

06 February 2024

India | Equity Research | Q3FY24 results review

## Prince Pipes & Fittings

Plastic

### Volume disappoints; co expects better vol growth Q1FY25 onwards

Prince Pipes and Fittings (PRINCIPI) has reported pipe volume decline of 2.4% YoY (+2.7% QoQ; 4-year CAGR of 8.2%) in Q3FY24. Revenue declined 12.4% YoY on reduction in realisation of 10.3% YoY. EBITDA/kg grew 11.5% YoY to INR 17.7/kg (impacted by inventory losses of ~INR 100mn) on a low base. Adjusted EBITDA/kg declined 7.1% YoY (-11.5% QoQ) to INR 20/kg. EBITDA margin increased 239bps YoY to 12.2% (-212bps QoQ) as gross margin improved 791bps YoY (-105bps QoQ), leading to EBITDA/APAT growth of 8.9%/6.4%, YoY, respectively. Management stated it lost market share during 9MFY24 in certain geographies due to over-premiumisation of some of its products, for which it has taken corrective pricing action and expects volume growth at-par with the industry Q1FY25 onwards. It maintains 12-14% EBITDA margin guidance in the medium term. We cut our EBITDA by ~4% each for FY24-26E on lower than expected volume growth. Maintain ADD as valuation is reasonable, with a rolled over Mar'25E target price of INR 739 (earlier: INR 772).

### Volume decline of 2.4% YoY in Q3FY24

PRINCIPI's pipe volume declined 2.4% YoY (+2.7% QoQ; 4-year CAGR of 8.2%), whereas revenue declined 12.4% YoY (-5.8% QoQ; 4-year CAGR of 11.8%) as realisation reduced 10.3% YoY (PVC prices were lower YoY and also partly due to corrective price action taken in geographies). Management stated it lost market share in certain geographies where its products were over-priced vs peers, which has now been corrected. It expects the strategy to pay-off by Q1FY25, post which it will see volume growth at least at-par with the industry. It also indicated that with PVC prices stabilising, channel inventory has normalised and it expects end-user demand to remain healthy in medium term (primarily driven by plumbing and infrastructure segments). Bathware segment reported revenue of INR 60mn and management has guided EBITDA breakeven from this segment within 18 months. NWC was 69 days (vs 66 QoQ) in Q3, as inventory days increased by 13, debtor days by 10 and creditor days by 20, QoQ.

### EBITDA/kg improves YoY on a low base

OPM expanded 239bps QoQ to 12.2% (-212bps QoQ) as gross margin improved 791bps YoY (-105bps QoQ) on a low base, leading to EBITDA/APAT growth of 8.9%/6.4%, YoY, respectively. Pipe EBITDA/kg improved 11.5% YoY to INR 17.7 (-21.8% QoQ) on a low base and adjusting for inventory loss of INR 100mn, adj. EBITDA/kg declined 7.1% YoY / 11.5% QoQ. Management indicated margins have largely normalised as PVC prices remain stable, and maintained sustainable margin guidance of 12-14% over medium term. We have modelled pipe OPM of ~14% each for FY25-26E (EBITDA/kg of INR 21.4/INR 21.3 for FY25/26E).

### Financial Summary

| Y/E March (INR mn) | FY23A  | FY24E  | FY25E  | FY26E  |
|--------------------|--------|--------|--------|--------|
| Net Revenue        | 27,109 | 26,229 | 29,987 | 33,732 |
| EBITDA             | 2,517  | 3,452  | 4,125  | 4,584  |
| EBITDA %           | 9.3    | 13.2   | 13.8   | 13.6   |
| Net Profit         | 1,199  | 1,961  | 2,482  | 2,725  |
| EPS (Rs)           | 10.8   | 17.7   | 22.4   | 24.6   |
| EPS % Chg YoY      | (52.2) | 63.6   | 26.6   | 9.8    |
| P/E (x)            | 62.1   | 38.0   | 30.0   | 27.3   |
| EV/EBITDA (x)      | 29.0   | 20.8   | 17.4   | 15.2   |
| RoCE (%)           | 8.6    | 12.5   | 13.8   | 13.6   |
| RoE (%)            | 9.1    | 13.5   | 15.1   | 14.6   |

