

## Exide Industries

### Performance Highlights

Y/E March (₹ cr)	4QFY12	4QFY11	% chg (yoy)	Angel est.	% diff.
<b>Net sales</b>	<b>1,448</b>	<b>1,248</b>	<b>16.0</b>	<b>1,345</b>	<b>7.7</b>
EBITDA	213	234	(8.9)	195	9.3
EBITDA margin (%)	14.7	18.7	(403)bp	14.5	22 bp
<b>Adj. PAT</b>	<b>143</b>	<b>164</b>	<b>(12.9)</b>	<b>130</b>	<b>9.4</b>

Source: Company, Angel Research

Exide Industries (EXID) reported better-than-expected results for 4QFY2012, driven by strong volume growth in the two-wheeler and industrial battery segments. We broadly retain our volume and top-line estimates for FY2013E/14E as we believe improvement in auto OEM sales and pick-up in the auto replacement battery segment going ahead will be the key positives for the company. We have, however, revised our margin estimates for FY2013E downwards to factor in the recent price cuts (blended price cut of 2% in the automotive segment) announced by the company to counter competitive pressures mainly from Amara Raja Batteries. Due to the recent correction in the stock price (down ~15% over the past one month), EXID is trading at attractive valuations of 13.8x FY2014E earnings. **We recommend Buy on the stock.**

**Better-than-expected operating performance:** For 4QFY2012, EXID reported strong 16% yoy (15.8% qoq) top-line growth to ₹1,448cr, driven by strong growth in the two-wheeler (~28% yoy) and industrial battery volumes (~15% yoy). Growth in the industrial battery segment was led by ~22% and ~14% yoy growth in inverter and UPS battery volumes, respectively. Four-wheeler battery volumes continued to remain subdued as total sales witnessed modest ~7% yoy growth. As a result, replacement/OEM volume mix for the four-wheeler battery segment was 1.22x vs. 1.24x in 3QFY2012. EBITDA margin improved by 147bp sequentially to 14.7%, as the industrial battery segment's EBITDA margin improved by 390bp qoq to 15%, led by superior product mix. However, the automotive battery segment's margins declined by 150bp qoq on account of lower realization from OEMs. Net profit for the quarter stood at ₹143cr, a jump of 36.6% qoq; however, it declined by 12.9% yoy, led by 403bp contraction in operating margin.

**Outlook and valuation:** At ₹124, EXID is attractively valued at 13.8x FY2014E earnings and, therefore, we recommend Buy on the stock with an SOTP target price of ₹146. Considering increased competitive intensity in the sector (leading to limited pricing power), we value EXID's core operations in-line with its historical average of 15x its FY2014E EPS at ₹134/share instead of 16x earlier. We value its stake in ING Vysya Life Insurance at ₹12/share on FY2014E NBAP.

### Key financials

Y/E March (₹ cr)	FY2011	FY2012E	FY2013E	FY2014E
<b>Net sales</b>	<b>4,547</b>	<b>5,107</b>	<b>5,787</b>	<b>6,595</b>
% chg	19.9	12.3	13.3	13.9
<b>Net profit</b>	<b>619</b>	<b>461</b>	<b>605</b>	<b>761</b>
% chg	15.3	(25.5)	31.1	25.9
EBITDA (%)	19.3	13.4	15.5	17.0
<b>Adj. EPS (₹)</b>	<b>7.3</b>	<b>5.4</b>	<b>7.1</b>	<b>9.0</b>
P/E (x)	15.8	22.8	17.4	13.8
P/BV (x)	3.9	3.5	3.1	2.6
RoE (%)	25.0	15.9	18.6	20.3
RoCE (%)	30.7	19.6	23.7	26.3
EV/Sales (x)	2.0	1.7	1.5	1.2
EV/EBITDA (x)	10.4	13.0	9.6	7.2

Source: Company, Angel Research

## BUY

CMP	₹124
Target Price	₹146

Investment Period	12 Months
-------------------	-----------

### Stock Info

Sector	Auto Ancillary
Market Cap (₹ cr)	10,536
Beta	0.8
52 Week High / Low	175/99
Avg. Daily Volume	205,010
Face Value (₹)	1
BSE Sensex	16,831
Nifty	5,087
Reuters Code	EXID.BO
Bloomberg Code	EXID@IN

