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Rating Information	
Price (Rs)	422
Target Price (Rs)	585
Target Date	30th June'19
Target Set On	02nd July'18
Implied yrs of growth (DCF)	15
Fair Value (DCF)	531
Fair Value (DDM)	30
Ind Benchmark	SPBSMIP
Model Portfolio Position	NA

Stock Information	
Market Cap (Rs Mn)	19,133
Free Float (%)	38.74 %
52 Wk H/L (Rs)	569.95/311
Avg Daily Volume (1yr)	1,07,399
Avg Daily Value (Rs Mn)	48
Equity Cap (Rs Mn)	227
Face Value (Rs)	5
Bloomberg Code	MUNI IN

Ownership	Recent	3M	12M
Promoters	61.3 %	0.1 %	0.1 %
DII	6.0 %	-3.1 %	-0.3 %
FII	15.8 %	4.7 %	7.1 %
Public	16.9 %	-1.7 %	-6.9 %

Price %	1M	3M	12M
Absolute	-9.4 %	-12.4 %	16.3 %
Vs Industry	-6.1 %	-7.1 %	11.5 %
Jasch	-14.4 %	-15.4 %	-7.2 %
Fenoplast	-9.7 %	-13.5 %	5.7 %

Standalone Quarterly EPS forecast

Rs/Share	1Q	2Q	3Q	4Q
EPS (18A)	5.6	4.9	4.8	5.3
EPS (19E)	5.7	5.7	5.7	5.9

Mayur Uniquoters Ltd

2018 Annual Report Analysis

Regular Coverage

Absolute: LONG
Relative: Overweight
39% ATR in 12 Months

Outlook remains strong, maintain LONG

Textile & Textile Pro. Mfg

We analysed Mayur Uniquoters' (MUNI) 25th Annual Report and key takeaways were: (1) FY18 proved to be a turnaround year for the company, with revenue up 20% yoy vs. a 2%/4% yoy decline for FY16/FY17. (2) FY19 is likely to be another year of recovery as the footwear segment returns to normalcy. (3) Meaningful growth acceleration is expected in FY20 when the PU plant and 7th PVC coating line get commissioned. (4) Final approval from Mercedes (expected by 4QFY19), if obtained, would further boost growth and sentiments. (5) Net cash position further improved to Rs 1.78bn (FY17: Rs 1.33bn) helped by strong FCF generation (Rs 805mn in FY18 vs. Rs 655mn in FY17). Our estimates and TP (Jun'19 TP: Rs 585; TTM multiple: 24x) remain unchanged. We have a LONG rating on the stock.

Outlook improving for both domestic and exports segments: Daimler has completed its initial audit to define capability and development of products, with approvals moving at a fast pace towards a full approval by 4QFY19. The current approval process at Ford has expanded into three new developments that will lead to worldwide approval for potential business in the near future. During FY18, MUNI's business from OEM customers, Chrysler and Ford USA, increased by 15% yoy. After GST-related hiccups, the footwear industry is returning to normalcy and management expects it to grow by 10-15% in FY19. MUNI's key footwear customers include Bata, Action, Lancer, Relaxo, Paragon and VKC Group.

Growth acceleration likely in FY20 as new expansion projects remain on track: Current demand for PU leather in India is ~20mn meters/month and is mainly met through exports as of now. The company expects to start production of PU leather by 1QFY20. However, matching prices with Chinese imports would be the key – a challenge MUNI plans to meet through backward integration. Additional 7th coating line of PVC leather shall also keep the growth momentum strong.

Strong cash flow generation strengthens balance sheet further: Operating cash flows improved by 15% yoy to Rs 870mn. Capex was lower at Rs 73mn (vs. Rs 108mn last year) due to delays in PU plant-related investments. MUNI expects capex to be in the range of Rs 600mn-700mn in FY19; a net cash position of Rs 1.78bn provides significant comfort in this context.

Maintain LONG with a Jun'19 TP of Rs 585: MUNI is currently trading at 18x/15x on our FY19/FY20 EPS estimates. In our view, the recent stock correction offers a good entry point into a fundamentally strong company, which should see its growth momentum accelerate in FY20 post commissioning of its new PU plant. We maintain LONG with a Jun'19 TP of Rs 585 (unchanged).

