

# JK Cement

## Racing ahead

We retain BUY on JK Cement (JKCE) with a revised target price of Rs 1,635. Post untimely demise of erstwhile MD & Chairman Mr Yadupati Singhania on 13th August, his nephews Mr Raghavpat and Mr Madhavkrishna have been elevated as MD and Dy MD & CEO respectively and his mother Mrs Sushila Devi as Chairperson. In 1QFY21, JKCE's standalone net sales/EBITDA/APAT fell 27/29/50% YoY. While sharp white/putty volume loss pulled down revenue, EBITDA decline got contained on healthy pricing across markets, healthy discretionary cost controls, and lower fuel prices. APAT fall accelerated on higher capital charges. Volume momentum has improved across both business segments in 2Q, boosting earnings outlook.

- **Grey cement - healthy growth Jun'20 onwards:** During 1QFY21, while COVID impact drove sales loss in April/May, JKCE recorded robust growth in June due to demand recovery and capacity ramp-up. This moderated overall 1QFY21 volume decline to 19% YoY (1.6mn MT). This growth continues in 2QFY21. NSR firmed up 3% QoQ (flat YoY) in 1Q, benefitting from healthy pricing across north, west and south markets. Lower fuel prices and a sharp cut in discretionary spends flattened opex YoY, despite lower volumes. Thus, unitary EBITDA stood stable at healthy ~Rs 990/MT, in our view, implying segmental EBITDA fell ~20% YoY.
- **White/putty sales hit hard in 1Q, recovery seen:** Sales in 1Q fell sharply (down 48% YoY to 0.18mn MT) on poor demand throughout. NSR rose 3% YoY (down 1% QoQ). In our view, segmental unitary opex inflated 5% YoY, on sharp volume decline, leading to flattish unitary EBITDA YoY (~Rs 3,350/MT). Subsequently, segmental EBITDA fell ~50% YoY. JKCE indicated that segmental sales have flattened YoY in 2Q so far, indicating healthy recovery. Even, the UAE operation is seeing similar trends.
- **Expansions updates:** In Oct'20, JKCE's 0.3mn MT putty expansion in Katni will become operational. By Dec'20, its pending 0.7mn MT SGU in Gujarat and WHRS in Rajasthan will get commissioned. The clinker line-3 expansion is expected in 2QFY22E. The company is also investing in land and mining rights for Panna expansion. However, JKCE is yet to finalise its FY22 capex spends (towards Panna) amid COVID uncertainties.
- **Outlook:** We remain bullish on the company, owing to healthy traction across both business segments. In grey cement, it expanded capacity in lucrative markets along with margin expansion tailwinds. In white/putty, it is steadily increasing capacity, and its leadership presence continues to support robust margin. We have increased FY21/22/23E EBITDA by 9/3/3% each, factoring in higher volumes. We maintain BUY with a revised target price of Rs 1,635 (10x Jun'22E consolidated EBITDA).

### Consolidated Financial Summary

YE Mar (Rs mn)	1Q FY21	1Q FY20	YoY (%)	4Q FY20	QoQ (%)	FY19	FY20	FY21E	FY22E	FY23E
Net Sales	9,650	13,280	(27.3)	14,774	(34.7)	52,587	58,016	58,786	69,033	80,335
EBITDA	2,153	3,035	(29.1)	3,463	(37.8)	8,345	12,142	11,898	14,058	17,411
APAT	777	1,538	(49.5)	1,784	(56.5)	2,703	4,971	4,473	5,714	8,039
AEPS (Rs)	10.1	19.9	(49.5)	23.1	(56.5)	35.0	64.3	57.9	73.9	104.0
EV/EBITDA (x)						16.3	11.8	12.0	10.2	8.2
EV/MT (Rs bn)						9.22	7.85	7.34	7.35	7.28
P/E (x)						42.5	23.1	25.7	20.1	14.3
RoE (%)						11.6	17.4	14.0	15.7	19.0

