

Short-term fine, medium-term uncertain!

- Indus Tower first time reported the merged financials of Infratel-Indus. Indus' Q3FY21 was operationally healthy led by strong tower additions, tenancy growth and rental/tenant led by exit penalties. Energy spread was negative for 3rd consecutive quarter. Indus' short-term prognosis remains positive led by potential tariff increase in the telecom sector and/or fund-raise by VIL. Stake sale (even partial) by Vodafone Plc (~28%) could lead to supply overhang.
- The medium-term risk for BHIN are wrt survivability of VIL and/or reduction in rental/tenant. Shutdown of VIL may significantly impact the business of Indus. Indus it may lead to ~40-45% reduction in tenancies in our view and a severe impact on profitability. VIL's struggle with fund-raise and lack of tariff hikes increases this risk. Reduction in rentals/tenant on renewals as tenancies come out of lock-in in FY23 (similar to energy spread correction) is another key risk. We have factored a 5% reduction in rental/tenant in our TP.
- On merger of Infratel-Indus and as part of security package arrangement with Vodafone Plc, Indus declared a dividend of Rs 48bn (Rs 17.8/sh ~7.7% yield). Post the recent 25% run-up in 3M, we downgrade Indus a notch from BUY to Accumulate with TP of Rs 268 @ 15x Dec-22E EPS (Rs 285 earlier @ 15x Sep-22E EPS). Decline in our TP is to factor the end of exit revenues from Q4FY23.

Key Operating and Financial highlights

Total/Core rental revenue increased by 7.4/5.9% QoQ. EBITDA increased by 15.6% QoQ. Core rental revenue would have seen marginal growth but for exit penalties of ~Rs 4bn (~Rs 3bn higher QoQ). EBITDA further included ~Rs 0.8bn one-time costs benefit on Infratel-Indus merger. Energy spread after remaining elevated at 6-8% for trailing five years was negative for 3rd quarter. PAT grew by 2% YoY. PAT trailed EBITDA growth due to higher D&A expense and finance costs. Operating performance was healthy. Tower additions stood at 3,416 (highest since listing in 2012). Tenancy adds at 4,204 were at 3-year high.

Q3FY21 Result (Rs Mn)

| Particulars | Q3FY21 | Q3FY20 | YoY (%) | Q2FY21 | QoQ (%) |
|-------------------|--------|--------|---------|--------|---------|
| Revenue | 67,361 | 64,432 | 4.5 | 63,591 | 5.9 |
| Total Expense | 31,837 | 31,708 | 0.4 | 32,854 | (3.1) |
| EBITDA | 35,524 | 32,724 | 8.6 | 30,737 | 15.6 |
| Depreciation | 14,302 | 12,470 | 14.7 | 13,088 | 9.3 |
| EBIT | 21,222 | 20,254 | 4.8 | 17,649 | 20.2 |
| Other Income | 1,056 | 562 | 87.9 | 816 | 29.4 |
| Interest | 3,900 | 3,012 | 29.5 | 3,297 | 18.3 |
| EBT | 18,378 | 17,804 | 3.2 | 15,168 | 21.2 |
| Tax | 4,778 | 4,496 | 6.3 | 3,861 | 23.8 |
| RPAT | 13,600 | 13,308 | 2.2 | 11,307 | 20.3 |
| APAT | 13,600 | 13,308 | 2.2 | 11,307 | 20.3 |
| | | | (bps) | | (bps) |
| Gross Margin (%) | 63.2 | 62.4 | 83 | 61.2 | 201 |
| EBITDA Margin (%) | 52.7 | 50.8 | 195 | 48.3 | 440 |
| NPM (%) | 20.2 | 20.7 | (46) | 17.8 | 241 |
| Tax Rate (%) | 26.0 | 25.3 | 75 | 25.5 | 54 |
| EBIT Margin (%) | 31.5 | 31.4 | 7 | 27.8 | 375 |

| | |
|-----------------|--------------|
| CMP | Rs 232 |
| Target / Upside | Rs 268 / 16% |
| NIFTY | 13,635 |

Scrip Details

| | |
|------------------|---------------|
| Equity / FV | Rs mn / Rs 10 |
| Market Cap | Rs 624bn |
| | USD 9bn |
| 52-week High/Low | Rs 275/ 120 |
| Avg. Volume (no) | 10,499,600 |
| Bloom Code | INDUSTOWER IN |

| Price Performance | 1M | 3M | 12M |
|-------------------|----|----|------|
| Absolute (%) | 1 | 25 | (7) |
| Rel to NIFTY (%) | 4 | 8 | (20) |

Shareholding Pattern

| | Jun'20 | Sep'20 | Dec'20 |
|-----------------|--------|--------|--------|
| Promoters | 53.5 | 53.5 | 69.9 |
| MF/Banks/FIs | 4.4 | 3.8 | 2.6 |
| FIIIs | 40.6 | 40.9 | 26.6 |
| Public / Others | 1.5 | 1.8 | 0.9 |

Valuation (x)

| | FY22E | FY23E | FY24E |
|-----------|-------|-------|-------|
| P/E | 11.9 | 11.3 | 10.6 |
| EV/EBITDA | 5.9 | 5.6 | 5.4 |
| ROE (%) | 32.7 | 34.1 | 35.5 |
| RoACE (%) | 17.7 | 17.9 | 17.9 |

