

Stellar performance driving up Guidance and Profitability

- Firstsource (FSL) reported above expectation results, with a sequential revenue growth of 13% at \$160mn (DE: 8%) led by sustained traction in BFSI Vertical (up 15% QoQ in \$ terms) and very sharp recovery in CMT segment (clocked 31% QoQ growth). Strong offshore led growth led to OPM improvement of about 40bps QoQ at 11.4% (DART estm: 11.1%).
- Robust growth performance and healthy client wins (added 15 client wins in Q2, 10 in Q1) led to upgrade in revenue guidance for FY21 to 9-12% (from 6% to 10% growth in CC terms). OPM outlook kept intact at 11.0% to 11.5%, as company expect further need for investments in new vertical/capabilities and increased cost on talent (in mortgage).
- Commentary remain confident given favorable macros in the Mortgage segment (New housing sales at multi-year high & interest rates at record lows), increased delinquency (good for Collections unit) and lower claims for Payers. CMT business recovered sharply as Top-client revived volumes beyond emergency services. The only concern now is within Provider segment (~15% of rev) that may remain subdued as elective surgeries continues to remain weak.
- Strong upgrade in guidance (growth leader across IT&ITeS names in FY21), robust client additions, improved profitability, widened bandwidth & market opportunities, reducing client concentration, generous payouts (imply 5% yield) and compelling valuations (~10x on TMF basis) makes a strong case for re-rating of the stock. Thus, we maintain our Buy rating with TP of Rs100 (valued at 12x on FY23E).

Guidance implies top-of-the-charts growth

FSL growth guidance even at mid-point (10.5%) would imply that it may lead peers and above on growth front in FY21E. More importantly growth is quite broad based (unlike in past) and is likely to sustain in near future given sound underlying macros and its well complementing offerings (has enhanced all its Platform offerings to support Digital transformation opportunities). Well-enhanced bandwidth across existing as well as new initiatives are bearing the desired results as evident from strong deal wins (added 25 clients in H1 alone) and expanding pipeline. This is a significant shift from its performance over the years and thus, with its growth performance now taking a big leap, we see a significant room for re-rating potential in the stock.

Q2FY21 Result (Rs Mn)

Particulars	Q2FY21	Q2FY20	YoY (%)	Q1FY21	QoQ (%)
Revenue	11,877	9,849	20.6	10,622	11.8
Total Expense	10,001	8,525	17.3	8,954	11.7
EBITDA	1,876	1,325	41.7	1,668	12.5
Depreciation	519	455	14.0	498	4.0
EBIT	1,358	870	56.1	1,170	16.1
Other Income	21	65	(68.1)	(1)	(1768.8)
Interest	124	129	(3.6)	134	(6.9)
EBT	1,254	806	55.6	1,035	21.2
Tax	202	132	52.2	148	36.1
RPAT	1,053	674	56.2	887	18.7
APAT	1,053	674	56.2	887	18.7
			(bps)		(bps)
Gross Margin (%)	32.8	31.8	102	32.9	(12)
EBITDA Margin (%)	15.8	13.4	235	15.7	9
NPM (%)	8.9	6.8	202	8.3	52
Tax Rate (%)	16.1	16.4	(36)	14.3	176
EBIT Margin (%)	11.4	8.8	260	11.0	42

CMP	Rs 71
Target / Upside	Rs 100 / 41%
NIFTY	11,671

Scrip Details

Equity / FV	Rs 6,938mn / Rs 10
Market Cap	Rs 49bn
	USD 664mn
52-week High/Low	Rs 78/ 20
Avg. Volume (no)	41,76,780
Bloom Code	FSOL IN

Price Performance	1M	3M	12M
Absolute (%)	(1)	52	41
Rel to NIFTY (%)	(1)	51	44

Shareholding Pattern

	Mar'20	Jun'20	Sep'20
Promoters	53.9	53.9	53.8
MF/Banks/FIs	12.4	12.7	14.0
FIIIs	9.5	8.1	7.0
Public / Others	24.2	25.4	25.2

Valuation (x)

	FY21E	FY22E	FY23E
P/E	11.7	9.8	8.6
EV/EBITDA	7.2	6.0	5.2
ROE (%)	14.8	16.5	17.8
RoACE (%)	13.7	15.7	17.3

Estimates (Rs mn)

