

Prestige Estate Projects | BUY

Robust pre-sales; debt rises on stake buyback

Prestige Estates (PEPL) reported robust operations as company benefitted from projects launched in 4QFY18. Pre-sales volume was at 1.11msf and sales value at INR 7.6bn (+69% YoY) during the quarter. Completed inventory declined by 0.67msf during the quarter (60% of sales). Collection from residential segment was reported at INR 7.5bn (vs. INR 8.0bn quarterly average). PEPL has shifted to completion method of accounting under Ind AS 115. Net debt increased by INR 8.2bn to INR 72.8bn primarily on CapitaLand stake acquisition (INR 3.4bn) and consolidation of INR 2.8bn debt related to the acquisition. While the increase in debt is a concern, completion of commercial stake sale will reduce the leverage materially. Performance in new geographies, future scalability and leverage would be key monitorables going forward. Maintain BUY with TP of INR375 as annuity book gives us comfort on valuation. However, weak demand and rising yields remains the key risks

- **1QFY19 PAT +29% YoY on one-off fair value gain; debt increase on CapitaLand stake acquisition:** The company reported sales at INR 8.6bn, down 33% YoY (-53% QoQ) as company has recognised revenues from real estate activities on completion basis (as against % completion historically. Networkth declined by INR 10bn as a result of change in accounting method (21% on FY18 networkth) EBITDA margins improved from 24.5% in 1QFY18 to 29.7% in 1QFY19 on higher contribution from rental assets (30% vs 16% LY). Rental income for the quarter was at INR 1.84bn (+24% YoY) with total leased area at 10.24msf. Consolidated PAT was reported at INR 1.2bn, +29% YoY primarily on recognition of one-off fair value gain linked to CapitaLand stake buyback (revaluation of existing stake). Adj Profit was down 47% YoY. Net debt increased by INR 8.2bn to INR 72.8bn primarily on CapitaLand stake acquisition (INR 3.4bn) and consolidation of INR 2.8bn debt related to the acquisition. In addition company added land bank (41 acres) in Hyderabad during the quarter.
- **1Q pre-sales reported at INR 7.6bn, up 69% YoY:** PEPL reported 1Q sales volume at 1.11 msf. Company launched 0.1msf residential project (Bangalore) and 0.9msf commercial project (Kochi) during the quarter. c.60% of sales was contributed by completed projects in our view. Realization improved by 5% YoY at INR 6,881/sf (mix change). Collections was reported at INR 7.5bn during the quarter. Unsold inventory increased from 10msf in 4QFY18 to 10.9msf.
- **Demand recovery, annuity stake sale key monitorable:** We continue to factor in sales recovery in FY19 (4.4/5.3msf FY19/20 pre-sales) as sales is expected to improve on commencement of launches. Our TP is based on INR200/share attributable to annuity assets, while the residential business contributes INR 177/share. With c.50% of NAV attributable to the rental book, capital unlocking through platform deal will lead to improvement in balance sheet health and higher flexibility in portfolio addition. In addition foray into affordable housing will be key monitorable going forward. Maintain BUY with TP INR375. However, weak demand, elevated debt level and rising yields remain the key risks.



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Recommendation and Price Target

| | |
|----------------------------|-------|
| Current Reco. | BUY |
| Previous Reco. | BUY |
| Current Price Target (12M) | 375 |
| Upside/(Downside) | 39.7% |
| Previous Price Target | 375 |
| Change | 0.0% |

Key Data – PEPL IN

| | |
|--------------------------|------------------|
| Current Market Price | INR269 |
| Market cap (bn) | INR100.7/US\$1.5 |
| Free Float | 24% |
| Shares in issue (mn) | 375.0 |
| Diluted share (mn) | 375.0 |
| 3-mon avg daily val (mn) | INR72.4/US\$1.1 |
| 52-week range | 357/221 |
| Sensex/Nifty | 37,337/11,278 |
| INR/US\$ | 68.7 |

Price Performance

| % | 1M | 6M | 12M |
|-----------|------|-------|-------|
| Absolute | -4.3 | -14.4 | 3.0 |
| Relative* | -9.7 | -17.4 | -10.7 |

