

Week Gone

- ⇒ In the week ended on Friday, 7 May 2021, the Sensex rose 424.11 points or 0.87% to settle at 49,206.47. The Nifty 50 index gained 192.05 points or 1.31% to settle at 14,823.15.
- ⇒ RBI will undertake a purchase of government securities of Rs 35,000 cr. in the next two weeks under the newly introduced GSAP-2.0.
- ⇒ The BSE Mid-Cap index rose 359.01 or 1.80% to settle at 20,312.20. The BSE Small-Cap index surged 665.10 points or 3.17% to settle at 21,670.11.

Week Ahead

- ⇒ Asian Paints and Lupin are scheduled to announce their Q4 results on 12 May 2021.
- ⇒ In economic data, the Industrial Production and Manufacturing Production data for March will be released on 12 May 2021. Inflation rate for April is due on 12 May 2021.

Technical Overview

Index closed with a gain of 1.31% at 14823. Index opened this week with gap down and recovered from the lows to close the week near the highs with decent gains. Going forward index has an important support around 14400, while immediate support is seen near 14700-14560. On the higher side resistance immediate resistance comes at 14900, sustenance above the same will open the way for 15050-15150.



Source: Falcon, BP Equities Research



Weekly Wealth

DOMESTIC INDICES

Index	07-May-21	30-Apr-21	Weekly % Chg
Nifty	14,823	14,631	1.3
Nifty Next 50	35,817	34,759	3.0
Nifty 100	15,022	14,791	1.6
Nifty 500	12,563	12,364	1.6
Nifty Midcap 100	24,546	24,196	1.4
Sensex	49,206	48,782	0.9
BSE 100 Index	15,039	14,834	1.4
BSE 200 Index	6,396	6,299	1.5
BSE 500 Index	20,000	19,690	1.6
BSE Mid-Cap	20,609	20,312	1.5
BSE Small Cap	22,218	21,670	2.5

NIFTY TOP GAINERS (WEEKLY)

Scrip	07-May-21	30-Apr-21	Weekly % Chg
Tata Steel	1182.4	1034.0	14.4
Hindalco	401.1	364.4	10.1
Vedanta	283.1	257.3	10.0
GAIL India	150.3	137.2	9.5
Bharti Airtel	568.5	536.8	5.9

NIFTY TOP LOSERS (WEEKLY)

Scrip	07-May-21	30-Apr-21	Weekly % Chg
Tata Consumer Produc	629.0	669.5	-6.1
Reliance Inds.	1,931.8	1,994.5	-3.2
Titan Company	1,446.5	1,491.7	-3.0
Cipla	882.9	910.4	-3.0
Power Grid Corpo	214.6	220.1	-2.5

WORLD INDICES

Index	07-May-21	30-Apr-21	Weekly % Chg
Nikkei Index	29,358	28,813	1.9
Hang Seng Index	28,611	28,725	-0.4
Kospi Index	3,197	3,148	1.6
Shanghai SE Composite	3,419	3,447	-0.8
Strait Times Index	3,200	3,218	-0.6
Dow Jones	34,716	34,060	1.9
NASDAQ	13,825	14,083	-1.8
FTSE	7,133	6,971	2.3

FOREX

Currency	07-May-21	30-Apr-21	Weekly % Chg
US\$ (Rs.)	73.3	74.1	-1.1
GBP (Rs.)	102.4	103.0	-0.6
Euro (Rs.)	89.0	89.5	-0.5
Yen (Rs.) 100 Units	68.0	68.0	0.0

FII - ACTIVITY

(Rs. Cr.)

Date	Purchases	Sales	Net
07-May-21	7,159.9	8,302.7	-1,142.8
06-May-21	6,326.6	5,104.0	1,222.6
05-May-21	4,955.9	6,066.5	-1,110.5
04-May-21	5,849.0	7,621.4	-1,772.4
03-May-21	4,273.1	6,562.6	-2,289.5
<u>MTD</u>	28,564.7	33,657.3	-5,092.5