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#### Market Data

|                     |             |
|---------------------|-------------|
| Market Cap (INR)    | 74bn        |
| Market Cap (USD)    | 897mn       |
| Bloomberg Code      | PRINCIPI IN |
| Reuters Code        | PRCE BO     |
| 52-week Range (INR) | 776 /532    |
| Free Float (%)      | 38.0        |
| ADTV-3M (mn) (USD)  | 4.0         |

| Price Performance (%) | 3m    | 6m    | 12m   |
|-----------------------|-------|-------|-------|
| Absolute              | 8.9   | 1.8   | 10.3  |
| Relative to Sensex    | (2.2) | (8.0) | (9.0) |

| Earnings Revisions (%) | FY24E | FY25E | FY26E |
|------------------------|-------|-------|-------|
| Revenue                | (9.7) | (9.6) | (9.5) |
| EBITDA                 | (3.9) | (4.0) | (4.0) |
| EPS                    | (7.1) | (3.9) | (7.1) |

#### Previous Reports

08-11-2023: [Q2FY24 results review](#)

16-09-2023: [Company Update](#)

## Valuations and view

PRINCEPIP has reported disappointing volume in Q3 and has been lagging industry growth since the past couple of quarters. However, we continue to like PRINCEPIP as we expect it to see demand tailwinds from plumbing, infra and agri industries with normalised profitability going forward and improved volumes. Maintain **ADD** on reasonable valuation with a rolled over Mar'25 target price of INR 739, set at an unchanged 30x Mar'25E P/E.

### Exhibit 1: Q3FY24 result review

| INR mn                   | Q3FY24       | Q3FY23       | YoY(%)         | Q2FY24       | QoQ(%)         | 9MFY24        | 9MFY23        | YoY(%)         |
|--------------------------|--------------|--------------|----------------|--------------|----------------|---------------|---------------|----------------|
| <b>Total revenues</b>    | <b>6,186</b> | <b>7,059</b> | <b>(12.4%)</b> | <b>6,565</b> | <b>(5.8%)</b>  | <b>18,286</b> | <b>19,465</b> | <b>(6.1%)</b>  |
| Raw Materials            | 4,316        | 5,483        | (21.3%)        | 4,511        | (4.3%)         | 12,969        | 15,801        | (17.9%)        |
| % of sales               | 69.8%        | 77.7%        | -791 bps       | 68.7%        | 105 bps        | 70.9%         | 81.2%         | -1025 bps      |
| Employee expense         | 373          | 311          | 19.8%          | 405          | (7.9%)         | 1,098         | 852           | 28.9%          |
| % of sales               | 6.0%         | 4.4%         | 162 bps        | 6.2%         | -14 bps        | 6.0%          | 4.4%          | 163 bps        |
| Other expense            | 741          | 570          | 30.0%          | 707          | 4.8%           | 2,068         | 1,792         | 15.4%          |
| % of sales               | 12.0%        | 8.1%         | 390 bps        | 10.8%        | 121 bps        | 11.3%         | 9.2%          | 210 bps        |
| <b>Total expenditure</b> | <b>5,430</b> | <b>6,364</b> | <b>(14.7%)</b> | <b>5,623</b> | <b>(3.4%)</b>  | <b>16,135</b> | <b>18,445</b> | <b>(12.5%)</b> |
| % of sales               | 87.8%        | 90.2%        | -239 bps       | 85.7%        | 212 bps        | 88.2%         | 94.8%         | -653 bps       |
| <b>EBIDTA</b>            | <b>757</b>   | <b>695</b>   | <b>8.9%</b>    | <b>942</b>   | <b>(19.7%)</b> | <b>2,152</b>  | <b>1,020</b>  | <b>111.0%</b>  |
| % of sales               | 12.2%        | 9.8%         | 239 bps        | 14.3%        | -212 bps       | 11.8%         | 5.2%          | 653 bps        |
| Depreciation             | 229          | 211          | 8.8%           | 225          | 1.7%           | 673           | 619           | 8.7%           |
| <b>EBIT</b>              | <b>527</b>   | <b>484</b>   | <b>8.9%</b>    | <b>716</b>   | <b>(26.4%)</b> | <b>1,479</b>  | <b>401</b>    | <b>268.8%</b>  |
| EBIT Margin (%)          | 8.5%         | 6.9%         | 167 bps        | 10.9%        | -239 bps       | 8.1%          | 2.1%          | 603 bps        |
| Interest Expenses        | 27           | 16           | 67.7%          | 7            | 293.3%         | 51            | 82            | (37.1%)        |
| Other income             | 30           | 12           | 147.0%         | 40           | (23.8%)        | 108           | 51            | 109.9%         |
| <b>PBT</b>               | <b>530</b>   | <b>480</b>   | <b>10.5%</b>   | <b>749</b>   | <b>(29.2%)</b> | <b>1,535</b>  | <b>370</b>    | <b>314.4%</b>  |
| Income Tax Expense       | 154          | 126          | 21.8%          | 221          | (30.4%)        | 435           | 99            | 338.7%         |
| Extraordinary Items      | -0           | 0            | nm             | 179          | (100.1%)       | 178           | 2             | nm             |
| <b>Reported PAT</b>      | <b>376</b>   | <b>354</b>   | <b>6.3%</b>    | <b>706</b>   | <b>(46.7%)</b> | <b>1,278</b>  | <b>273</b>    | <b>368.3%</b>  |
| <b>APAT</b>              | <b>377</b>   | <b>354</b>   | <b>6.4%</b>    | <b>570</b>   | <b>(34.0%)</b> | <b>1,145</b>  | <b>272</b>    | <b>321.5%</b>  |

