

Estimate change



TP change



Rating change



Motilal Oswal values your support in the Asiamoney Brokers Poll 2020 for India Research, Sales and Trading team. We request your ballot.



Bloomberg	INDIGO IN
Equity Shares (m)	384
M.Cap.(INRb)/(USDb)	350.1 / 4.7
52-Week Range (INR)	1911 / 765
1, 6, 12 Rel. Per (%)	-19/-30/-43
12M Avg Val (INR M)	2553
Free float (%)	25.1

#### Financials & Valuations (INR b)

Y/E March	2020	2021E	2022E
Sales	357.6	135.8	298.3
EBITDAR	42.3	-11.9	88.3
NP	-5.6	-62.7	24.7
EPS (INR)	-14.5	-163.2	64.4
EPS Gr. (%)	NM	1026.7	-139.4
BV/Sh (INR)	152.5	-10.7	45.9
<b>Ratios</b>			
Net D:E	0.9	-24.3	-0.4
RoE (%)	-8.7	-230.2	365.5
RoCE (%)	8.0	-22.5	24.3
Payout (%)	0.0	0.0	12.0
<b>Valuations</b>			
P/E (x)	-62.7	-5.6	14.1
P/BV (x)	6.0	-84.8	19.8
Adj.EV/EBITDAR(x)	10.3	-39.0	4.2
Div. Yield (%)	0.0	0.0	0.7
FCF Yield (%)	-21.8	-12.6	32.9

#### Shareholding pattern (%)

As On	Jun-20	Mar-20	Jun-19
Promoter	74.9	74.9	74.9
DII	7.6	9.2	5.2
FII	14.8	13.6	15.6
Others	2.8	2.4	4.4

FII Includes depository receipts

**CMP: INR910**
**TP: INR1,030 (+13%)**
**Neutral**

### Aviation space remains preposterous...

...however, INDIGO provides ample clarity on the path ahead

- INDIGO reported higher yield than est. at INR4.53 (+11.1% YoY) v/s our est. of INR3.7. Yield was stronger on the higher base of last year (a quarter of the Jet demise), aided by fare bands imposed by the Ministry of Civil Aviation (MoCA). However, the company is of the view that fare caps on domestic travel should be removed as early as possible.
- INDIGO had cash burn of INR400m amid the crisis, which reduced to INR300m as of 30<sup>th</sup> June – most of the reduction coming out of employee costs. The company has undertaken cost-reduction initiatives for leasing, payroll, and other costs.
- Considering the above-mentioned efforts are realized and cash burn per quarter decreases along with increase in capacity utilization (ASK guidance for 2Q/3QFY21 is at 40%/50–70% of previous year's respective quarters), we have built-in loss of INR62.7b in FY21, with breakeven expected in 2QFY22.
- INDIGO is also undertaking various pre-emptive measures to focus and strengthen each of the business verticals to come out stronger from the current crisis. It is targeting additional liquidity of INR50–60b through supplementary rental adjustments. INDIGO was able to already tap ~35% of the earlier targeted INR30–40b in 1QFY21.
- However, we continue to believe that in the long run, Aviation would witness continued headwinds in terms of surplus capacity, the lack of confidence among passengers to resume travel, and demand in business travel.
- In the current state of uncertainty in the industry, we remain Neutral on the stock.

### Cash burn of INR300m per day to reduce further

- In 1QFY21, ASK was much below our est. at 2.1b (-91% YoY and QoQ), with PLF of 61.9%. Domestic flights were permitted operations starting 25<sup>th</sup> May, and the company operated only cargo flights till then during the quarter.
- RPK came in at 1.3b (-94% YoY and QoQ); thus, revenue stood at INR7.7b (-92% YoY). RASK was lower YoY, but marginally higher QoQ, led by huge pent-up demand for passenger mobility. **Although, the demand trend has weakened in the last few days due to an increase in the no. of positive COVID-19 cases in the country.**
- EBITDAR came in at a loss of INR15.4b (v/s est. loss of INR7.8b). Reported PAT stood at a loss of INR28.4b (v/s est. loss of INR16.0b; gains of INR12.0b in 1QFY20, loss of INR8.7 in 4QFY20).
- INDIGO resumed services to 56 domestic destinations and served 20 international destinations via charter operations. INDIGO started with ~200 flights on average per day, which now stands ~400 flights per day.
- The company added 12 aircraft to its fleet (8 A320neos and 4 A321neos) during the quarter, totaling 274 aircraft (A320ceos remain same at 123). **INDIGO would return older CEO aircrafts as per its earlier schedules, i.e., replacing all of them by Dec'22.**

