## Rating matrix

| | | |
|---|---|---|
| Rating | : | Buy |
| Target | : | ₹ 220 |
| Target Period | : | 12 months |
| Potential Upside | : | 16% |

## What's Changed?

| | |
|---|---|
| Target | Unchanged |
| EPS FY19E | Changed from ₹ 12.3 to ₹ 10.4 |
| EPS FY20E | Changed from ₹ 17.0 to ₹ 16.2 |
| Rating | Unchanged |

## Quarterly Performance

| | Q2FY19 | Q2FY18 | YoY (%) | Q1FY19 | QoQ (%) |
|---|---|---|---|---|---|
| Revenue | 753.6 | 648.4 | 16.2 | 790.1 | -4.6 |
| EBITDA | 282.6 | 338.7 | -16.6 | 281.6 | 0.3 |
| EBITDA (%) | 37.5 | 52.2 | -1474 bps | 35.6 | 185 bps |
| Adjusted PAT | 81.1 | 112.2 | -12.5 | 57.4 | NA |

## Key Financials

| ₹ crore | FY17 | FY18 | FY19E | FY20E |
|---|---|---|---|---|
| Net sales | 2179.4 | 2379.6 | 2657.8 | 2941.1 |
| EBITDA | 680.9 | 1015.2 | 845.7 | 1125.5 |
| Net Profit | -10.2 | 363.1 | 183.6 | 286.7 |
| EPS (₹) | -0.6 | 20.6 | 10.4 | 16.2 |

## Valuation summary

| | FY17 | FY18 | FY19E | FY20E |
|---|---|---|---|---|
| PE (x) | NA | 9.2 | 18.3 | 11.7 |
| Target PE (x) | NA | 10.9 | 21.6 | 13.8 |
| EV to EBITDA (x) | 7.4 | 5.5 | 6.7 | 5.1 |
| Price to book (x) | 1.3 | 1.0 | 1.0 | 0.9 |
| RoNW (%) | -0.4 | 11.0 | 5.3 | 7.7 |
| RoCE (%) | 8.8 | 11.2 | 8.4 | 11.0 |

## Stock data

| Particular | Amount |
|---|---|
| Mcap | ₹ 3354 crore |
| Debt (FY18) | ₹ 3907 crore |
| Cash & Invest(FY18) | ₹ 1644 crore |
| EV | ₹ 5617 crore |
| 52 week H/L | ₹ 306/199 |
| Equity cap | ₹ 86.4 crore |
| Face value | ₹ 5 |

## Price performance (%)

| | 1M | 3M | 6M | 12M |
|---|---|---|---|---|
| Cox & Kings | 12.3 | 1.3 | 4.7 | -8.4 |
| Nifty | 0.1 | -8.3 | -3.0 | 1.6 |


## Research Analyst

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# Cox & Kings (CNKLIM)

**₹ 190**

## Weak performance; debt concerns addressed

- Cox & Kings reported Q2FY19 numbers that were below our estimates on all fronts. Revenues grew 16.2% to ₹ 754 crore (vs. I-direct estimate of ₹ 774 crore). led by 36% YoY growth in the Meininger segment and 31% YoY growth in the education segment
- However, EBITDA came in at ₹ 282.6 crore, down 16.6% YoY, dragged by forex loss of ₹ 17 crore in Q2FY19 vs. forex gain of ₹ 49 crore in Q2FY18. Excluding the forex impact, the company reported EBITDA growth of 2% YoY to ₹ 296 crore on a like-to-like basis
- During the quarter, the company entered into an agreement with Midlothian Capital Partners to sell its education business for an all-cash enterprise value of ₹ 4387 crore (i.e. £467 million)

### Domestic business continues to perform well…

During FY18, the company's leisure India revenues increased 12.4% YoY mainly on the back of improving domestic spend and higher growth in foreign tourist arrival. Further, consumer sentiments continued to remain healthy as witnessed in air passenger traffic growth and improved hotel occupancy. In addition, with improved tourism measures by the government, we expect domestic leisure business to continue to outperform in coming years. Hence, we expect leisure revenues to grow at a CAGR of 11% in FY18-20E.