	FY21E	FY22E	FY23E
Revenue	47,685	55,121	60,987
EBITDA	7,543	8,723	9,702
PAT	4,225	5,030	5,728
EPS (Rs.)	6.1	7.2	8.2

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Exhibit 1: Quarterly performance versus estimates

(Rs mn)	Actual	Estimates		% Variation		Comment
		Dolat	Consensus	Dolat	Consensus	
Revenue (\$ mn)	160	152	NA	4.9	NA	Revenue bear was led by surprise 30% recovery in CMT, along with 13% growth in BFSI vertical.
INR Revenue	11,877	11,394	NA	4.2	NA	
EBIT	1,358	1,265	NA	7.4	NA	OPM beat was led by better growth that too led by higher offshore delivery mix
EBIT, margin	11.4	11.1	NA	30.0	NA	
PAT	1,053	973	NA	8.3	NA	PAT beat was further extended by lower net interest charge.

Source: Company, DART

Change in Estimates

Post the stellar performance in Q2, upgraded guidance (200bps on top-end of band) and confident commentary across business units (85% of business would show sustained traction) we have upgraded our growth outlook for the company overall by 2%/3.3% in FY21/22E. However, given the reinvestment approach we have kept our margin estimate largely intact (well within guided band of 11%-11.5%). We have also introduced our estimates for FY23 baking in revenue growth of 9.2% YoY and OPM at 11.4%.

The growth assumptions factors in sustained traction in BFSI, improved volumes in CMT and gradual recovery in Provider segment within Healthcare vertical. We believe our growth/margin are bit conservative compared to outlook shared by the company and thus have some upside risk to our estimates.

Exhibit 2: Change in Estimates

	FY20A		FY21E		FY22E		FY23E	
(in Rs mn, except EPS)	Actual	Old	New	change	Old	New	change	New
Revenues (\$ mn)	578	629	641	2.0	706	730	3.3	797
YoY growth (%)	5.7	8.8	11.0	216.3	12.3	13.8	148.5	9.2
INR Revenue	40,986	47,125	47,685	1.2	53,353	55,121	3.3	60,987
YoY growth (%)	7.1	15.0	16.3	136.5	13.2	15.6	237.8	10.6
EBIT	4,437	5,241	5,405	3.1	6,016	6,242	3.8	6,958
EBIT margin (%)	10.8	11.1	11.3	21.4	11.3	11.3	4.9	11.4
PAT	3,397	4,032	4,225	4.8	4,800	5,030	4.8	5,728
EPS (Rs)	4.9	5.8	6.1	4.7	6.9	7.2	4.7	8.2

Source: DART, Company

Exhibit 3: Key Revenue Assumptions

Key Assumptions	FY20A	FY21E	FY22E	FY23E
USD revenue growth (%)	5.7	11.0	13.8	9.2
INR revenue growth (%)	7.1	16.3	15.6	10.6
EBIT margin (%)	10.8	11.3	11.3	11.4
EPS growth (%)	(10.4)	24.2	19.1	13.9
USD/INR	70.1	73.8	75.0	76.0

