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KEI Industries Ltd.

2QFY18 Result: Estimate(↓),TP(↑),Rating (↔)

Regular Coverage

Absolute : LONG

Relative : Overweight

14% ATR in 16 months

Earnings momentum to continue in mid-to-long term - restate LONG

Wires & Cables

Rating Information	
Price (Rs)	332
Target Price (Rs)	392
Target Date	31st Mar'19
Target Set On	14th Nov'17
Implied yrs of growth (DCF)	20
Fair Value (DCF)	371
Fair Value (DDM)	24
Ind Benchmark	SPBSCGIP
Model Portfolio Position	NA

Stock Information	
Market Cap (Rs Mn)	25,992
Free Float (%)	53.74 %
52 Wk H/L (Rs)	371.95/107.7
Avg Daily Volume (1yr)	488,949
Avg Daily Value (Rs Mn)	104
Equity Cap (Rs Mn)	157
Face Value (Rs)	2
Bloomberg Code	KEII IN

Ownership	Recent	3M	12M
Promoters	46.3 %	-0.3 %	-2.8 %
DII	13.8 %	-4.8 %	-4.7 %
FII	5.5 %	1.5 %	1.0 %
Public	34.4 %	3.6 %	6.5 %

Price %	1M	3M	12M
Absolute	-1.3 %	54.0 %	159.3 %
Vs Industry	-1.8 %	49.5 %	134.5 %
FNXC	7.0 %	22.9 %	47.5 %
HAVL	-5.4 %	7.5 %	44.3 %

Standalone Quarterly EPS forecast

Rs/Share	1Q	2Q	3Q	4Q
EPS (17A)	1.4	2.8	3.5	4.1
EPS (18E)	3.5	3.7	4.8	4.6

KEI reported a healthy 20%/15% yoy growth its 2QFY18 revenues/EBIDTA to Rs 7.5bn/ Rs 763mn (+1%/-5% vs. EE). House-wires grew strongly at 28% yoy, which highlights KEI's increased focus on expanding its retail division. EPC business reported healthy yoy growth of 44% while cables business 15% volume growth. EBIDTA margins at 10.2% contracted 48bps yoy and came in 61bps below EE largely on account of higher-than-expected other expenses. We believe KEI remains well-positioned to benefit from government initiatives and expand its retail business. Maintain LONG with a Mar'19 TP of Rs 392 (Rs 344 earlier) set at an 18x TTM EPS of Rs 21.8.

Broad-based growth buoys topline: Strong execution in the EPC business led to revenue growth of 44% for the segment. Cables division, on the back of government initiatives and strong growth in exports (33% yoy), posted a robust volume growth of 15%. House-wires grew 28% on new dealer and distributor additions. EBIDTA stood at Rs 763mn, up 15% yoy but 5% below EE due to higher-than-expected other expenses. Strong control over interest costs (-16% yoy) resulted in strong profitability during the quarter with net profit growing by 33% to Rs 285mn.

Retail division - a key focus area - posts strong growth: With current dealer and distribution network of 1,274, KEI targets to grow its network by 25% annually. This would enable it to deliver strong retail growth over the coming years, led by house-wires. Further, a strong focus on the retail business, which has relatively lower working capital requirements, would strengthen the balance sheet.

Reduced GST rates positively impact balance sheet: Higher GST rates had pushed up KEI's working capital requirement, resulting in additional borrowings to the tune of Rs 750mn-800mn. With GST rates on cables & wires revised down to 18%, we believe KEI will no longer require the additional amount; hence, working capital requirements should normalize from 3QFY18 onwards, resulting in debt reduction. We think debt levels have peaked in FY17, and should remain flat in FY18E and reduce from thereon.

Better EPC execution remains a priority: KEI believes it can win huge EPC orders with ease; nevertheless, the company is currently focusing on execution and moving ahead in a planned manner. We believe this approach is prudent as the burden of too many order executions would lead to a dilution in focus and thus poor execution.

