Technology
Company Update

Change in Estimates ☑ Target ☑ Reco ☐

3 November 2020

Intellect Design Arena

B/S back in shape, growth revival to result in higher FCFs; Buy

Rating: **Buy**
Target Price: Rs330
Share Price: Rs237

Intellect's focus on profitability and cash generation yielded results. It turned net cash/FCF positive and could be amplified further by revived growth in advanced markets. License revenue up 96% y/y, AMC up 12% y/y, Cloud/SaaS up 23% y/y contributed to growth, mostly driven by India and the RoW. DSO came down to 167, (FY20: 195), reflecting collection efficiency. iGCB was launched in advanced markets while iGTB saw momentum in the US. We are raising FY21e/22e 12%/4% on margin performance, our target to Rs330 (from Rs310) and retaining our Buy, at 25x FY22e adj. EPS.

Advanced markets still weak, revival expected on iGTB. Intellect turns around, reporting higher Q2 revenue y/y after five quarters ($50.1m, up 8.9% q/q, 7.6% y/y). Headwinds were in iGTB/advanced markets but are likely to reverse as iGTB regains growth momentum ahead (with US clients) and iGCB enters advanced markets. The $542m deal pipeline was flattish (up 3% y/y). The order backlog was down 5% q/q, up 4% y/y. License/AMC revenues were 50% of the business, up from 42% in Q1, 36% in Q2 FY20. SaaS growth was slow at -10% q/q. Up 18% y/y. Deal pursuits were steady across categories; win rates still lower on small deals while Intellect continues to focus on mid-size and large deals.

Aspires to 30% EBITDA margin. The Q2 FY21 adj. (for capitalisation) EBITDA margin was 16.3% (11.9% in Q1, -10.5% in Q2 FY20) with th e gross margin (up 1086bps y/y, reflecting higher license) and SG&A (down 1100bps) contributing equally, the balance coming from fixed R&D costs. Intellect now aspires to take the GAAP margin (24%) to 30% next year. If this is driven by advanced markets growth, receivables will also trend down.

Target raised to Rs330, 25x FY22e adj. EPS. Intellect turned net cash in Q2, driven by collections and margins. This establishes its financial scalability. We raise our estimates, driven largely by the margin performance. Our target PE is unchanged at 25x adj. EPS (unchanged). **Risk:** Slower-than-expected recovery in advanced markets.

Key financials (YE Mar)	FY18	FY19	FY20	FY21e	FY22e
Sales (Rs m)	10,873	14,496	13,469	14,616	16,440
Net profit (Rs m)	467	1,314	160	1,837	1,991
EPS (Rs)	3.7	9.8	1.2	13.9	15.0
PE (x)	67.7	24.1	198.0	17.2	15.9
EV / EBITDA (x)	42.9	21.8	42.9	10.0	8.5
PBV (x)	3.7	3.1	3.0	2.6	2.2
RoE (%)	6.5	14.1	1.5	16.2	15.0
RoCE (%)	4.2	8.4	0.1	14.2	14.0
Dividend yield (%)	-	-	-	-	-
Net debt / equity (x)	-0.0	0.0	0.1	-0.0	-0.1

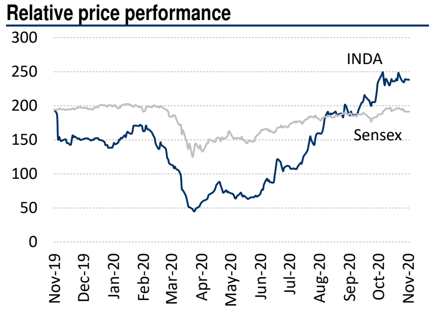
Source: Company, Anand Rathi Research

Key data	INDA IN / INEE.BO
52-week high / low	Rs259 / 44
Sensex / Nifty	39758 / 11669
3-m average volume	$1m
Market cap	Rs32bn / $424m
Shares outstanding	133m

Shareholding pattern (%)	Sep'20	Jun'20	Mar'20
Promoters	31.3	31.4	31.4
- of which, Pledged	-	-	-
Free float	68.7	68.7	68.6
- Foreign institutions	23.1	21.6	21.6
- Domestic institutions	5.1	4.6	4.7
- Public	40.5	42.5	42.3

