

| | |
|-----------------------|--------------------|
| BSE SENSEX | S&P CNX |
| 33,690 | 10,125 |
| Bloomberg | PVRL IN |
| Equity Shares (m) | 47 |
| M.Cap.(INRb)/(USDb) | 60 / 0.8 |
| 52-Week Range (INR) | 1568 / 1065 |
| 1, 6, 12 Rel. Per (%) | 7/-6/-10 |
| 12M Avg Val (INR M) | 484 |
| Free float (%) | 79.8 |

Financials & Valuations (INR b)

| Y/E Mar | 2018 | 2019E | 2020E |
|---------------|-------|-------|-------|
| Net Sales | 23.3 | 29.8 | 35.1 |
| EBITDA | 4.0 | 5.6 | 6.8 |
| PAT | 1.2 | 1.9 | 2.3 |
| EPS (INR) | 26.7 | 40.4 | 47.9 |
| Gr. (%) | 30.4 | 51.4 | 18.5 |
| BV/Sh (INR) | 230.1 | 268.4 | 350.2 |
| RoE (%) | 12.2 | 16.2 | 15.7 |
| RoCE (%) | 10.4 | 13.3 | 11.5 |
| P/E (x) | 48.1 | 31.8 | 26.8 |
| P/BV (x) | 5.6 | 4.8 | 3.7 |
| EV/EBITDA (x) | 16.5 | 12.1 | 10.9 |

| | |
|------------------------|---|
| Estimate change | ↔ |
| TP change | ↔ |
| Rating change | ↔ |

CMP: INR1,284
TP: INR1,650 (+28%)
Buy

Strong quarter, outlook remains buoyant

- **Healthy revenue drives EBITDA outperformance:** Excluding SPI Cinemas consolidation, revenue grew 16% YoY to INR6.5b in 2QFY19, led by healthy growth in the movie exhibition business. Subsequently, EBITDA rose strongly by 21% YoY to INR1.1b, with the margin expanding 60bp to 16.9%. Including SPI acquisition, consol. revenue grew 28% YoY to INR7.1b (5% beat). Consol. EBITDA surged 37% YoY to INR1.2b (11% beat), with the margin expanding 120bp YoY to 17.5%. Adj. PAT increased 30% YoY to INR330m (2% beat).
- **1H FY19 performance:** Revenue/EBITDA/adj. PAT grew 18%/29%/22% YoY in 1H FY19. EBITDA margin expanded 160bp YoY to 18.6%. For 2H FY19, we expect revenue/EBITDA/adj. PAT growth of 38%/51%/91% (incl. SPI consolidation).
- **All levers moving:** Excluding SPI, net box office revenue increased 17% YoY to INR3.5b, driven by (a) 14% YoY jump in footfalls (21.4m), leading to a 380bp YoY uptick in occupancy (33.4%) and (b) a 3% YoY rise in ATP to INR211. F&B revenue grew 25% YoY to INR1.8b, mainly on the back of volume growth. This is despite a 4% YoY decline in SPH to INR88. Advertising revenue rose 13% YoY to INR0.8b.
- **Concall highlights:** (1) In FY19, expect 90/8 new screen additions for PVR/SPI Cinemas. (2) Expect SPH in 2H FY19 to be 4-5% higher. (3) FY19 ad revenue growth guidance at 15%+ (previous guidance: 18-20%). (4) Company will own 100% of SPI Cinemas by end-3QFY19.
- **Robust screen adds to propel growth:** We marginally tweak our EBITDA/PAT estimates for FY19/20. We expect robust 30%/36% consol. EBITDA/PAT CAGR over FY18-20, led by 23% revenue CAGR driven by (1) acquisition of SPI Cinemas, (2) 84/100 screen additions in FY19/20 in PVR portfolio, (3) healthy content pipeline driving footfalls and (3) stable ATP and SPH. Besides, mid-double-digit growth in advertising revenue bodes well.
- **Valuation view:** At CMP, the stock trades at EV/EBITDA of 12.1x/10.9x FY19/20E EBITDA. Thus, attractive valuation, an upbeat earnings outlook and a fillip in return ratios augur well for PVRL. Maintain **Buy** with a TP of INR1,650 (v/s 1,700 earlier) ascribing 13x (~10% discount to three-year average) to FY20E EBITDA.

