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Q4FY20 result review and  
earnings revision

## Branded Apparels

Target price: Rs130

### Earnings revision

(%)		FY21E		FY22E
Sales	↓	13.2	↓	5.7
EBITDA	↓	28.7	↓	11.1
PAT		NA	↓	16.2

### Target price revision

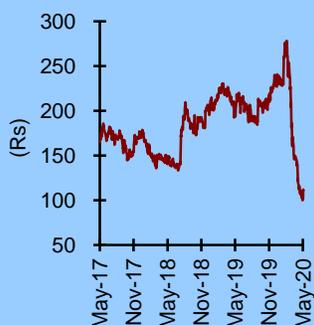
Rs130 from Rs180

### Shareholding pattern

	Sep '19	Dec '19	Mar '20
Promoters	59.1	59.1	59.1
Institutional investors	30.0	29.9	29.8
MFs and UTI	18.0	18.3	18.5
FIs and Banks	0.1	0.1	0.1
Insurance Cos.	2.1	2.0	2.7
FII	9.8	9.5	8.5
Others	10.9	11.0	11.1

Source: BSE

### Price chart



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# Aditya Birla Fashion and Retail

**BUY**

Maintained

**Rs108**

## Focus on cost/ debt reduction

Key takeaways from Aditya Birla Fashion and Retail (ABFRL)'s Q4FY20 results: 1) focus on cost reduction through aligning rental cost in-line with revenues, curtailing discretionary spends by 50-70% and optimise employees/other costs; 2) preserving cash through rationalising capex (by ~60-70%) and optimising working capital; 3) proposing Rs10bn rights issue to de-leverage balance sheet; 4) ABFRL's >1,300 stores (out of 3,041 stores) have started partial operations as of now. Factoring-in higher demand impact due to Covid-19, we reduce our FY21E and FY22E EBITDA by 29% and 11% respectively, target multiple to 18x (earlier 20x) and target price to Rs130/sh (earlier Rs180/sh) based on 18x FY22E EV/E. Maintain BUY, as concerns around weak H1FY21E seems adequately priced-in.

- ▶ **Revenue declined 5% YoY to Rs18.2bn, in-line with our estimates.** ABFRL first time ever reported (pre Ind-AS 116) EBITDA loss of Rs289mn (adjusted for one-time cost of Rs280mn pertaining to PEOPLE transition) owing to negative operating leverage. Management estimates loss of revenue of Rs3.4bn and flow through of Rs2bn lower gross profit on EBITDA due to Covid'19 related disruptions. Given high fixed cost structure, the management is focusing on cost reduction through negotiating with landlords on aligning rental cost in-line with revenues; curtailing discretionary spends (by 50-70%), optimising employee / other overheads (like travel etc.) and tighter negotiation with material vendors. Investments in new business initiatives likely to be curtailed in FY21E.
- ▶ **Lifestyle brand revenue declined 5% YoY to Rs10.7bn.** The company had maintained strong growth momentum in Jan & Feb with 10% LTL and 7% total growth with women's wear growing 23% YoY. EBITDA declined 61% YoY to Rs660mn owing to loss of sales due to COVID'19 disruptions and higher fixed cost structure. Other businesses (innerwear/international brands) revenue growth was lower at 8% YoY to Rs1.2bn with EBITDA loss increasing 33% YoY of Rs320mn.
- ▶ **Pantaloons revenue declined 1% YoY to Rs6.3bn with LTL of negative 11.7%.** Revenue grew strongly at 19% YoY with LTL of 9.5% in Jan & Feb'20 owing to strong EoSS, weddings and new launches. It reported EBITDA loss of Rs380mn vs EBITDA of Rs130mn in Q4FY19. >80 Pantaloons stores have opened as of now.
- ▶ **Management focus is on preserving cash** through cost reduction, rationalising capex (by 60-70% than usual run rate of Rs3-4bn) and optimising working capital. Net debt increased Rs2.7bn and Rs6.2bn in Q4FY20 and FY20 respectively to Rs25.1bn as at Mar'20-end owing to sharp increase in working capital requirements due to COVID'19 lockdown. The company has proposed rights issue of Rs10bn (timelines ~80-90 days) mainly to de-leverage balance sheet and bring net debt to EBITDA below 2.5x by FY22E. Even without rights issue, the management is targeting to maintain net debts at current levels of Rs25bn by end-FY21E.

