

Crompton Consumer

BUY

Better days ahead

Crompton's 4Q performance was mixed with miss on ECD margins (challenging quarter) but beat in lighting margins (recovered with various initiatives). We expect FY20 performance to improve led by (1) Healthy growth for ECD (new launches), (2) Lighting sustaining healthy margins (200bps YoY expansion in FY20E) and (3) GTM benefits kicking-in. Stock was flat in FY19 due to lack of fireworks in their performance. We expect a re-rating in the stock in FY20 (led by outperformance vs. peers). We value at 35x on Mar-21 EPS, arriving at a TP of Rs 300.

HIGHLIGHTS OF THE QUARTER

- Net revenues grew by 7.2% (13% in 4QFY18, 9.8% in 3QFY19) vs. exp of 9.8%. Management has not witnessed a slowdown in demand, moderate growth was on account of seasonality impact.
- ECD grew at a healthy pace of 10% (16% in 3QFY19, 10% in 4QFY18) despite the impact from extended winter. Fans, Pump and Air Coolers were the key drivers of growth. Co has gained market share in fans, retail value market share stood at 25.1/23.8% in 4Q/FY19.
- Lighting was up by 1.4% (-2.4% in 3QFY19, 21% in 4QFY18), impacted by price erosion in LED lamps and decline in conventional lighting. Focus on accelerating growth by (1) Distribution leveraging for B-C, (2) New product launches (anti-bacterial lamp, kills upto 85% of bacteria) and (3) Strengthening core for B-B (separate national sales team to focus with more depth).

- GM declined by 64bps (inline) to 31% (+200/-135bps in 4QFY18/3QFY19) led by commodity inflation and delay in price hike. Employee/other expenses up by 9/6%. EBITDA margin dipped by 64bps to 14% (exp 14.8%).
- ECD EBIT margin was down by 220bps to 19.5%, after 6 quarters of consistent expansion. Margin contraction on account of higher commodity inflation and delay in price hike (extended winter impacted trade sentiments). We expect margins to improve in FY20 led by favorable product mix, cost rationalisation and price hike.
- Lighting EBIT margin was up by 40/260bps YoY/QoQ to 11.5% (exp 9.8%). Co has taken various initiatives (sourcing of raw material, product mix, etc) in FY19 to recover the margin to sustainable level (low double digit). We model 200bps margin expansion in FY20.
- APAT (excluding tax written back) was up by 8% to Rs 1,118mn (exp Rs 1,201mn).

STANCE

Crompton has been focusing on building long term structural platform (distribution) rather than reaping low hanging fruits. Management is focusing on (1) Strengthening leadership in fans (NPD for wider price points, offering 5 year warranty vs. 1-2 year by peers), (2) Leveraging distribution (GTM benefits), (3) Brand leveraging via entering in newer categories and (4) Cost reduction and product mix to drive margins. We model 20% EPS CAGR over FY19P-21E. Maintain BUY.

Financial Summary (Standalone)

YE March (Rs mn)	4QFY19	4QFY18	YoY (%)	3QFY19	QoQ (%)	FY17	FY18	FY19P	FY20E	FY21E
Net Revenues	12,069	11,263	7.2	10,303	17.1	39,009	40,797	44,789	50,698	57,409
EBITDA	1,685	1,645	2.5	1,261	33.7	4,846	5,310	5,858	7,012	8,008
APAT	1,118	1,032	8.3	797	40.3	2,849	3,238	3,727	4,684	5,544
Diluted EPS (Rs)	1.78	1.65	8.3	1.27	40.3	4.5	5.2	5.9	7.3	8.6
P/E (x)						48.2	42.4	36.8	30.1	25.4
EV / EBITDA (x)						28.9	26.0	23.4	19.7	16.8
Core RoCE (%)						40.6	38.7	39.4	42.7	48.4

Source: Company, HDFC sec Inst Research

INDUSTRY	APPLIANCES		
CMP (as on 22 May 2019)	Rs 219		
Target Price	Rs 300		
Nifty	11,738		
Sensex	39,110		
KEY STOCK DATA			
Bloomberg	CROMPTON IN		
No. of Shares (mn)	627		
MCap (Rs bn) / (\$ mn)	137/1,970		
6m avg traded value (Rs mn)	144		
STOCK PERFORMANCE (%)			
52 Week high / low	Rs 273/190		
	3M	6M	12M
Absolute (%)	4.5	8.0	(10.2)
Relative (%)	(4.5)	(3.8)	(23.1)
SHAREHOLDING PATTERN (%)			
	Dec-18	Mar-19	
Promoters	34.37	34.37	
FIs & Local MFs	17.98	18.97	
FPIs	32.05	30.47	
Public & Others	15.60	16.19	
Pledged Shares (% of total shares)	16.8	16.8	
Source : BSE			