Consol. Quarterly Performance

(INR m)

| Y/E March | FY18 | | | | FY19 | | | | FY18 | FY19E | FY19 | Est. Var |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|-----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | (%) |
| Net Sales | 6,366 | 5,554 | 5,573 | 5,849 | 6,963 | 7,086 | 7,834 | 7,947 | 23,341 | 29,829 | 6,734 | 5 |
| YoY Change (%) | 13.2 | 2.1 | 5.0 | 21.2 | 9.4 | 27.6 | 40.6 | 35.9 | 10.1 | 27.8 | 21.2 | |
| Total Expenditure | 5,246 | 4,649 | 4,557 | 4,905 | 5,591 | 5,845 | 6,365 | 6,457 | 19,323 | 24,258 | 5,616 | 4 |
| EBITDA | 1,120 | 905 | 1,015 | 944 | 1,372 | 1,240 | 1,469 | 1,490 | 4,018 | 5,571 | 1,118 | 11 |
| Margins (%) | 17.6 | 16.3 | 18.2 | 16.1 | 19.7 | 17.5 | 18.8 | 18.8 | 17.2 | 18.7 | 16.6 | 90bp |
| Depreciation | 376 | 347 | 386 | 394 | 401 | 448 | 485 | 484 | 1,537 | 1,817 | 434 | |
| Interest | 208 | 207 | 212 | 210 | 208 | 298 | 247 | 236 | 837 | 990 | 227 | |
| Other Income | 164 | 42 | 32 | 75 | 43 | 61 | 54 | 57 | 313 | 215 | 29 | |
| PBT before EO expense | 700 | 393 | 449 | 415 | 805 | 555 | 791 | 828 | 1,958 | 2,978 | 486 | 14 |
| Extra-Ord expense | 0 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 0 | 0 | |
| PBT | 700 | 387 | 449 | 415 | 805 | 555 | 791 | 828 | 1,952 | 2,978 | 486 | 14 |
| Tax | 258 | 140 | 154 | 153 | 283 | 212 | 277 | 290 | 704.4 | 1061.0 | 163 | |
| Rate (%) | 36.8 | 36.1 | 34.2 | 36.9 | 35.2 | 38.1 | 35.0 | 35.0 | 36.1 | 35.6 | 33.5 | |
| MI& Profit/Loss of Asso. | -2 | -5 | 7 | 0 | 1 | 13 | 0 | 0 | 0 | 14 | 0 | |
| Reported PAT | 445 | 252 | 289 | 262 | 521 | 330 | 514 | 538 | 1,247 | 1,903 | 323 | 2 |
| Adj PAT | 445 | 255 | 289 | 262 | 521 | 330 | 514 | 538 | 1,252 | 1,903 | 323 | 2 |
| YoY Change (%) | -1.5 | -12.3 | -19.3 | NM | 17.3 | 29.3 | 78.0 | 105.4 | 27.3 | 52.1 | 26 | |
| Margins (%) | 7.0 | 4.5 | 5.2 | 4.5 | 7.5 | 4.7 | 6.6 | 6.8 | 5.3 | 6.4 | 4.8 | |



2QFY19 earnings call highlights

Key takeaways

- Expect 90 new screens adds and 8 new screens in FY19 for PVR and SPI Cinemas, respectively
- SPH in the coming quarters is expected to grow from 2QFY19 levels; expect 2H FY19 SPH to be 4-5% higher.
- Ad revenue growth guidance for FY19 lowered to 15%+ (previous guidance of 18-20%).
- Company will own 100% of SPI Cinemas by end-3QFY19.

2QFY19 performance

- Admissions for the quarter were up 25% YoY. Minor uplift in admissions during the quarter was due to a competitor's absence from online portal for the brief period.
- Company registered SSSG growth of 19-20% in F&B in 2QFY19. SPH fell 3% YoY on blended basis, but was down by 30-40% in certain markets like Maharashtra and others. Non-peak conversion has not worked but peak F&B pricing has driven growth.
- Employee cost is high due to bonus.
- Other expense is high due to (a) INR50m one-time transaction cost toward the Bookmyshow and F&B legal spend and (b) investment in marketing, digital/IP cost and cost optimization measures. Some of these expenses should help in improving long-term occupancy rates.
- PVRL has completed the acquisition of SPI Cinemas – operating 43 days during the quarter.
- Concluded Book My Show deal with INR4.1b minimum guarantee.
- PVR has commenced ticket cancellation option for consumers on the online platforms.
- Onyx screen from Samsung – technological upgradation done in Vasnt Kunj property.
- 20% of ad revenue for PVRL are local. Delhi, Mumbai and Bangalore are large ad revenue generating markets for the company

Industry

- Post the transfer of F&B PIL to Supreme Court (from Bombay & J&K High Court), next date for hearing is yet to be declared.