### Shareholding Pattern (%)

Promoters	46.0
MF / Banks / Indian Fls	13.3
FII / NRIs / OCBs	18.5
Indian Public / Others	22.2

Abs. (%)	3m	1yr	3yr
Sensex	(4.4)	(7.6)	38.7
Exide Industries	(9.1)	(18.6)	142.3

**Yaresh Kothari**

022-3935 7800 Ext: 6844

yareshb.kothari@angelbroking.com

**Exhibit 1: Quarterly financial performance**

Y/E March (₹ cr)	4QFY12	4QFY11	yoy chg (%)	3QFY12	qoq chg (%)	FY2012	FY2011	% chg
<b>Net Sales</b>	<b>1,448</b>	<b>1,248</b>	<b>16.0</b>	<b>1,250</b>	<b>15.8</b>	<b>5,111</b>	<b>4,572</b>	<b>11.8</b>
Consumption of RM	970	758	28.0	840	15.5	3,426	2,762	24.1
(% of Sales)	67.0	60.7		67.2		67.0	60.4	
Staff Costs	75	85	(12.7)	75	(0.8)	286	283	1.2
(% of Sales)	5.2	6.8		6.0		5.6	6.2	
Purchases of TG	2	12	(79.7)	2	(4.1)	7	61	(88.1)
(% of Sales)	0.2	0.9		0.2		0.1	1.3	
Other Expenses	187	159	17.7	167	12.4	704	563	25.1
(% of Sales)	12.9	12.8		13.3		13.8	12.3	
<b>Total Expenditure</b>	<b>1,235</b>	<b>1,014</b>	<b>21.7</b>	<b>1,085</b>	<b>13.8</b>	<b>4,423</b>	<b>3,669</b>	<b>20.6</b>
<b>Operating Profit</b>	<b>213</b>	<b>234</b>	<b>(8.9)</b>	<b>166</b>	<b>28.7</b>	<b>688</b>	<b>903</b>	<b>(23.8)</b>
OPM (%)	14.7	18.7		13.2		13.5	19.7	
Interest	1	1	65.9	4	(68.9)	5	6	(12.1)
Depreciation	27	23	20.2	25	8.9	101	83	20.6
Other Income	15	22	(32.0)	10	47.3	63	80	(20.8)
<b>PBT (excl. Extr. Items)</b>	<b>199</b>	<b>232</b>	<b>(14.2)</b>	<b>146</b>	<b>36.3</b>	<b>645</b>	<b>893</b>	<b>(27.8)</b>
Extr. Income/(Expense)	0	0	0.0	0	#DIV/0!	0	47	0.0
<b>PBT (incl. Extr. Items)</b>	<b>199</b>	<b>232</b>	<b>(14.2)</b>	<b>146</b>	<b>36.3</b>	<b>645</b>	<b>846</b>	<b>(23.8)</b>
(% of Sales)	13.7	18.6		11.7		12.6	18.5	
Provision for Taxation	57	68	(17.2)	42	35.3	184	274	(32.8)
(% of PBT)	28.4	29.4		28.6		28.5	32.4	
<b>Reported PAT</b>	<b>143</b>	<b>164</b>	<b>(12.9)</b>	<b>104</b>	<b>36.6</b>	<b>461</b>	<b>666</b>	<b>(30.8)</b>
<b>Adj PAT</b>	<b>143</b>	<b>164</b>	<b>(12.9)</b>	<b>104</b>	<b>36.6</b>	<b>461</b>	<b>619</b>	<b>(25.5)</b>
Adj. PATM	9.8	13.1		8.3		9.0	13.5	
Equity capital (cr)	85.0	85.0	0.0	85.0		85.0	85.0	0.0
<b>EPS (₹)</b>	<b>1.7</b>	<b>1.9</b>	<b>(12.9)</b>	<b>1.2</b>	<b>36.6</b>	<b>5.4</b>	<b>7.8</b>	<b>(30.8)</b>

