

## Thermax

### Performance Highlights

(₹ cr)	3QFY12	3QFY11	% chg (yoy)	2QFY12	% chg (qoq)
<b>Revenue</b>	<b>1,269</b>	<b>1,241</b>	<b>2.3</b>	<b>1,303</b>	<b>(2.6)</b>
EBITDA	135.4	146.4	(7.5)	140.5	(3.6)
EBITDA margin (%)	10.7	11.8	(113)	10.8	(10.9)
<b>PAT</b>	<b>95.5</b>	<b>100.2</b>	<b>(4.7)</b>	<b>101.7</b>	<b>(6.1)</b>

Source: Company, Angel Research

Thermax 3QFY2012 number were broadly in line were estimates – high base created in corresponding period last year masked down the top-line growth, thus leading to a subdued earnings growth, as expected. The company also reported a 40% yoy decline in order intake, which was below the expectations. Amidst weakened business environment, we remain cautious with downward bias over the order intake for next couple of quarters, and accordingly lower our estimates by for FY2012/FY2013E. **We downgrade the stock to Reduce with a target Price of ₹456 and a potential downside of ~13%.**

**Execution decelerates; margins contract leads to PAT decline, as expected:** For 3QFY2012, Thermax posted a muted growth of 2.3% yoy to ₹1,269cr (₹1,241cr) which was marginally higher than our estimate of ₹1,204cr. The muted growth was along expected lines, mainly on account of high base created in 3QFY2011. Segment wise, the energy segment posted flat growth to ₹993.1cr, while the environment segment grew by 2.8% yoy to ₹302.4cr (₹294.3cr). On the operating front, EBITDA margin witnessed a contraction of 114bp yoy to 10.7% again in line of expectations. Muted topline growth and margin compression led to PAT decline of 4.7% yoy to 95.3cr (₹100.2cr), slightly higher than our estimates of ₹89.4cr.

**Outlook and valuation:** The stock has witnessed decent rally >25% in the past one month, vindicating our positive stance, and is currently trading at PE multiples of 17.2x FY2013E EPS, premium to other capital goods company which we believe is unjustifiable. Hence, we expect the stock to underperform and downgrade the stock to Reduce from Buy with a Target Price of ₹456 implying a potential downside of ~13% from current levels. We recommend long term investors to wait for better entry points given next couple of quarters are we expect decline on earnings and order inflow front.

#### Key financials (Consolidated)

Y/E March (₹ cr)	FY2010	FY2011	FY2012E	FY2013E
<b>Net Sales</b>	<b>3,368</b>	<b>5,336</b>	<b>5,856</b>	<b>5,473</b>
% chg	(2.7)	58.5	9.7	(6.5)
<b>Net Profit</b>	<b>259</b>	<b>382</b>	<b>420</b>	<b>362</b>
% chg	(9.9)	47.3	10.1	(13.9)
EBITDA (%)	11.7	10.8	10.7	10.1
<b>EPS (₹)</b>	<b>21.8</b>	<b>32.0</b>	<b>35.3</b>	<b>30.4</b>
P/E (x)	24.0	16.3	14.8	17.2
P/BV (x)	5.8	4.7	3.8	3.3
RoE (%)	25.0	31.9	28.5	20.5
RoCE (%)	33.0	39.2	33.3	24.3
EV/Sales (x)	1.5	1.0	1.0	0.9
EV/EBITDA (x)	13.2	9.4	9.2	10.3

Source: Company, Angel Research

## REDUCE

CMP	₹522
Target Price	₹456

Investment Period	12 Months
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#### Stock Info

Sector	Capital Goods
Market Cap (₹ cr)	6,026
Beta	0.7
52 Week High / Low	720/ 388
Avg. Daily Volume	125,240
Face Value (₹)	2
BSE Sensex	17,605
Nifty	5,326
Reuters Code	THMX.BO
Bloomberg Code	TMX@IN

#### Shareholding Pattern (%)

Promoters	62.0
MF / Banks / Indian Fls	13.5
FII / NRIs / OCBs	11.3
Indian Public / Others	13.2

