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Rating Information	
Price (Rs)	164
Target Price (Rs)	294
Target Date	30th Sept'20
Target Set On	18th July'19
Implied yrs of growth (DCF)	15
Fair Value (DCF)	398
Fair Value (DDM)	NA
Ind Benchmark	SPBSMIP
Model Portfolio Position	NA

Stock Information	
Market Cap (Rs Mn)	65,849
Free Float (%)	46.17 %
52 Wk H/L (Rs)	399.9/143.8
Avg Daily Volume (1yr)	20,08,559
Avg Daily Value (Rs Mn)	538
Equity Cap (Rs Mn)	806
Face Value (Rs)	2
Bloomberg Code	SOTL IN

Ownership	Recent	3M	12M
Promoters	53.8 %	0.0 %	-0.2 %
DII	10.8 %	-1.3 %	-0.4 %
FII	6.0 %	-0.2 %	-2.5 %
Public	29.4 %	1.5 %	3.1 %

Price %	1M	3M	12M
Absolute	-8.9 %	-16.9 %	-48.0 %
Vs Industry	-7.7 %	-10.3 %	-42.6 %
HFCL	-1.2 %	-11.7 %	-23.2 %
Vindhya Telelinks	-22.8 %	-22.7 %	10.7 %

Consolidated Quarterly EPS forecast				
Rs/Share	1Q	2Q	3Q	4Q
EPS (19A)	3.0	3.3	3.7	4.2
EPS (20E)	3.5	3.2	3.8	4.6

Sterlite Technologies Ltd.

1QFY20 Result: Estimate (↑), TP (↓), Rating (↔)

Regular Coverage

Absolute: LONG
Relative: Overweight
70% ATR in 14 Months

Long-term OF contract prices ease, but remain above US\$ 7/fkm – Maintain LONG

Telecom Services

SOTL's 1QFY20 revenues grew ~63% yoy to ~Rs 14.3bn, 5% below EE, with products/services contributing ~60%/40% to overall revenues. EBITDA margins at ~23% contracted ~535bps owing to lower product business realizations and higher services business contribution. Management indicated that blended optic fibre (OF) realizations – mix of bare fibre (~70%) and value-added products (~30%) – have eased but remain slightly above ~US\$ 7/fkm for the company. We marginally pare our OF realization assumptions and factor in higher growth for services business, leading to a -4%/+4% change in FY20E/FY21E PAT estimates. Maintain LONG with a Sep'20 TP of Rs 294 (Mar'20 TP of Rs 340 earlier) set at a lower target multiple (16x vs. 22x TTM P/E earlier) given the continued softness in demand amid a delay in 5G implementation in most countries.

Pressure on OF realizations to continue in near term: We had highlighted earlier that Chinese demand (>50% of global demand) has been muted of late due to near-completion of 4G capex in China and delays in installation of 5G network backhubs. SOTL management expects Chinese demand to remain flattish in CY19 and pick up from CY20 onwards. SOTL has started commissioning its new OF capacity gradually, and plans to set up the entire 20mn fkm capacity by FY20-end. Management has guided for an exit OF run-rate of 40-45mn fkm of the total capacity of ~50mn fkm at FY20-end. SOTL's OFC expansion remains on track, and the new 15mn fkm capacity will come on board by Jun'20. Overall, we estimate the products business to clock a revenue CAGR of ~18% over FY19-FY22E.

Services business execution faster than expected: 1QFY20 witnessed strong execution in the services & software business as it contributed ~40% towards revenues vs ~37% in full FY19. SOTL has completed ~50% execution of the Navy project and ~30% execution of the MahaNet project by 1QFY20-end. Execution of the Kakinada Smart City project has been completed and O&M has begun. Now that the company has established credentials in system and network integration and has started garnering good traction from Indian Telcos as well, we expect services contribution to inch up in the revenue mix and the segment to clock a revenue CAGR (FY19-22E) of ~26%.

Maintain LONG; Sept'20 TP Rs 294: With an order book of ~Rs 99bn (1.7x TTM revenue) and upcoming capacity expansion offering good revenue visibility, we estimate overall revenue/EBITDA/PAT CAGR of 21%/18%/18% over FY19-FY22E with FY20/FY21 ROEs at ~31%/33%. We believe the stock is valued attractively at FY20E/FY21E P/E of 11x/8x as concerns over softening OF prices are overdone. Reiterate LONG with a Sep'20 TP of Rs 294 set at 16x TTM P/E.