* To the BSE Sensex

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| Financial Summary | (INR mn) | | | | |
|------------------------|----------|--------|--------|--------|--------|
| Y/E March | FY16A | FY17A | FY18E | FY19E | FY20E |
| Net Sales | 54,599 | 47,422 | 54,663 | 62,184 | 67,140 |
| Sales Growth (%) | 64.4 | -13.1 | 15.3 | 13.8 | 8.0 |
| EBITDA | 10,663 | 9,198 | 10,940 | 12,718 | 14,145 |
| EBITDA Margin (%) | 19.3 | 19.3 | 19.9 | 20.3 | 21.0 |
| Adjusted Net Profit | 6,098 | 2,650 | 3,713 | 4,204 | 4,615 |
| Diluted EPS (INR) | 16.3 | 7.1 | 9.9 | 11.2 | 12.3 |
| Diluted EPS Growth (%) | 83.4 | -56.5 | 40.1 | 13.2 | 9.8 |
| ROIC (%) | 8.5 | 5.6 | 6.1 | 6.6 | 6.8 |
| ROE (%) | 15.2 | 6.2 | 8.1 | 8.6 | 8.7 |
| P/E (x) | 16.5 | 38.1 | 27.2 | 24.0 | 21.9 |
| P/B (x) | 2.4 | 2.3 | 2.1 | 2.0 | 1.8 |
| EV/EBITDA (x) | 14.3 | 17.0 | 15.1 | 13.5 | 12.6 |
| Dividend Yield (%) | 0.4 | 0.5 | 0.5 | 0.6 | 0.7 |

Source: Company data, JM Financial. Note: Valuations as of 27/Jul/2018

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters
S&P Capital IQ and FactSet

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Other takeaways

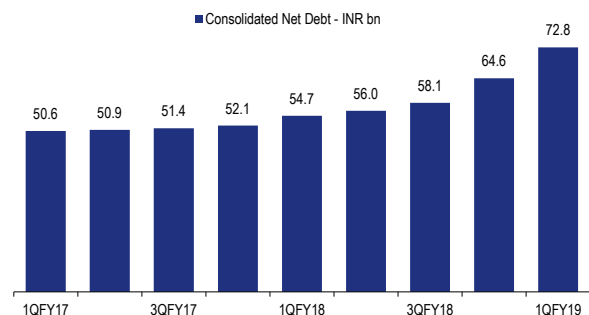
- The change in accounting method has resulted in INR 1.7bn lower revenue (INR 23mn higher profit) during the quarter. Debt to equity increased to 1.77x on increase in debt and decline in equity.
- PEPL delivered 5msf in FY18 which is 46% of full year target.
- Company's total recoverable from land owners in Kingfisher Towers project stands at INR923mn which has been classified as recoverable primarily on the escrow arrangement in place. In addition, PEPL needs to confirm any sale conducted by land owner or any other party on land owner's behalf.

Exhibit 1. NAV (INR mn)

| | Value INR mn | INR/sh |
|----------------------|-----------------|------------|
| Development Business | 1,10,827 | 296 |
| Rental Business | 1,13,411 | 302 |
| Total | 2,24,238 | 598 |
| Staff Costs | -15,517 | -41 |
| Other Expenses | -11,341 | -30 |
| Taxes | -10,582 | -28 |
| Enterprise Value | 1,86,798 | 498 |
| Net Debt | -67,807 | -181 |
| BDV | 21,911 | 58 |
| Equity Value | 1,40,903 | 375 |

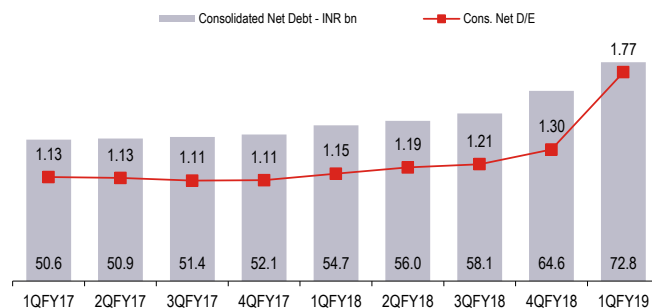
Source: Company, JM Financial

Exhibit 2. Consolidated Gross Debt (INR bn)



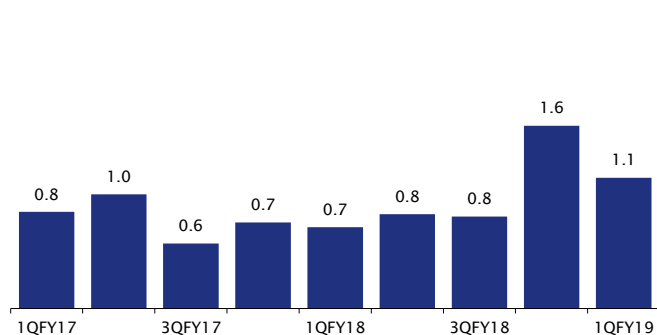
Source: Company, JM Financial

Exhibit 3. Consolidated Net D/E trends (INR bn)