Change in Estimates:

Rs. Mn	FY19E	Chg (%)	FY20E	Chg (%)
Sales	6,294	0%	7,867	0%
EBITDA	1,589	0%	1,959	0%
EPS	22.9	0%	27.9	0%

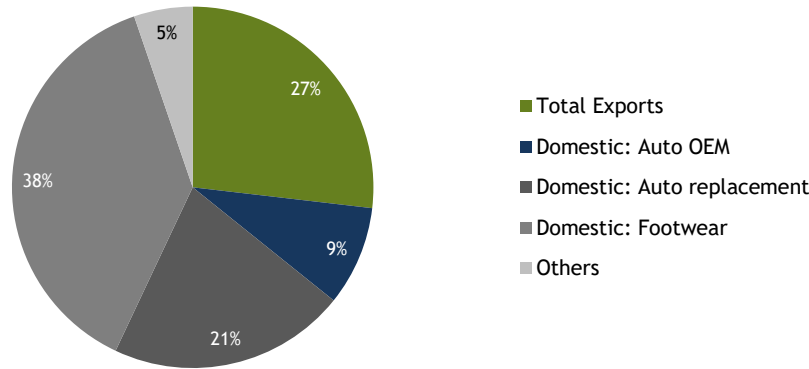
Consolidated Financials

Rs. Mn YE Mar	FY18A	FY19E	FY20E	FY21E
Sales	5,700	6,294	7,867	9,590
EBITDA	1,499	1,589	1,959	2,376
Depreciation	171	176	246	278
Interest Expense	14	9	15	15
Other Income	135	148	189	241
Reported PAT	969	1,040	1,265	1,558
Recurring PAT	969	1,040	1,265	1,558
Total Equity	4,496	5,349	6,310	7,492
Gross Debt	59	314	314	314
Cash	1,833	2,439	2,997	3,793
Rs Per Share	FY18A	FY19E	FY20E	FY21E
Earnings	21.4	22.9	27.9	34.4
Book Value	99	118	139	165
Dividends	1.2	3.5	5.7	7.0
FCFF	17.8	11.3	15.4	21.0
P/E (x)	19.7	18.4	15.1	12.3
P/B (x)	4.3	3.6	3.0	2.6
EV/EBITDA (x)	11.6	10.7	8.4	6.6
ROE (%)	23 %	21 %	22 %	23 %
Core ROIC (%)	32 %	30 %	32 %	35 %
EBITDA Margin (%)	26 %	25 %	25 %	25 %
Net Margin (%)	17 %	17 %	16 %	16 %



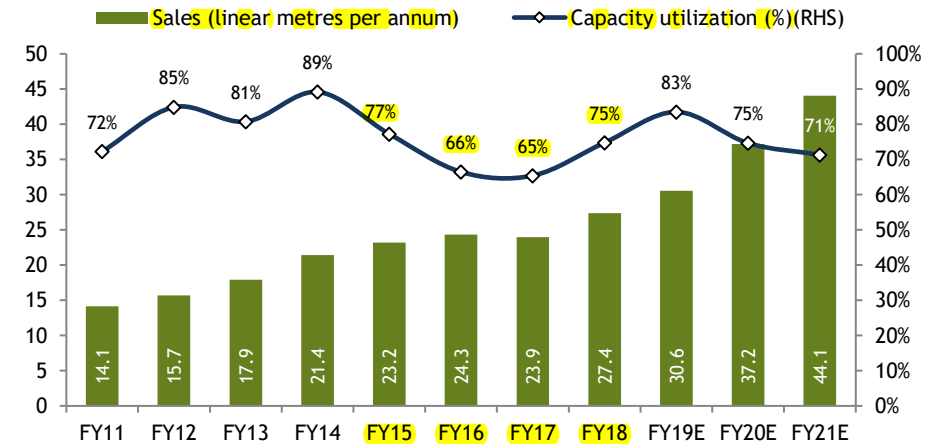
**Vote for Equirus at Asiamoney
Broker Poll'18**