Business Outlook:

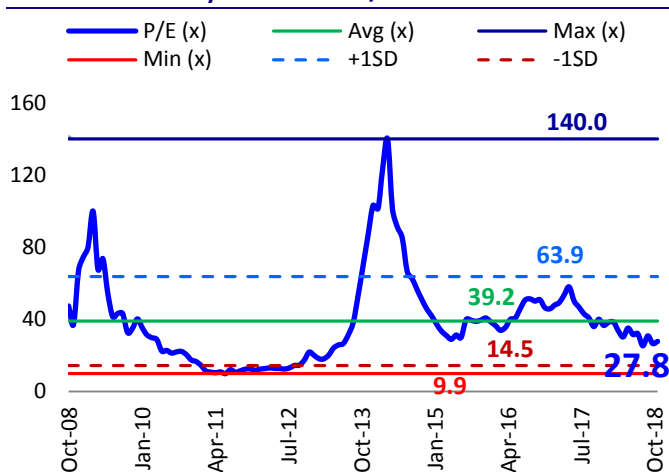
- Expect 90 new screens adds and 8 new screens in FY19 for PVR and SPI Cinemas, respectively. 22 new screens would be added in 3QFY19, while balance would be added in 4QFY19. Bulk of the openings are in the approval phase.
- SPH in the coming quarters is expected to grow from 2QFY19 levels; expect 2H FY19 SPH to be 4-5% higher.
- Ad revenue growth guidance for FY19 at 15%+ (previous guidance of 18-20%). 3QFY19 is the biggest quarter and bulk of the growth should come in 3Q-4Q.

- Management expects to meet the revenue/EBITDA guidance for SPI Cinemas.
- Company will own 100% of SPI Cinemas by end-3QFY19.
- Management doesn't expect major impact in 3QFY19 from temporary suspension of movie exhibition in MP.
- Capex for FY19 is expected to be in the range of INR4-4.5b.
- Debt levels to peak around INR13-14b by FY19. Management doesn't expect debt/equity levels to move up.
- New lost cost cinema format for Tier II cities is expected to be come up by FY19.
- Company is expanding the 'Directors Cut' screen format with one in NCR and Mumbai each.

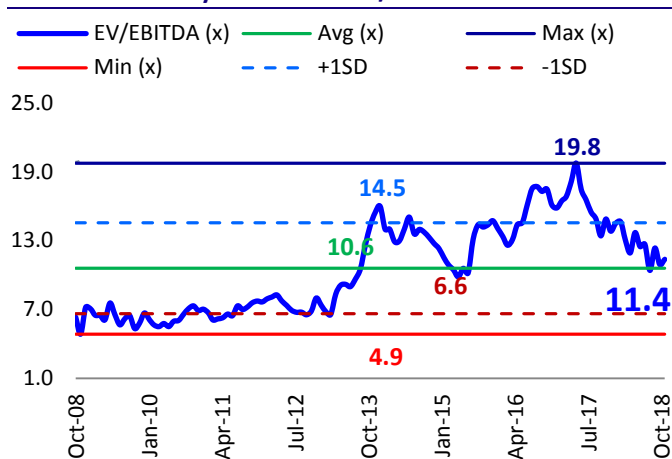
Exhibit 1: Valuation summary

| Particulars | (INR m) |
|--------------------------------|---------------|
| EBITDA - FY20E | 6,769 |
| Target Multiple (x) | 13 |
| Target Enterprise Value | 91,043 |
| Net Debt | 13,937 |
| Target Market cap | 77,106 |
| No of shares (m) | 46.7 |
| Value per share (INR) | 1,650 |
| CMP (INR) | 1,284 |
| Upside (%) | 28% |

Source: MOSL

Exhibit 2: PVRL: 1year forward P/E band chart

Source: Bloomberg, MOSL

Exhibit 3: PVRL: 1year forward EV/EBITDA band chart

Source: Bloomberg, MOSL

Exhibit 4: Consol. Quarterly performance (INR m)

