

Tata Steel

Refer to important disclosures at the end of this report

Road ahead is challenging;
downgrade to HoldCMP: Rs 324
as of (June 30, 2020)TP: Rs 340 (▼)
12 months

Rating: HOLD (▼)

Upside: 5.0 %

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- Indian business delivered a strong operating performance, with EBITDA of Rs12,187/t. However, we note that the bigger surprise was Europe delivering positive EBITDA of \$4/t. We expect the TSE business to report a loss in H1, due to compressing steel spreads.
- Leverage remains high and absolute net debt is also above the Rs1tn mark. We expect no deleveraging in FY21 and FY22 as the support to Europe and capex in India will ensure high leverage. Only an uptick in the steel cycle will not support deleveraging.
- Lower capex in FY21 implies that the Kalinganagar-II project is delayed further. We note that the pellet plant at Kalinganagar will also come up after 12-15 months. The second wave of Covid-19 in Europe, China and other parts of the world will impact steel further.
- We cut our FY21/22E steel deliveries by 12%/9% and EBITDA by 49%/12%. We expect Tata Steel to report a loss in FY21. We roll over valuation to Mar-22 on a SoTP basis and cut the TP to Rs340 (from Rs485). Downgrade to Hold (from Buy), with UW in Sector EAP.

FY21 guidance: Management guided that FY21 steel volumes will match FY20 with the help of exports. In India, exports constituted 50% of total volumes in Q1FY21 and is likely to come down to 30% in Q2FY21. Thereafter, depending upon the domestic demand, the company will slowly withdraw from the export market. Exports traditionally are a low-margin business as the company sold more of semis, which fetch lower ASP as well as margins. Capex is throttled to allow for regulatory, environment, sustenance and maintenance capex. Growth capex has been practically ruled out.

No resolution of European operations in sight: Management is in talks with UK and Dutch governments for a long-term solution of these plants, especially UK. Tata Steel has closed/hived off 70% of the capacity acquired in UK in 2007 after a massive write-off over a period of time, but the facility still is completely dependent on steel spreads to generate EBITDA. With ThyssenKrupp merger ruled out, we are not sure about the long-term resolution of the UK business.

Outlook and Valuation: The stock is trading at 0.5x our FY22 P/B estimates, which is close to its trough valuation. However, it lacks triggers for upsides other than steel prices. With no volume growth and divestments plan, we expect the European business to continue to be a drag on parent operations and constrain any plans for deleveraging in the near term. The outlook for the global economy, especially with second wave of Covid-19 in China and many other countries, can impact any green shoots of revival. Further, mining disruption in Brazil due to Covid-19 can lift iron ore prices and compress TSE spreads further. We downgrade to Hold. Key risk is a surge in steel prices. Downside risk is the second wave of Covid-19.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Metals & Mining \(page 10\)](#)

Financial Snapshot (Consolidated)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	15,76,690	13,98,167	11,68,124	14,74,918	15,63,436
EBITDA	2,93,833	1,74,631	1,26,950	2,30,277	2,74,130
EBITDA Margin (%)	18.6	12.5	10.9	15.6	17.5
APAT	90,836	60,887	(21,699)	47,222	75,737
EPS (Rs)	75.3	50.5	(18.0)	39.1	62.8
EPS (% chg)	17.3	(33.0)	(135.6)	0.0	60.4
ROE (%)	14.5	8.8	(3.1)	6.8	10.1
P/E (x)	4.3	6.4	(18.0)	8.3	5.2
EV/EBITDA (x)	4.6	8.2	10.9	5.6	4.5
P/BV (x)	0.6	0.5	0.6	0.5	0.5

Source: Company, Emkay Research



Change in Estimates

EPS Chg FY21E/FY22E (%)	(130)/(42)
Target Price change (%)	(29.9)
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY21E	FY22E
Emkay	(18.0)	39.1
Consensus	(4.5)	43.5
Mean Consensus TP (12M)	Rs 372	

Stock Details

Bloomberg Code	TATA IN
Face Value (Rs)	10
Shares outstanding (mn)	1,126
52 Week H/L	515 / 251
M Cap (Rs bn/USD bn)	367 / 4.86
Daily Avg Volume (nos.)	159,32,230
Daily Avg Turnover (US\$ mn)	62.5

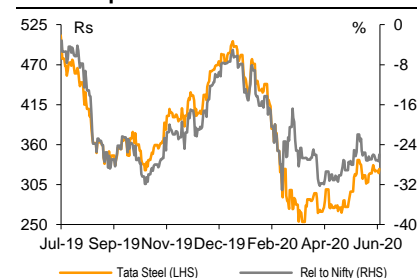
Shareholding Pattern Mar '20

Promoters	34.4%
FIIIs	12.4%
DIIIs	29.7%
Public and Others	23.5%

Price Performance

(%)	1M	3M	6M	12M
Absolute	3	22	(31)	(36)
Rel. to Nifty	(3)	(4)	(19)	(27)