Estimate Revision

(Rs. mn)	Forecasts		% Change	
	FY20E	FY21E	FY20E	FY21E
Sales	66,832	81,269	-3%	6%
EBITDA	13,259	16,322	-2%	3%
PAT	6,049	7,879	-4%	4%
EPS	15.0	19.6	-4%	4%

Consolidated Financials

Rs. Mn	YE Mar	FY19A	FY20E	FY21E	FY22E
Sales		50,873	66,832	81,269	90,037
EBITDA		11,272	13,259	16,322	18,442
Depreciation		1,950	2,833	3,111	3,279
Interest Expense		1,055	1,625	1,625	1,285
Other Income		369	348	333	368
Reported PAT		5,628	6,049	7,879	9,411
Recurring PAT		5,703	6,049	7,879	9,411
Total Equity		17,193	21,422	26,930	33,509
Gross Debt		20,671	24,671	20,671	14,671
Cash		3,339	2,698	2,708	4,931
Rs Per Share		FY19A	FY20E	FY21E	FY22E
Earnings		14.2	15.0	19.6	23.4
Book Value		43	53	67	83
Dividends		3.5	3.8	4.9	5.8
FCFF		-11.7	-0.3	22.6	32.8
P/E (x)		11.5	10.9	8.4	7.0
P/B (x)		3.8	3.1	2.4	2.0
EV/EBITDA (x)		7.5	6.7	5.2	4.2
ROE (%)		39 %	31 %	33 %	31 %
Core ROIC (%)		21 %	17 %	19 %	21 %
EBITDA Margin (%)		22 %	20 %	20 %	20 %
Net Margin (%)		11 %	9 %	10 %	10 %



Quarterly performance, consolidated

Rs mn	1QFY20	1QFY20E	4QFY19	1QFY19	% Change			Comments
					1QFY20E	4QFY19	1QFY19	
Net Sales	14,320	15,146	17,912	8,769	-5%	-20%	63%	
Cost of Materials Consumed	7,070	7,267	10,897	3,339	-3%	-35%	112%	
Employee Benefits Expense	1,463	1,563	1,350	925	-6%	8%	58%	
Other Expenses	2,553	3,498	2,514	2,056	-27%	2%	24%	
Total Operating Expenses	11,086	12,328	14,761	6,320	-10%	-25%	75%	
EBITDA	3,234	2,818	3,151	2,449	15%	3%	32%	
Depreciation	683	638	498	448	7%	37%	53%	
EBIT	2,550	2,180	2,653	2,001	17%	-4%	27%	
Interest	463	418	307	231	11%	51%	101%	
Other Income	87	88	132	73	-1%	-34%	21%	
PBT	2,175	1,849	2,478	1,843	18%	-12%	18%	
Tax	733	586	822	548	25%	-11%	34%	
PAT before MI & Associates	1,442	1,264	1,656	1,295	14%	-13%	11%	
Minority Interest	-15	-40	20	-78	-63%	-175%	-81%	
Profit from Assoc.	0	0	0	0	NA	NA	NA	
Recurring PAT	1,427	1,223	1,676	1,217	17%	-15%	17%	
Extraordinaries	13	0	25	10	NA	-47%	34%	
Reported PAT	1,414	1,223	1,652	1,207	16%	-14%	17%	
EPS (Rs)	3.5	3.0	4.2	3.0	17%	-15%	17%	
Gross Margin	50.6%	52.0%	39.2%	61.9%	-139 bps	1146 bps	-1130 bps	
EBITDA Margin	22.6%	18.6%	17.6%	27.9%	398 bps	499 bps	-534 bps	
EBIT Margin	17.8%	14.4%	14.8%	22.8%	342 bps	300 bps	-501 bps	
PBT Margin	15.2%	12.2%	13.8%	21.0%	298 bps	135 bps	-583 bps	
PAT Margin	9.9%	8.1%	9.2%	13.8%	180 bps	65 bps	-389 bps	
Tax Rate	33.7%	31.7%	33.2%	29.8%	203 bps	56 bps	395 bps	
Cost items as % of Sales								
Raw Materials	49.4%	48.0%	60.8%	38.1%	139 bps	-1146 bps	1130 bps	
Employee Cost	10.2%	10.3%	7.5%	10.6%	-10 bps	267 bps	-34 bps	
Other Expenses	17.8%	23.1%	14.0%	23.4%	-526 bps	380 bps	-561 bps	

Earnings call takeaways

Products business

- Management expects Chinese demand to remain flattish in CY19 and improve next year due to 5G implementation. Fibre prices may have bottomed out as they have started witnessing upside in some markets.
- SOTL has commissioned a major part of the new OF capacity and the remaining capacity will come on board by FY20-end. The company has capitalized ~Rs 9bn of gross block of projected investments of ~Rs 12bn.
- OFC capacity expansion (~15mn fkm) is on track and will come on board by Jun'20. OFC capacity will reach 23-24mn fkm by FY20-end and ~33mn fkm by Jun'20.
- SOTL indicated that bare OF realizations are >US\$ 7/fkm and blended OF realizations would be higher as value-added products account for ~30% of the total fibre sold.
- During 1QFY20, capacity utilization for both OF and OFC stood at ~100% (incl. 3mn fkm Metallurgica Bresciana capacity).
- EBITDAM for the product business was 32-33% in 1QFY20, ~26% in 4QFY19 and ~28% in 1QFY20. Product margins have expanded qoq due to a higher proportion of value-added products.
- Management has guided for a FY20 exit run-rate of 40-45mn fkm in OF production.

