

GALAXY SURFACTANTS LTD.

ISIN CODE: INE600K01018

BSE: 540935

NSE: GALXYSURF

CMP: 3390.70

52 WEEK HIGH-LOW: 1600.00 – 3585.65

 DATE: 8th OCT, 2021

OVERVIEW

- Galaxy Surfactants Ltd is an India based company engages in the manufacture and marketing of specialty chemicals for the home and personal care industry.
- It offers Wide range of specialty chemicals which includes Surfactants, Rheology Modifier, Pearlizing Agents, Conditioning Agents, blends based on innovative concepts, Proteins, Quats for personal care.
- It supplies ingredients to more than 70 countries and generates nearly 65 percent of its revenue from overseas sales.

KEY STRENGTH

- Battling disruptions since 1980.
- A sustainable business model.
- Consistent progress in Carbon Disclosure Project.

DECADE GROWTH STORY

- Since FY-11 Volumes have grown at a CAGR of 8.3%.
- EBITDA has grown at a CAGR of 14.1% over the decade but since FY-18 EBITDA has grown at a CAGR of 15.6%.
- In last 10 year Profit after Tax has grown at a CAGR of 16.7% but since FY-16 it has been growing at a CAGR of 24.5%.
- Specialty Care revenue has increased 4x times as it was in FY-11.

BUSINESS FOCUS AREA

- Exclusively focused on catering to the Home & Personal Care (HPC) Space.
- One-Stop Shop for all Home and Personal Care Manufacturing Needs.
- Configured & customised to meet the needs of their HPC Customers.
- Unique & Universal - Mass and Niche Solutions to meet Global & Local needs.
- Succession - Sustainability - Safety & Society - The Qualitative Edge.
- Capitalising on the Emerging Trends through Experience & Expertise.
- Differentiation & Diversification - Strengthening ourselves day in day Out.

UPCOMING DECADE'S CATALYSTS

- Sustainable & green environment-friendly solutions - the conscious consumer.
- Emerging D2C players in HPC (Paraben-Free, Toxic-Free & Sulphate-Free Solutions).
- Increasing penetration of washing machines & the 'Urban' consumer (bar to washing powders, liquid detergents & dishwashes).
- Increase in Spending & Improved Consumption.
- Emerging categories: baby care, pet care, men's grooming, stress related solutions pharma & companies in BPC.
- Growing Awareness & Willingness for - Health, Hygiene & Care.

PERFORMANCE HIGHLIGHTS

- Consolidated Revenue was Rs. 2795 Cr.
- Volume growth Y-0-Y was 5.3%.
- EBITDA growth was 22.6%.
- PAT growth was 31.1% (Rs. 302 Cr.)
- ROCE was 25.2%, an improvement of 170 bps.
- 6 Patent has registered.
- Net Operating Cash generated of Rs. 365 Cr.

Growth Rates % (Compound Annual)	1 Yr	3 Yr	5 Yr	10yr
Revenue	7.1	4.4	8.8	-
Operating Income	24.6	16.9	14.9	-
Earnings/Share	31.1	24.1	24.1	-
Dividends	-12.5	-	-	-
Book Value/Share	21.9	21.9	-	-
Stock Total Return	81.1	40.8	-	-
Market +/-	53.0	29.7	-	-

Valuation Ratio	Current	5Yr Avg	Ind	Mkt.
Price/Earnings	37.3	-	47.4	15.2
Forward P/E	-	-	-	-
Price/Cash Flow	32.9	-	38.0	9.9
Price/Free Cash Flow	46.7	-	-	-
Dividend Yield %	0.5	-	0.5	2.8
Price/Book	9.2	-	10.2	2.1
Price/Sales	4.1	-	6.0	-

Profitability Ratio	Current	5Yr Avg	Ind.	Mkt.
Return on Equity	-	25.3	21.9	15.4
Return on Asset	-	13.2	12.8	5.6
Gross Margin	34.1	30.1	41.7	-
Operating Margin	13.5	11.5	17.7	-
Net Margin	10.9	8.1	12.6	21.4
Inventory Turns	-	5.3	3.8	-
Fixed Asset Turns	-	4.4	2.5	-

Financial Position (INR)	03-20(Mil.)	03-21 (Mil.)
Cash	815	617
Inventories	4,278	3,552
Receivables	—	—
Current Assets	11,577	9,763
Fixed Assets	8,476	7,999
Intangibles	84	88
Total Assets	20,495	18,410
Payables	3,826	3,122
Short-Term Debt	1,906	1,180
Current Liabilities	6,201	4,964
Long-Term Debt	774	958
Total Liabilities	7,481	6,471
Total Equity	13,014	11,939

Source: Company filings & Analyst Research

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