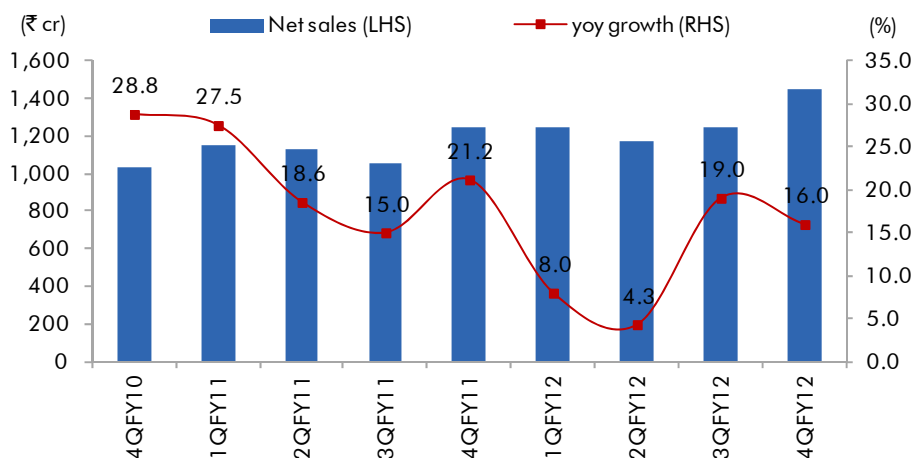
Source: Company, Angel Research

**Better-than-expected top-line growth:** EXID reported better-than-expected 16% yoy (15.8% qoq) growth in its top line to ₹1,448cr, driven by strong growth in two-wheeler and industrial battery volumes. While the two-wheeler segment posted ~28% yoy volume growth to 3.7mn units, industrial battery volumes grew by ~15% yoy to 482mnAH. Four-wheeler battery volumes, however, remained sluggish with total sales witnessing modest ~7% yoy growth to ~2.4mn units. During 4QFY2012, replacement/OEM volume mix for the four-wheeler battery segment was 1.22x versus 1.24x in 3QFY2012 and the two-wheeler battery segment mix declined to 0.27x from 0.38x in 3QFY2012.

EXID is planing to raise two-wheeler and industrial battery capacity by ~6% (to 22.8mn) and 4% (to 2,500mnAH), respectively, in FY2013. Four-wheeler battery capacity currently stands at 11mn units, which is expected to increase to 12mn by the end of 1HFY2013. Current capacity utilization in the four-wheeler and industrial battery segments stands at ~82% and ~72%, respectively.

During the quarter, EXID acquired inverter (Home UPS) manufacturing facilities and forayed into the home inverter market. The company is looking to expand inverter manufacturing capacity from 40,000 units to ~200,000 units by FY2013E.

**Exhibit 2: Net sales up 16% yoy**

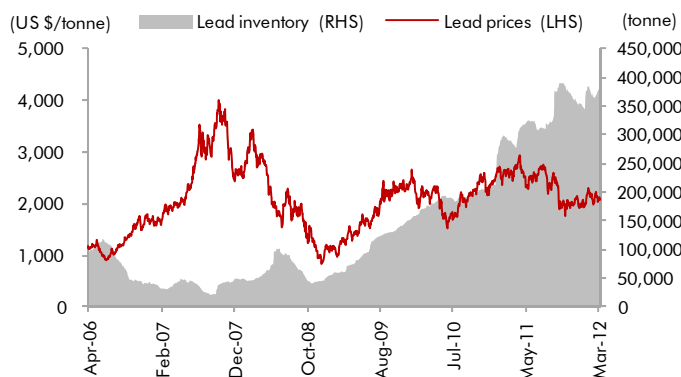


Source: Company, Angel Research

**Operating margin improves sequentially to 14.7%:** During 4QFY2012, the company's operating margin stood at 14.7%, a sequential increase of 150bp, primarily on account of 390bp improvement in the industrial battery segment's margin. The automotive segment's EBITDA margin, however, declined by 150bp qoq to 13.3%, as lower realizations from the OEM segment impacted profitability. During the quarter, the company benefited from the decline in lead prices. The company's lead cost/ton during the quarter stood at ₹127,921 versus ₹131,000 in 3QFY2012.

