

Buy

- Q4 results were an operational miss. Revenue declined by ~5% YoY to ₹ 29.2bn. Lower SEZ income affecting revenues and margins. Adj EBITDA was at ₹ 16.4bn, down 15% YoY. Margins came lower at 56.3% vs 62.7% YoY. FY20 margins at 63.7% vs 64.7% YoY. APAT stood at ₹ 13.4bn, up 14% YoY. PAT was impacted by a ₹ 10bn forex on the P&L.
- The management guidance: (1) Evaluating the situation, No volume guidance for FY21 ; may give one when there is better visibility post lockdown (2) SEZ income to be ₹ 8-10Bn; (3) Ports margin to range between 68-70% (4) Snowman deal viability under review; (5) Capex guidance for FY21 reduced to ₹ 20Bn vs ₹ 40Bn earlier; (6) net debt to equity of 2.9x is within limits while it has a cover for its entire debt servicing of FY21.(7) Promoter pledge to be 0% by next 12-18 months
- With April volumes down 25% from normal, we factor in a gradual recovery leading to a 6% volume decline in FY21. This leads to an EPS cut of 19%/11% in FY21/22 vs earlier estimates. Relatively less impacted under COVID, with a 60% sticky cargo as base volume, new ports in its fold, improving utilisation, better volumes on DFC connect to Mundra as some of the triggers for the stock. Given the sharp price correction, we move rating to Buy with a DCF based TP of ₹ 360. Key risk remains economic slowdown, which impact volumes.

Key Highlights

- Acquisitions update:** KPCL and Dighi are pending approval from authorities and are now expected to be complete by Q3FY21. Myanmar - To start commercial operation by Jan 2021. B2B acquisition completed in Q1 FY20. Snowman deal under review.
- Portwise Volumes** at Mundra fell 2% YoY, Dahej: -28% YoY, Hazira: +17%, Dharma: 44%, Kattupalli: 19%. FY20 volumes at 223mnT, +7% YoY led by 8% YoY growth in container segment. Cargo volumes growth was 7% YoY (+3% QoQ) with 4Q volumes at 57.82MnT.
- Outlook:** Expecting slow pick up in cargo volume in Q2FY21, and a V-shape recovery possible in H2F21 post complete lifting of lockdown. Availability of manpower to be a challenge this will impact productivity in the short term. Rail traffic from ports moving efficiently, enabling the Company to convert road to rail traffic.

Q4FY20 Result (₹ Mn)

| Particulars | Q4FY20 | Q4FY19 | YoY (%) | Q3FY20 | QoQ (%) |
|-------------------|--------|--------|---------|--------|---------|
| Revenue | 29,212 | 30,825 | (5.2) | 33,363 | (12.4) |
| Total Expense | 12,772 | 10,413 | 22.7 | 11,945 | 6.9 |
| EBITDA | 16,440 | 20,412 | (19.5) | 21,418 | (23.2) |
| Depreciation | 4,496 | 3,561 | 26.3 | 4,297 | 4.6 |
| EBIT | 11,944 | 16,852 | (29.1) | 17,121 | (30.2) |
| Other Income | 4,390 | 4,102 | 7.0 | 4,942 | (11.2) |
| Interest | 4,629 | 4,078 | 13.5 | 4,671 | (0.9) |
| EBT | 10,758 | 17,228 | (37.6) | 17,395 | (38.2) |
| Tax | (835) | 2,692 | (131.0) | 3,824 | (121.8) |
| RPAT | 13,386 | 11,763 | 13.8 | 13,522 | (1.0) |
| APAT | 13,386 | 10,672 | 25.4 | 13,522 | (1.0) |
| | | | (bps) | | (bps) |
| Gross Margin (%) | 94.8 | 94.7 | 10 | 96.2 | (132) |
| EBITDA Margin (%) | 56.3 | 66.2 | (994) | 64.2 | (792) |
| NPM (%) | 45.8 | 38.2 | 766 | 40.5 | 530 |
| Tax Rate (%) | (7.8) | 15.6 | (2339) | 22.0 | (2975) |
| EBIT Margin (%) | 40.9 | 54.7 | (1378) | 51.3 | (1043) |

| | |
|-----------------|-------------|
| CMP | ₹ 270 |
| Target / Upside | ₹ 360 / 33% |
| BSE Sensex | 31,737 |
| NSE Nifty | 9,271 |