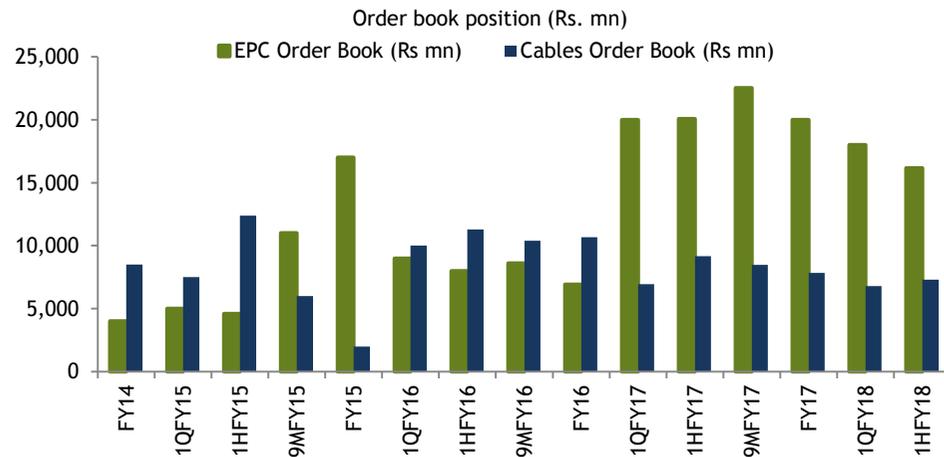
Change in estimates: Better visibility of govt. initiatives and a strong retail focus should drive a strong topline performance in the coming years. Accordingly, we raise our FY19E sales/EBIDTA estimates by 3%/3% but lower our FY18E EBIDTAM estimates, resulting in an EBIDTA cut of 5%.

Change in Estimates

(Rs mn)	FY18E	Chg (%)	FY19E	Chg (%)
Sales	32,955	0%	37,747	3%
EBITDA	3,375	-5%	4,013	3%
EPS	16.6	-4%	21.8	6%

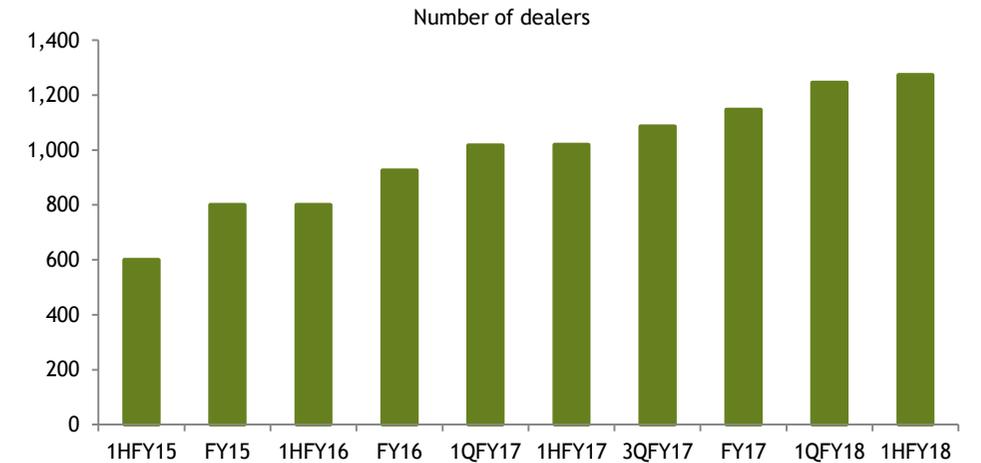
Consolidated Financials

Rs. Mn YE Mar	FY17A	FY18E	FY19E	FY20E
Sales	26,327	32,955	37,747	42,668
EBITDA	2,741	3,375	4,013	4,541
Depreciation	280	324	342	420
Interest Expense	1,229	1,216	1,251	1,160
Other Income	105	59	68	70
Reported PAT	983	1,292	1,692	2,061
Recurring PAT	983	1,289	1,692	2,061
Total Equity	4,735	5,965	7,587	9,555
Gross Debt	6,540	6,522	6,522	5,976
Cash	377	559	597	933
Rs Per Share	FY17A	FY18E	FY19E	FY20E
Earnings	12.6	16.6	21.8	26.5
Book Value	61	77	98	123
Dividends	0.5	0.7	0.8	1.0
FCFF	2.3	11.8	12.3	23.4
P/E (x)	26.3	20.0	15.3	12.5
P/B (x)	5.5	4.3	3.4	2.7
EV/EBITDA (x)	11.9	9.7	8.1	7.0
ROE (%)	23 %	24 %	25 %	24 %
Core ROIC (%)	18 %	17 %	18 %	18 %
EBITDA Margin (%)	10 %	10 %	11 %	11 %
Net Margin (%)	4 %	4 %	4 %	5 %

Exhibit 1: Focus remains on execution; new orders likely to flow in from 2HFY18E


Source: Company, Equirus Securities

KEI's total order book at 2QFY18E-end stood at ~Rs 23.5bn, down from ~Rs 25bn at 1QFY18-end. Order book for the EPC/cables division was at Rs 16.2bn/Rs 7.3bn. Within cables division the exports order book was at Rs 840mn. The company is currently focusing on effective order execution, and hence has not participated in any orders over the last 5-6 months; however, it should participate in new orders from 2HFY18E onwards. We expect KEI to execute the current EPC order book during FY18E and FY19E. Further, we believe order wins during FY18E and FY19E would be sufficient to meet our revenue assumptions for the EPC business division. Effective execution of current orders during FY18E and FY19E would put KEI in a favorable position to bag strong orders across the country.