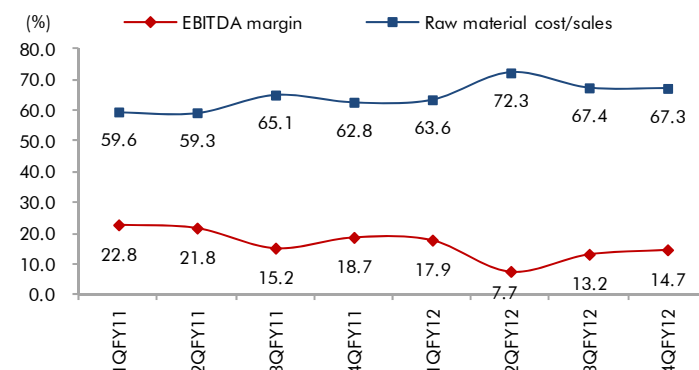
The company has taken a blended price cut of ~2% in the automotive segment in April 2012, which is likely to weigh on the automotive segment's EBITDA margin in 1QFY2013. Nonetheless, EXID expects overall EBITDA margin to gradually improve to 17-18% by March 2013.

**Exhibit 3: Average lead price trend**



Source: Company, Bloomberg, Angel Research

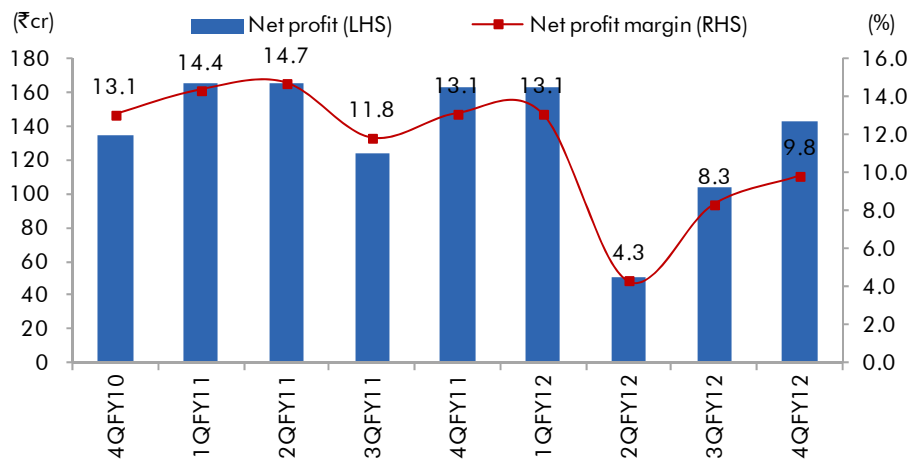
**Exhibit 4: EBITDA margin trend**



Source: Company, Angel Research

**Net profit up 36.6% sequentially:** Led by better-than-expected top-line growth and sequential improvement in operating performance, EXID reported strong 36.6% yoy growth in its net profit to ₹143cr. On a yoy basis, the company's bottom line declined by 12.9% yoy, as its operating margin witnessed a 403bp yoy contraction, led by higher raw-material expenses.

**Exhibit 5: Better-than expected bottom-line growth**



Source: Company, Angel Research

## Investment arguments

- **Demand scenario for auto and industrial batteries to remain positive in the long run:** The auto and industrial battery segments have been witnessing strong growth post the economic downturn, driven by robust demand-pull on account of higher auto and industrial production and increased consumer spending. As a result, we expect the auto and industrial battery segments to continue to grow, generating revenue CAGRs of ~13% and ~10%, respectively, over FY2012-14E. Hence, we forecast EXID to register strong revenue CAGRs of ~15% and ~10% in the auto and industrial battery segments, respectively.
- **Market leader with a wider reach and pricing power:** EXID is a dominant player in the auto battery (OEM and replacement) and industrial battery segments with a market share of 60-65% and 40-45%, respectively. EXID has leveraged upon its brand equity, better quality proposition and wider reach to consolidate its position in the market, which gives the company a superior pricing power compared to peers. Over the years, EXID has been able to improve its realization across the auto and industrial battery segments, which has more than offset the movements in input prices. We expect EXID to continue to leverage upon its market leadership position and pricing power, which would enhance the company's ability to pass on cost increases in the future as well.
- **Captive sourcing reduces impact of lead price volatility:** EXID acquired Tandon Metals (FY2008) and Leadage Alloys (51% in FY2009 and 49% in 2QFY2011) to recycle used lead and lessen the vulnerability of rising lead prices. This reduced the company's dependence on imported lead in FY2011 to 28-30% (~32% in FY2010). Total lead supplied by the captive smelter increased to ~52% in FY2011 from ~50% in FY2010. EXID has benefitted from its captive sourcing strategy, as lead sourcing from captive smelters is 10-12% cheaper compared to market rates.

