth slowdown in banca channel and expect MAXL to deliver APE CAGR of 13%, VNB CAGR of 11%, and operating RoEVs in the range of 20-21% over FY23-24E. We retain our ADD rating, with a revised target price of INR1,030 (Sep-22E EV + 16.4x Sep-23E VNB).

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# Asian Paints

## Broadly in line

Asian Paints' (APNT) Q4 performance was broadly in line. Sales growth, at 18.7% (three year CAGR: 17%), marginally exceeded expectations (+3% vs HSIE). Decorative business clocked 8/21% volume/value growth (FY19-22 volume/value CAGR: 18/15% resp). Growth was all-round (across tiers and price points). Adjacencies continue to perform well. GM recoup is well underway but falls short of expectations (38.7% vs HSIE: 40.7%). Future price hikes are on the anvil but are likely to lag RM inflation, as demand elasticity from hereon may get tested. We marginally tone down our FY23/24 EPS estimates by 3.6/2% to account for lower GM and maintain SELL on APNT with a DCF-based TP of INR 2,550/sh (unchanged), implying 53x FY24 P/E.

**Q4FY22 highlights:** Q4 consolidated revenue grew 18.7% YoY (three-year CAGR: 16%) to INR 78.9bn (HSIE: INR 76.7bn). The decorative business clocked 8/21% volume/value growth in Q4 (FY19-22 volume/value CAGR: 18/15% resp). Growth was all-round (across tiers and price points). Adjacencies (waterproofing, wood finishes, institutional segment) performed well. Network expansion remains strong (added 15k new retail points in Q4; total count: 145k). Its international performance was a mixed bag, with Nepal and Bangladesh performing well. Sri Lanka and Africa remain weak spots as high inflation, regional disturbances, and forex crisis create havoc. The industrial subsidiaries (both auto/non-auto) are inching towards normalcy (in terms of profitability). Consolidated EBITDA grew 9.5% YoY to INR14.4bn (HSIE: 14bn) as better cost controls cushioned the sub-optimal GM profile (38.7% vs HSIE: 40.7%). Note that price hikes (22% in FY22) still lag RM inflation (~26%); This trend is likely to persist in Q1FY23.

- Outlook:** APNT's performance remains the most impressive among the top-3 players. While GM pressure has been receding, courtesy price hikes. We suspect future price hikes are likely to lag RM inflation, as demand elasticity from hereon may get tested. Hence, we marginally tone down our FY23/24 EPS estimates by 3.6/2% to account for lower GM and maintain our SELL rating on APNT with a DCF-based TP of INR 2,550/sh, implying 53x FY24 P/E.

### Quarterly financial summary

(Rs mn)	4Q FY22	4Q FY21	YoY (%)	3Q FY22	QoQ (%)	FY20	FY21	FY22E	FY23E	FY24E
Net Revenue	78,927	66,514	18.7	85,272	(7.4)	2,02,113	2,17,128	2,91,013	3,23,427	3,62,633
EBITDA	14,433	13,183	9.5	15,423	(6.4)	41,618	48,556	48,036	59,052	69,735
APAT	7,584	8,699	(12.8)	10,313	(26.5)	27,101	31,393	29,149	38,357	45,970
EPS (Rs)	9.1	9.1	0.5	10.8	(15.2)	28.3	32.7	30.4	40.0	47.9
P/E (x)						110.7	95.5	88.8	78.2	65.3
EV/EBITDA (x)						72.0	61.7	62.4	50.5	42.5
Core RoCE(%)						27.7	30.3	25.9	28.5	33.3