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Revenue grew at slow pace of 7.2% (exp. 9.8%), on account of slight miss on ECD growth and on-going impact of EESL business on lighting

ECD grew by 10%, impacted by extended winter. Fan, pump and cooler were the key drivers

Lighting revenue grew by 1% owing to price erosion in LED and decline in conventional lighting. Ex-EESL, LED val/vol growth was at 11/25%

Gross margin fall was on account of price cut in LED due to high competitive intensity and delayed price hike in ECD

APAT (adjustment of tax write back) of Rs 1,118mn was below our expectation of Rs 1,201mn

Crompton has tied up with Orissa for street lighting project. The scale of the project will be ~Rs 10bn is delayed due to general elections. It will be executed over the next 2 quarters. Co. has established a subsidiary for the same. Margins are expected to be in mid-teens.

Quarterly Financials

Particulars	4QFY19	4QFY18	YoY (%)	3QFY19	QoQ (%)	FY19	FY18	YoY (%)
Net Revenue	12,069	11,263	7.2	10,303	17.1	44,789	40,797	11.3*
Material Expenses	8,332	7,704	8.2	7,032	18.5	30,918	27,996	10.4
Employee Expenses	765	700	9.3	760	0.6	2,919	2,827	3.3
Other Operating Expenses	1,286	1,215	5.8	1,250	2.9	5,094	4,664	9.2
EBITDA	1,685	1,645	2.5	1,261	33.7	5,858	5,310	10.3
Depreciation	33	31	7.1	33	1.2	129	126	2.2
EBIT	1,652	1,614	2.4	1,228	34.6	5,729	5,184	10.5
Other Income	172	109	57.7	124	na	483	308	56.9
Interest Cost	143	161	(10.9)	150	(4.7)	596	637	(6.5)
PBT	1,681	1,562	7.6	1,202	39.9	5,616	4,854	15.7
Exceptional item	-	-	na	-	na	-	-	na
PBT after exceptional	1,681	1,562	7.6	1,202	39.9	5,616	4,854	15.7
Tax	265	530	(50.1)	405	(34.7)	1,590	1,617	(1.6)
RPAT	1,417	1,032	37.2	797	77.8	4,025	3,238	24.3
Adjustment	299	-	na	-	na	(299)	-	na
APAT	1,118	1,032	8.3	797	40.3	3,727	3,238	15.1
EPS (Adjusted)	1.78	1.65	8.3	1.27	40.3	5.95	5.17	15.1

Source: Company, HDFC sec Inst Research *like-like growth

Margin Analysis

	4QFY19	4QFY18	YoY (bps)	3QFY19	QoQ (bps)	FY19	FY18	YoY (bps)
Material Expenses	69.0	68.4	64	68.3	79	69.0	68.6	41
Employee Expenses	6.3	6.2	13	7.4	(104)	6.5	6.9	(41)
Other Operating Expenses	10.7	10.8	(13)	12.1	(148)	11.4	11.4	(6)
EBITDA Margin	14.0	14.6	(64)	12.2	173	13.1	13.0	6
Tax Rate	15.7	33.9	(1,819)	33.7	(1,796)	28.3	33.3	(498)
PAT Margin	9.3	9.2	10	7.7	153	8.3	7.9	38

Source: Company, HDFC sec Inst Research

Price erosion impact will be muted on LEDs in FY20

LED dominates lighting business with 85% mix

Crest Mini pump (address the value segment) continued to report strong volume growth (high double digit growth)

EESL order book stands at Rs900mn vs. Rs 500mn in 3Q

ECD EBIT margin pressure was on account of delayed price hike and commodity pressure

Segmental Quarterly (Reported)

(Rs mn)	4QFY19	4QFY18	YoY (%)	3QFY19	QoQ (%)	FY19	FY18	YoY (%)
Segmental Revenues								
Lighting Products	3,425	3,379	1.4	3,188	7.5	12,653	12,770	(0.9)
ECD	8,644	7,884	9.6	7,116	21.5	32,136	28,281	15.9
Total	12,069	11,263	7.2	10,303	17.1	44,789	41,051	11.3
Segmental EBIT								
Lighting Products	393	374	5.0	282	39.0	1,069	1,473	(27.4)
ECD	1,685	1,711	(1.5)	1,327	26.9	6,162	5,347	15.2
Total	2,077	2,085	(0.4)	1,610	29.0	7,230	6,820	6.0
Less:								
(a) Interest Cost & Bank Charges	143	161	(10.9)	150	(4.7)	596	637	(6.5)
(b) Other Un-allocable Expenses	253	362	(30.2)	258	(2.0)	1,019	1,328	(23.3)
PBT	1,681	1,562	7.6	1,202	39.9	5,616	4,854	15.7
Capital Employed								
Lighting Products	1,125	230	389.4	623	80.7	1,125	230	389.4
ECD	1,528	1,249	22.4	2,168	(29.5)	1,528	1,249	22.4
Total	2,654	1,478	79.5	2,790	(4.9)	2,654	1,478	79.5
Unallocable Capital Employed	8,331	6,417	29.8	6,641	25.5	8,331	6,417	29.8
Total Capital Employed	10,985	7,895	39.1	9,431	16.5	10,985	7,895	39.1