Exhibit 2: Dealer & distributor addition to fuel strong growth in retail channel, which has lower WC requirements


Source: Company, Equirus Securities

KEI has expanded its dealer & distributor count from ~600 in 1HFY15 to 1,274 at 2QFY18-end. The company is looking to add ~25% new dealers on an annual basis pan-India. The retail channel, which operates on lower WC requirements, is likely to positively impact the company's WC cycle. We believe that higher WC requirements for the EPC business division would be partially offset by higher sales from the retail channel during FY18E. We do not expect any improvement in KEI's WC cycle during FY18E.

**Earnings call takeaways**

- During 2QFY18, KEI's export sales stood at Rs 1.4bn, up 33% yoy. During 1HFY18 net sales through the retail network at Rs. 4.8bn, a growth of ~25% yoy.
- During 2QFY18, EPC division clocked sales of Rs. 3.1bn, (+72% yoy), which excluded cables sold to EPC projects. Management indicated that EPC sales fell short of ~Rs. 1bn which could not be billed as new purchase orders underwent amendments due to GST.
- During 2QFY18, KEI reported export sales of Rs 1.4bn vs. Rs. 1bn in 2QFY17
- The total number of active working dealers currently stands at 1,274, up 25% yoy, which the company intends to grow by ~25% every year.
- KEI's pending order book stands at Rs 23.5bn, of which Rs 16.2bn are EPC orders and Rs 7.3bn are cables orders.
- Management has guided to revenue growth of ~15-20% for FY18, and expects expansion in PAT margins in the coming years.
- During 2QFY18, LT/HT/EHV/house wires/stainless steel revenues stood at Rs 3.2bn/Rs 1.2bn/Rs 0.2bn/Rs 1.3bn/Rs 0.3bn.
- Management indicated that the earnings momentum would continue in the EPC division on the back of a strong order book and focus would be on order execution before bidding for new projects and KEI would limit the EPC business to ~Rs 10bn-Rs 11bn in a year.
- Management stated that additional capacity in LT power cables would be operational by Apr'18 and would incur capex of Rs 500mn.
- The current utilization rate at company level/LT division stands at 82%/96%.
- Management indicated that the revised GST rates will benefit organized players in cables division and will help KEI improve its WC cycle.
- Management indicated that the increase in raw material prices are regularly passed on to the customers in terms of price increases.

- During 2QFY18, EHV reported sales of Rs 780mn vs. Rs 330mn in 1HFY17 and the current order book stands at Rs 940mn.
- Management indicated that volumes in cables division increased by 15% and KEI's cables division are growing at a faster rate than industry.
- Management indicated that KEI maintains raw material, finished and semi finished goods inventory of ~3 months.



Quarterly performance, standalone

Rs Mn	2QFY18	2QFY18E	2QFY18	2QFY17	% Change			Comments
					2QFY18E	2QFY18	2QFY17	
Net Sales	7,488	7,413	7,909	6,243	1%	-5%	20%	In line with EE
Cost of Materials	5,778	5,137	5,976	4,800	12%	-3%	20%	
Purchases of Stock-in-trade; Changes in Inventory	-537	0	-476	-464	-	13%	16%	
Sub-contractor expense for turnkey projects	169	216	258	94	-22%	-34%	80%	
Employee Benefits Expenses	345	349	345	260	-1%	0%	33%	
Other Expenses	970	910	1,038	887	7%	-7%	9%	
Total Expenditures	6,726	6,613	7,141	5,577	2%	-6%	21%	
EBITDA	763	800	768	666	-5%	-1%	15%	Below EE due to higher than expected other expenses
Depreciation	81	82	80	69	-1%	1%	17%	
EBIT	682	718	688	597	-5%	-1%	14%	
Interest	274	338	299	325	-19%	-9%	-16%	
Other Income	10	17	16	19				
PBT	418	397	404	291	5%	3%	44%	
Tax	133	127	130	77	5%	3%	74%	
Recurring PAT	285	270	275	214	6%	4%	33%	
Extraordinaries	2	0	-5	6				
Reported PAT	283	270	279	208	5%	1%	36%	
EPS (Rs)	3.66	3.47	3.53	2.75	6%	4%	33%	
EBITDA Margin	10.2%	10.8%	9.7%	10.7%	-61 bps	47 bps	-48 bps	Lower than EE
EBIT Margin	9.1%	9.7%	8.7%	9.6%	-58 bps	40 bps	-46 bps	
PBT Margin	5.6%	5.4%	5.1%	4.7%	23 bps	47 bps	93 bps	
PAT Margin	3.8%	3.6%	3.5%	3.3%	14 bps	25 bps	45 bps	
Tax Rate	31.9%	32.0%	32.0%	26.4%	-13 bps	-18 bps	550 bps	