Estimates revision (%)	FY21e	FY22e
Sales ($)	0.5	0.5
EBITDA	4.9	7.5
Net profit	11.7	4.4

Relative price performance



Source: Bloomberg

Mohit Jain
Research Analyst

Quick Glance – Financials and Valuations

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY18	FY19	FY20	FY21e	FY22e
Revenues ($ m)	**168.7**	**207.7**	**190.6**	**196.5**	**221.7**
Growth (%)	***23.2***	***23.1***	***-8.2***	***3.1***	***12.8***
Net revenues	10,873	14,496	13,469	14,616	16,440
Employee & direct costs	6,292	8,376	8,205	7,551	8,252
Gross profit	4,581	6,120	5,263	7,065	8,188
Gross margins %	*42.1*	*42.2*	*39.1*	*48.3*	*49.8*
SG&A	3,872	4,727	4,555	4,037	4,617
EBITDA	**708**	**1,393**	**708**	**3,028**	**3,571**
EBITDA margins (%)	***6.5***	***9.6***	***5.3***	***20.7***	***21.7***
- Depreciation	265	416	690	831	1,167
Other income	282	509	320	72	66
Interest expenses	138	114	174	114	54
PBT	587	1,372	165	2,155	2,416
Effective tax rates (%)	12	7	31	12	18
+ Associates / (Minorities)	-49	31	46	-63	-0
Net income	**467**	**1,314**	**160**	**1,837**	**1,991**
WANS	**125**	**134**	**132**	**133**	**133**
FDEPS (Rs /sh)	**3.7**	**9.8**	**1.2**	**13.9**	**15.0**

Fig 2 – Balance sheet (Rs m)

Year-end: Mar	FY18	FY19	FY20	FY21e	FY22e
Share capital	628	659	662	662	662
Net worth	8,471	10,197	10,450	12,288	14,278
Debt	**1,587**	**1,333**	**2,562**	**768**	**-**
Minority interest	100	90	118	118	118
DTL / (Assets)	-181	-1,203	-1,083	-486	-462
Capital employed	**9,977**	**10,418**	**12,048**	**12,688**	**13,935**
Net tangible assets	1,854	1,800	2,063	2,122	2,199
Net intangible assets	2,457	3,410	4,385	4,880	5,107
Goodwill	774	364	304	304	304
CWIP (tang. &intang.)	43	43	43	43	43
Investments (strategic)	-	0	0	0	0
Investments (financial)	221	156	166	166	663
Current assets (ex cash)	7,038	8,407	9,473	9,254	9,474
Cash	**1,494**	**928**	**1,177**	**1,022**	**1,465**
Current liabilities	3,905	4,692	5,565	5,103	5,320
Working capital	3,134	3,716	3,908	4,151	4,154
Capital deployed	**9,977**	**10,418**	**12,048**	**12,688**	**13,935**
Contingent liabilities	112	133	80	-	-

Fig 3 – Cash-flow statement (Rs m)

Year-end: Mar	FY18	FY19	FY20	FY21e	FY22e
PBT	587	1,372	165	2,155	2,416
+ Non-cash items	435	228	1,002	829	1,155
Oper. prof. before WC	1,022	1,601	1,168	2,984	3,571
- Incr. / (decr.) in WC	771	1,775	803	-649	98
Others incl. taxes	-285	-329	71	-492	-282
Operating cash-flow	**-33**	**-503**	**436**	**3,141**	**3,191**
- Capex (tang. + intang.)	**2,223**	**1,301**	**1,350**	**1,385**	**1,470**
Free cash-flow	**-2,256**	**-1,805**	**-914**	**1,757**	**1,721**
Acquisitions	-	-	-	-	-
- Div.(incl. buyback & taxes)	-	2	-	-	-
+ Equity raised	1,996	1,067	41	-	-
+ Debt raised	1,037	-321	898	-1,793	-768
- Fin investments	-51	-51	-319	-	497
- Misc. (CFI + CFF)	496	-445	100	119	12
Net cash-flow	332	-565	244	-156	443