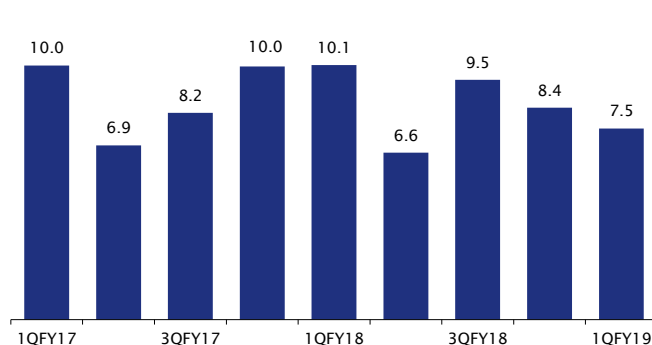
Source: Company, JM Financial

Exhibit 4. Volume trends (msf)



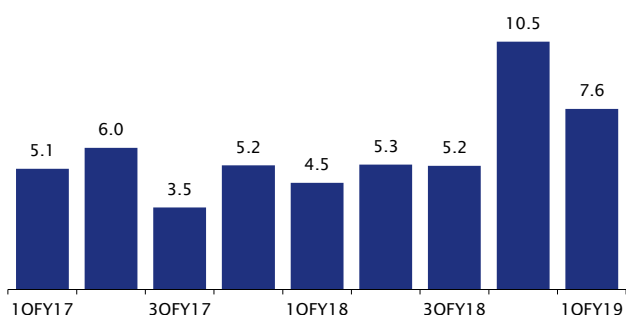
Source: Company, JM Financial

Exhibit 5. Collection trends (INR bn)



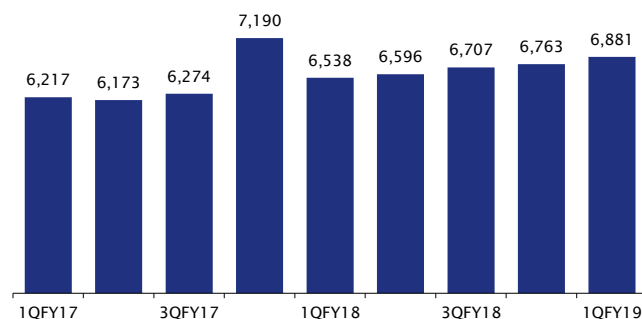
Source: Company, JM Financial

Exhibit 6. Sales value trends (INR bn)



Source: Company, JM Financial

Exhibit 7. Average selling price (INR/sq ft)



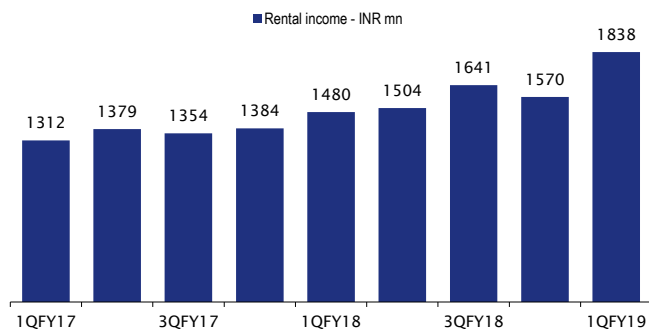
Source: Company, JM Financial

Exhibit 8. Guidance vs Achievement – Good start to FY19;

| | FY16 Actual | % achieved | FY17 | % achieved | FY18 | % achieved | FY19 Guidance | 1QFY19 | % Achieved |
|-----------------------------|-------------|------------|--------|------------|--------|------------|---------------|--------|------------|
| Fresh Sales (INR mn) | 31,498 | 54% | 24,585 | 66% | 33,137 | 95% | 35000-40000 | 9811 | 26% |
| Collections (INR mn) | 39,513 | 102% | 41,232 | 97% | 42,684 | 100% | 37500-40000 | 9665 | 25% |
| Launches (msf) | 8.35 | 70% | 1.98 | 18% | 7.07 | 71% | 10 | 1 | 10% |
| Leasing (msf) | 1.32 | 75% | 1.26 | 72% | 0.92 | 37% | 2 | 0.6 | 30% |
| Exit Rental Income (INR mn) | 5,141 | 108% | 5,717 | 93% | 6255 | 91% | 8000-8250 | 8607 | 106% |
| Completion (msf) | 4.7 | 31% | 12.74 | 116% | 7.96 | 66% | 10-12 | 5.03 | 46% |
| Debt- Consolidated | 1.14 | | 1.11 | | 1.30 | | 1.3 | 1.77 | |