Exhibit 1: Segmental revenue breakup for FY18



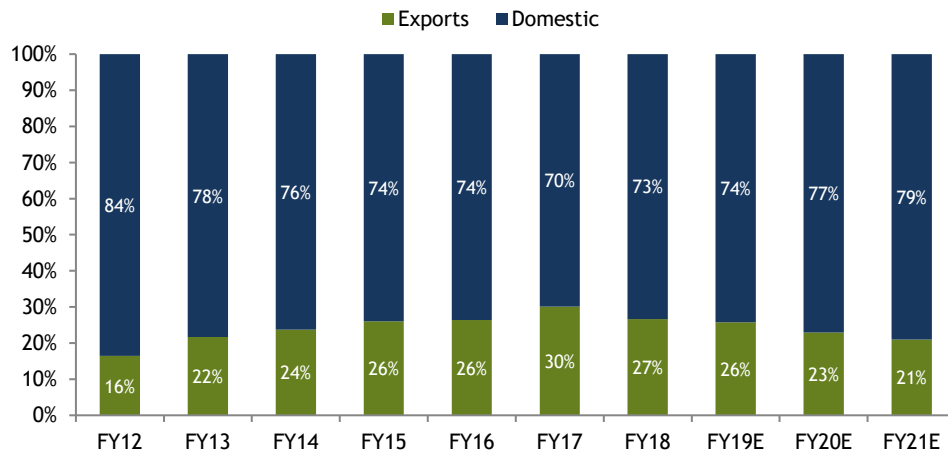
Source: Company, Equirus Securities

Exhibit 3: After a decline in FY17, volumes have grown by ~14% in FY18



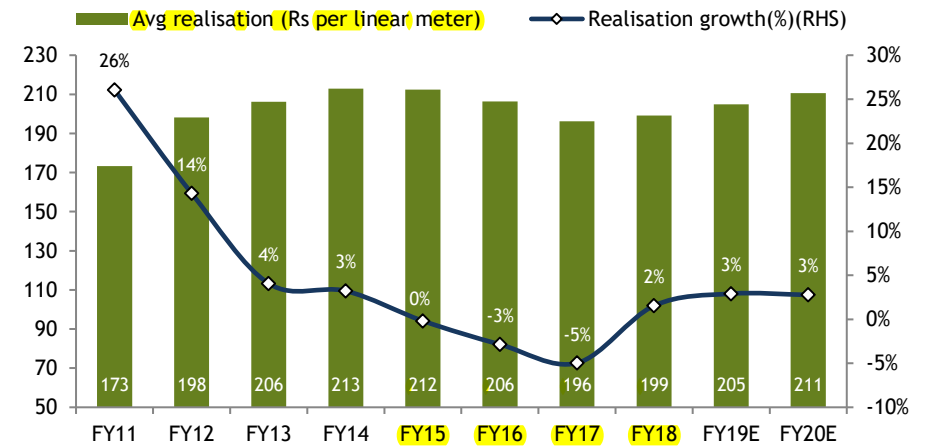
Source: Company, Equirus Securities

Exhibit 2: Commissioning of PU plant to boost domestic sales in FY20 and FY21



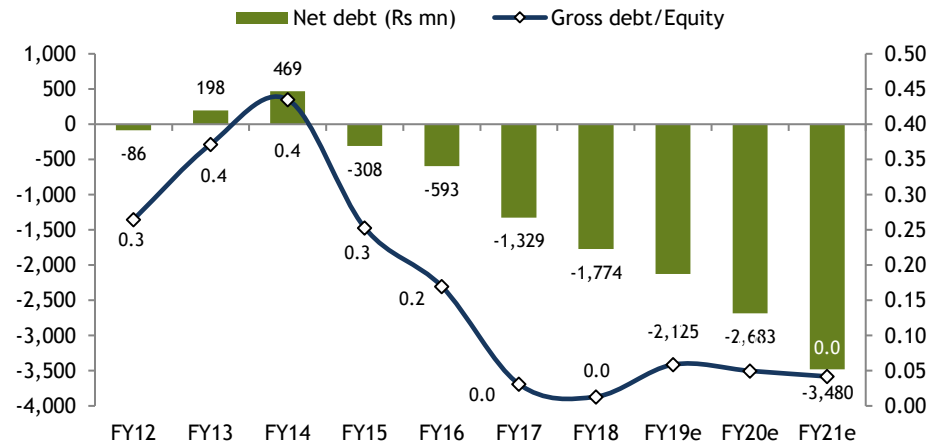
Source: Company, Equirus Securities

Exhibit 4: Realizations too have grown marginally in FY18 after a decline in FY17



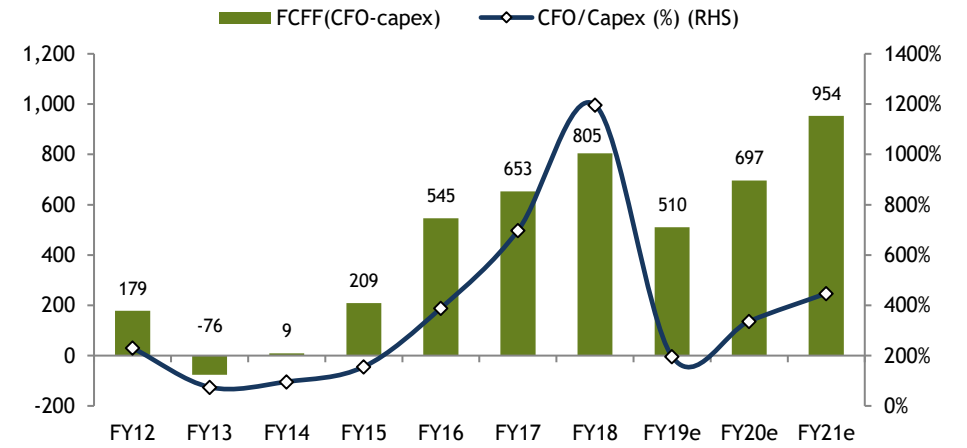
Source: Company, Equirus Securities

Exhibit 5: Balance sheet remains strong



Source: Company, Equirus Securities

Exhibit 6: MUNI continues to generate strong cash flows



Source: Company, Equirus Securities

Highlights from Chairman's message

- FY18 witnessed challenges related to post-demonetization slowdown, teething troubles from GST implementation and rising input costs of power & fuel. Despite this, economic growth picked up with consumption-related indicators and industrial output improving in the second half of the year.
- Demand growth for artificial leather is driven by the fashion industry, especially footwear. Other major industries that use artificial leather are automobile, furniture and interior design.
- The Indian leather industry accounts for ~13% of the world's leather production of hides and skins. Also, India ranks second in the global production of footwear & leather garments and accounts for ~10% of the world's footwear production.
 - With consumer preference shifting towards vegan fashion (adopting non-leather products), the artificial leather market is gaining significant traction.