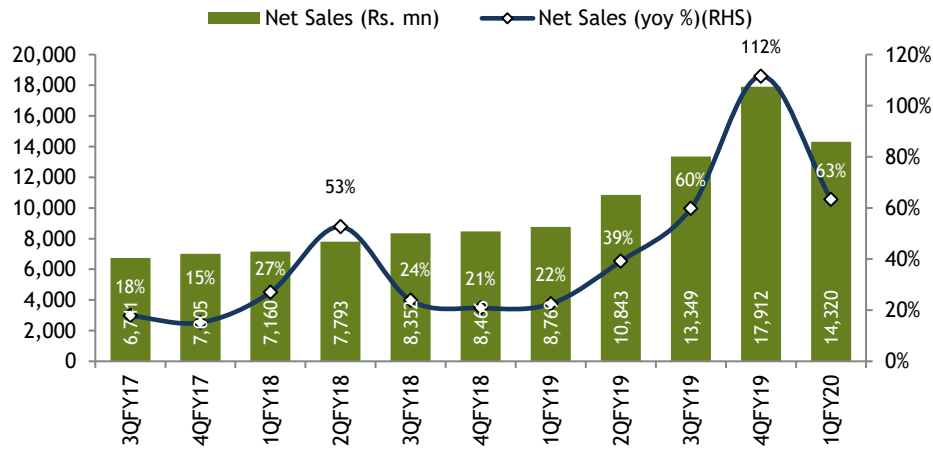
Services business

- Contribution of services & software in 1QFY20 stood at ~40% vs ~52% in 4QFY19 and ~33% in 3QFY19.
- The company had completed ~50% execution of the Navy project and ~30% execution of MahaNet project by 1QFY20-end. Execution of the Kakinada Smart City project has been completed and now the O&M part will go on for five years.
- SOTL has started getting more services orders from Indian Telcos.

Other highlights

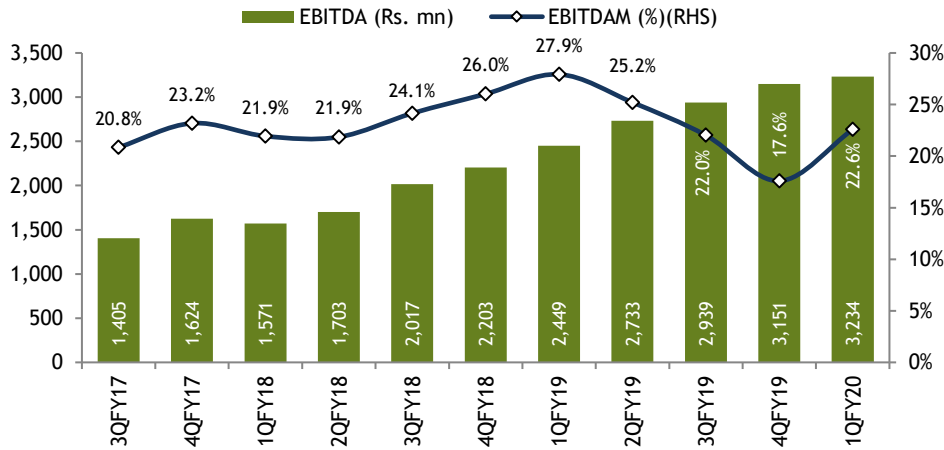
- SOTL has received new orders worth ~Rs 7.5bn in 1QFY20, mostly from products as services orders tend to be lumpy in nature.
- Management has guided for EBITDAM to be in the range of 18-20% in FY20.
- Of the outstanding order book of ~Rs 99bn, 55-57% is towards products and the remaining towards services.
- Capex for FY20 would be ~Rs 5.5bn.
- Net debt as on 1QFY20-end stood at ~Rs 19.80bn vs. ~Rs 17.33bn as on FY19-end.