Source: DART, Company

Exhibit 4: Quarterly and YTD Financial Performance Trends

Rs mn	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	QoQ	YoY	YTD FY20	YTD FY21	YoY
Revenues(\$ mn)	141	140	148	149	141	160	13.3	14.1	281	301	7.0
Revenue	9,798	9,849	10,535	10,804	10,622	11,877	11.8	20.6	19,647	22,499	14.5
Operating Expense	8,141	8,525	8,868	9,163	8,954	10,001	11.7	17.3	16,666	18,955	13.7
Employee Expenses	6,611	6,722	7,053	7,350	7,128	7,985	12.0	18.8	13,333	15,113	13.4
as % of sales	67.5	68.2	66.9	68.0	67.1	67.2			67.9	67.2	
Other Expense	1,530	1,803	1,816	1,813	1,826	2,016	10.4	11.8	3,333	3,841	15.3
as % of sales	15.6	18.3	17.2	16.8	17.2	17.0			17.0	17.1	
EBITDA	1,657	1,325	1,666	1,641	1,668	1,876	12.5	41.7	2,981	3,544	18.9
Depreciation	439	455	484	474	498	519	4.0	14.0	894	1,017	13.8
EBIT	1,217	870	1,182	1,168	1,170	1,358	16.1	56.1	2,087	2,527	21.1
Net interest	(115)	(129)	(159)	(142)	(134)	(124)	(6.9)	(3.6)	(244)	(258)	5.8
Other Income	(34)	65	12	6	(1)	21			32	20	(38)
PBT	1,069	806	1,036	1,031	1,035	1,254	21.2	55.6	1,875	2,289	22.1
Total Tax	157	132	140	115	148	202	36.1	52.2	290	350	20.7
Minorities	(0)	(0)	0	0	0	(0)			(0)	(0)	
Reported PAT	912	674	895	916	887	1,053	18.7	56.2	1,586	1,940	22.3
Reported EPS	1.3	1.0	1.3	1.3	1.3	1.5	18.6	56.0	2.3	2.8	22.2
Margins (%)							(bps)	(bps)			(bps)
EBITDA	16.9	13.4	15.8	15.2	15.7	15.8	51	(121)	15.2	15.8	(58)
EBIT	12.4	8.8	11.2	10.8	11.0	11.4	21	(141)	10.6	11.2	(61)
PBT	10.9	8.2	9.8	9.5	9.7	10.6	20	(117)	9.5	10.2	(63)
PAT	9.3	6.8	8.5	8.5	8.3	8.9	(13)	(96)	8.1	8.6	(55)
Eff. Tax rate	14.7	16.4	13.6	11.2	14.3	16.1	313	(40)	15.4	15.3	18

Source: DART, Company

What to expect next Quarter

We expect sustained growth traction with 4% growth QoQ in CC terms in revenues for Q3 led by sustained demand backlog in BFSI/Payer segment. We expect OPM to remain flat QoQ as the company remain committed to investments in people, capability and also on increased supply side constraints in mortgage segment.

Exhibit 5: What to expect next Quarter

(Rs Mn)	Q3FY21E	Q2FY20	Q3FY20	QoQ (%)	YoY (%)
Sales (\$ mn)	166	160	148	4.0	12.3
Sales	12,285	11,877	10,535	3.4	16.6
EBIT	1,401	1,358	1,182	3.1	18.5
PAT	1,107	1,053	895	5.1	23.6
EPS (Rs)	1.6	1.5	1.3	5.1	23.4
EBIT Margin (%)	11.4	11.4	11.2	-3 bps	18 bps

