

### Annual Report Analysis FY20 – A Year of Big Change

FY20 was quite an eventful year for Mindtree as it saw change in management with L&T Group taking over ownership as well as Operating control from Founder promoters. The event led to significant changes in executive teams and Board reconstitution. Mindtree witnessed about 17 of its Top-35 employees leaving the company (Refer Exhibit 8). L&T group also filled in key positions by inducting New external leaders to take key positions - CEO, COO and CFO.

The key strategy continues to revolve around its capabilities in the Digital technology which has led to significant growth in Order bookings during the year. Although the financial performance moderated during the year the company still managed to grow its Digital revenues (38% of its revenues) by 15% and also witnessed record 15% growth in its TCv signings at US\$1.2bn in FY20 -(Exhibit 5-7). Also to fill in order to maintain growth will continue to focus on digital transformation. Mindtree has been continuously focusing on building new technologies and on the strength of existing partnership that in turn is driving up its Customer Experience survey (Exhibit 1-4). MTCL has successfully demonstrated the same with Microsoft that is top customer accounting ~24% of revenues and nearly half of its incremental revenues in FY20.

#### Strategic Outlook set by Chairman - A M Naik

Chairman highlighted that Mindtree will leverage L&T's global network to get opportunities in L&T's global customers. Mindtree will continue to focus for expansion in remote work practices and automation of services along with its' legacy of differentiated solutions.

#### Takeaways from CEO's Address

- During the year, Debashis Chatterjee (DC) was inducted as CEO in Aug-19. Prior to this, He was President, Global Delivery & Digital Systems at Cognizant.
- CEO in his first address highlighted that post joining he prioritized to bring greater stability and continuity to the business, including deepening relationships with strategic customers which then shifted to accelerate growth by strengthening offerings and pursuing larger, strategic deals (annuity-based) through increased cross-selling with partners.
- DC anticipates softening of demand in FY21, as organizations address concerns over business continuity, availability and survival (with no visibility how long industries take to recover) but believes Mindtree is positioned well (based on demand for digital transformation).
- Companies are evolving their business models and require agile solutions. Mindtree will address the growing demand for niche skills (such as cloud and platforms-as-a-service based services) and focus on cybersecurity skills which are increasingly critical to the success of the long-term remote working model.
- Customers will continue to conserve cash, reduce waste, and improve productivity of their assets and Mindtree will continue to support these strategic initiatives.
- Focus on winning large annuity deals is continued.

#### Outlook:

For FY21, Mindtree anticipates softness in overall revenue in H1 due to a drop in demand, curtailment of discretionary spends and cost optimization pressure. At the same time, expects demand from customers for digital and transformational services as they invest into data, cloud-enabled solutions, customer centric and end-user experience businesses. Focus on signing multi-year annuity deals, rationalizing tail accounts and going deeper into the limited set of strategic customers is still continued. Will leverage L&T group on synergies to grow faster and winning bigger deals. Mindtree expects the top-line recovery during the second half of FY21. Margin improvement (FY21 over FY20) is one of key priorities.

CMP	Rs 915
Target / Downside	Rs 840 / 8%
BSE Sensex	34,762
NSE Nifty	10,092

#### Script Details

Equity / FV	Rs 1,646mn / Rs 10
Market Cap	Rs 150bn
	US\$ 2bn
52-week High/Low	Rs 1,063/Rs 652
Avg. Volume (no)	1,133,010
NSE Symbol	MINDTREE
Bloomberg Code	MTCL IN

#### Shareholding Pattern Mar'20(%)

Promoters	13.3
MF/Banks/FIs	7.7
FIs	36.2
Public / Others	42.9

#### Mindtree Relative to Sensex



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## M, D & A Key Takeaways

- **Adopting to new paradigm:** Mindtree expects that the pandemic will bring long-term changes in the IT industry (remote delivery, improvement in productivity, increased offshore work, restructuring of contracts, and new compensation structures with IT customers)
- **Growth to moderate in FY21:** The lockdown in different countries across the Americas and Europe and travel restrictions will negatively impact growth. Prior projections of the industry size for Indian IT Services at \$350 Billion by FY25 is likely to be revised as there are cutbacks by customers globally across different sectors.
- **Technology changes:** Clients are more aggressive in uptake of new offerings to mitigate any disruptions to their business models. The primary technology trends in the digital world is evolving around AI, Blockchain, Cloud Computing, Analytics, IoT, and augmented and virtual reality. Mindtree has already taken initiatives in these new technologies under Digital Pumpkin (innovation hub).
- **India as a talent hub:** India has become the world's largest digital capability hub, accounting for ~ 75% of the global digital talent. Revenue from digital is expected to contribute 38% of all IT & ITES revenue by FY25. Indian IT industry employed 4.1 Million people with a budget of about \$90 Billion in FY19. Due to lowering of IT systems related spend by most customers (except infrastructure spend, which will grow to accommodate remote work and business support), the hiring trend could dip in FY21.