Exhibit 1: Revenue growth has been strong for the past three years



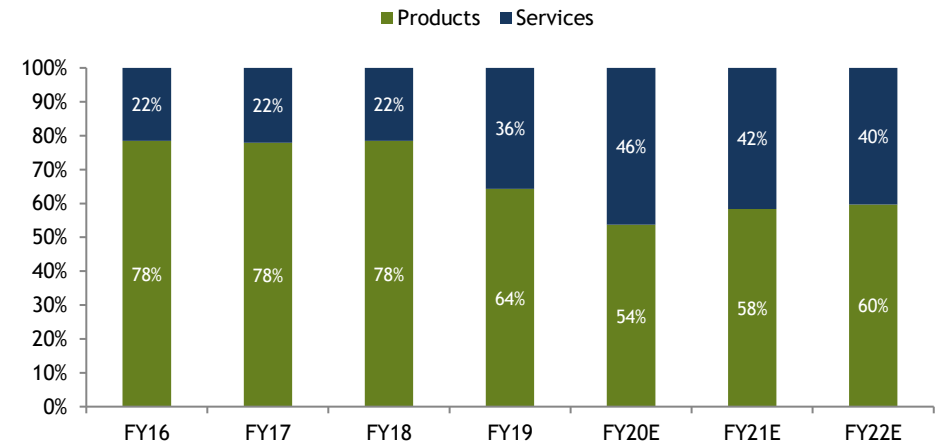
Source: Company, Equirus Securities

Exhibit 2: EBITDAM have moderated of late on lower fibre realizations, higher services contribution



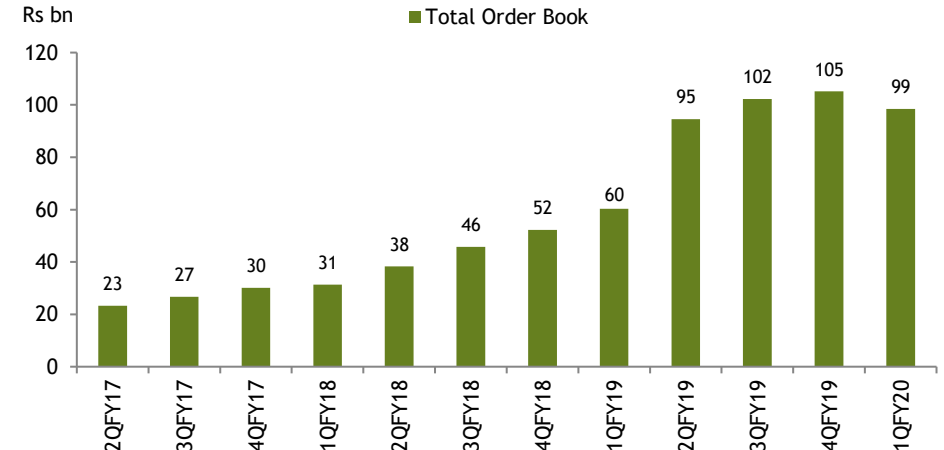
Source: Company, Equirus Securities

Exhibit 3: Services business contribution in overall mix increasing



Source: Company, Equirus Securities

Exhibit 4: Increasing order book reflects a predictable outlook for the company



Source: Company, Equirus Securities

Company Snapshot

How we differ from Consensus

		Equirus	Consensus	% Diff	Comment
EPS	FY20E	15.0	15.7	-4 %	Consensus numbers may not be updated post results
	FY21E	19.6	18.3	7 %	
Sales	FY20E	66,832	69,430	-4 %	
	FY21E	81,269	77,994	4 %	
PAT	FY20E	6,049	6,465	-6 %	
	FY21E	7,879	7,544	4 %	

Key Estimates:

	FY18	FY19	FY20E	FY21E	FY22E
Gross Revenue from Products (Rs. mn)	24,934	32,708	35,875	47,382	53,740
- Optic fibre volume (mn fkm)	19.3	13.4	17.0	18.1	17.3
- Optic fibre cable volume (mn fkm)	10.2	15.2	17.7	26.9	32.6
Revenue from Services (Rs mn)	6,837	18,165	30,957	33,887	36,298

Risk to Our View:

- Inadequate/delayed investments by telcos
- Delay in public projects like BharatNet and Smart Cities
- Increasing supply of preform and fiber which may put pressure on pricing

Key Triggers:

- Getting new Smart City and other services projects
- Full order booking of the upcoming 20mn fkm OF capacity and increasing utilization for OFC

Comparable valuation		Mkt Cap Rs. Mn.	Price Target	Target Date	EPS			P/E			BPS		P/B		RoE		Div Yield	
Company	Reco.				CMP	FY19A	FY20E	FY21E	FY19A	FY20E	FY21E	FY19A	FY20E	FY19A	FY20E	FY21E	FY19A	FY20E
Sterlite Technologies Ltd	LONG	164	65,849	294	30th Sept'20	14.2	15.0	19.6	11.5	10.9	8.4	42.7	3.1	39 %	31 %	33 %	2.1 %	2.3 %
HFCL	NA	20	25,752	NA	NA	1.9	-	-	10.7	-	-	11.3	-	18 %	-	-	0.3 %	-
Vindhya Teletinks	NA	1,039	12,312	NA	NA	232.6	-	-	4.5	-	-	2,019.2	-	12 %	-	-	1.2 %	-