**Valuation and view**

- **Cash at the end of June'20 stands at INR184.5b (INR75.3b of free cash and INR109.2b of restricted cash).** Despite higher cash burn of ~INR300m per day, the company was successful in its initiatives to create additional liquidity and thus realized ~35% of its earlier target of INR30–40b, leading to free cash reduction of ~INR14b (v/s reported loss of INR28.4b).
- **The company is also optimizing its working capital management, along with various other cost-control initiatives.**
- As per a recent [study conducted by IATA](#), global passenger traffic (RPK) is not expected to return to pre-COVID-19 levels until 2024 as international travel is delayed. Also, there has been a huge change in the demand dynamics for corporate travel, while confidence among (leisure) flyers remains weak owing to slow virus contamination.
- The fare bands were recently further extended to the end of Nov'20, and we believe that (in line with the company's ideology), the permanent enforcement of fare bands could be a huge dampener on the Aviation industry as a whole, weakening sentiment for the regulated Aviation market.
- **We continue to believe that long-term demand and stability in the sector remain key challenges; thus, we remain cautious on the stock.** We revise our forecast EPS down to -INR163/+INR64 for FY21/FY22 (from -INR169/+INR77).
- The stock trades at 14.1x FY22 EPS of INR64.4 and 4.2x FY22 adj. EV/EBITDAR. We value the company at 16x FY22 EPS of INR66.4 to arrive at TP of INR1,030. **Maintain Neutral.**

**Quarterly performance**

(INR Million)

Y/E March	FY20				FY21				FY20	FY21E	FY21
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
<b>Net Sales</b>	<b>94,201</b>	<b>81,052</b>	<b>99,317</b>	<b>82,991</b>	<b>7,667</b>	<b>24,587</b>	<b>47,281</b>	<b>56,303</b>	<b>3,57,560</b>	<b>1,35,838</b>	<b>20,262</b>
YoY Change (%)	44.7	31.0	25.5	5.3	-91.9	-69.7	-52.4	-32.2	25.5	-62.0	-78.5
<b>EBITDAR</b>	<b>26,564</b>	<b>968</b>	<b>18,042</b>	<b>-84</b>	<b>-15,376</b>	<b>-6,970</b>	<b>4,798</b>	<b>5,676</b>	<b>45,489</b>	<b>-11,873</b>	<b>-7,786</b>
Margins (%)	28.2	1.2	18.2	-0.1	-200.5	-28.4	10.1	10.1	12.7	-8.7	-38.4
Net Rentals	1,288	1,110	1,343	1,226	757	484	774	145	4,967	2,160	233
<b>EBITDA</b>	<b>25,276</b>	<b>-142</b>	<b>16,699</b>	<b>-1,310</b>	<b>-16,134</b>	<b>-7,454</b>	<b>4,024</b>	<b>5,531</b>	<b>40,523</b>	<b>-14,033</b>	<b>-8,019</b>
Margins (%)	26.8	-0.2	16.8	-1.6	-210.4	-30.3	8.5	9.8	11.3	-10.3	-39.6
Depreciation	9,009	10,287	10,377	10,066	10,966	10,966	10,966	10,518	39,739	43,414	10,282
Interest	4,842	4,235	4,805	4,877	5,097	5,097	5,097	5,411	18,759	20,703	4,778
Other Income	3,669	4,346	3,986	3,356	3,771	3,771	3,771	4,137	15,357	15,450	4,066
<b>PBT</b>	<b>15,094</b>	<b>-10,318</b>	<b>5,504</b>	<b>-12,898</b>	<b>-28,426</b>	<b>-19,747</b>	<b>-8,268</b>	<b>-6,261</b>	<b>-2,618</b>	<b>-62,701</b>	<b>-19,013</b>
Rate (%)	20.3	-2.9	10.9	32.5	-0.1	0.0	0.0	0.3	8.6	0.0	15.6
<b>Reported PAT</b>	<b>12,031</b>	<b>-10,620</b>	<b>4,905</b>	<b>-8,708</b>	<b>-28,443</b>	<b>-19,747</b>	<b>-8,268</b>	<b>-6,243</b>	<b>-2,392</b>	<b>-62,701</b>	<b>-16,047</b>
<b>EPS</b>	<b>31.3</b>	<b>-27.6</b>	<b>12.8</b>	<b>-22.7</b>	<b>-74.0</b>	<b>-51.4</b>	<b>-21.5</b>	<b>-16.2</b>	<b>-6.2</b>	<b>-163.1</b>	<b>-41.7</b>
YoY Change (%)	4,225.4	62.8	157.0	-247.7	-336.4	85.9	-268.6	-28.3	-253.3	2,521.3	-233.4