Going forward, EXID plans to increase sourcing from its smelters to ~70% by FY2013E. Our sensitivity analysis suggests that for every 10% increase in sourcing from captive smelters, the company's EBITDA margin expands by ~50bp (assuming stable lead prices).

- **Capacity expansion to increase volume growth:** EXID has been operating at ~90% utilization levels over the past five years. Hence, the company is in the process of increasing its battery capacity to cater to the growing demand. The company would increase its two-wheeler and four-wheeler battery capacity by ~100% and ~43%, respectively, by the end of FY2012E. As a result of increased capacity, we believe EXID is well placed to meet the rising auto battery demand. We estimate the company's overall utilization level to remain at 75-80% in FY2014E. Further, we expect EXID to post volume CAGRs of ~13% and ~8% in the auto and industrial battery segments, respectively, over FY2012-14E.

## Outlook and valuation

We maintain our long-term positive outlook on the battery industry. We broadly retain our volume and top-line estimates for FY2013E/14E as we believe improvement in auto OEM sales and pick-up in the auto replacement battery segment going ahead will be the key positives for the company. We have, however, revised our margin estimates for FY2013E downwards to factor in the recent price cuts (blended price cut of 2% in the automotive segment) announced by the company to counter competitive pressures mainly from Amara Raja Batteries.

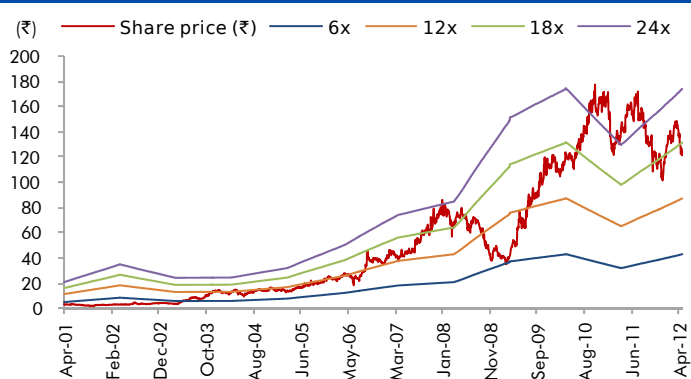
EXID is trading at attractive valuations of 13.8x FY2014E earnings due to the recent correction in the stock price (down ~15% over the past one month). **We, therefore, recommend Buy on the stock with an SOTP target price of ₹146.** Considering increased competitive intensity in the sector (leading to limited pricing power), we value EXID's core operations in-line with its historical average of 15x its FY2014E EPS at ₹134/share instead of 16x earlier. We value its stake in ING Vysya Life Insurance at ₹12/share on FY2014E NBAP.

### Exhibit 6: Change in estimates

Y/E March	Earlier estimates		Revised estimates		% chg	
	FY2013E	FY2014E	FY2013E	FY2014E	FY2013E	FY2014E
Net sales (₹ cr)	5,812	6,710	5,787	6,595	(0.4)	(1.7)
OPM (%)	16.2	16.5	15.5	17.0	(72)bp	46bp
EPS (₹)	7.5	8.9	7.1	9.0	(5.7)	0.5

Source: Company, Angel Research

### Exhibit 7: One-year forward P/E band



Source: Company, Bloomberg, Angel Research

### Exhibit 8: One-year forward P/E chart



Source: Company, Bloomberg, Angel Research

**Exhibit 9: Key assumptions**

	FY09	FY10	FY11	FY12E	FY13E	FY14E
<b>Volume assumptions</b>						
Four-wheeler battery (mn units)	6.6	7.5	8.2	8.4	9.7	11.1
yoy change (%)	10.0	12.9	10.4	2.2	15.0	15.0
Two-wheeler battery (mn units)	8.3	8.7	10.8	13.9	15.5	17.4
yoy change (%)	15.3	5.4	23.2	28.6	12.0	12.0
<b>Total auto battery (mn units)</b>	<b>14.9</b>	<b>16.2</b>	<b>19.0</b>	<b>22.3</b>	<b>25.2</b>	<b>28.5</b>
yoy change (%)	12.9	8.7	17.3	17.2	13.1	13.2
<b>Industrial battery volumes (mnAH)</b>	<b>1,316</b>	<b>1,565</b>	<b>1,760</b>	<b>1,825</b>	<b>1,971</b>	<b>2,129</b>
yoy change (%)	16.6	18.9	12.5	3.7	8.0	8.0