DCF Valuations & Assumptions

Rf	Beta	Ke	Term. Growth	Debt/IC in Term. Yr
7.0 %	0.8	12.1 %	3.0 %	30.6 %

	FY20E	FY21E	FY22-24E	FY25-29E	FY30-34E
Sales Growth	31 %	22 %	10 %	8 %	7 %
NOPAT Margin	10 %	11 %	11 %	11 %	12 %
IC Turnover	1.42	1.66	1.88	1.88	1.88
RoIC	16.6 %	18.6 %	22.1 %	22.5 %	22.5 %

Years of Strong Growth	1	2	5	10	15
Valuation as on Date (Rs)	143	200	266	314	347
Valuation as of Sept'20	164	229	305	360	398

Based on DCF, we derive a Sept'20 fair value of Rs 398.

Company Description

Sterlite Technologies is a pure play telecom products and services & software company, engaged in designing, building and managing smart digital networks. The company shares a common lineage with Vedanta Resources Plc - globally diversified natural resources major. It is the only vertically integrated player in India's optic fibre space, which gives it unique advantage over peers. SOTL's OF and OFC production capacities currently stand at 30mn fkm and 18mn fkm respectively (including 6.5mn fkm OF capacity in China).



Consolidated Quarterly Earnings Forecast and Key Drivers

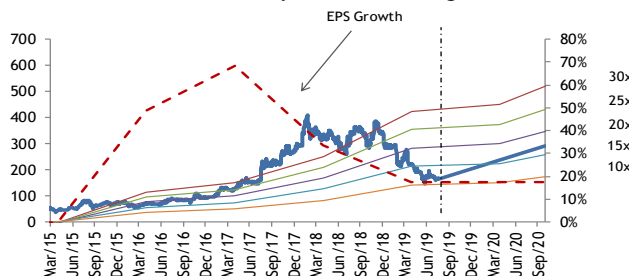
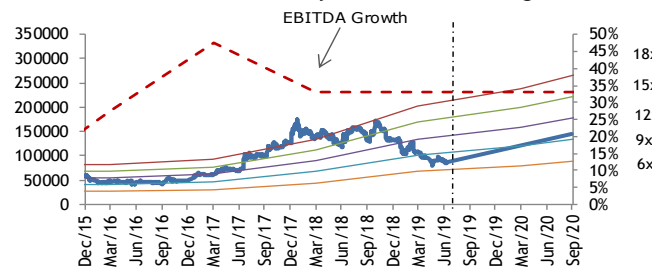
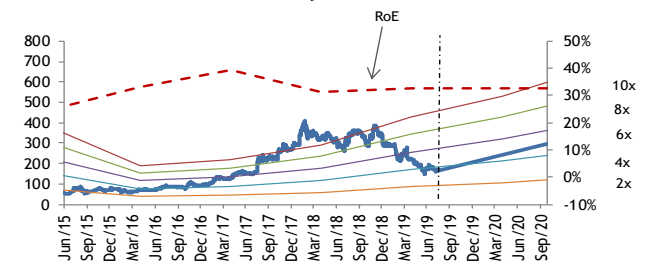
Rs in Mn	1Q19A	2Q19A	3Q19A	4Q19A	1Q20A	2Q20E	3Q20E	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E	FY19A	FY20E	FY21E	FY22E
Revenue	8,769	10,843	13,349	17,912	14,320	15,823	17,316	19,373	22,956	18,035	20,174	20,103	50,873	66,832	81,269	90,037
Cost of Materials Consumed	2,696	4,387	6,616	12,214	6,663	7,897	8,658	9,704	11,439	8,903	9,989	9,920	25,913	33,329	40,252	44,229
Purchases of Stock-in-Trade	55	33	167	51	1	0	0	0	0	0	0	0	306	0	0	0
Change in Inventories of Finished Goods, Stock-in-Trade and WIP	588	-84	-484	-1,367	406	0	0	0	0	0	0	0	-1,347	0	0	0
Other Expenses	2,056	2,430	2,617	2,514	2,553	3,465	3,797	4,255	5,038	3,943	4,416	4,394	9,617	14,071	17,790	19,703
Employee Benefits Expense	925	1,343	1,493	1,350	1,463	1,527	1,567	1,616	1,653	1,699	1,744	1,809	5,112	6,173	6,905	7,663
EBITDA	2,449	2,733	2,939	3,151	3,234	2,934	3,294	3,798	4,827	3,490	4,026	3,980	11,272	13,259	16,322	18,442
Depreciation	448	492	512	498	683	707	707	737	748	788	788	788	1,950	2,833	3,111	3,279
EBIT	2,001	2,241	2,427	2,653	2,550	2,227	2,587	3,061	4,079	2,702	3,238	3,192	9,322	10,426	13,211	15,164
Interest	231	244	274	307	463	387	387	387	406	406	406	406	1,055	1,625	1,625	1,285
Other Income	73	60	104	132	87	87	87	87	83	83	83	83	369	348	333	368