Company snapshot

How we differ from Consensus

		Equirus	Consensus	% Diff	Comment
EPS	FY18E	16.6	14.6	14 %	We expect significant yoy growth in EPC and EHV businesses during FY18E, which command slightly higher margins vis-à-vis other business divisions.
	FY19E	21.8	18.8	16 %	
Sales	FY18E	32,955	32,292	2 %	
	FY19E	37,747	36,421	4 %	
PAT	FY18E	1,289	1,296	-1 %	
	FY19E	1,692	1,596	6 %	

Key Estimates:

Particular (Rs. mn) - SA	FY15	FY16	FY17	FY18E	FY19E	FY20E
Low Tension Power Cable	9,876	9,638	12,242	14,045	15,730	17,618
Medium Voltage Power Cable	3,300	4,348	3,500	4,025	4,629	5,092
Extra High Power Cable	586	1,338	1,010	1,737	2,519	3,023
House Wire	3,334	3,768	4,280	5,179	6,215	7,022
Stainless Steel Wire	1,048	927	1,040	1,186	1,328	1,487
EPC	2,167	3,237	4,240	6,784	7,327	8,426
Total Revenues	20,310	23,256	26,312	32,955	37,747	42,668
EBIDTA	1,929	2,423	2,743	3,375	4,013	4,541
PAT	343	622	939	1,292	1,692	2,061

Our key investment arguments:

- We believe near-term demand for KEI and the industry would largely be driven by government initiatives in the infra and real estate sectors
- We expect KEI to capitalize on rising opportunities and win contracts in EPC division.

Risk to our view

- Impact on volumes due to slowdown in government infrastructure spending.
- Impact on KEI's operational performance due to increase in competitive activity.
- Inability to scale up house wires business division.
- Inability to pass on any increase in key raw material prices.

Comparable valuation		Mkt Cap	Price	Target	EPS			P/E			BPS	P/B	RoE			Div Yield		
Company	Reco.	CMP	Rs. Mn.	Target	Target	FY17A	FY18E	FY19E	FY17A	FY18E	FY19E	FY17A	FY18E	FY17A	FY18E	FY19E	FY17A	FY18E
KEI Ind.	LONG	332	25,992	392	31st Mar'19	12.6	16.6	21.8	26.3	20.0	15.3	60.9	4.3	23 %	24 %	25 %	0.1 %	0.2 %
Finolex cables	LONG	627	95,924	761	31st Mar'19	26.2	31.6	35.2	24.3	20.1	18.1	140.0	3.8	20 %	21 %	19 %	0.5 %	0.6 %
Havells India	REDUCE	512	319,920	516	31st Mar'19	9.4	11.0	14.7	57.4	49.4	36.8	52.5	9.3	19 %	20 %	23 %	0.6 %	0.7 %

Key Triggers

- Fall in copper prices is likely to be beneficial for organized players as the price gap will narrow down vs. unbranded products
- Revival in capex cycle from private sector will boost volume growth

Sensitivity to Key Variables	% Change	% Impact on EPS
Raw Material Cost	1 %	-3 %
-	-	-
-	-	-

DCF Valuations & Assumptions

Rf	Beta	Ke	Term. Growth	Debt/IC in Term. Yr		
6.8 %	1.0	12.8 %	3.0 %	25.1 %		

	FY18E	FY19E	FY20-27E	FY28-32E	FY33-37E
Sales Growth	25 %	15 %	10 %	7 %	5 %
NOPAT Margin	6 %	7 %	7 %	7 %	7 %
IC Turnover	2.51	2.56	2.94	3.00	3.00
RoIC	16.7 %	17.9 %	20.3 %	20.8 %	20.5 %

Years of strong growth	1	2	10	15	20
Valuation as on date (Rs)	136	161	270	302	315
Valuation as of Mar'19	161	190	319	356	371

Based on DCF, assuming 20 years of 10.1% CAGR growth and 20.3% average ROIC, we derive current fair value of Rs 315 and Mar'19 fair value of Rs 371.

Company description:

Headquartered in Delhi, KEI Industries is engaged in the manufacture and supply of EHV, HT and LT power cables, control and instrumentation cables, winding wires, and flexible and house wires; Stainless Steel Wire and other segment is EPC. Products are used in power, oil refineries, railways, automobiles, cement, steel, fertilizers, textiles and real estate sectors. Its manufacturing facilities are located at Bhiwadi, Chopanki and Silvassa.