Business updates:

- During FY18, MUNI's business from OEM customers, Chrysler and Ford USA, increased by 15% yoy.
- Current approval process at Ford has expanded into three new developments that will lead to worldwide approval for potential business in the near future.
- Daimler has completed its initial audit to define capability and development of products, with approvals moving at a fast pace towards a full approval by 4QFY19.
- After GST-related hiccups, the footwear industry is returning to normalcy and management expects it to grow by 10-15% in FY19.
- The auto replacement market is expected to grow by 12-15% in FY19.

Expansion updates:

- Production of PU leather would start by 1QFY20. Demand for PU leather in India is ~20mn meters/month and is largely met through exports as of now. Challenge in this business is to match prices offered by Chinese manufacturers by way of backward integration. MUNI's target is to manufacture PU resin in 1-2 years.
- 7th coating line of PVC leather has been finalized; advance payments for the same have been made and the company should get it by Jul'19.

Key takeaways from Management Discussion & Analysis

Synthetic or artificial leather is a fabric made of artificial materials such as polyurethane (PU), polyvinylchloride (PVC) and other bio-based materials, which are processed, dried and heated to resemble real leather. It is also used as a substitute for real leather in diverse end uses including, clothing, footwear, car upholstery, furniture and fabric.

Value proposition for using PU leather:

- PU leather has good elasticity (enables comfort and develops resistance against hot & cold temperatures, alcohol and water), high tensile strength, and a three-dimensional structure.
- It is soft as well as resistant to solvents and abrasion.
- Pricing is lower than natural rubber.

Industry outlook:

- MUNI derives ~50%/35% of revenues from footwear/automotive segments. Growing demand from both segments is expected to drive the synthetic leather market, which will result in dual growth in the next five years.
 - FDI deregulation in the automotive sector has also helped foreign companies to make large investments in India which allows 100% FDI under the automatic route.
 - The rising cost of manufacturing in other parts of the world is driving the big automobile giants to India as the hub of their manufacturing facility to meet their export demand.
- **Key automobile customers:** Maruti, Mahindra, TATA, ISUZU, Honda. LML Vespa, Suzuki, Sonalika Tractor, General Motors, Lear, Ts Tech Sun, Krishna Maruti, Bharat Seat, S.I. Interpact Group, Sharda Motors, Swaraj Auto, Polor Auto, Renault, Volkswagoan, Hero, Bajaj, Piaggio etc.
- **Key footwear customers:** Bata, Action, Lancer, Relaxo, Paragon, VKC Group.
- **Opportunities (market potential):** There is significant scope for improvement, alteration or changing or creating new products, exposure to export markets, growing fashion consciousness globally, and easy availability of raw materials and other inputs.
- **Threats:** Increase in raw material prices, harmful environmental effects of PVC processing.

Exhibit 9: Consolidated P&L: Revenues have grown by ~20% in FY18

Rs. Mn	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Net Sales	3,175	3,805	4,696	5,063	4,956	4,735	5,700
y/y	27.7%	19.9%	23.4%	7.8%	-2.1%	-4.5%	20.4%
Cost Items							
Raw Material Consumed	2,342	2,749	3,165	3,260	2,775	2,608	3,244
as a % of sales	73.8%	72.2%	67.4%	64.4%	56.0%	55.1%	56.9%
Employee Cost	105	123	184	247	284	264	279
as a % of sales	3.3%	3.2%	3.9%	4.9%	5.7%	5.6%	4.9%
Other Expenses	194	243	415	537	591	600	678
as a % of sales	6.1%	6.4%	8.8%	10.6%	11.9%	12.7%	11.9%
Power & Fuel Charges					168	160	185
as a % of sales					3.4%	3.4%	3.3%
Job Labour Charges					96	103	112
as a % of sales					1.9%	2.2%	2.0%
Repair & Maintenance					32	21	34
as a % of sales					0.6%	0.4%	0.6%
Legal and Professional Expenses					11	23	41
as a % of sales					0.2%	0.5%	0.7%
Freight and Cartage Outwards					59	91	108
as a % of sales					1.2%	1.9%	1.9%
Travelling and Conveyance					25	26	22
as a % of sales					0.5%	0.6%	0.4%
Commission on Sales & Sales Promotion					59	55	37
as a % of sales					1.2%	1.2%	0.6%
EBITDA	533	690	932	1,019	1,306	1,262	1,499
EBITDA Margin (%)	16.8%	18.1%	19.9%	20.1%	26.4%	26.7%	26.3%
Depreciation	39	52	70	118	161	167	171
EBIT	494	639	862	900	1,145	1,095	1,328
EBIT Margin (%)	15.6%	16.8%	18.4%	17.8%	23.1%	23.1%	23.3%