Scrip Details

| | |
|------------------|-----------------|
| Equity / FV | ₹ 4,064mn / ₹ 2 |
| Market Cap | ₹ 549bn |
| | US\$ 7bn |
| 52-week High/Low | ₹ 431/₹ 203 |
| Avg. Volume (no) | 5,001,230 |
| NSE Symbol | ADANIPTS |
| Bloomberg Code | ADSEZ IN |

Shareholding Pattern Mar'20(%)

| | |
|-----------------|------|
| Promoters | 62.3 |
| MF/Banks/FIs | 12.0 |
| FII | 22.3 |
| Public / Others | 3.4 |

Valuation (x)

| | FY20A | FY21E | FY22E |
|-----------|-------|-------|-------|
| P/E | 10.3 | 12.5 | 10.0 |
| EV/EBITDA | 10.2 | 9.7 | 8.2 |
| ROE (%) | 15.0 | 16.0 | 17.3 |
| RoACE (%) | 13.5 | 11.0 | 12.0 |

Estimates (₹ mn)

| | FY20A | FY21E | FY22E |
|---------|---------|---------|---------|
| Revenue | 118,731 | 119,810 | 135,690 |
| EBITDA | 75,654 | 77,876 | 90,234 |
| PAT | 53,106 | 44,081 | 54,688 |
| EPS (₹) | 26.1 | 21.7 | 26.9 |

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Exhibit 1: Actual V/s DART estimates

| (₹ mn) | Actual | Estimated | % Variance | Consensus | % Variance | Remarks |
|-------------------|--------|-----------|------------|-----------|------------|--|
| Net sales | 29,212 | 32,960 | (11.4) | 32,646 | (10.5) | Lower than expected SEZ income and weak realization |
| EBITDA | 16,440 | 21,107 | (22.1) | 18,952 | (13.3) | Lower SEZ income and higher share of logistics business which has lower margin |
| EBITDA margin (%) | 56.3 | 64.0 | (776bps) | 58.1 | (177bps) | |
| Adj net income | 13,386 | 13,443 | (0.4) | 10,943 | 22.3 | Adj to FX |
| FDEPS (₹) | 6.5 | 6.5 | (0.4) | 5.3 | 22.3 | |

Source: Company, DART

With April volumes down 25% from normal, we factor in a gradual recovery leading to a 6% volume decline in FY21. This leads to an EPS cut of 19%/11% in FY21/22 vs earlier estimates. Relatively less impacted under COVID, with a 60% sticky cargo as base volume, new ports in its fold, improving utilisation, better volumes on DFC connect to Mundra as some of the triggers for the stock. Given the sharp price correction, we move rating to Buy with a DCF based TP of ₹ 360 (DCF: Cost of Equity: 9.75%, terminal growth:5.5%, Beta: 0.65, Risk free: 6.5%, Rf: 5%, WACC: 8.6%). Key risk remains overall economic slowdown, which impact volumes.

Exhibit 2: Change in estimates

| Key parameters | FY21E | | | FY22E | | |
|-------------------|----------|----------|---------|----------|----------|--------|
| | Old | New | % Chg | Old | New | % Chg |
| Revenue (₹ mn) | 1,32,475 | 1,19,810 | (9.6) | 1,45,584 | 1,35,690 | (6.8) |
| EBITDA (₹ mn) | 86,241 | 77,876 | (9.7) | 95,212 | 90,234 | (5.2) |
| EBITDA margin (%) | 65.1 | 65.0 | (10bps) | 65.4 | 66.5 | 110bps |
| Net profit (₹ mn) | 55,261 | 44,752 | (19.0) | 62,140 | 55,073 | (11.4) |
| EPS (₹) | 26.7 | 21.6 | (19.0) | 30.0 | 26.6 | (11.4) |

Source: Company, DART

We have not factored in the financials of Krishnapatnam Port and Snowman Logistics in our numbers as we await completion of these acquisitions.

