

Opportune

Exclusively curated opportunities to re-enter fundamentally strong companies at attractive valuations!

BUY – SRF Ltd

CMP: ₹2,258 as on 27th September 2023

Fair Value (FV): ₹2,730 I Time Period: 12 months

Why Invest?

- Cyclical downturn presents buying opportunity.
- One of the world's largest producers of di- and trifluoroalkyl intermediates.
- SCB clocked ~10% yoy growth in sales in Q1FY24; EBIT margins also improved yoy.
- Launched two new products each in agrochemicals and pharma during Q1FY24.
- We believe refrigerant market should tighten over time as supplies get restricted.
- SRF expects to add 6-7 new active ingredients to its portfolio over the next two years.
- We value the stock on SOTP (Sum of The Parts) & arrive at a FV of Rs2,730.

(SCB: Specialty Chemical Business; EBIT: Earnings Before Interest and Tax)

Maintain BUY with **FV Rs 2,730**

Read Full Report

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