| | 2QFY18 | 1QFY19 | 2QFY19^ | YoY (%) | QoQ (%) | 2QFY19E | v/s est (%) |
|--------------------------|--------------|--------------|--------------|-------------|--------------|--------------|-------------|
| Revenue | 5,554 | 6,963 | 7,086 | 27.6 | 1.8 | 6,734 | 5.2 |
| Total operating cost | 4,649 | 5,591 | 5,845 | 25.7 | 4.6 | 5,616 | 4.1 |
| EBITDA | 905 | 1,372 | 1,240 | 37.0 | -9.6 | 1,118 | 10.9 |
| EBITDA margin (%) | 16.3 | 19.7 | 17.5 | 120 | -220 | 16.6 | 90 |
| Depreciation | 347 | 401 | 448 | 29.2 | 11.6 | 434 | 3.1 |
| EBIT | 558 | 971 | 792 | 41.9 | -18.4 | 683 | 15.9 |
| Interest | 207 | 208 | 298 | 44.0 | 43.3 | 227 | 31.2 |
| Other Income | 42 | 43 | 61 | 46.6 | 43.2 | 29 | 107.6 |
| PBT | 393 | 805 | 555 | 41.3 | -31.1 | 486 | 14.3 |
| Exceptional item | 6 | 0 | 0 | NA | NA | 0 | NA |
| PBT | 387 | 805 | 555 | 43.4 | -31.1 | 486 | 14.3 |
| Tax | 140 | 283 | 212 | 51.4 | -25.3 | 163 | 30.1 |
| <i>Tax rate (%)</i> | 35.6 | 35.2 | 38.1 | 254 | 296 | 33.5 | 462 |
| PAT | 247 | 522 | 344 | 39.0 | -34.2 | 323 | 6.4 |
| MI/Share of Associate | -5 | 1 | 13 | -395.6 | 1,800.0 | 0 | - |
| Reported PAT | 252 | 521 | 330 | 31.2 | -36.7 | 323 | 2.3 |
| Adjusted PAT | 255 | 521 | 330 | 29.3 | -36.7 | 323 | 2.3 |

^Includes SPI consolidation

Source: MOSL, Company

Exhibit 5: Operating expenses break-up (INR m)

| | 2QFY18 | 1QFY19 | 2QFY19^ | YoY (%) | QoQ (%) | 2QFY19E | v/s est (%) |
|-----------------------------------|--------------|--------------|--------------|-------------|------------|--------------|-------------|
| Movie exhibition cost | 1,335 | 1,663 | 1,650 | 23.7 | -0.8 | 1,495 | 10.4 |
| Consumption of food and beverages | 385 | 508 | 543 | 41.2 | 6.9 | 492 | 10.5 |
| Employee expenses | 587 | 742 | 770 | 31.2 | 3.8 | 727 | 5.9 |
| Other Expenses | 2,343 | 2,678 | 2,882 | 23.0 | 7.6 | 2,902 | -0.7 |
| Total | 4,649 | 5,591 | 5,845 | 25.7 | 4.6 | 5,616 | 4.1 |

^Includes SPI consolidation

Source: MOSL, Company

Exhibit 6: Revenue break-up (INR m)

| | 2QFY18 | 1QFY19 | 2QFY19* | YoY (%) | QoQ (%) | 2QFY19^ | YoY (%) |
|------------------------|--------|--------|---------|---------|---------|---------|---------|
| Net Box Office | 2,993 | 3,849 | 3,515 | 17.4 | -8.7 | 3,739 | 25% |
| Food & Beverages | 1,423 | 2,027 | 1,778 | 25.0 | -12.3 | 1,954 | 37% |
| Advertising | 688 | 718 | 778 | 13.2 | 8.4 | 811 | 18% |
| Convenience income | 148 | 115 | 281 | 90.2 | 143.6 | | |
| Other operating income | 83 | 111 | 175 | 110.5 | 57.7 | 547 | NM |

*Excludes SPI performance; ^ Includes SPI consolidation

Source: MOSL, Company

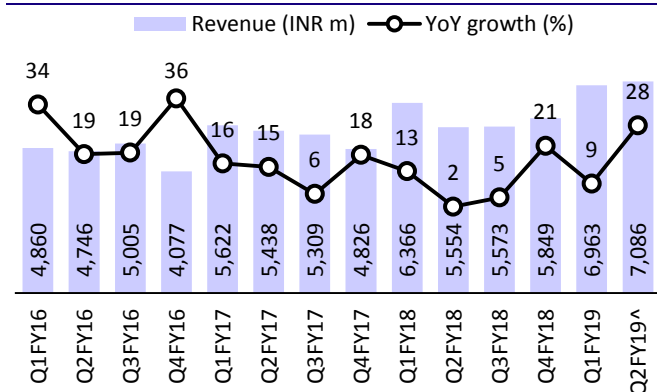
Exhibit 7: Snapshot of key matrices

| | 2QFY18 | 1QFY19 | 2QFY19* | YoY (%) | QoQ (%) | 2QFY19^ | YoY (%) |
|---------------|--------|--------|---------|---------|---------|---------|---------|
| Screens | 600 | 634 | 643 | 7.2 | 1.4 | 711 | 19% |
| Admits ('000) | 18,700 | 22,700 | 21,400 | 14.4 | -5.7 | 23,400 | 25% |
| Occupancy (%) | 29.6% | 35.9% | 33.4% | 380 | -250 | 34.6% | 500 |
| ATP (INR) | 204 | 217 | 211 | 3.4 | -2.8 | 206 | 1% |
| SPH (INR) | 91 | 94 | 88 | -3.3 | -6.4 | | |