Exhibit 3: SOTP

| Ports | Holding (%) | Method | Value INR mn | Value per share |
|-------------------|-------------|--------|-----------------|-----------------|
| Mundra Port & SEZ | 100 | DCF | 2,49,288 | 123 |
| Adani Logistics | 100 | BV | 6,500 | 3 |
| Hazira Port | 100 | DCF | 1,65,836 | 82 |
| Dhamra Port | 100 | DCF | 1,74,748 | 86 |
| Dahej Port | 74 | DCF | 87,837 | 43 |
| Vizag Port | 100 | DCF | 2,684 | 1 |
| Mormugao Port | 74 | DCF | 13,333 | 7 |
| Kandla Port | 74 | DCF | 6,872 | 3 |
| Ennore Port | 74 | DCF | 7,151 | 4 |
| Kattupalli Port | 100 | NAV | 14,581 | 7 |
| Total | | | 7,28,830 | 360 |

Source: Company, DART

Ports wise

- **Mundra:** (1) 81% of sticky cargo at Mundra (2) ROCE for Mundra is lower on account of capitalization of T2 terminal during the year. (3) Revenue and EBITDA is lower on account of lower SEZ income.
- **Dhamra Port:** (1) ROCE for Dhamra which was at 9% in FY19 has increased by 300 bps to 12%. (2) For Q4FY20, Revenue de-grew by 15% YoY while EBITDA declined by 30% YoY. EBITDA margins too declined to 61.7% due to lower volumes and higher cost. Margins too improved due to higher realization cargo like containers and liquids. (3) FY20, the port reported 44% volume growth driving revenue and EBITDA growth. Margins too improved due to operating leverage. (4) Increase in Rake availability improved the volumes.
- **Kattupalli Port:** (1) FY20 Revenue and EBITDA was up 26%/31% YoY respectively. EBITDA margins improved due to change in cargo mix and operational efficiency. (2) Started handling liquids and other bulk cargo
- **Hazira and Dahej: (1) Dahej:** Margins declined as fixed cost remained same while volumes decreased. Hazira margins improved by 200bps to 75% YoY. The margin is on account of growth in higher realization cargo like containers and liquids.
- **Adani Logistics:** FY20, Revenue grew by 65% on the back of 115% rail volumes growth. This sharp jump was on account of an increase in rakes, new routes, additional rail capacity and acquisition of B2B logistics.. FY20 volumes by rail stood at 325,067 teus. KLL has now 60 rakes of which 43 are container rakes. It is also developing logistics park at Nagpur and warehouses at Mundra, Kattupalli and Taloja operational in FY21. Current warehouse capacity stands at 4lac Sqft.
- **Adani SEZ:** Registered ₹ 410mn in Q4 towards land lease payment. SEZ Revenue has reduced due to timing difference in contract execution.

Acquisitions

- **Krishnapatnam:** Expects acquisition to get complete by 3QFY21. Cash outgo will be done at that time. Debt/EBITDA can shoot to sub 3x
- **Dighi Port:** Expects to get complete by 3QFY21.
- **Snowman Logistics:** will need to revisit the deal, cold chain segment will be viable option post covid. May scrape the deal or renegotiate. Will come to know by Q3FY21.
- **Myanmar Port:** To start commercial operation by Jan 2021.
- **Vizhinjam Port:** likely to get commission by CY22

Financials

- **Depreciation:** Increased due to capitalisation of assets at Mundra, Dhamra and Katupalli
- **Debt Position:** FY20 Gross debt at ₹ 295bn (vs. ₹ 272bn YoY), Cash Balance at INR73bn implying Net Debt at ₹ 221bn (vs. ₹ 207bn YoY). Net Debt to EBITDA maintained at 2.9x
- **Capex:** Company incurred Capex of INR36.2bn in FY20. In FY21, Company targets reduction in its operating costs and Capex will be curtailed to INR20bn from original plan of INR40bn; discretionary Capex on Hold. Focus will be on conserving cash, generating higher free cash flow and increasing the ROCE
- **Buyback** of 39.2mn. shares at ₹ 500/share per share amounting ₹19.60Bn completed during the year.