Source: Company, HSIE Research

### Change in estimates

(Rs mn)	FY22E			FY23E			FY24E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	2,91,013	2,88,778	0.8	3,23,427	3,16,680	2.1	3,62,633	3,55,036	2.1
EBITDA	48,036	47,622	0.9	59,052	60,538	(2.5)	69,735	69,599	0.2
EBITDA margin (%)	16.5	16.5	2 bps	18.3	19.1	(86 bps)	19.2	19.6	(37 bps)
APAT	29,149	31,045	(6.1)	38,357	39,775	(3.6)	45,970	46,906	(2.0)
APAT margin (%)	10.0	10.8	(73 bps)	11.9	12.6	(70 bps)	12.7	13.2	(53 bps)
EPS (Rs)	30.4	32.4	(6.1)	40.0	41.5	(3.6)	47.9	48.9	(2.0)

Source: Company, HSIE Research

## SELL

CMP (as on 10 May 22) INR 3,086

Target Price INR 2,550

NIFTY 16,240

KEY CHANGES	OLD	NEW
Rating	SELL	SELL
Price Target	INR 2,550	INR 2,550
	FY23E	FY24E
EPS %	-3.6	-2.0

### KEY STOCK DATA

Bloomberg code	APNT IN
No. of Shares (mn)	959
MCap (INR bn) / (\$ mn)	2,960/39,782
6m avg traded value (INR mn)	4,206
52 Week high / low	INR 3,590/2,521

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.7)	(0.7)	20.7
Relative (%)	3.0	9.2	10.9

### SHAREHOLDING PATTERN (%)

	Dec-21	Mar-22
Promoters	52.63	52.63
FIs & Local MFs	3.00	3.24
FPIs	20.48	19.45
Public & Others	23.89	24.68
Pledged Shares	7.64	11.08

Source : BSE

Pledged shares as % of total shares

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# SRF

## Capex momentum sustains

We retain our ADD rating on SRF, with a target price of INR 2,330, on the back of (1) continued healthy performance from speciality chemicals business and packaging films business; (2) strong balance sheet; and (3) deployment of Capex for high-growth speciality chemicals business over the next 3-4 years to tap opportunities emerging from agrochemical and pharmaceutical industries. EBITDA/APAT were 15/25% above our estimates, owing to lower-than-expected raw material costs and lower-than-expected tax outgo but were offset by higher-than-expected finance cost.

- Financial performance:** Revenue grew 36% YoY to INR 35bn, owing to the strong performance of chemicals and packaging films segments. EBITDA grew 48% YoY to INR 9bn and EBITDA margin grew by 206bps YoY to 26%.
- Chemicals business (CB):** Revenue/EBIT jumped 36/83% YoY to INR 16/5bn in Q4. The fluorochemicals business performed very well, on account of higher sales realisations from the refrigerants and chloromethanes segments, in both domestic and export markets. Growth in the quarter was also backed by robust demand for flagship products and downstream derivatives in the speciality chemicals business.
- Packaging films business (PFB):** Revenue/EBIT jumped 42/26% YoY to INR 14/3bn, backed by buoyant demand for BOPET and BOPP films. PFB performed exceedingly well in the overseas markets, and the company gained from higher volumes from its recent capitalisations of the BOPET plant in Hungary and BOPP plant in Thailand.
- Capex:** The Board has approved a project to set up a 600-800mtpa facility, to produce agrochemical intermediates at Dahej at a cost of INR ~1.15bn. This project shall come on stream by FY23 end. The Board has also approved a project for capacity expansion of R22 at Dahej at a cost of INR ~0.3bn. The management guided Capex spend of INR 25-27bn for FY23E.
- DCF-based valuation: Our target price is INR 2,330 (WACC 11%, terminal growth 5.5%). The stock is trading at 24.7x FY24E EPS.**

### Financial summary (consolidated)

INR mn	Q4 FY22	Q3 FY22	QoQ (%)	Q4 FY21	YoY (%)	FY20	FY21	FY22P	FY23E	FY24E
Net Sales	35,494	33,459	6.1	26,077	36.1	70,621	82,954	1,23,128	1,42,612	1,63,389
EBITDA	9,366	8,479	10.5	6,343	47.7	14,549	21,333	31,032	34,292	40,976
APAT	6,057	5,055	19.8	3,815	58.8	10,015	11,635	18,380	20,595	25,003
AEPS (INR)	20.6	17.2	19.8	13.0	58.8	34.1	39.7	62.7	70.2	85.2
P/E (x)						61.6	53.0	33.6	30.0	24.7
EV/EBITDA(x)						44.4	30.0	20.8	19.0	15.9
RoE (%)						22.1	19.7	23.8	21.9	22.3