Abs. (%)	3m	1yr	3yr
Sensex	0.7	(4.6)	(3.5)
Thermax	5.7	(20.1)	(14.3)

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**Exhibit 1: Quarterly performance (Standalone)**

(₹ cr)	3QFY12	3QFY11	% chg (yoy)	2QFY12	% chg (qoq)	9MFY12	9MFY11	% chg (yoy)
<b>Net Sales</b>	<b>1,263</b>	<b>1,216</b>	<b>3.9</b>	<b>1,287</b>	<b>(1.8)</b>	<b>3,583</b>	<b>3,043</b>	<b>17.7</b>
Other operating income	6.4	25.0		16.8	-	34.7	79.9	
<b>Total income</b>	<b>1,269</b>	<b>1,241</b>	<b>2.3</b>	<b>1,303</b>	<b>(2.6)</b>	<b>3,617</b>	<b>3,123</b>	<b>15.8</b>
Stock adjustments	(4.8)	(1.0)		(0.6)		(11.9)	(6.8)	
Raw Material	873.7	865.6	0.9	913.7	(4.4)	2,522	2,140	
(% of total income)	68.5	69.7		70.0		69.4	68.3	
Employee Cost	104.2	97.5	6.9	98.5	5.7	293.2	271.7	7.9
(% of total income)	0.8	0.8		0.8		10.0	10.9	
Other Expenses	160.8	132.7	21.2	151.4	6.2	424.3	347.1	22.2
(% of total income)	1.3	1.1		1.2		16.8	16.2	
<b>Total Expenditure</b>	<b>1,134</b>	<b>1,095</b>	<b>3.6</b>	<b>1,163</b>	<b>(2.5)</b>	<b>3,228</b>	<b>2,752</b>	<b>17.3</b>
<b>EBITDA</b>	<b>135.4</b>	<b>146.4</b>	<b>(7.5)</b>	<b>140.5</b>	<b>(3.6)</b>	<b>389.6</b>	<b>371.0</b>	<b>5.0</b>
(EBITDA %)	10.7	11.8		10.8		10.8	11.9	
Interest	0.7	0.2	242.3	1.1	(36.8)	2.2	1.2	78.9
Depreciation	12.0	10.6	13.5	11.7	2.2	34.8	31.6	9.9
Other Income	15.7	11.7	34.1	20.8	(24.6)	51.2	39.0	31.3
<b>PBT</b>	<b>138.4</b>	<b>147.3</b>	<b>(6.1)</b>	<b>148.5</b>	<b>(6.8)</b>	<b>403.8</b>	<b>377.1</b>	<b>7.1</b>
(% of total income)	10.9	11.9		11.4		11.2	12.1	
Total Tax	43	47	(8.9)	46.8	(8.2)	126.8	121.2	4.6
(% of PBT)	31.0	32.0		31.5		31.4	32.1	
<b>Reported PAT</b>	<b>95.5</b>	<b>100.2</b>	<b>(4.7)</b>	<b>101.7</b>	<b>(6.1)</b>	<b>277.1</b>	<b>255.9</b>	<b>8.3</b>
(PAT %)	7.5	8.1		7.8		7.7	8.2	-
<b>EPS (₹)</b>	<b>8.0</b>	<b>8.4</b>	<b>(4.7)</b>	<b>8.5</b>	<b>(6.1)</b>	<b>23.3</b>	<b>21.5</b>	

Source: Company, Angel Research

**Exhibit 2: Actual vs. estimates**

(₹ cr)	Actual	Estimates	Var (%)
<b>Revenue</b>	<b>1,269</b>	<b>1,204</b>	<b>5.4</b>
EBITDA	135.4	128.8	5.1
Interest	0.7	1.2	(41.9)
Tax	42.9	43.0	(0.3)
<b>PAT</b>	<b>95.5</b>	<b>89.4</b>	<b>6.8</b>