Source: Company, HSIE Research, \*Quarterly numbers are Standalone

## BUY

CMP (as on 2 Sep 2020)	Rs 1,488
Target Price	Rs 1,635
NIFTY	11,535

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	Rs 1,550	Rs 1,635
EBITDA %	FY21E 9.2	FY22E 3.4

### KEY STOCK DATA

Bloomberg code	JKCE IN
No. of Shares (mn)	77
MCap (Rs bn) / (\$ mn)	115/1,570
6m avg traded value (Rs mn)	126
52 Week high / low	Rs 1,615/795

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	24.1	6.0	44.5
Relative (%)	8.5	3.6	39.8

### SHAREHOLDING PATTERN (%)

	Mar-20	Jun-20
Promoters	58.07	58.07
FIs & Local MFs	23.80	23.33
FPIs	12.39	13.42
Public & Others	5.74	5.18
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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*Grey cement volumes fell 19% YoY to 1.6mn MT due to COVID impact, lower than most peers as it benefitted from its recent expansions and lower impact in retail cement sales.*

*NSR firmed up 3% YoY on healthy pricing in its markets. Unitary EBITDA in our view was flattish YoY at ~Rs 990/MT.*

*White/putty India volumes fell sharply by 48% YoY to 0.18mn MT.*

*NSR firmed up 3% YoY in our view. Unitary EBITDA in our view was flattish at ~Rs 3,350/MT.*

*Thus total EBITDA in 1Q fell 29% YoY on lower contribution from white/putty segment. Blended unitary EBITDA fell 7% YoY to Rs 1,218*

*The fire that took place in Mar-20 at Mangrol CPP (25MW) has caused a total loss of Rs 150mn which JKCE expects to recover from the insurance company.*

### Quarterly Standalone Financial Snapshot

Particulars (Rs mn)	1QFY21	1QFY20	YoY (%)	4QFY20	QoQ (%)
Net Sales	9,650	13,280	(27.3)	14,774	(34.7)
Total Expenditure	7,497	10,245	(26.8)	11,311	(33.7)
Raw Materials	1,953	1,824	7.0	2,071	(5.7)
Power and Fuel	1,531	2,621	(41.6)	2,690	(43.1)
Employee	950	968	(1.8)	987	(3.7)
Transport	1,755	2,474	(29.1)	2,818	(37.7)
Others	1,307	2,357	(44.5)	2,745	(52.4)
<b>EBITDA</b>	<b>2,153</b>	<b>3,035</b>	<b>(29.1)</b>	<b>3,463</b>	<b>(37.8)</b>
EBITDA margins (%)	22.3	22.9		23.4	
Depreciation	580	494	17.4	577	0.6
EBIT	1,573	2,541	(38.1)	2,886	(45.5)
EBIT margins (%)	16.3	19.1		19.5	
Other Income	203	172	18.2	271	(24.9)
Interest	572	534	7.0	572	0.0
<b>PBT</b>	<b>1,204</b>	<b>2,179</b>	<b>(44.7)</b>	<b>2,585</b>	<b>(53.4)</b>
Taxes	427	641	(33.3)	801	(46.6)
Exceptional exp/(inc)	-	-		1,782	(100.0)
Reported PAT	777	1,538	(49.5)	2	33,823
<b>Adj PAT</b>	<b>777</b>	<b>1,538</b>	<b>(49.5)</b>	<b>1,784</b>	<b>(56.5)</b>
Adj PAT margins (%)	8.1	11.6		12.1	

Source: Company, HSIE Research

### Quarterly Blended Standalone Performance Analysis

Particulars	1QFY21	1QFY20	YoY (%)	4QFY20	QoQ (%)
Sales vol (mn MT)	1.77	2.31	(23.5)	2.67	(33.8)
<b>Rs/MT trend</b>					
NSR	5,462	5,753	(5.1)	5,538	(1.4)
Raw materials	1,105	790	39.8	776	42.4
Power & fuel	867	1,136	(23.7)	1,008	(14.0)
Freight	994	1,072	(7.3)	1,056	(6.0)
Employee	538	420	28.2	370	45.4
Other Exp	740	1,021	(27.5)	1,029	(28.1)
Opex	4,244	4,439	(4.4)	4,240	0.1
<b>EBITDA</b>	<b>1,218</b>	<b>1,315</b>	<b>(7.3)</b>	<b>1,298</b>	<b>(6.1)</b>