Source: Company, HDFC sec Inst Research *like-like growth

Segmental EBIT Margin (Reported)

(Rs mn)	4QFY19	4QFY18	YoY (bps)	3QFY19	QoQ (bps)	FY19	FY18	YoY (bps)
Lighting Products	11.5	11.1	39.6	8.9	260.3	8.4	11.5	(308.7)
ECD	19.5	21.7	(221.3)	18.7	83.6	19.2	18.9	26.8
Total	17.2	18.5	(130.0)	15.6	158.8	16.1	16.6	(46.9)

Source: Company, HDFC sec Inst Research

Lighting segment in the last 4 quarters is impacted by EESL business. In 4Q, Ex-EESL lighting grew by 18%

Crompton continues to focus on mass premium and premium fans to drive profitable growth in ECD segment

Crompton has 25.1/23.8% retail value market share in fans in 4Q/FY19. Co has gained market share

Mix of premium fans in the industry is at ~15% vs. ~25% for Crompton

Segmental Analysis (like-to-like growth)

Particulars (YoY %)	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19	FY17	FY18	FY19
Revenue Growth (%)											
Lighting Products	10%	25%	23%	21%	2%	-4%	-2%	1%	11%	20%	-1%
ECD	-9%	11%	7%	10%	23%	15%	16%	10%	11%	5%	16%
Total	-4%	16%	12%	13%	20%	8%	8%	8%	12%	8%	11%
Revenue Mix (%)											
Lighting Products	25%	35%	35%	30%	23%	31%	31%	28%	28%	31%	31%
ECD	75%	65%	65%	70%	77%	69%	69%	72%	72%	69%	69%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
EBIT Growth (%)											
Lighting Products	50%	25%	42%	96%	-15%	-52%	-38%	5%	na	47%	47%
ECD	-12%	27%	14%	16%	27%	21%	19%	-2%	na	9%	9%
Total	-7%	26%	21%	25%	22%	1%	3%	0%	na	15%	15%
EBIT Mix (%)											
Lighting Products	13%	28%	29%	18%	9%	13%	18%	19%	17%	22%	22%
ECD	87%	72%	71%	82%	91%	87%	82%	81%	83%	82%	82%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

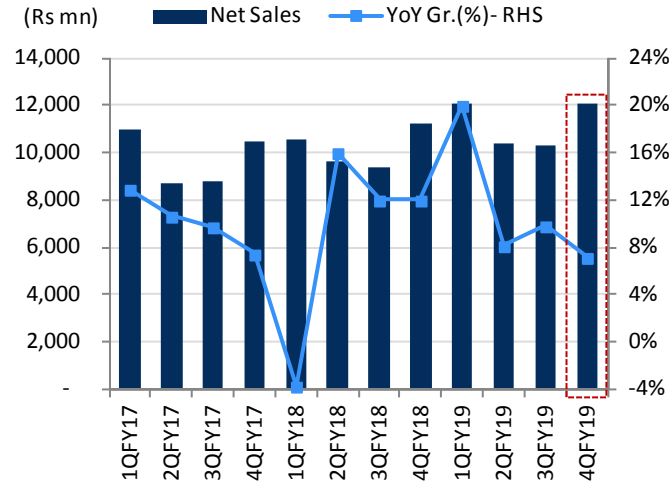
Source: Company, HDFC sec Inst Research

4QFY19 margins were impacted by ECD margin

Lighting business has improved margin and expected to sustain at low double digit

