# VENKYS LIMITED

B.N.RATHI SECURITIES LIMITED

**SEPTEMBER 2024**

**WHY IT IS A BUY:**

- Strong ability to service debt as the company has a low Debt to EBITDA ratio of 0.28 times.
- Positive results in June 2024
  - PBIT (Q) Highest at Rs 103.26 Cr
  - OPERATING PROFIT to NET SALES (Q) Highest at 12.78%
  - PBT LESS OI (Q) Highest at Rs 90.39 Cr
- Profit after tax stood at Rs 79.07 Crore with an EPS of Rs 56.13
- Stock is technically in a BULLISH stance: Weekly chart Rectangle breakout.
- With ROE of 807, it has a attractive valuation with a 2.3 Price to Book Value.
- The poultry sector is expected to grow with opportunities driven by increasing per capita consumption of eggs and poultry meat.

**Investors Returns (3 years)**

| **Period** | **6M** | **1Y** | **2Y** | **3Y** |
|---|---|---|---|---|
| **Stock (%)** | 28.14% | 16.56% | 9.85% | -18.16% |
| **Sector (%)** | 16.15% | 16.15% | 24.90% | 23.18% |
| **Sensex (%)** | 11.61% | 26.46% | 38.25% | 44.68% |

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**Strong ability to service debt as the company has a low DEBT to EBITDA ratio of 0.28 times.**

## Low Debt to Equity Ratio

Company's average Debt to Equity ratio over the past few years is low at 0.01 times.

## Low Debt to EBITDA Ratio

Company's average Debt to EBITDA ratio over the past few years is low at 2.17 times.

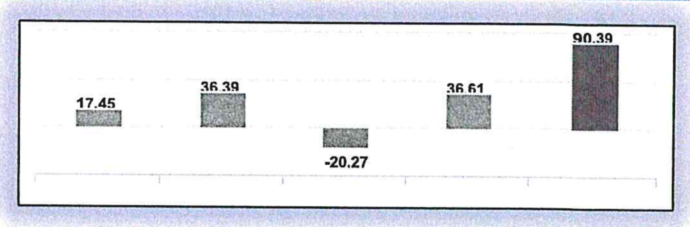
## Health EBIT to Interest

Company has healthy average EBIT to Interest ratio of 7.05 times

## Positive Results in JUNE 2024.

## Near term PBT trend is positive

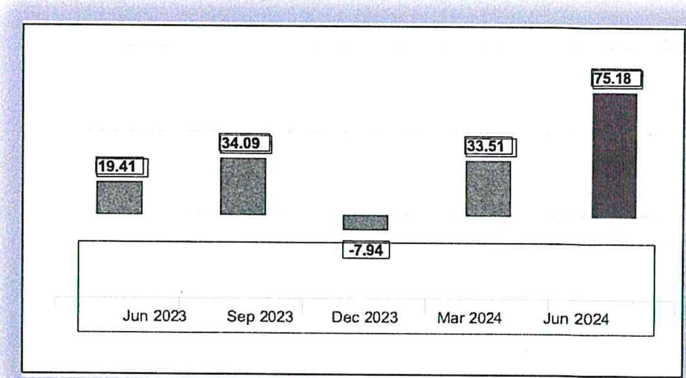
PBT less Other Income Highest at Rs 90.39 Cr




## Near term PAT trend is positive

PAT Highest at Rs 75.18 Cr in the

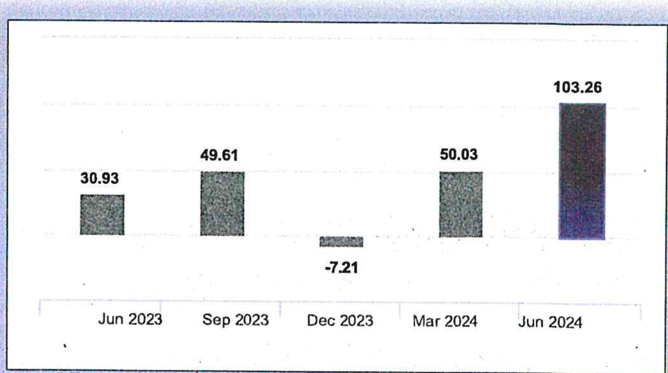
last five quarters.




## Near term Operating Profit trend is positive

Operating Profit Highest at Rs 103.26 Cr

in the last five quarters.