*Excludes SPI performance; ^ Includes SPI consolidation

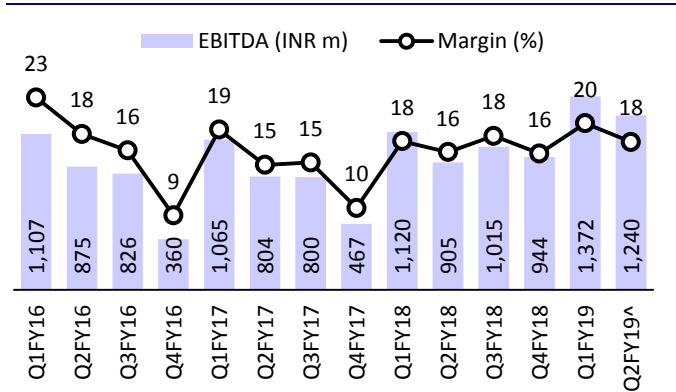
Source: MOSL, Company

Story in charts

Exhibit 8: Revenue grew 28% YoY


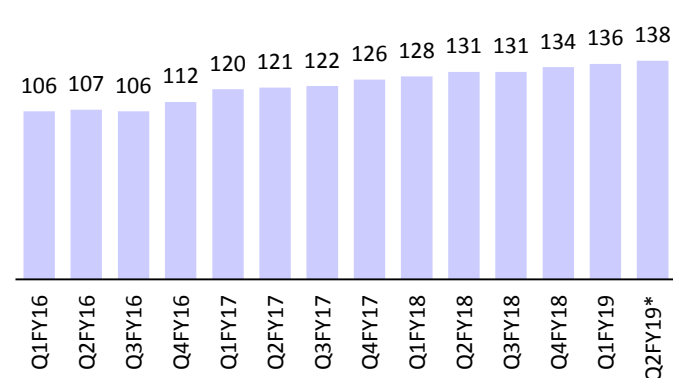
^Includes SPI consolidation

Source: MOSL, Company

Exhibit 9: EBITDA margin expanded 120bp YoY


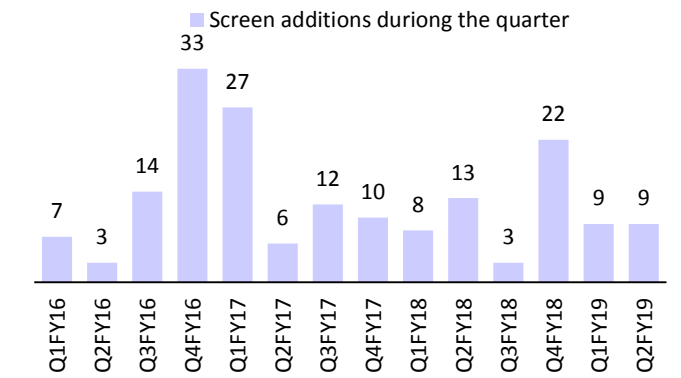
^Includes SPI consolidation

Source: MOSL, Company

Exhibit 10: Two new properties added, taking total count to 138


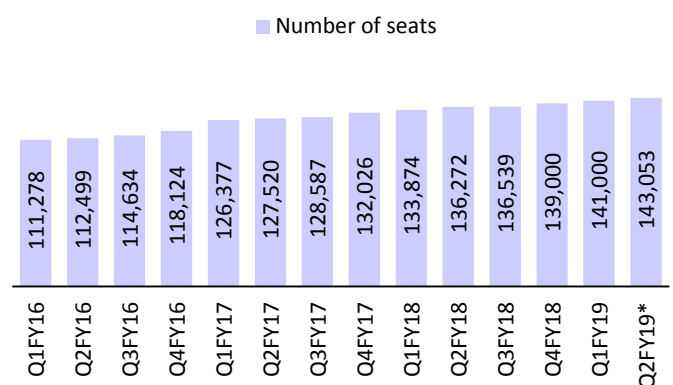
*Excludes SPI cinemas

Source: MOSL, Company

Exhibit 11: Nine screen added taking the base to 643 screens


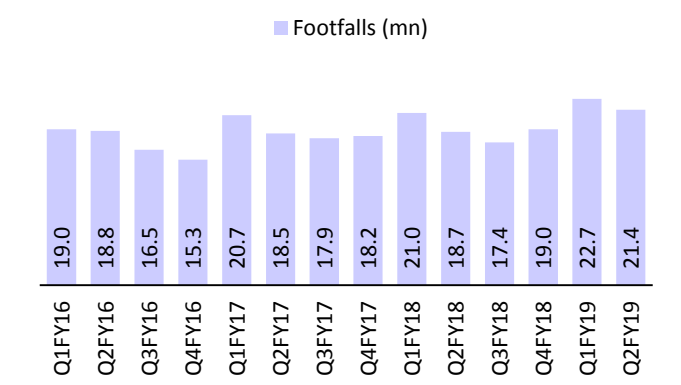
*Excludes SPI cinemas

Source: MOSL, Company

Exhibit 12: Total seats count reached 143k


*Excludes SPI cinemas

Source: MOSL, Company

Exhibit 13: Footfall witnesses a 14% YoY uptick (m)