E: MOFSL Estimates



## Company's plan for the future

Company is undertaking various pre-emptive measures to focus and strengthen each of the business verticals to come out stronger from the current crisis

### Revenue growth – from repatriation and charter flights, along with cargo

- INDIGO conducted ~290 repatriation flights for ~44,000 passengers and carried 395 tonnes of medical cargo. The company intends to continue with its charter flights and repatriation flights **as a profit avenue until international operations are resumed.**
- Also, INDIGO has converted 10 aircraft to all-cargo airplanes and is now looking at the Cargo business as a new full vertical.
- ASK guidance for 2Q/3QFY21 is at 40%/50–70% of previous year's respective quarters. All of the older CEO aircrafts with faulty PW engines are expected to be refurbished by the end of August'20.
- ASK guidance is subject to support from the government framework, most importantly to current headwinds faced due to various state-led travel advisories and the imposition/extension of further lockdowns.

### Liquidity – additional liquidity of INR50–60b targeted

- Supplementary rental adjustments such as moratorium for payment of aircraft leases (to aid ~INR20b), sale and leaseback, etc., are expected to yield liquidity of INR30–40b.
- Also, ~INR20b of liquidity is expected by putting up assets that the company owns on sale and the lease-back model.
- Supplementary rentals are a variable for the company, while other maintenance costs are fixed in nature.

### Cost reduction – various initiatives are taken to reduce fixed cost

- **Leasing cost** – INDIGO would honor its long-term commitments with lessors, reflecting on its long-run planning. Thus, the provisioning of rental expenses is likely to continue at similar levels (~INR2.3b recorded in 1QFY21). Although, expect supplementary rentals (variable in nature) to come down further as capacity utilization returns to normal.
- **Payroll costs** – Salary reduction, leave without pay, trimming of the workforce by 10%, etc., would further lead to a reduction in employee cost. Expect employee cost to be lower by 30% v/s pre-COVID-19 levels by the end of FY21 (v/s the earlier target of a 25% reduction).
- **Other costs** such as non-aircraft rentals, IT costs, and maintenance costs, which account for 20–25% of the total cost, are expected reduce by 10–15%.

**Exhibit 1: IndiGo – Key assumptions**

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
<b>Fleet and capacity</b>								
ASK (millions)	35,327	42,826	54,583	63,510	81,016	96,300	43,205	85,798
YoY (%)	18%	21%	27%	16%	28%	19%	-55%	99%
Load Factor	80%	84%	85%	87%	86%	86%	60%	75%
RPK (millions)	28,177	35,968	46,288	55,524	69,787	82,600	25,923	64,349
YoY (%)	22%	28%	29%	20%	26%	18%	-69%	148%
<b>Revenue Calculation</b>								
Ticket Revenue (INRm)	1,22,939	1,40,626	1,61,971	1,99,433	2,51,359	3,14,682	1,03,693	2,44,525
Yield (INR/RPK)	4.4	3.9	3.5	3.6	3.6	3.8	4.0	3.8
Ancillary revenues	16,314	20,773	23,834	30,776	33,609	42,878	32,145	53,796
<b>Total Revenue (INR m)</b>	<b>1,39,253</b>	<b>1,61,399</b>	<b>1,85,805</b>	<b>2,30,209</b>	<b>2,84,968</b>	<b>3,57,560</b>	<b>1,35,838</b>	<b>2,98,321</b>
<b>Fuel Cost</b>								
Exchange rate (INR/USD)	61	65	67	64	70	72	75	76
Brent Price (USD/bbl)	85	47	49	57	70	64	40	50
ATF Prices (INR/ltr)	68	48	50	55	68	65	43	51
YoY (%)	-10%	-30%	4%	10%	23%	-4%	-34%	18%
<b>Aircraft fuel expenses (INR m)</b>	<b>57,485</b>	<b>47,793</b>	<b>63,415</b>	<b>77,601</b>	<b>1,19,428</b>	<b>1,26,316</b>	<b>36,853</b>	<b>61,205</b>