Source: Company, HSIE Research

### Change in estimates (Consolidated)

Y/E Mar	FY23E Old	FY23E New	% Ch	FY24E Old	FY24E New	% Ch
EBITDA (INR mn)	33,912	34,292	1.1	40,403	40,976	1.4
Adj. EPS (INR/sh)	69.9	70.2	0.5	85.2	85.2	0.1

Source: Company, HSIE Research

## ADD

CMP (as on 10 May 22)	INR 2,113
Target Price	INR 2,330
NIFTY	16,240

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,675	INR 2,330
EPS %	FY23E	FY24E
	0.0%	0.0%

### KEY STOCK DATA

Bloomberg code	SRF IN
No. of Shares (mn)	296
MCap (INR bn) / (\$ mn)	626/8,417
6m avg traded value (INR mn)	2,444
52 Week high / low	INR 2,773/1,236

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(18.2)	(1.6)	67.7
Relative (%)	(10.5)	8.4	57.9

### SHAREHOLDING PATTERN (%)

	Dec-21	Mar-22
Promoters	50.73	50.73
FIs & Local MFs	9.16	8.71
FPIs	19.09	19.60
Public & Others	21.02	20.96
Pledged Shares	0.00	0.00

Source : BSE

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# Gujarat Gas

## Margin outperformance aid earnings

Our BUY recommendation on Gujarat Gas (GGL), with a price target of INR 625, is premised on (1) margin improvement; (2) portfolio of mature, semi-mature, and new geographical areas (GAs); and (3) compelling valuations, given superior return ratios among the city gas distribution players. Q4FY22 EBITDA was 19% above our estimate and APAT was 18% above, owing to 27% above expectation per unit EBITDA margin. The beat on margins was driven by lower than expected gas cost due to lower offtake of expensive spot LNG gas by the industrial/commercial customers. Overall volumes declined 13% QoQ mainly due to sharp 20% decline in industrial volumes.

- Volumes:** Blended volume remained weak in Q4 at 9.9mmscmd (-18% YoY, -13% QoQ, HSIE: 10.5mmscmd), mainly driven by lower-than-expected industrial demand of 6.7mmscmd (-30% YoY, -20% QoQ). However, overall volumes were supported by CNG volumes at 2.23mmscmd (+30% YoY, +3% QoQ), domestic PNG volumes at 0.82mmscmd (+12% YoY, +22% QoQ) and commercial PNG volumes at 0.14mmscmd (+26% YoY, flat QoQ).
- Margin:** Per unit gross spread at INR 10.7/scm (+51% YoY, 2.3x QoQ), rose sharply due to lower offtake of expensive spot LNG which is primarily used for the industrial segment. This, in turn, supported EBITDA margin to INR 7.84/scm (+54% YoY, 3.5x QoQ). With the margins protected due to weak demand of high cost LNG and strong growth in the high margin CNG and domestic PNG segment, we expect EBITDA margins to improve to INR 7/7.5 per scm over FY23/24.
- Change in estimates:** We reduce our EPS estimates for FY23/24E by 7.1/11.5% to INR 24.1/30.1, to factor lower volume growth. We revise our TP to INR 625/sh to factor higher WACC of 11%.
- DCF-based valuation:** Our target price of INR 625 is based on Mar-24E free cash flow (WACC 11%, terminal growth rate 3%). The stock is currently trading at 16.9x FY24E EPS – 17.8% below its 5-year average PER of 20.5x despite strong RoE of ~26% over FY23/24.