### Led by Meininger, international revenues poised for growth…

Bed capacity addition (up 42.8% YoY in FY18) has led the company to report 29.6% YoY increase in Meininger revenues in FY18. Further, in coming years, the company plans to have a bed capacity of 15,000 at Meininger by FY19 and 25,000 by the end of FY22 from a bed capacity of 10,400 (i.e. a CAGR of 24% in FY18-22). As a result, we expect Meininger revenues to drive a substantial part of growth in the international business. In the education business, the company plans to add 830 beds (560 beds added in FY18), which will also boost international revenues. Further, various divestments of subsidiaries in leisure international is likely to positively impact the EBITDA margins.

### Sale of education division to help reduce debt significantly

Cox and Kings' Board has entered into an agreement to sell its education business to Midlothian Capital Partners for all cash enterprise value of ₹ 4387 crore. The focus on asset light strategy and reduction in debt burden remains the key main criteria behind this move as the education business is a capex heavy one. This division reported revenue & EBITDA of ₹ 613 crore and ₹ 242 crore, respectively, for FY18. Post this deal, the overall debt burden will come down from ₹ 3907 crore to ₹ 1507 crore. Again, with the transfer of ₹ 250 crore debt to its de-merged entity (i.e. forex division), the debt burden will come down to ₹ 1257 crore, which is 1.6x of adjusted FY20E EBITDA against 3.4x earlier.

### Concern over debt being addressed; maintain BUY

We expect the company's domestic leisure revenues to grow at 11% CAGR in FY18-20E mainly led by improving domestic spend and higher growth in foreign tourist arrivals. The company plans to increase bed capacity at Meininger at 28% CAGR in FY18-22E will also drive the revenue growth of its international segment. With concerns over high debt now being addressed, we turn positive on the company with a **BUY** rating on the stock. Valuing at 6.5x FY20E adjusted EBITDA, we maintain our target price of ₹ 220 per share.

## Variance analysis

| | Q2FY19 | Q2FY19E | Q2FY18 | YoY (%) | Q1FY19 | QoQ (%) | Comments |
|---|---|---|---|---|---|---|---|
| Total Operating Income | 753.6 | 774.9 | 648.4 | 16.2 | 790.1 | -4.6 | Growth was mainly driven by Meininger (up 18.3% YoY to ₹ 194 cr) and leisure international (up 16% YoY to ₹131 crore) |
| Other Income | 23.2 | -10.0 | -44.9 | NA | 17.7 | NA | |
| Employee Expenses | 259.4 | 307.4 | 221.8 | 17.0 | 238.9 | 8.6 | |
| Advertisement expenses | 0.0 | 0.0 | 0.0 | NA | 0.0 | NA | |
| Other expenses | 211.6 | 126.7 | 87.9 | 140.8 | 269.6 | -21.5 | |
| EBITDA | 282.6 | 340.8 | 338.7 | -16.6 | 281.6 | 0.3 | EBITDA declined mainly due to higher advertising expenses in Leisure India and higher operating expenses in the education business. Further, this quarter had a forex loss of ₹ 13 crore vs. gain of ₹ 49 crore |
| EBITDA Margin (%) | 37.5 | 44.0 | 52.2 | -1474 bps | 35.6 | 185 bps | |
| Interest | 59.3 | 68.1 | 56.4 | 5.3 | 54.4 | 9.2 | |
| Depreciation | 28.3 | 32.3 | 23.4 | 20.9 | 28.1 | 0.7 | |
| Less: Exceptional Items | 26.1 | 0.0 | 2.1 | 1,129.2 | 5.2 | NA | |
| PBT | 192.0 | 230.4 | 211.9 | -9.4 | 211.6 | -9.3 | |
| Total Tax | 56.6 | 110.6 | 64.4 | -12.1 | 84.1 | -32.7 | |
| Reported PAT | 81.1 | 119.8 | 112.2 | -27.7 | 57.4 | 41.3 | |
| Adjusted PAT | 99.5 | 70.8 | 113.7 | -12.5 | 60.5 | 64.4 | |