Source: Company, MOFSL

**Valuation and view****ASK growth**

- **INDIGO has given guidance that ASK for 2QFY21 would be ~ 40% of 2QFY20 and for 3QFY21 it would be 50–70% of 3QFY20 levels, given that the regulatory framework supports the capacity.**
- In light of the same, we have built-in the following assumptions for the next three quarters of the year:
  - 2QFY21E loss of ~INR19.8b – ASK of ~9.7b (at 40% YoY) with PLF at ~50%
  - 3QFY21E loss of ~INR8.3b – ASK of ~15.5b (at 60% YoY), with PLF at ~60%
  - 4QFY21E loss of ~INR6.3b – ASK of ~16b (at 70% YoY), with PLF at ~65%
- For the aforementioned model assumptions, the easing of individual state restrictions has a very crucial role to play. **Although, the demand trend has weakened in the last few days due to an increase in the no. of positive COVID-19 cases in the country.**
- Thus, we have built-in loss of INR62.7b in FY21, with breakeven expected in 2QFY22. INDIGO plans to replace CEO aircrafts gradually, as earlier scheduled, by the end of Dec'22; hence we build ASK of 85.8b for FY22 (-11% to FY20 levels).

**RPK growth**

- **We have built-in PLF of 50%/60%/65% in 2Q/3Q/4Q FY21, resulting in average PLF of 60% for FY21, leading to RPK of 25.9b (-69% YoY) in FY21.**
- As per a recent [study conducted by IATA](#), global passenger traffic (RPK) is not expected to return to pre-COVID-19 levels until 2024 as international travel is delayed. Also, there has been a huge change in the demand dynamics for corporate travel, while confidence among (leisure) flyers remains weak owing to slow virus contamination.
- For FY22E, we assume sentiment would improve from 3QFY22, resulting in the normalization of PLF at ~75% (although, expected PLF remains low at 75% for the full-year FY22 v/s average PLF of ~86% over FY16–20). **Thus, based on our assumptions, RPK for FY22 is -22% to FY20 levels at ~64.3b (unchanged).**

### Yield

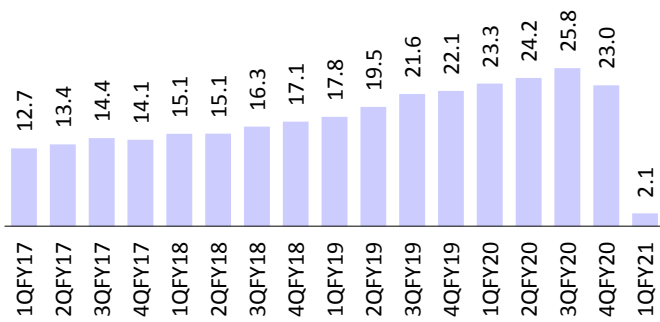
- According to our analysis of the announced (temporary fare bands), airline fares YTD have a lower floor and cap than prescribed by MoCA.
- INDIGO's yield in 1QFY21 was stronger at 11% YoY on the higher base of last year (a quarter of the Jet demise), aided by these fare bands. **However, the company is of the view that fare caps on domestic travel should be removed as early as possible.**
- **In line with the same, we model-in our FY21/FY22 yield estimates at INR4.0 (from INR3.8 earlier) and INR3.8 (v/s INR3.8 in FY20), assuming that the fare bands are removed going forward into the next year.**
- To note, the fare bands were recently further extended till the end of Nov'20, and the permanent enforcement of fare bands could be a huge dampener on the Aviation industry as a whole, weakening sentiment for the regulated Aviation market.

### Crude

- We have built-in a crude price forecast of USD40/bbl / USD50/bbl for FY21/FY22.
- INDIGO's fuel cost constitutes ~35% of the total cost (in FY20), and according to our EPS sensitivity, aircraft fuel savings of even 10% would translate into an EPS change of ~14% for INDIGO in FY22.
- Nevertheless, the company's profitability would be more vulnerable in the short-to-medium term as prices have climbed up the trough with the lifting of lockdowns by various countries across the globe.
- International jet fuel (ATF) cracks, which reached negative USD10/bbl (the lowest ever), were also seen improving as airlines across the globe resumed operations. However, normalization in ATF cracks to its long-term average of >USD10/bbl remains farfetched due to the huge demand destruction in the Aviation space globally.
  