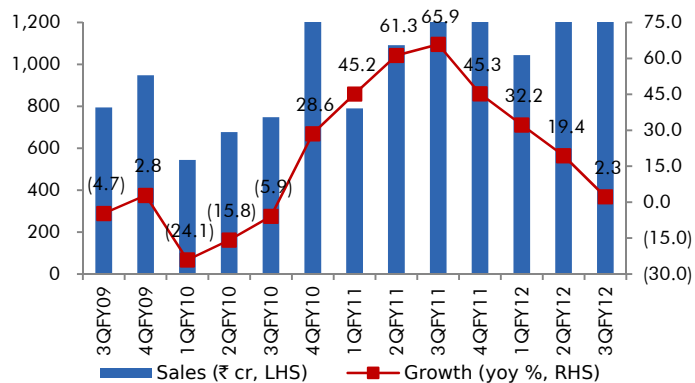
Source: Company, Angel Research

**Exhibit 3: Segmental performance (Standalone)**

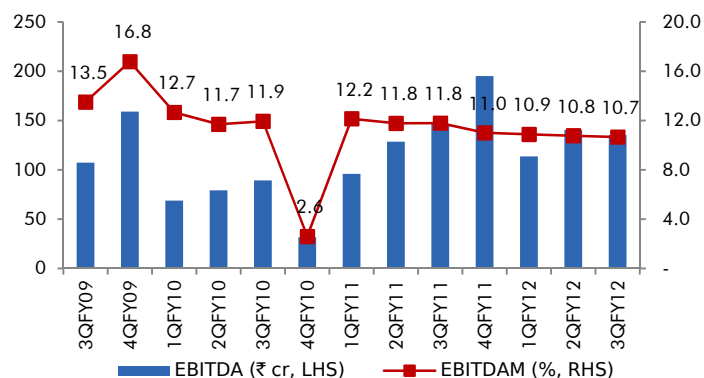
Y/E March (₹ cr)	3QFY12	3QFY11	% chg (yoy)	2QFY12	% chg (qoq)	9MFY12	9MFY11	% chg (yoy)
<b>Revenue</b>								
Energy	993.1	990.4	0.3	1,035	(4.0)	2,830	2477.9	14.2
Environment	302.4	294.3	2.8	297	1.9	864.0	764.6	13.0
<b>Total Revenue</b>	<b>1,295</b>	<b>1,285</b>	<b>0.8</b>	<b>1,332</b>	<b>(2.7)</b>	<b>3,694</b>	<b>3,243</b>	<b>13.9</b>
<b>EBIT</b>								
Energy	94.7	107.3	13.3	110	(14.1)	285.9	266.6	7.2
Environment	39.3	39.9	1.6	32	22.9	102.5	97.6	5.0
<b>Total EBIT</b>	<b>134.0</b>	<b>147.2</b>	<b>9.9</b>	<b>142</b>	<b>(5.8)</b>	<b>388.5</b>	<b>364.3</b>	<b>6.6</b>
<b>Revenues mix (%)</b>								
Energy	76.7	77.1		77.7		76.6	76.4	
Environment	23.3	22.9		22.3		23.4	23.6	
<b>EBIT Margin (%)</b>								
Energy	9.5	10.8		10.7		10.1	10.8	
Environment	13.0	13.6		10.8		11.9	12.8	
<b>Total</b>	<b>10.3</b>	<b>11.5</b>		<b>10.7</b>		<b>10.5</b>	<b>11.2</b>	

Source: Company, Angel Research

**Segmental performance:** Environment segment provided all of the upside to revenues – it grew by 2.8% yoy to ₹302.4cr (₹294.3cr) with a fairly stable EBITM of 13%. Energy segment posted a flat growth to ₹993.1cr. Likewise, the segment EBITM contracted by ~130bp yoy/qoq to 9.5%, thus putting pressure on the overall blended margins.