*Source: Company, ICICI Direct Research,*

## Change in estimates

| | FY19E | | | FY20E | | | |
|---|---|---|---|---|---|---|---|
| (₹ Crore) | Old | New | % Change | Old | New | % Change | Comments |
| Revenue | 2,735.3 | 2,657.8 | -2.8 | 3,027.0 | 2,941.1 | -2.8 | We expect Meininger and leisure India to drive revenues over FY18-20E |
| EBITDA | 854.6 | 845.7 | -1.0 | 1,150.8 | 1,125.5 | -2.2 | |
| EBITDA Margin (%) | 31.2 | 31.8 | 58 bps | 38.0 | 38.3 | 25 bps | Adjusting for forex gain, EBITDA margin was at 36.9% in FY18. We expect margins to improve to 38% over coming years |
| PAT | 187.4 | 183.6 | -2.1 | 296.8 | 286.7 | -3.4 | |
| EPS (₹) | 10.6 | 10.4 | -2.1 | 16.8 | 16.2 | -3.4 | |

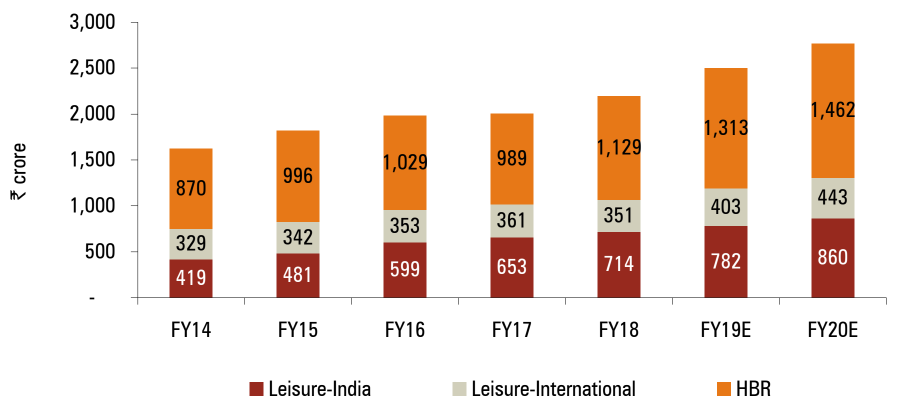
*Source: Company, ICICI Direct Research,*

# Company Analysis

## Domestic tourism outlook remains healthy

The company has witnessed healthy growth (up 12% YoY in FY18) in its domestic business. Consumer sentiments continue to remain healthy as witnessed in air passenger traffic growth, foreign tourist arrivals data led by improvement in purchasing power. Further, with an improved macroeconomic environment, we expect the company's domestic business to continue to perform well, going forward. In addition, C&K should be a key beneficiary of any positive policy announcements (visa on arrival) given the government's thrust on tourism.

**Exhibit 1: Revenue growth trend**

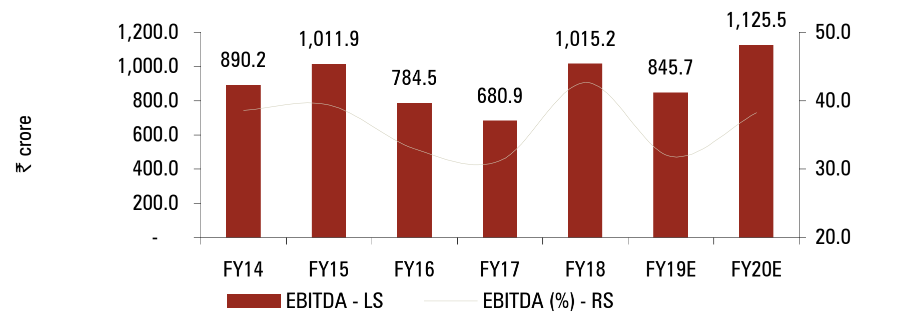



*Source: Company, ICICI Direct Research*

## International business to improve, going forward…

Bed capacity addition (up 42.8% YoY in FY18) has led the company to report 29.6% YoY increase in Meininger revenues in FY18. Further, over the coming years, the company plans to have a bed capacity of 25,000 at Meininger by the end of FY22 from a bed capacity of 10,461 in FY18 (i.e. a CAGR of 24% in FY18-22). As a result, we expect Meininger revenues to drive a substantial part of growth in the international business. In addition, in the education business, the company plans to add 830 beds (560 beds added in FY18), which will also boost international revenues. Further, various divestments of subsidiaries in leisure international (like Explore worldwide, Late rooms and Superbreak) are likely to positively impact the EBITDA margins.