Grey cement: We model in 8/16/15% growth in FY21/22/23E. We factor in ~2% NSR CAGR during FY20-23E. The increased contribution from the new plants should drive margin expansion to ~Rs 930/MT in FY23E vs ~Rs 820/MT in FY20

White/putty: We expect volume to fall 17% in FY21E on Covid impact, but expect it to recover by 15/8% in FY22/23E. We estimate segmental OPM to moderate to 25/26% during FY21/22E vs 28% in FY20, but to recover to 30% by FY23E

We increase FY21/22E EBITDA est by 9/3/3% factoring in higher volumes

### Consolidated Operational Trends and Assumptions

Particulars	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Grey Cement</b>						
Capacity (mn MT)	10.5	10.5	14.0	14.7	14.7	14.7
Sales Volume (mn MT)	8.2	8.6	8.4	9.1	10.6	12.2
Utilisation (%)	78.5	81.9	60.5	62.2	72.5	83.3
NSR (Rs/MT)	3,892	4,073	4,606	4,661	4,717	4,859
<b>White/Putty (India + UAE)</b>						
Capacity (mn MT)	1.92	2.12	2.12	2.42	2.42	2.42
Sales Volume (mn MT)	1.52	1.62	1.79	1.49	1.71	1.85
Utilisation (%)	79.3	76.7	84.7	61.7	70.7	76.6
NSR (Rs/MT)	10,551	10,404	10,312	10,467	10,676	10,890
<b>Grey + White+ Putty (Consol)</b>						
Total Installed Capacity (mn MT)	12.39	12.59	16.09	17.09	17.09	17.09
Total Sales Volume (mn MT)	9.74	10.20	10.24	10.62	12.34	14.08
YoY change (%)	18.4	4.7	0.4	3.7	16.2	14.1
Utilisation (%)	7.9	8.1	6.4	6.2	7.2	8.2
(Rs/ MT trend)						
Blended NSR	4,982	5,155	5,666	5,535	5,593	5,707
YoY change (%)	1.9	3.5	9.9	(2.3)	1.1	2.0
Raw Materials	823	867	851	851	880	902
Power & Fuel	977	1,085	1,069	1,026	1,052	1,073
Freight costs	1,135	1,102	1,077	1,044	1,070	1,092
Employee cost	378	393	445	450	426	418
Other expense	860	890	1,039	1,044	1,026	984
Total Opex	4,174	4,337	4,480	4,415	4,454	4,470
Blended EBITDA per MT	808	818	1,186	1,120	1,139	1,237

Source: Company, HSIE Research

### Change in Estimates

Rs Bn	FY21E	FY21E	Change %	FY22E	FY22E	Change %	FY23E	FY23E	Change %
	Old	Revised		Old	Revised		Old	Revised	
Net Revenues	55.6	58.8	5.7	67.8	69.0	1.8	78.9	80.3	1.8
EBITDA	10.9	11.9	9.2	13.6	14.1	3.4	16.9	17.4	3.2
APAT	3.6	4.5	24.9	5.3	5.7	7.9	7.7	8.0	4.7
AEPS	46.4	57.9	24.9	68.6	73.9	7.9	99.3	104.0	4.7