Standalone Quarterly Earnings Forecast and Key Drivers

Rs in Mn	1Q17A	2Q17A	3Q17A	4Q17A	1Q18A	2Q18A	3Q18E	4Q18E	1Q19E	2Q19E	3Q19E	4Q19E	FY17A	FY18E	FY19E	FY20E
Revenue	5,501	6,243	7,162	7,398	7,909	7,488	8,816	8,743	8,871	8,587	10,097	10,192	26,312	32,955	37,747	42,668
Cost of Materials, Stock-in-trade	3,718	4,336	4,832	5,390	5,500	5,242	6,153	6,102	6,165	5,968	7,018	7,083	18,276	22,997	26,234	29,697
Sub Contractor expense for turnkey projects	224	94	231	31	258	169	216	216	254	254	254	254	579	860	1,016	1,169
Employee Benefits Expenses	253	260	287	311	345	345	372	408	421	425	439	435	1,109	1,470	1,720	1,926
Excise Duty	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other expenses	780	887	1,033	930	1,038	970	1,140	1,105	1,072	1,048	1,300	1,343	3,604	4,253	4,763	5,335
EBITDA	527	666	779	736	768	763	934	910	958	892	1,087	1,076	2,743	3,375	4,013	4,541
Depreciation	66	69	70	77	80	81	82	82	86	86	86	86	280	324	342	420
EBIT	461	597	709	659	688	682	853	829	873	807	1,001	990	2,462	3,051	3,671	4,120
Interest	278	325	341	304	299	274	321	321	313	313	313	313	1,229	1,216	1,251	1,160
Other Income	9	19	3	73	16	10	17	17	17	17	17	17	104	59	68	70
PBT	192	291	371	428	404	418	548	524	577	511	705	695	1,282	1,895	2,488	3,031
Tax	80	77	99	112	130	133	175	168	185	164	226	222	351	606	796	970
Recurring PAT	112	214	272	316	275	285	373	356	392	348	480	472	914	1,289	1,692	2,061
Extraordinary	-10	6	0	0	-5	2	0	0	0	0	0	0	-4	-3	0	0
Reported PAT	122	208	272	316	279	283	373	356	392	348	480	472	918	1,292	1,692	2,061
EPS (Rs)	1.44	2.75	3.49	4.06	3.53	3.66	4.79	4.58	5.04	4.47	6.17	6.07	11.75	16.57	21.75	26.49
Key Drivers																
LT Cables Volume Growth	-	-	-	-	-	-	-	-	-	-	-	-	-	12%	12%	12%
HT Cables Volume Growth	-	-	-	-	-	-	-	-	-	-	-	-	-	12%	15%	10%
EHV Cables Volume Growth	-	-	-	-	-	-	-	-	-	-	-	-	-	70%	45%	20%
House wires Cables Volume Growth	-	-	-	-	-	-	-	-	-	-	-	-	-	19%	20%	13%
EPC Growth	-	-	-	-	-	-	-	-	-	-	-	-	-	60%	8%	15%
Sequential Growth (%)																
Revenue	-14%	13%	15%	3%	7%	-5%	18%	-1%	1%	-3%	18%	1%	-	-	-	-
Cost of Materials, Stock-in-trade	-16%	17%	11%	12%	2%	-5%	17%	-1%	1%	-3%	18%	1%	-	-	-	-
EBITDA	-22%	26%	17%	-6%	4%	-1%	23%	-3%	5%	-7%	22%	-1%	-	-	-	-
EBIT	-24%	30%	19%	-7%	4%	-1%	25%	-3%	5%	-8%	24%	-1%	-	-	-	-
Recurring PAT	-45%	92%	27%	16%	-13%	4%	31%	-4%	10%	-11%	38%	-2%	-	-	-	-
EPS	-45%	92%	27%	16%	-13%	4%	31%	-4%	10%	-11%	38%	-2%	-	-	-	-
Yearly Growth (%)																
Revenue	6%	4%	29%	16%	44%	20%	23%	18%	12%	15%	15%	17%	13%	25%	15%	13%
EBITDA	-4%	21%	28%	9%	46%	15%	20%	24%	25%	17%	16%	18%	13%	23%	19%	13%
EBIT	-5%	22%	30%	8%	49%	14%	20%	26%	27%	18%	17%	20%	13%	24%	20%	12%
Recurring PAT	-4%	40%	83%	56%	146%	33%	37%	13%	43%	22%	29%	33%	47%	41%	31%	22%
EPS	-5%	39%	82%	55%	146%	33%	37%	13%	43%	22%	29%	33%	46%	41%	31%	22%
Margin (%)																
EBITDA	10%	11%	11%	10%	10%	10%	11%	10%	11%	10%	11%	11%	10%	10%	11%	11%
EBIT	8%	10%	10%	9%	9%	9%	10%	9%	10%	9%	10%	10%	9%	9%	10%	10%
PBT	3%	5%	5%	6%	5%	6%	6%	6%	7%	6%	7%	7%	5%	6%	7%	7%
PAT	2%	3%	4%	4%	3%	4%	4%	4%	4%	4%	5%	5%	3%	4%	4%	5%