Source: I-Sec research, Company data

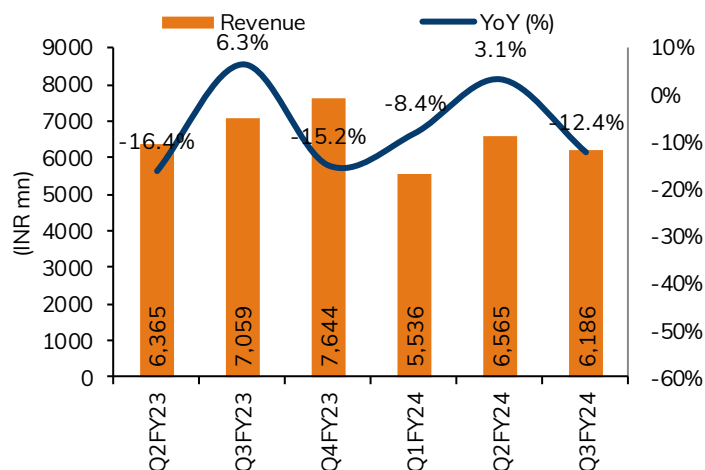
### Exhibit 2: Q3FY24 key operating metrics

|                              | Q3FY24 | Q3FY23 | YoY(%)  | Q2FY24 | QoQ(%)  | 9MFY24   | 9MFY23   | YoY(%)  |
|------------------------------|--------|--------|---------|--------|---------|----------|----------|---------|
| Sales Volume (MT)            | 42,665 | 43,693 | (2.4%)  | 41,529 | 2.7%    | 1,21,349 | 1,13,400 | 7.0%    |
| Realisation (Rs/kg)          | 145    | 162    | (10.3%) | 158    | (8.3%)  | 151      | 172      | (12.2%) |
| Rep. EBITDA-per-unit (Rs/kg) | 17.7   | 15.9   | 11.5%   | 22.7   | (21.8%) | 17.7     | 9.0      | 97.2%   |
| Adj. EBITDA-per-unit (Rs/kg) | 20.1   | 21.6   | (7.1%)  | 22.7   | (11.5%) | 19.4     | 21.8     | (11.0%) |
| <b>Cash Conversion Cycle</b> |        |        |         |        |         |          |          |         |
| Debtor (Days)                | 73     | 48     | 25 days | 63     | 10 days | 73       | 48       | 25 days |
| Inventory (Days)             | 75     | 61     | 14 days | 62     | 13 days | 75       | 61       | 14 days |
| Creditor (Days)              | 79     | 65     | 14 days | 59     | 20 days | 79       | 65       | 14 days |
| Working Capital (Days)       | 69     | 44     | 25 days | 66     | 3 days  | 69       | 44       | 25 days |