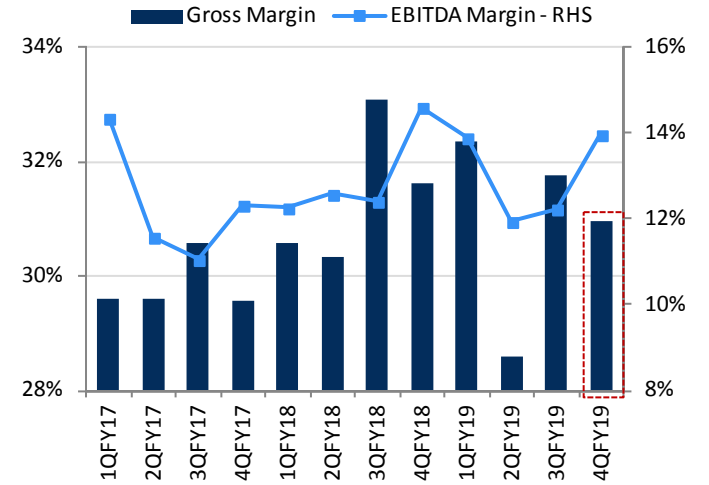
Management expects healthy ECD growth in 1QFY20 led by delayed summer

Net Revenue



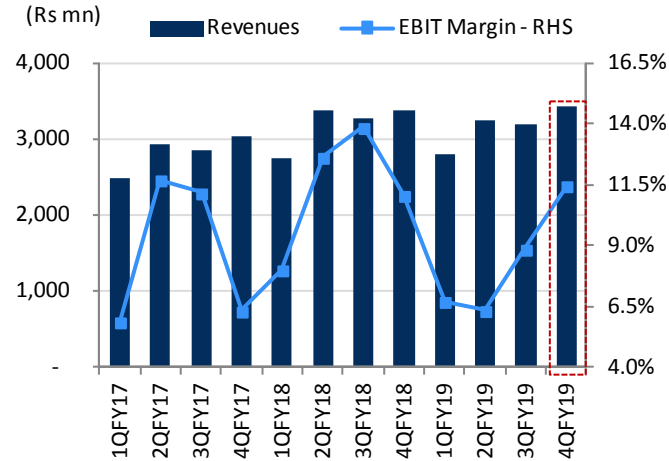
Source: Company, HDFC sec Inst Research

Gross Margin



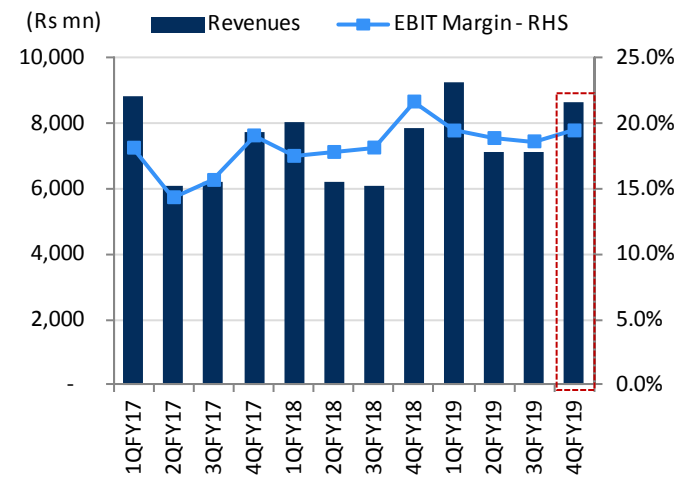
Source: Company, HDFC sec Inst Research

Lighting Performance



Source: Company, HDFC sec Inst Research

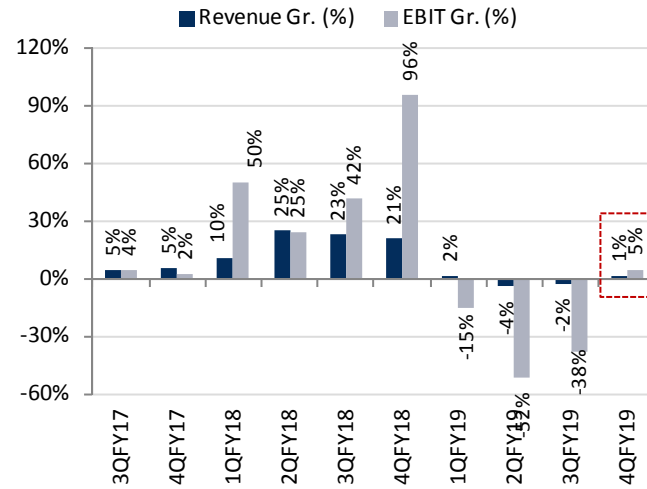
ECD Performance



Source: Company, HDFC sec Inst Research

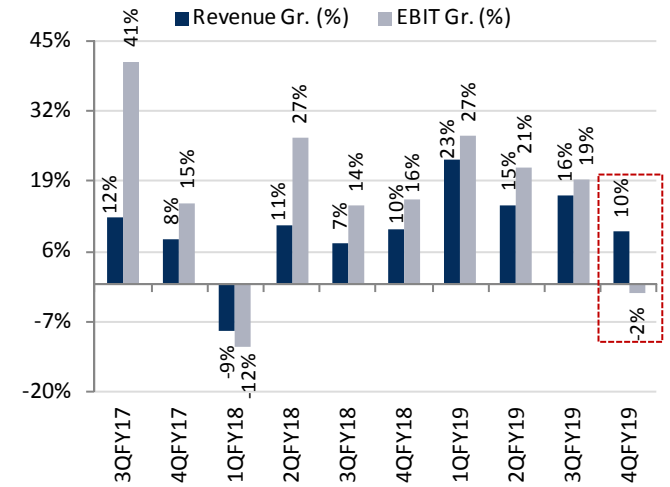
