AFFLE INDIA LIMITED

B.N.RATHI
SECURITIES LIMITED

OCTOBER 2024

WHY IT IS A BUY:

- Strong long term fundamental strength with an average Return on Equity (ROE) of 25.25%.
  - Healthy long term growth as Net Sales has grown by an annual rate of 48.64% and Operating profit of 47.52%
  - Company has a low Debt to Equity ratio at 0.04 times
- Positive results in June 2024
  - PAT (HY) at Rs 174.08 Cr has grown at 35.39%
  - Net Sales (Q) Highest at Rs519.50 Cr
  - PBIT (Q) Highest at Rs 104.49 Cr
- Company has delivered good profit growth of 43.5% CAGR over last 5 years.
- Company is almost debt free and expected to give good quarterly results.
- Stock is technically in a BULLISH stance: Weekly chart Rectangle breakout.
- High Institutional Holdings at 29.51%

Investors Returns (3 years)

Period	6M	1Y	2Y	3Y
Stock (%)	52.1%	43.08%	25.54%	47.96%
Sector (%)	29.60%	29.60%	117.47%	58.57%
Sensex (%)	14.73%	28.37%	47.15%	42.92%

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Strong long term fundamental strength with an average Return on Equity of 25.25%

High Growth in Net Sales of 48.6% CAGR

Low Debt to EBITDA Ratio

Company's average Debt to EBITDA ratio over the past few years is low at -0.23 times.

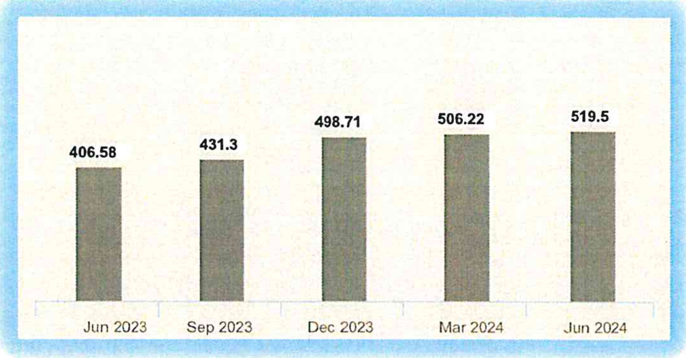
ROE

Company has been able to generate a ROE of 25.25% signifying high profitability per unit of shareholders funds.

Positive Results in JUNE 2024.

Near term sales trend is very positive

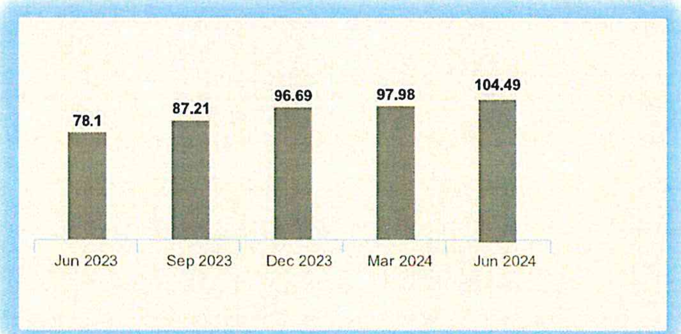
Net Sales Highest at Rs 519.50 Cr and
Grown each quarter in the last five quarters.



Near term Operating Profit trend is quite Positive

Operating profit Highest at 104.49 Cr and

Grown each quarter in the last 5 years.



Near term PAT trend is positive

PAT at Rs 174.08 Cr has grown at 35.39% (YoY)

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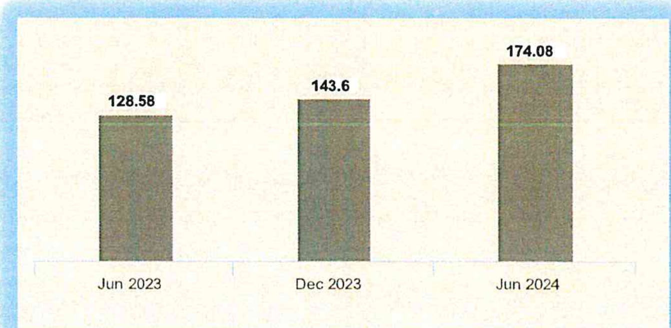

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QUARTERLY RESULTS:

	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Sales	376	356	407	431	499	506	520
Expenses	296	287	328	344	402	408	415
Operating Profit	80	69	78	87	97	98	104
OPM%	21%	19%	19%	20%	19%	19%	20%
Other Income	16	18	10	10	10	27	25
Interest	3	3	3	6	5	5	4
Depreciation	14	14	14	18	18	20	19
Profit before tax	80	70	70	73	83	100	107
Ta%	14%	11%	6%	9%	8%	13%	19%
Net Profit	69	62	66	67	77	87	87
EPS in Rs	5.18	4.68	4.97	5.01	5.48	6.24	6.18

ANNUAL RESULTS:

	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales	167	249	334	517	1082	1434	1843
Expenses	122	179	246	387	869	1146	1483
Operating Profit	46	70	88	130	213	288	360
OPM %	27%	28%	26%	25%	20%	20%	20%
Other Income	0	0	6	41	72	54	57
Interest	1	1	1	4	7	11	19
Depreciation	8	10	13	20	32	49	72
Profit before tax	37	60	79	148	245	282	327
Tax %	24%	18%	17%	9%	12%	13%	9%
Net Profit	28	49	66	135	215	245	297
EPS in Rs	2.29	4.02	5.14	10.57	16.05	18.36	21.20