Source: Company, HSIE Research

### Peer Set Comparison

Company	Mcap (Rs bn)	CMP (Rs/sh)	Reco	TP	EV/EBITDA			EV/MT (Rs bn)			Net D:E (x)			RoE (%)		
					FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E
UltraTech Cem	1,140	3,950	BUY	4,915	13.9	15.6	12.7	11.31	10.82	10.18	0.4	0.3	0.2	10.4	7.6	9.5
Shree Cement	741	20,540	REDUCE	20,900	19.1	20.6	17.6	16.17	15.76	14.45	(0.3)	(0.3)	(0.3)	13.9	9.2	10.1
Ambuja Cements	432	218	BUY	230	12.4	12.4	11.2	9.05	8.50	8.46	(0.7)	(0.7)	(0.7)	6.8	6.0	6.2
ACC	255	1,360	BUY	1,610	8.7	10.7	8.8	6.57	6.68	6.70	(0.4)	(0.4)	(0.3)	11.6	9.5	11.6
Ramco Cements	170	720	ADD	713	17.5	17.5	12.8	10.58	10.16	9.08	0.6	0.6	0.3	12.8	10.7	12.2
Dalmia Bharat	148	766	BUY	1,005	8.9	10.6	8.5	7.19	6.29	5.00	0.4	0.4	0.2	2.1	1.3	3.4
<b>JK Cement</b>	<b>115</b>	<b>1,488</b>	<b>BUY</b>	<b>1,635</b>	<b>11.8</b>	<b>12.1</b>	<b>10.2</b>	<b>7.85</b>	<b>7.34</b>	<b>7.35</b>	<b>0.9</b>	<b>0.8</b>	<b>0.7</b>	<b>17.4</b>	<b>14.0</b>	<b>15.7</b>
Star Cement	36	87	BUY	120	8.6	8.7	6.9	9.41	7.96	6.99	(0.1)	(0.1)	(0.1)	15.4	13.7	16.1
JK Lakshmi	31	266	BUY	385	6.2	7.9	6.9	3.55	3.53	3.73	0.6	0.5	0.6	16.2	9.0	11.4
Orient Cement	13.3	65	BUY	95	6.6	6.1	5.9	3.15	2.90	2.92	1.1	0.8	0.8	8.0	8.1	9.2
Deccan Cements	4.1	291	BUY	380	5.0	4.7	4.7	1.75	1.55	2.28	(0.0)	(0.1)	0.2	10.1	7.7	12.3

Source: Company, HSIE Research, For ACC and Ambuja, the financial year is CY19/CY20E/CY21E resp

# Financials

## Consolidated Income Statement

YE Mar (Rs mn)	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Revenues</b>	<b>48,535</b>	<b>52,587</b>	<b>58,016</b>	<b>58,786</b>	<b>69,033</b>	<b>80,335</b>
<i>Growth %</i>	<i>20.7</i>	<i>8.3</i>	<i>10.3</i>	<i>1.3</i>	<i>17.4</i>	<i>16.4</i>
Raw Material	8,014	8,844	8,711	9,035	10,866	12,704
Power & Fuel	9,521	11,066	10,945	10,898	12,980	15,102
Freight Expense	11,061	11,246	11,024	11,092	13,211	15,370
Employee cost	3,683	4,011	4,552	4,780	5,258	5,889
Other Expenses	8,382	9,075	10,643	11,084	12,660	13,859
<b>EBITDA</b>	<b>7,875</b>	<b>8,345</b>	<b>12,142</b>	<b>11,898</b>	<b>14,058</b>	<b>17,411</b>
<i>EBITDA Margin (%)</i>	<i>16.2</i>	<i>15.9</i>	<i>20.9</i>	<i>20.2</i>	<i>20.4</i>	<i>21.7</i>
<i>EBITDA Growth %</i>	<i>8.4</i>	<i>6.0</i>	<i>45.5</i>	<i>(2.0)</i>	<i>18.2</i>	<i>23.9</i>
Depreciation	2,313	2,413	2,880	3,196	3,598	3,724
<b>EBIT</b>	<b>5,561</b>	<b>5,932</b>	<b>9,262</b>	<b>8,702</b>	<b>10,460</b>	<b>13,687</b>
Other Income (Including EO Items)	1,019	804	853	800	800	800
Interest	2,841	2,611	2,764	2,826	2,732	2,488
<b>PBT</b>	<b>3,740</b>	<b>4,124</b>	<b>7,352</b>	<b>6,676</b>	<b>8,528</b>	<b>11,999</b>
Tax	976	1,488	2,511	2,337	2,985	4,200
Minority Int	(40)	(67)	(130)	(134)	(171)	(240)
<b>RPAT</b>	<b>2,803</b>	<b>2,703</b>	<b>4,971</b>	<b>4,473</b>	<b>5,714</b>	<b>8,039</b>
EO (Loss) / Profit (Net Of Tax)	(170)	-	-	-	-	-
<b>APAT</b>	<b>2,973</b>	<b>2,703</b>	<b>4,971</b>	<b>4,473</b>	<b>5,714</b>	<b>8,039</b>
<i>APAT Growth (%)</i>	<i>58.3</i>	<i>(9.1)</i>	<i>83.9</i>	<i>(10.0)</i>	<i>27.7</i>	<i>40.7</i>
<b>AEPS</b>	<b>42.5</b>	<b>35.0</b>	<b>64.3</b>	<b>57.9</b>	<b>73.9</b>	<b>104.0</b>
<i>AEPS Growth %</i>	<i>58.3</i>	<i>(17.7)</i>	<i>83.9</i>	<i>(10.0)</i>	<i>27.7</i>	<i>40.7</i>