## How Mindtree managed COVID-related operational challenges

Mindtree step up a war room and a crisis management team by 3<sup>rd</sup> March,2020 and achieved 99.5% WFH level by 27<sup>th</sup> March,2020. Mindtree received positive feedback from clients “one of America’s largest private humanitarian foundations”, “a global CPG company”, “one of America’s biggest integrated managed care providers”, “a multinational airline IT and telecom services provider”, “one of UK’s biggest news broadcasters” and “one of the world’s largest technology products companies”. This swift movement to WFH was possible as 1) 85% of workforce already had laptop with par / above-par config 2) Employees were accustomed to WFH as they already had a policy in place (6 WFH days per month) 3) Mindtree already has Information Security setup and Data Protection in place.

## Mindtree’s Delivery Strategy

Mindtree has identified three strategic levers to consolidate deliverables and provide best outcomes for clients. They are Simplify, Differentiate and Change.

- **Simplify:** Simplifying and streamlining the way Mindtree works internally and with customers.
- **Differentiate:** Differentiate in the marketplace through its transformative capabilities, domain depth, unique solutions and frameworks.
- **Change:** Align with the ever-evolving technology landscape and customer expectations, change business model, IT delivery processes, and enhance people skills.

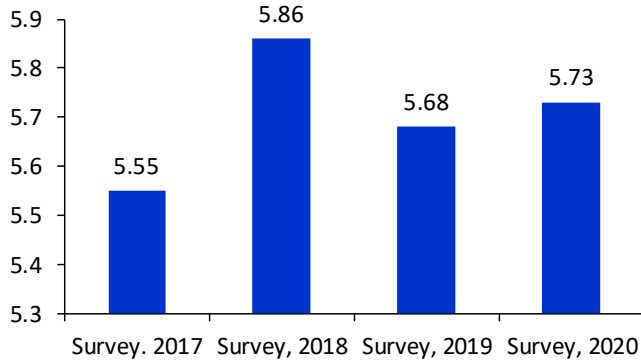
## Technology Partnership driving growth and Customer Satisfaction

Mindtree has created strong Tech capabilities creating strong niches that has supported strong growth for the company and has also helped it maintain consistent high scores in the Customer Experience Survey. Following are some of the key technology partnership and its status:

- **Microsoft:** Mindtree was named a Preferred Partner for Microsoft Azure. Mindtree is also a Gold partner (one of 25) who have access to all Microsoft resources to deliver best solutions. Mindtree has more than 4,000 Microsoft experts with a knowledge base and skills in many MS products.
- **Salesforce:** Mindtree is a Platinum Partner for Salesforce. Mindtree and Magnet 360 (acquired subsidiary) are considered strategic innovator within the Salesforce partner ecosystem. Mindtree's core Salesforce expertise and skill in implementing and integrating Salesforce's marketing automation solutions in conjunction with Salesforce Community Cloud provides competitive edge. Mindtree's Munich CoE spans the full range of the Salesforce Customer Success Platform, including Sales Cloud, Service Cloud and Community Cloud.
- **SAP:** Mindtree is currently the only integrated service provider in the world with expertise on the SAP HANA platform across all three major public cloud platforms: AWS, Azure, and Google. Mindtree is among a handful of Lighthouse Partners and also has own product offerings built on SAP technology.
- **AWS:** Mindtree is an Advanced Consulting Partner in the Amazon Partner Network (APN) for AWS.
- **Adobe:** Mindtree's partnership under Adobe Partnership Program, allows Mindtree to implement a suite of customer experience transformation services and Adobe Experience Cloud solutions to accelerate digital transformation.

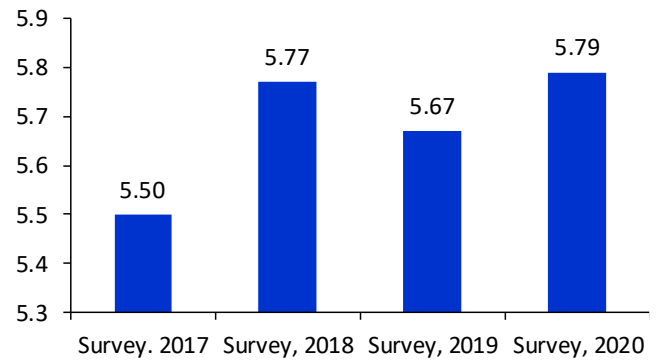
## Customer Experience Survey

**Exhibit 1: CES Survey for Satisfaction**



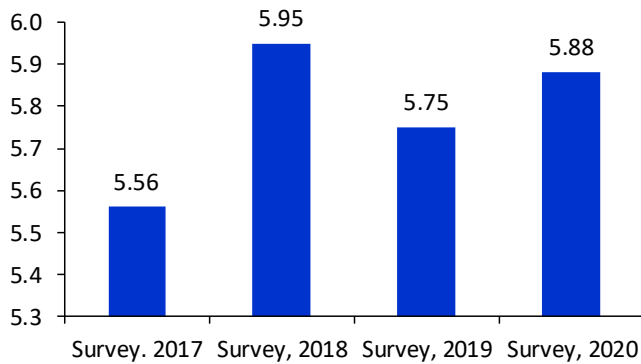
Source: Company, DART, Scale of scores unknown