Source: Company, Equirus Securities

Exhibit 10: Consolidated Balance Sheet remains strong

Rs. Mn	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Equity Capital	54	108	108	217	231	229	227
Reserves and Surplus	805	1,076	1,503	2,610	3,125	3,639	4,270
Net worth	859	1,185	1,611	2,827	3,356	3,868	4,496
Long Term and Short Term Debt	29	210	359	373	202	120	59
Other Long Term Liabilities	31	36	61	50	53	51	54
Minority Interest	0	0	0	0	0	0	0
Account Payables	467	474	631	519	375	588	610
Other Current Liabilities	198	230	342	342	367	111	105
Total Liabilities & Equity	1,585	2,135	3,004	4,111	4,354	4,739	5,325
Net Fixed Assets	451	547	977	1,390	1,346	1,282	1,322
Capital WIP	40	189	266	36	79	39	19
Others	17	48	20	15	14	72	52
Inventory	307	442	638	561	649	835	965
Account Receivables	406	565	671	907	987	952	1,031
Other Current Assets	52	102	201	178	117	109	104
Cash and Cash Equivalents	313	242	232	1,023	1,162	1,449	1,833
Total Assets	1,585	2,135	3,004	4,111	4,354	4,739	5,325
Non-cash Working Capital	99	404	536	785	1,010	1,197	1,384
WC Turnover	32.8	15.1	10.0	7.7	5.5	4.3	4.4
FA Turnover	7.6	6.2	4.7	3.8	3.5	3.4	4.3
Net D/E	-0.3	0.0	0.1	-0.2	-0.3	-0.3	-0.4

Source: Company, Equirus Securities

Exhibit 11: Consolidated Cash flow generation has been solid

Rs. Mn	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Operating profit before WC changes	525	679	910	1,013	1,284	1,297	1,515
Change in WC	-91	-213	-172	-230	-252	-84	-170
Tax Paid	142	194	249	251	328	461	477
Operating Cash flow	292	272	489	533	704	751	868
Capex	-127	-365	-509	-342	-181	-108	-73
Others	-104	6	49	-600	-153	-157	-227
Investing Cash Flow	-231	-359	-459	-943	-334	-265	-299
Financing Cash Flow	-111	77	1	530	-438	-460	-497
Net Change in Cash and Cash Equivalents	-50	-10	30	120	-68	27	72

Source: Company, Equirus Securities

Exhibit 12: Cash conversion cycle has been increasing due to rising share of exports

Rs. Mn	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Accounts Receivable	406	565	671	907	987	952	1,031
Days of Sales	41	47	48	57	70	75	63
Inventory	307	442	638	561	649	835	965
Days of RM	48	59	62	67	80	104	101
Loans and Advances	34	68	125	86	56	54	50
Days of Sales	4	7	10	6	4	4	3
Other Current Assets	18	34	75	92	60	55	54
Trade Payables	467	474	631	519	375	588	610
Days of RM	73	63	73	58	49	82	69
Other Current Liabilities	198	230	342	342	367	111	105
Working Capital Cycle (days)	17	42	37	66	100	96	96
Non-cash Working Capital	99	404	536	785	1,010	1,197	1,384
Days of Sales	11	24	37	48	66	85	83