- Building on all of the aforementioned factors, we continue to believe long-term demand and stability in the sector remain key challenges; thus, we remain cautious on the stock. We revise our forecast EPS down to -INR163/+INR64 for FY21/FY22 (from -INR169/+INR77).
- **We value the company at 16x FY22 EPS of INR64.4 to arrive at TP of INR1,030. Maintain Neutral.**
- **Our estimates are highly sensitive to: a) ticket yield, b) PLF, and c) crude price assumption; material change to any of these would impact our estimates.**
- Countries and businesses that depend on Travel and Tourism are trying to [revive demand](#) with brand-affiliated marketing and other initiatives.
- Also, [airline companies](#) are trying to instill confidence in passengers by making them feel safe and so forth.

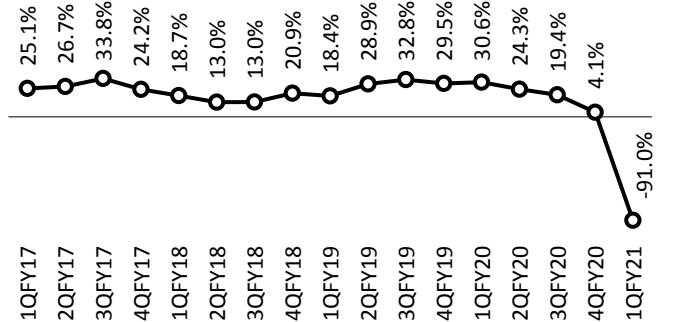
**Key exhibits**

**Exhibit 2: Total ASKs (billions) stood at 2.1b...**



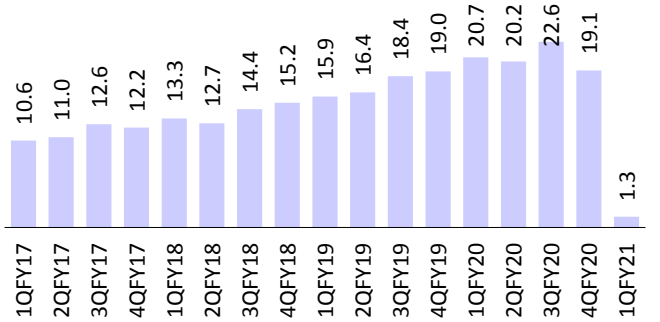
Source: Company, MOFSL

**Exhibit 3: ...with YoY decrease at 91% in 1QFY21**



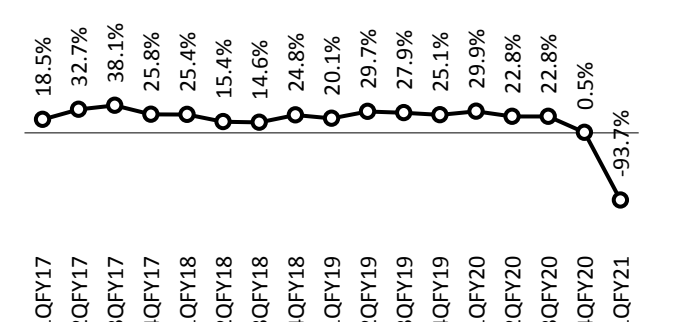
Source: Company, MOFSL

**Exhibit 4: Total RPKs (billions) stood at 1.3b...**



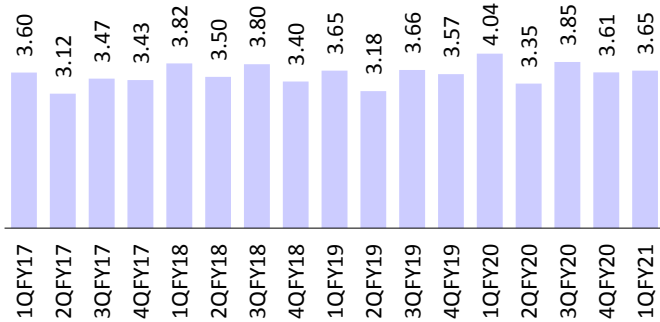
Source: Company, MOFSL

**Exhibit 5: ... with YoY decrease at 93.7% in 1QFY21**



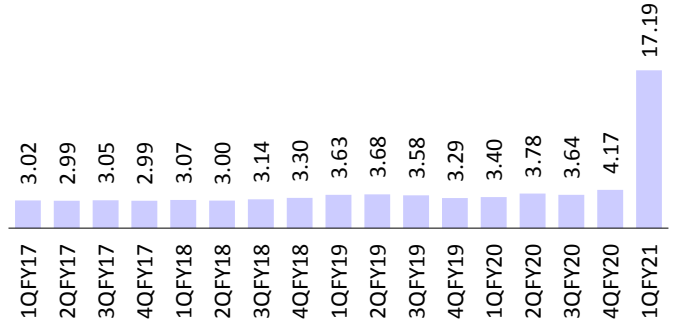
Source: Company, MOFSL

**Exhibit 6: RASK stood to INR3.65 (-10% YoY) in 1QFY21...**



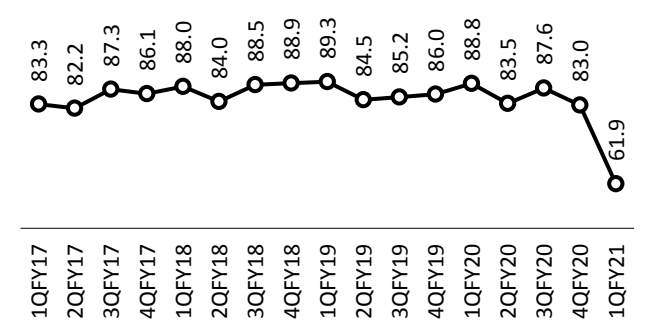
Source: Company, MOFSL

**Exhibit 7: ... while CASK increased to INR17.19**



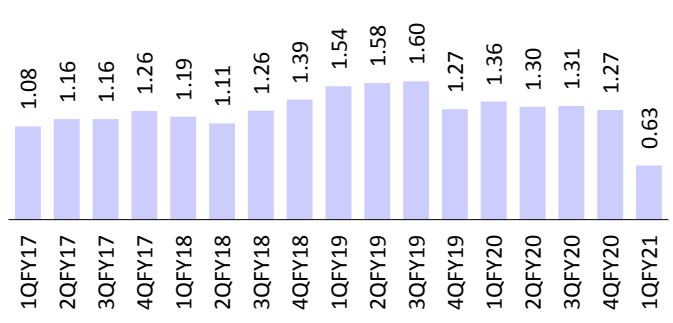