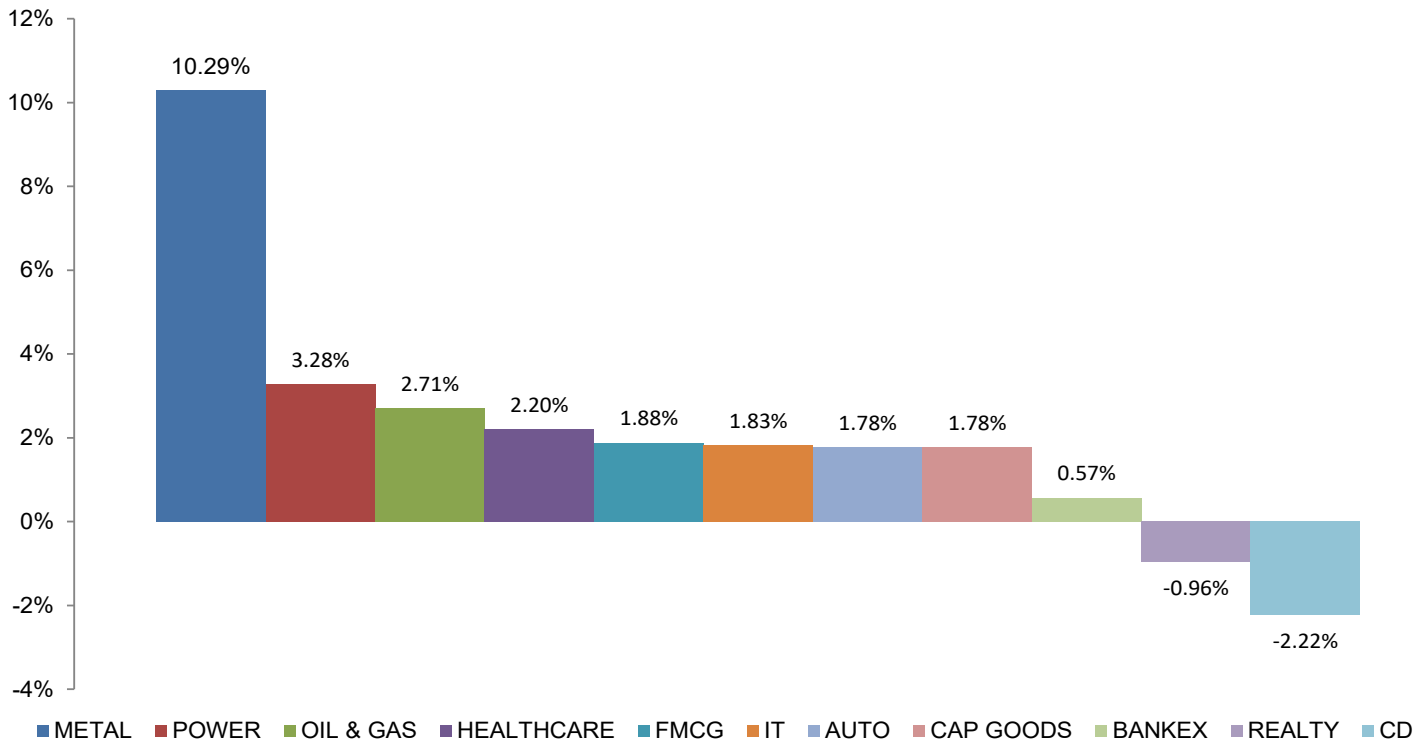
DII - ACTIVITY

(Rs. Cr.)

Date	Purchases	Sales	Net
07-May-21	6,414.2	4,946.1	1,468.09
06-May-21	4,036.9	4,669.4	-632.51
05-May-21	4,255.5	4,496.1	-240.61
04-May-21	4,952.6	3,965.3	987.34
03-May-21	4,366.3	3,813.3	552.92
<u>MTD</u>	24,025.5	21,890.2	2,135.2

Weekly Wealth

BSE WEEKLY SECTORAL PERFORMANCE



Source: BSE, BP Equities Research

TOP OPEN INTEREST GAINERS (WEEKLY)

SCRIP NAME	07-May-21	30-Apr-21	Weekly % Chg	07-May-21	30-Apr-21	Weekly % Chg
	Share Price (Rs.)			Open Interest		
COFORGE	3373.95	2871.25	17.5	847875	382875	121.4
SBILIFE	1004.4	934.45	7.5	8727750	4394250	98.6
MPHASIS	1850.6	1767.95	4.7	417625	247325	68.9
BANDHANBNK	298.15	331.4	-10.0	25295400	15269400	65.7
AARTIIND	1701.95	1611.95	5.6	866150	573750	51.0

TOP OPEN INTEREST LOSERS (WEEKLY)

SCRIP NAME	07-May-21	30-Apr-21	Weekly % Chg	07-May-21	30-Apr-21	Weekly % Chg
	Share Price (Rs.)			Open Interest		
VOLTAS	974.25	959.8	1.5	2649500	3333000	-20.5
SUNTV	496.7	546.85	-9.2	11844000	14797500	-20.0
PFIZER	5371.15	5299	1.4	242750	291875	-16.8
NAM-INDIA	352.6	342.95	2.8	1435200	1688000	-15.0
AMBUJACEM	313.65	308.85	1.6	16479000	19359000	-14.9

Company Background

INOX Leisure Limited is engaged in operating multiplex cinema theatres. The Company is engaged in the business of film exhibition. It is engaged in booking, providing a range of movies, reviewing movie schedules and offering a range of cinema food. It is also engaged in the business of setting up, operating and managing a national chain of multiplexes under the brand name INOX. The Company has a portfolio of approximately 110 multiplexes and over 420 screens in approximately 60 cities with a seating capacity of 109,406. It operates across 41 properties in West India, 25 in North, 24 in South and 18 in East India.