Source: Company, Angel Research

**Exhibit 10: Angel vs. consensus forecast**

	Angel estimates		Consensus		Variation (%)	
	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E
Net sales (₹ cr)	5,787	6,595	5,867	6,857	(1.4)	(3.8)
EPS (₹)	7.1	9.0	7.7	9.1	(7.6)	(1.8)

Source: Bloomberg, Angel Research

**Exhibit 11: Auto Ancillary – Recommendation summary**

Company	Reco.	CMP (₹)	Tgt. price (₹)	Upside (%)	P/E (x)		EV/EBITDA (x)		RoE (%)		FY11-14E EPS
					FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	CAGR (%)
Amara Raja Batteries	Buy	294	345	17.3	10.0	9.0	5.7	4.8	26.5	23.6	23.8
Automotive Axle <sup>^</sup>	Neutral	518	-	-	10.3	9.2	5.8	5.1	27.9	25.3	24.5
Bharat Forge*	Buy	320	372	16.3	14.3	12.0	6.8	5.7	21.0	21.0	28.7
Bosch India <sup>#</sup>	Neutral	8,574	-	-	21.7	19.5	13.8	11.8	20.1	18.7	17.1
<b>Exide Industries</b>	<b>Buy</b>	<b>124</b>	<b>146</b>	<b>18.0</b>	<b>17.4</b>	<b>13.8</b>	<b>9.6</b>	<b>7.2</b>	<b>18.6</b>	<b>20.3</b>	<b>7.1</b>
FAG Bearings <sup>#</sup>	Accumulate	1,478	1,594	7.8	12.5	11.1	7.2	5.9	24.0	21.9	22.9
Motherson Sumi*	Buy	170	216	27.0	15.0	11.8	7.1	5.9	23.3	24.7	13.2
Subros	Neutral	30	-	-	7.3	6.1	4.1	3.8	10.3	11.8	1.5

Source: Company, Angel Research; Note: \* Consolidated results; # December year end; ^ September year end

**Profit and loss statement**

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012E	FY2013E	FY2014E
<b>Total operating income</b>	<b>3,393</b>	<b>3,794</b>	<b>4,547</b>	<b>5,107</b>	<b>5,787</b>	<b>6,595</b>
% chg	19.2	11.8	19.9	12.3	13.3	13.9
<b>Total Expenditure</b>	<b>2,845</b>	<b>2,902</b>	<b>3,669</b>	<b>4,423</b>	<b>4,890</b>	<b>5,474</b>
Net Raw Materials	2,248	2,158	2,823	3,433	3,762	4,188
Other Mfg costs	188	231	283	319	365	419
Personnel	165	230	283	286	324	369
Other	243	283	280	385	440	498
<b>EBITDA</b>	<b>548</b>	<b>892</b>	<b>879</b>	<b>684</b>	<b>897</b>	<b>1,121</b>
% chg	16.1	62.8	(1.5)	(22.2)	31.2	25.0
(% of Net Sales)	16.1	23.5	19.3	13.4	15.5	17.0
Depreciation & Amortization	68	81	83	101	108	117
<b>EBIT</b>	<b>480</b>	<b>811</b>	<b>795</b>	<b>583</b>	<b>789</b>	<b>1,005</b>
% chg	17.8	69.0	(2.0)	(26.7)	35.2	27.4
(% of Net Sales)	14.1	21.4	17.5	11.4	13.6	15.2
Interest & other Charges	52	14	6	5	0	0
Other Income	7	12	151	67	75	83
(% of PBT)	1.6	1.5	16.9	10.4	8.7	7.6
<b>Recurring PBT</b>	<b>435</b>	<b>810</b>	<b>940</b>	<b>645</b>	<b>864</b>	<b>1,087</b>
% chg	17.6	86.2	16.0	(31.4)	33.9	25.9
<b>Extraordinary Items</b>	<b>434</b>	<b>811</b>	<b>893</b>	<b>645</b>	<b>864</b>	<b>1,087</b>
Tax	151	273	274	184	259	326
(% of PBT)	34.7	33.7	30.7	28.5	30.0	30.0
<b>PAT (reported)</b>	<b>284</b>	<b>537</b>	<b>666</b>	<b>461</b>	<b>605</b>	<b>761</b>
<b>Adj. PAT</b>	<b>283</b>	<b>537</b>	<b>619</b>	<b>461</b>	<b>605</b>	<b>761</b>
% chg	16.0	89.7	15.3	(25.5)	31.1	25.9
(% of Net Sales)	8.3	14.2	13.6	9.0	10.4	11.5
<b>Basic EPS (₹)</b>	<b>3.6</b>	<b>6.3</b>	<b>7.8</b>	<b>5.4</b>	<b>7.1</b>	<b>9.0</b>
<b>Adj. EPS (₹)</b>	<b>3.5</b>	<b>6.3</b>	<b>7.3</b>	<b>5.4</b>	<b>7.1</b>	<b>9.0</b>
% chg	16.0	78.5	15.3	(25.5)	31.1	25.9