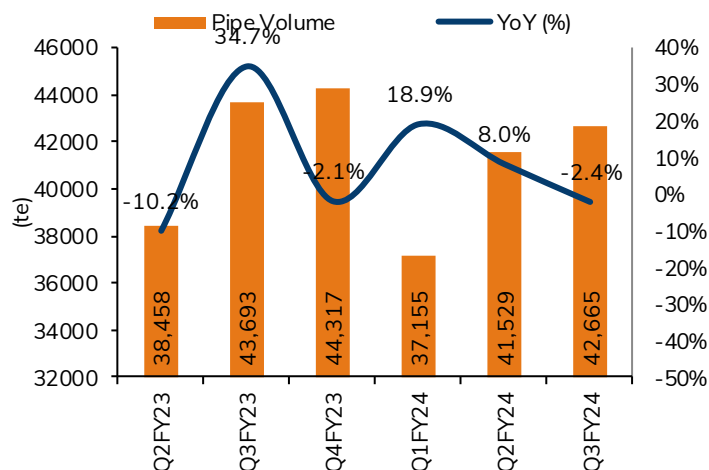
Source: I-Sec research, Company data

## Takeaways from Q3FY24 conference call

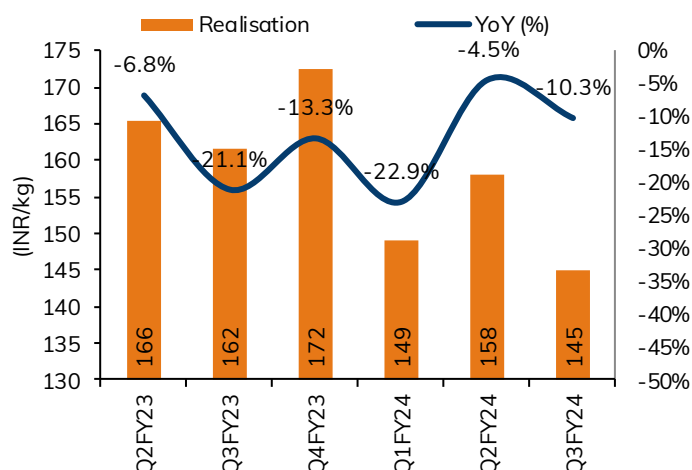
- **Demand:** Management indicated volume has declined in certain geographies where company's products were overpriced vs peers. It has taken corrective action now, (but has not given deep-discounts to promote volumes) and expects volume growth at-par with the industry Q1FY24 onwards. Management remains aggressive in expanding its distribution and strengthening channel network to improve sales volumes. Company's plumbing segment has grown better than agri segment. Currently, its plants are running at ~52% utilisation.
- **Management indicated inventory loss of ~INR 100mn during Q3FY24.** Going forward, no further inventory loss/gain is likely as PVC prices have stabilised. The company usually has ~30days of PVC RM inventory, ~10 days of CPVC RM inventory and 30-40 days of finished goods inventory.
- **Bathware segment** generated revenue of INR 60mn with employee and A&P expenses of INR 30mn in Q3FY24. Management indicated its products have presence in 100 retail touchpoints and continues to improve/strengthen its distribution in tier-2,3 cities of Northern and Western India. Management has budgeted annual expense of INR 200mn for bathware business and expects to breakeven after 18 months.
- **HDPE:** The recent HDPE expansion at Jaipur (in Rajasthan) is running at a healthy utilisation and management will plan on further expanding HDPE capacity if the utilisation sustains. **HDPE pipes have operating margin of ~14%.**
- **Guidance:** Management has guided to grow at-par with the industry Q1FY25 onwards and maintains 12-14% EBITDA margin guidance in the medium term.
- **Branding:** Management indicated branding expense of INR 120mn in Q3 and INR 390mn in 9MFY24.
- **CPVC prices declined 5-7% in Q3, but remain stable in Q4-TD.**
- **Capacity expansion:** Bihar capacity expansion is likely to be 50,000-52,000te p.a. which has now been enhanced to include a fittings line as well. The company is also undertaking continuous debottlenecking opportunities at its existing facilities and plans to add water tank manufacturing capabilities at its Telangana and Chennai plants soon. Aggregate capacity as on Dec'23 stands at ~3,38,959te.
- **Capex:** Company has revised the total planned capex for Bihar facility from INR 1.5bn to INR 2.2bn to setup a fittings manufacturing line at the plant. INR 150-250mn from this Bihar capex is likely in FY24 and the remaining ~INR 1.7bn may come in FY25. Excluding the Bihar capex, management indicated capex of INR 1.1-1.2bn for FY24 and INR 0.9-1bn for FY25.
- PRINCPIP has gross debt of ~INR 640mn and cash on book stood at ~INR 1.2bn in Q3FY24.