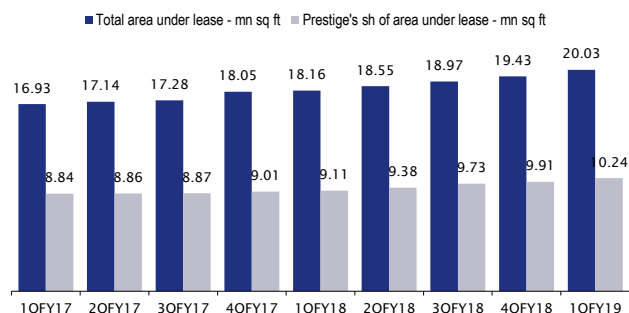
Source: Company, JM Financial

Exhibit 9. Rental Income (INR mn)



Source: Company, JM Financial

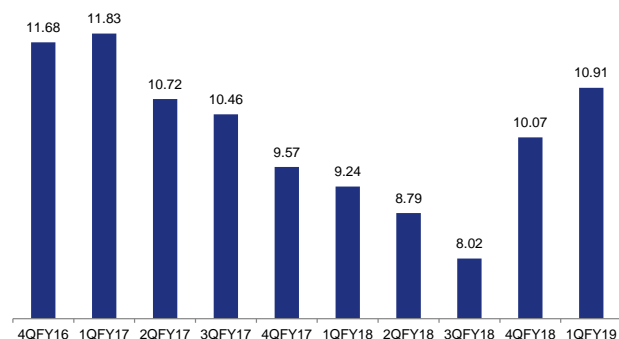
Exhibit 10. Area under lease (mn sq ft)



Source: Company, JM Financial

Exhibit 11. Inventory trends (msf)

Increase in inventory on launches



Source: Company, JM Financial

Inventory breakup- 10.9msf

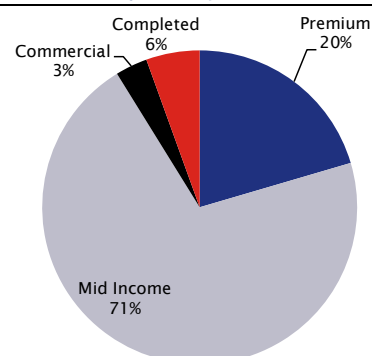
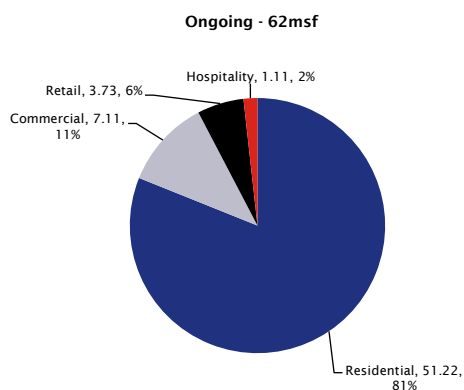
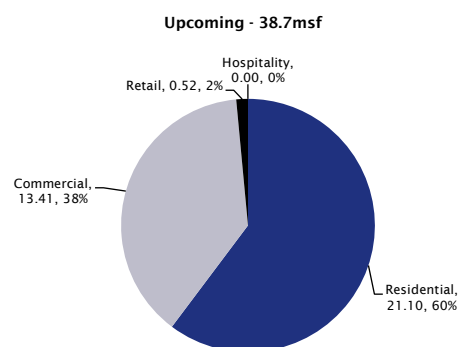


Exhibit 12. Ongoing projects (mn sq ft)

Source: Company, JM Financial

Exhibit 13. Upcoming projects (mn sq ft)