Relative price chart



Source: Bloomberg

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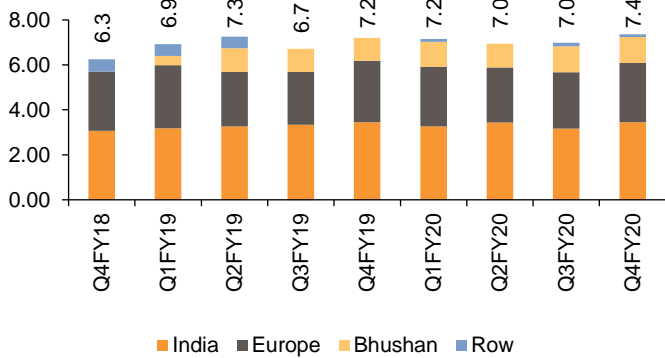
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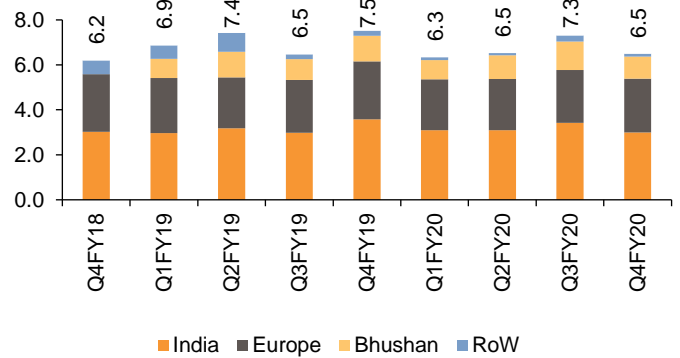
Story in Charts

Exhibit 1: Business wise Production (mt)



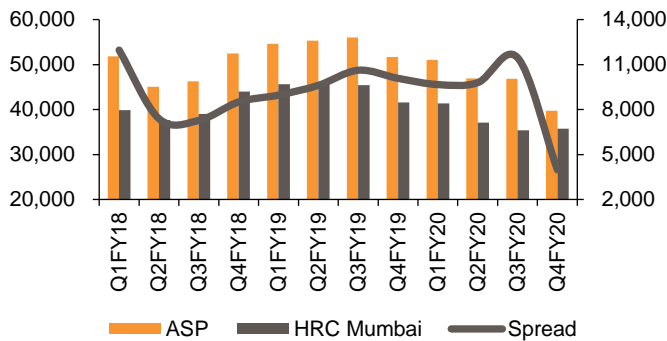
Source: Company, Emkay Research

Exhibit 2: Business wise Shipments (mt)



