

Gladiator Stocks

New recommendations Time Frame: 6 Months

Date	Scrip	I-Direct Code	Buying Range	Target	Stoploss	Upside (%)
14-Sep-20	Matrimony.com	MATCOM	580-605	698.00	528.00	18.00

Open recommendations Time Frame: 6 Months

Date	Scrip	Avg Rec Price	Target	Stoploss	CMP	Return till date (%)
3-Sep-20	Ajanta Pharma	1,510.00	1,760.00	1,390.00	1,517.00	0%
3-Sep-20	Sun Pharma	518.00	605.00	467.00	495.00	-4%
21-Aug-20	Cummins India	458.00	540.00	410.00	472.00	3%
18-Aug-20	Britannia Industries	3,812.00	4,510.00	3,560.00	3,719.00	-2%
11-Aug-20	Berger Paints	547.00	635.00	497.00	577.00	5%
11-Aug-20	ITC	202.00	233.00	183.00	184.00	-9%
1-Jun-20	Pidilite Industries	1,470.00	1,670.00	1,320.00	1,476.00	0%

All the recommendations are in Cash segment

September 15, 2020

Open Recommendations

Momentum Picks

Scrip	Action
Mindtree	Buy
Duration: 14 Days	

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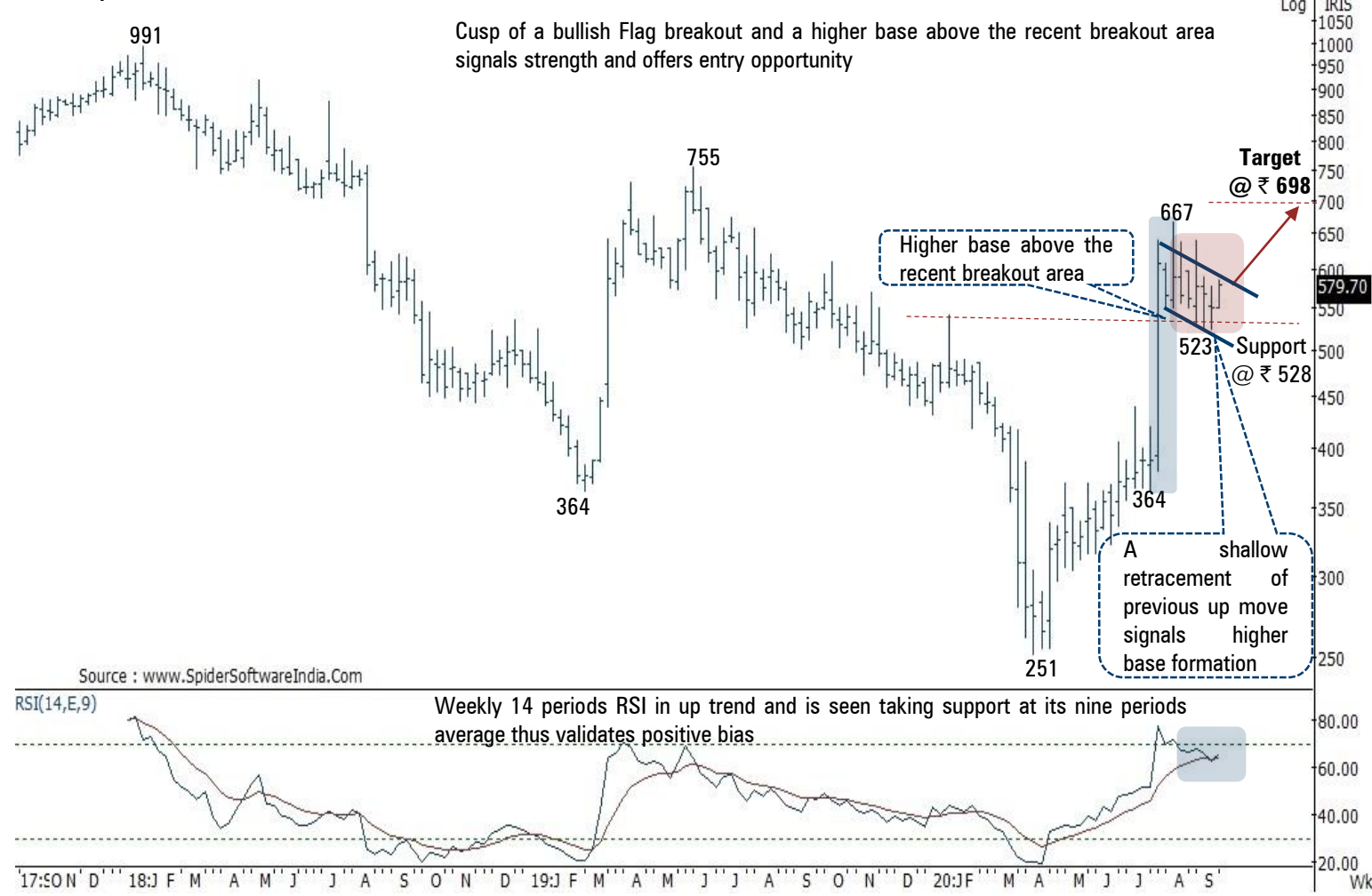
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Matrimony.com (MATCOM): At the cusp of bullish Flag breakout, higher base above breakout area augur well for next up move...