**Exhibit 3: Quarterly revenue**


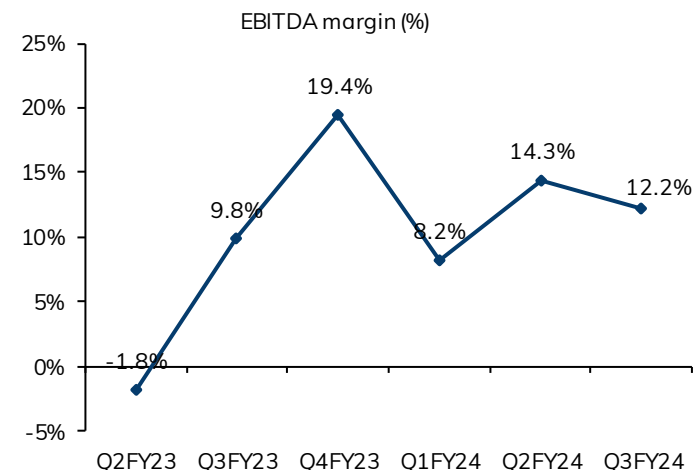
Source: I-Sec research, Company data

**Exhibit 4: Quarterly volume**


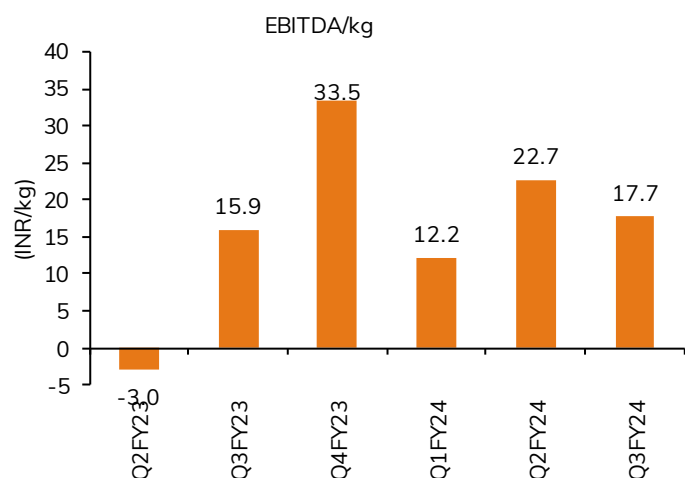
Source: I-Sec research, Company data

**Exhibit 5: Quarterly realisation**


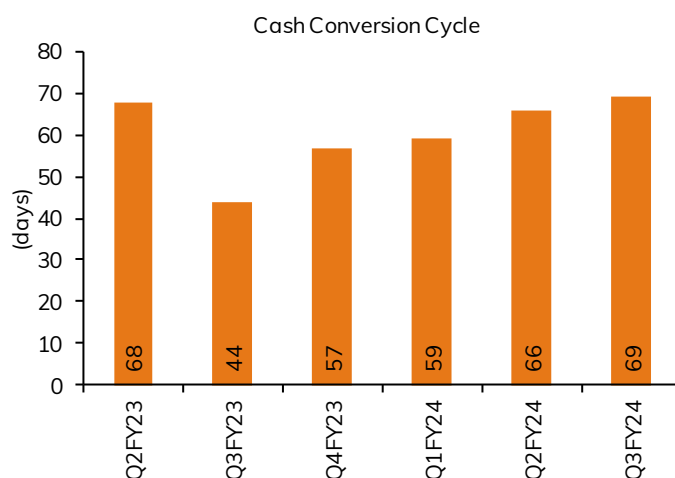
Source: I-Sec research, Company data

**Exhibit 6: Quarterly EBITDA margin**


Source: I-Sec research, Company data

**Exhibit 7: Quarterly reported EBITDA per unit**


Source: I-Sec research, Company data

**Exhibit 8: Quarterly cash conversion cycle**


Source: I-Sec research, Company data

## Valuation

PRINCEPIP is one of the major pipe players in the industry. It has plants in seven locations and manufactures pipes and fittings on a wide base of polymer resins (CPVC, UPVC, HDPE, PPR). It also has multiple collaborations, which enable it to have a wider distribution reach (via UltraTech business solutions platform) and has a secure CPVC supply (via Lubrizol), which may enable it to benefit from the growing preference for organised players. Maintain **ADD** on the stock with a rolled over Mar'25E target price of INR 739, set at an unchanged 30x Mar'25E P/E.

## Key downside risks

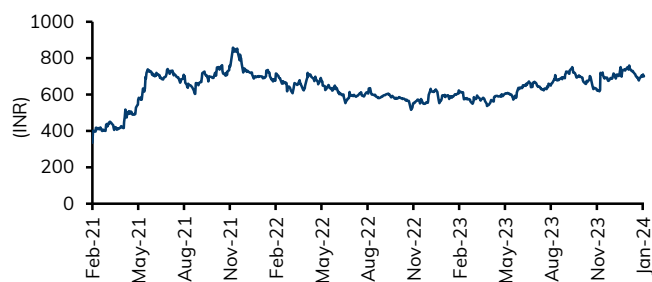
- **Slowdown in housing market:** Any unexpected demand slowdown in housing market may adversely affect growth in the pipe segment.
- **Sharp fall in PVC resin prices:** A sharp and sudden fallen in PVC resin prices may adversely affect the profitability of the company.
- **Resurgence of pandemic:** Any resurgence of covid pandemic may dampen demand and negatively impact the company's operational performance.
- **Adverse product mix:** Any change in the product mix away from CPVC/plumbing segment could adversely affect profitability.

**Exhibit 9: Shareholding pattern**

| %                       | Jun'23 | Sep'23 | Dec'23 |
|-------------------------|--------|--------|--------|
| Promoters               | 60.9   | 60.9   | 60.9   |
| Institutional investors | 22.6   | 23.6   | 24.1   |
| MFs and others          | 12.8   | 15.8   | 15.8   |
| FIs/Banks               | 0.0    | 0.0    | 0.0    |