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SEPTEMBER 2024

## QUARTERLY RESULTS:

| | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 |
|---|---|---|---|---|---|---|---|
| Sales | 1036 | 1042 | 976 | 913 | 953 | 896 | 808 |
| Expenses | 1008 | 1008 | 946 | 896 | 960 | 846 | 705 |
| Operating Profit | 27 | 34 | 31 | 50 | -7 | 50 | 103 |
| OPM% | 3% | 3% | 3% | 5% | -1% | 6% | 13% |
| Other Income | 8 | 14 | 9 | 9 | 10 | 11 | 10 |
| Interest | 4 | 5 | 5 | 5 | 5 | 4 | 4 |
| Depreciation | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Profit before tax | 22 | 34 | 27 | 46 | -10 | 47 | 101 |
| Ta% | 25% | 26% | 27% | 26% | -24% | 29% | 25% |
| Net Profit | 17 | 25 | 19 | 34 | -8 | 34 | 75 |
| EPS in Rs | 11.73 | 11.91 | 13.78 | 24.20 | -5.64 | 23.79 | 53.37 |

## ANNUAL RESULTS:

| | Mar-18 | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 | Mar-24 |
|---|---|---|---|---|---|---|---|
| Sales | 2686 | 3043 | 3261 | 3117 | 4400 | 4234 | 3738 |
| Expenses | 2299 | 2734 | 3282 | 2728 | 4154 | 4122 | 3615 |
| Operating Profit | 388 | 309 | -21 | 389 | 246 | 112 | 123 |
| OPM % | 14% | 10% | -1% | 12% | 6% | 3% | 3% |
| Other Income | 27 | 28 | 35 | 36 | 34 | 37 | 39 |
| Interest | 50 | 32 | 30 | 28 | 18 | 18 | 18 |
| Depreciation | 28 | 29 | 34 | 35 | 37 | 35 | 35 |
| Profit before tax | 337 | 277 | -50 | 361 | 226 | 95 | 109 |
| Tax % | 41% | 37% | -45% | 26% | 27% | 26% | 28% |
| Net Profit | 200 | 174 | -27 | 268 | 165 | 70 | 79 |
| EPS in Rs | 141.77 | 123.61 | -19.28 | 190.06 | 116.97 | 50.03 | 56.13 |

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SEPTEMBER 2024

## BALANCE SHEET:

| | Mar-18 | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 | Mar-24 |
|---|---|---|---|---|---|---|---|
| Equity Capital | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Reserves | 707 | 867 | 822 | 1090 | 1235 | 1285 | 1356 |
| Borrowings | 350 | 268 | 310 | 186 | 199 | 191 | 172 |
| Other Liabilities | 360 | 408 | 451 | 499 | 499 | 526 | 552 |
| Total Liabilities | 1431 | 1557 | 1597 | 1790 | 1947 | 2015 | 2094 |
| Fixed Assets | 472 | 501 | 571 | 618 | 603 | 592 | 618 |
| CWIP | 17 | 66 | 53 | 10 | 14 | 34 | 28 |
| Investments | 0 | 6 | 7 | 45 | 70 | 90 | 105 |
| Other Assets | 942 | 984 | 966 | 1116 | 1260 | 1299 | 1343 |
| Total Assets | 1431 | 1557 | 1597 | 1790 | 1947 | 2015 | 2094 |

## SHAREHOLDING PATTERN:

| | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 |
|---|---|---|---|---|---|---|---|
| PROMOTERS | 56.11% | 56.11% | 56.11% | 56.11% | 56.11% | 56.11% | 56.11% |
| FII | 0.86% | 0.93% | 0.95% | 0.98% | 1.07% | 1.25% | 1.40% |
| DII | 0.17% | 0.00% | 0.00% | 0.03% | 0.12% | 0.21% | 0.21% |
| PUBLIC | 42.85% | 42.96% | 42.93% | 42.89% | 42.70% | 42.43% | 42.28% |