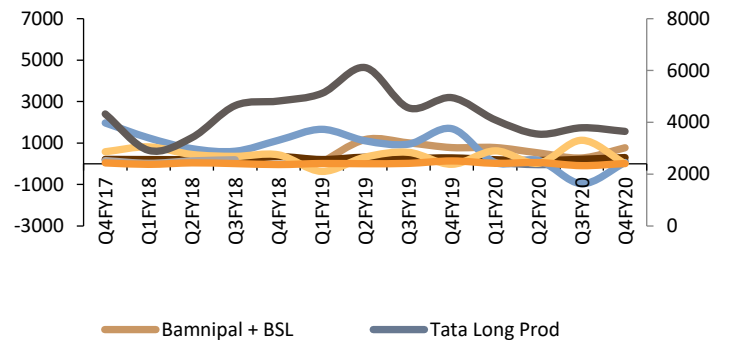
Source: Company, Emkay Research

Exhibit 3: Standalone spreads slumped in Q4 due to exports



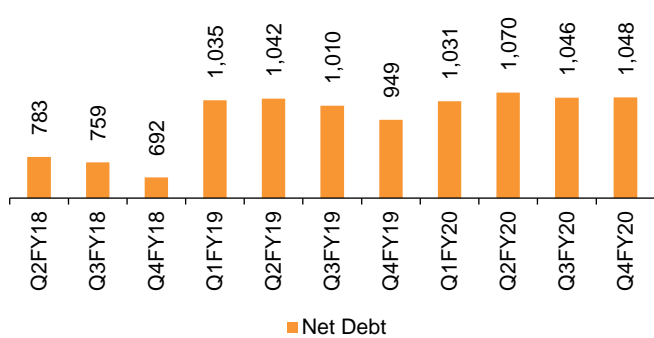
Source: Company, Emkay Research

Exhibit 4: EBITDA unable to move up significantly due to downturn



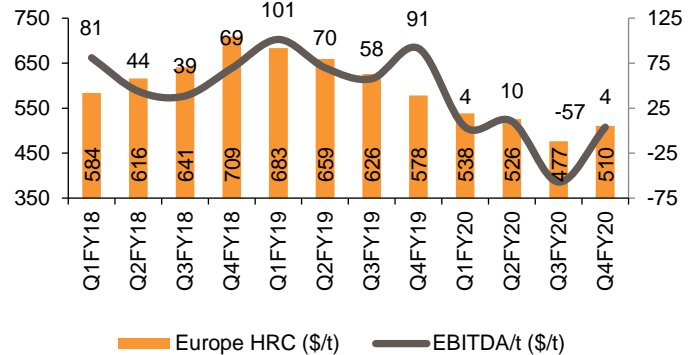
Source: Company, Emkay Research

Exhibit 5: Net Debt (Rs bn) remains high due to cyclical downturn



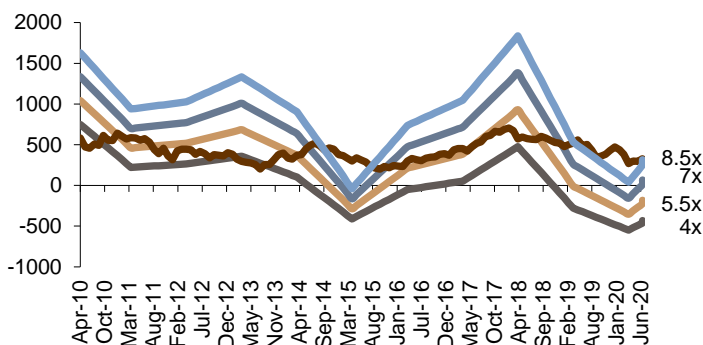
Source: Company, Emkay Research

Exhibit 6: Europe EBITDA completely dependent on steel spreads



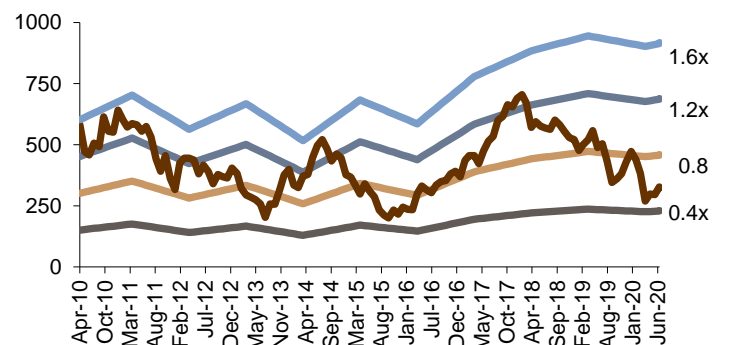
Source: Company, Emkay Research

Exhibit 7: EV/EBITDA Valuation Band



Source: Company, Emkay Research

Exhibit 8: P/B valuation Band, at low end of valuation



Source: Company, Emkay Research

Exhibit 9: Consolidated Financials (Rs mn)

Consolidated	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	yoy%	qoq%	FY 20	FY19	Change %
Total Income	4,11,864	3,53,822	3,39,538	3,47,743	3,28,666	-20%	-5%	13,69,768	15,46,918	-11%
Other operating Income	12,374	5,650	6,254	7,461	9,034	-27%	21%	28,399	29,772	-5%
Total Income	4,24,239	3,59,471	3,45,792	3,55,204	3,37,700	-20%	-5%	13,98,167	15,76,690	-11%
Expenditure										
(Increase)/Decrease in stock	20,311	(23,645)	(163)	33,561	(15,405)	-176%	-146%	(5,652)	(967)	
External Purchase	15,025	16,354	11,878	9,037	10,689	-29%	18%	47,958	65,680	-27%
RM Consumed	1,42,413	1,44,912	1,36,762	1,28,500	1,22,268	-14%	-5%	5,32,442	5,43,091	-2%
Employee Expenses	46,510	48,994	46,048	42,944	47,350	2%	10%	1,85,336	1,87,589	-1%
Other Expenses	1,24,847	1,19,087	1,13,071	1,04,965	1,26,329	1%	20%	4,63,453	3,54,924	31%
Total Expenditure	3,49,106	3,05,702	3,07,596	3,19,007	2,91,231	-17%	-9%	12,23,536	12,82,857	-5%
EBITDA	75,133	53,769	38,196	36,197	46,469	-38%	28%	1,74,631	2,93,833	-41%
Interest	19,378	18,064	18,714	19,306	19,251	-1%	0%	75,335	76,601	-2%
Depreciation	18,805	20,828	21,272	20,187	22,241	18%	10%	84,528	73,418	15%
Exceptional Items	676	682	336	(3,286)	(34,059)			(36,327)	1,037	
Other Income	4,899	2,511	1,836	929	13,159	169%	1316%	18,435	14,206	30%
Profit Before Tax	42,525	18,070	(290)	(5,652)	(15,923)			(3,795)	1,59,057	-102%
Tax	18,991	11,238	(40,500)	6,210	(2,633)	-114%	-142%	(25,684)	67,184	
Profit After Tax	23,534	6,831	40,210	(11,863)	(13,290)	-156%	12%	21,889	91,873	-76%
Share of profits of Associates	-	-	224	205	928		353%	1,358	0	
Profit from Discontinued operation	(582)	188	(7,411)	(628)	-			(7,851)	(890)	782%
Adj. PAT	22,953	7,020	33,023	(12,285)	(12,362)	-154%	1%	15,396	90,983	-83%