Source: Company, Equirus Securities



Consolidated Quarterly Earnings Forecast and Key Drivers

Rs in Mn	1Q18A	2Q18A	3Q18A	4Q18A	1Q19E	2Q19E	3Q19E	4Q19E	1Q20E	2Q20E	3Q20E	4Q20E	FY18A	FY19E	FY20E	FY21E
Revenue	1,408	1,378	1,380	1,355	1,595	1,563	1,563	1,573	1,994	1,954	1,953	1,966	5,700	6,294	7,867	9,590
Raw Materials	793	839	823	786	973	946	945	935	1,206	1,182	1,182	1,189	3,244	3,799	4,759	5,813
Employee Cost	67	68	69	72	72	73	74	83	86	88	89	99	279	302	362	441
Other Expenditure	143	128	127	156	152	150	150	153	199	195	195	197	678	604	787	959
Excise duty	103	103	103	-194	0	0	0	0	0	0	0	0	0	0	0	0
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA	405	343	361	341	399	394	393	403	502	489	487	481	1,499	1,589	1,959	2,376
Depreciation	42	42	43	44	45	45	45	41	62	62	62	62	171	176	246	278
EBIT	363	301	317	298	354	349	348	362	440	427	426	420	1,328	1,413	1,713	2,098
Interest	2	4	5	3	2	2	2	2	4	4	4	4	14	9	15	15
Other Income	23	43	16	50	37	37	37	37	47	47	47	47	135	148	189	241
PBT	384	340	328	345	388	384	383	397	484	471	469	463	1,449	1,552	1,887	2,325
Tax	128	115	111	103	128	127	126	131	160	155	155	153	480	512	623	767
PAT bef. MI & Assoc.	257	225	218	242	260	257	256	266	324	316	314	310	969	1,040	1,265	1,558
Minority Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit from Assoc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recurring PAT	257	225	218	242	260	257	256	266	324	316	314	310	969	1,040	1,265	1,558
Extraordinary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reported PAT	257	225	218	242	260	257	256	266	324	316	314	310	969	1,040	1,265	1,558
EPS (Rs)	5.61	4.92	4.75	5.33	5.74	5.68	5.66	5.87	7.15	6.96	6.93	6.85	21.38	22.95	27.90	34.36
Key Drivers																
Sales Volume (Mn linear metre)	-	-	-	-	-	-	-	-	-	-	-	-	27	31	37	44
Domestic Volume (Mn linear metre)	-	-	-	-	-	-	-	-	-	-	-	-	23	26	32	38
Export Volume (Mn linear metre)	-	-	-	-	-	-	-	-	-	-	-	-	4	5	5	6
Domestic Realisation (Rs./ln metre)	-	-	-	-	-	-	-	-	-	-	-	-	176	180	188	196
Export Realisation (Rs./ln metre)	-	-	-	-	-	-	-	-	-	-	-	-	340	343	350	357
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sequential Growth (%)																
Revenue	19 %	-2 %	0 %	-2 %	18 %	-2 %	0 %	1 %	27 %	-2 %	0 %	1 %	-	-	-	-
Raw Materials	15 %	6 %	-2 %	-5 %	24 %	-3 %	0 %	-1 %	29 %	-2 %	0 %	1 %	-	-	-	-
EBITDA	48 %	-15 %	5 %	-5 %	17 %	-1 %	0 %	2 %	25 %	-3 %	0 %	-1 %	-	-	-	-
EBIT	56 %	-17 %	5 %	-6 %	19 %	-1 %	0 %	4 %	22 %	-3 %	0 %	-1 %	-	-	-	-
Recurring PAT	41 %	-12 %	-3 %	11 %	8 %	-1 %	0 %	4 %	22 %	-3 %	0 %	-1 %	-	-	-	-
EPS	41 %	-12 %	-3 %	12 %	8 %	-1 %	0 %	4 %	22 %	-3 %	0 %	-1 %	-	-	-	-
Yearly Growth (%)																
Revenue	9 %	15 %	27 %	15 %	13 %	13 %	13 %	16 %	25 %	25 %	25 %	25 %	20 %	10 %	25 %	22 %
EBITDA	5 %	11 %	18 %	25 %	-2 %	15 %	9 %	18 %	26 %	24 %	24 %	20 %	19 %	6 %	23 %	21 %
EBIT	5 %	13 %	21 %	28 %	-3 %	16 %	10 %	22 %	25 %	22 %	22 %	16 %	21 %	6 %	21 %	23 %
Recurring PAT	4 %	7 %	21 %	32 %	1 %	14 %	18 %	10 %	25 %	23 %	23 %	17 %	19 %	7 %	22 %	23 %
EPS	4 %	7 %	21 %	34 %	2 %	16 %	19 %	10 %	25 %	23 %	23 %	17 %	21 %	7 %	22 %	23 %
Margin (%)																
EBITDA	29 %	25 %	26 %	25 %	25 %	25 %	25 %	26 %	25 %	25 %	25 %	24 %	26 %	25 %	25 %	25 %
EBIT	26 %	22 %	23 %	22 %	22 %	22 %	22 %	23 %	22 %	22 %	22 %	21 %	23 %	22 %	22 %	22 %
PBT	27 %	25 %	24 %	25 %	24 %	25 %	24 %	25 %	24 %	24 %	24 %	24 %	25 %	25 %	24 %	24 %
PAT	18 %	16 %	16 %	18 %	16 %	16 %	16 %	17 %	16 %	16 %	16 %	16 %	17 %	17 %	16 %	16 %