Source: Company, MOFSL

**Exhibit 8: Load factor stood at 61.9%**



Source: Company, MOFSL

**Exhibit 9: Fuel cost stood at INR0.63 in 1QFY21**



Source: Company, MOFSL



## Financials and Valuation

### Standalone - Income Statement

(INR Million)

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
<b>Total Income from Operations</b>	<b>1,39,253</b>	<b>1,61,399</b>	<b>1,85,805</b>	<b>2,30,209</b>	<b>2,84,968</b>	<b>3,57,560</b>	<b>1,35,838</b>	<b>2,98,321</b>
YoY Chg (%)	25.3	15.9	15.1	23.9	23.8	25.5	-62.0	119.6
<b>EBITDAR</b>	<b>38,219</b>	<b>56,176</b>	<b>52,687</b>	<b>65,667</b>	<b>47,940</b>	<b>42,270</b>	<b>-11,911</b>	<b>88,301</b>
Margin (%)	27.4	34.8	28.4	28.5	16.8	11.8	-8.8	29.6
Aircraft & Engine Lease Rentals	19,522	26,122	31,254	36,102	49,994	4,967	2,160	4,290
<b>EBITDA</b>	<b>18,697</b>	<b>30,055</b>	<b>21,433</b>	<b>29,565</b>	<b>-2,055</b>	<b>37,303</b>	<b>-14,072</b>	<b>84,011</b>
Margin (%)	13.4	18.6	11.5	12.8	-0.7	10.4	-10.4	28.2
Depreciation	3,022	5,031	4,573	4,369	7,596	39,739	43,414	45,823
<b>EBIT</b>	<b>15,675</b>	<b>25,024</b>	<b>16,861</b>	<b>25,196</b>	<b>-9,651</b>	<b>-2,436</b>	<b>-57,486</b>	<b>38,188</b>
Int. and Finance Charges	1,155	1,349	3,308	3,398	5,090	18,759	20,703	20,767
Other Income	3,946	4,614	7,891	9,469	13,248	15,357	15,450	15,644
<b>Reported PAT</b>	<b>13,078</b>	<b>19,897</b>	<b>16,592</b>	<b>22,424</b>	<b>1,560</b>	<b>-5,568</b>	<b>-62,740</b>	<b>24,742</b>
Change (%)	175.6	52.1	-16.6	35.1	-93.0	-457.0	1,026.7	-139.4
Margin (%)	9.4	12.3	8.9	9.7	0.5	-1.6	-46.2	8.3

### Standalone - Balance Sheet

(INR Million)