**Exhibit 2: EBITDA & EBITDA margin trend**

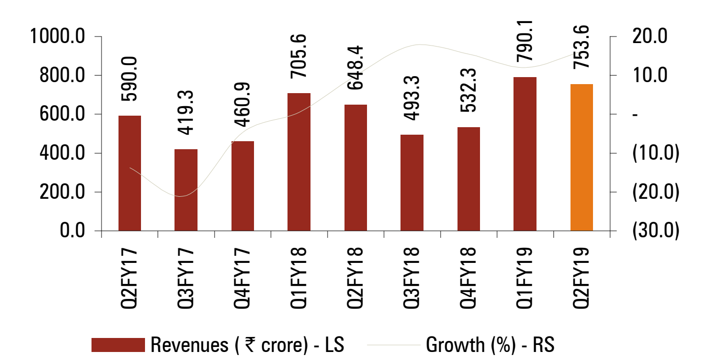



*Source: Company, ICICI Direct Research*

### Expect revenue CAGR of 11.2% during FY18-20E

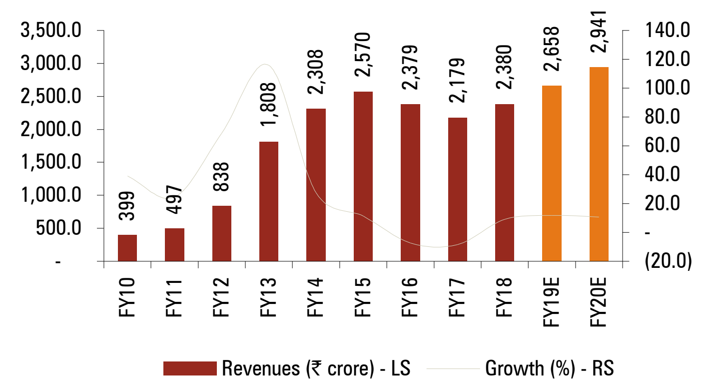
We expect net sales to grow at a CAGR of 13.3% in FY18-20E. The major revenue growth driver would be **leisure India** (healthy domestic outlook), **leisure international** (low base and improved growth in Dubai and Australia) and **Meininger** (based on higher bed capacity addition).

**Exhibit 3: Q2FY19 revenues up 16.2% YoY**




*Source: Company, ICICI Direct Research*

**Exhibit 4: Expect revenue CAGR of 11.2% during FY18-20E**

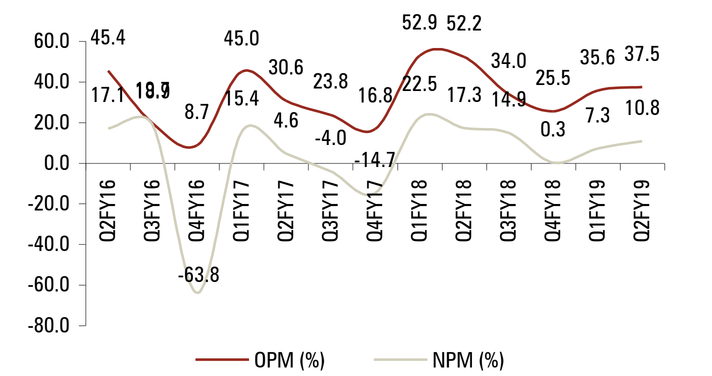



*Source: Company, ICICI Direct Research*

### Margins to improve led by improvement in demand

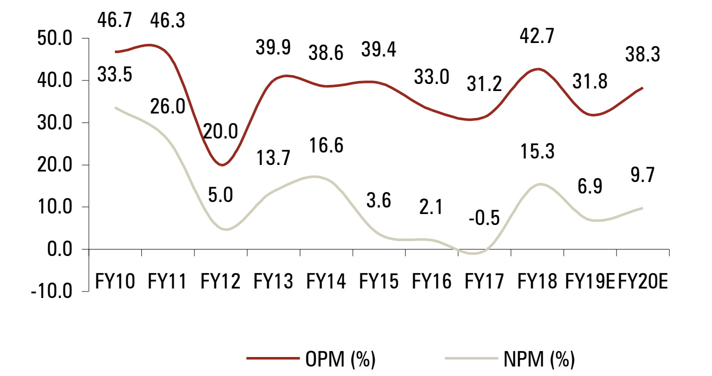
Adjusted for forex, EBITDA margins were at 39.3%, which, we believe, will improve to 37.6% in FY20E mainly led by improving revenue growth and cost efficiency.