Source: Company, JM Financial

Exhibit 14. Consolidated financials (INR mn)

| | 1QFY18 | 4QFY18 | 1QFY19 | YoY% | QoQ% |
|----------------------------------|---------------|---------------|--------------|-------------|-------------|
| Sales | 12,796 | 18,486 | 8,613 | -33% | -53% |
| Cost of goods sold | 8,068 | 12,818 | 4,160 | -48% | -68% |
| Gross Margin % | 36.9% | 30.7% | 51.7% | 1,475 bps | 2,104 bps |
| EBITDA | 3,132 | 3,729 | 2,562 | -18% | -31% |
| EBITDA Margin % | 24.5% | 20.2% | 29.7% | 527 bps | 957 bps |
| Depreciation | 376 | 387 | 582 | 55% | 50% |
| EBIT | 2,756 | 3,342 | 1,980 | -28% | -41% |
| Other Income | 222 | 130 | 314 | 41% | 142% |
| Interest charges | 1,310 | 1,653 | 1,583 | 21% | -4% |
| PBT | 1,668 | 1,819 | 711 | -57% | -61% |
| Taxes | 533 | 687 | 376 | -29% | -45% |
| Effective Tax rate % | 32.0% | 37.8% | 52.9% | 2,093 bps | 1,512 bps |
| Adjusted Net Profit | 1,135 | 1,132 | 335 | -70% | -70% |
| Minority & Associates | -196 | -61 | -13 | | |
| Adj Net Profit (after MI) | 939 | 1,071 | 501 | -47% | -53% |
| Extraordinary | | 0 | -894 | | |
| Net Profit | 939 | 1,071 | 1,216 | 29% | 14% |
| As % of revenue | | | | | |
| Gross Margins | 36.9% | 30.7% | 51.7% | 1,475 bps | 2,104 bps |
| Staff Costs | 5.9% | 4.2% | 9.8% | 394 bps | 564 bps |
| Other expenses | 6.6% | 6.3% | 12.1% | 554 bps | 583 bps |
| EBITDA Margins | 24.5% | 20.2% | 29.7% | 527 bps | 957 bps |
| Net Profit Margin | 8.9% | 6.1% | 3.9% | -498 bps | -223 bps |

Source: Company, JM Financial

Exhibit 15. Details of fresh sales (Prestige's share)

| | 1QFY16 | 2QFY16 | 3QFY16 | 4QFY16 | 1QFY17 | 2QFY17 | 3QFY17 | 4QFY17 | 1QFY18 | 2QFY18 | 3QFY18 | 4QFY18 | 1QFY19 | %YoY |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|------------|
| Area (mn sq ft) | | | | | | | | | | | | | | |
| Mid Income Segment | 0.64 | 0.85 | 0.76 | 1.08 | 0.62 | 0.81 | 0.39 | 0.57 | 0.46 | 0.56 | 0.67 | NA | NA | |
| Premium Segment | 0.06 | 0.12 | 0.13 | 0.14 | 0.06 | 0.11 | 0.04 | 0.05 | 0.15 | 0.22 | 0.10 | NA | NA | |
| Residential | 0.70 | 0.97 | 0.89 | 1.22 | 0.68 | 0.92 | 0.43 | 0.62 | 0.61 | 0.78 | 0.77 | NA | NA | |
| Commercial | 0.10 | 0.05 | 0.02 | 0.32 | 0.14 | 0.05 | 0.12 | 0.11 | 0.08 | 0.02 | 0.01 | NA | NA | |
| Total | 0.80 | 1.02 | 0.90 | 1.54 | 0.82 | 0.97 | 0.55 | 0.73 | 0.69 | 0.80 | 0.78 | 1.55 | 1.11 | 61% |
| Value (INR mn) | | | | | | | | | | | | | | |
| Mid Income Segment | 4,320 | 4,690 | 3,928 | 6,975 | 3,735 | 4,911 | 2,321 | 3,716 | 2,721 | 3,688 | 4,271 | NA | NA | |
| Premium Segment | 701 | 1,063 | 1,111 | 1,105 | 481 | 760 | 419 | 974 | 1,375 | 1,483 | 905 | NA | NA | |
| Residential | 5,021 | 5,753 | 5,039 | 8,080 | 4,216 | 5,671 | 2,739 | 4,690 | 4,096 | 5,171 | 5,176 | NA | NA | |
| Commercial | 245 | 298 | 83 | 1,809 | 882 | 317 | 725 | 559 | 415 | 106 | 55 | NA | NA | |
| Total | 5,266 | 6,051 | 5,122 | 9,889 | 5,098 | 5,988 | 3,464 | 5,249 | 4,511 | 5,277 | 5,231 | 10,482 | 7,638 | 69% |
| Average Selling Price (INR/sq ft) | | | | | | | | | | | | | | |
| Mid Income Segment | 6,750 | 5,518 | 5,168 | 6,458 | 6,024 | 6,063 | 5,950 | 6,519 | 5,915 | 6,586 | 6,375 | NA | NA | |
| Premium Segment | 11,683 | 8,858 | 8,888 | 7,893 | 8,017 | 6,909 | 10,463 | 19,480 | 9,167 | 6,741 | 9,050 | NA | NA | |
| Residential | 7,173 | 5,931 | 5,694 | 6,623 | 6,200 | 6,164 | 6,370 | 7,565 | 6,715 | 6,629 | 6,722 | NA | NA | |
| Commercial | 2,450 | 5,960 | 5,533 | 5,653 | 6,300 | 6,340 | 5,939 | 5,082 | 5,188 | 5,300 | 5,500 | NA | NA | |
| Total | 6,583 | 5,932 | 5,691 | 6,421 | 6,217 | 6,173 | 6,274 | 7,190 | 6,538 | 6,596 | 6,706 | 6,763 | 6,881 | 5% |