**Exhibit 2: CES Survey for Loyalty**



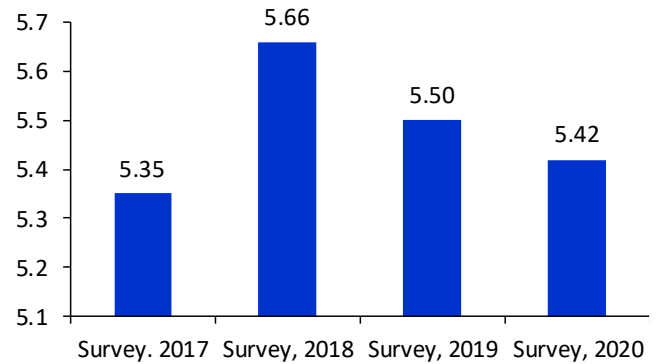
Source: Company, DART, Scale of scores unknown

**Exhibit 3: CES Survey for Advocacy**



Source: Company, DART, Scale of scores unknown

**Exhibit 4: CES Survey for Value for Money**



Source: Company, DART, Scale of scores unknown

## IT Modernization Solutions

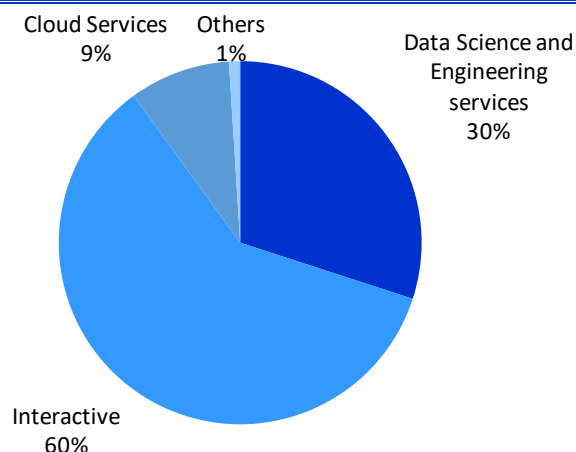
Mindtree has shared the IT Modernization solutions it offers

- **MWatch:** MWatch is an intelligent service enabler for Mindtree’s managed services and is available for both on premise and cloud-based infrastructure. IT eliminates daily manual errors and processes.
- **Cloud-first approach:** Mindtree manages cloud infrastructure with an automation-first approach, leveraging its AIOps platforms to improve service availability, observability and reduce overall cost of operations.
- **Applistructure management:** It offer the expertise to connect the dynamic and changing technology paradigms to the true business goals of client organization. MTCL’s operational centers have built-in disaster recovery operations, ensuring that client’s data and infrastructure have industry-leading safeguards. Its experience enables high availability and continuous optimization in a hybrid cloud across the business application ecosystem
- **Security:** Security threats are increasing in frequency and potency, and leading companies worldwide face a tough challenge as new use cases emerge with constantly changing IT landscape.
- **MSecure:** Mindtree’s MSecure-Threat Vulnerability Management (TVM) service serves as the backbone in reducing an organization’s system exposure, hardening the endpoint surface area and increasing organizational resilience.

## Digital revenues driving growth and TCV traction

The company derives about 38% of its revenues from Digital technologies that is well spread across diverse sub-segments. Interactive Experience services (AI-powered conversational apps) being the largest segment accounts for 60% of revenues. Data and Engg forms 30% of the Digital offerings and this alongwith Cloud Services (9% of revenues) is the fastest growing services for MTCL.

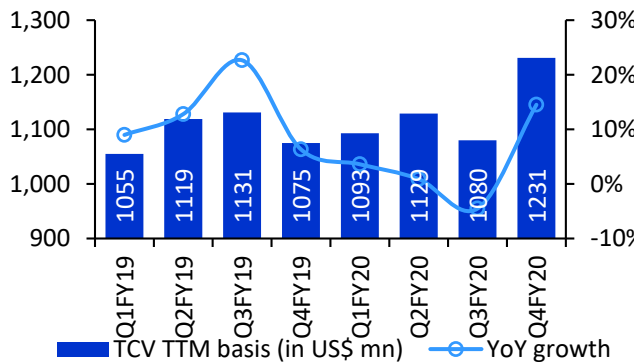
**Exhibit 5: Spilt of Digital Revenue**



Source: DART, Company

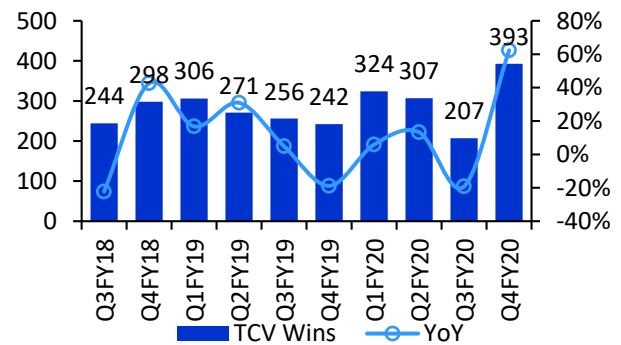
Traction in Digital services has led to strong growth in TCV signings. In FY20 despite severe leadership change company managed to grow TCV by 15% for the year on TTM basis at US\$ 1.2bn. With Digital accounting for 48% to the total TCV addition.