Source: Company, Emkay Research

Exhibit 10: Margins

Margin	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	yoy %	qoq %	FY20	FY19	Change %
EBITDA	17.71	14.96	11.05	10.19	13.76	-395 bps	357 bps	12.49	18.64	615 bps
EBIT	13.28	9.16	4.89	4.51	7.17	-610 bps	267 bps	6.44	13.98	754 bps
EBT	10.33	5.11	(0.09)	(1.63)	(4.84)	-1517 bps	-322 bps	(0.28)	10.28	1056 bps
PAT	5.55	1.90	11.63	(3.34)	(3.94)	-948 bps	-60 bps	1.57	5.83	426 bps

Source: Emkay Research

Highlights of conference call

Industry update:

- India lost 2-3 month of output due to the pandemic. In terms of demand, about 22-23mt of demand lost.
- In Europe, demand in the Automotive and construction sectors remains weak. However, demand from the packaging industry continues to be robust.
- China has recovered very quickly from the pandemic due to strong infrastructure. In May, China steel production hit an all-time high and in addition, they imported about 1.28mt steel, reflecting strong demand. However, the second and subsequent wave of pandemic cannot be ruled out and hence, maintaining liquidity is most essential.

Operational Highlights:

- In India, utilization level stood at 50% in April, 60-70% in May and 80-90% in June. Currently, Indian plants are operating at near capacity. Pellet plant production was not curtailed during the pandemic as Tata Steel runs a net deficit in pellet, hence extra pellets will help reduce external purchases once steel production ramps up.
- In Europe, capacity utilization remained at 70-75% during the pandemic as there was no lockdown. The plants are still operating at 70-75% utilization level. As the auto industry has been severely impacted there, it is difficult to expect higher utilization levels.
- Tata Steel raised Rs49bn during Covid-19 times purely as a buffer against any liquidity crunch. Management highlighted that if the situation improves, it will repay the same.
- The company took an impairment of Rs34bn during the quarter, of which (a) Rs22bn was toward TSUK business, (b) Rs7bn toward impairment of the TS Canada minerals business, (c) Rs1.5bn toward Tata Steel India – SEZ business and (d) Rs3bn notional loss on FV of preference shares held in TRF (being an associate co. of Tata Steel, this was not cancelled in consolidation).
- There is no change in inventory in India between Q3 and Q4. Production has been throttled to match dispatches and keep inventory in check.
- Standalone ASP increased by Rs3100/t on a qoq basis, while EBITDA/t increased by Rs2451/t on a qoq basis.
- Cashflow movement in India: Cash flow from ops stood at Rs53bn, of which Rs6.5bn was through W/cap release. Application of cash: (a) Capex Rs26bn (b) interest payment Rs27bn and (c) Taxes Rs8bn. FX and non-cash charges stood Rs14bn. Net cash from operations stood at Rs5bn.
- FAMD division: Annual EBITDA from this business is Rs8-10bn. However, this is now about 50% lower due to the new e-auction premium at which the mine have been re-bid and won. The endeavor shall be to scale up the business and reduce costs to return to 50% profitability

FY21 guidance: Management did not give specific guidance, but provided a broad range

- India Volumes: India business will reach FY20 volumes viz., 17mt supported by exports. Generally Tata Steel exported 10-15% of their total volumes. However, due to the pandemic and curtailed domestic demand, it has increased its exports significantly to maintain output.
- Capex: Management said that the FY21 capex shall be at least 50% lower than Rs95bn spent in FY20. Priority shall be given to the projects, which are mandatory, compliance related, environment, maintenance and cost savings. Growth capex is likely to be deferred this year. Capex for the Pellet plant at Kalinganagar shall continue as it brings in significant cost savings at existing operations at Kalinganagar, which is short on pellets.
- Europe: Capacity utilization to remain at 70% level in FY21. At this level, they would be largely carbon credit neutral. However, for any further increase in production, it would need to purchase of carbon credits, which will be an additional cost to the company.
- Debt reduction is unlikely to happen in FY21 due to the pandemic. The effort shall be not to raise the net debt from current levels and manage within operational cash flow across the entire group.