Source: Company, JM Financial

Financial Tables (Consolidated)

| Income Statement (INR mn) | | | | | |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Y/E March | FY16A | FY17A | FY18E | FY19E | FY20E |
| Net Sales | 54,599 | 47,422 | 54,663 | 62,184 | 67,140 |
| Sales Growth | 64.4% | -13.1% | 15.3% | 13.8% | 8.0% |
| Other Operating Income | 711 | 323 | 323 | 323 | 323 |
| Total Revenue | 55,310 | 47,745 | 54,986 | 62,507 | 67,463 |
| Cost of Goods Sold/Op. Exp | 40,087 | 33,541 | 38,582 | 43,927 | 47,024 |
| Personnel Cost | 2,030 | 2,933 | 2,952 | 3,100 | 3,255 |
| Other Expenses | 2,531 | 2,073 | 2,512 | 2,763 | 3,040 |
| EBITDA | 10,663 | 9,198 | 10,940 | 12,718 | 14,145 |
| EBITDA Margin | 19.3% | 19.3% | 19.9% | 20.3% | 21.0% |
| EBITDA Growth | 7.3% | -13.7% | 18.9% | 16.3% | 11.2% |
| Depn. & Amort. | 1,274 | 1,637 | 1,547 | 1,870 | 2,013 |
| EBIT | 9,389 | 7,561 | 9,393 | 10,848 | 12,132 |
| Other Income | 2,831 | 872 | 679 | 1,166 | 1,020 |
| Finance Cost | 3,462 | 3,160 | 3,827 | 5,248 | 5,781 |
| PBT before Excep. & Forex | 8,758 | 5,274 | 6,245 | 6,767 | 7,370 |
| Excep. & Forex Inc./Loss(-) | 0 | 0 | 0 | 0 | 0 |
| PBT | 8,758 | 5,274 | 6,245 | 6,767 | 7,370 |
| Taxes | 2,292 | 1,660 | 2,135 | 2,165 | 2,359 |
| Extraordinary Inc./Loss(-) | 0 | 0 | 0 | 0 | 0 |
| Assoc. Profit/Min. Int.(-) | 502 | 1,206 | 669 | 669 | 669 |
| Reported Net Profit | 6,098 | 2,650 | 3,713 | 4,204 | 4,615 |
| Adjusted Net Profit | 6,098 | 2,650 | 3,713 | 4,204 | 4,615 |
| Net Margin | 11.0% | 5.6% | 6.8% | 6.7% | 6.8% |
| Diluted Share Cap. (mn) | 375.0 | 375.0 | 375.0 | 375.0 | 375.0 |
| Diluted EPS (INR) | 16.3 | 7.1 | 9.9 | 11.2 | 12.3 |
| Diluted EPS Growth | 83.4% | -56.5% | 40.1% | 13.2% | 9.8% |
| Total Dividend + Tax | 542 | 596 | 656 | 722 | 794 |
| Dividend Per Share (INR) | 1.2 | 1.3 | 1.5 | 1.6 | 1.8 |