**Exhibit 6: TTM TCV up 15% for the year**



Source: DART, Company

**Exhibit 7: TCV data picks up strongly in Q4**



Source: DART, Company

### Other Key Takeaways

- Mindtree has deployed 764 BOTs to aid next level of automation. BOTs, coupled with SAP S4 HANA capabilities, will be a critical and play a larger role in coming years.
- Mindtree employees have spent 2.3Mn hours in Yorbit (Mindtree's home grown learning platform) since its inception. They have completed 87,000 courses in FY20. The average learning hours per Mindtree employee per year increased from 70.69 in FY19 to 77.13 in FY20.
- Mindtree is moving campus hiring to live interviews (MS Teams and SharePoint). Mindtree will also change the compensation structure and mix of college it visits.
- Application Management Services is the most sought after practices across our customer base and via AMS, Mindtree has become strategic partner for many customers. With the high rate of adoption of AMS, customers rely on Mindtree to manage some of their business critical services. As these will be upgraded in later years, Mindtree expects to become a strategic partner to more of its customers across multiple domains.
- Opened a new delivery center in Atlanta, a new European headquarters in London, and an immersive technology experience center called 'Immersive Aurora', in Bengaluru.

### Leadership development and succession planning

With change in the ownership of the company, KMPs and Board has seen significant changes. The company has seen almost half of its Top35 executives leaving the company during the year (Refer Exhibit 8). The company has now filled all the CXO level positions (CEO, CFO, COO) externally but is now focusing on building strong leadership capabilities within the organisations in line with the philosophy of building professional-led organization compared to promoter-led structure of the past. MTCL since inception (20 years) only saw its Founders (all three CEOs) taking key roles of MD/CEO by rotation.

After a tumultuous year on KMP changes and high attrition (Q2 attrition peaked at 20%) the company now has made significant investments towards leadership development within the organization to create strong succession planning.

As part of this exercise, 15 key leaders have completed their external assessments, two leaders have been chosen to be mentored by non-executive Chairman and CEO & MD of the group. Mindtree is currently designing the Multi-Source Feedback creating individual IDPs, creating customized development plan and conducting effective succession planning.

**Exhibit 8: Changes in Key Personnel**

<b>Name</b>	<b>Designation</b>	<b>Date of Joining</b>
<b>Key Senior Personnel - Inductions during the year</b>		
Debashis Chatterjee	CEO & Managing Director	Aug-19
Dayapatra Nevatia	Chief Operating Officer	Mar-20
<b>Key Senior Personnel - Exits during the year</b>		
<b>Name</b>	<b>Designation</b>	<b>Employed Since</b>
Krishnakumar Natarajan	Executive Chairman	Aug-99
Rostow Ramanan	CEO & Managing Director	Aug-99
N S Parthasarathy	Executive Vice Chairman & COO	Aug-99
Guita Blake	Senior Vice President	Feb-16
Satya Ramaswamy	Executive Vice President	Jan-18
Balaji Thirumalai	Senior Vice President	Mar-17
Ramesh Gopalakrishnan	Executive Vice President	Aug-00
Pradip Kumar Menon	Senior Vice President and CFO	Sep-18
Anil M Rao	Senior Vice President	Apr-01
Gaurav Johri	Senior Vice President	Feb-08
Anindya Maitra	Associate Vice President	May-07
Anish Philip	Vice President	Jan-15
Srinivas Bhagavatula	Associate Vice President	Oct-99
Vinod Sarma	Associate Vice President	Aug-15
Erwan Carpentier	Senior Vice President	Jan-15
Koushik Ramani	Associate Vice President	Aug-12
Seshagiri Rao Injarapu	Vice President	May-15
Ajay Mittal	Associate Vice President	Jun-06