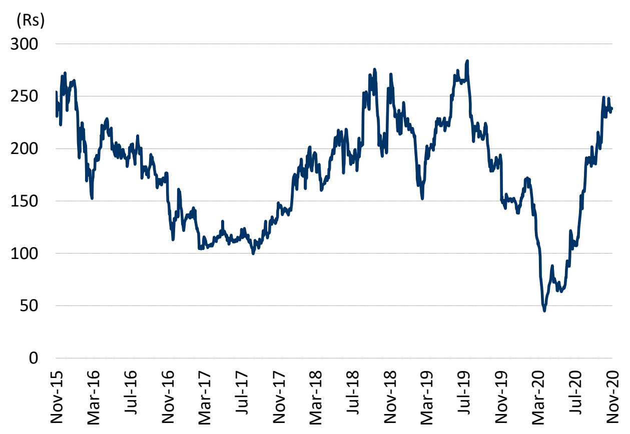
Source: Company, AnandRathi Research

Fig 4 – Ratio analysis

Year-end: Mar	FY18	FY19	FY20	FY21e	FY22e
P/E (x)	**67.7**	**24.1**	**198.0**	**17.2**	**15.9**
EV / EBITDA (x)	**42.9**	**21.8**	**42.9**	**10.0**	**8.5**
EV / Sales (x)	2.8	2.1	2.3	2.1	1.8
P/B (x)	3.7	3.1	3.0	2.6	2.2
RoE (%)	**6.5**	**14.1**	**1.5**	**16.2**	**15.0**
RoCE (%) - after tax	4.2	8.4	0.1	14.2	14.0
RoIC (%) - after tax	5.1	9.6	0.1	15.7	15.8
DPS (Rs /sh)	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-
Dividend payout (%) - incl. DDT	-	-	-	-	-
Net debt / equity (x)	-0.0	0.0	0.1	-0.0	-0.1
Receivables (days)	**160**	**155**	**195**	**166**	**156**
Inventory (days)	-	-	-	-	-
Payables (days)	42	46	59	54	49
CFO : PAT %	**-6.4**	**-39.2**	**381.3**	**165.3**	**160.3**

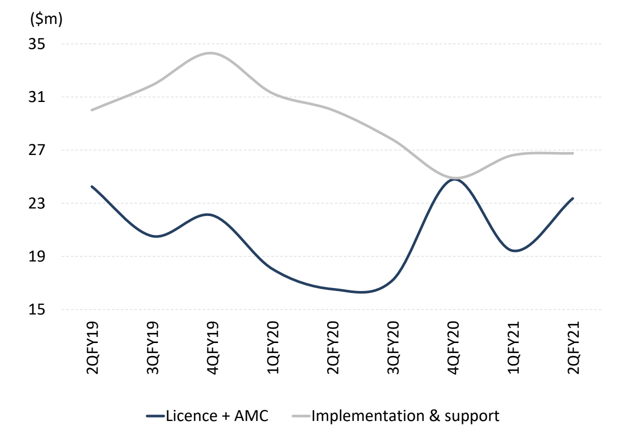
Source: Company, AnandRathi Research

Fig 5 – Price movement



Source: Bloomberg

Fig 6 – Revenue break-up

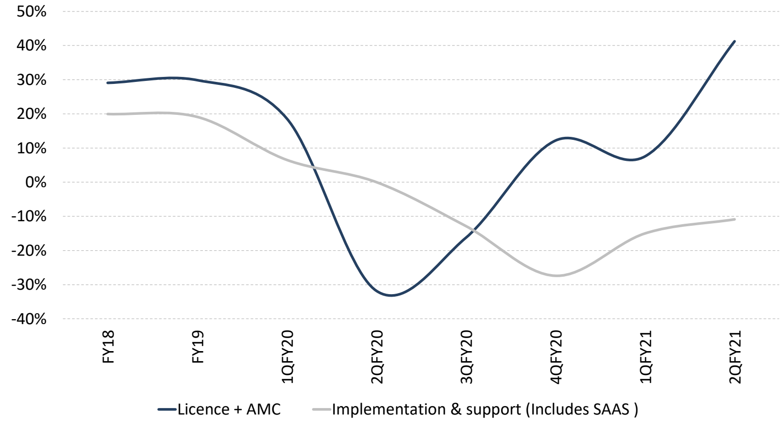


Source: Company

What is changing at Intellect?

- Intellect faced growth stagnation during FY18-21, with revenues growing at just a 4-5% CAGR over this period in dollar terms. This stagnation was largely due to its weak performance in the advanced markets/iGTB segments. In terms of service line split, the License plus AMC bucket is growing at 15% but the Implementation revenues CAGR is likely to be-**1**%. This reflects in a way better quality revenues because product revenue contribution went up from 37% to 50%. Last two quarters' license revenue contribution average is 46%.