**Exhibit 4: Revenues headed southwards**


Source: Company, Angel Research

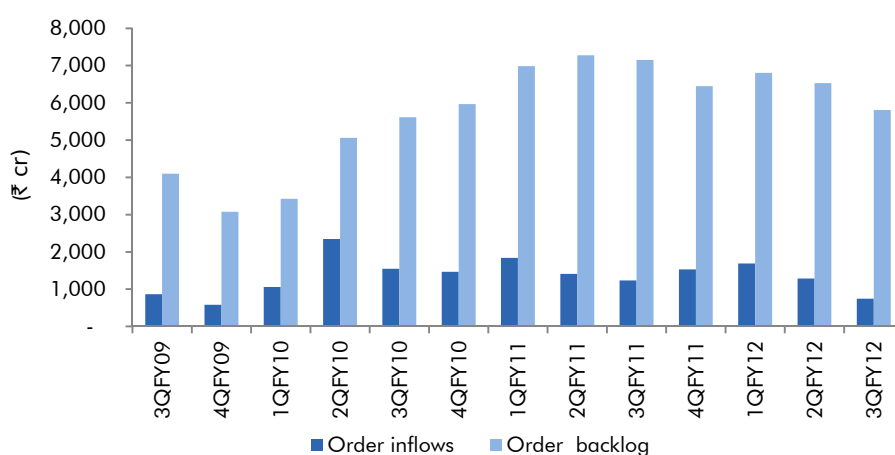
**Exhibit 5: EBITDAMs under threat going ahead**


Source: Company, Angel Research

**Disappointing order intake:** Weak investment climate prevailing in the domestic markets led to poor order disbursements across major sectors. Against this backdrop, Thermax reported a 40% yoy decline in order intake to ₹742cr (energy segment – ₹532cr and environment segment – ₹210cr), mostly comprising of short cycle orders. Amidst weak inflows, the order backlog declined by 18.8% yoy to ₹5,809cr (energy segment – ₹4,728cr and environment segment – ₹1,080cr).

Management commentary indicated a weakening outlook and a tougher business environment, which imply slackening order intake for the rest of the year. We remain cautious with downward bias and estimate an order inflow of ₹4,765cr and ₹5,715cr for FY2012E and FY2013E, respectively.

#### Exhibit 6: Order book detail (Consolidated)



Source: Company, Angel Research

#### Key highlights of the conference call

- Investment climate remains plagued by due to elevated interest rate, land acquisition challenges and deepening fuel crisis. This has considerably affected order finalization across various sectors. Order booking for the next one/two quarters is likely to remain muted.
- Management indicated that revenue growth as per the previous quarters will be tough to deliver and in fact would find it tough to post flattish numbers.
- During the quarter, orders were scarce and company experienced significant pricing pressures in the market; however, management will maintain its strategy of remaining selective in picking orders. In the case, the situation worsens and persists for few more quarters; the company may sacrifice on margins in order to cover the fixed costs.

**Change in estimates:** Amidst weakened business environment, we remain cautious with downward bias over the order intake for next couple of quarters, and accordingly lower our revenue estimates by 7.2% for FY2013E. We slightly tweak our margin assumptions for FY2012E retain our margin estimates for FY2013E

### Exhibit 7: Change in estimates

(₹ cr)	FY2012E			FY2013E		
	Earlier estimates	Revised estimates	Var. (%)	Earlier estimates	Revised estimates	Var. (%)
Revenue	5,826	5,856	0.5	5,896	5,473	(7.2)
EBITDA	629	627	(0.4)	596	553	(7.2)
EBITDA (%)	10.8	10.7	(10)	10.1	10.1	-
Adj. PAT	412	420	2.0	389	362	(6.9)
EPS (₹)	34.6	35.3	2.0	32.6	30.4	(6.9)
Order Inflows	5,150	4,765	(7.5)	6,160.0	5,718	(7.2)