Source: DART, Company

**Exhibit 9: Annual Report Marco View**

Particulars	Details																											
<b>Key Management</b>	<p><b>Exits:</b> Rostow Ravanan, Guita Blake, Krishnakumar Natarajan, Satya Ramaswamy, N S Parthasarathy, Balaji Thirumalai have resigned during the year.</p> <p><b>Induction:</b> Debashis Chatterjee joined as CEO &amp; MD on 2nd August, 2019. Mr. Senthil Kumar was appointed as Chief Financial Officer with effect from March 11, 2020.</p> <p>Anilkumar Manibhai Naik was designated as Non-Executive Chairman. Debashis Chatterjee appointed as CEO and Managing Director from August 2, 2019.</p> <p>Mr. Krishnakumar Natarajan, Executive Chairman, Mr. N S Parthasarathy, Executive Vice Chairman and Chief Operating Officer and Mr. Rostow Ravanan, CEO and Managing Director resigned from the Board on July 17, 2019.</p>																											
<b>Board of Directors</b>	<p>Mr. Sekharipuram Narayanan Subrahmanyam, Mr. Jayant Damodar Patil, Mr. Prasanna Rangacharya Mysore, Mrs. Deepa Gopalan Wadhwa and Mr. Ramamurthi Shankar Raman appointed as Non-Executive Director of the Company with effect from July 16, 2019.</p> <p>Mr. Subroto Bagchi, Non-Executive Director of the Company, retired from the Board on July 16, 2019. Pradip Menon resigned on November 15, 2019. Mr. Milind Sarwate, Independent Director, has resigned from the company due to re-organization of his portfolio of Board membership across various companies with effect from April 24, 2020.</p>																											
<b>Auditors</b>	<b>No change.</b> M/s Deloitte Haskins & Sells LLP continues to be the Auditors of the company.																											
<b>Credit Ratings</b>	Long Term Issuer Rating upgrade to 'IND AA+' with a positive outlook by India Rating. Short Term facilities re-affirmed with A1+ rating by India Rating.																											
<b>Pledged Shares</b>	No Change.																											
<b>Macro-economic factors</b>	Companies are evolving their business models and require agile solutions. Mindtree will address the growing demand for niche skills (such as cloud and platforms-as-a-service based services) and focus on cybersecurity skills which are increasingly critical to the success of the long-term remote working model. Mindtree expects that the pandemic will bring long-term changes in the IT industry (remote delivery, improvement in productivity, increased offshore work, restructuring of contracts, and new compensation structures with IT customers)																											
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Source: DART, Company, Non-Institution includes Escrow Holding; \*Promoters for the company has changed during FY20 as the company is been acquired by LT group from strategic investor, founder promoters group and through open offer.



## Financial Performance – FY20

### Profit & Loss Analysis

- Mindtree reported 9.4% YoY growth in CC terms largely due to weak performance in non-top clients (grew 5.6% YoY – 78% of rev) that was partially covered up by strong performance in top client in top client (grew 21.5% YoY- accounting for 22% of Rev). Cross Currency impact and INR depreciation lead by 10.6% growth on reported basis.
- Geographic Growth: US (75% of rev) grew 10.8% YoY in USD terms. Europe (17% of rev) de-grew 3.2% YoY USD terms, India (4% of rev) grew 28% YoY in USD terms and RoW (4% of rev) grew 10.6% YoY in USD terms.
- Vertical Growth: Hi-Tech vertical led the growth at 13.3% YoY in USD terms - Adjusted for top client, Hi-Tech grew 5% YoY in USD terms. Rest all other verticals reported lower-than-company growth in FY20 on CC basis. In Q4FY20 - CC growth of verticals were pretty diverse with Manufacturing (-2.8%) and BFSI (-0.6%) reporting growth. Travel grew 5% and Hi-Tech grew 15.7% in CC terms on YoY basis.
- EBIT Margin declined by 270bps to 10.1% for the full year. This was largely due to one-time impact of appraisal (completion of 20 years) in Q1FY20 of INR 450mn. SG&A as a % of Rev declined 80bps to 21.1%. Mindtree expects some improvement in FY21 over FY20 as margin improvement initiatives will yield result in FY21.
- Net profit declined by 16.3% to INR 6.3Bn. Net Profit margin declined by 260bps YoY to 8.1% (largely reflecting impact of EBIT margin decline). EPS declined by 17% to INR 38.3 per share.
- Attrition rate has elevated to 17.4% on LTM basis from 14.2% and total headcount has increased to 21,991 (up 9% YoY).

### Balance Sheet Analysis

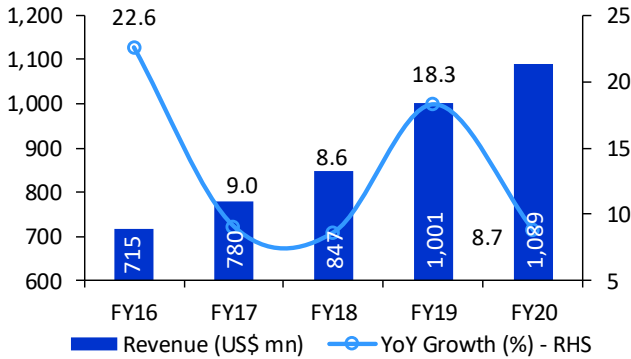
- Current Investments increased by 2% to INR 6,944Mn in FY20. Cash and cash equivalents stood at Rs 3.9bn up from Rs 2.6bn YoY.
- Billed DSO largely remained stable at 68 days' v/s 69 days (FY19). Unbilled Revenue stood at INR 3,148Mn (up 5% YoY). Billed + Unbilled DSO stands at 82 days' v/s 85 days (FY19).
- Mindtree issued 360,025 shares in ESOPs and added INR 4Mn in Equity.
- Mindtree has lease liability of INR 5,663Mn. Mindtree has paid off INR 5Mn borrowing from FY19 (Unsecured long-term borrowings represents the amount received from Council for Scientific and Industrial Research (CSIR)).