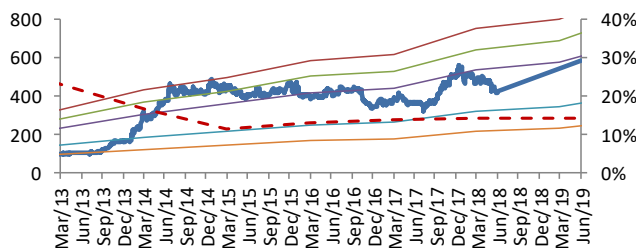
Consolidated Financials

P&L (Rs Mn)	FY18A	FY19E	FY20E	FY21E
Revenue	5,700	6,294	7,867	9,590
Op. Expenditure	4,200	4,706	5,908	7,213
EBITDA	1,499	1,589	1,959	2,376
Depreciation	171	176	246	278
EBIT	1,328	1,413	1,713	2,098
Interest Expense	14	9	15	15
Other Income	135	148	189	241
PBT	1,449	1,552	1,887	2,325
Tax	480	512	623	767
PAT bef. MI & Assoc.	969	1,040	1,265	1,558
Minority Interest	0	0	0	0
Profit from Assoc.	0	0	0	0
Recurring PAT	969	1,040	1,265	1,558
Extraordinaires	0	0	0	0
Reported PAT	969	1,040	1,265	1,558
FDEPS (Rs)	21.4	22.9	27.9	34.4
DPS (Rs)	1.2	3.5	5.7	7.0
CEPS (Rs)	25.2	26.8	33.3	40.5
FCFPS (Rs)	17.8	11.3	15.4	21.0
BVPS (Rs)	99.2	118.0	139.2	165.3
EBITDAM (%)	26 %	25 %	25 %	25 %
PATM (%)	17 %	17 %	16 %	16 %
Tax Rate (%)	33 %	33 %	33 %	33 %
Sales Growth (%)	20 %	10 %	25 %	22 %
FDEPS Growth (%)	21 %	7 %	22 %	23 %

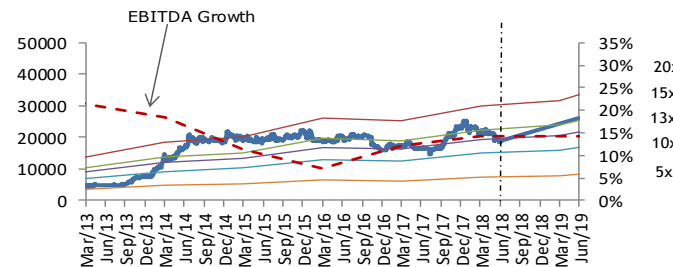
Balance Sheet (Rs Mn)	FY18A	FY19E	FY20E	FY21E
Equity Capital	227	227	227	227
Reserve	4,270	5,123	6,084	7,268
Networth	4,496	5,349	6,310	7,494
Long Term Debt	59	209	209	209
Def Tax Liability	54	54	54	54
Minority Interest	0	0	0	0
Account Payables	610	729	913	1,115
Other Curr Liabi	105	105	105	105
Total Liabilities & Equity	5,325	6,446	7,591	8,977
Net Fixed Assets	1,322	1,273	1,714	1,708
Capital WIP	19	416	19	19
Others	52	52	52	52
Inventory	965	1,041	1,304	1,593
Account Receivables	1,031	1,121	1,401	1,708
Other Current Assets	104	104	104	104
Cash	1,833	2,439	2,997	3,793
Total Assets	5,325	6,446	7,591	8,977
Non-cash Working Capital	1,384	1,432	1,791	2,184
Cash Conv Cycle	88.6	83.0	83.1	83.1
WC Turnover	4.1	4.4	4.4	4.4
FA Turnover	4.3	3.7	4.5	5.6
Net D/E	-0.4	-0.4	-0.4	-0.5
Revenue/Capital Employed	1.4	1.2	1.3	1.3
Capital Employed/Equity	1.0	1.0	1.1	1.0

Cash Flow (Rs Mn)	FY17A	FY19E	FY20E	FY21E
PBT	1,449	1,552	1,887	2,325
Depreciation	171	176	246	278
Others	-106	-139	-174	-226
Taxes Paid	477	512	623	767
Change in WC	-170	-48	-359	-393
Operating C/F	868	1,028	977	1,216
Capex	-73	-524	-290	-272
Change in Invest	-263	0	0	0
Others	36	148	189	241
Investing C/F	-299	-375	-101	-31
Change in Debt	-159	150	0	0
Change in Equity	-250	0	0	0
Others	-88	-196	-318	-388
Financing C/F	-497	-46	-318	-388
Net change in cash	72	606	558	796
RoE (%)	23 %	21 %	22 %	23 %
RoIC (%)	23 %	20 %	21 %	22 %
Core RoIC (%)	32 %	30 %	32 %	35 %
Div Payout (%)	1 %	18 %	24 %	24 %
P/E	19.7	18.4	15.1	12.3
P/B	4.3	3.6	3.0	2.6
P/FCFF	23.8	37.5	27.5	20.1
EV/EBITDA	11.6	10.7	8.4	6.6
EV/Sales	3.1	2.7	2.1	1.6
Dividend Yield (%)	0.3 %	0.8 %	1.4 %	1.7 %