## Consolidated Balance Sheet

YE Mar (Rs mn)	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>SOURCES OF FUNDS</b>						
Share Capital	699	773	773	773	773	773
Reserves And Surplus	19,049	26,249	29,504	33,513	38,609	45,876
<b>Total Equity</b>	<b>19,749</b>	<b>27,022</b>	<b>30,277</b>	<b>34,286</b>	<b>39,382</b>	<b>46,648</b>
<b>Minority Int</b>	<b>-</b>	<b>(72)</b>	<b>(203)</b>	<b>(336)</b>	<b>(507)</b>	<b>(747)</b>
Long-term Debt	27,841	27,349	32,858	33,987	36,987	30,987
Short-term Debt	1,565	2,382	2,126	1,807	1,807	1,807
<b>Total Debt</b>	<b>29,406</b>	<b>29,731</b>	<b>34,984</b>	<b>35,794</b>	<b>38,794</b>	<b>32,794</b>
Deferred Tax Liability	2,670	3,123	4,173	4,173	4,173	4,173
Long-term Liab+ Provisions	-	-	-	-	-	-
<b>TOTAL SOURCES OF FUNDS</b>	<b>51,824</b>	<b>59,803</b>	<b>69,231</b>	<b>73,917</b>	<b>81,842</b>	<b>82,868</b>
<b>APPLICATION OF FUNDS</b>						
Net Block	44,433	45,367	55,545	60,849	60,251	59,527
Capital WIP	1,043	5,744	5,295	4,295	10,295	16,295
Goodwill	-	-	-	-	-	-
Other Non-current Assets	-	-	-	-	-	-
Total Non-current Investments	-	-	-	-	-	-
<b>Total Non-current Assets</b>	<b>45,476</b>	<b>51,112</b>	<b>60,840</b>	<b>65,144</b>	<b>70,546</b>	<b>75,823</b>
Inventories	5,898	6,239	6,904	6,926	8,133	9,904
Debtors	2,358	2,572	2,677	2,738	3,215	3,742
Cash and Cash Equivalents	6,914	8,939	6,803	7,278	9,787	4,975
Other Current Assets (& Loans/adv)	3,914	5,265	8,196	8,196	8,196	8,390
<b>Total Current Assets</b>	<b>19,084</b>	<b>23,015</b>	<b>24,580</b>	<b>25,137</b>	<b>29,331</b>	<b>27,011</b>
Creditors	6,652	4,335	4,918	4,993	5,863	6,933
Other Current Liabilities & Provns	6,084	9,988	11,272	11,372	12,173	13,032
<b>Total Current Liabilities</b>	<b>12,736</b>	<b>14,323</b>	<b>16,189</b>	<b>16,365</b>	<b>18,036</b>	<b>19,965</b>
<b>Net Current Assets</b>	<b>6,348</b>	<b>8,692</b>	<b>8,391</b>	<b>8,773</b>	<b>11,295</b>	<b>7,046</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>51,824</b>	<b>59,803</b>	<b>69,231</b>	<b>73,917</b>	<b>81,842</b>	<b>82,868</b>