**Balance sheet**

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012E	FY2013E	FY2014E
<b>SOURCES OF FUNDS</b>						
Equity Share Capital	80	85	85	85	85	85
Reserves & Surplus	1,170	2,135	2,657	2,969	3,375	3,962
<b>Shareholders' Funds</b>	<b>1,250</b>	<b>2,220</b>	<b>2,742</b>	<b>3,054</b>	<b>3,460</b>	<b>4,047</b>
Total Loans	317	90	2	2	2	2
Deferred Tax Liability	41	59	68	68	68	68
<b>Total Liabilities</b>	<b>1,609</b>	<b>2,369</b>	<b>2,812</b>	<b>3,124</b>	<b>3,530</b>	<b>4,117</b>
<b>APPLICATION OF FUNDS</b>						
Gross Block	1,257	1,336	1,561	1,880	2,024	2,198
Less: Acc. Depreciation	589	660	725	826	934	1,051
<b>Net Block</b>	<b>668</b>	<b>677</b>	<b>836</b>	<b>1,054</b>	<b>1,089</b>	<b>1,147</b>
Capital Work-in-Progress	17	38	66	56	61	66
Investments	668	1,335	1,378	1,562	1,765	2,058
<b>Current Assets</b>	<b>742</b>	<b>912</b>	<b>1,329</b>	<b>1,393</b>	<b>1,779</b>	<b>2,089</b>
Cash	34	3	15	61	204	436
Loans & Advances	38	48	88	102	116	132
Other	669	861	1,225	1,230	1,460	1,521
Current liabilities	487	593	796	942	1,164	1,244
<b>Net Current Assets</b>	<b>255</b>	<b>319</b>	<b>532</b>	<b>451</b>	<b>615</b>	<b>845</b>
<b>Total Assets</b>	<b>1,609</b>	<b>2,369</b>	<b>2,812</b>	<b>3,124</b>	<b>3,530</b>	<b>4,117</b>

**Cash flow statement**

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012E	FY2013E	FY2014E
Profit before tax	435	810	940	645	864	1,087
Depreciation	68	81	83	101	108	117
Change in Working Capital	61	(59)	(214)	127	(21)	3
Others	98	(23)	10	-	-	-
Other income	(7)	(12)	(151)	(67)	(75)	(83)
Direct taxes paid	(151)	(273)	(274)	(184)	(259)	(326)
<b>Cash Flow from Operations</b>	<b>505</b>	<b>524</b>	<b>395</b>	<b>622</b>	<b>617</b>	<b>797</b>
(Inc.)/Dec. in Fixed Assets	(130)	(100)	(253)	(310)	(148)	(180)
(Inc.)/Dec. in Investments	(150)	(667)	(43)	(184)	(203)	(293)
Other income	7	12	151	67	75	83
<b>Cash Flow from Investing</b>	<b>(273)</b>	<b>(755)</b>	<b>(144)</b>	<b>(426)</b>	<b>(275)</b>	<b>(390)</b>
Issue of Equity	0	530	(0)	-	-	-
Inc./Dec. in loans	(33)	(227)	(88)	-	-	-
Dividend Paid (Incl. Tax)	37	56	95	149	199	174
Others	(204)	(159)	(246)	-	-	-
<b>Cash Flow from Financing</b>	<b>(199)</b>	<b>200</b>	<b>(239)</b>	<b>(149)</b>	<b>(199)</b>	<b>(174)</b>
Inc./Dec. in Cash	32	(31)	12	46	143	233
<b>Opening Cash balances</b>	<b>2</b>	<b>34</b>	<b>3</b>	<b>15</b>	<b>61</b>	<b>204</b>
<b>Closing Cash balances</b>	<b>34</b>	<b>3</b>	<b>15</b>	<b>61</b>	<b>204</b>	<b>436</b>