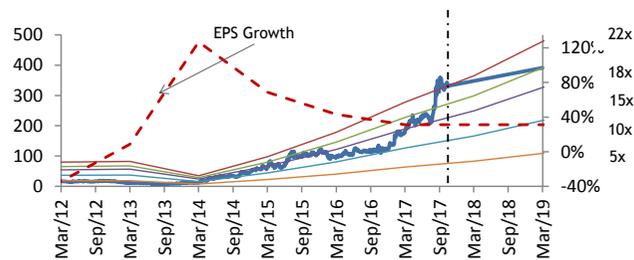
Consolidated Financials

P&L (Rs Mn)	FY17A	FY18E	FY19E	FY20E
Revenue	26,327	32,955	37,747	42,668
Op. Expenditure	23,587	29,580	33,734	38,127
EBITDA	2,741	3,375	4,013	4,541
Depreciation	280	324	342	420
EBIT	2,460	3,051	3,671	4,120
Interest Expense	1,229	1,216	1,251	1,160
Other Income	105	59	68	70
PBT	1,336	1,895	2,488	3,031
Tax	353	606	796	970
PAT bef. MI & Assoc.	983	1,289	1,692	2,061
Minority Interest	0	0	0	0
Profit from Assoc.	0	0	0	0
Recurring PAT	983	1,289	1,692	2,061
Extraordinaires	0	-3	0	0
Reported PAT	983	1,292	1,692	2,061
FDEPS (Rs)	12.6	16.6	21.8	26.5
DPS (Rs)	0.5	0.7	0.8	1.0
CEPS (Rs)	8.8	20.7	26.2	31.9
FCFPS (Rs)	2.3	11.8	12.3	23.4
BVPS (Rs)	60.9	76.7	97.5	122.8
EBITDAM (%)	10 %	10 %	11 %	11 %
PATM (%)	4 %	4 %	4 %	5 %
Tax Rate (%)	26 %	32 %	32 %	32 %
Sales Growth (%)	12 %	25 %	15 %	13 %
FDEPS Growth (%)	56 %	31 %	31 %	22 %

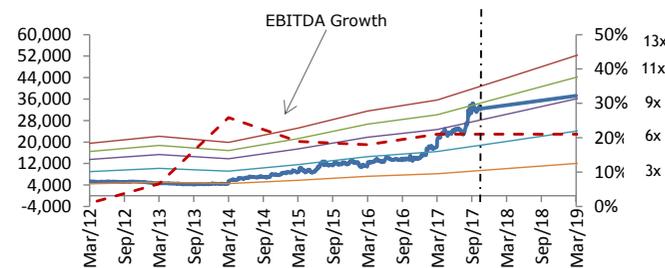
Balance Sheet (Rs Mn)	FY17A	FY18E	FY19E	FY20E
Equity Capital	156	156	156	156
Reserve	4,579	5,810	7,432	9,399
Networth	4,735	5,965	7,587	9,555
Long Term Debt	6,540	6,522	6,522	5,976
Def Tax Liability	478	645	645	591
Minority Interest	0	0	0	0
Account Payables	4,813	6,249	6,828	7,729
Other Curr Liabi	1,552	1,831	2,097	2,370
Total Liabilities & Equity	18,118	21,213	23,680	26,222
Net Fixed Assets	4,025	4,302	4,959	5,539
Capital WIP	32	0	0	0
Others	106	139	139	139
Inventory	4,989	6,140	6,877	7,774
Account Receivables	7,392	8,758	9,825	11,105
Other Current Assets	1,196	1,315	1,283	732
Cash	377	559	597	933
Total Assets	18,118	21,213	23,680	26,222
Non-cash Working Capital	7,212	8,133	9,059	9,511
Cash Conv Cycle	100.0	90.1	87.6	81.4
WC Turnover	3.7	4.1	4.2	4.5
FA Turnover	6.5	7.7	7.6	7.7
Net D/E	1.3	1.0	0.8	0.5
Revenue/Capital Employed	3.4	3.3	3.0	3.1
Capital Employed/Equity	2.3	2.4	2.3	2.1