Source: Company, JM Financial

| Cash Flow Statement (INR mn) | | | | | |
|------------------------------|---------------|----------------|----------------|---------------|---------------|
| Y/E March | FY16A | FY17A | FY18E | FY19E | FY20E |
| Profit before Tax | 8,758 | 5,274 | 6,245 | 6,767 | 7,506 |
| Depn. & Amort. | 1,274 | 1,637 | 1,547 | 1,870 | 2,013 |
| Net Interest Exp. / Inc. (-) | 3,462 | 3,160 | 3,827 | 5,248 | 5,781 |
| Inc (-) / Dec in WCap. | -4,500 | 251 | 11,111 | -4,629 | -4,357 |
| Others | -2,831 | -872 | -679 | -1,166 | -1,020 |
| Taxes Paid | -2,292 | -1,660 | -2,135 | -2,165 | -2,359 |
| Operating Cash Flow | 3,871 | 7,789 | 19,916 | 5,924 | 7,566 |
| Capex | -4,142 | -9,124 | -23,801 | -7,300 | -7,500 |
| Free Cash Flow | -271 | -1,335 | -3,885 | -1,376 | 66 |
| Inc (-) / Dec in Investments | -2,342 | 1,578 | -795 | -136 | -136 |
| Others | 2,831 | -3,953 | 679 | 1,166 | 1,020 |
| Investing Cash Flow | -3,652 | -11,499 | -23,917 | -6,270 | -6,616 |
| Inc / Dec (-) in Capital | 0 | -6,485 | -5,165 | 0 | 0 |
| Dividend + Tax thereon | -92 | -542 | -596 | -656 | -722 |
| Inc / Dec (-) in Loans | 8,250 | 13,185 | 3,653 | 11,684 | 8,000 |
| Others | 241 | -12,571 | 4,340 | -8,796 | -13,645 |
| Financing Cash Flow | 8,399 | -6,413 | 2,232 | 2,232 | -6,367 |
| Inc / Dec (-) in Cash | 8,618 | -10,122 | -1,769 | 1,886 | -5,417 |
| Opening Cash Balance | 5,368 | 4,604 | 3,864 | 7,385 | 9,271 |
| Closing Cash Balance | 13,985 | -5,518 | 2,095 | 9,271 | 3,854 |

Source: Company, JM Financial

| Balance Sheet (INR mn) | | | | | |
|-----------------------------------|---------------|-----------------|-----------------|-----------------|-----------------|
| Y/E March | FY16A | FY17A | FY18E | FY19E | FY20E |
| Shareholders' Fund | 41,999 | 44,148 | 47,327 | 50,875 | 54,769 |
| Share Capital | 3,750 | 3,750 | 3,750 | 3,750 | 3,750 |
| Reserves & Surplus | 38,249 | 40,398 | 43,577 | 47,125 | 51,019 |
| Preference Share Capital | 0 | 0 | 0 | 0 | 0 |
| Minority Interest | 2,266 | 2,027 | 2,300 | 2,833 | 3,366 |
| Total Loans | 53,741 | 57,394 | 69,078 | 77,078 | 77,078 |
| Def. Tax Liab. / Assets (-) | 1,814 | 2,057 | 2,109 | 2,109 | 2,109 |
| Total - Equity & Liab. | 99,819 | 1,05,626 | 1,20,814 | 1,32,895 | 1,37,322 |
| Net Fixed Assets | 46,964 | 54,175 | 76,429 | 81,859 | 87,346 |
| Gross Fixed Assets | 35,907 | 36,898 | 60,699 | 65,187 | 70,378 |
| Intangible Assets | 3,069 | 3,069 | 3,069 | 3,069 | 3,069 |
| Less: Depn. & Amort. | 1,831 | 3,744 | 5,291 | 7,161 | 9,174 |
| Capital WIP | 9,819 | 17,952 | 17,952 | 20,764 | 23,073 |
| Investments | 5,129 | 3,551 | 4,346 | 4,482 | 4,618 |
| Current Assets | 1,12,503 | 1,10,577 | 1,08,250 | 1,13,148 | 1,11,566 |
| Inventories | 67,148 | 66,919 | 57,127 | 59,939 | 60,994 |
| Sundry Debtors | 11,426 | 10,057 | 9,645 | 9,937 | 9,616 |
| Cash & Bank Balances | 4,604 | 3,864 | 7,385 | 9,271 | 3,718 |
| Loans & Advances | 17,446 | 16,914 | 18,110 | 18,018 | 21,255 |
| Other Current Assets | 11,880 | 12,822 | 15,983 | 15,983 | 15,983 |
| Current Liab. & Prov. | 64,777 | 62,677 | 68,211 | 66,594 | 66,208 |
| Current Liabilities | 63,355 | 60,553 | 66,693 | 65,076 | 64,690 |
| Provisions & Others | 1,423 | 2,124 | 1,518 | 1,518 | 1,518 |
| Net Current Assets | 47,726 | 47,900 | 40,039 | 46,554 | 45,357 |
| Total - Assets | 99,819 | 1,05,626 | 1,20,814 | 1,32,895 | 1,37,322 |