*Excludes SPI cinemas

Source: MOSL, Company

Exhibit 14: ATP rises 3% YoY (INR)

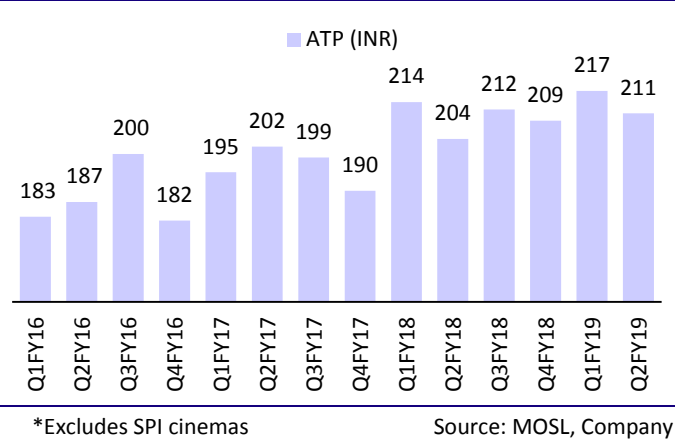
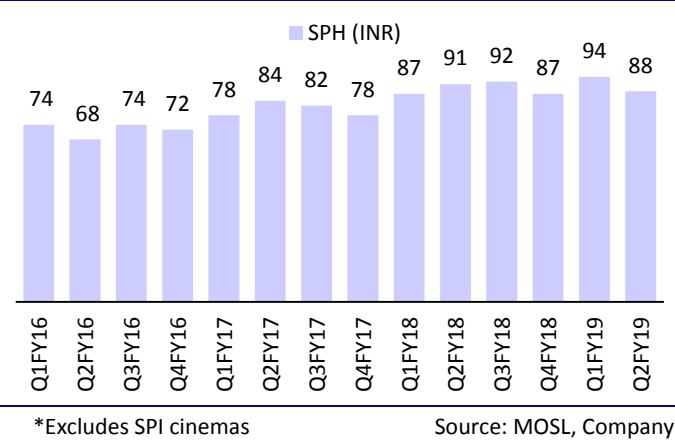


Exhibit 15: SPH fell 3% YoY (INR)



Financials and valuations

Consolidated - Income Statement

(INR Million)

| Y/E March | FY14 | FY15 | FY16 | FY17 | FY18 | FY19E | FY20E |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net Sales | 13,475 | 14,771 | 18,496 | 21,194 | 23,341 | 29,829 | 35,073 |
| Change (%) | 67.3 | 9.6 | 25.2 | 14.6 | 10.1 | 27.8 | 17.6 |
| EBITDA | 2,117 | 2,008 | 2,924 | 3,136 | 4,018 | 5,571 | 6,769 |
| Margin (%) | 15.7 | 13.6 | 15.8 | 14.8 | 17.2 | 18.7 | 19.3 |
| Depreciation | 944 | 1,168 | 1,151 | 1,384 | 1,537 | 1,817 | 2,043 |
| EBIT | 1,173 | 840 | 1,773 | 1,752 | 2,481 | 3,754 | 4,726 |
| Int. and Finance Charges | 795 | 783 | 840 | 806 | 837 | 990 | 1,086 |
| Other Income - Rec. | 113 | 89 | 635 | 623 | 313 | 215 | -158 |
| PBT bef. EO Exp. | 491 | 146 | 1,569 | 1,569 | 1,958 | 2,978 | 3,482 |
| EO Expense/(Income) | 32 | -22 | 116 | 41 | 6 | 0 | 0 |
| PBT after EO Exp. | 523 | 125 | 1,453 | 1,528 | 1,952 | 2,978 | 3,482 |
| Current Tax | 140 | 2 | 467 | 570 | 489 | 994 | 1,167 |
| Deferred Tax | -121 | 6 | 0 | 0 | 216 | 67 | 0 |
| Tax Rate (%) | 3.7 | 6.5 | 32.1 | 37.3 | 36.1 | 35.6 | 33.5 |
| Less: Minority Interest | 57 | 11 | 5.1 | 0.5 | 0 | -14 | 0 |
| Reported PAT | 560 | 128 | 991 | 959 | 1,248 | 1,903 | 2,316 |
| PAT Adj for EO items | 530 | 148 | 1,070 | 984 | 1,252 | 1,903 | 2,316 |
| Change (%) | 14.5 | -72.1 | 623 | -8.0 | 27.3 | 52.1 | 21.7 |
| Margin (%) | 3.9 | 1.0 | 5.8 | 4.6 | 5.4 | 6.4 | 6.6 |