- **Improvement in Cash Flow position:** Cash flow from Operations at ₹ 74Bn vs ₹ 60Bn YoY. CF from Investing activities stood at ₹ -7.5Bn vs ₹ -44Bn. Free cash flow from operations after adjusting for working capital changes and investing activities is at ₹66.5Bn. The company is realigning its assets to conserve cash and strategies to improve cost.

Other Key highlights:

- **Rail: Road mix and evacuation:** Bottleneck remains in evacuation. Once lockdown is lifted, can get a better sense of cargo volumes for the year. Evacuation at ICD also a challenge due to storage space. Rail has rakes availability which boost in the smooth movement of cargo. Road to rail transition is also attributable due to removal of surcharge on containers. The company has witnessed 5-6% jump in rail cargo movement at Mundra port and expects growth in rail movement cargo to continue.
- **DFCC:** DFCC to Mundra was expected to come by June which may get pushed by 2-3 months. The company is negotiation with Indian rail for DFCC tariff whether it can be brought down
- Southern and Eastern ports grew by 40%/44% respectively resulting as east-west port parity

Exhibit 4: Ports/segment Revenue

| Particulars (₹ mn) | Q4FY19 | Q1FY20 | Q2FY20 | Q3FY20 | Q4FY20 | YoY (%) | QoQ(%) | FY20 | FY19 | YoY (%) |
|---------------------|--------|--------|--------|--------|--------|---------|--------|--------|--------|---------|
| Mundra | 14,580 | 15,943 | 12,043 | 10,840 | 11,830 | (18.9) | 9.1 | 34,713 | 37,425 | (7.2) |
| Dhamra | 2,110 | 4,390 | 3,140 | 3,670 | 3,740 | 77.3 | 1.9 | 10,550 | 6,670 | 58.2 |
| Hazira | 2,780 | 2,790 | 2,990 | 3,320 | 3,410 | 22.7 | 2.7 | 9,720 | 8,260 | 17.7 |
| Dahej | 1,220 | 1,030 | 840 | 820 | 820 | (32.8) | 0.0 | 2,480 | 3,170 | (21.8) |
| Kattupalli | 500 | 550 | 550 | 730 | 670 | 34.0 | (8.2) | 1,950 | 1,560 | 25.0 |
| Adani Logistics Ltd | 1,280 | 1,480 | 1,810 | 2,560 | 2,400 | 87.5 | (6.3) | 6,770 | 4,350 | 55.6 |
| Harbor revenue | 3,220 | 3,070 | 3,342 | 3,870 | 3,510 | 9.0 | (9.3) | 10,722 | 9,563 | 12.1 |

Source: Company, DART

Exhibit 5: Ports/segment EBITDA

| Particulars (₹ mn) | Q4FY19 | Q1FY20 | Q2FY20 | Q3FY20 | Q4FY20 | YoY (%) | QoQ(%) | FY20 | FY19 | YoY (%) |
|---------------------|--------|--------|--------|--------|--------|---------|--------|--------|--------|---------|
| Mundra | 10,535 | 11,086 | 7,948 | 7,210 | 8,130 | (22.8) | 12.8 | 23,288 | 26,755 | (13.0) |
| Dhamra | 890 | 3,290 | 1,920 | 2,370 | 2,380 | 167.4 | 0.4 | 6,670 | 3,260 | 104.6 |
| Hazira | 1,940 | 2,020 | 2,270 | 2,590 | 2,490 | 28.4 | (3.9) | 7,350 | 6,020 | 22.1 |
| Dahej | 810 | 560 | 530 | 490 | 460 | (43.2) | (6.1) | 1,480 | 2,140 | (30.8) |
| Kattupalli | 310 | 310 | 330 | 470 | 370 | 19.4 | (21.3) | 1,170 | 910 | 28.6 |
| Adani Logistics Ltd | 180 | 260 | 540 | 720 | 580 | 222.2 | (19.4) | 1,840 | 650 | 183.1 |
| Harbor revenue | 2,790 | 2,680 | 3,062 | 3,480 | 3,080 | 10.4 | (11.5) | 9,622 | 8,588 | 12.0 |