**Key ratios**

Y/E March	FY2009	FY2010	FY2011	FY2012E	FY2013E	FY2014E
<b>Valuation ratio (x)</b>						
P/E (on FDEPS)	34.9	19.6	15.8	22.8	17.4	13.8
P/CEPS	28.1	17.0	15.0	18.8	14.8	12.0
P/BV	8.1	4.8	3.9	3.5	3.1	2.6
Dividend yield (%)	0.5	0.8	1.2	1.2	1.6	1.4
EV/Sales	3.0	2.4	2.0	1.7	1.5	1.2
EV/EBITDA	18.5	10.4	10.4	13.0	9.6	7.2
EV / Total Assets	6.3	3.9	3.3	2.9	2.4	2.0
<b>Per share data (₹)</b>						
EPS (Basic)	3.6	6.3	7.8	5.4	7.1	9.0
EPS (fully diluted)	3.5	6.3	7.3	5.4	7.1	9.0
Cash EPS	4.4	7.3	8.3	6.6	8.4	10.3
DPS	0.6	1.0	1.5	1.5	2.0	1.8
Book Value	15.2	25.8	31.9	35.6	40.4	47.3
<b>DuPont analysis</b>						
EBIT margin	14.1	21.4	17.5	11.4	13.6	15.2
Tax retention ratio	0.7	0.7	0.7	0.7	0.7	0.7
Asset turnover (x)	3.9	4.0	3.8	3.6	3.8	4.2
ROIC (Post-tax)	36.0	57.4	46.1	29.1	36.7	45.0
Cost of Debt (Post Tax)	10.1	4.4	9.1	176.2	10.5	10.5
Leverage (x)	-	-	-	-	-	1.0
Operating ROE	36.0	57.4	46.1	29.1	36.7	79.4
<b>Returns (%)</b>						
ROCE (Pre-tax)	31.7	40.8	30.7	19.6	23.7	26.3
Angel ROIC (Pre-tax)	54.9	81.1	57.1	39.6	51.4	63.0
ROE	25.1	31.0	25.0	15.9	18.6	20.3
<b>Turnover ratios (x)</b>						
Asset Turnover (Gross Block)	2.9	2.9	3.1	3.0	3.0	3.1
Inventory / Sales (days)	54	50	59	62	61	59
Receivables (days)	26	23	25	25	25	25
Payables (days)	46	42	46	49	50	52
WC cycle (ex-cash) (days)	28	26	33	32	25	23
<b>Solvency ratios (x)</b>						
Net debt to equity	(0.3)	(0.6)	(0.5)	(0.5)	(0.6)	(0.6)
Net debt to EBITDA	(0.7)	(1.4)	(1.6)	(2.4)	(2.2)	(2.2)
Interest Coverage (EBIT / Int.)	9.3	60.1	131.9	110	2,446	3,115

Research Team Tel: 022 - 3935 7800

E-mail: research@angelbroking.com

Website: www.angelbroking.com

## DISCLAIMER

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

Angel Broking Limited, its affiliates, directors, its proprietary trading and investment businesses may, from time to time, make investment decisions that are inconsistent with or contradictory to the recommendations expressed herein. The views contained in this document are those of the analyst, and the company may or may not subscribe to all the views expressed within.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Angel Broking Limited or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Angel Broking Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While Angel Broking Limited endeavours to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.

Angel Broking Limited and its affiliates may seek to provide or have engaged in providing corporate finance, investment banking or other advisory services in a merger or specific transaction to the companies referred to in this report, as on the date of this report or in the past.

Neither Angel Broking Limited, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.

**Note: Please refer to the important 'Stock Holding Disclosure' report on the Angel website (Research Section). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. Angel Broking Limited and its affiliates may have investment positions in the stocks recommended in this report.**

Disclosure of Interest Statement	Exide Industries
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹1 lakh for Angel, its Group companies and Directors

### Ratings (Returns):

Buy (&gt; 15%)

Reduce (-5% to 15%)

Accumulate (5% to 15%)

Sell (&lt; -15%)

Neutral (-5 to 5%)