- At Netherlands, about 70-80% of the wage cost of eligible blue collar employees has been reimbursed up to June and in UK about £3-5mn wage reimbursement has been provided by the government. The company is in talks with UK and Dutch govts for a relief package. For UK, the discussion is for a longer period, especially related to power costs. The plant configuration at Port Talbot leads to structurally higher cost. At UK, the integrated steel plant does not have a pellet plant. It is coke deficit and the power cost is high. All these inefficiencies results in inherent.
- Due to lower sales, deterioration in product mix (more semis) and geography mix (more exports), the realization should be down by Rs4000-4500/t. in Q2.

Other highlights:

- On the merger with BSL, the next date with NCLT is in July. More updates shall be shared post the hearing.
- Pension at UK: The pension fund has a surplus of £2.9bn as the liabilities have come down, while the asset value remains the same.
- One offs in other income in Consolidated P&L: £130mn or Rs12bn consists of gains due to refinancing loan in Europe, which has to be accounted for in the P&L, hence reflected in the other income at TSE.
- OCI in Consol P&L consists of Rs48bn, which is largely on account of gains in actuarial valuations due to a change in the discount rate.

Exhibit 11: Key Assumptions and Change in Estimates

	FY21E			FY22E			FY23
	OLD	NEW	% Change	OLD	NEW	% Change	New
Steel Deliveries	28	24	-12%	29	27	-6%	28
Blended ASP	52,073	48,134	-8%	51,512	55,034	7%	56,852
Revenue (Rs mn)	14,32,011	11,68,124	-18%	14,68,093	14,74,918	0%	15,63,436
EBITDA (Rs mn)	2,47,282	1,26,950	-49%	2,60,280	2,30,277	-12%	2,74,130
Net profit (Rs mn)	72,022	-21,699	-130%	81,370	47,222	-42%	75,737
EPS (Rs/Share)	60	-18	-130%	67	39	-42%	63

Source: Emkay Research

Exhibit 12: Valuation: Mar-22

Valuation	EBITDA Multiple	FY22E EBITDA (Rs bn)	EV (Rs bn)
Tata Steel India	6.5x	143	930
Tata Steel BSL	6.0x	34	202
Tata Steel Europe & Oth. Sub	4.0x	54	214
Total Enterprise Value			1,346
Less: Net Debt			940
Implied Market Cap			406
No of shares (bn)			1.21
Fair value			336