Source: Company, JM Financial

| Dupont Analysis | | | | | |
|---------------------|-------|-------|-------|-------|-------|
| Y/E March | FY16A | FY17A | FY18E | FY19E | FY20E |
| Net Margin | 11.0% | 5.6% | 6.8% | 6.7% | 6.8% |
| Asset Turnover (x) | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 |
| Leverage Factor (x) | 2.3 | 2.4 | 2.5 | 2.6 | 2.6 |
| RoE | 15.2% | 6.2% | 8.1% | 8.6% | 8.7% |

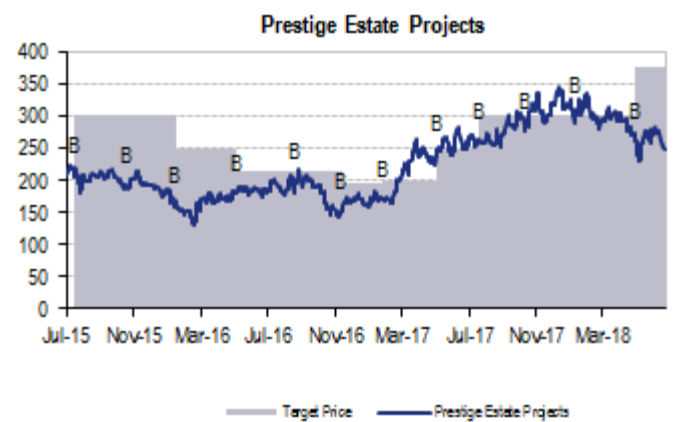
| Key Ratios | | | | | |
|---------------------|-------|-------|-------|-------|-------|
| Y/E March | FY16A | FY17A | FY18E | FY19E | FY20E |
| BV/Share (INR) | 112.0 | 117.7 | 126.2 | 135.7 | 146.0 |
| ROIC | 8.5% | 5.6% | 6.1% | 6.6% | 6.8% |
| ROE | 15.2% | 6.2% | 8.1% | 8.6% | 8.7% |
| Net Debt/Equity (x) | 1.2 | 1.2 | 1.3 | 1.3 | 1.3 |
| P/E (x) | 16.5 | 38.1 | 27.2 | 24.0 | 21.9 |
| P/B (x) | 2.4 | 2.3 | 2.1 | 2.0 | 1.8 |
| EV/EBITDA (x) | 14.3 | 17.0 | 15.1 | 13.5 | 12.6 |
| EV/Sales (x) | 2.8 | 3.3 | 3.0 | 2.7 | 2.6 |
| Debtor days | 75 | 77 | 64 | 58 | 52 |
| Inventory days | 443 | 512 | 379 | 350 | 330 |
| Creditor days | 518 | 573 | 553 | 477 | 443 |

Source: Company, JM Financial

History of Earnings Estimate and Target Price

| Date | Recommendation | Target Price | % Chg. |
|-----------|----------------|--------------|--------|
| 13-Aug-15 | Buy | 300 | |
| 16-Nov-15 | Buy | 300 | 0.0 |
| 11-Feb-16 | Buy | 250 | -16.7 |
| 1-Jun-16 | Buy | 215 | -14.0 |
| 16-Sep-16 | Buy | 215 | 0.0 |
| 9-Dec-16 | Buy | 195 | -9.3 |
| 23-Feb-17 | Buy | 200 | 2.6 |
| 31-May-17 | Buy | 250 | 25.0 |
| 17-Aug-17 | Buy | 300 | 20.0 |
| 8-Nov-17 | Buy | 300 | 0.0 |
| 9-Feb-18 | Buy | 300 | 0.0 |
| 29-May-18 | Buy | 375 | 25.0 |

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

(formerly known as JM Financial Securities Limited)

Corporate Identity Number: U67100MH2017PLC296081**Member of BSE Ltd., National Stock Exchange of India Ltd. and Metropolitan Stock Exchange of India Ltd.****SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst – INH000000610****Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.****Board: +9122 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com****Compliance Officer: Mr. Sunny Shah | Tel: +91 22 6630 3383 | Email: sunny.shah@jmfl.com**

| Definition of ratings | |
|-----------------------|--|
| Rating | Meaning |
| Buy | Total expected returns of more than 15%. Total expected return includes dividend yields. |
| Hold | Price expected to move in the range of 10% downside to 15% upside from the current market price. |
| Sell | Price expected to move downwards by more than 10% |

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