Source: Company, DART

Exhibit 6: Ports/segment EBITDA Margin

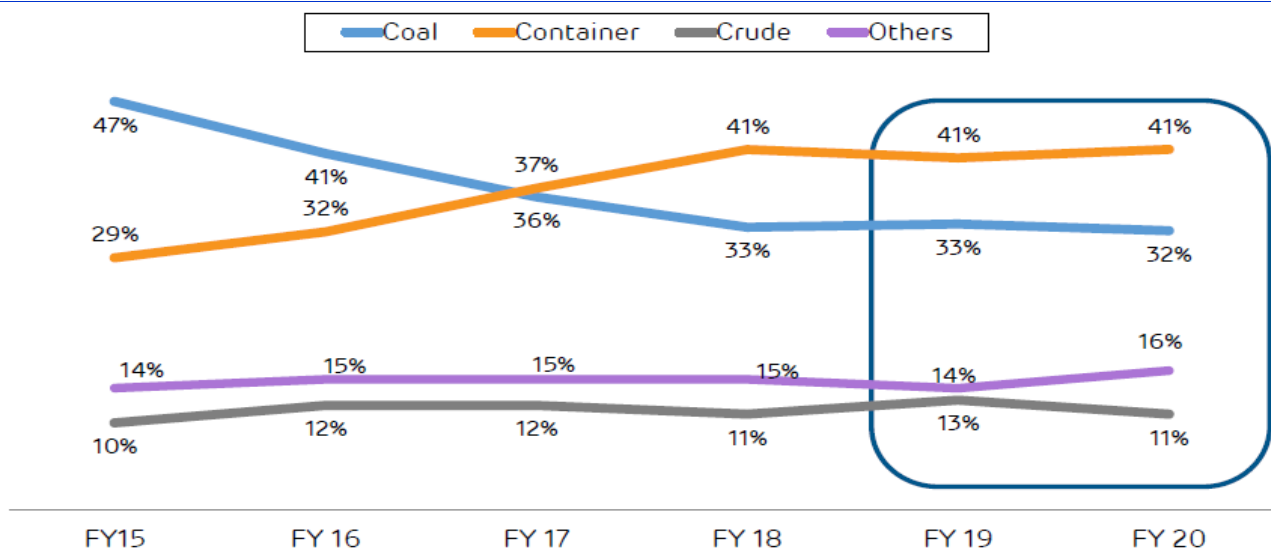
| Particulars (%) | Q4FY19 | Q1FY20 | Q2FY20 | Q3FY20 | Q4FY20 | YoY (%) | QoQ(%) | FY20 | FY19 | YoY (%) |
|---------------------|--------|--------|--------|--------|--------|--------------------|--------|------|------|----------|
| Mundra | 72.3 | 69.5 | 66.0 | 66.5 | 68.7 | (353bps) | 221bps | 67.1 | 71.5 | (440bps) |
| Dhamra | 42.2 | 74.9 | 61.1 | 64.6 | 63.6 | 2146bps (94bps) | | 63.2 | 48.9 | 1435bps |
| Hazira | 69.8 | 72.4 | 75.9 | 78.0 | 73.0 | 324bps (499bps) | | 75.6 | 72.9 | 274bps |
| Dahej | 66.4 | 54.4 | 63.1 | 59.8 | 56.1 | (1030bps) (366bps) | | 59.7 | 67.5 | (783bps) |
| Kattupalli | 62.0 | 56.4 | 60.0 | 64.4 | 55.2 | (678bps) (916bps) | | 60.0 | 58.3 | 167bps |
| Adani Logistics Ltd | 14.1 | 17.6 | 29.8 | 28.1 | 24.2 | 1010bps (396bps) | | 27.2 | 14.9 | 1224bps |
| Harbor revenue | 86.6 | 87.3 | 91.6 | 89.9 | 87.7 | 110bps (217bps) | | 89.7 | 89.8 | (7bps) |