Management plans to start in-sourcing manufacturing of LED as it witnesses stiff competition and volatility in commodity prices. The benefits have already started accruing from 4QFY19

Crompton's Lighting Performance



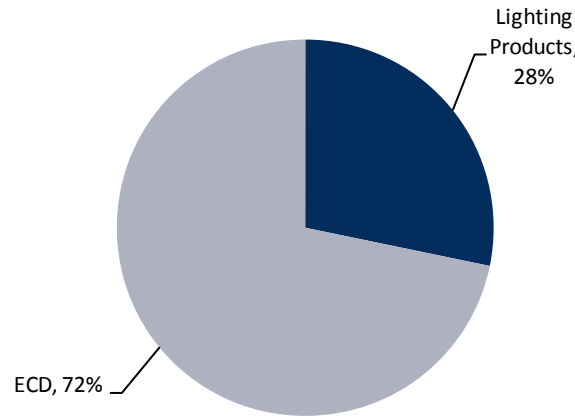
Source: Company, HDFC sec Inst Research

Crompton's Electric Consumer Performance



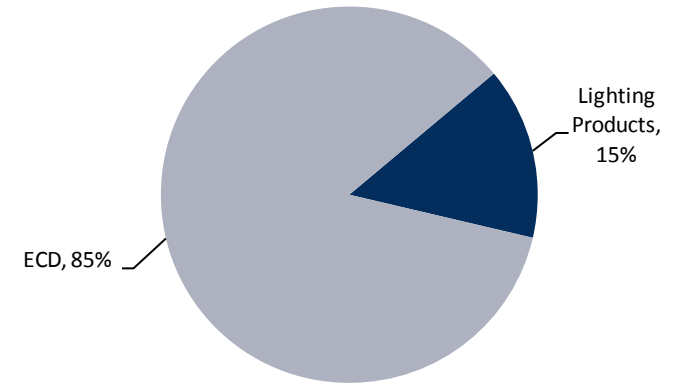
Source: Company, HDFC sec Inst Research

Revenue Mix (FY19)



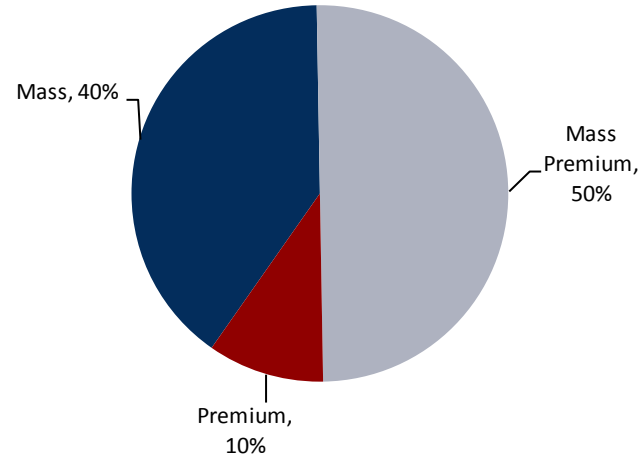
Source: Company, HDFC sec Inst Research

EBIT Mix (FY19)