**Exhibit 5: Quarterly trend in margins**




*Source: Company, ICICI Direct Research*

**Exhibit 6: Annual trend in margins**




*Source: Company, ICICI Direct Research*

### Sale of education division to help reduce debt significantly

Cox and Kings' Board has entered into an agreement to sell its education business to Midlothian Capital Partners for all cash enterprise value of ₹ 4387 crore. The focus on an asset light strategy and reduction in the debt burden remains the key main criteria behind this move as education is a capex heavy business. This division reported revenue & EBITDA of ₹ 613 crore and ₹ 242 crore, respectively, for FY18. Post this deal, the company's overall debt burden will come down from ₹ 3907 crore to ₹ 1507 crore. Again, with the transfer of ₹ 250 crore debt to its de-merged entity (i.e. forex division), the debt burden will come down to ₹ 1257 crore, which is 1.6x of adjusted FY20E EBITDA against 3.4x earlier.

## Outlook and valuations

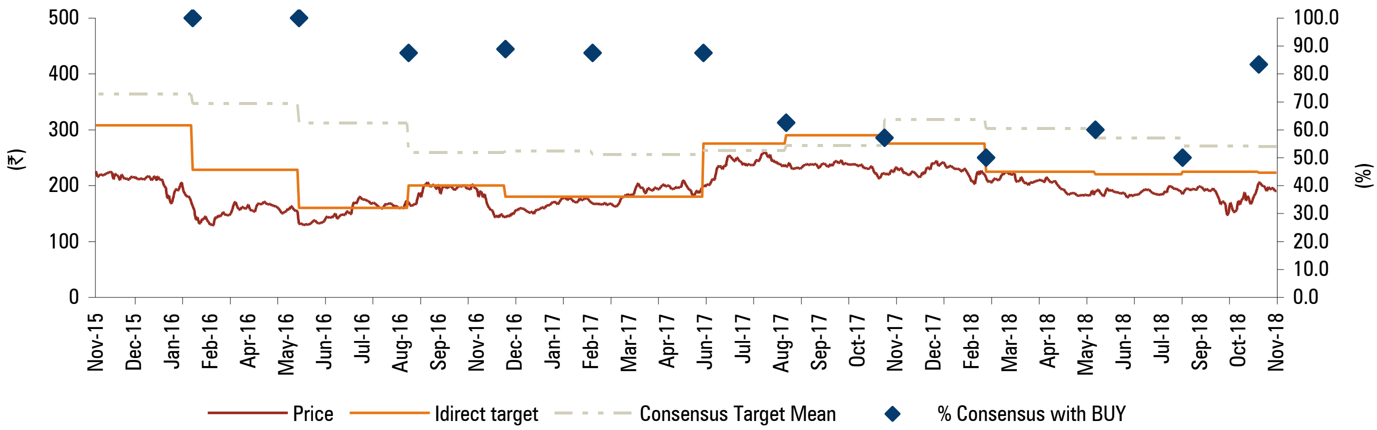
We expect the company's domestic leisure revenues to grow at a CAGR of 11% in FY18-20E mainly led by improving domestic spend and higher growth in foreign tourist arrivals. The company plans to increase bed capacity at Meininger at a CAGR of 28% over FY18-22E that will also drive the revenue growth of its international segment. With concerns over high debt now being addressed, we turn positive on the company with a **BUY** rating on the stock. Valuing at 6.5x FY20E adjusted EBITDA, we maintain our target price of ₹ 220 per share.