Consolidated - Balance Sheet

(INR Million)

| Y/E March | FY14 | FY15 | FY16 | FY17 | FY18 | FY19E | FY20E |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Equity Share Capital | 411 | 415 | 467 | 467 | 467 | 467 | 483 |
| Total Reserves | 3,582 | 3,677 | 8,345 | 9,183 | 10,286 | 12,077 | 16,445 |
| Net Worth | 3,993 | 4,092 | 8,812 | 9,650 | 10,754 | 12,545 | 16,928 |
| Minority Interest | 771 | 383 | 401 | 405 | 8 | 8 | 8 |
| Deferred Liabilities | 4 | 11 | 0 | 9 | -150 | -136 | -136 |
| Total Loans | 6,133 | 7,470 | 5,718 | 7,301 | 6,614 | 8,614 | 14,714 |
| Capital Employed | 10,902 | 11,956 | 14,931 | 17,365 | 17,226 | 21,030 | 31,514 |
| Gross Block | 11,889 | 13,356 | 15,900 | 22,335 | 24,676 | 29,176 | 43,810 |
| Less: Accum. Deprn. | 3,723 | 4,784 | 5,935 | 7,319 | 8,856 | 10,673 | 12,716 |
| Intangible assets- Goodwill | 31 | 31 | 52 | 71 | 79 | 79 | 79 |
| Net Fixed Assets | 8,197 | 8,604 | 10,017 | 15,016 | 15,899 | 18,581 | 31,172 |
| Capital WIP | 806 | 611 | 739 | 1,056 | 1,017 | 1,017 | 1,017 |
| Total Investments | 235 | 19 | 19 | 20 | 209 | 209 | 209 |
| Curr. Assets, Loans&Adv. | 4,294 | 5,055 | 7,565 | 5,662 | 6,208 | 8,305 | 8,058 |
| Inventory | 106 | 126 | 205 | 190 | 198 | 246 | 284 |
| Account Receivables | 523 | 767 | 901 | 1,021 | 1,556 | 1,634 | 1,922 |
| Cash and Bank Balance | 273 | 267 | 2,671 | 299 | 328 | 1,402 | 567 |
| Loans and Advances | 3,392 | 3,895 | 3,788 | 4,152 | 4,126 | 5,023 | 5,285 |
| Curr. Liability & Prov. | 2,631 | 2,333 | 4,041 | 4,892 | 6,107 | 7,082 | 8,943 |
| Account Payables | 2,392 | 2,161 | 3,933 | 4,788 | 5,980 | 6,922 | 8,760 |
| Provisions | 239 | 172 | 108 | 104 | 127 | 159 | 183 |
| Net Current Assets | 1,663 | 2,723 | 3,524 | 771 | 101 | 1,223 | -885 |
| Appl. of Funds | 10,902 | 11,955 | 14,931 | 17,366 | 17,226 | 21,030 | 31,514 |

E: MOSL Estimates

Financials and valuations

Ratios

| Y/E March | FY14 | FY15 | FY16 | FY17 | FY18 | FY19E | FY20E |
|--------------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|
| Basic (INR) | | | | | | | |
| EPS | 15.0 | 3.3 | 21.3 | 20.5 | 26.7 | 40.4 | 47.9 |
| Cash EPS | 35.8 | 31.7 | 47.6 | 50.7 | 59.7 | 79.6 | 90.2 |
| BV/Share | 97.1 | 98.5 | 188.7 | 206.5 | 230.1 | 268.4 | 350.2 |
| DPS | 4.0 | 1.6 | 2.2 | 2.2 | 2.0 | 2.0 | 2.0 |
| Payout (%) | 21.5 | 39.5 | 6.6 | 7.0 | 9.0 | 5.9 | 5.0 |

Valuation (x)

| | | | | | | | |
|--------------------|------|-------|------|------|------|------|------|
| P/E | 74.7 | 384.2 | 60.2 | 62.7 | 48.1 | 31.8 | 26.8 |
| Cash P/E | 31.3 | 40.5 | 27.0 | 25.4 | 21.5 | 16.1 | 14.2 |
| P/BV | 11.5 | 13.0 | 6.8 | 6.2 | 5.6 | 4.8 | 3.7 |
| EV/Sales | 5.4 | 4.5 | 3.4 | 3.2 | 2.8 | 2.3 | 2.1 |
| EV/EBITDA | 34.1 | 33.4 | 21.5 | 21.3 | 16.5 | 12.1 | 10.9 |
| Dividend Yield (%) | 0.4 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 |