Market Cap	Rs84bn/US\$1.1bn
Reuters/Bloomberg	ABRL.BO/ABFRL IN
Shares Outstanding (mn)	774
52-week Range (Rs)	254/184
Free Float (%)	40.9
FII (%)	8.5
Daily Volume (US\$'000)	2,708
Absolute Return 3m (%)	(58.7)
Absolute Return 12m (%)	(48.4)
Sensex Return 3m (%)	(20.3)
Sensex Return 12m (%)	(19.5)

Year to Mar	2019	2020	2021E	2022E
Revenue (Rs mn)	81,177	87,879	76,586	1,01,467
EBITDA (Rs mn)	5,541	4,755	3,807	6,620
Net Income (Rs mn)	3,212	609	(608)	2,122
% Chg YoY	114.0	(81.1)	NA	NA
P/E (x)	26.0	137.3	NA	44.5
CEPS (Rs)	7.8	4.1	2.2	5.5
EV/E (x)	18.3	22.6	26.4	15.5
Dividend Yield	-	-	-	-
RoCE (%)	14.4	6.8	3.8	7.9
RoE (%)	25.5	4.4	(3.4)	8.9

Please refer to important disclosures at the end of this report

## Key takeaways from conference call

- **Lifestyle brand was growing at double digit (11%) on revenue** with comparable EBITDA growth of 8% YoY till Feb'20. Women's and kidswear business doubled YoY; while company has ramped up wedding wear play through brand extension of *LP- Maharaja*. *Peter England* small town format piloted successfully with over 200 stores in its first year.
- **Pantaloons revenues grew 10% YoY with LTL of 2.7%**; while YTD Feb sales grew at 14.6% YoY with LTL 6.8%. ABFRL has strengthened private label proposition in Young Fast Fashion (PEOPLE, Candies), Ethnic (Saris) and non-apparels (Living Spaces).
- **Minor halt in store additions in FY21**: ABFRL net closed 1 *Pantaloons* stores in Q4FY20, while added 34 stores in FY20 taking the total to 342 stores as of Mar'20-end. In MF&L, it has net added 66/ 273 stores in Q4FY20 and FY20 respectively. The combined retail network space stood flat QoQ to to 8.1mn-sqft in Mar'20. Management guided to curtail capex by 60-70% than its usual run-rate and looking to take minor halt in store additions in FY21.
- **Innerwear business grew 40% YoY in FY20**. Mens innerwear continues to expand distribution (~20,000 outlets as at Mar'20-end), though was impacted by March while women's innerwear business finding greater acceptance and customer traction. ABFRL accelerated adoption of Athleisure segment to drive further growth momentum.
- **Fast fashions business revenue declined 49% YoY to Rs410mn** with losses widening to Rs60mn (adjusting for one-time loss of Rs280mn of *PEOPLE* transition) vs Rs50mn in Q4FY19. '*PEOPLE*' got fully transitioned into Pantaloons; while *Forever 21*, commercial renegotiation with new owners on track and expected to get significantly more favourable deal, as per management.
- **Jaypore and Shantanu & Nikhil (part of consolidated financials)** together registered revenues of Rs140mn and EBITDA loss of Rs80mn in Q4FY20. Earlier, management looking to add 8-10 stores of *Jaypore* and 5-6 stores of *Shantanu & Nikhi* which have postponed due to Covid'19.