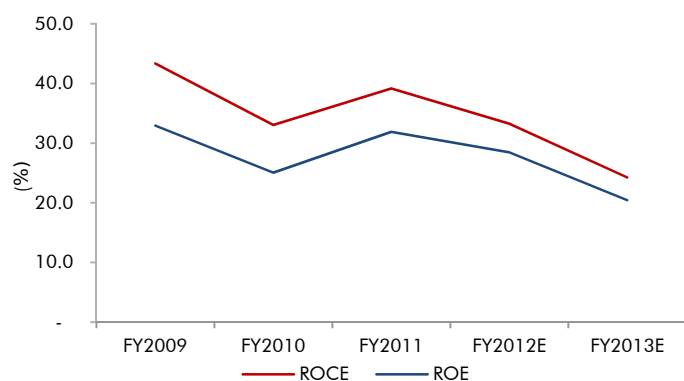
Source: Company, Angel Research

## Outlook

### Detoriated business environment → pressure on Return Ratios and WC

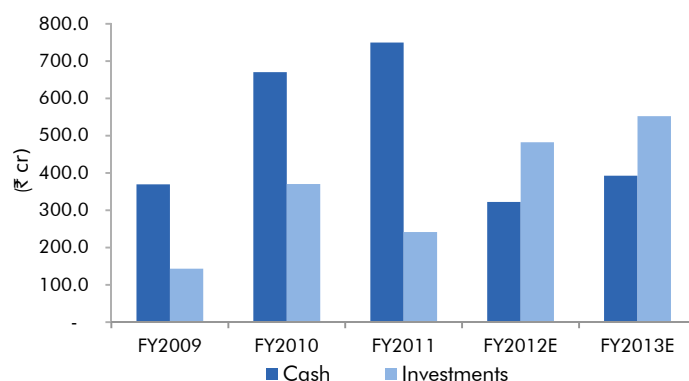
Over the years, Thermax has commanded premium over its peers in capital goods space due to its excellent return ratios and strong balance sheet – owing to excellent working capital and stable operating margins. However, due to current persistent slowdown (as explained before) we expect both this levers to be under pressure, in line with management guidance, leading to pressure on return ratios (from ~30% in FY2011 to ~20% in FY2013) and its strong balance sheet (we expect reduction in cash balance for the company from ₹750cr in FY2011 to ₹400cr in FY2013E). Thereby we believe that the premium commanded by the company in past would fade away.

### Exhibit 8: Return ratios on declining note...



Source: Company, Angel Research

### Exhibit 9: Reduction in cash balance over FY11-FY13E



Source: Company, Angel Research

## Valuation

### Recent run up in share price makes stock expensive → Wait for better entry points

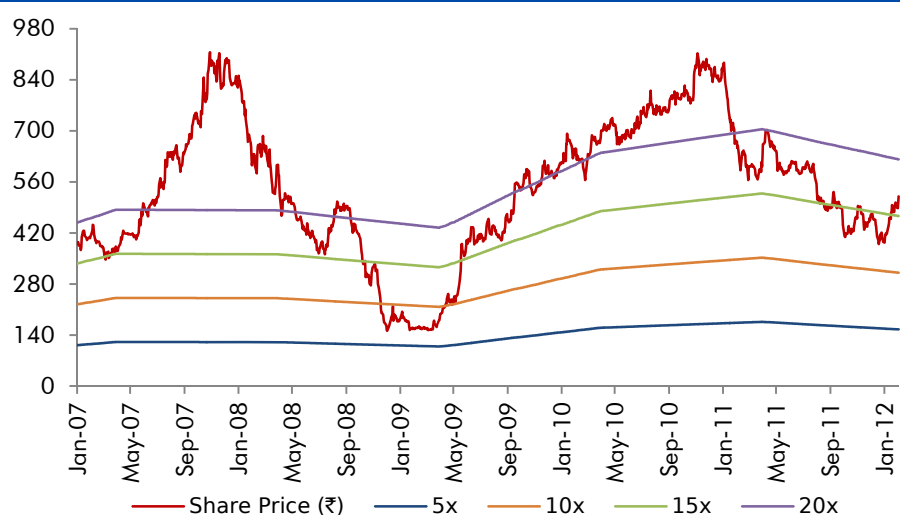
The stock has witnessed decent rally >25% in the past one month, vindicating our positive stance, and is currently trading at PE multiples of 17.2x FY2013E EPS, premium to other capital goods company which we believe is unjustifiable. Hence, we expect the stock to underperform and downgrade the stock to Reduce from Buy with a Target Price of ₹456 implying a potential downside of ~13% from current levels. We recommend long term investors to wait for better entry points given next couple of quarters are we expect decline on earnings and order inflow front.