| Insurance               | 0.1    | 0.1    | 0.2    |
| FIIIs                   | 9.7    | 7.7    | 8.1    |
| Others                  | 16.5   | 15.5   | 15.0   |

Source: Bloomberg

**Exhibit 10: Price chart**



Source: Bloomberg

## Financial Summary

### Exhibit 11: Profit & Loss

(INR mn, year ending March)

|                                 | FY23A         | FY24E         | FY25E         | FY26E         |
|---------------------------------|---------------|---------------|---------------|---------------|
| Net Sales                       | 27,109        | 26,229        | 29,987        | 33,732        |
| <b>Operating Expenses</b>       | <b>24,592</b> | <b>22,776</b> | <b>25,862</b> | <b>29,148</b> |
| EBITDA                          | 2,517         | 3,452         | 4,125         | 4,584         |
| <b>EBITDA Margin (%)</b>        | <b>9.3</b>    | <b>13.2</b>   | <b>13.8</b>   | <b>13.6</b>   |
| Depreciation & Amortization     | 830           | 906           | 1,003         | 1,127         |
| EBIT                            | 1,687         | 2,546         | 3,122         | 3,456         |
| <b>Interest expenditure</b>     | <b>110</b>    | <b>67</b>     | <b>33</b>     | <b>25</b>     |
| Other Non-operating Income      | 52            | 158           | 229           | 212           |
| Recurring PBT                   | 1,629         | 2,636         | 3,318         | 3,643         |
| <b>Less: Taxes</b>              | <b>(436)</b>  | <b>(675)</b>  | <b>(836)</b>  | <b>(918)</b>  |
| PAT                             | 1,193         | 1,961         | 2,482         | 2,725         |
| Profit / (Loss) from Associates | -             | -             | -             | -             |
| <b>Less: Minority Interest</b>  | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      |
| Extraordinaries (Net)           | 21            | -             | -             | -             |
| Net Income (Reported)           | 1,214         | 1,961         | 2,482         | 2,725         |
| <b>Net Income (Adjusted)</b>    | <b>1,199</b>  | <b>1,961</b>  | <b>2,482</b>  | <b>2,725</b>  |