Source: Emkay Research

Exhibit 13: Peer Comparison

Bloomberg Consensus	M.Cap	PE (x)			EV/EBITDA (x)			PB (x)			ROE (x)		
		CY20/F Y21	CY21/F Y22	CY21/F Y23	CY20/F Y21	CY21/F Y22	CY21/F Y23	CY20/F Y21	CY21/F Y22	CY21/F Y23	CY20/F Y21	CY21/F Y22	CY21/F Y23
India													
Tata Steel Ltd	4860.9	-18.0	8.3	5.2	10.9	5.6	4.5	0.6	0.5	0.5	-3.1	6.8	10.1
JSW Steel Ltd	6160	21.4	8.6	6.0	9.7	5.9	4.7	1.2	1.1	0.9	9.8	16.3	18.5
Steel Authority of India Ltd	1667	5.0	n.a	7.7	6.2	1.7	1.0	0.3	0.3	0.3	7.8	(2.7)	3.3
Jindal Steel & Power Ltd	2067	42.0	n.a	n.a	6.5	6.7	6.7	0.5	0.5	0.5	1.2	(2.4)	(1.2)
Japan													
JFE Holdings Inc	4496	2.9	n.a	n.a	5.1	8.8	10.5	0.2	0.3	0.3	7.9	(10.9)	(2.3)
Nippon Steel Corp	9074	3.9	n.a	n.a	5.1	17.2	6.0	0.3	0.3	0.4	7.3	(14.6)	(2.5)
Kobe Steel Ltd	1282	3.7	n.a	n.a	5.5	9.0	8.5	0.2	0.2	0.2	4.0	(2.4)	(2.8)
Korea													
POSCO	13257	7.0	12.3	7.6	3.8	4.8	4.0	0.3	0.3	0.3	4.9	2.9	4.5
Hyundai Steel Co	2312	23.4	n.a	12.6	6.3	8.3	6.6	0.2	0.2	0.2	0.6	(0.4)	1.3
US													
Nucor Corp	12226	9.8	26.1	14.6	5.9	9.5	7.6	1.2	1.2	1.2	12.5	4.7	9.1
United States Steel Corp	1578	n.a	n.a	n.a	6.7	n.a	9.6	0.3	0.4	0.5	(2.1)	(30.3)	(3.8)
Steel Dynamics Inc	5347	8.4	13.9	11.7	5.0	7.5	7.1	1.4	1.3	1.2	17.0	9.4	10.7
Europe													
ArcelorMittal SA	11136	27.0	n.a	9.5	4.5	6.7	4.0	0.2	0.3	0.3	(0.2)	(4.3)	2.5
thyssenkrupp AG	4119	n.a	n.a	n.a	4.5	n.a	6.6	1.8	0.6	0.5	(2.1)	(30.7)	81.6
voestalpine AG	3768	7.9	n.a	n.a	4.4	7.0	8.5	0.5	0.6	0.6	6.7	(4.1)	(1.9)
CIS													
Evrz PLC	5217	4.7	11.0	7.5	3.6	5.0	4.9	2.5	3.4	2.6	52.9	34.0	37.3
Magnitogorsk Iron & Steel Works PJSC	5983	5.9	2.5	1.9	3.1	4.2	3.6	1.1	1.3	1.2	18.7	10.8	12.1
Novolipetsk Steel PJSC	11795	8.2	10.1	9.2	5.3	6.5	6.1	2.1	2.3	2.2	25.0	20.3	22.4
China													
Baoshan Iron & Steel Co Ltd	14474	8.6	11.2	9.2	4.0	4.8	4.4	0.6	0.6	0.5	6.8	5.0	5.4

Source: Bloomberg, Emkay Research

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	15,76,690	13,98,167	11,68,124	14,74,918	15,63,436
Expenditure	12,82,857	12,23,536	10,41,175	12,44,641	12,89,306
EBITDA	2,93,833	1,74,631	1,26,950	2,30,277	2,74,130
Depreciation	73,418	84,407	77,136	79,261	89,036
EBIT	2,20,415	90,223	49,814	1,51,016	1,85,095
Other Income	14,206	18,435	14,500	14,500	14,500
Interest expenses	76,601	75,335	94,452	99,930	94,405
PBT	1,58,020	33,324	(30,137)	65,586	1,05,190
Tax	67,184	(25,684)	(8,438)	18,364	29,453
Extraordinary Items	1,037	(37,521)	0	0	0
Minority Int./Income from Assoc.	0	1,880	0	0	0
Reported Net Income	91,873	23,367	(21,699)	47,222	75,737
Adjusted PAT	90,836	60,887	(21,699)	47,222	75,737

Balance Sheet

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	11,450	11,450	11,649	11,649	11,649
Reserves & surplus	6,55,051	7,01,564	6,68,832	7,05,017	7,69,716
Net worth	6,66,501	7,13,013	6,80,480	7,16,665	7,81,365
Minority Interest	23,645	25,866	25,866	25,866	25,866
Loan Funds	10,26,968	11,55,645	12,05,645	11,45,645	10,75,645
Net deferred tax liability	1,16,509	79,911	79,911	79,911	79,911
Total Liabilities	18,33,623	19,74,434	19,91,901	19,68,086	19,62,786
Net block	12,51,266	13,51,854	13,04,719	12,75,458	14,16,422
Investment	3,32,242	3,98,008	3,98,008	3,98,008	3,98,008
Current Assets	5,64,661	5,53,009	6,44,396	6,86,107	6,68,778
Cash & bank balance	33,414	80,547	1,83,254	2,05,551	1,92,781
Other Current Assets	94,180	80,768	1,15,768	1,15,768	75,768
Current liabilities & Provision	4,94,112	5,17,057	5,63,842	6,50,107	6,69,043
Net current assets	70,549	35,951	80,554	36,000	(265)
Misc. exp	0	0	0	0	0
Total Assets	18,33,623	19,74,434	19,91,901	19,68,086	19,62,786