### Standalone financial summary

YE March (INR bn)	4Q FY22	3Q FY22	QoQ (%)	4Q FY21	YoY (%)	FY20	FY21	FY22P	FY23E	FY24E
Revenue	47	51	(9.2)	34	36.2	103	99	165	193	240
EBITDA	7	2	193.7	6	25.8	16	21	21	26	31
APAT	4	1	264.4	3	27.0	12	13	13	17	21
AEPS (INR)	6.5	1.8	264.4	5.1	27.0	17.2	18.4	18.5	24.1	30.1
P/E (x)						29.5	27.5	27.3	21.0	16.9
EV / EBITDA (x)						22.2	17.0	17.0	13.3	10.7
RoE (%)						43.3	32.7	25.3	26.2	26.0

Source: Company, HSIE Research

### Change in estimates

	FY22E			FY23E			FY24E		
	Old	New	Ch%	Old	New	Ch%	Old	New	Ch%
EBITDA (INR bn)	21.3	20.8	(2.6)	26.9	26.0	(3.2)	34.3	31.3	(8.7)
AEPS (INR/sh)	19.8	18.5	(6.3)	25.9	24.1	(7.1)	34.0	30.1	(11.5)

Source: Company, HSIE Research

## BUY

CMP (as on 10 May 22)	INR 507
Target Price	INR 625
NIFTY	16,240

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 765	INR 625
EPS change %	FY23E (7.1)%	FY24E (11.5)%

### KEY STOCK DATA

Bloomberg code	GUJGA IN
No. of Shares (mn)	688
MCap (INR bn) / (\$ mn)	349/4,690
6m avg traded value (INR mn)	875
52 Week high / low	INR 787/478

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(21.7)	(23.1)	(3.8)
Relative (%)	(14.0)	(13.2)	(13.6)

### SHAREHOLDING PATTERN (%)

	Dec-21	Mar-22
Promoters	60.89	60.89
FIs & Local MFs	8.03	9.53
FPIs	7.72	5.98
Public & Others	23.36	23.60
Pledged Shares	0.0	0.0

Source : BSE

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# Dalmia Bharat

## Robust price gain in east drives earnings beat

Dalmia Bharat reported strong Q4FY22 result, led by a healthy rebound in its cement realisation, leading to a ~25% EBITDA beat vs ours and consensus estimates. While consolidated revenue rose 7% YoY on both realisation and volume uptick, EBITDA fell 11% on sharp energy cost inflation. Unitary EBITDA rebound 44% QoQ to INR 1,035/MT due to a healthy cement price recovery in the east, rise in share of trade sales, and op-lev gains. Continued gains in its IEX investments turned balance sheet net cash in Mar-22. Dalmia noted that its plans to expand capacity to 49mn MT by FY24E is on track. Owing to its attractive valuation, we maintain our BUY rating, with a revised TP of INR 2,030/sh (13x its Mar-24E consolidated EBITDA).

- Q4 performance:** Consolidated sales volume grew 3% YoY (+16% QoQ) due to commercialisation of Murli in Jan-22, better volume YoY in the south and north-east, and QoQ recovery in volume in the east. NSR jumped 7% QoQ on price recovery in east and higher trade sales (65% vs 59% QoQ). Opex remained flat QoQ as op-lev gains offset rising variable cost impact. Thus, strong pricing pushed up unitary EBITDA by 44% QoQ to INR 1,035 per MT (down 39% YoY on sharp fuel cost inflation).
- FY22 performance:** While sales volume rose by 8%, unitary EBITDA fell 20% YoY to INR 1,063 per MT on sharp fuel cost inflation. Higher working capital further pulled down OCF by 46% to INR 19.4bn. Dalmia spent INR 17.5bn towards ongoing expansion and green infra Capex. IEX investment value jumped ~50% YoY to INR 30bn, leading to a net cash balance sheet.
- Capex and outlook:** DBEL will spend ~INR 60-70bn in Capex during FY23-24, which will help expand its cement capacity to 48.5mn MT by FY24. Despite these ambitious growth plans, we believe its leverage ratio will remain comfortable. We broadly maintain our FY23/24E EBITDA estimates.