#### Exhibit 10: Angel EPS forecast

	Angel	B'berg	Var
FY2012E	35.3	33.1	6.7
FY2013E	30.4	32.7	(7.0)

Source: Company, Angel Research

#### Exhibit 11: One-year forward P/E band



Source: Company, Angel Research

#### Exhibit 12: Peer comparison

Company	Reco.	CMP (₹)	Tgt. price (₹)	Upside (%)	P/BV(x)		P/E(x)		FY2011-13E EPS CAGR	RoCE (%)		RoE (%)	
					FY12E	FY13E	FY12E	FY13E		FY12E	FY13E	FY12E	FY13E
ABB*	Sell	888	427	(51.9)	7.3	6.5	100.0	49.9	144.2	11.4	20.2	7.6	13.9
BHEL	Neutral	264	-	-	2.5	2.2	9.3	11.2	(2.4)	39.5	26.5	30.6	21.1
BGR Energy	Sell	241	168	(30.3)	1.5	1.4	6.7	7.2	(13.4)	14.2	10.6	25.0	23.4
Crompton Greaves	Accum.	144	152	5.8	2.6	2.3	21.8	13.2	(13.3)	13.7	19.5	12.5	20.1
Jyoti Structures	Accum.	49	54	12.1	0.6	0.5	4.1	4.5	(5.3)	21.7	18.2	15.8	12.7
KEC International	Neutral	60	58	(2.1)	1.4	1.2	9.0	6.1	10.4	17.0	19.0	23.9	27.6
<b>Thermax</b>	<b>Reduce</b>	<b>522</b>	<b>456</b>	<b>(12.8)</b>	<b>3.8</b>	<b>3.3</b>	<b>14.8</b>	<b>17.2</b>	<b>(2.6)</b>	<b>33.3</b>	<b>24.3</b>	<b>28.5</b>	<b>20.5</b>

Source: Company, Angel Research; Note: \*December year ending.

**Profit & loss statement (consolidated)**

Y/E March (₹ cr)	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
Net Sales	3,482	3,460	3,368	5,336	5,856	5,473
Other Opr. income	-	-	-	-	-	-
<b>Total Income</b>	<b>3,482</b>	<b>3,460</b>	<b>3,368</b>	<b>5,336</b>	<b>5,856</b>	<b>5,473</b>
% chg	49.6	(0.6)	(2.7)	58.5	9.7	(6.5)
Total Expenditure	3,055	3,038	2,973	4,763	5,230	4,920
Net Raw Materials	2,220	2,080	2,027	3,625	3,941	3,755
Other Mfg costs	567	670	616	678	761	690
Personnel	267	288	330	460	527	476
Other	-	-	-	-	-	-
<b>EBITDA</b>	<b>427</b>	<b>422</b>	<b>395</b>	<b>574</b>	<b>627</b>	<b>553</b>
% chg	47.7	(1.1)	(6.4)	45.4	9.2	(11.8)
(% of Net Sales)	12.3	12.2	11.7	10.8	10.7	10.1
Depn & Amort.	23.2	35.1	44.2	54.1	70.5	84.4
<b>EBIT</b>	<b>403</b>	<b>387</b>	<b>351</b>	<b>520</b>	<b>556</b>	<b>468</b>
% chg	49.8	(4.2)	(9.4)	48.3	7.0	(15.8)
(% of Net Sales)	11.6	11.2	10.4	9.7	9.5	8.6
Interest & other Charges	2	4	2	4	3	3
Other Income	44	40	52	58	65	70
(% of PBT)	9.8	9.5	13.0	10.1	10.5	13.1
Others	-	-	-	-	-	-
<b>Recurring PBT</b>	<b>446</b>	<b>423</b>	<b>400</b>	<b>574</b>	<b>618</b>	<b>536</b>
% chg	46.7	(5.0)	(5.4)	43.3	7.7	(13.3)
Extraord. Exp/(Inc.)	(2.1)	(1.4)	114.9	-	-	-
<b>PBT (reported)</b>	<b>448</b>	<b>425</b>	<b>286</b>	<b>574</b>	<b>618</b>	<b>536</b>
Tax	157.1	135.7	141.6	196.7	198	174
(% of PBT)	35.1	32.0	49.6	34.3	32.0	32.5
<b>PAT (reported)</b>	<b>291</b>	<b>289</b>	<b>144</b>	<b>377</b>	<b>420</b>	<b>362</b>
Add: earnings of associate	-	-	-	-	-	-
Less: Minority interest (MI)	-	-	-	-	-	-
Prior period items	-	-	-	-	-	-
<b>PAT after MI (reported)</b>	<b>291</b>	<b>289</b>	<b>144</b>	<b>377</b>	<b>420</b>	<b>362</b>
<b>ADJ. PAT</b>	<b>289</b>	<b>288</b>	<b>259</b>	<b>382</b>	<b>420</b>	<b>362</b>
% chg	44.9	(0.4)	(9.9)	47.3	10.1	(13.9)
(% of Net Sales)	8.3	8.3	7.7	7.2	7.2	6.6
<b>Basic EPS (₹)</b>	<b>24.2</b>	<b>24.1</b>	<b>21.8</b>	<b>32.0</b>	<b>35.3</b>	<b>30.4</b>
<b>Fully Diluted EPS (₹)</b>	<b>24.2</b>	<b>24.1</b>	<b>21.8</b>	<b>32.0</b>	<b>35.3</b>	<b>30.4</b>
% chg	44.9	(0.4)	(9.9)	47.3	10.1	(13.9)