Source Company data, I-Sec research

### Exhibit 12: Balance sheet

(INR mn, year ending March)

|  | FY23A         | FY24E         | FY25E         | FY26E         |
|--|---------------|---------------|---------------|---------------|
| <b>Assets</b>                            |               |               |               |               |
| Inventories                              | 4,256         | 4,056         | 4,606         | 5,191         |
| Cash & cash eqv.                         | 2,161         | 3,181         | 3,035         | 4,802         |
| Sundry Debtors                           | 4,150         | 3,952         | 4,519         | 5,083         |
| Other Current Assets                     | 930           | 1,078         | 1,232         | 1,386         |
| Trade payables                           | 3,202         | 3,022         | 3,505         | 3,939         |
| Other Current Liabilities                | 935           | 913           | 1,042         | 1,171         |
| <b>Net Current Assets</b>                | <b>7,361</b>  | <b>8,332</b>  | <b>8,845</b>  | <b>11,352</b> |
| Investments                              | 3             | 3             | 3             | 3             |
| Net Fixed Assets                         | 6,940         | 7,534         | 9,031         | 8,603         |
| Other Non Current Assets                 | 101           | 101           | 101           | 101           |
| <b>Total Assets</b>                      | <b>14,405</b> | <b>15,970</b> | <b>17,980</b> | <b>20,060</b> |
| <b>Liabilities</b>                       |               |               |               |               |
| Borrowings                               | 581           | 381           | 281           | 181           |
| Other Non Current Liabilities            | 184           | 184           | 184           | 184           |
| <b>Total Liabilities</b>                 | <b>765</b>    | <b>565</b>    | <b>465</b>    | <b>365</b>    |
| Equity Share Capital                     | 1,106         | 1,106         | 1,106         | 1,106         |
| Reserves & Surplus                       | 12,534        | 14,299        | 16,409        | 18,589        |
| <b>Total Net Worth</b>                   | <b>13,640</b> | <b>15,405</b> | <b>17,515</b> | <b>19,695</b> |
| Minority Interest                        | -             | -             | -             | -             |
| <b>Total Liabilities &amp; Net Worth</b> | <b>14,405</b> | <b>15,970</b> | <b>17,980</b> | <b>20,060</b> |

Source Company data, I-Sec research

### Exhibit 13: Quarterly trend

(INR mn, year ending March)

|                     | Mar-23 | Jun-23 | Sep-23 | Dec-23 |
|---------------------|--------|--------|--------|--------|
| Net Sales           | 7,644  | 5,536  | 6,565  | 6,186  |
| % growth (YOY)      | -15.2  | -8.4   | 3.1    | -12.4  |
| EBITDA              | 1,483  | 453    | 942    | 757    |
| Margin %            | 19.4   | 8.2    | 14.3   | 12.2   |
| Other Income        | 34     | 38     | 40     | 30     |
| Extraordinaries     | -      | -      | 179    | -0     |
| Adjusted Net Profit | 941    | 196    | 570    | 377    |