Source: Company, DART

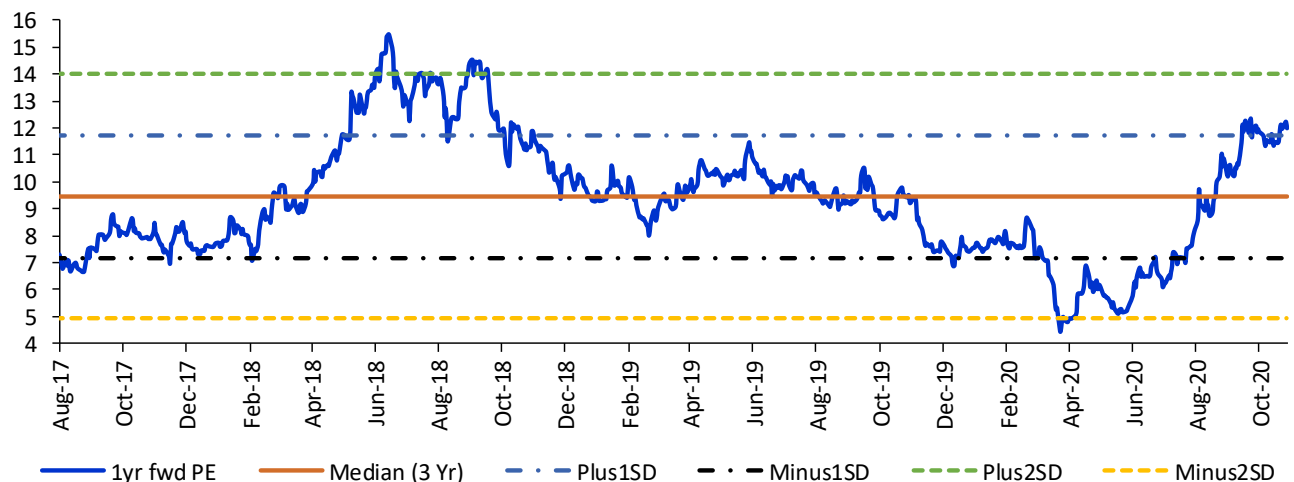
Key Highlights from Earning Call

- **Revenue:** Revenue stood at \$158.3mn grew 12.2% QoQ and 13.1% YoY in constant currency in CC terms led by robust uptick in BFSI (New housing sales as well as Refinance volumes) and CMT segment (client has revived volumes). The Healthcare segment witnessed stability as lower elected surgeries in Provider sub-segment has been negating the robust volume traction in Payer segment.
- **EBIT Margin** stood at 11.4% improved 42bps on QoQ basis led by strong growth traction (improved utilization) and offshore shift gains (up 220bps at 27%, offshore revenues up 23%). Profitability guidance however, has been kept unchanged at 11-11.5% as expects need for investment and increased talent cost (witnessing some supply side issue in mortgage industry).
- **Vertical wise commentary: Diverse Industries (2.2% of Rev) degrew 7.7% QoQ.**
- **BFSI (51.9% of Rev) grew 14.9% QoQ** led by sustained demand in both refinance mortgage and purchase mortgage segment as New Housing sales are up over 21% on YoY basis. The demand on Refinancing side also continues to do well as interest rates are at record low and has resulted in over 60% home-loans now being in-the-money and thus should remain the driving factor supporting growth for several quarters more. Between origination and Servicing mix is 2/3 and 1/3 respectively and thus provides comfort on longevity. On Collection side the volumes are going up given increased unemployment driving up the delinquencies (up 400bps on QoQ basis). The trends for loans business is mix as Covid has impacted different segments differently.
- **Healthcare (27.1% of Rev) grew 2.7% QoQ** due to traction in new-trends such as Telehealth, remote patient monitoring and medical devices but the growth remain muted on account of lower elective procedures, lower patient volumes (low for last six month from avg 2019 levels), and increase in time to convert medical payments to revenues due to slower billing from hospitals (resource constraints). However, the company is hopeful as it has been building healthy pipeline in remote customer engagement, online data portals processing and payments. Also, the Payer segment is witnessing huge traction given lower claims. The Payer and Provider mix stand at 43% and 57% respectively. The payer segment saw demand as health plans are witnessing fewer claims while Provider segment may see improvement as proportion of Self-pay may go up given rising unemployment.
- **CMT (18.8% of Rev) grew 31.5% QoQ** led by improved volume growth in Top client as it has normalized Contact-center-support beyond emergency services and as it was able to move some of its offerings on WFH mode in the quarter. The company expects to reach pre Covid levels volumes by Q3 or Q4 (this can add 1.5% to overall revenue growth).
- **Geography Commentary:** US (68.1% of Rev) grew 11.7% QoQ. UK (30.6% of Rev) grew 16.8% QoQ and company expects traction in UK financial service sector in coming quarters as UK financial institution want to increase digital access to customer with lower and sustainable cost base. RoW (1.3% of Rev) grew 22.8% QoQ.
- **Service lines Commentary:** Digitally Empowered Contact Centre (49.1% of Rev) grew 15.9% QoQ. Intelligent Back Office (42.9% of Rev) grew 11.2% QoQ. Platforms, Automation & Analytics (8% of Rev) grew 9.2% QoQ and witnessed a strong pipeline on account of demand from clients for transformative and digital conversations.

- **Client:** Company won 15 deals of which 11 belongs to BFS (wherein Mortgage has a major share in it) and 4 in Healthcare vertical (LQ added 10 new deals). Most of the deals had a quick start volumes and has contributed to revenue growth in Q2 as well. Client concentration has been coming off with Top customer now accounting 16% of revenues. Top 5 clients consist healthy mix of clients from CMT, Healthcare and BFSI.
- **Onshore/Offshore mix:** Clients demand for offshore delivery (observed 220bps shift in Q2) has been increasing since last quarter and in servicing for mortgage sub segment few components of it will move from onshore to offshore. However, do not see offshore as any significant growth driver.
- **Strategy:** strategy is built on three key fundamentals viz: **1) Focus on Core process** that is all the key vertical segments by building right relationships and right services to create differentiated position and momentum in the market. **2) Modernization of offerings** by digitally empowering tech centers or back offices platform through automation and analytics and **3) Continuous investment in operating capacity, right leadership and account management capacity** to build scalable organization as well as sustainable growth in business.