### Cash Flow Analysis

- Net Cash Flow from Operating Activities grew by 31% to INR 8.2bn in FY20. Operating cash flows are at 76% (v/s 119% in FY19) and free cash flows are at 85% (v/s 74% in FY19) of net income.
- Capex stood at INR 1,2bn in FY20 v/s INR 1,7bn YoY.

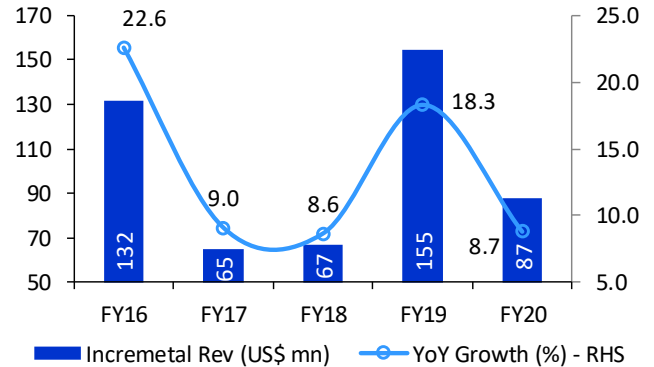
## Financial Performance moderated in FY20

**Exhibit 10: Revenue Growth rate moderated to 8.7%**



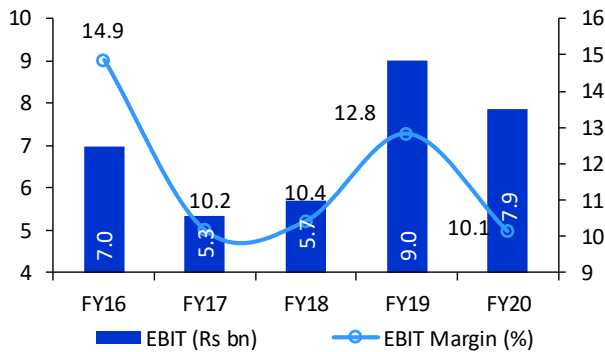
Source: Company, DART

**Exhibit 11: Incremental Revenue Trend (\$mn)**



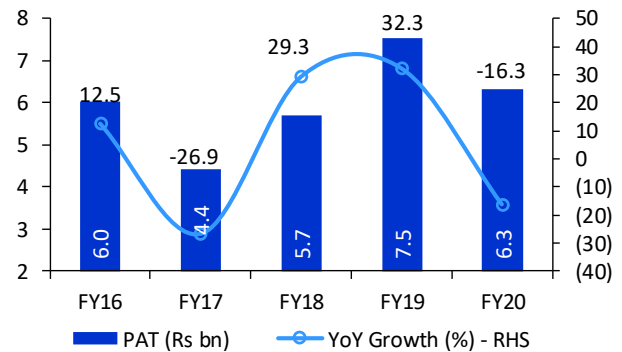
Source: Company, DART

**Exhibit 12: EBIT Margin impacted by lower growth & one time**



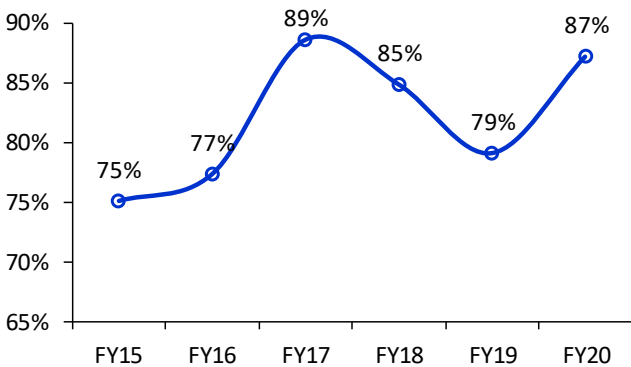
Source: Company, DART

**Exhibit 13: PAT declined 16% in FY20 on weak OPM**



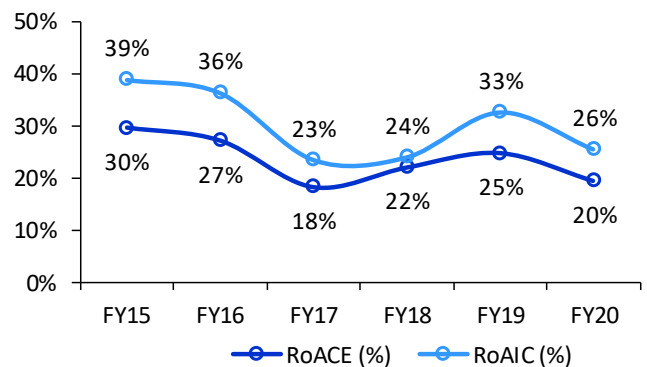
Source: Company, DART

**Exhibit 14: OCF/FCFF conversion (%)**



Source: Company, DART

**Exhibit 15: RoCE and RoIC (%)**



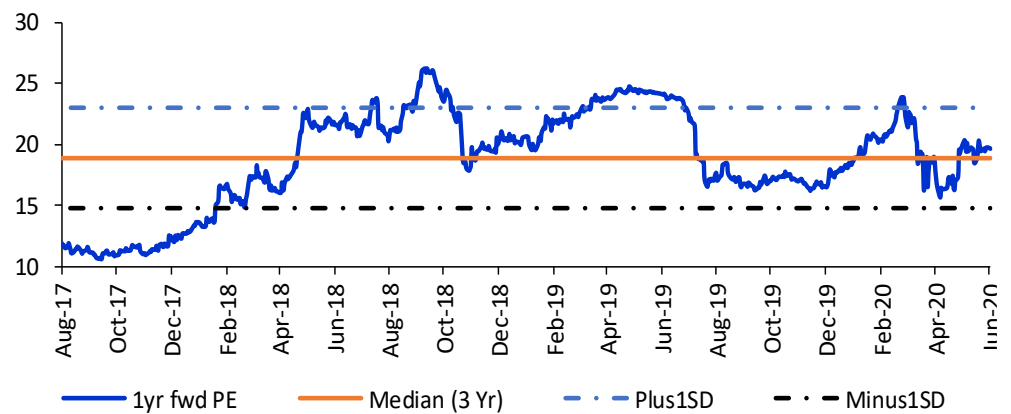
Source: Company, DART

## Valuations

### Valuations underplay concentration risk; assign Under-weight

**View:** Stock has recovered sharply by 30% from the lows, given its strong Q4, improved order book and positive read through from Top client. However, given the increased uncertainty and high client concentration risk we believe the current valuations are bit stretched and thus have ascribed Underweight view on the stock with TP of Rs 840 valued at 17x on FY22E EPS in line with 10% discount to its 3 year median PER.

**Exhibit 16:** PE Chart



Source: DART, Company

**Profit and Loss Account**

(Rs Mn)	FY19A	FY20A	FY21E	FY22E
<b>Revenue</b>	<b>70,215</b>	<b>77,643</b>	<b>81,389</b>	<b>89,711</b>
<b>Total Expense</b>	<b>59,570</b>	<b>67,020</b>	<b>69,131</b>	<b>76,340</b>
COGS	44,212	50,647	52,077	57,413