**Table 1: Q4FY20 result review - comparable***(Rs mn, year ending March 31)*

	Q4FY20	Q4FY19	% YoY	Q3FY20	% QoQ	I-sec estimates	Variance
<b>Net sales</b>	<b>18,174</b>	<b>19,153</b>	<b>(5.1)</b>	<b>25,625</b>	<b>(29.1)</b>	<b>18,419</b>	<b>(1.3)</b>
Raw materials	8,856	8,998	(1.6)	12,301	(28.0)	8,666	2.2
Employee cost	2,749	2,351	16.9	2,757	(0.3)	2,619	5.0
Rent	3,192	2,794	14.2	3,498	(8.8)	3,148	1.4
Others	3,668	3,765	(2.6)	4,910	(25.3)	3,155	16.2
<b>Total Expenses</b>	<b>18,464</b>	<b>17,908</b>	<b>3.1</b>	<b>23,466</b>	<b>(21.3)</b>	<b>17,589</b>	<b>5.0</b>
<b>EBITDA</b>	<b>(289)</b>	<b>1,245</b>	<b>NA</b>	<b>2,158</b>	<b>NA</b>	<b>830</b>	<b>(134.9)</b>
Interest	643	453	42.0	523	22.9	597	7.7
Depreciation	592	729	(18.8)	639	(7.4)	659	(10.2)
Other income	140	242	(42.4)	112	25.0	136	2.8
<b>Recurring pre-tax income</b>	<b>(1,385)</b>	<b>305</b>	<b>NA</b>	<b>1,108</b>	<b>NA</b>	<b>(291)</b>	<b>NA</b>
Extraordinary income/(expense)	(280)	-	NA	(1,063)	NA	-	NA
Taxation	(379)	-	NA	251	NA	(136)	NA
<b>Reported Net Income</b>	<b>(1,286)</b>	<b>305</b>	<b>NA</b>	<b>(207)</b>	<b>NA</b>	<b>(155)</b>	<b>NA</b>
<b>Recurring Net Income</b>	<b>(1,006)</b>	<b>305</b>	<b>NA</b>	<b>856</b>	<b>NA</b>	<b>(155)</b>	<b>NA</b>
<b>Ratios (%)</b>							
Gross margin	51.3	53.0		52.0		52.9	
EBITDA margin	(1.6)	6.5		8.4		4.5	
Net profit margin	(5.5)	1.6		3.3		(0.8)	

Source: Company data, I-Sec research

**Table 2: Q4FY20 result review - reported***(Rs mn, year ending March 31)*

	Q4FY20	Q4FY19	% YoY	Q3FY20	% QoQ
<b>Net sales</b>	<b>18,174</b>	<b>19,153</b>	<b>(5.1)</b>	<b>25,625</b>	<b>(29.1)</b>
Raw materials	8,856	8,998	(1.6)	12,301	(28.0)
Employee cost	2,749	2,351	16.9	2,757	(0.3)
Rent	1,062	2,794	(62.0)	1,565	(32.2)
Others	3,948	3,765	4.8	4,910	(19.6)
<b>Total Expenses</b>	<b>16,614</b>	<b>17,908</b>	<b>(7.2)</b>	<b>21,534</b>	<b>(22.8)</b>
<b>EBITDA</b>	<b>1,561</b>	<b>1,245</b>	<b>25.3</b>	<b>4,091</b>	<b>(61.9)</b>
Interest	1,186	453	161.9	1,047	13.3
Depreciation	2,325	729	218.8	2,208	5.3
Other income	169	242	(30.4)	145	16.6
<b>Recurring pre-tax income</b>	<b>(1,782)</b>	<b>305</b>	<b>NA</b>	<b>981</b>	<b>NA</b>
Extraordinary income/(expense)	-	-	NA	(1,063)	NA
Taxation	(379)	(1,721)	(78.0)	251	(250.7)
<b>Reported Net Income</b>	<b>(1,403)</b>	<b>2,026</b>	<b>NA</b>	<b>(334)</b>	<b>NA</b>
<b>Recurring Net Income</b>	<b>(1,403)</b>	<b>2,026</b>	<b>NA</b>	<b>730</b>	<b>NA</b>
<b>Ratios (%)</b>					
Gross margin	51.3	53.0		52.0	
EBITDA margin	8.6	6.5		16.0	
Net profit margin	(7.7)	10.6		2.8	