Band Chart

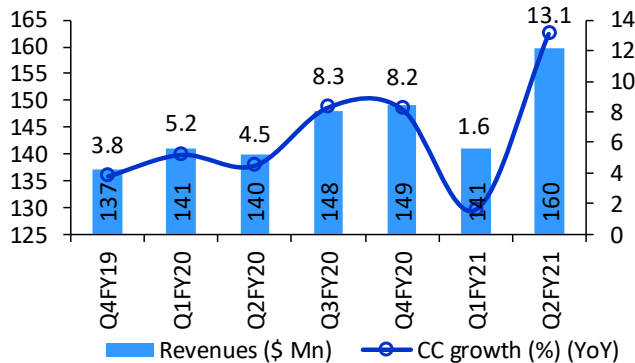
Exhibit 6: Valuation compelling at under 12x one TMF basis. The stock is all set to re-rate



Source: DART, Company

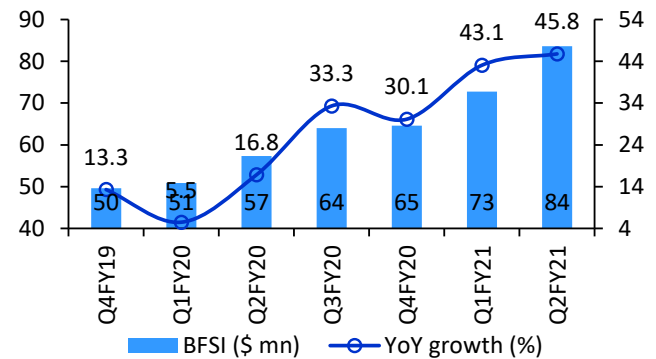
Story in Charts

Exhibit 7: Revenue traction improve furthermore...