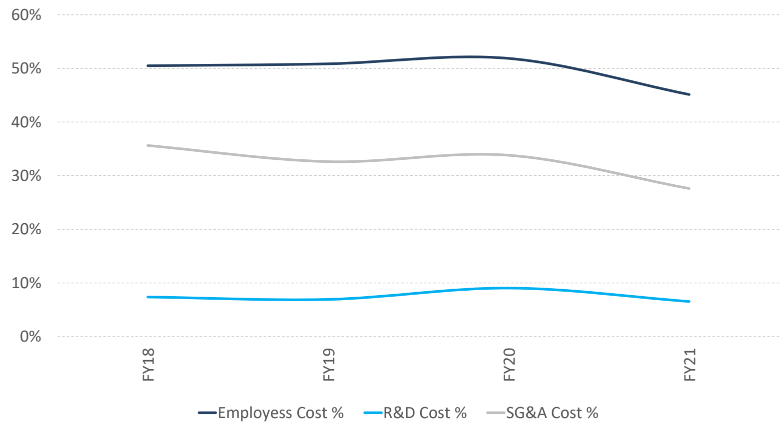
Fig 7 – Growth in license revenues picking up (Y/Y%)



Source: Company

- Tight cost control leading to a profitable business model. Intellect also worked on its cost model during the period as slow growth in FY19 exposed underlying inefficiencies in cost structures. With a rise in license revenues and a decline in R&D costs (again suggesting product maturity), Intellect has aligned costs to its revenues, leaving the earlier policy of investing ahead of the growth behind. This led to reduction in headcount but also resulted into better gross and EBITDA margins.

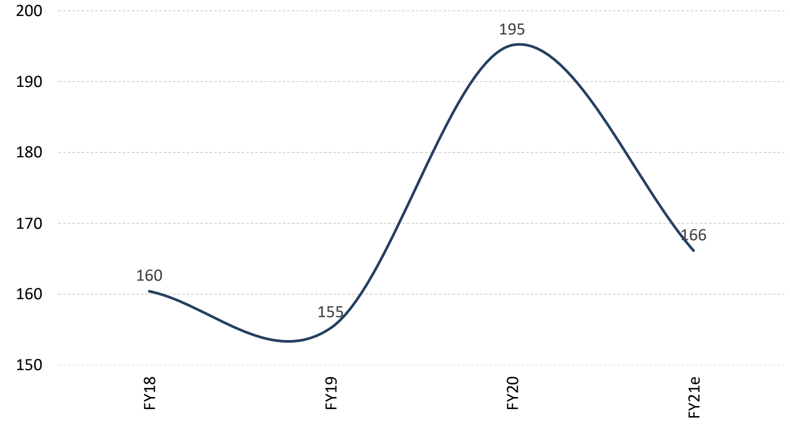
Fig 8 – Lower costs leading to profitable growth



Source: Company

- Receivable days are coming off, reducing cash burn. Intellect had a legacy problem of high receivables days which resulted in disproportionate capital consumption into working capital. This also resulted into equity dilution in FY18 and FY19. To correct this problem, single-view cloud software was implemented and incentive structures were modified to make sure that collections happen on time. The changes are now visible in numbers and if Intellect can increase sales from advanced markets, this can come down further.