Cash Flow (Rs Mn)	FY17A	FY18E	FY19E	FY20E
PBT	1,336	1,895	2,488	3,031
Depreciation	280	324	342	420
Others	1,313	3	0	0
Taxes Paid	297	606	796	970
Change in WC	-2,591	-921	-927	-452
Operating C/F	41	695	1,108	2,030
Capex	-613	-602	-1,000	-1,000
Change in Invest	0	0	0	0
Others	0	0	0	0
Investing C/F	-613	-602	-1,000	-1,000
Change in Debt	2,147	-17	0	-546
Change in Equity	20	0	0	0
Others	-1,276	106	-70	-148
Financing C/F	891	89	-70	-694
Net change in cash	319	182	38	336
RoE (%)	23 %	24 %	25 %	24 %
RoIC (%)	19 %	17 %	18 %	18 %
Core RoIC (%)	18 %	17 %	18 %	18 %
Div Payout (%)	5 %	5 %	4 %	5 %
P/E	26.3	20.0	15.3	12.5
P/B	5.5	4.3	3.4	2.7
P/FCFF	143.4	28.0	26.9	14.2
EV/EBITDA	11.9	9.7	8.1	7.0
EV/Sales	1.2	1.0	0.9	0.7
Dividend Yield (%)	0.1 %	0.2 %	0.2 %	0.3 %

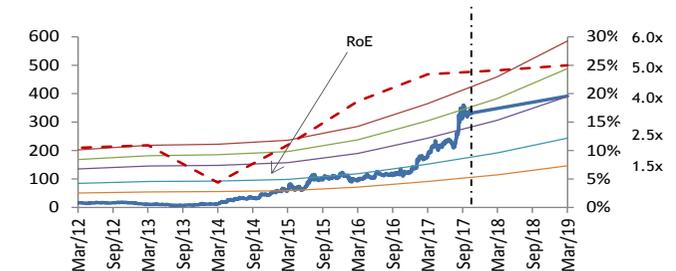
TTM P/E vs. 2 yr forward EPS growth



TTM EV/EBITDA vs. 2 yr forward EBITDA growth



TTM P/B vs. 2 yr forward RoE





Historical Consolidated Financials

P&L (Rs Mn)	FY14A	FY15A	FY16A	FY17A	Balance Sheet (Rs Mn)	FY14A	FY15A	FY16A	FY17A	Cash Flow (Rs Mn)	FY14A	FY15A	FY16A	FY17A
Revenue	16,189	20,330	23,510	26,327	Equity Capital	147	154	154	156	PBT	218	503	958	1,336
Op. Expenditure	14,659	18,393	21,084	23,587	Reserve	2,583	2,884	3,515	4,579	Depreciation	210	246	253	280
EBITDA	1,530	1,937	2,426	2,741	Networth	2,731	3,039	3,670	4,735	Others	1,173	1,194	1,352	1,313
Depreciation	210	246	253	280	Long Term Debt	4,435	3,758	4,371	6,540	Taxes Paid	55	48	207	297
EBIT	1,321	1,691	2,173	2,460	Def Tax Liability	184	267	402	478	Change in WC	-711	93	-499	-2,591
Interest Expense	1,115	1,212	1,272	1,229	Minority Interest	0	0	0	0	Operating C/F	835	1,987	1,858	41
Other Income	13	24	58	105	Account Payables	3,872	4,810	4,337	4,813	Capex	-219	-167	-978	-613
PBT	218	503	958	1,336	Other Curr Liabi	1,213	1,573	1,860	1,552	Change in Invest	0	0	0	0
Tax	102	186	333	353	Total Liabilities & Equity	12,435	13,447	14,640	18,118	Others	0	0	0	0
PAT bef. MI & Assoc.	116	316	626	983	Net Fixed Assets	3,133	2,971	3,265	4,025	Investing C/F	-219	-166	-978	-613
Minority Interest	0	0	0	0	Capital WIP	2	44	293	32	Change in Debt	312	-594	441	2,147
Profit from Assoc.	0	0	0	0	Others	73	90	271	106	Change in Equity	49	5	0	20
Recurring PAT	116	316	626	983	Inventory	4,031	4,403	4,225	4,989	Others	-1,088	-1,230	-1,309	-1,276
Extraordinaires	0	-26	0	0	Account Receivables	4,286	4,733	5,681	7,392	Financing C/F	-727	-1,820	-868	891
Reported PAT	116	343	626	983	Other Current Assets	864	1,159	846	1,196	Net change in cash	-111	2	12	319
EPS (Rs)	1.6	4.1	8.1	12.6	Cash	46	47	58	377	RoE (%)	4 %	11 %	19 %	23 %
DPS (Rs)	0.2	0.2	0.4	0.5	Total Assets	12,435	13,447	14,640	18,118	RoIC (%)	10 %	15 %	19 %	19 %
CEPS (Rs)	0.7	1.2	11.4	8.8	Non-cash Working Capital	4,096	3,912	4,557	7,212	Core RoIC (%)	10 %	15 %	18 %	18 %
FCFPS (Rs)	2.6	5.4	22.1	2.3	Cash Conv Cycle	92.4	70.2	70.7	100.0	Div Payout (%)	15 %	5 %	6 %	5 %
BVPS (Rs)	37.0	39.3	47.5	60.9	WC Turnover	4.0	5.2	5.2	3.7	P/E	210.8	81.0	41.0	26.3
EBITDAM (%)	9 %	10 %	10 %	10 %	FA Turnover	5.2	6.7	6.6	6.5	P/B	9.0	8.4	7.0	5.5
PATM (%)	1 %	2 %	3 %	4 %	Net D/E	1.6	1.2	1.2	1.3	P/FCFF	129.3	61.4	15.0	143.4
Tax Rate (%)	47 %	37 %	35 %	26 %	Revenue/Capital Employed	2.5	2.9	3.3	3.4	EV/EBITDA	20.1	15.6	12.8	11.9
Sales growth (%)	-2 %	26 %	16 %	12 %	Capital Employed/Equity	2.7	2.6	2.5	2.3	EV/Sales	1.9	1.5	1.3	1.2
FDEPS growth (%)	-58 %	160 %	98 %	56 %						Dividend Yield (%)	0.1 %	0.1 %	0.1 %	0.1 %