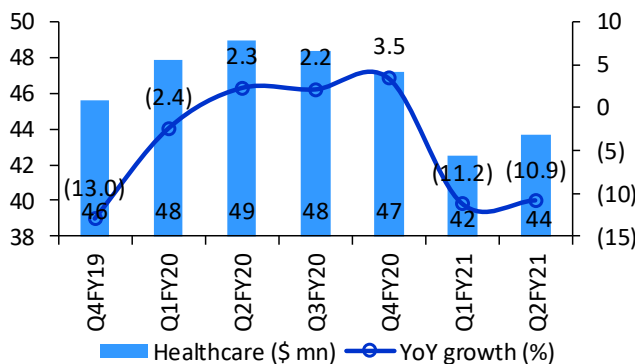
Source: DART, Company

Exhibit 8: Led by sustained traction in BFSI,



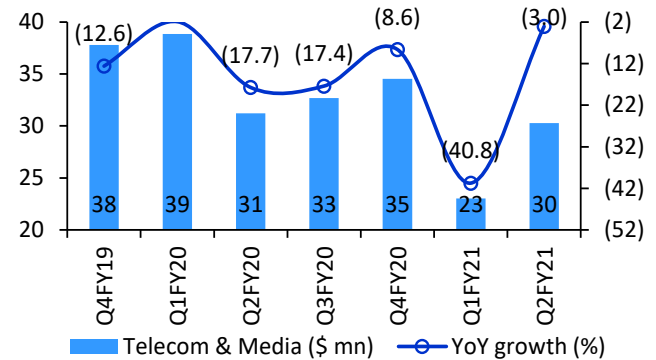
Source: DART, Company

Exhibit 9: ..that covered up for softness in HealthCare



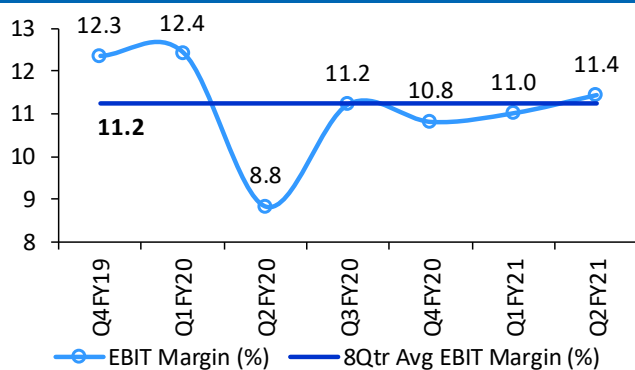
Source: DART, Company

Exhibit 10: Recovery in CMT segment has aided in



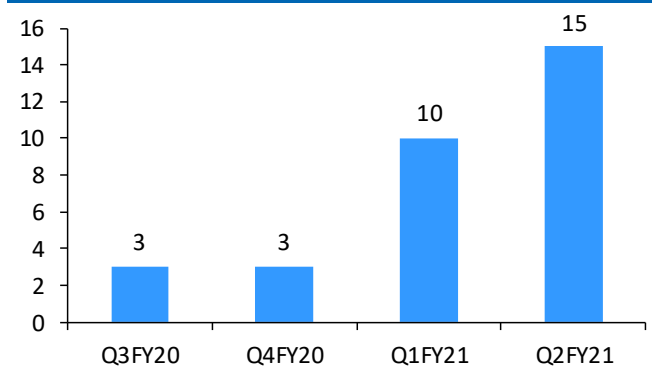
Source: DART, Company

Exhibit 11: Further gains in OPM by 40bps



Source: DART, Company

Exhibit 12: New Client Wins Trend remain healthy



Source: DART, Company

Exhibit 13: Operating Metrics 1

Operating Metrics	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
\$ Revenue	137	136	137	137	141	140	148	149	141	160
CC growth (%) (YoY)	(0.1)	3.2	3.5	3.8	5.2	4.5	8.3	8.2	1.6	13.1
CC growth (%) (QoQ)	1.1	1.8	0.9	0.7	2.0	1.1	4.7	0.6	(4.3)	12.2
Geographical Segment Amount										
US& Canada	75	76	77	76	81	87	94	95	98	110
UK	62	60	61	60	59	52	53	53	42	49
Rest of world	2	2	1	2	2	2	2	2	2	2
Geographical Segment YoY Growth										
US& Canada	5.0	6.9	3.3	(2.0)	8.3	15.4	23.3	25.4	20.6	25.5
UK	10.8	(1.8)	(1.6)	(0.6)	(4.3)	(13.0)	(13.3)	(11.1)	(29.0)	(5.9)
Rest of world	(80.2)	(57.1)	1.1	(9.7)	19.9	40.7	50.5	49.7	(14.7)	(1.7)
Vertical Segment Amount										
BFSI	48	49	48	50	51	57	64	65	73	84
Telecom & Media	40	38	40	38	39	31	33	35	23	30
Healthcare	49	48	47	46	48	49	48	47	42	44
Others	2	3	4	4	5	4	4	5	4	4
Vertical Segment YoY Growth										
BFSI	30.8	23.8	19.4	13.3	5.5	16.8	33.3	30.1	43.1	45.8
Telecom & Media	(20.5)	(19.4)	(13.5)	(12.6)	(1.9)	(17.7)	(17.4)	(8.6)	(40.8)	(3.0)
Healthcare	(0.4)	(2.1)	(7.8)	(13.0)	(2.4)	2.3	2.2	3.5	(11.2)	(10.9)
Others	665.9	1,824.5	0.0	0.0	153.6	68.4	7.5	2.9	(27.4)	(19.5)
Business Segment Amount										
Digitally Empowered Contact Center					79	74	74	77	68	79
Intelligent Back Office					57	60	67	64	62	69
Platforms, Automation & Analytics					7	8	8	10	12	13
Business Segment YoY Growth										
Digitally Empowered Contact Center									(13.5)	7.6
Intelligent Back Office									9.8	14.3
Platforms, Automation & Analytics									58.8	62.1
Delivery Type Amount										
Off-Shore	32	27	25	25	32	32	38	39	35	43
On-Shore	107	110	114	112	111	110	112	112	107	118
Delivery Type YoY Growth										
Off-Shore	14.0	(5.4)	(16.5)	(16.0)	0.1	18.3	49.7	51.9	9.6	34.4
On-Shore	7.4	6.6	7.4	4.2	3.6	(0.5)	(1.8)	0.2	(3.5)	7.3
Top Client Amount										
Top client	34	33	35	34	36	28	29	31	19	26
Top 2-5 client	25	24	23	24	23	28	34	33	37	39
Top 5 client	59	57	57	58	59	56	63	64	57	65
Non-Top 5 clients	80	80	82	79	84	86	86	87	85	96
Top Client YoY Growth										
Top client	(9.3)	(17.2)	(13.8)	(10.2)	3.6	(14.1)	(15.8)	(9.4)	(45.3)	(7.2)
Top 2-5 client	(3.8)	(0.9)	(10.0)	(3.6)	(6.9)	14.2	49.1	35.8	59.9	39.4
Top 5 client	(7.0)	(10.9)	(12.3)	(7.6)	(0.8)	(2.0)	9.9	9.5	(3.7)	16.1
Non-Top 5 clients	10.2	12.2	13.2	3.6	5.5	6.9	5.9	10.0	1.7	11.8