PBT	1,843	2,057	2,257	2,478	2,175	1,927	2,287	2,761	3,756	2,379	2,915	2,869	8,635	9,149	11,918	14,247
Tax	548	652	760	822	733	623	743	895	1,234	762	942	919	2,782	2,994	3,857	4,576
PAT bef. MI & Assoc.	1,295	1,406	1,497	1,656	1,442	1,304	1,544	1,866	2,522	1,617	1,973	1,950	5,854	6,155	8,061	9,671
Minority Interest	78	73	20	-20	15	28	30	33	41	44	46	53	150	106	182	260
Profit from Assoc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recurring PAT	1,217	1,333	1,477	1,676	1,427	1,275	1,514	1,833	2,482	1,573	1,927	1,897	5,703	6,049	7,879	9,411
Extraordinaries	10	20	21	25	13	0	0	0	0	0	0	0	76	0	0	0
Reported PAT	1,207	1,313	1,456	1,652	1,414	1,275	1,514	1,833	2,482	1,573	1,927	1,897	5,628	6,049	7,879	9,411
EPS (Rs)	3.02	3.31	3.67	4.16	3.55	3.17	3.76	4.55	6.17	3.91	4.79	4.71	14.17	15.03	19.57	23.38
Key Drivers																
Revenue from Products (Rs. mn)	-	-	-	-	-	-	-	-	-	-	-	-	32,708	35,875	47,382	53,740
- Optic Fibre Volume (mn fkm)	-	-	-	-	-	-	-	-	-	-	-	-	13	17	18	17
- Optic Fibre Cable Volume (mn fkm)	-	-	-	-	-	-	-	-	-	-	-	-	15	18	27	33
Revenue from Services (Rs. mn)	-	-	-	-	-	-	-	-	-	-	-	-	18,165	30,957	33,887	36,298
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sequential Growth (%)																
Revenue	4 %	24 %	23 %	34 %	-20 %	10 %	9 %	12 %	18 %	-21 %	12 %	0 %	-	-	-	-
Cost of Materials Consumed	-28 %	63 %	51 %	85 %	-45 %	19 %	10 %	12 %	18 %	-22 %	12 %	-1 %	-	-	-	-
EBITDA	11 %	12 %	8 %	7 %	3 %	-9 %	12 %	15 %	27 %	-28 %	15 %	-1 %	-	-	-	-
EBIT	19 %	12 %	8 %	9 %	-4 %	-13 %	16 %	18 %	33 %	-34 %	20 %	-1 %	-	-	-	-
Recurring PAT	4 %	10 %	11 %	14 %	-15 %	-11 %	19 %	21 %	35 %	-37 %	22 %	-2 %	-	-	-	-
EPS	4 %	10 %	11 %	14 %	-15 %	-11 %	19 %	21 %	35 %	-37 %	22 %	-2 %	-	-	-	-
Yearly Growth (%)																
Revenue	22 %	39 %	60 %	112 %	63 %	46 %	30 %	8 %	60 %	14 %	17 %	4 %	60 %	31 %	22 %	11 %
EBITDA	56 %	61 %	46 %	43 %	32 %	7 %	12 %	21 %	49 %	19 %	22 %	5 %	50 %	18 %	23 %	13 %
EBIT	73 %	77 %	55 %	58 %	27 %	-1 %	7 %	15 %	60 %	21 %	25 %	4 %	64 %	12 %	27 %	15 %
Recurring PAT	101 %	87 %	64 %	44 %	17 %	-4 %	2 %	9 %	74 %	23 %	27 %	3 %	68 %	6 %	30 %	19 %
EPS	101 %	87 %	64 %	44 %	17 %	-4 %	2 %	9 %	74 %	23 %	27 %	3 %	68 %	6 %	30 %	19 %
Margin (%)																
EBITDA	28 %	25 %	22 %	18 %	23 %	19 %	19 %	20 %	21 %	19 %	20 %	20 %	22 %	20 %	20 %	20 %
EBIT	23 %	21 %	18 %	15 %	18 %	14 %	15 %	16 %	18 %	15 %	16 %	16 %	18 %	16 %	16 %	17 %
PBT	21 %	19 %	17 %	14 %	15 %	12 %	13 %	14 %	16 %	13 %	14 %	14 %	17 %	14 %	15 %	16 %
PAT	14 %	12 %	11 %	9 %	10 %	8 %	9 %	9 %	11 %	9 %	10 %	9 %	11 %	9 %	10 %	10 %