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Equity Share Capital	344	3,604	3,615	3,844	3,844	3,848	3,848	3,848
Total Reserves	3,863	23,628	34,177	66,930	65,604	54,776	-7,963	13,806
<b>Net Worth</b>	<b>4,207</b>	<b>27,232</b>	<b>37,792</b>	<b>70,774</b>	<b>69,448</b>	<b>58,624</b>	<b>-4,115</b>	<b>17,654</b>
Deferred Tax Liabilities	4,091	1,468	1,618	3,695	644	0	0	0
Total Loans	35,884	30,071	23,957	22,414	21,937	1,59,257	1,59,257	1,59,257
<b>Capital Employed</b>	<b>44,182</b>	<b>58,770</b>	<b>63,367</b>	<b>96,883</b>	<b>92,029</b>	<b>2,17,881</b>	<b>1,55,142</b>	<b>1,76,911</b>
Gross Block	56,715	53,251	46,432	57,906	77,078	2,27,979	2,29,013	2,29,220
Less: Accum. Deprn.	7,955	5,777	8,493	12,862	20,458	60,197	1,03,611	1,49,435
<b>Net Fixed Assets</b>	<b>48,760</b>	<b>47,474</b>	<b>37,938</b>	<b>45,043</b>	<b>56,620</b>	<b>1,67,782</b>	<b>1,25,402</b>	<b>79,785</b>
Capital WIP	5	237	233	294	220	1,293	259	52
<b>Total Investments</b>	<b>5,168</b>	<b>9,862</b>	<b>37,134</b>	<b>63,440</b>	<b>65,167</b>	<b>94,994</b>	<b>94,994</b>	<b>94,994</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>53,750</b>	<b>68,614</b>	<b>76,792</b>	<b>1,02,516</b>	<b>1,28,110</b>	<b>1,56,416</b>	<b>77,672</b>	<b>2,05,560</b>
Inventory	1,306	763	1,632	1,832	2,114	2,861	1,341	1,906
Account Receivables	1,046	1,571	1,587	2,263	3,625	2,596	986	2,166
Cash and Bank Balance	19,994	37,187	46,325	65,806	86,064	1,08,294	59,136	1,65,892
Loans and Advances	31,405	29,093	27,248	32,614	36,307	42,665	16,209	35,596
<b>Curr. Liability &amp; Prov.</b>	<b>63,500</b>	<b>67,417</b>	<b>88,730</b>	<b>1,14,410</b>	<b>1,58,089</b>	<b>2,02,603</b>	<b>1,43,184</b>	<b>2,03,480</b>
Account Payables	4,755	7,412	7,746	10,002	14,552	15,655	7,336	10,428
Other Current Liabilities	56,694	58,575	79,093	1,01,407	1,39,164	1,67,465	1,35,848	1,91,565
<b>Net Current Assets</b>	<b>-9,751</b>	<b>1,197</b>	<b>-11,938</b>	<b>-11,894</b>	<b>-29,979</b>	<b>-46,187</b>	<b>-65,512</b>	<b>2,081</b>
<b>Appl. of Funds</b>	<b>44,182</b>	<b>58,770</b>	<b>63,367</b>	<b>96,884</b>	<b>92,029</b>	<b>2,17,881</b>	<b>1,55,142</b>	<b>1,76,911</b>