Rec. Price	580.00-605.00	Target	698.00	Stop loss	528.00
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Upside **18%**

Weekly Chart



- The IT sector has been one of the major outperformers since March lows and technology driven platform businesses have outperformed. Structurally, shallow retracements and decisive larger rallies highlight robust price structure
- The share price of Matrimony.com is at the cusp of generating a bullish Flag breakout. The entire breather of the last seven weeks has taken the shape of a bullish Flag formation as can be seen in the adjacent chart thus provides fresh entry opportunity to ride the next up move in the stock
- The stock has already taken more than five weeks to retrace less than 50% of the previous four weeks up move (₹ 364-667). A shallow retracement signals a higher base formation. The low of the last seven weeks breather is placed around ₹ 523, which is expected to act as major value area for the stock
- We expect the stock to resume its fresh up move after recent breather and head towards ₹ 698 levels in coming months as it is the 123.6% external retracement of the recent breather (₹ 667-522) around ₹ 690

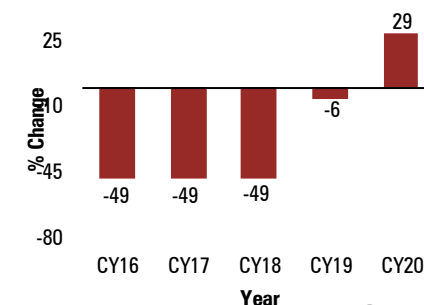
- Matrimony.com has pioneered the online matchmaking space through its flagship brand BharatMatrimony.com. By adopting a micro market strategy, the brand offers a range of targeted and customised products and services that are tailored to meet the requirements of customers. With 15 regional and more than 300 community portals based on varied communities of the Indian origin, the company caters to the Indians all across the globe. Matrimony.com is the market leader in the Indian online matchmaking space boasting a total registration base of 39.82 mn profiles – since 2006 and an active profile base of 4.60 Mn as on 31st March 2020. The company also offers offline matchmaking services with a presence at more than 140 locations across several cities in the country for better customer reach and user accessibility
- The underpinning positives of Matrimony.com are 1) market leadership (~60% market share) in an underpenetrated online matchmaking segment that accounts for ~24% of the overall matchmaking industry (online + offline), 2) substantial market share in south, east and west India leads to strong pricing power, 3) consistently maintained profitability compared to its rivals, which are making losses, 4) scope for further margin expansion led by cost rationalisation & revenue growth, 5) negative working capital, low capital intensity and strong cash generating characteristics of the business. In addition, the company being a market leader, will be a key beneficiary of the shift of consumers from offline to online led by rising adoption of smartphones, increase in internet penetration and social distancing
- Historically revenues have grown at a CAGR of 6% in FY17-20 mainly led by 6% CAGR in pricing. However, the company's paid subscribers have remained flat mainly due to high pricing and focus on metro cities. Nevertheless, over the years, increase in online penetration has led to subscriber growth across tiers. Hence, the company is now focusing on Tier II and Tier III cities to drive subscriber growth. In addition, it is now focusing on increasing market share in the north (that we believe is equally distributed among competitors) and increasing conversion of active (that has grown at 11.0% CAGR in the past four years) to paid subscribers by providing differentiated pricing. This is expected to result in double digit growth in paid subscribers and, in turn, drive double digit revenue growth. With improving revenue growth, Matrimony has further potential to improve margins. In addition, if consolidation takes place in the online matrimony space, we believe it could lead to rationalisation of advertising expenses. This would potentially lead to further margin expansion
- We like the company due to its leadership in an underpenetrated online match making industry, substantial market share in south, east and west region leads to strong pricing power and consistent profitability. In addition, the company's focus on driving double digit revenue growth and potential in margin expansion bode well for it