Consolidated Financials

P&L (Rs Mn)	FY19A	FY20E	FY21E	FY22E
Revenue	50,873	66,832	81,269	90,037
Op. Expenditure	39,601	53,573	64,947	71,595
EBITDA	11,272	13,259	16,322	18,442
Depreciation	1,950	2,833	3,111	3,279
EBIT	9,322	10,426	13,211	15,164
Interest Expense	1,055	1,625	1,625	1,285
Other Income	369	348	333	368
PBT	8,635	9,149	11,918	14,247
Tax	2,782	2,994	3,857	4,576
PAT bef. MI & Assoc.	5,854	6,155	8,061	9,671
Minority Interest	150	106	182	260
Profit from Assoc.	0	0	0	0
Recurring PAT	5,703	6,049	7,879	9,411
Extraordinaires	76	0	0	0
Reported PAT	5,628	6,049	7,879	9,411
FDEPS (Rs)	14.2	15.0	19.6	23.4
DPS (Rs)	3.5	3.8	4.9	5.8
CEPS (Rs)	19.1	22.1	27.3	31.5
FCFPS (Rs)	-11.7	-0.3	22.6	32.8
BVPS (Rs)	42.7	53.2	66.9	83.3
EBITDAM (%)	22 %	20 %	20 %	20 %
PATM (%)	11 %	9 %	10 %	10 %
Tax Rate (%)	32 %	33 %	32 %	32 %
Sales Growth (%)	60 %	31 %	22 %	11 %
FDEPS Growth (%)	68 %	6 %	30 %	19 %

Balance Sheet (Rs Mn)	FY19A	FY20E	FY21E	FY22E
Equity Capital	805	805	805	805
Reserve	16,388	20,617	26,125	32,704
Networth	17,193	21,422	26,930	33,509
Long Term Debt	20,671	24,671	20,671	14,671
Def Tax Liability	1,226	1,226	1,226	1,226
Minority Interest	954	1,060	1,243	1,502
Account Payables	19,128	15,564	18,926	20,968
Other Curr Liabi	10,951	10,951	10,951	10,951
Total Liabilities & Equity	70,123	74,894	79,946	82,827
Net Fixed Assets	24,679	27,575	28,332	27,083
Capital WIP	4,194	4,000	3,500	2,500
Others	1,469	1,469	1,469	1,469
Inventory	5,897	6,592	8,016	8,880
Account Receivables	13,549	15,564	18,926	20,968
Other Current Assets	16,997	16,997	16,997	16,997
Cash	3,339	2,698	2,708	4,931
Total Assets	70,123	74,894	79,947	82,828
Non-cash Working Capital	6,364	12,638	14,062	14,927
Cash Conv Cycle	45.7	69.0	63.2	60.5
WC Turnover	8.0	5.3	5.8	6.0
FA Turnover	1.8	2.1	2.6	3.0
Net D/E	1.0	1.0	0.7	0.3
Revenue/Capital Employed	1.6	1.5	1.7	1.8
Capital Employed/Equity	2.3	2.3	2.0	1.7

Cash Flow (Rs Mn)	FY19A	FY20E	FY21E	FY22E
PBT	8,635	9,149	11,918	14,247
Depreciation	1,950	2,833	3,111	3,279
Others	1,206	1,277	1,292	917
Taxes Paid	2,228	2,994	3,857	4,576
Change in WC	-3,253	-6,274	-1,424	-865
Operating C/F	6,311	3,991	11,041	13,002
Capex	-8,031	-5,535	-3,368	-1,030
Change in Invest	-3,875	0	0	0
Others	184	348	333	368
Investing C/F	-11,721	-5,187	-3,036	-661
Change in Debt	7,747	4,000	-4,000	-6,000
Change in Equity	3	0	0	0
Others	-2,049	-3,445	-3,996	-4,117
Financing C/F	5,702	555	-7,996	-10,117
Net change in cash	291	-641	10	2,223
RoE (%)	39 %	31 %	33 %	31 %
RoIC (%)	20 %	16 %	18 %	20 %
Core RoIC (%)	21 %	17 %	19 %	21 %
Div Payout (%)	30 %	30 %	30 %	30 %
P/E	11.5	10.9	8.4	7.0
P/B	3.8	3.1	2.4	2.0
P/FCFF	-14.0	-644.7	7.2	5.0
EV/EBITDA	7.5	6.7	5.2	4.2
EV/Sales	1.7	1.3	1.0	0.9
Dividend Yield (%)	2.1 %	2.3 %	3.0 %	3.6 %