Source: Company data, I-Sec research

**Table 3: Segmental analysis***(Rs mn, year ending March 31)*

	Q4FY20	Q4FY19	% YoY	Q3FY20	% QoQ	I-sec estimates	Variance
<b>Segment revenues</b>							
MF&L	12,290	13,199	(6.9)	15,320	(19.8)	12,641	(2.8)
Pantaloons	6,260	6,332	(1.1)	10,829	(42.2)	6,123	2.2
<b>Total sales</b>	<b>18,550</b>	<b>19,531</b>	<b>(5.0)</b>	<b>26,149</b>	<b>(29.1)</b>	<b>18,764</b>	<b>(1.1)</b>
Less: Inter-segment revenues	377	377	(0.2)	523	(28.0)	345	9.2
<b>Net sales</b>	<b>18,173</b>	<b>19,153</b>	<b>(5.1)</b>	<b>25,626</b>	<b>(29.1)</b>	<b>18,419</b>	<b>(1.3)</b>
<b>Segment EBITDA</b>							
MF&L	280	1,400	(80.0)	1,130	(75.2)	864	(67.6)
Pantaloons	(380)	130	NA	1,090	(134.9)	106	(458.1)
Others	(40)	(40)	0.0	30	(233.3)	(5)	736.3
Other income	(149)	(245)	(39.0)	(92)	62.9	(136)	10.0
<b>Total</b>	<b>(289)</b>	<b>1,245</b>	<b>NA</b>	<b>2,158</b>	<b>(113.4)</b>	<b>830</b>	<b>NA</b>
<b>EBITDA margin</b>							
MF&L	2.3	10.6		7.4		6.8	
Pantaloons	(6.1)	2.1		10.1		1.7	
<b>Total</b>	<b>(1.6)</b>	<b>6.5</b>		<b>8.4</b>		<b>4.5</b>	

Source: Company data, I-Sec research

**Table 4: Performance of key portfolios**

	Q4FY20	Q4FY19	% YoY	Q3FY20	% QoQ
<b>Revenue</b>					
Lifestyle brands	10,720	11,320	(5.3)	12,950	(17.2)
Fast Fashion	410	800	(48.8)	890	(53.9)
Other businesses	1,160	1,070	8.4	1,480	(21.6)
Pantaloons	6,260	6,332	(1.1)	10,829	(42.2)
Elimination	(380)	(380)	0.0	(523)	(27.3)
<b>Total Revenues</b>	<b>18,170</b>	<b>19,142</b>	<b>(5.1)</b>	<b>25,626</b>	<b>(29.1)</b>
<b>EBITDA</b>					
Lifestyle brands	660	1,690	(60.9)	1,380	(52.2)
Fast Fashion	(60)	(50)	20.0	(40)	50.0
Other businesses	(320)	(240)	33.3	(210)	52.4
Pantaloons	(380)	130	NA	1,090	NA
Elimination	(40)	(40)	0.0	30	NA
<b>Total EBITDA</b>	<b>(140)</b>	<b>1,490</b>	<b>NA</b>	<b>2,250</b>	<b>NA</b>
<b>EBITDA margin (%)</b>					
Lifestyle brands	6.2	14.9		10.7	
Fast Fashion	(14.6)	(6.3)		(4.5)	
Other businesses	(27.6)	(22.4)		(14.2)	
Pantaloons	(6.1)	2.1		10.1	
<b>Margin (%)</b>	<b>(0.8)</b>	<b>7.8</b>		<b>8.8</b>	