Cash Flow

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
PBT (Ex-Other income) (NI+Dep)	1,58,071	(13,804)	(30,137)	65,586	1,05,190
Other Non-Cash items	(5,482)	49,103	0	0	0
Chg in working cap	25,905	41,962	58,104	66,852	23,495
Operating Cashflow	2,53,360	2,01,687	2,07,992	2,93,264	2,82,672
Capital expenditure	(86,518)	(1,00,123)	(50,000)	(1,00,000)	(1,20,000)
Free Cash Flow	1,66,842	1,01,565	1,57,992	1,93,264	1,62,672
Investments	1,30,931	(8,280)	0	0	0
Other Investing Cash Flow	4,367	1,971	0	0	0
Investing Cashflow	(2,99,018)	(1,45,304)	(50,000)	(1,00,000)	(1,20,000)
Equity Capital Raised	(60)	1,875	199	0	0
Loans Taken / (Repaid)	84,509	76,181	50,000	(60,000)	(70,000)
Dividend paid (incl tax)	(14,239)	(18,152)	(11,033)	(11,037)	(11,037)
Other Financing Cash Flow	(2,419)	6,227	0	0	0
Financing Cashflow	(6,382)	(10,719)	(55,286)	(1,70,967)	(1,75,442)
Net chg in cash	(52,041)	45,664	1,02,707	22,298	(12,770)
Opening cash position	81,796	29,755	75,420	1,78,126	2,00,424
Closing cash position	33,414	80,547	1,83,254	2,05,551	1,92,781

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY19	FY20	FY21E	FY22E	FY23E
EBITDA Margin	18.6	12.5	10.9	15.6	17.5
EBIT Margin	14.0	6.5	4.3	10.2	11.8
Effective Tax Rate	42.5	(77.1)	28.0	28.0	28.0
Net Margin	5.8	4.2	(1.9)	3.2	4.8
ROCE	13.5	5.7	3.2	8.4	10.2
ROE	14.5	8.8	(3.1)	6.8	10.1
RoIC	19.6	7.0	4.0	13.1	15.9

Per Share Data (Rs)	FY19	FY20	FY21E	FY22E	FY23E
EPS	75.3	50.5	(18.0)	39.1	62.8
CEPS	136.1	120.4	45.9	104.8	136.6
BVPS	552.4	591.0	564.0	594.0	647.6
DPS	7.6	7.6	7.6	7.6	7.6

Valuations (x)	FY19	FY20	FY21E	FY22E	FY23E
PER	4.3	6.4	(18.0)	8.3	5.2
P/CEPS	2.4	2.7	7.0	3.1	2.4
P/BV	0.6	0.5	0.6	0.5	0.5
EV / Sales	0.9	1.0	1.2	0.9	0.8
EV / EBITDA	4.6	8.2	10.9	5.6	4.5
Dividend Yield (%)	2.3	2.3	2.3	2.3	2.3

Gearing Ratio (x)	FY19	FY20	FY21E	FY22E	FY23E
Net Debt/ Equity	1.5	1.5	1.5	1.3	1.1
Net Debt/EBIDTA	3.3	6.0	7.8	3.9	3.1
Working Cap Cycle (days)	8.6	(11.6)	(32.1)	(42.0)	(45.1)

Growth (%)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	27.0	(11.3)	(16.5)	26.3	6.0
EBITDA	37.1	(40.6)	(27.3)	81.4	19.0
EBIT	40.5	(59.1)	(44.8)	203.2	22.6
PAT	(47.7)	(74.6)	(192.9)	0.0	60.4

Quarterly (Rs mn)	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Revenue	4,24,239	3,59,471	3,45,792	3,55,204	3,37,700
EBITDA	75,133	53,769	38,196	36,197	46,469
EBITDA Margin (%)	17.7	15.0	11.0	10.2	13.8
PAT	22,952	7,020	33,694	(12,285)	(12,362)
EPS (Rs)	19.1	5.8	27.9	(10.2)	(10.2)

Source: Company, Emkay Research

Shareholding Pattern (%)	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Promoters	33.1	33.1	33.1	33.1	34.4
FIs	14.6	13.8	13.7	15.3	12.4
DIs	29.1	30.3	30.1	29.3	29.7
Public and Others	23.2	22.8	23.1	22.3	23.5