Source: Company, DART

Cargo-wise

- Q4FY20 cargo volumes grew by 7% YoY versus 4% YoY for All India Ports (223MMT). Container volumes for APSEZ grew by 8% YoY while All India Container remained flat (64MMT). Adani ports have reported the CAGR of 17% in container segment over FY15-20 vs 8% by All India Ports and overall throughput of 9% by Adani ports vs 5% by All India Ports during similar period.
- Total cargo handled** in Q4FY20 was 57.82 MMT (7% YoY) and 223MT in FY20. The cargo composition for FY20 was as follows: Coal 32%, Container 41% Crude plus other Cargo 27%.
- FY20 highlights:** (1) Achieved 100 MMT of dry cargo handling (2) Share of Eastern ports increases from 15% to 20%. (3) Logistics - Rail volume registered a growth of 115%. (4) Mundra LNG and LPG commenced operation during the year and handled ~300,000 MT and ~400,000 MT respectively (5) Crude volume were lower due to less import by refineries (IOCL and HPCL).
- Mundra:** The company handled 8.31 MMT coal (-16% YoY). Container volumes grew 7% YoY to 18.29 (MMT) and ~5.8% YoY for FY20. The growth was led by 18% YoY growth at CT1. Other cargo/crude at Mundra reported the degrowth of -9%/-3% YoY. Overall Mundra handled 35.26MMT, down 2% YoY in Q4 while for FY20, cargoes grew by 1.3% YoY to 139MMT.
- Kattupalli** cargo volumes (2.85 MMT) grew by 22% YoY driven by 16% coal and sharp uptake in other cargoes.
- Hazira** cargo volumes (5.5 MMT) grew by 17% YoY driven by 9% container, 28% coal, -5% Liquid and 54% others. Liquid volume grew by 18% in FY20. EBITDA margins for Q4 remained stable at 73%.
- Dahej** cargo volumes (1.56 MMT) declined by 28% YoY driven by 19% coal and -44% in other cargo. FY20 Cargo volume decreased by 30%, due to lower trading coal handled.
- Dhamra** cargo volumes (8.26 MMT) grew by 44% YoY driven by 17% coal and and 85% others. Rake availability in Q4FY20 improved to 20 rakes per day from 15 rakes per day. FY20, Cargo volume was up 10%. Segments like coal 6%, container 8%, liquid cargo 17% and other cargo 21% reported the growth.

Exhibit 7: Cargo Composition



Source: Company, DART

Profit and Loss Account

| (₹ Mn) | FY19A | FY20A | FY21E | FY22E |
|--|----------------|----------------|----------------|----------------|
| Revenue | 109,254 | 118,731 | 119,810 | 135,690 |
| Total Expense | 38,580 | 43,077 | 41,933 | 45,456 |
| COGS | 27,608 | 30,973 | 30,551 | 33,244 |
| Employees Cost | 5,298 | 5,465 | 5,391 | 6,106 |
| Other expenses | 5,674 | 6,639 | 5,990 | 6,106 |
| EBIDTA | 70,675 | 75,654 | 77,876 | 90,234 |
| Depreciation | 13,735 | 16,803 | 18,737 | 19,315 |
| EBIT | 56,940 | 58,851 | 59,139 | 70,919 |
| Interest | 9,265 | 19,506 | 19,324 | 18,331 |
| Other Income | 13,623 | 18,614 | 18,614 | 19,916 |
| Exc. / E.O. items | (5,018) | (15,475) | 0 | 0 |
| EBT | 56,280 | 42,483 | 58,428 | 72,504 |
| Tax | 10,815 | 4,594 | 14,607 | 18,126 |
| RPAT | 39,902 | 37,631 | 44,081 | 54,688 |
| Minority Interest | (545) | (258) | 260 | 310 |
| Profit/Loss share of associates | 0 | 0 | 0 | 0 |
| APAT | 44,920 | 53,106 | 44,081 | 54,688 |