**Balance Sheet (consolidated)**

Y/E March (₹ cr)	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
<b>SOURCES OF FUNDS</b>						
Equity Share Capital	24	24	24	24	24	24
Preference Capital	-	-	-	-	-	-
Reserves & Surplus	736	968	1,054	1,291	1,614	1,878
<b>Shareholders' Funds</b>	<b>760</b>	<b>991</b>	<b>1,078</b>	<b>1,315</b>	<b>1,638</b>	<b>1,902</b>
Minority Interest	-	-	9	52	52	52
Total Loans	-	4	8	148	80	80
Deferred Tax Liability	13	16	14	30	30	30
<b>Total Liabilities</b>	<b>773</b>	<b>1,011</b>	<b>1,110</b>	<b>1,545</b>	<b>1,799</b>	<b>2,064</b>
<b>APPLICATION OF FUNDS</b>						
Gross Block	433	661	742	1,068	1,283	1,438
Less: Acc. Depreciation	145	170	205	282	353	437
<b>Net Block</b>	<b>288</b>	<b>491</b>	<b>537</b>	<b>785</b>	<b>930</b>	<b>1,001</b>
Capital Work-in-Progress	61	18	11	35	20	15
Goodwill	-	-	-	-	-	-
Investments	560	143	370	241	482	552
<b>Current Assets</b>	<b>1,119</b>	<b>1,732</b>	<b>2,431</b>	<b>2,997</b>	<b>2,731</b>	<b>2,944</b>
Cash	58	370	670	750	322	393
Loans & Advances	219	222	328	360	378	370
Other	32	41	59	73	105	99
Current liabilities	1,259	1,372	2,239	2,514	2,364	2,448
<b>Net Current Assets</b>	<b>(140)</b>	<b>359</b>	<b>191</b>	<b>482</b>	<b>367</b>	<b>495</b>
Mis. Exp. not written off	4	-	-	-	-	-
<b>Total Assets</b>	<b>773</b>	<b>1,011</b>	<b>1,110</b>	<b>1,545</b>	<b>1,799</b>	<b>2,064</b>