Source: Company, HDFC sec Inst Research

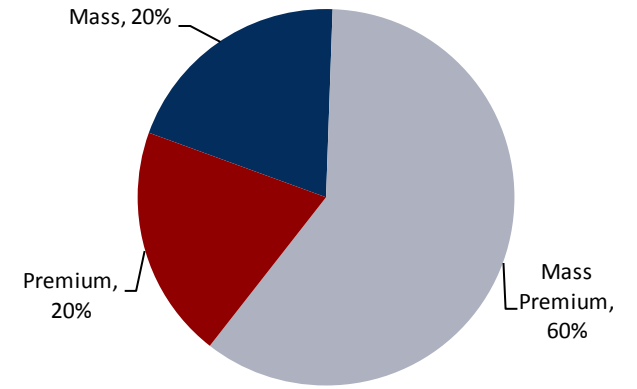
Industry: Fan Mix



Source: Company, HDFC sec Inst Research

Premium: >Rs 2,200 Price
Mass-Premium: Rs 1,500-Rs 2,200
Mass: <Rs 1,500

Crompton: Fan Mix



Source: Company, HDFC sec Inst Research

Key Assumptions

Segments	Revenue (Rs mn)				Revenue Growth (%)				Revenue Mix (%)			
	FY18P	FY19P	FY20E	FY21E	FY18P	FY19P	FY20E	FY21E	FY18P	FY19P	FY20E	FY21E
Fans	17,934	20,096	22,709	25,661	-1.5%	12.1%	13.0%	13.0%	44%	45%	45%	45%
Lighting	12,754	12,653	14,235	16,014	13.0%	-0.8%	12.5%	12.5%	31%	28%	28%	28%
Pumps	7,949	9,340	10,460	11,716	-2.0%	17.5%	12.0%	12.0%	19%	21%	21%	20%
Appliances	2,160	2,700	3,294	4,019	60.0%	25.0%	22.0%	22.0%	5%	6%	6%	7%
Total	40,797	44,789	50,698	57,409	8.0%	11.3%	13.2%	13.2%	100%	100%	100%	100%

Note: FY18 revenue growth is based on reported numbers (not adjusted to GST)

P&L Breakup - % of revenue	FY17	FY18	FY19P	FY20E	FY21E
Raw Material	71.4	70.1	70.5	69.9	69.4
Employee expenses	6.0	6.9	6.5	6.3	6.3
After sales services incl. warranty	1.3	1.5	1.5	1.5	1.5
Sales promotion	1.2	1.6	1.5	1.8	1.8
Advertising	1.4	1.0	1.0	1.3	1.4
Distribution	2.3	2.4	2.4	2.4	2.4
Others	4.1	3.4	3.5	3.1	3.3
EBITDA Margin	12.4	13.0	13.1	13.8	13.9
Depreciation and amortization	0.3	0.3	0.3	0.3	0.2
Interest	1.7	1.6	1.3	0.9	0.5
Other income	0.5	0.8	1.1	1.1	1.3
PBT	11.0	11.9	12.5	13.8	14.4
Tax	3.7	4.0	3.6	4.6	4.8
NPM	7.3	7.9	9.0	9.2	9.7

Source: HDFC sec Inst Research

Change in estimates

	FY20E			FY21E		
	OLD	NEW	Chg (%)	OLD	NEW	Chg (%)
Sales	51,144	50,698	(0.9)	58,284	57,409	(1.5)
EBITDA	7,113	7,012	(1.4)	8,212	8,008	(2.5)
APAT	4,751	4,684	(1.4)	5,685	5,544	(2.5)
EPS	7.4	7.3	(1.4)	8.8	8.6	(2.5)

Peer Set Comparison

Company	MCap (Rs bn)	CMP (Rs)	Reco.	TP (Rs)	EPS (Rs)			P/E (x)			EV/EBITDA (x)			Core RoCE (%)		
					FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E
Havells	472	756	NEU	773	13.8	17.9	21.5	54.6	42.2	35.2	35.3	27.7	23.0	32.1	39.1	46.7
Voltas	193	584	BUY	658	15.6	19.9	23.7	37.4	29.4	24.6	27.5	21.5	17.5	31.4	29.6	31.7
Crompton	137	219	BUY	300	5.9	7.3	8.6	36.8	30.1	25.4	23.4	19.7	16.8	39.4	42.7	48.4
V-Guard	88	207	BUY	248	4.2	5.7	7.1	49.6	36.1	29.2	37.8	26.9	22.0	22.0	28.6	31.9
TTK Prestige	85	7,353	NR	9,293	169.7	198.7	232.3	43.3	37.0	31.7	27.4	23.2	19.6	23.4	25.3	26.6
Symphony	84	1,200	BUY	1,643	15.4	30.0	36.5	77.9	40.0	32.8	61.4	29.0	23.7	32.6	50.1	56.9

Source: HDFC sec Inst Research

Income Statement

Year End March (Rs mn)	FY17	FY18	FY19P	FY20E	FY21E
Net Revenues	39,009	40,797	44,789	50,698	57,409
Growth (%)	9.7	8.0	11.3	13.2	13.2
Material Expenses	27,838	28,600	31,590	35,431	39,861
Employee Expense	2,322	2,827	2,919	3,174	3,590
ASP Expense	1,007	1,056	1,100	1,546	1,837
Freight and forwarding	894	999	1,075	1,217	1,378
Other expenses	2,101	2,005	2,247	2,318	2,735
EBITDA	4,846	5,310	5,858	7,012	8,008
EBITDA Growth (%)	15.7	9.6	10.3	19.7	14.2
EBITDA Margin (%)	12.4	13.0	13.1	13.8	13.9
Depreciation	110	126	129	133	138
EBIT	4,736	5,184	5,729	6,879	7,871
Other Income (Inc. EO Items)	220	308	483	561	718
Interest	655	637	596	449	314
PBT	4,250	4,854	5,616	6,991	8,275
Tax	1,419	1,617	1,590	2,307	2,731
RPAT	2,832	3,238	4,025	4,684	5,544
Adjustment	17	-	(299)	-	-
APAT	2,849	3,238	3,727	4,684	5,544
APAT Growth (%)	24.4	13.7	15.1	25.7	18.4
Adjusted EPS (Rs)	4.5	5.2	5.9	7.3	8.6
EPS Growth (%)	24.4	13.7	15.1	22.3	18.4