Employees Cost	0	0	0	0
Other expenses	15,358	16,373	17,053	18,928
<b>EBIDTA</b>	<b>10,645</b>	<b>10,623</b>	<b>12,259</b>	<b>13,371</b>
Depreciation	1,641	2,754	2,786	2,971
<b>EBIT</b>	<b>9,004</b>	<b>7,869</b>	<b>9,472</b>	<b>10,400</b>
Interest	29	529	517	514
Other Income	893	948	765	895
Exc. / E.O. items	0	0	0	0
<b>EBT</b>	<b>9,868</b>	<b>8,288</b>	<b>9,720</b>	<b>10,781</b>
Tax	2,327	1,979	2,299	2,695
RPAT	7,541	6,309	7,421	8,086
Minority Interest	0	0	0	0
<b>Profit/Loss share of associates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>APAT</b>	<b>7,541</b>	<b>6,309</b>	<b>7,421</b>	<b>8,086</b>

**Balance Sheet**

(Rs Mn)	FY19A	FY20A	FY21E	FY22E
<b>Sources of Funds</b>				
Equity Capital	1,642	1,646	1,646	1,646
Minority Interest	0	0	0	0
Reserves & Surplus	31,423	29,922	34,545	39,668
<b>Net Worth</b>	<b>33,065</b>	<b>31,568</b>	<b>36,191</b>	<b>41,314</b>
Total Debt	179	6,762	6,762	6,762
Net Deferred Tax Liability	361	(1,835)	(1,835)	(1,835)
<b>Total Capital Employed</b>	<b>33,605</b>	<b>36,495</b>	<b>41,118</b>	<b>46,241</b>

**Applications of Funds**

Net Block	9,966	14,228	13,792	16,107
CWIP	0	0	0	0
Investments	3,764	2,954	3,579	4,229
<b>Current Assets, Loans &amp; Advances</b>	<b>27,672</b>	<b>32,549</b>	<b>37,608</b>	<b>40,415</b>
Inventories	0	0	0	0
Receivables	13,356	14,389	16,739	18,939
Cash and Bank Balances	2,562	3,909	6,618	7,225
Loans and Advances	11,754	14,251	14,251	14,251
Other Current Assets	0	0	0	0
<b>Less: Current Liabilities &amp; Provisions</b>	<b>7,797</b>	<b>13,236</b>	<b>13,861</b>	<b>14,511</b>
Payables	2,131	2,587	2,087	1,587
Other Current Liabilities	5,666	10,649	11,774	12,924
<i>sub total</i>				
Net Current Assets	19,875	19,313	23,747	25,904
<b>Total Assets</b>	<b>33,605</b>	<b>36,495</b>	<b>41,118</b>	<b>46,241</b>