Return Ratios (%)

| | | | | | | | |
|------|------|-----|------|------|------|------|------|
| RoE | 11.8 | 3.4 | 15.4 | 10.4 | 12.2 | 16.2 | 15.7 |
| RoCE | 10.7 | 8.0 | 12.5 | 9.5 | 10.4 | 13.3 | 11.5 |
| RoIC | 10.7 | 7.6 | 10.7 | 8.0 | 10.2 | 14.2 | 13.1 |

Working Capital Ratios

| | | | | | | | |
|---------------------------------|-----|-----|-----|-----|-----|-----|-----|
| Asset Turnover (x) | 1.2 | 1.2 | 1.2 | 1.2 | 1.4 | 1.4 | 1.1 |
| Inventory (Days) | 3 | 3 | 4 | 3 | 3 | 3 | 3 |
| Debtor (Days) | 14 | 19 | 18 | 18 | 24 | 20 | 20 |
| Creditor (Days) | 65 | 53 | 78 | 82 | 94 | 85 | 91 |
| Working Capital Turnover (Days) | 38 | 61 | 17 | 8 | -4 | -2 | -15 |

Leverage Ratio (x)

| | | | | | | | |
|---------------|-----|-----|-----|-----|-----|-----|-----|
| Current Ratio | 1.6 | 2.2 | 1.9 | 1.2 | 1.0 | 1.2 | 0.9 |
| Debt/Equity | 1.5 | 1.8 | 0.6 | 0.8 | 0.6 | 0.7 | 0.9 |

Consolidated - Cash Flow Statement

(INR Million)

| Y/E March | FY14 | FY15 | FY16 | FY17 | FY18 | FY19E | FY20E |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Net Profit / (Loss) Before Tax / EO | 523 | 125 | 1,453 | 1,528 | 1,952 | 2,978 | 3,482 |
| Depreciation | 944 | 1,168 | 1,151 | 1,384 | 1,537 | 1,817 | 2,043 |
| Interest & Finance Charges | 743 | 783 | 840 | 806 | 837 | 990 | 1,086 |
| Direct Taxes Paid | -154 | -69 | -467 | -570 | -704 | -1,061 | -1,167 |
| (Inc)/Dec in WC | 91 | -863 | 1,603 | 381 | 699 | -48 | 273 |
| CF from Operations | 2,147 | 1,144 | 4,580 | 3,529 | 4,320 | 4,676 | 5,718 |
| EO Expense | -15 | 163 | 81 | 268 | -163 | 0 | 0 |
| CF from Operating incl EO | 2,132 | 1,307 | 4,661 | 3,797 | 4,157 | 4,676 | 5,718 |
| (inc)/dec in FA | -1,273 | -1,691 | -2,672 | -6,752 | -2,302 | -4,500 | -4,500 |
| (Pur)/Sale of Investments | 193 | -131 | 0 | -1 | -190 | 0 | 0 |
| Others | 14 | 14 | 0 | 0 | 0 | 0 | -5,350 |
| CF from Investments | -1,065 | -1,808 | -2,672 | -6,753 | -2,491 | -4,500 | -9,850 |
| Issue of Shares | 121 | 100 | 3,502 | 1 | 0 | 0 | 0 |
| (Inc)/Dec in Debt | -434 | 1,337 | -1,752 | 1,583 | -687 | 2,000 | 4,500 |
| Interest Paid | -812 | -827 | -840 | -806 | -837 | -990 | -1,086 |
| Dividend Paid | -46 | -122 | -65 | -68 | -113 | -113 | -116 |
| Others | 9 | 8 | -429 | -127 | 0 | 0 | 0 |
| CF from Fin. Activity | -1,162 | 496 | 416 | 583 | -1,637 | 898 | 3,297 |
| Inc/Dec of Cash | -95 | -6 | 2,405 | -2,373 | 29 | 1,074 | -834 |
| Add: Beginning Balance | 368 | 272 | 267 | 2,672 | 299 | 328 | 1,402 |
| Closing Balance | 272 | 267 | 2,672 | 299 | 328 | 1,402 | 567 |

E: MOSL Estimates

NOTES

| Explanation of Investment Rating | |
|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

*In case the recommendation given by the Research Analyst becomes inconsistent with the investment rating legend, the Research Analyst shall within 28 days of the inconsistency, take appropriate measures to make the recommendation consistent with the investment rating legend.

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