### Quarterly/annual financial summary (consolidated)

YE Mar (INR bn)	Q4		YoY (%)	Q3		FY20	FY21	FY22		
	FY22	FY21		FY21	QoQ (%)			FY22	FY23E	FY24E
Sales (mn MT)	6.6	6.4	2.8	5.7	15.8	19.3	20.7	22.2	25.5	29.4
NSR (INR/MT)	5,121	4,908	4.3	4,796	6.8	4,967	4,884	5,084	5,440	5,440
EBITDA (INR/MT)	1,035	1,196	(13.5)	718	44.2	1,091	1,334	1,093	944	1,092
Net Sales	33.80	31.51	7.3	27.34	23.6	95.81	101.10	112.86	138.87	159.71
EBITDA	6.83	7.68	(11.1)	4.09	67.0	21.05	27.62	24.26	24.10	32.05
APAT	2.60	0.80	643.8	0.53	600.0	2.23	11.48	8.08	5.52	8.01
AEPS (INR)	13.9	4.3	225.0	2.8	390.6	11.4	60.8	43.7	29.8	43.3
EV/EBITDA (x)						13.9	9.6	10.3	11.3	9.6
EV/MT (INR bn)						11.1	8.7	7.0	7.6	6.4
P/E (x)						117.8	22.9	32.5	47.6	32.8
RoE (%)						2.1	9.8	5.6	3.5	4.9

Source: Company, HSIE Research

### Estimates revision summary

INR bn	Current Estimates		Old Estimates		Revisions (%)	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Net Sales	138.9	159.7	141.7	163.0	(2.0)	(2.0)
EBITDA	24.1	32.1	24.0	31.9	0.4	0.5
APAT	5.5	8.0	5.7	7.8	(3.7)	2.0

Source: Company, HSIE Research

## BUY

CMP (as on 10 May 22) INR 1,422

Target Price INR 2,030

NIFTY 16,240

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,970	INR 2,030
EBITDA revision %	FY23E 0.4	FY24E 0.5

### KEY STOCK DATA

Bloomberg code	DALBHARA IN
No. of Shares (mn)	187
MCap (INR bn) / (\$ mn)	266/3,580
6m avg traded value (INR mn)	495
52 Week high / low	INR 2,548/1,278

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(27.0)	(34.4)	(14.0)
Relative (%)	(19.3)	(24.5)	(23.8)

### SHAREHOLDING PATTERN (%)

	Dec-21	Mar-22
Promoters	55.97	55.97
FIs & Local MFs	6.49	7.07
FPIs	13.46	12.63
Public & Others	24.08	24.40
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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# Max Financial

## Miss on APE; recovery in banca wallet share key

MAXL disappointed on total APE (15% below our estimates); however, the shift in product mix towards NPAR and group credit-life resulted in higher-than-anticipated VNB margin at 31.9% (+648bps vs. estimate), leading to VNB clocking in at INR5.86bn (two-year CAGR of 35%). We flag MAXL's 500bps loss in AXSB wallet share as a key business concern and believe that maintaining/recouping this wallet share remains a key monitorable in the near to medium term. We lower our VNB estimates by 5-6% for FY23E-24E to factor in growth slowdown in banca channel and expect MAXL to deliver APE CAGR of 13%, VNB CAGR of 11%, and operating RoEVs in the range of 20-21% over FY23-24E. We retain our ADD rating, with a revised target price of INR1,030 (Sep-22E EV + 16.4x Sep-23E VNB).