Particulars	
Particular	Amount
Market Cap (₹ Crore)	1,302.8
Total Debt	-
CC&E (₹ Crore)	235.0
EV (₹ Crore)	1,067.8
52 week H/L	670/251
Equity capital	11.4
Face value	5.0

Financials			
(₹ crore)	FY18	FY19	FY20
Sales	335.4	348.4	371.8
EBITDA	77.6	74.3	54.5
PAT	73.9	42.5	29.5
EPS	33.4	18.6	13.0

Key Metrics			
	FY18	FY19	FY20
P/E	17.2	30.8	44.2
P/B	7.7	6.4	5.7
RoE	52.9	21.0	12.9
RoCE	37.3	25.9	16.2

Price performance of last 5 years



Summary Performance - Recommendations till date

Total Recommendations	564	Open	7
Closed Recommendations	557	Yield on Positive recommendations	17.0%
Positive Recommendations	412	Yield on Negative recommendations	-8.0%
Closed at cost	16		
Strike Rate	76%		

Momentum Picks open recommendations

Date	Scrip Name	Strategy	Recommendations Price	Target	Stoploss	Time Frame
3-Sep-20	Mindtree	Buy	1195-1207	1320.00	1130.00	14 Days

All the recomedations are in Cash segment

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Price history of past three years

Matrimony.com

MATRIMONY [N21726] 579.70, 5.44%
Price



- It is recommended to enter in a staggered manner within the prescribed range provided in the report
- Once the recommendation is executed, it is advisable to keep strict stop loss as provided in the report on closing basis
- The recommendations are valid for six months and in case we intend to carry forward the position, it will be communicated through separate mail

Trading portfolio allocation

- It is recommended to spread out the trading corpus in a proportionate manner between the various technical research products
- Please avoid allocating the entire trading corpus to a single stock or a single product segment
- Within each product segment it is advisable to allocate equal amount to each recommendation
- For example: The 'Momentum Picks' product carries 2 intraday recommendations. It is advisable to allocate equal amount to each recommendation

Recommended product wise trading portfolio allocation

Product	Allocations		Number of Calls	Return Objective	Duration
	Product wise allocation	Max allocation In 1 Stock			
Momentum Picks-Intraday	10%	30-50%	2 Stocks	1-2%	Intraday
Momentum Picks-Positional	25%	8-10%	8-10 Per Month	5-8%	14 Days
Gladiator Stocks	35%	10-13%	Opportunity Based	15-20%	6 Months
Yearly Technical	25%	12-15%	7-9 Per Year	20-30%	1 Year
Cash	5%				
	100%				



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