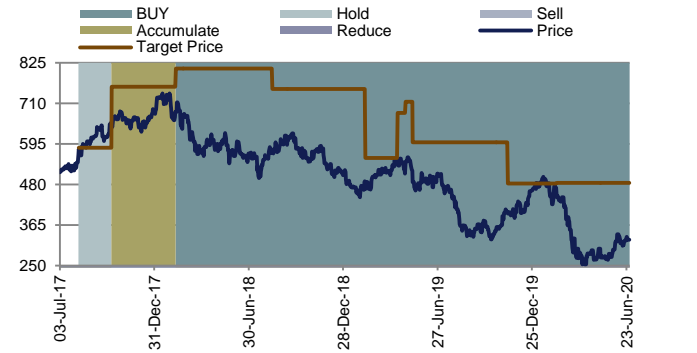
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
11-Jun-20	313	485	12m	Buy	Vishal Chandak
10-Feb-20	444	485	12m	Buy	Vishal Chandak
08-Nov-19	398	483	12m	Buy	Vishal Chandak
10-May-19	487	600	12m	Buy	Vishal Chandak
26-Apr-19	545	715	12m	Buy	Vishal Chandak
11-Apr-19	536	683	12m	Buy	Vishal Chandak
08-Feb-19	469	555	12m	Buy	Vishal Chandak
14-Nov-18	589	751	12m	Buy	Kamal Sahoo
14-Aug-18	579	751	12m	Buy	Goutam Chakraborty
17-May-18	610	809	12m	Buy	Goutam Chakraborty
08-May-18	596	809	12m	Buy	Goutam Chakraborty
01-Mar-18	675	809	12m	Buy	Goutam Chakraborty
10-Feb-18	685	809	12m	Buy	Goutam Chakraborty
01-Nov-17	667	757	12m	Accumulate	Goutam Chakraborty
30-Oct-17	677	757	12m	Accumulate	Goutam Chakraborty
10-Oct-17	651	757	12m	Accumulate	Goutam Chakraborty
11-Sep-17	624	584	12m	Hold	Goutam Chakraborty
05-Sep-17	615	584	12m	Hold	Goutam Chakraborty
08-Aug-17	581	584	12m	Hold	Goutam Chakraborty

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Metals & Mining



Analyst: Vishal Chandak

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Sector

Metals and Mining

Analyst bio

Vishal Chandak is a CA and MBA (Finance). He brings in over 16 years of experience, including seven years in the corporate side, with balance being on both the buy side and sell side. Currently, his team tracks 12 stocks in the Metals and Mining space.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
Metals & Mining	2.26	2.25	0%	-1	100.00
Coal India	0.43	0.45	5%	2	20.02
Hindalco	0.38	0.44	15%	6	19.53
Hindustan Zinc	0.07	0.08	2%	0	3.37
Jindal Stainless	0.00	0.01	NA	1	0.50
Jindal Stainless Hisar	0.00	0.01	NA	1	0.50
JSW Steel	0.35	0.31	-10%	-3	13.80
MOIL	0.00	0.00	NA	0	0.00
National Aluminium Co	0.05	0.00	-100%	-5	0.00
NMDC	0.13	0.11	-10%	-1	4.98
SAIL	0.06	0.05	-10%	-1	2.25
Tata Steel	0.44	0.40	-10%	-4	17.68
Vedanta	0.35	0.38	10%	3	16.97
Cash	0.00	0.01	NA	1	0.4

Source: Emkay Research

* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

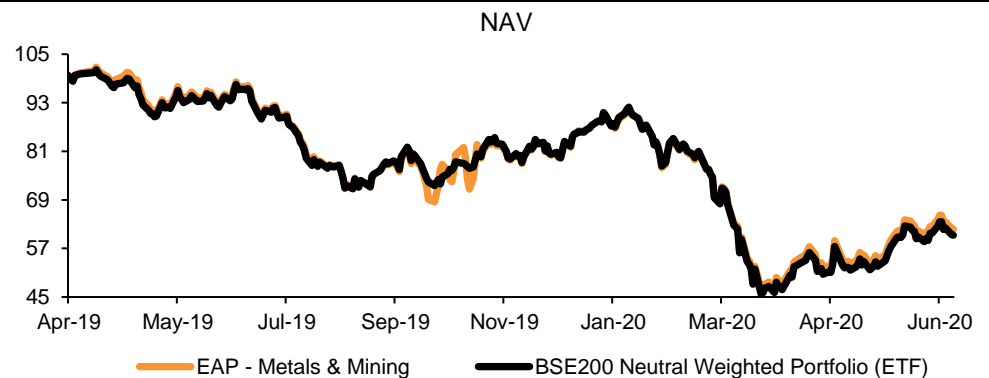
Sector portfolio NAV

	Base					Latest
	01-Apr-19	27-Sep-19	31-Dec-19	31-Mar-20	29-May-20	30-Jun-20
EAP - Metals & Mining	100.0	79.1	88.6	49.8	59.1	61.8
BSE200 Neutral Weighted Portfolio (ETF)	100.0	79.9	88.5	48.7	57.5	60.3

*Performance measurement base date 1st April 2019

Source: Emkay Research

NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 02 Jul 2020 03:52:45 (SGT)

Dissemination Date: 02 Jul 2020 03:53:45 (SGT)

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