TTM P/E vs. 2 yr forward EPS growth

TTM EV/EBITDA vs. 2 yr forward EBITDA growth

TTM P/B vs. 2 yr forward RoE


Historical Consolidated Financials

P&L (Rs Mn)	FY16A	FY17A	FY18A	FY19A	Balance Sheet (Rs Mn)	FY16A	FY17A	FY18A	FY19A	Cash Flow (Rs Mn)	FY16A	FY17A	FY18A	FY19A
Revenue	21,440	24,489	31,771	50,873	Equity Capital	790	797	802	805	PBT	2,305	2,602	5,026	8,635
Op. Expenditure	16,848	19,299	24,278	39,601	Reserve	6,756	8,004	10,951	16,388	Depreciation	1,256	1,592	1,822	1,950
EBITDA	4,592	5,189	7,494	11,272	Networth	7,546	8,801	11,753	17,193	Others	1,240	1,027	1,344	1,206
Depreciation	1,256	1,592	1,822	1,950	Long Term Debt	10,852	10,925	11,775	20,671	Taxes Paid	487	763	1,107	2,228
EBIT	3,336	3,597	5,671	9,322	Def Tax Liability	1,680	1,495	1,200	1,226	Change in WC	-2,167	427	204	-3,253
Interest Expense	1,192	1,229	1,038	1,055	Minority Interest	312	452	820	954	Operating C/F	2,147	4,885	7,289	6,311
Other Income	162	235	393	369	Account Payables	3,722	4,486	6,562	19,128	Capex	-2,303	-2,138	-4,559	-8,031
PBT	2,305	2,602	5,026	8,635	Other Curr Liabi	2,133	2,951	5,008	10,951	Change in Invest	652	-306	-1,358	-3,875
Tax	652	397	1,332	2,782	Total Liabilities & Equity	26,245	29,110	37,117	70,123	Others	96	121	95	184
PAT bef. MI & Assoc.	1,654	2,205	3,694	5,854	Net Fixed Assets	11,370	13,037	12,252	24,679	Investing C/F	-1,555	-2,323	-5,822	-11,721
Minority Interest	61	163	298	150	Capital WIP	1,723	659	3,570	4,194	Change in Debt	834	38	-184	7,747
Profit from Assoc.	-56	-28	-9	0	Others	796	686	1,733	1,469	Change in Equity	2	6	5	3
Recurring PAT	1,537	2,014	3,387	5,703	Inventory	2,053	3,335	3,379	5,897	Others	-1,645	-1,913	-1,337	-2,049
Extraordinaires	0	0	44	76	Account Receivables	7,084	6,867	8,672	13,549	Financing C/F	-809	-1,869	-1,515	5,702
Reported PAT	1,537	2,014	3,343	5,628	Other Current Assets	2,443	2,802	4,577	16,997	Net change in cash	-217	693	-48	291
EPS (Rs)	3.8	5.0	8.4	14.2	Cash	777	1,724	2,935	3,339	RoE (%)	22 %	25 %	33 %	39 %
DPS (Rs)	1.0	1.3	2.0	3.5	Total Assets	26,245	29,110	37,117	70,123	RoIC (%)	13 %	15 %	18 %	20 %
CEPS (Rs)	7.1	9.1	13.0	19.1	Non-cash Working Capital	5,725	5,567	5,058	6,364	Core RoIC (%)	6 %	15 %	19 %	21 %
FCFPS (Rs)	3.7	9.1	5.6	-11.7	Cash Conv Cycle	97.5	83.0	58.1	45.7	Div Payout (%)	31 %	30 %	29 %	30 %
BVPS (Rs)	19.1	22.1	29.3	42.7	WC Turnover	3.7	4.4	6.3	8.0	P/E	42.8	32.7	19.4	11.5
EBITDAM (%)	21 %	21 %	24 %	22 %	FA Turnover	1.6	1.8	2.0	1.8	P/B	8.6	7.4	5.6	3.8
PATM (%)	7 %	8 %	11 %	11 %	Net D/E	1.3	1.0	0.8	1.0	P/FCCF	44.6	18.0	29.4	-14.0
Tax Rate (%)	28 %	15 %	26 %	32 %	Revenue/Capital Employed	0.5	1.2	1.3	1.6	EV/EBITDA	16.9	14.8	10.1	7.5
Sales growth (%)	-31 %	14 %	30 %	60 %	Capital Employed/Equity	4.0	2.6	2.3	2.3	EV/Sales	3.6	3.1	2.4	1.7
FDEPS growth (%)	-5,900 %	31 %	68 %	68 %						Dividend Yield (%)	0.6 %	0.8 %	1.2 %	2.1 %

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