**Cash flow statement (consolidated)**

Y/E March (₹ cr)	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
Profit before tax	448	425	286	574	618	536
Depreciation	23	35	44	54	71	84
(Inc)/Dec in WC	(54)	(187)	469	(212)	(311)	(58)
Less: Other income	44	40	52	58	65	70
Direct taxes paid	148	133	142	195	198	174
<b>Cash Flow from Operations</b>	<b>225</b>	<b>99</b>	<b>604</b>	<b>163</b>	<b>114</b>	<b>318</b>
(Inc.)/Dec.in Fixed Assets	(190)	(186)	(74)	(350)	(200)	(150)
(Inc.)/Dec. in Investments	14	417	(227)	129	(241)	(70)
Other income	44	40	52	58	65	70
<b>Cash Flow from Investing</b>	<b>(132)</b>	<b>272</b>	<b>(249)</b>	<b>(163)</b>	<b>(376)</b>	<b>(150)</b>
Issue of Equity	-	-	-	-	-	-
Inc./{Dec.) in loans	(2)	4	4	140	(68)	-
Dividend Paid (Incl. Tax)	112	70	69	125	98	98
Others	(19)	7	11	42	-	-
<b>Cash Flow from Financing</b>	<b>(114)</b>	<b>(66)</b>	<b>(66)</b>	<b>15</b>	<b>(165)</b>	<b>(98)</b>
Inc./{Dec.) in Cash	(39)	312	300	57	(427)	70
<b>Opening Cash balances</b>	<b>97</b>	<b>58</b>	<b>370</b>	<b>670</b>	<b>750</b>	<b>322</b>
<b>Closing Cash balances</b>	<b>58</b>	<b>370</b>	<b>670</b>	<b>750</b>	<b>322</b>	<b>393</b>

**Key Ratios**

Y/E March	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
<b>Valuation Ratio (x)</b>						
P/E (on FDEPS)	21.6	21.6	24.0	16.3	14.8	17.2
P/CEPS	20.0	19.3	20.5	14.3	12.7	13.9
P/BV	8.2	6.3	5.8	4.7	3.8	3.3
Dividend yield (%)	1.5	1.0	1.0	1.7	1.3	1.3
EV/Sales	1.6	1.7	1.5	1.0	1.0	0.9
EV/EBITDA	13.3	13.6	13.2	9.4	9.2	10.3
EV/Total Assets	7.3	5.7	4.7	3.5	3.2	2.8
OB/Sales	0.8	0.9	1.8	1.2	0.9	1.0
<b>Per Share Data (₹)</b>						
EPS (Basic)	24.2	24.1	21.8	32.0	35.3	30.4
EPS (fully diluted)	24.2	24.1	21.8	32.0	35.3	30.4
Cash EPS	26.2	27.1	25.5	36.6	41.2	37.5
DPS	8.0	5.0	5.0	9.0	7.0	7.0
Book Value	63.4	83.2	90.5	110.4	137.4	159.6
<b>DuPont Analysis</b>						
EBIT margin (%)	11.6	11.2	10.4	9.7	9.5	8.6
Tax retention ratio	0.6	0.7	0.5	0.7	0.7	0.7
Asset turnover (x)	5.1	3.9	3.2	4.0	3.5	3.2
ROIC (Post-tax) (%)	38.2	29.5	16.7	25.7	22.5	18.5
Cost of Debt (Post Tax) (%)	98.7	127.1	17.0	3.5	1.9	2.2
Leverage (x)	-	-	-	-	-	-
Operating RoE (%)	38.2	29.5	16.7	25.7	22.5	18.5
<b>Returns (%)</b>						
RoCE (Pre-tax)	58.8	43.3	33.0	39.2	33.3	24.3
Angel RoIC (Pre-tax)	60.6	127.6	118.1	123.0	172.9	63.0
RoE	42.9	32.9	25.0	31.9	28.5	20.5
<b>Turnover ratios (x)</b>						
Asset Turnover (Gross Block)	9.6	6.3	4.8	5.9	4.9	4.5
Inventory / Sales (days)	22	26	29	21	22	21
Receivables (days)	49	58	74	64	65	64
Payables (days)	40	46	64	56	56	57
WC cycle (ex-cash) (days)	(24)	(11)	(27)	(26)	(7)	5
<b>Solvency ratios (x)</b>						
Net debt to equity	(0.7)	(0.5)	(0.9)	(0.6)	(0.3)	(0.3)
Net debt to EBITDA	(1.3)	(1.2)	(2.6)	(1.4)	(0.7)	(1.0)
Int. coverage (EBIT / Int.)	244.5	101.5	172.7	126.8	173.9	181.6

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Disclosure of Interest Statement	Thermax
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

<b>Ratings (Returns):</b>	Buy (> 15%) Reduce (-5% to 15%)	Accumulate (5% to 15%) Sell (< -15%)	Neutral (-5 to 5%)
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