**Exhibit 7: Valuation**

| | Sales (₹ cr) | Growth (%) | EPS (₹) | Growth (%) | PE (x) | EV/EBITDA (x) | RoNW (%) | RoCE (%) |
|---|---|---|---|---|---|---|---|---|
| FY17 | 2179.4 | -8.4 | -0.6 | NA | 0.0 | 7.4 | -0.4 | 8.8 |
| FY18 | 2379.6 | 9.2 | 20.6 | NA | 9.2 | 5.5 | 11.0 | 11.2 |
| FY19E | 2657.8 | 11.7 | 10.4 | -49.4 | 18.3 | 6.7 | 5.3 | 8.4 |
| FY20E | 2941.1 | 10.7 | 16.2 | 56.2 | 11.7 | 5.1 | 7.7 | 11.0 |

*Source: Company, ICICI Direct Research*

## Recommendation history vs. consensus estimate




*Source: Bloomberg, Company, ICICI Direct Research*

## Key events

| Date | Event |
|---|---|
| Jul-12 | Cox & Kings inks pact with Singapore-based travel solutions and services provider Abacus International for distribution of services |
| Jul-12 | Cox & Kings' arm opens visa application centres for Royal Norwegian Embassy across India |
| Dec-13 | Cox & Kings' arm signs up for a new 802 bed hotel in Amsterdam |
| Jan-14 | Cox & Kings expands its footprint in Australia |
| Mar-14 | Cox & Kings inks partnership pact with Canada based tour operator |
| May-14 | Cox & Kings' arm receives visa processing contract |
| Sep-14 | Concludes sale of camping division |
| Nov-14 | Concludes ₹ 1000 crore QIP at ₹ 305 per share |
| Jan-15 | CARE upgrades the rating of long term bank facilities with issue of non-convertible debentures of the company to AA (double A) from AA-(Double A minus) |
| Oct-15 | Acquires LateRooms.com for ₹ 85 crore |
| Dec-15 | Sells Explore Worldwide |
| Apr-16 | Divests majority stake in Late Rooms and Superbreak |
| Mar-17 | To demerge its forex business |
| Oct-18 | Enters into an agreement to sell education business at an EV of £467 million |

*Source: Company, ICICI Direct Research*

## Top 10 Shareholders

| Rank | Name | Latest Filing Date | % O/S | Position (m) | Change (m) |
|---|---|---|---|---|---|
| 1 | Sneh Sadan Traders & Agents Ltd. | 23-Oct-18 | 19% | 33.5 | 33.5 |
| 2 | Sneh Sadan Graphic Services Pvt. Ltd. | 30-Sep-18 | 19% | 33.0 | 0.0 |
| 3 | Kubber Investments Mauritius Pvt. Ltd. | 30-Sep-18 | 10% | 18.3 | 0.0 |
| 4 | LIZ Investments Pvt. Ltd. | 5-Oct-18 | 10% | 17.4 | 0.2 |
| 5 | Karst Peak Capital Limited | 30-Sep-18 | 6% | 9.9 | -1.0 |
| 6 | Macquarie Investment Management Ltd. | 30-Jun-18 | 4% | 7.8 | 0.0 |
| 7 | Capital World Investors | 30-Sep-18 | 4% | 7.5 | 0.0 |
| 8 | Standford Trading Pvt. Ltd. | 30-Sep-18 | 4% | 7.3 | 0.0 |
| 9 | Kerkar (Urrshila) | 30-Sep-18 | 3% | 4.6 | 0.0 |
| 10 | Kotak Mahindra Asset Management Company Ltd. | 30-Sep-18 | 2% | 3.9 | 0.0 |

*Source: Reuters, ICICI Direct Research*

## Shareholding Pattern

| (in %) | Sep-17 | Dec-17 | Mar-18 | Jun-18 | Sep-18 |
|---|---|---|---|---|---|
| Promoter | 51.26 | 50.30 | 49.34 | 49.34 | 49.34 |
| FII | 33.29 | 35.65 | 38.93 | 39.47 | 40.00 |
| DII | 5.52 | 2.66 | 1.76 | 1.05 | 1.05 |
| Others | 9.93 | 11.39 | 9.97 | 10.14 | 9.61 |

## Recent Activity

| Buys | | | Sells | | |
|---|---|---|---|---|---|
| Investor name | Value | Shares | Investor name | Value | Shares |
| Sneh Sadan Traders & Agents Ltd. | 92.47 | 33.50 | Jupiter Asset Management Ltd. | -5.07 | -2.18 |
| Varanium India Opportunity Ltd | 5.62 | 2.42 | Karst Peak Capital Limited | -2.32 | -1.00 |
| LIZ Investments Pvt. Ltd. | 0.63 | 0.23 | Tata Asset Management Limited | -0.96 | -0.30 |
| The Vanguard Group, Inc. | 0.08 | 0.03 | ABN AMRO Investment Solutions (AAIS) | -0.58 | -0.18 |
| Khandelwal (Anil) | 0.03 | 0.01 | BNY Mellon Asset Management North America Corporation | -0.35 | -0.15 |