Source: Company, HDFC sec Inst Research

Balance Sheet

Year End March (Rs mn)	FY17	FY18	FY19P	FY20E	FY21E
SOURCES OF FUNDS					
Share Capital - Equity	1,254	1,254	1,254	1,288	1,288
Reserves	3,924	6,642	9,345	12,592	16,477
Total Shareholders Funds	5,178	7,895	10,599	13,881	17,765
Long Term Debt	6,478	6,486	6,493	3,493	1,793
Short Term Debt	-	-	-	-	-
Total Debt	6,478	6,486	6,493	3,493	1,793
Net Deferred Taxes	(295)	(479)	(597)	(597)	(597)
Other Non-Current Liabilities	176	175	173	188	213
TOTAL SOURCES OF FUNDS	11,537	14,077	16,668	16,965	19,174
APPLICATION OF FUNDS					
Tangible Assets	821	822	837	974	1,137
CWIP	1	6	10	10	10
Goodwill	7,794	7,794	7,794	7,794	7,794
Other Non-Current Assets	186	274	290	351	396
Total Non-current Assets	8,801	8,896	8,932	9,129	9,337
Inventories	2,734	3,032	3,524	3,650	4,019
Debtors	4,728	5,536	5,660	6,743	7,463
Other Current Assets	687	855	939	1,057	1,190
Cash & Equivalents	3,888	5,452	6,661	6,576	8,653
Total Current Assets	12,037	14,876	16,784	18,026	21,325
Creditors	7,128	7,682	6,642	7,518	8,513
Other Current Liabilities	2,174	2,012	2,406	2,672	2,975
Total Current Liabilities	9,302	9,695	9,048	10,190	11,488
Net Current Assets	2,736	5,181	7,736	7,836	9,837
TOTAL APPLICATION OF FUNDS	11,537	14,077	16,668	16,965	19,174

Source: Company, HDFC sec Inst Research

Cash Flow Statement

Year ending March (Rs mn)	FY17	FY18	FY19P	FY20E	FY21E
Reported PBT	4,276	4,854	5,616	6,991	8,275
Interest Expenses	655	637	596	449	314
Depreciation	110	126	129	133	138
Working Capital Change	(548)	(933)	(1,346)	(185)	76
Tax Paid	(1,466)	(1,812)	(1,590)	(2,307)	(2,731)
OPERATING CASH FLOW (a)	3,126	3,154	3,106	5,081	6,072
Capex	(150)	(135)	(115)	(300)	(300)
<i>Free Cash Flow (FCF)</i>	<i>2,976</i>	<i>3,020</i>	<i>2,991</i>	<i>4,781</i>	<i>5,772</i>
Investments	(3,233)	(482)	(1,622)	(500)	(500)
Non-operating Income	190	286	(134)	(60)	(46)
INVESTING CASH FLOW (b)	(3,193)	(331)	(1,871)	(860)	(846)
Debt Issuance/(Repaid)	56	-	7	(3,000)	(1,700)
Interest Expenses	(230)	(634)	(596)	(449)	(314)
<i>FCFE</i>	<i>(242)</i>	<i>2,190</i>	<i>646</i>	<i>772</i>	<i>3,212</i>
Share Capital Issuance	-	7	413	258	184
Dividend	-	(1,129)	(1,436)	(1,659)	(1,844)
Others	-	-	(2)	15	25
FINANCING CASH FLOW (c)	(175)	(1,755)	(1,614)	(4,836)	(3,649)
NET CASH FLOW (a+b+c)	(242)	1,069	(379)	(615)	1,577
EO Items, Others	41	8	-	-	-
Closing Cash & Equivalents	697	1,774	1,361	776	2,353