Balance Sheet

| (₹ Mn) | FY19A | FY20A | FY21E | FY22E |
|-------------------------------|----------------|----------------|----------------|----------------|
| Sources of Funds | | | | |
| Equity Capital | 4,142 | 4,064 | 4,064 | 4,064 |
| Minority Interest | 2,099 | 2,196 | 2,196 | 2,196 |
| Reserves & Surplus | 241,240 | 252,171 | 290,772 | 334,638 |
| Net Worth | 245,382 | 256,235 | 294,835 | 338,701 |
| Total Debt | 271,879 | 294,627 | 291,879 | 276,879 |
| Net Deferred Tax Liability | 2,160 | 2,870 | 2,870 | 2,870 |
| Total Capital Employed | 521,521 | 555,928 | 591,780 | 620,646 |

Applications of Funds

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Net Block | 270,026 | 326,101 | 331,375 | 347,745 |
| CWIP | 44,835 | 32,163 | 32,163 | 32,163 |
| Investments | 7,823 | 11,780 | 21,780 | 31,780 |
| Current Assets, Loans & Advances | 231,403 | 250,948 | 264,614 | 286,787 |
| Inventories | 8,067 | 2,883 | 6,237 | 7,063 |
| Receivables | 24,319 | 25,891 | 27,901 | 31,599 |
| Cash and Bank Balances | 59,673 | 73,139 | 84,977 | 83,338 |
| Loans and Advances | 139,344 | 149,036 | 145,500 | 164,786 |
| Other Current Assets | 0 | 0 | 0 | 0 |
| Less: Current Liabilities & Provisions | 43,754 | 66,109 | 55,186 | 59,177 |
| Payables | 42,722 | 64,964 | 54,088 | 57,933 |
| Other Current Liabilities | 1,032 | 1,145 | 1,098 | 1,244 |
| sub total | | | | |
| Net Current Assets | 187,649 | 184,840 | 209,429 | 227,610 |
| Total Assets | 521,521 | 555,928 | 591,780 | 620,646 |