Source: Company, HSIE Research

## Consolidated Cash Flow

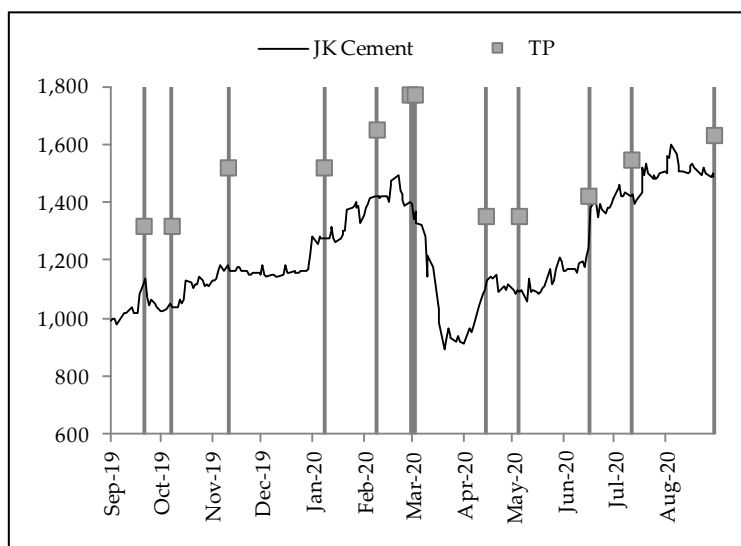
YE Mar (Rs mn)	FY18	FY19	FY20	FY21E	FY22E	FY23E
Reported PBT	3,832	4,124	7,344	6,676	8,528	11,999
Non-operating & EO Items	(281)	(383)	(385)	(800)	(800)	(800)
Interest Expenses	2,770	2,542	2,539	2,826	2,732	2,488
Depreciation	2,313	2,413	2,880	3,196	3,598	3,724
Working Capital Change	1,193	(681)	2,820	93	(13)	(562)
Tax Paid	(996)	(977)	(1,530)	(2,337)	(2,985)	(4,200)
<b>OPERATING CASH FLOW ( a )</b>	<b>8,831</b>	<b>7,039</b>	<b>13,668</b>	<b>9,654</b>	<b>11,060</b>	<b>12,649</b>
Capex	(1,443)	(6,313)	(12,428)	(7,500)	(9,000)	(9,000)
Free Cash Flow (FCF)	7,388	725	1,240	2,154	2,060	3,649
Investments	57	(2,077)	(2,622)	-	-	-
Non-operating Income	428	367	285	800	800	800
Others						
<b>INVESTING CASH FLOW ( b )</b>	<b>(958)</b>	<b>(8,023)</b>	<b>(14,765)</b>	<b>(6,700)</b>	<b>(8,200)</b>	<b>(8,200)</b>
Debt Issuance/(Repaid)	(3,766)	325	3,109	810	3,000	(6,000)
Interest Expenses	(2,789)	(2,798)	(2,507)	(2,826)	(2,732)	(2,488)
FCFE	834	(1,748)	1,842	138	2,328	(4,839)
Share Capital Issuance	-	5,043	-	-	-	-
Dividend	(673)	(843)	(1,630)	(464)	(618)	(773)
<b>FINANCING CASH FLOW ( c )</b>	<b>(7,228)</b>	<b>1,727</b>	<b>(1,029)</b>	<b>(2,479)</b>	<b>(351)</b>	<b>(9,261)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>645</b>	<b>742</b>	<b>(2,126)</b>	<b>475</b>	<b>2,510</b>	<b>(4,812)</b>
EO Items, Others						
<b>Closing Cash &amp; Equivalents</b>	<b>5,801</b>	<b>7,656</b>	<b>6,813</b>	<b>7,278</b>	<b>9,787</b>	<b>4,975</b>