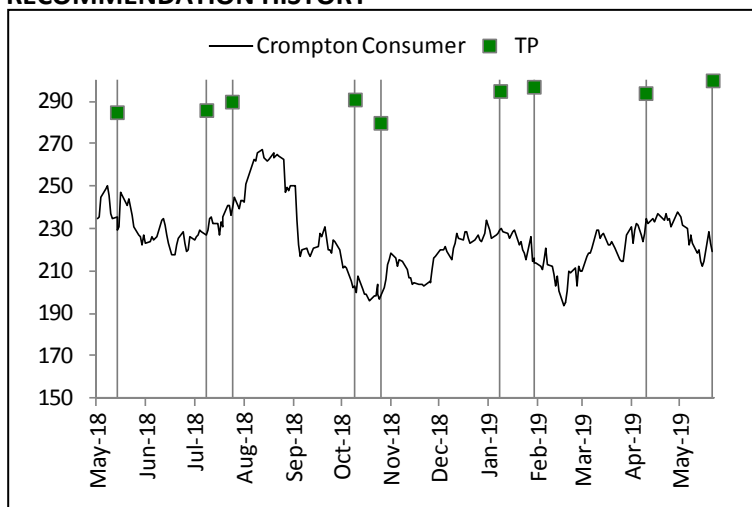
Source: Company, HDFC sec Inst Research

Key Ratios

	FY17	FY18	FY19P	FY20E	FY21E
PROFITABILITY (%)					
GPM	28.6	29.9	29.5	30.1	30.6
EBITDA Margin	12.4	13.0	13.1	13.8	13.9
EBIT Margin	12.1	12.7	12.8	13.6	13.7
APAT Margin	7.3	7.9	8.3	9.2	9.7
RoE	55.0	41.0	35.2	33.7	31.2
RoIC (or Core RoCE)	40.6	38.7	39.4	42.7	48.4
RoCE	28.2	25.5	24.3	28.7	29.4
EFFICIENCY					
Tax Rate (%)	33.4	33.3	28.3	33.0	33.0
Fixed Asset Turnover (x)	4.5	4.6	5.0	5.5	6.0
<i>Inventory (days)</i>	<i>25.6</i>	<i>27.1</i>	<i>28.7</i>	<i>26.3</i>	<i>25.6</i>
<i>Debtors (days)</i>	<i>44.2</i>	<i>49.5</i>	<i>46.1</i>	<i>48.5</i>	<i>47.5</i>
<i>Other Current Assets (days)</i>	<i>6.4</i>	<i>7.6</i>	<i>7.7</i>	<i>7.6</i>	<i>7.6</i>
<i>Payables (days)</i>	<i>66.7</i>	<i>68.7</i>	<i>54.1</i>	<i>54.1</i>	<i>54.1</i>
<i>Other Current Liab&Provns (days)</i>	<i>20.3</i>	<i>18.0</i>	<i>19.6</i>	<i>19.2</i>	<i>18.9</i>
Cash Conversion Cycle (days)	(10.8)	(2.4)	8.8	9.1	7.5
Net D/E (x)	0.5	0.1	(0.0)	(0.2)	(0.4)
Interest Coverage (x)	7.2	8.1	9.6	15.3	25.0
PER SHARE DATA (Rs)					
EPS	4.5	5.2	5.9	7.3	8.6
CEPS	4.7	5.4	6.1	7.5	8.8
Dividend	1.5	1.8	2.0	2.3	2.5
Book Value	8.3	12.6	16.9	21.6	27.6
VALUATION					
P/E (x)	48.2	42.4	36.8	30.1	25.4
P/BV (x)	26.5	17.4	13.0	10.2	7.9
EV/EBITDA (x)	28.9	26.0	23.4	19.7	16.8
EV/Revenues (x)	3.6	3.4	3.1	2.7	2.3
OCF/EV (%)	2.2	2.3	2.3	3.7	4.5
FCF/EV (%)	2.1	2.2	2.2	3.5	4.3
FCFE/Mkt Cap (%)	(0.2)	1.6	0.5	0.5	2.3
Dividend Yield (%)	0.7	0.8	0.9	1.0	1.1

Source: Company, HDFC sec Inst Research

RECOMMENDATION HISTORY



Date	CMP	Reco	Target
16-May-18	230	BUY	285
9-Jul-18	228	BUY	286
27-Jul-18	240	BUY	290
10-Oct-18	202	BUY	291
26-Oct-18	195	BUY	280
9-Jan-19	228	BUY	295
30-Jan-19	216	BUY	297
10-Apr-19	224	BUY	294
23-May-19	219	BUY	300

Rating Definitions

- BUY : Where the stock is expected to deliver more than 10% returns over the next 12 month period
- NEUTRAL : Where the stock is expected to deliver (-)10% to 10% returns over the next 12 month period
- SELL : Where the stock is expected to deliver less than (-)10% returns over the next 12 month period

INSTITUTIONAL RESEARCH

Disclosure:

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