E – Estimates

Important Ratios

| Particulars | FY19A | FY20A | FY21E | FY22E |
|---|----------|----------|----------|----------|
| (A) Margins (%) | | | | |
| Gross Profit Margin | 74.7 | 73.9 | 74.5 | 75.5 |
| EBIDTA Margin | 64.7 | 63.7 | 65.0 | 66.5 |
| EBIT Margin | 52.1 | 49.6 | 49.4 | 52.3 |
| Tax rate | 19.2 | 10.8 | 25.0 | 25.0 |
| Net Profit Margin | 36.5 | 31.7 | 36.8 | 40.3 |
| (B) As Percentage of Net Sales (%) | | | | |
| COGS | 25.3 | 26.1 | 25.5 | 24.5 |
| Employee | 4.8 | 4.6 | 4.5 | 4.5 |
| Other | 5.2 | 5.6 | 5.0 | 4.5 |
| (C) Measure of Financial Status | | | | |
| Gross Debt / Equity | 1.1 | 1.1 | 1.0 | 0.8 |
| Interest Coverage | 6.1 | 3.0 | 3.1 | 3.9 |
| Inventory days | 27 | 9 | 19 | 19 |
| Debtors days | 81 | 80 | 85 | 85 |
| Average Cost of Debt | 3.8 | 6.9 | 6.6 | 6.4 |
| Payable days | 143 | 200 | 165 | 156 |
| Working Capital days | 627 | 568 | 638 | 612 |
| FA T/O | 0.4 | 0.4 | 0.4 | 0.4 |
| (D) Measures of Investment | | | | |
| AEPS (₹) | 22.1 | 26.1 | 21.7 | 26.9 |
| CEPS (₹) | 28.9 | 34.4 | 30.9 | 36.4 |
| DPS (₹) | 1.7 | 3.2 | 4.1 | 4.1 |
| Dividend Payout (%) | 7.9 | 12.2 | 18.9 | 15.2 |
| BVPS (₹) | 120.8 | 126.1 | 145.1 | 166.7 |
| RoANW (%) | 17.5 | 15.0 | 16.0 | 17.3 |
| RoACE (%) | 12.6 | 13.5 | 11.0 | 12.0 |
| RoAIC (%) | 13.2 | 12.5 | 12.0 | 13.6 |
| (E) Valuation Ratios | | | | |
| CMP (₹) | 270 | 270 | 270 | 270 |
| P/E | 12.2 | 10.3 | 12.5 | 10.0 |
| Mcap (₹ Mn) | 548,877 | 548,877 | 548,877 | 548,877 |
| MCap/ Sales | 5.0 | 4.6 | 4.6 | 4.0 |
| EV | 761,083 | 770,366 | 755,780 | 742,418 |
| EV/Sales | 7.0 | 6.5 | 6.3 | 5.5 |
| EV/EBITDA | 10.8 | 10.2 | 9.7 | 8.2 |
| P/BV | 2.2 | 2.1 | 1.9 | 1.6 |
| Dividend Yield (%) | 0.6 | 1.2 | 1.5 | 1.5 |
| (F) Growth Rate (%) | | | | |
| Revenue | (3.5) | 8.7 | 0.9 | 13.3 |
| EBITDA | (1.1) | 7.0 | 2.9 | 15.9 |
| EBIT | (4.4) | 3.4 | 0.5 | 19.9 |
| PBT | (9.0) | (24.5) | 37.5 | 24.1 |
| APAT | 22.3 | 18.2 | (17.0) | 24.1 |
| EPS | 22.3 | 18.2 | (17.0) | 24.1 |
| Cash Flow | | | | |
| (₹ Mn) | FY19A | FY20A | FY21E | FY22E |
| CFO | 60,294 | 74,018 | 50,518 | 52,288 |
| CFI | (53,313) | (7,505) | (11,387) | (10,084) |
| CFF | 23,133 | (53,165) | (27,294) | (43,843) |
| FCFF | 30,889 | 24,139 | 30,518 | 32,288 |
| Opening Cash | 29,675 | 59,790 | 73,139 | 84,977 |
| Closing Cash | 59,789 | 73,138 | 84,976 | 83,338 |

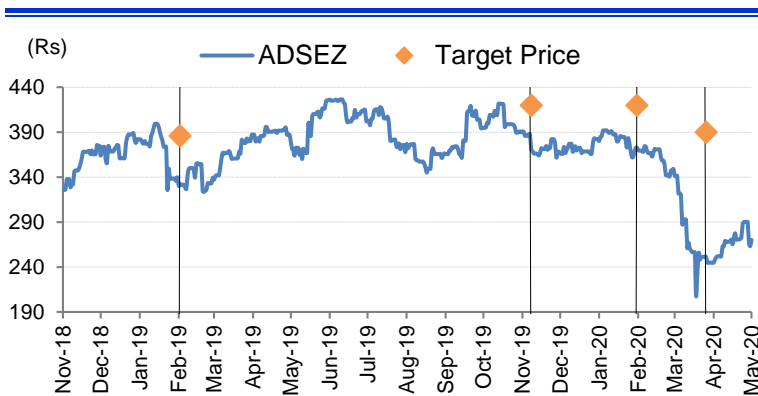
E – Estimates

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 (₹) | Price (₹) |
|--------|------------|--------|-----------|
| Feb-19 | Accumulate | 386 | 332 |
| Nov-19 | Accumulate | 420 | 371 |
| Feb-20 | Accumulate | 420 | 373 |
| Mar-20 | Accumulate | 390 | 251 |

Price as on recommendation date

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| | | | |
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