## Key Ratios

	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>PROFITABILITY %</b>						
EBITDA Margin	16.2	15.9	20.9	20.2	20.4	21.7
EBIT Margin	11.5	11.3	16.0	14.8	15.2	17.0
APAT Margin	6.1	5.1	8.6	7.6	8.3	10.0
RoE	16.1	11.6	17.4	14.0	15.7	19.0
RoIC	8.9	7.9	10.8	8.8	9.8	11.9
RoCE	9.5	7.7	10.3	8.6	9.4	11.4
<b>EFFICIENCY</b>						
Tax Rate %	26.1	36.1	34.1	35.0	35.0	35.0
Fixed Asset Turnover (x)	0.8	0.9	0.8	0.7	0.8	0.9
Inventory (days)	44	43	43	43	43	45
Debtors (days)	18	18	17	17	17	17
Other Current Assets (days)	29	37	52	51	43	38
Payables (days)	50	30	31	31	31	32
Other Current Liab & Provns (days)	46	69	71	71	64	59
Cash Conversion Cycle (days)	(4)	(2)	10	9	8	9
Net Debt/EBITDA (x)	2.9	2.5	2.3	2.4	2.1	1.6
Net D/E	1.1	0.8	0.9	0.8	0.7	0.6
Interest Coverage	2.0	2.3	3.4	3.1	3.8	5.5
<b>PER SHARE DATA (Rs)</b>						
EPS	42.5	35.0	64.3	57.9	73.9	104.0
CEPS	75.6	66.2	101.6	99.3	120.5	152.2
Dividend	10.0	10.0	7.5	6.0	8.0	10.0
Book Value	282.5	348.8	389.2	439.4	503.1	594.1
<b>VALUATION</b>						
P/E (x)	38.7	42.5	23.1	25.7	20.1	14.3
P/Cash EPS (x)	22.5	22.5	14.6	15.0	12.3	9.8
P/BV (x)	5.8	4.3	3.8	3.4	2.9	2.5
EV/EBITDA (x)	17.5	16.3	11.8	12.0	10.2	8.2
EV/MT (Rs bn)	9.61	9.22	7.85	7.34	7.35	1.8
Dividend Yield (%)	0.7	0.7	0.5	0.4	0.5	0.7
OCF/EV (%)	6.4	5.2	9.6	6.7	7.7	8.9
FCFE/EV (%)	5.4	0.5	0.9	1.5	1.4	2.6
FCFE/M Cap (%)	0.7	(1.5)	1.6	0.1	2.0	3.2

Source: Company, HSIE Research

## RECOMMENDATION HISTORY



Date	CMP	Reco	Target
22-Sep-19	1,086	BUY	1,321
10-Oct-19	1,046	BUY	1,321
13-Nov-19	1,180	BUY	1,523
10-Jan-20	1,274	BUY	1,523
12-Feb-20	1,421	BUY	1,654
2-Mar-20	1,384	BUY	1,775
5-Mar-20	1,342	BUY	1,775
17-Apr-20	1,095	BUY	1,355
7-May-20	1,089	BUY	1,355
19-Jun-20	1,246	BUY	1,425
14-Jul-20	1,435	BUY	1,550
3-Sep-20	1,488	BUY	1,635

From 2<sup>nd</sup> March 2020, we have moved to new rating system

## Rating Criteria

BUY: >+15% return potential

ADD: +5% to +15% return potential

REDUCE: -10% to +5% return potential

SELL: > 10% Downside return potential



**Disclosure:**

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