- Growth concerns:** MAXL printed total APE 15% below our estimates at INR18.4bn (two-year CAGR 14%), on the back of a sharp deceleration in the AXSB channel; however, VNB margin shot up 783bps YoY to 31.9%, driving VNB to INR5.86bn (+27% YoY). The share of protection business in the overall mix improved to 12.6% (+145bps QoQ), as retail protection clocked healthy growth (+39% QoQ). This, concomitant with strong improvement in the share of NPAR savings within the mix to 31% (+7.8 pps QoQ), drove margin gains. **Growth from the AXSB channel (62% share of mix) was soft at ~11% YoY, while other banks witnessed de-growth (-63% YoY). MAXL's wallet share in AXSB receded to 70% (-500bps QoQ), a key business concern.** Persistency improved (+100bps YoY) across cohorts (except the 49<sup>th</sup> month). EV clocked in at INR141.7bn (+19.8% YoY), as MAXL tightened its mortality assumptions, resulting in a negative impact of INR2.77bn.
- Growth outlook:** The management expects growth from AXSB to remain healthy in the remaining 11MFY23E and expects APE growth in the range of 12-15%. However, BALIC's sharp increase in AXSB wallet share signals higher commission payouts and we believe that maintaining/recouping this wallet share will remain a key monitorable for MAXL.

### Financial summary

(INR bn)	Q4 FY22	Q4 FY21	YoY (%)	Q3 FY21	QoQ (%)	FY21	FY22P	FY23E	FY24E
NBP	26.2	25.8	1.4	21.8	20.2	68.3	82.0	88.4	101.3
APE	18.4	19.2	-4.1	15.9	15.5	49.6	55.9	63.4	71.8
VNB	5.86	4.61	27.1	3.96	48.0	12.5	15.3	16.4	18.9
VNB Margin (%)	31.9	24.0	783bps	24.9	701bps	25.2	27.3	25.9	26.3
EV						118.3	141.7	167.7	198.0
MCap/EV (x)*						2.5	2.1	1.8	1.5
P/Adj. VNB (x)*						16.1	12.0	9.7	7.1
ROEV						18.6	19.2	20.7	20.2

\*Refers to implied P/VNB. EV adj for a stake in Max Life.

Source: Company, HSIE Research

### Change in estimates

(INR bn)	FY23E			FY24E		
	Revised	Old	Change % / bps	Revised	Old	Change % / bps
APE	63.4	68.0	-6.8	71.8	78.3	-8.4
VNB	16.4	17.4	-5.3	18.9	20.1	-6.1
VNBM (%)	25.9	25.5	42bps	26.3	25.7	64bps
EV	167.7	167.6	0.1	198.0	198.6	-0.3

Source: Company, HSIE Research

## ADD

CMP (as on 10 May 22) INR 702

Target Price INR 1,030

NIFTY 16,240

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,235	INR 1,030
	FY23E	FY24E
VNB %	-5.3%	-6.1%

### KEY STOCK DATA

Bloomberg code	MAXF IN
No. of Shares (mn)	345
MCap (INR bn) / (\$ mn)	242/3,256
6m avg traded value (INR mn)	537
52 Week high / low	INR 1,148/697

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(20.1)	(29.3)	(22.9)
Relative (%)	(12.3)	(19.4)	(32.7)

### SHAREHOLDING PATTERN (%)

	Dec-21	Mar-22
Promoters	14.7	14.7
FIs & Local MFs	26.3	29.3
FPIs	26.1	23.3
Public & Others	32.9	32.7
Pledged Shares	9.4	12.8

Source : BSE

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**Rating Criteria**

BUY: &gt;+15% return potential

ADD: +5% to +15% return potential

REDUCE: -10% to +5% return potential

SELL: &gt; 10% Downside return potential

**Disclosure:**

Analyst	Company Covered	Qualification	Any holding in the stock
Varun Lohchab	Asian Paints	PGDM	NO
Jay Gandhi	Asian Paints	MBA	NO
Premraj Survase	Asian Paints	MBA	NO
Nilesh Ghuge	SRF, Gujarat Gas	MMS	NO
Harshad Katkar	SRF, Gujarat Gas	MBA	NO
Akshay Mane	SRF, Gujarat Gas	PGDM	NO
Rutvi Chokshi	SRF, Gujarat Gas	CA	NO
Keshav Lahoti	Dalmia Bharat	CA	NO
Krishnan ASV	Max Financial	PGDM	NO
Sahej Mittal	Max Financial	ACA	NO

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