Source: Company data, I-Sec research

**Table 5: Lifestyle brand's channel-wise revenue break-up***(Rs mn, year ending March 31)*

	Q4FY20	Q4FY19	% YoY	Q3FY20	% QoQ
Wholesale	4,110	4,930	(16.6)	3,940	4.3
Retail	4,580	4,300	6.5	6,420	(28.7)
Others	2,030	2,090	(2.9)	2,590	(21.6)
<b>Total</b>	<b>10,720</b>	<b>11,320</b>	<b>(5.3)</b>	<b>12,950</b>	<b>(17.2)</b>

Source: Company data, I-Sec research

**Table 6: ABFRL generated negative FCF of Rs6.2bn in FY20**

(Rs mn)	FY20	FY19	% YoY
Operating Cash flow	2,441	5,120	(52.3)
Working Capital changes	(6,126)	(937)	553.8
Capital Commitments	(4,485)	(2,792)	60.7
<b>Net Operating FCF</b>	<b>(8,171)</b>	<b>1,391</b>	<b>(687.5)</b>
Investing Activities	(1,027)	22	NA
Issue of share capital	72	9	677.4
Change in borrowings	11,221	(1,576)	NA
<b>Change in Cash &amp; Bank</b>	<b>2,096</b>	<b>(154)</b>	<b>NA</b>

Source: Company data, I-Sec research

**Table 7: EBITDA to OCF conversion remains weak in FY20 owing to working capital blockage**

(Rs mn)	FY20	FY19	% YoY
OCF before w/cap changes	6,746	6,409	5.3
W/cap changes	(6,126)	(937)	553.8
Taxes paid	(65)	(196)	(66.8)
<b>OCF</b>	<b>554</b>	<b>5,276</b>	<b>(89.5)</b>
EBITDA	4,755	5,541	(14.2)
<b>EBITDA:OCF</b>	<b>12%</b>	<b>95%</b>	
Interest	(4,243)	(1,098)	286.6
Other income	522	648	(19.5)
<b>EBITDA:OCF (post int./OI)</b>	<b>(150)%</b>	<b>115%</b>	

**Table 8: ABFRL enjoys the largest pan-India distribution network**

Stores	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20
MF&L stores	2,406	2,486	2,544	2,656	2,699
Pantaloons stores	308	314	331	343	342
<b>Total area (mn-sqft)</b>	<b>7.5</b>	<b>7.7</b>	<b>7.9</b>	<b>8.1</b>	<b>8.1</b>

Source: Company data, I-Sec research

**Table 9: Segment-wise revenue assumptions**

	FY18	FY19	FY20	FY21E	FY22E
MF&L	44,688	50,315	54,790	47,929	63,511
- Lifestyle brands	38,660	43,040	46,260	40,709	52,921
- Fast fashion	3,980	3,580	2,850	1,710	2,223
- Other businesses	2,050	3,690	5,680	5,510	8,366
Pantaloons	28,615	31,940	35,140	30,443	40,323
Less: Inter-segment revenues	1,489	1,078	2,050	1,787	2,367
<b>Net sales</b>	<b>71,814</b>	<b>81,177</b>	<b>87,880</b>	<b>76,586</b>	<b>1,01,467</b>
<b>% YoY growth</b>					
MF&L	8.6	12.6	8.9	(12.5)	32.5
- Lifestyle brands	5.9	11.3	7.5	(12.0)	30.0
- Fast fashion	15.4	(10.1)	(20.4)	(40.0)	30.0
- Other businesses	72.3	80.0	53.9	(3.0)	51.8
Pantaloons	12.1	11.6	10.0	(13.4)	32.5
<b>Net sales</b>	<b>8.3</b>	<b>13.0</b>	<b>8.3</b>	<b>(12.9)</b>	<b>32.5</b>