E: MOFSL Estimates

## Financials and Valuation

### Ratios

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
<b>EPS</b>	<b>34.0</b>	<b>51.8</b>	<b>43.2</b>	<b>58.3</b>	<b>4.1</b>	<b>-14.5</b>	<b>-163.2</b>	<b>64.4</b>
Cash EPS	41.9	64.8	55.1	69.7	23.8	88.9	-50.3	183.6
BV/Share	10.9	70.8	98.3	184.1	180.7	152.5	-10.7	45.9
DPS	28.1	16.9	32.0	6.0	5.0	0.0	0.0	6.4
Payout incl. tax (%)	99.2	39.3	89.0	12.4	148.1	0.0	0.0	12.0
<b>Valuation (x)</b>								
P/E	26.7	17.5	21.0	15.6	223.7	-62.7	-5.6	14.1
Cash P/E	21.7	14.0	16.5	13.0	38.1	10.2	-18.1	4.9
P/BV	82.9	12.8	9.2	4.9	5.0	6.0	-84.8	19.8
EV/Sales	2.6	2.1	1.8	1.3	1.0	1.1	3.3	1.1
Adj. EV/EBITDAR	13.1	9.3	10.3	8.5	13.2	10.3	-39.0	4.2
EV/EBITDA	19.5	11.4	15.2	10.3	-138.6	10.7	-31.9	4.1
Dividend Yield (%)	3.1	1.9	3.5	0.7	0.6	0.0	0.0	0.7
FCF Yield (%)	4.2	8.3	14.5	8.5	5.8	-21.8	-12.6	32.9
<b>Return Ratios (%)</b>								
RoE	310.5	126.6	51.0	41.3	2.2	-8.7	-230.2	365.5
RoCE	33.7	40.5	31.4	31.0	-4.0	8.0	-22.5	24.3
<b>Working Capital Ratios</b>								
Asset Turnover (x)	3.2	2.7	2.9	2.4	3.1	1.6	0.9	1.7
Inventory (Days)	5	3	4	4	3	3	3	3
Debtor (Days)	3	4	3	4	5	3	3	3
Creditor (Days)	17	26	21	22	22	18	18	18
Working Cap. Turnover (Days)	-78	-81	-114	-123	-149	-158	-335	-200
<b>Leverage Ratio (x)</b>								
Net Debt / Equity	3.8	-0.3	-0.6	-0.6	-0.9	0.9	-24.3	-0.4

### Standalone - Cash Flow Statement

(INR Million)

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
OP/(Loss) before Tax	18,465	28,290	21,443	31,267	-1,492	-5,838	-62,740	33,065
Depreciation	3,022	5,031	4,573	4,369	7,596	39,739	43,414	45,823
Interest & Finance Charges	1,037	1,157	-4,583	-6,070	-8,159	3,402	5,254	5,123
Direct Taxes Paid	-3,951	-5,761	-4,208	-7,905	3,007	94	0	-8,322
(Inc)/Dec in WC	7,765	3,081	21,102	15,257	12,476	87,639	-1,00,397	58,326
<b>CF from Operations</b>	<b>26,338</b>	<b>31,797</b>	<b>38,326</b>	<b>36,917</b>	<b>13,429</b>	<b>1,25,036</b>	<b>-1,14,469</b>	<b>1,34,015</b>
<b>CF from Operating incl EO</b>	<b>23,839</b>	<b>31,157</b>	<b>37,820</b>	<b>36,917</b>	<b>13,429</b>	<b>1,25,036</b>	<b>-1,14,469</b>	<b>1,34,015</b>
(Inc)/Dec in FA	-10,171	-2,320	12,829	-7,356	6,767	-2,01,174	70,564	-19,163
<b>Free Cash Flow</b>	<b>13,668</b>	<b>28,837</b>	<b>50,649</b>	<b>29,562</b>	<b>20,196</b>	<b>-76,137</b>	<b>-43,905</b>	<b>1,14,852</b>
(Pur)/Sale of Investments	7,079	-2,623	-27,273	-26,306	-1,727	-29,827	0	0
Others	1,313	3,344	7,891	9,469	13,248	15,357	15,450	15,644
<b>CF from Investments</b>	<b>-1,779</b>	<b>-1,598</b>	<b>-6,553</b>	<b>-24,193</b>	<b>18,289</b>	<b>-2,15,643</b>	<b>86,014</b>	<b>-3,519</b>
Inc/(Dec) in Debt	3,817	-10,241	-6,114	-1,543	-477	1,37,320	0	0
Interest Paid	-770	-825	-3,308	-3,398	-5,090	-18,759	-20,703	-20,767
Dividend Paid	-16,128	-13,437	-14,769	-2,772	-2,310	0	0	-2,973
<b>CF from Fin. Activity</b>	<b>-13,081</b>	<b>-12,366</b>	<b>-22,128</b>	<b>6,756</b>	<b>-11,460</b>	<b>1,12,838</b>	<b>-20,703</b>	<b>-23,740</b>
<b>Inc/Dec of Cash</b>	<b>8,978</b>	<b>17,193</b>	<b>9,139</b>	<b>19,480</b>	<b>20,258</b>	<b>22,231</b>	<b>-49,158</b>	<b>1,06,756</b>
Opening Balance	11,015	19,994	37,187	46,326	65,806	86,063	1,08,295	59,136
<b>Closing Balance</b>	<b>19,994</b>	<b>37,187</b>	<b>46,326</b>	<b>65,806</b>	<b>86,063</b>	<b>1,08,295</b>	<b>59,136</b>	<b>1,65,892</b>

E: MOFSL Estimates



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

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