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BALANCE SHEET:

	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Equity Capital	24	24	26	26	27	27	28
Reserves	6	48	204	333	1151	1438	2470
Borrowings	0	9	68	119	149	106	183
Other Liabilities	46	77	105	275	497	437	592
Total Liabilities	76	158	402	753	1824	2008	3273
Fixed Assets	27	57	163	361	699	786	1144
CWIP	0	2	5	40	42	49	98
Investments	0	0	0	76	135	0	37
Other Assets	49	99	234	276	948	1174	1193
Total Assets	76	158	402	753	1824	2008	3273

SHAREHOLDING PATTERN:

	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
PROMOTERS	59.89%	59.89%	59.89%	59.89%	59.89%	56.93%	56.92%
FII	14.24%	12.66%	11.43%	9.97%	9.66%	14.35%	14.79%
DII	9.13%	10.56%	11.95%	13.57%	14.28%	14.71%	14.72%
PUBLIC	16.69%	16.83%	16.68%	16.52%	16.12%	13.95%	13.50%

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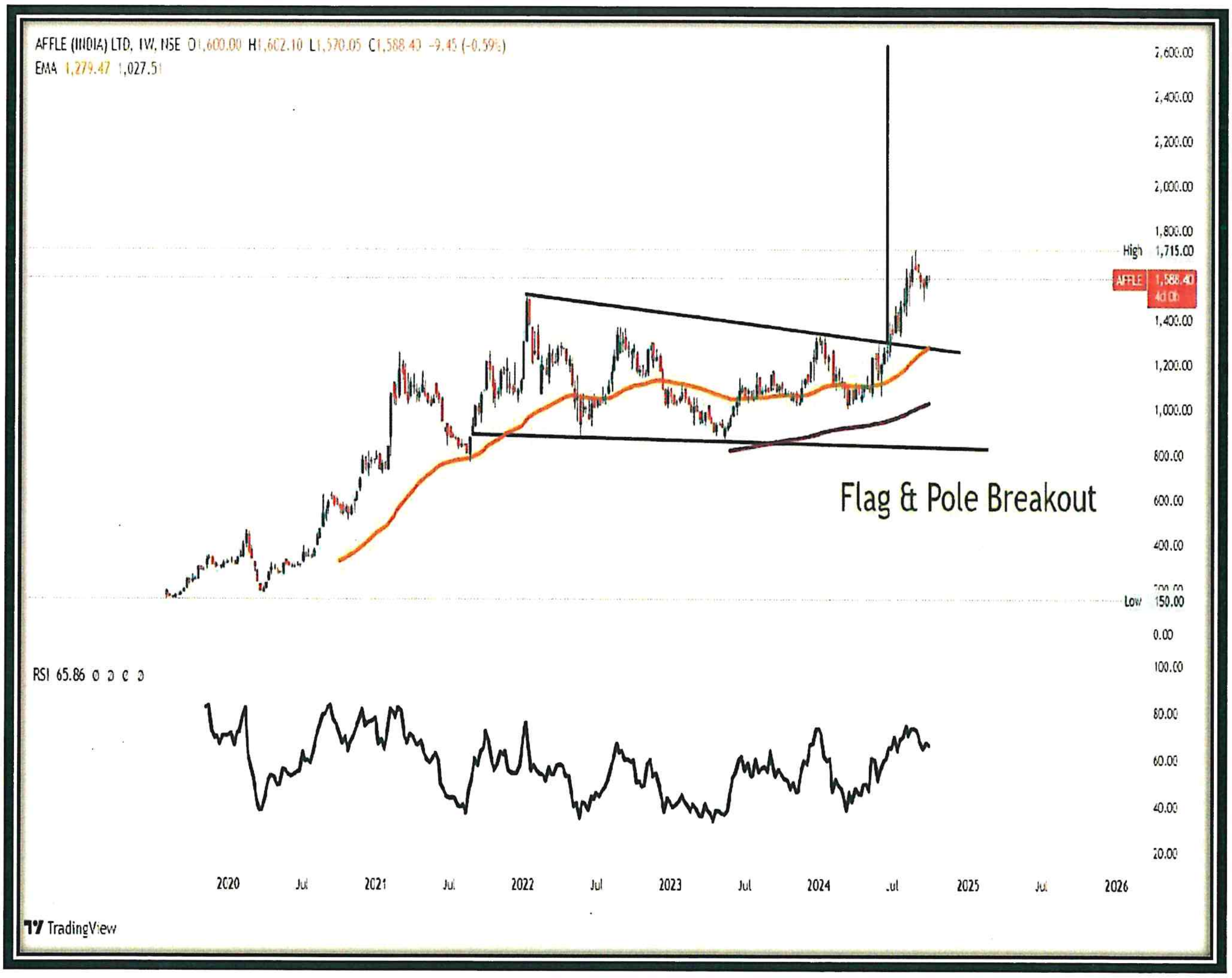
TECHNICAL ANALYSIS:



The above Weekly chart prices traded higher since the March 2020 to Jan 2022 which is the pole formation. Later on the prices traded on the flag formation which took correction of 50% Fibonacci retracement 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 1279.45 levels which successfully closed above the same indicating the trend towards the bullishness. The RSI 14 period is trading at 65 level which is showing strength 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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