Source: Company data, I-Sec research

**Table 10: Segment-wise EBITDA assumptions**

	FY18	FY19	FY20	FY21E	FY22E
MF&L	3,760	4,010	3,240	2,858	4,612
- Lifestyle brands	4,760	5,190	4,560	4,115	6,249
- Fast fashion	(530)	(320)	(190)	(274)	(133)
- Other businesses	(470)	(850)	(1,130)	(983)	(1,275)
Pantaloons	1,710	2,310	2,220	1,497	2,850
Others	(140)	(140)	(180)	(174)	(298)
<b>Total</b>	<b>5,330</b>	<b>6,180</b>	<b>5,280</b>	<b>4,181</b>	<b>7,164</b>
<b>EBITDA margin (%)</b>					
MF&L	8.4	8.0	5.9	6.0	7.3
- Lifestyle brands	12.3	12.1	9.9	10.1	11.8
- Fast fashion	(13.3)	(8.9)	(6.7)	(16.0)	(6.0)
- Other businesses	(22.9)	(23.0)	(19.9)	(17.8)	(15.2)
Pantaloons	6.0	7.2	6.3	4.9	7.1
<b>Total</b>	<b>7.4</b>	<b>7.6</b>	<b>6.0</b>	<b>5.5</b>	<b>7.1</b>

Source: Company data, I-Sec research

**Table 11: Valuations based on implied 18x FY22E EV/E***(Rs mn)*

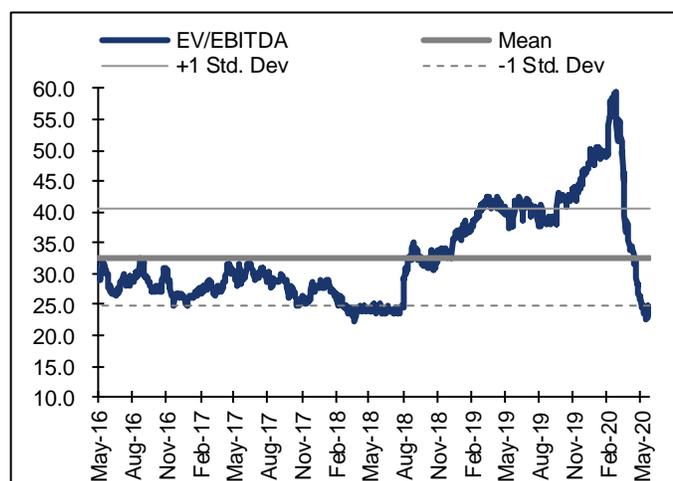
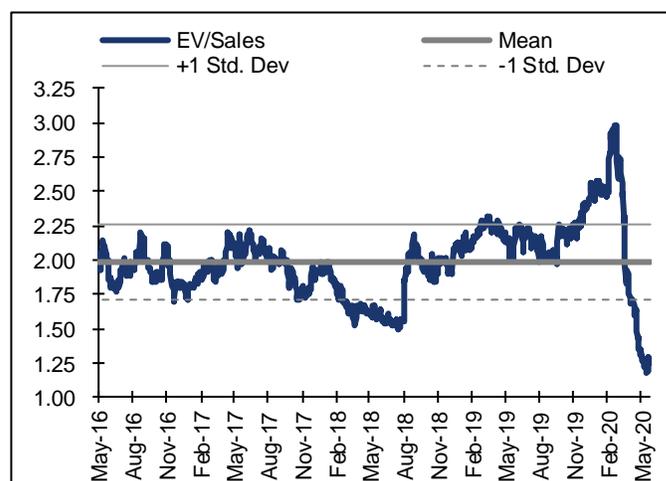
	EBITDA	Valuation	Multiple (x)	Value
MF&L	4,612	EV/E	20	92,248
Pantaloons	2,850	EV/E	15	42,748
Less: Inter-segment EBITDA	(298)	EV/E	18	(5,400)
<b>Enterprise value of firm</b>			<b>18</b>	<b>1,29,597</b>
Net debt				16,314
<b>Enterprise value of equity</b>				<b>1,13,283</b>
No. of shares (mn)				874
<b>Target price (Rs/sh)</b>				<b>130</b>