Investment Rationale

Better footfalls with higher occupancy rates backed by strategic approach and new initiatives

The Company is exploring new avenues of revenue generation through tie ups with sports events to show live matches on its screens and private/group screening of music concerts. In order, to improve its occupancy rate, the management has decided to reduce its seats per screen and focus more on adding value through new cinematic experiences by using the latest sound and video technology. This strategy has successfully changed the cinematic experience for customers. Moreover, last year the company had 10 IMAX screens, 1 LASER screen, 1 ONYX DINER screen, 1 MX4D screen and 1 SCREENX screen. Such initiatives have helped in improving the customer satisfaction rate and has also led to increase in footfalls and spend per head (SPH) by its customers.

Significant expansion plan to increase geographical presence

With a high population and increasing demand coupled with under penetration of the multiplex market, the Company plans to add around 75-85 screens every year with a capital expenditure of ~Rs 250 to 300 crore. In order to maintain its locational advantage, the company has already reserved the space for an additional 1018 screens (188,881 seats) in major cities. The uncertainty of COVID-19 and the nationwide lockdown of the country has led to some delays in screen additions. However, these screens are expected to become operational in the next 5 to 7 years on a gradual basis.

Valuation and Outlook

The ongoing vaccination drive is expected to initiate recovery, while there have been few successful releases in regional languages, the Hindi releases have been delayed due to the rising case of Covid -19. Going ahead, the cinemas are expected to normalise scenario from H2FY22. On the valuation front, we valued the company based on 10x FY23E EV/EBITDA and recommend a BUY rating on this stock with a price target of INR 330 (21% upside from CMP) with a 12 months investment horizon.

Stock Rating

BUY	HOLD	SELL
> 15%	-5% to 15%	< -5%

Sector Outlook

Positive

Stock

CMP (INR)	272
Target Price (INR)	330
NSE Symbol	INOXLEISURE
BSE Code	532706
Bloomberg	INOL IN
Reuters	INOL. BO

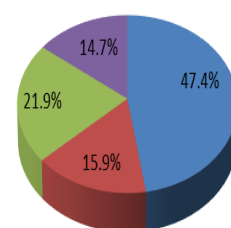
Key Data

Nifty	14,823
52WeekH/L(INR)	309/158
O/s Shares (Mn)	113
Market Cap (INR bn)	30
Face Value (INR)	10

Average volume

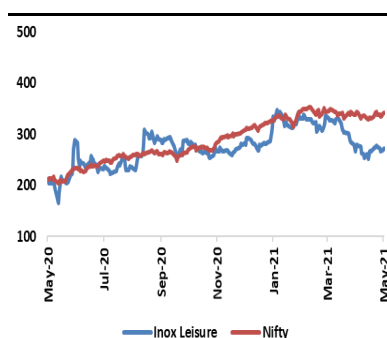
3 months	6,68,760
6 months	9,76,750
1 year	9,69,030

Share Holding Pattern (%)



■ Promoters ■ FII ■ DII ■ Others

Relative Price Chart



Weekly Wealth

Key Financials

YE March (INR Mn)	FY18	FY19	FY20	FY21E	FY22E
Revenue	16,922	18,974	1,101	13,778	17,636
<i>Revenue Growth (Y-o-Y)</i>	25.5%	12.1%	(94.2%)	1152.0%	28.0%
EBIDTA	3,083	5,968	-1,321	1,033	3,739
<i>EBIDTA Growth (Y-o-Y)</i>	48.7%	93.6%	(122.1%)	(178.3%)	261.8%
Net Profit	1,335	150	-3,643	-964	3,527
<i>Net Profit Growth (Y-o-Y)</i>	16.5%	(88.8%)	(2527.6%)	(73.5%)	(465.7%)
Diluted EPS	11.8	1.3	(32.3)	(8.6)	31.3
<i>Diluted EPS Growth (Y-o-Y)</i>	16.5%	(88.8%)	(2527.6%)	(73.5%)	(465.7%)

Key Ratios

EBIDTA margin (%)	18.2%	31.5%	NA	7.5%	21.2%
NPM (%)	7.9%	0.8%	NA	-7.0%	20.0%
RoE (%)	15.0%	2.7%	NA	-107.5%	79.7%
RoCE (%)	30.8%	84.3%	NA	38.3%	60.1%

Valuation Ratios

P/E (x)	23.0x	205.0x	-8.4x	-31.9x	8.7x
EV/EBITDA	10.3x	5.3x	-24.1x	28.8x	8.5x
P/BV (x)	3.4x	5.6x	16.5x	34.3x	7.0x
Market Cap. / Sales (x)	1.8x	1.6x	27.9x	2.2x	1.7x

Source: Company, BP Equities Research



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