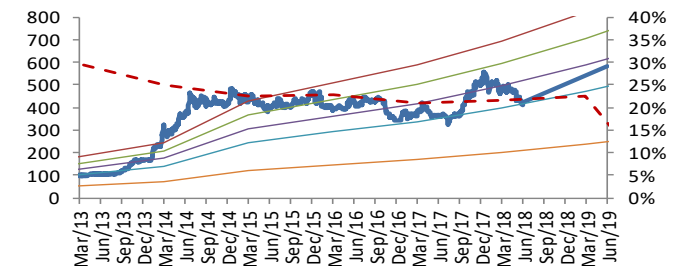
TTM P/E vs. 2 yr forward EPS growth



TTM EV/EBITDA vs. 2 yr forward EBITDA growth



TTM P/B vs. 2 yr forward RoE



Historical Consolidated Financials

P&L (Rs Mn)	FY15A	FY16A	FY17A	FY18A	Balance Sheet (Rs Mn)	FY15A	FY16A	FY17A	FY18A	Cash Flow (Rs Mn)	FY15A	FY16A	FY17A	FY18A
Revenue	5,063	4,956	4,735	5,700	Equity Capital	217	231	229	227	PBT	934	1,169	1,196	1,449
Op. Expenditure	4,044	3,650	3,473	4,200	Reserve	2,610	3,125	3,639	4,270	Depreciation	118	161	167	171
EBITDA	1,019	1,306	1,262	1,499	Networth	2,827	3,356	3,868	4,496	Others	-39	-45	-67	-106
Depreciation	118	161	167	171	Long Term Debt	373	202	120	59	Taxes Paid	251	328	461	477
EBIT	900	1,145	1,095	1,328	Def Tax Liability	50	53	51	54	Change in WC	-230	-252	-84	-170
Interest Expense	26	34	14	14	Minority Interest	0	0	0	0	Operating C/F	533	704	751	868
Other Income	59	58	115	135	Account Payables	519	375	588	610	Capex	-342	-181	-108	-73
PBT	934	1,169	1,196	1,449	Other Curr Liabi	342	367	111	105	Change in Invest	-657	-213	-171	-263
Tax	273	397	381	480	Total Liabilities & Equity	4,111	4,354	4,739	5,325	Others	56	60	15	36
PAT bef. MI & Assoc.	660	772	815	969	Net Fixed Assets	1,390	1,346	1,282	1,322	Investing C/F	-943	-334	-265	-299
Minority Interest	0	0	0	0	Capital WIP	36	79	39	19	Change in Debt	14	-169	-140	-159
Profit from Assoc.	0	0	0	0	Others	15	14	72	52	Change in Equity	700	0	-252	-250
Recurring PAT	660	772	815	969	Inventory	561	649	835	965	Others	-185	-269	-67	-88
Extraordinaires	0	0	0	0	Account Receivables	907	987	952	1,031	Financing C/F	530	-438	-460	-497
Reported PAT	660	772	815	969	Other Current Assets	178	117	109	104	Net change in cash	120	-68	27	72
EPS (Rs)	14.3	16.7	17.7	21.4	Cash	1,023	1,162	1,449	1,833	RoE (%)	30 %	25 %	22 %	23 %
DPS (Rs)	3.1	3.5	1.0	1.2	Total Assets	4,111	4,354	4,739	5,325	RoC (%)	23 %	21 %	21 %	23 %
CEPS (Rs)	16.8	20.2	21.3	25.2	Non-cash Working Capital	785	1,010	1,197	1,384	Core RoC (%)	30 %	31 %	28 %	32 %
FCFPS (Rs)	4.5	11.8	14.1	17.8	Cash Conv Cycle	56.6	74.4	92.3	88.6	Div Payout (%)	29 %	34 %	2 %	1 %
BVPS (Rs)	61.1	72.5	83.8	99.2	WC Turnover	6.5	4.9	4.0	4.1	P/E	29.6	25.3	23.9	19.7
EBITDAM (%)	20 %	26 %	27 %	26 %	FA Turnover	3.5	3.5	3.6	4.3	P/B	6.9	5.8	5.0	4.3
PATM (%)	13 %	16 %	17 %	17 %	Net D/E	-0.2	-0.3	-0.3	-0.4	P/FCFF	93.5	35.8	29.8	23.8
Tax Rate (%)	29 %	34 %	32 %	33 %	Revenue/Capital Employed	1.7	1.5	1.3	1.4	EV/EBITDA	18.5	14.2	14.1	11.6
Sales growth (%)	8 %	-2 %	-4 %	20 %	Capital Employed/Equity	1.3	1.2	1.1	1.0	EV/Sales	3.7	3.8	3.8	3.1
FDEPS growth (%)	16 %	17 %	6 %	21 %						Dividend Yield (%)	0.7 %	0.8 %	0.2 %	0.3 %



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- ADD: ATR >= 5% but less than Ke over investment horizon
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- UNDERWEIGHT: likely to under-perform the benchmark by at least 5% over investment horizon

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