Source: DART, Company

Exhibit 14: Operating Metrics 2

Employee Data	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21
Total Employees	18,759	19,615	18,595	18,712	18,550	20,001	20,482	21,203	21,831	23,960
Breakup										
India	8,664	9,040	8,621	8,968	9,305	10,493	10,982	11,450	11,684	13,536
Outside India	10,095	10,575	9,974	9,744	9,245	9,508	9,500	9,753	10,147	10,424
Seats	16,287	16,617	16,449	15,964	15,956	16,594	17,261	17,559	17,537	17,500
Seat fill factor	74.0	71.0	78.0	82.0	74.0	75.0	87.0	79.0	NA	NA
Attrition										
Offshore(India and Philliphines)	51.7	44.8	39.3	41.5	45.3	40.0	36.0	33.5	15.1	26.3
Onshore (US and Europe)	48.7	54.9	45.8	42.9	46.8	54.6	45.8	41.9	30.2	47.3

Source: DART, Company

Profit and Loss Account

(Rs Mn)	FY20A	FY21E	FY22E	FY23E
Revenue	40,986	47,685	55,121	60,987
Total Expense	34,697	40,142	46,398	51,285
COGS	27,735	32,057	37,041	40,933
Employees Cost	0	0	0	0
Other expenses	6,962	8,085	9,357	10,352
EBIDTA	6,289	7,543	8,723	9,702
Depreciation	1,852	2,138	2,480	2,744
EBIT	4,437	5,405	6,242	6,958
Interest	545	491	433	408
Other Income	50	58	145	270
Exc. / E.O. items	0	0	0	0
EBT	3,942	4,972	5,954	6,820
Tax	545	747	923	1,091
RPAT	3,397	4,225	5,030	5,728
Minority Interest	0	0	0	0
Profit/Loss share of associates	0	0	0	0
APAT	3,397	4,225	5,030	5,728

Balance Sheet

(Rs Mn)	FY20A	FY21E	FY22E	FY23E
Sources of Funds				
Equity Capital	6,938	6,938	6,938	6,938
Minority Interest	6	6	6	6
Reserves & Surplus	20,716	22,509	24,413	25,972
Net Worth	27,654	29,447	31,351	32,911
Total Debt	8,369	6,869	5,669	4,669
Net Deferred Tax Liability	(1,776)	(1,776)	(1,785)	(1,785)
Total Capital Employed	34,253	34,546	35,241	35,800

Applications of Funds

Net Block	28,709	28,121	26,990	25,746
CWIP	0	0	0	0
Investments	122	122	122	122
Current Assets, Loans & Advances	14,528	15,712	18,150	20,269
Inventories	0	0	0	0
Receivables	5,567	6,271	7,098	7,686
Cash and Bank Balances	1,907	2,037	2,877	3,925
Loans and Advances	0	0	0	0
Other Current Assets	7,054	7,405	8,176	8,658
Less: Current Liabilities & Provisions	9,107	9,409	10,022	10,336
Payables	953	1,100	1,271	1,265
Other Current Liabilities	8,154	8,309	8,751	9,072
<i>sub total</i>				
Net Current Assets	5,422	6,303	8,128	9,932
Total Assets	34,253	34,546	35,241	35,800