Source Company data, I-Sec research

### Exhibit 14: Cashflow statement

(INR mn, year ending March)

|  | FY23A        | FY24E        | FY25E        | FY26E        |
|--|--------------|--------------|--------------|--------------|
| Operating Cashflow                     | 3,768        | 2,916        | 2,827        | 3,112        |
| <b>Working Capital Changes</b>         | <b>1,710</b> | <b>48</b>    | <b>(658)</b> | <b>(741)</b> |
| Capital Commitments                    | (1,159)      | (1,500)      | (2,500)      | (700)        |
| Free Cashflow                          | 2,609        | 1,416        | 327          | 2,412        |
| <b>Other investing cashflow</b>        | <b>14</b>    | <b>-</b>     | <b>-</b>     | <b>-</b>     |
| Cashflow from Investing Activities     | (1,145)      | (1,500)      | (2,500)      | (700)        |
| <b>Issue of Share Capital</b>          | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     |
| Inc (Dec) in Borrowings                | (919)        | (200)        | (100)        | (100)        |
| Dividend paid                          | -            | (196)        | (372)        | (545)        |
| Others                                 | (230)        | 0            | 0            | 0            |
| Cash flow from Financing Activities    | (1,149)      | (396)        | (472)        | (645)        |
| <b>Chg. in Cash &amp; Bank balance</b> | <b>1,474</b> | <b>1,020</b> | <b>(145)</b> | <b>1,767</b> |
| Closing cash & balance                 | 2,161        | 3,181        | 3,035        | 4,802        |

Source Company data, I-Sec research

### Exhibit 15: Key ratios

(Year ending March)

|   | FY23A  | FY24E | FY25E | FY26E |
|---|--------|-------|-------|-------|
| <b>Per Share Data (INR)</b>                 |        |       |       |       |
| Reported EPS                                | 11.0   | 17.7  | 22.4  | 24.6  |
| Adjusted EPS (Diluted)                      | 10.8   | 17.7  | 22.4  | 24.6  |
| Cash EPS                                    | 18.4   | 25.9  | 31.5  | 34.8  |
| Dividend per share (DPS)                    | 0.0    | 1.8   | 3.4   | 4.9   |
| Book Value per share (BV)                   | 123.4  | 139.3 | 158.4 | 178.1 |
| Dividend Payout (%)                         | 0.0    | 10.0  | 15.0  | 20.0  |
| <b>Growth (%)</b>                           |        |       |       |       |
| Net Sales                                   | 2.0    | (3.2) | 14.3  | 12.5  |
| EBITDA                                      | (39.9) | 37.1  | 19.5  | 11.1  |
| EPS (INR)                                   | (52.2) | 63.6  | 26.6  | 9.8   |
| <b>Valuation Ratios (x)</b>                 |        |       |       |       |
| P/E   | 62.1   | 38.0  | 30.0  | 27.3  |
| P/CEPS                                      | 36.7   | 26.0  | 21.4  | 19.3  |
| P/BV  | 5.5    | 4.8   | 4.3   | 3.8   |
| EV / EBITDA                                 | 29.0   | 20.8  | 17.4  | 15.2  |
| EV / Sales                                  | 2.7    | 2.7   | 2.4   | 2.1   |
| Dividend Yield (%)                          | 0.0    | 0.3   | 0.5   | 0.7   |
| <b>Operating Ratios</b>                     |        |       |       |       |
| Gross Profit Margins (%)                    | 22.8   | 29.9  | 30.1  | 30.1  |
| EBITDA Margins (%)                          | 9.3    | 13.2  | 13.8  | 13.6  |
| Effective Tax Rate (%)                      | 26.8   | 25.6  | 25.2  | 25.2  |
| Net Profit Margins (%)                      | 4.4    | 7.5   | 8.3   | 8.1   |
| NWC / Total Assets (%)                      | 28.0   | 25.9  | 25.8  | 26.0  |
| Net Debt / Equity (x)                       | (0.1)  | (0.2) | (0.2) | (0.2) |
| Net Debt / EBITDA (x)                       | (0.6)  | (0.8) | (0.7) | (1.0) |
| <b>Profitability Ratios</b>                 |        |       |       |       |
| RoCE (%) (post-tax)                         | 8.6    | 12.5  | 13.8  | 13.6  |
| RoE (%)                                     | 9.1    | 13.5  | 15.1  | 14.6  |
| <b>Cash Conversion Cycle (on net sales)</b> |        |       |       |       |
| Inventory Days                              | 57     | 56    | 56    | 56    |
| Receivables Days                            | 56     | 55    | 55    | 55    |
| Payables Days                               | 43     | 42    | 43    | 43    |

Source Company data, I-Sec research



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