Fig 9 –Receivables days to reduce



Source: Company

Result Highlights

Q2 FY21 Results at a Glance

Fig 10 – Segment-wise results

	Q2 FY20	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	Q/Q %	Y/Y%
Revenues (US$mn)	47	45	50	46	50	8.9%	7.6%
Growth Y/Y %	-14%	-14%	-12%	-7%	8%		
Revenues (Rsmn)	3,266	3,195	3,580	3,459	3,718	7.5%	13.8%
Eff. exchange rate	70.1	71.0	72.0	75.1	74.2	-1.3%	5.8%
Employees (EoP)	4,482	4,391	4,265	4,150	4,200		
Revenue Productivity (US$ 000/employee)	10.4	10.2	11.7	11.1	11.9	7.6%	14.9%
CoR (excluding D&A)	(2,124)	(2,026)	(1,905)	(1,842)	(1,869)	1.5%	-12.0%
As % of revenues	-65%	-63%	-53%	-53%	-50%	298 bps	1476 bps
SG&A	(1,201)	(1,142)	(1,052)	(937)	(958)	2.2%	-20.2%
As % of revenues	-37%	-36%	-29%	-27%	-26%	132 bps	1100 bps
EBITDA	(59)	27	623	680	891	31.0%	-1617.7%
EBITDA margins %	-1.8%	0.9%	17.4%	19.7%	24.0%	431 bps	2576 bps
EBIT	-221	-143	432	491	697	42.0%	-415.6%
EBIT margins %	-6.8%	-4.5%	12.1%	14.2%	18.7%	455 bps	2551 bps
Other Income	115	84	(32)	77	(6)	-107.8%	-105.2%
Forex gain/loss	(9)	(8)	(16)	(33)	(12)	-63.6%	28.0%
PBT	-154	-107	361	529	666	25.9%	-533.6%
PBT margins %	-4.7%	-3.4%	10.1%	15.3%	17.9%	262 bps	2262 bps
Taxes	(7)	(28)	(13)	(45)	(70)	55.6%	915.2%
ETR %	4%	26%	-4%	-9%	-11%	-200 bps	-1500 bps
Net Income	(170)	(114)	410	426	592	39.0%	-447.9%
Net Income Margin %	-5.2%	-3.6%	11.4%	12.3%	15.9%	361 bps	2113 bps

Source: Company, Anand Rathi Research

Fig 11 – Quarterly result(₹ m)

Year-end: Mar	Q2 FY21	% Q/Q	% Y/Y	FY20	FY21	% Y/Y
Sales ($ m)	50	*8.9*	*7.6*	191	196	*3.1*
Sales	3,718	*7.5*	*13.8*	13,469	14,616	*8.5*
EBITDA	891	*31.0*	*(1,617.7)*	708	3,028	*327.4*
EBITDA margin (%)	*24*	*431 bps*	*2576 bps*	*5.3*	*20.7*	*1545 bps*
EBIT	697	*42.0*	*(415.6)*	19	2,196	*11,561.6*
EBIT margin (%)	*19*	*455 bps*	*2551 bps*	*0.1*	*15.0*	*1489 bps*
PBT	666	*25.9*	*(533.6)*	165	2,155	*1,204.7*
Tax	(70)	*55.6*	*915.2*	(51)	(254)	*399.6*
Tax rate (%)	*(11)*	*-200 bps*	*-1500 bps*	*(30.8)*	*(11.8)*	*1902 bps*
Net Income	592	*39.0*	*(447.9)*	160	1,837	1,049.6

Source: Company

Conference call takeaways

Q2 FY21 concall takeaways

- License revenues (including all cloud) have now moved to 56% of total revenues. This will allow the company to have a long tail of AMC revenues.
- Debt was Rs707m, comprising short-term (Rs107m) and long-term debt (~Rs600m).
- DSO days were unchanged at 127 compared to 126 in Q2 FY20 on a net basis, ie, net of customer advances and taxes payable.
- Six deals won in the quarter, of which four are large. Average deal size is $2m.
- iGTB won its 91st customer in Q2; it also won its 11th US customer (25th for Intellect). In GCB, it closed four deals incl. a large multi-million dollar upgrade with NABARD. iGCB turns positive on Europe as it enters advanced markets.
- The company amortizes capitalized product costs over five years.

Business outlook

- Advanced markets to remain up 60% and the gross margin to reach 60%
- The EBITDA margin (24%) to move close to 30% over the next four quarters. Ahead, SG&A to be ~20% and R&D to be ~ 5-6%

Q1 FY21 concall takeaways

- The company has launched iTurmeric which is an API-led digital transformation solution for banks, launched with IBM. It will take three years for the platform to take shape in revenue terms.
- With the cost of implementation reducing, the company is able to implement the products now in 8-9 months, versus 12 months earlier.
- In the last one year, the company has achieved cost optimisation benefits of ₹2000m, 75% recurring. The cost structure has now been aligned to non-licence revenue stream.
- In Europe, banks are provisioning for higher losses but the deal pipeline is healthy and many deals are towards the closure.
- With the earlier focus on iGTB and iGCB, in FY21 the focus now is on Data monetisation and Insurance and next year would be on RTM.MrVishwanath P Prabhu has joined as CEO for SEEC to drive monetisation of the Data and Insurance business.
- There is demand for liquidity and lending products in the banking segment now-a-days.