E – Estimates

Important Ratios

Particulars	FY20A	FY21E	FY22E	FY23E
(A) Margins (%)				
Gross Profit Margin	32.3	32.8	32.8	32.9
EBIDTA Margin	15.3	15.8	15.8	15.9
EBIT Margin	10.8	11.3	11.3	11.4
Tax rate	13.8	15.0	15.5	16.0
Net Profit Margin	8.3	8.9	9.1	9.4
(B) As Percentage of Net Sales (%)				
COGS	67.7	67.2	67.2	67.1
Employee	0.0	0.0	0.0	0.0
Other	17.0	17.0	17.0	17.0
(C) Measure of Financial Status				
Gross Debt / Equity	0.3	0.2	0.2	0.1
Interest Coverage	8.1	11.0	14.4	17.1
Inventory days	0	0	0	0
Debtors days	50	48	47	46
Average Cost of Debt	7.9	6.4	6.9	7.9
Payable days	8	8	8	8
Working Capital days	48	48	54	59
FA T/O	1.4	1.7	2.0	2.4
(D) Measures of Investment				
AEPS (Rs)	4.9	6.1	7.2	8.2
CEPS (Rs)	7.6	9.2	10.8	12.2
DPS (Rs)	3.0	3.5	4.5	4.5
Dividend Payout (%)	61.5	57.6	62.2	54.6
BVPS (Rs)	39.9	42.4	45.1	47.4
RoANW (%)	12.4	14.8	16.5	17.8
RoACE (%)	12.1	13.7	15.7	17.3
RoAIC (%)	14.2	16.7	19.2	21.7
(E) Valuation Ratios				
CMP (Rs)	71	71	71	71
P/E	14.5	11.7	9.8	8.6
Mcap (Rs Mn)	49,402	49,402	49,402	49,402
MCap/ Sales	1.2	1.0	0.9	0.8
EV	55,863	54,234	52,194	50,146
EV/Sales	1.4	1.1	0.9	0.8
EV/EBITDA	8.9	7.2	6.0	5.2
P/BV	1.8	1.7	1.6	1.5
Dividend Yield (%)	4.2	4.9	6.3	6.3
(F) Growth Rate (%)				
Revenue	7.1	16.3	15.6	10.6
EBITDA	17.5	19.9	15.6	11.2
EBIT	(3.8)	21.8	15.5	11.5
PBT	(9.6)	26.1	19.7	14.5
APAT	(10.1)	24.4	19.1	13.9
EPS	(10.4)	24.2	19.1	13.9

Cash Flow

(Rs Mn)	FY20A	FY21E	FY22E	FY23E
CFO	4,104	6,102	6,950	8,125
CFI	143	(2,041)	(1,783)	(1,908)
CFF	(2,768)	(3,932)	(4,327)	(5,169)
FCFF	2,972	4,552	5,600	6,625
Opening Cash	474	1,907	2,037	2,877
Closing Cash	1,907	2,037	2,877	3,925

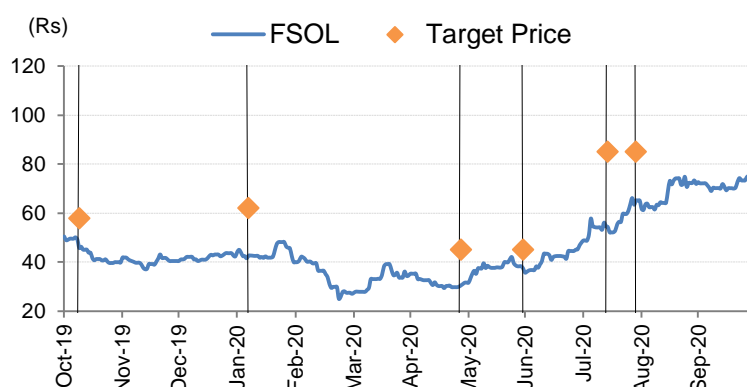
E – Estimates

DART RATING MATRIX

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

Rating and Target Price History



Month	Rating	TP (Rs.)	Price (Rs.)
Nov-19	Buy	58	46
Feb-20	Buy	62	43
May-20	Buy	45	31
Jun-20	Buy	45	37
Aug-20	Buy	85	54
Aug-20	Buy	85	65

*Price as on recommendation date

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