Source: I-Sec research; including other income

**Table 12: Earnings revision***(Rs mn)*

	FY21E			FY22E		
	Revised	Earlier	% chg	Revised	Earlier	% chg
Revenue	76,586	88,256	(13.2)	1,01,467	1,07,627	(5.7)
EBITDA	3,807	5,338	(28.7)	6,620	7,449	(11.1)
PAT	(608)	911	NA	2,122	2,533	(16.2)

Source: I-Sec research; excluding other income

**Chart 1: Rolling EV/EBITDA****Chart 2: Rolling EV/S**

## Financial summary

Table 13: Profit and loss statement

(Rs mn, year ending March 31)

	FY19	FY20	FY21E	FY22E
<b>Operating Income (Sales)</b>	<b>81,177</b>	<b>87,879</b>	<b>76,586</b>	<b>1,01,467</b>
<b>Operating Expenses</b>	<b>75,637</b>	<b>83,124</b>	<b>72,779</b>	<b>94,847</b>
Other Income	5,541	4,755	3,807	6,620
<b>EBITDA</b>	<b>6.8</b>	<b>5.4</b>	<b>5.0</b>	<b>6.5</b>
% margin	2,823	2,537	2,555	2,677
Depreciation & Amortisation	1,874	2,127	2,358	1,931
Gross Interest	648	524	374	544
<b>Recurring PBT</b>	<b>1,491</b>	<b>614</b>	<b>(733)</b>	<b>2,556</b>
Add: Extraordinaries	-	(1,576)	-	-
Less: Taxes	(1,721)	25	(125)	435
<b>Net Income (Reported)</b>	<b>3,212</b>	<b>(967)</b>	<b>(608)</b>	<b>2,122</b>
<b>Recurring Net Income</b>	<b>3,212</b>	<b>609</b>	<b>(608)</b>	<b>2,122</b>

Source: Company data, I-Sec research

Table 14: Balance sheet

(Rs mn, year ending March 31)

	FY19	FY20	FY21E	FY22E
<b>Assets</b>				
Total Current Assets	37,756	45,758	46,197	53,874
Current Liab. & Prov.	32,505	33,857	29,668	38,584
<b>Net Current Assets</b>	<b>5,251</b>	<b>11,901</b>	<b>16,529</b>	<b>15,290</b>
<b>Investments of which</b>	<b>42</b>	<b>72</b>	<b>72</b>	<b>72</b>
Strategic/Group	42	72	72	72
Marketable	-	-	-	-
<b>Net Fixed Assets*</b>	<b>25,779</b>	<b>27,808</b>	<b>26,572</b>	<b>26,932</b>
of which				
Intangibles	19,191	20,938	20,938	20,938
Deferred Tax assets	2,634	1,575	1,575	1,575
<b>Total Assets</b>	<b>33,706</b>	<b>41,356</b>	<b>44,748</b>	<b>43,869</b>
of which cash & cash equivalents	574	2,740	5,861	2,512
<b>Liabilities</b>				
<b>Borrowings</b>	<b>19,412</b>	<b>27,825</b>	<b>21,825</b>	<b>18,825</b>
<b>Minority Interest</b>	<b>-</b>	<b>199</b>	<b>199</b>	<b>199</b>
Equity Share Capital	5	5	5	5
Face value per share (Rs)	7,735	7,740	8,740	8,740
Reserves & Surplus	10	10	10	10
<b>Net Worth</b>	<b>6,554</b>	<b>5,587</b>	<b>13,979</b>	<b>16,101</b>
<b>Total Liabilities</b>	<b>14,289</b>	<b>13,327</b>	<b>22,718</b>	<b>24,840</b>

Source: Company data, I-Sec research

Table 14: Quarterly trend

(Rs mn, year ending March 31)