Equirus Securities						
Research Analysts	Sector/Industry	Email		Equity Sales	E-mail	
Abhishek Shindadkar	IT Services	abhishek.shindadkar@equirus.com	91-22-43320643	VishadTurakhia	vishad.turakhia@equirus.com	91-22-43320633
Ashutosh Tiwari	Auto, Metals & Mining	ashutosh@equirus.com	91-79-61909517	Subham Sinha	subham.sinha@equirus.com	91-22-43320631
Depesh Kashyap	Mid-Caps	depesh.kashyap@equirus.com	91-79-61909528	SwetaSheth	sweta.sheth@equirus.com	91-22-43320634
Devam Modi	Power & Infrastructure	devam@equirus.com	91-79-61909516	Viral Desai	viral.desai@equirus.com	91-22-43320635
Dhaval Dama	FMCG, Mid-Caps	dhaval.dama@equirus.com	91-79-61909518	Dealing Room		E-mail
Manoj Gori	Consumer Durables	manoj.gori@equirus.com	91-79-61909523	Ashish Shah	ashishshah@equirus.com	91-22-43320662
Maulik Patel	Oil and Gas	maulik@equirus.com	91-79-61909519	IleshSavla	ilesh.savla@equirus.com	91-22-43320666
Praful Bohra	Pharmaceuticals	praful.bohra@equirus.com	91-79-61909532	Manoj Kejriwal	manoj.kejriwal@equirus.com	91-22-43320663
Rohan Mandora	Banking & Financial Services	rohan.mandora@equirus.com	91-79-61909529	Dharmesh Mehta	dharmesh.mehta@equirus.com	91-22-43320661
Associates			E-mail	Sandip Amrutiya	sandipamrutiya@equirus.com	91-22-43320660
Ankit Choudhary		ankit.choudhary@equirus.com	91-79-61909533	Compliance Officer		E-mail
Bharat Celly		bharat.celly@equirus.com	91-79-61909524	Jay Soni	jay.soni@equirus.com	91-79-61909561
Harshit Patel		harshit.patel@equirus.com	91-79-61909522	Corporate Communications		E-mail
Meet Chande		meet.chande@equirus.com	91-79-61909513	MahdokhtBharda	mahdokht.bharda@equirus.com	91-22-43320647
Parva Soni		parva.soni@equirus.com	91-79-61909521			
Pranav Mehta		pranav.mehta@equirus.com	91-79-61909514			
Ronak Soni		Ronak.soni@equirus.com	91-79-61909525			
Samkit Shah		samkit.shah@equirus.com	91-79-61909520			
Shreepal Doshi		shreepal.doshi@equirus.com	91-79-61909541			
Varun Baxi		varun.baxi@equirus.com	91-79-61909527			
Vikas Jain		vikas.jain@equirus.com	91-79-61909531			

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- ADD: ATR >= 5% but less than Ke over investment horizon
- REDUCE: ATR >= negative 10% but <5% over investment horizon
- SHORT: ATR < negative 10% over investment horizon

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- BENCHMARK: likely to perform in line with the benchmark
- UNDERWEIGHT: likely to under-perform the benchmark by at least 5% over investment horizon

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Registered Office:

Equirus Securities Private Limited
Unit No. 1201, 12th Floor, C Wing, Marathon Futurex,
N M Joshi Marg, Lower Parel,
Mumbai-400013.
Tel. No: +91 - (0)22 - 4332 0600
Fax No: +91- (0)22 - 4332 0601

Corporate Office:

3rd floor, House No. 9,
Magnet Corporate Park, Near Zydus Hospital, B/H Intas Sola Bridge,
S.G. Highway Ahmedabad-380054
Gujarat
Tel. No: +91 (0)79 - 6190 9550
Fax No: +91 (0)79 - 6190 9560

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