*Source: Reuters, ICICI Direct Research*

# Financial summary

| Profit and loss statement | | | | ₹ Crore |
|---|---|---|---|---|
| (Year-end March) | FY17 | FY18 | FY19E | FY20E |
| Total operating Income | 2,179.4 | 2,379.6 | 2,657.8 | 2,941.1 |
| Growth (%) | -8.4 | 9.2 | 11.7 | 10.7 |
| Employee Expenses | 746 | 801 | 932 | 939 |
| Advertisement expenses | 0 | NA | NA | NA |
| Other expenses | 753 | 563 | 880 | 876 |
| Total Operating Expenditure | 1,498.5 | 1,364.3 | 1,812.1 | 1,815.6 |
| EBITDA | 680.9 | 1,015.2 | 845.7 | 1,125.5 |
| Growth (%) | -13.2 | 49.1 | -16.7 | 33.1 |
| Depreciation | 95.3 | 98.8 | 110.0 | 123.0 |
| Interest | 225.5 | 259.0 | 249.9 | 265.7 |
| Other Income | -110.8 | 41.2 | 103.7 | 103.7 |
| PBT | 238.4 | 677.9 | 558.1 | 840.5 |
| Profits from Associates | -11.6 | -25.3 | -31.1 | -40.0 |
| Total Tax | 172.2 | 222.2 | 214.9 | 403.4 |
| PAT | -10.2 | 363.1 | 183.6 | 286.7 |
| Growth (%) | NA | NA | -49.4 | 56.2 |
| EPS (₹) | -0.6 | 20.6 | 10.4 | 16.2 |

*Source:Company, ICICI Direct Research*

| Cash flow statement | | | | ₹ Crore |
|---|---|---|---|---|
| (Year-end March) | FY17 | FY18 | FY19E | FY20E |
| Profit after Tax | -10.2 | 363.1 | 183.6 | 286.7 |
| Add: Depreciation | 95.3 | 98.8 | 110.0 | 123.0 |
| (Inc)/dec in Current Assets | -371.2 | -1,158.4 | -121.0 | -413.6 |
| Inc/(dec) in CL and Provisions | -186.6 | 153.0 | -88.7 | 224.6 |
| CF from operating activities | -472.7 | -543.4 | 83.9 | 220.7 |
| (Inc)/dec in Investments | 0.0 | 0.0 | 0.0 | 0.0 |
| (Inc)/dec in Fixed Assets | -298.0 | -499.0 | -387.4 | -500.0 |
| Goodwilll on consolidation | 762.5 | 184.9 | 0.0 | 0.0 |
| Others | -47.5 | 0.0 | 261.3 | 224.6 |
| CF from investing activities | 416.9 | -314.1 | -126.1 | -275.4 |
| Issue/(Buy back) of Equity | 3.6 | 0.0 | 0.0 | 0.0 |
| Inc/(dec) in loan funds | -244.1 | 483.0 | 100.0 | -100.0 |
| Dividend paid & dividend tax | -19.9 | -21.3 | -21.3 | -21.3 |
| Inc/(dec) in Sec. premium | 0.0 | 0.0 | 0.0 | 0.0 |
| Others | 166.2 | 346.8 | 0.0 | 0.0 |
| CF from financing activities | -94.2 | 808.6 | 78.7 | -121.3 |
| Net Cash flow | -150.0 | -48.9 | 36.5 | -175.9 |
| Opening Cash | 1,842.6 | 1,692.6 | 1,643.7 | 1,680.2 |
| Closing Cash | 1,692.6 | 1,643.7 | 1,680.2 | 1,504.2 |