	Jun-19	Sep-19	Dec-19	Mar-20
<b>Net sales</b>	<b>20,655</b>	<b>22,972</b>	<b>25,625</b>	<b>18,174</b>
% growth (YoY)	7.9	14.4	12.3	(5.1)
<b>Recurring EBITDA</b>	<b>1,423</b>	<b>1,642</b>	<b>2,158</b>	<b>(289)</b>
Margin (%)	6.9	7.1	8.4	(1.6)
Other income	140	131	112	140
Extraordinaries Inc / (Loss)	-	-	-	-
<b>Recurring Net Income</b>	<b>393</b>	<b>305</b>	<b>856</b>	<b>(1,006)</b>

Source: Company data,

Table 15: Cashflow statement

(Rs mn, year ending March 31)

	FY19	FY20	FY21E	FY22E
<b>Operating Cashflow</b>	<b>5,120</b>	<b>2,441</b>	<b>1,449</b>	<b>4,255</b>
Working Capital changes	(937)	(6,126)	(1,507)	(2,111)
Capital Commitments	(2,792)	(4,485)	(1,319)	(3,037)
<b>Net Operating FCF</b>	<b>1,391</b>	<b>(8,171)</b>	<b>(1,377)</b>	<b>(893)</b>
<b>Investing Activities</b>	<b>22</b>	<b>(1,027)</b>	<b>374</b>	<b>544</b>
Issue of Share Capital	9	72	10,000	-
Buyback of shares	-	-	-	-
Inc(Dec) in Borrowings	(1,576)	11,221	(6,000)	(3,000)
Dividend paid	-	-	-	-
Others	-	-	-	-
<b>Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Chg. in Cash &amp; Bank</b>	<b>(154)</b>	<b>2,096</b>	<b>2,997</b>	<b>(3,349)</b>

Source: Company data, I-Sec research

Table 16: Key ratios

(Rs mn, year ending March 31)

	FY19	FY20	FY21E	FY22E
<b>Per Share Data (Rs)</b>				
EPS(Basic)	4.2	(1.2)	(0.7)	2.4
Diluted Recurring EPS	4.2	0.8	(0.7)	2.4
Diluted Recurring CEPS	7.8	4.1	2.2	5.5
Dividend per share	-	-	-	-
Book Value	18	17	26	28
<b>Growth Ratios (% YoY)</b>				
Operating Income	13.2	8.3	(12.9)	32.5
EBITDA	10.8	(14.2)	(19.9)	73.9
Recurring Net Income	114.4	(81.0)	NA	NA
Diluted Recurring CEPS	39.9	(47.9)	(45.2)	146.5
<b>Valuation Ratios (x)</b>				
P/E	26.0	137.3	NA	44.5
P/CEPS	13.8	26.6	48.5	19.7
P/BV	5.8	6.3	4.2	3.8
EV / EBITDA	18.3	22.6	26.4	15.5
EV / Operating Income	1.4	1.4	1.4	1.1
<b>Operating Ratios (%)</b>				
Raw Material / Sales	48.4	48.1	48.2	47.9
SG&A expenses / Sales	29.7	30.3	29.6	30.1
Other Income / PBT	43.4	85.3	(51.0)	21.3
Effective Tax Rate	(115.4)	4.1	17.0	17.0
NWC / Total Assets	0.2	0.3	0.3	0.3
Inventory (x)	4.5	4.1	3.3	3.9
Receivables (days)	30	34	37	31
Payable (days)	99	97	102	83
D/E Ratio (x)	1.3	1.9	0.7	0.7
<b>Profitability Ratios (%)</b>				
Rec. Net Income Margins	4.0	0.7	(0.8)	2.1
RoCE	14.4	6.8	3.8	7.9
RoNW	25.5	4.4	(3.4)	8.9
Dividend Payout	-	-	-	-

Source: Company data, I-Sec research

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