E – Estimates

**Important Ratios**

Particulars	FY19A	FY20A	FY21E	FY22E
<b>(A) Margins (%)</b>				
Gross Profit Margin	37.0	34.8	36.0	36.0
EBIDTA Margin	15.2	13.7	15.1	14.9
EBIT Margin	12.8	10.1	11.6	11.6
Tax rate	23.6	23.9	23.7	25.0
Net Profit Margin	10.7	8.1	9.1	9.0
<b>(B) As Percentage of Net Sales (%)</b>				
COGS	63.0	65.2	64.0	64.0
Employee	0.0	0.0	0.0	0.0
Other	21.9	21.1	21.0	21.1
<b>(C) Measure of Financial Status</b>				
Gross Debt / Equity	0.0	0.2	0.2	0.2
Interest Coverage	310.5	14.9	18.3	20.2
Inventory days	0	0	0	0
Debtors days	69	68	75	77
Average Cost of Debt	21.2	15.2	7.6	7.6
Payable days	11	12	9	6
Working Capital days	103	91	106	105
FA T/O	7.0	5.5	5.9	5.6
<b>(D) Measures of Investment</b>				
AEPS (Rs)	45.9	38.3	45.1	49.1
CEPS (Rs)	55.9	55.1	62.0	67.2
DPS (Rs)	33.0	15.0	17.0	18.0
Dividend Payout (%)	71.9	39.1	37.7	36.6
BVPS (Rs)	201.4	191.8	219.9	251.0
RoANW (%)	24.9	19.5	21.9	20.9
RoACE (%)	24.8	19.5	20.5	19.7
RoAIC (%)	32.6	24.7	28.2	28.3
<b>(E) Valuation Ratios</b>				
CMP (Rs)	915	915	915	915
P/E	19.9	23.9	20.3	18.6
Mcap (Rs Mn)	150,259	150,259	150,259	150,259
MCap/ Sales	2.1	1.9	1.8	1.7
EV	147,876	153,112	150,403	149,796
EV/Sales	2.1	2.0	1.8	1.7
EV/EBITDA	13.9	14.4	12.3	11.2
P/BV	4.5	4.8	4.2	3.6
Dividend Yield (%)	3.6	1.6	1.9	2.0
<b>(F) Growth Rate (%)</b>				
Revenue	28.5	10.6	4.8	10.2
EBITDA	43.8	(0.2)	15.4	9.1
EBIT	58.2	(12.6)	20.4	9.8
PBT	32.9	(16.0)	17.3	10.9
APAT	32.3	(16.3)	17.6	9.0
EPS	32.0	(16.5)	17.6	9.0
<b>Cash Flow</b>				
(Rs Mn)	FY19A	FY20A	FY21E	FY22E
CFO	6,356	8,251	7,965	6,755
CFI	(1,984)	(229)	(2,458)	(3,150)
CFF	(5,099)	(6,672)	(2,798)	(2,998)
FCFF	4,673	7,031	5,615	4,255
Opening Cash	3,289	2,559	3,909	6,618
Closing Cash	2,562	3,909	6,618	7,225

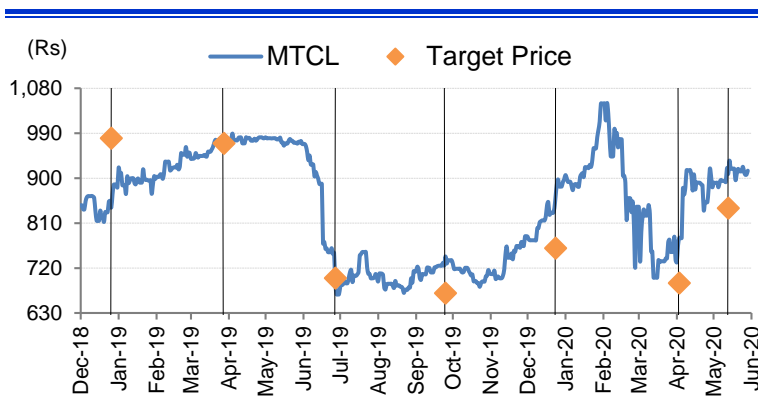
E – Estimates

### DART RATING MATRIX

Total Return Expectation (12 Months)

<b>Buy</b>	<b>&gt; 20%</b>
<b>Accumulate</b>	<b>10 to 20%</b>
<b>Reduce</b>	<b>0 to 10%</b>
<b>Sell</b>	<b>&lt; 0%</b>

### Rating and Target Price History



Month	Rating	TP (Rs.)	Price (Rs.)
Jan-19	Accumulate	980	841
Apr-19	Reduce	970	969
Jul-19	SELL	700	691
Oct-19	SELL	670	743
Jan-20	SELL	760	864
Apr-20	Sell	690	780
Jun-20	SELL	840	908

\*Price as on recommendation date

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