Q4 FY20 concall takeaways

- Intellect has moved to cloud enterprise offerings in Jan'20 and is now looking to eliminate use of emails for collaborative documentation. It is seeing initial benefits and expects to reduce its receivables in the quarters ahead.
- Advanced market share went down in FY20 as many clients in these

markets switched to cloud offerings where subscription revenues replaced much higher licensing revenues. Also, Intellect completed two large assignments there and hence there was a rub-off effect in FY20.

- It is focussing on mining existing accounts this year and hence client addition may not be strong, leaving client count steady at ~250.
- In terms of market, Intellect is not seeing any Covid impact in the deal pipeline as banks are looking to digitize at a faster pace now vs. earlier. However, the implementation, sign-offs, and ramp-ups are being delayed, leading to right-shifting of revenues to H2.The deal pipeline is driven by mid-office automation opportunities.
- Management is focusing more on profitability and cash conservation than on growth this year and is realigning its cost base (headcount) to existing demand.
- Intellect believes that debt write-offs are complete and may see some recoveries as the economic environment improves.

Q3 FY20 concall takeaways

- Q3 revenues declined following lower implementation revenues on deferred revenue booking from a $5m deal due to delay in documentation.
- The company is moving from products to platformisation and, after completingplatformingits products, R&E expenses have come down q/q. Ahead, they will continue to contract.
- It is experiencing delays in closing deals. Compared to the earlier six months, closing a deal is now taking 8-9 months. Management is cautiously optimistic about the future performance. However, it expects a bounce-back in Q4.
- On the IDC product, the company is chasing seven deals, to be closed in Q4.
- Collectionsimproved in Q3, which led togreater cash generation due tothe share of revenues from advanced markets increasing.

Q2 FY20 concall takeaways

- There is volatility in its largest market, Europe. The company is seeing delays in deal signings, and volatile revenue performance is expected.
- Despite this, Intellect expects the growth momentum to return in H2 FY20 and then will focus on profitability over growth. This change in stance is due to its stressed cash situation amid volatile economic conditions.
- Collections would improve in Q3, which would help improve cash generation for H2 FY20. This is also driven by the increasing share of revenue from advanced markets.
- FY21 revenues to see the impact of the shift to cloud as upfront revenues will turn out to be lower. iGCB to see more traction in terms of cloud and then the insurance business is likely to pick up in FY22. 40% of deals in iGTB are likely to be cloud-based, impacting the short-term performance.
- One large iGTB deal, (upgrade pending in Q1), has been implemented in Q2, while the other one was deferred to Q3.

- In the last one year, the company has reduced headcount by 300, and is looking at cost-saving measures to boost profitability. In absolute terms, cost will come down in Q3 (from Q2) and then further benefits will accrue in Q4.
- The company has 240 clients.
- R&D cost of ₹283.6m was capitalised during the quarter.

Q1 FY20 concall takeaways

- Currently, Intellect possess a robust pipeline:₹11,280m for its license/AMC/implementation business, ₹3,000m for Cloud and ₹4,000m for the e-GeM business. But the stable deal funnel has lower assurance regarding 20% growth in FY20.
- It won five deals in the quarter, two of them large.
- The present funnel is $515m, of which 134qualifiedopportunities account for $475m,at an average deal size of $3.4m.
- In GCB, the company is winning more deals than its competitor Temenos.
- R&D cost of ₹294.5m was capitalised in the quarter.
- The company paid out ₹800m in bonus.
- Service revenue to pick up in H2FY20.
- On the shift to the new accounting standard, depreciation was ₹44m higher.
- Management talked of 20% revenue growth in FY20 (indollars).