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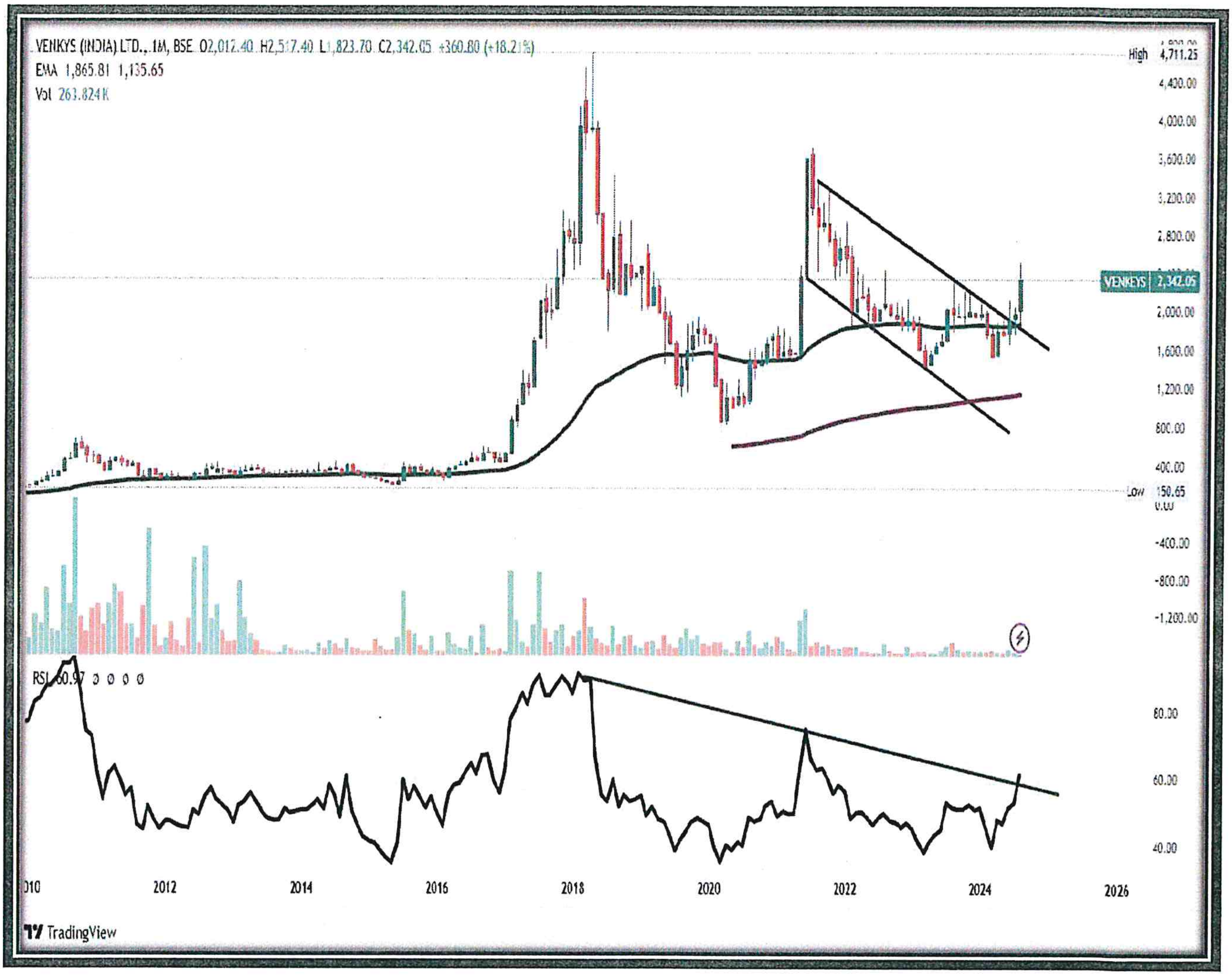
**SEPTEMBER 2024**

## TECHNICAL ANALYSIS:




The above Monthly chart prices traded higher since the March 2020 to June 2021 which is the pole formation. Later on the prices traded on the flag formation which took correction with the lower tops and lower bottoms and breached the pattern of **"Flag with Pole"**. Prices breached the trend line resistance resuming the bullish trend intact with the rise in volumes and closed well above the same suggesting the bullishness. The 62 period EMA is at 1865.65 levels which successfully closed above the same indicating the trend towards the bullishness. The RSI 14 period is trading at 60.87 level which is showing strength and has broken a long term downtrend line which in turn is a bullish signal and suggests that momentum is turning in favor of the bulls and we expect prices to trade higher in the coming months.

**Sources:**

www.nseindia.com www.bseindia.com www.moneycontrol.com
www.screener.in www.in.tradingview.com

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SEPTEMBER 2024

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Mr. Satish Kumar Avusula – Fundamental & Technical Analyst

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