*Source: Company, ICICI Direct Research*

| Balance sheet | | | | ₹ Crore |
|---|---|---|---|---|
| (Year-end March) | FY17 | FY18 | FY19E | FY20E |
| Liabilities | | | | |
| Equity Capital | 88.3 | 88.3 | 88.3 | 88.3 |
| Reserve and Surplus | 2,511.2 | 3,199.8 | 3,362.1 | 3,627.5 |
| Total Shareholders funds | 2,599.5 | 3,288.1 | 3,450.4 | 3,715.8 |
| Total Debt | 3,423.9 | 3,906.9 | 4,006.9 | 3,906.9 |
| Def Tax Liability | 175.6 | 232.1 | 236.1 | 240.1 |
| Total Liabilities | 6,198.9 | 7,427.1 | 7,693.4 | 7,862.8 |
| | | | | |
| Assets | | | | |
| Gross Block | 3,036.4 | 3,710.8 | 4,187.5 | 4,633.5 |
| Less: Acc Depreciation | 1,340.9 | 1,439.8 | 1,549.8 | 1,672.7 |
| Net Block | 1,695.5 | 2,271.0 | 2,637.7 | 2,960.8 |
| Capital WIP | 310.7 | 135.3 | 46.0 | 100.0 |
| Total Fixed Assets | 2,006.2 | 2,406.3 | 2,683.7 | 3,060.8 |
| Goodwill on Cons | 2,202.8 | 2,468.0 | 2,468.0 | 2,468.0 |
| Investments | 107.7 | 110.0 | 110.0 | 110.0 |
| Def Tax Assets | 0.0 | 0.0 | 0.0 | 0.0 |
| Inventory | 19.9 | 15.5 | 23.8 | 19.7 |
| Debtors | 1,820.1 | 2,241.6 | 2,483.0 | 2,747.7 |
| Loans and Advances | 9.4 | 10.3 | 21.6 | 7.8 |
| Cash | 1,692.6 | 1,643.7 | 1,680.2 | 1,504.2 |
| Total Current Assets | 3,542.0 | 3,911.1 | 4,208.6 | 4,279.4 |
| Total Current Liabilities | 2,191.7 | 2,344.7 | 2,256.1 | 2,480.7 |
| Net Current Assets | 1,350.3 | 1,566.3 | 1,952.5 | 1,798.8 |
| Misc Exp not W/f | 0.0 | 0.0 | 0.0 | 0.0 |
| Application of Funds | 6,198.9 | 7,427.1 | 7,693.4 | 7,862.8 |

*Source: Company, ICICI Direct Research*

| Key ratios | | | | |
|---|---|---|---|---|
| (Year-end March) | FY17 | FY18 | FY19E | FY20E |
| Per share data (₹) | | | | |
| EPS | -0.6 | 20.6 | 10.4 | 16.2 |
| Cash EPS | 4.8 | 26.2 | 16.6 | 23.2 |
| BV | 147.3 | 186.3 | 195.5 | 210.5 |
| DPS | 1.0 | 1.0 | 1.0 | 1.0 |
| Operating Ratios (%) | | | | |
| EBITDA Margin | 31.2 | 42.7 | 31.8 | 38.3 |
| PBT / Total Operating income | -0.5 | 15.3 | 6.9 | 9.7 |
| Asset Turnover | 0.3 | 0.3 | 0.3 | 0.0 |
| Debtor Turnover | 1.2 | 1.1 | 1.1 | 1.1 |
| Creditor Turnover | 7.0 | 5.7 | 5.7 | 5.7 |
| Return Ratios (%) | | | | |
| RoE | -0.4 | 11.0 | 5.3 | 7.7 |
| RoCE | 8.8 | 11.2 | 8.4 | 11.0 |
| RoIC | 12.3 | 13.8 | 10.2 | 13.0 |
| Valuation Ratios (x) | | | | |
| P/E | 0.0 | 9.2 | 18.3 | 11.7 |
| EV / EBITDA | 7.4 | 5.5 | 6.7 | 5.1 |
| EV / Net Sales | 2.3 | 2.3 | 2.1 | 1.9 |
| Market Cap / Sales | 1.5 | 1.4 | 1.3 | 1.1 |
| Price to Book Value | 1.3 | 1.0 | 1.0 | 0.9 |
| Solvency Ratios | | | | |
| Debt/EBITDA | 5.0 | 3.8 | 4.7 | 3.5 |
| Debt / Equity | 1.3 | 1.2 | 1.2 | 1.1 |
| Current Ratio | 2.1 | 2.5 | 2.6 | 2.5 |
| Quick Ratio | 1.4 | 1.8 | 1.9 | 1.9 |

*Source: Company, ICICI Direct Research*

RATING RATIONALE

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