Q4 FY19 concall takeaways

- R&D cost capitalised during the quarter was ₹295m.An additional ₹70m was invested in the large destiny deal, which has not been capitalised.
- The company won eight deals in this quarter, three of them large. For FY19, there were 47 deal wins (including 13 large digital transformational ones).One multi-million dollar destiny deal in North America and two mid-tier $1m-2m deals.
- The present funnel is $508m, with 122 opportunities. The company has more than 35 high-value deals (six of over ₹500m).
- Outstanding hedges for both FY20 and FY21 are $32m.
- The e-GeM business has stabilised; management doesn't expect any further capital investment.
- iGTB registered $100m revenue in FY19, more than Intellect's FY15 revenue.
- Management talked of 20% revenue growth in FY20 (indollars).
- It anticipatesa~50-56% gross margin next year and is optimistic of achieving ~60% by end-FY21.
- For FY20, SG&A expense is expected at ~28-30%. Depreciation could be higher (₹550m-650m; FY19 ₹416m).
- FY20 capex for product development: ~₹1,200m. ETR for FY20 could be 10%.

Q3 FY19 concall takeaways

- The e-GeM business continues to be healthy, with over 20% q/q revenue growth expected. The company expects ₹300m annually.
- In Q3,iGTB contributed ₹1,670m (~45%) to revenues, with a 58.6% gross margin.
- The revenue share of advanced markets has risen from 52% a year ago to 62% in Q3 FY19; management is aiming at 70%.
- The present funnel is $505m, with 130 opportunities. The company has 36 high-value deals (each of over ₹200m), seven of over ₹500m.
- It is investing ₹100m-150m per quarter for subscription-based deals.
- R&D capitalisation for the quarter was ₹283m (₹290m in Q2).
- Cash at end-Q3 was ₹1,390m; debt, ₹1,360m. Cash burn is fluctuating, and is neutral, the same as a year ago. The company is expecting to turn FCF positive in the next two years.
- The company has a headcount of 4,700, more or less constant for the past two years. No further change is expected.
- Management is optimistic of 25% revenue growth for FY19

Valuations

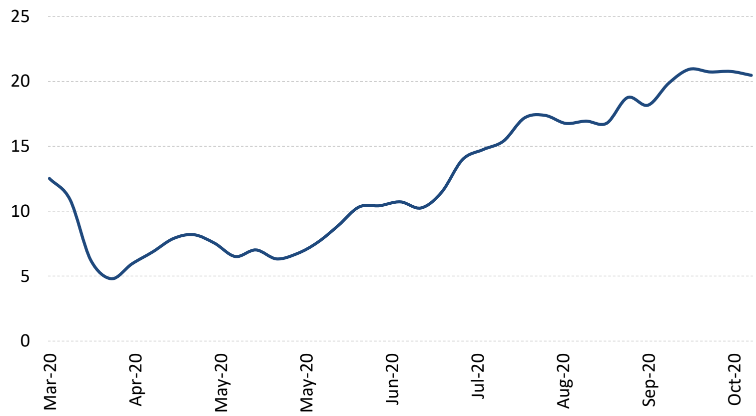
- Intellect is one of the promising software companies in India, building products for the entire banking domain (corporate banks, NBFCs, central banks, retail banks, wealth/asset managers and insurance companies). Region-wise, in the advanced markets (57% of revenue), it competes with established large product companies like FiServ (FY21 revenue $14bn, growing ~7%) and Temenos (FY21 revenue $909m, growing ~11%). It has strong operations in Europe, the Middle East and Asia Pacific and is looking at partnerships with large system integrators like IBM to build significant operations in the US markets by FY23.
- As per its accounting policy, Intellect currently capitalises its R&D expenses (shown as part of capex in the cash-flow statement and intangible assets-under-development in the balance sheet). In FY20, it capitalised Rs1,105m. To render its reported profitability comparable with other companies including Majesco, we calculate its adjusted EBITDA margins, which assume full expense out of R&D expenses.
- Intellect split from Polaris in FY15 and has since been operating as an independent product company. Therefore, it is in its sixth year of operations and has grown substantially over this period from $99m revenues in FY15 to $191m in FY20. The focus shifted to profitability in H2 FY20. It improved on this parameter in Q2 FY21 and will continue to improve.
- We are valuing Intellect on FY22e and believe by then (its seventh year of independent operations), it will achieve steady profitability and cash generation. It is also likely to cross $200m in revenues, making it a reasonably-sized company with reduced volatility and dependence on external capital. Therefore, our valuation methodology also converges with the rest of the sector, ie, on a PE basis (primary) and on an FCF/EV basis (secondary) to make it comparable with a larger set of companies.
- Intellect is currently in a phase where it is looking to further improve on efficiencies and net cash. We have assumed a significant reduction in its receivables days for FY21 and FY22, leading to release of capital in OCF, to be utilised for growth and debt repayment.
- We value the stock at 25x FY22e adj. EPS (on our adj. EPS of Rs13 for capitalisation and amortisation costs). At the CMP, it quotes at 18.2x FY22e adj. EPS (5.7% FCF:EV yield) and 16x FY22e GAAP EPS. We find current valuations attractive, given its execution on the profitability front and reducing balance sheet risks in the present economic environment.
- After a strong Q2 performance and execution on cost efficiencies over the last three quarters while returning to growth at the same time, we are positive on the counter. The balance sheet is improving and FY21e and FY22e PAT raised 9% and 4% respectively, leading to a similar change in target. If Intellect stays on the growth trajectory, its stock should trade at 25x FY22e adj. EPS, in our opinion. This reflects our optimism regarding demand for digital banking sustaining, and Intellect's ability to deliver profitable growth with higher margins and better cash flows. Consequently, we raise our target to Rs330 (from Rs310) earlier.

Fig 12– Change in estimates

(Rs m)	FY21 New	FY21 Old	FY21 Chg %	FY22 New	FY22 Old	FY22 Chg %
Revenues ($ m)	196	195	*0.5*	222	220	*0.5*
Revenues	14,616	14,568	*0.3*	16,440	16,395	*0.3*
EBITDA	3,028	2,887	*4.9*	3,571	3,322	*7.5*
EBITDA margins %	*20.7*	*19.8*	*89 bps*	*21.7*	*20.3*	*146 bps*
EBIT	2,196	2,010	*9.3*	2,404	2,215	*8.5*
EBIT margins %	*15.0*	*13.8*	*123 bps*	*14.6*	*13.5*	*111 bps*
PBT	2,155	1,927	*11.8*	2,416	2,210	*9.3*
PAT	1,901	1,740	*9.2*	1,991	1,909	*4.3*
Net profit	1,837	1,644	*11.7*	1,991	1,907	*4.4*

Source: Anand Rathi Research

Fig13 – PE Band



Source: Bloomberg, Anand Rathi Research

Risk

- Slower-than-expected recovery in advanced markets.

Appendix

Analyst Certification

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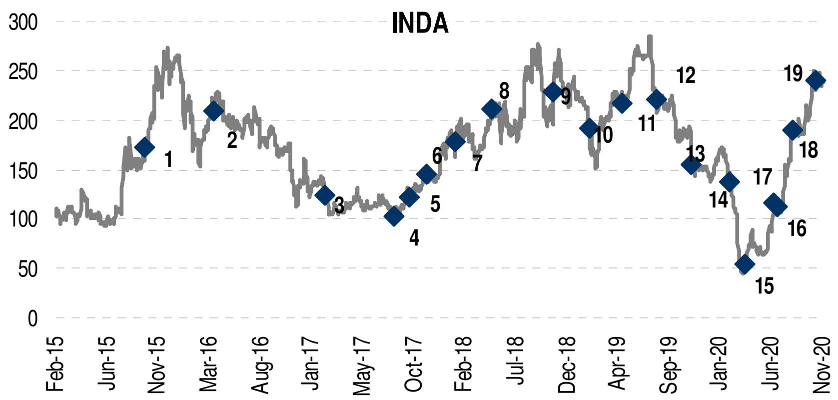

	Date	Rating	TP (₹)	Share Price (₹)
1	01-Oct-15	Buy	230	171
2	04-Apr-16	Buy	290	236
3	07-Feb-17	Buy	175	133
4	14-Aug-17	Buy	150	99
5	22-Sep-17	Buy	155	132
6	10-Nov-17	Hold	155	146
7	31-Jan-18	Hold	180	180
8	08-May-18	Hold	250	209
9	26-Oct-18	Hold	240	229
10	29-Jan-19	Hold	235	193
11	03-Jun-19	Hold	250	230
12	03-Aug-19	Sell	200	221
13	06-Nov-19	Sell	140	150
14	18-Feb-20	Sell	130	138
15	31-Mar-20	Buy	90	52
16	18-Jun-20	Hold	111	106
17	29-Jun-20	Sell	110	109
18	10-Aug-20	Hold	200	182
19	15-Oct-20	Buy	310	235

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