Estimates (Rs mn)

| | FY22E | FY23E | FY24E |
|-----------|---------|---------|---------|
| Revenue | 262,069 | 268,159 | 274,872 |
| EBITDA | 133,552 | 136,618 | 140,048 |
| PAT | 52,242 | 55,381 | 58,742 |
| EPS (Rs.) | 19.4 | 20.6 | 21.8 |

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Indus has received notice for exit of 4,454 tenants but actual exit hasn't happened

Indus opex has one-time benefit of ~Rs 0.8bn on merger with Infratel

Increase in rental income on account of Rs 4bn exit penalty (~Rs 3bn higher QoQ). Recurring exit revenues of ~Rs 1.8-2bn per quarter.

D&A higher by Rs 1.5bn on alignment of life-cycle between Indus-Infratel on merger

Exhibit 1: Operating Performance

| | Q3FY20 | Q4FY20 | Q1FY21 | Q2FY21 | Q3FY21 | YoY (%) | QoQ (%) |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------|------------|
| Total Towers | 1,67,120 | 1,69,002 | 1,69,630 | 1,72,094 | 1,75,510 | 5.0 | 2.0 |
| Net tower additions | 1,378 | 1,882 | 628 | 2,464 | 3,416 | | |
| Total Co-locations | 3,09,246 | 3,11,111 | 3,10,627 | 3,14,106 | 3,18,310 | 2.9 | 1.3 |
| Net Additions | 1,570 | 1,865 | -484 | 3,479 | 4,204 | | |
| Average sharing factor | 1.850 | 1.850 | 1.840 | 1.830 | 1.820 | | |
| Closing sharing factor | 1.850 | 1.840 | 1.830 | 1.830 | 1.810 | | |
| Rev/tower/month (Rs) | 80,412 | 77,706 | 76,715 | 78,379 | 82,732 | 2.9 | 5.6 |
| Rev/Tenant/ month (Rs) | 42,555 | 41,373 | 41,016 | 42,186 | 44,845 | 5.4 | 6.3 |
| EBITDA/tower pm (Rs) | 65,197 | 54,147 | 61,638 | 62,430 | 69,209 | 6.2 | 10.9 |
| EBITDA/Tenant pm (Rs) | 35,233 | 29,338 | 33,571 | 34,149 | 38,040 | 8.0 | 11.4 |

Source: DART, Company

Exhibit 2: Consolidated Quarterly Financials

| (Rs mn) | Q3FY20 | Q4FY20 | Q1FY21 | Q2FY21 | Q3FY21 | YoY (%) | QoQ (%) |
|-------------------------|---------------|---------------|---------------|---------------|---------------|-------------|-------------|
| Rental income | 40,149 | 39,178 | 38,967 | 40,176 | 43,137 | 7.4 | 7.4 |
| Energy revenue | 24,283 | 23,885 | 21,892 | 23,415 | 24,224 | (0.2) | 3.5 |
| Net Sales | 64,432 | 63,063 | 60,859 | 63,591 | 67,361 | 4.5 | 5.9 |
| Energy Costs | 24,246 | 22,649 | 22,621 | 24,679 | 24,786 | 2.2 | 0.4 |
| Employee costs | 1,799 | 1,796 | 1,821 | 1,844 | 2,242 | 24.6 | 21.6 |
| R&M expenses | 3,291 | 3,622 | 3,121 | 3,805 | 3,793 | 15.3 | (0.3) |
| Other expenses | 2,233 | 5,941 | 2,109 | 2,084 | 460 | (79.4) | (77.9) |
| Charity and donation | 139 | 519 | 607 | 442 | 556 | 300.0 | 25.8 |
| Total Opex (Ex-Energy) | 7,462 | 11,878 | 7,658 | 8,175 | 7,051 | (5.5) | (13.7) |
| EBITDA | 32,724 | 28,536 | 30,580 | 30,737 | 35,524 | 8.6 | 15.6 |
| EBITDA ex energy | 32,687 | 27,300 | 31,309 | 32,001 | 36,086 | 10.4 | 12.8 |
| Depreciation | 12,470 | 13,453 | 12,681 | 13,088 | 14,302 | 14.7 | 9.3 |
| EBIT | 20,254 | 15,083 | 17,899 | 17,649 | 21,222 | 4.8 | 20.2 |
| Other Income | 3,012 | 2,760 | 3,205 | 3,297 | 3,900 | 29.5 | 18.3 |
| Finance costs/(income) | 562 | 840 | 339 | 816 | 1,056 | 87.9 | 29.4 |
| PBT | 17,804 | 13,163 | 15,033 | 15,168 | 18,378 | 3.2 | 21.2 |
| Tax | 4,496 | 3,299 | 3,827 | 3,861 | 4,778 | 6.3 | 23.8 |
| PAT | 13,308 | 9,864 | 11,206 | 11,307 | 13,600 | 2.2 | 20.3 |
| Energy spread | 37 | 1,236 | (729) | (1,264) | (562) | NA | NA |

Source: DART, Company

Exhibit 3: Margin Analysis

| As % of Net Sales | Q3FY20 | Q4FY20 | Q1FY21 | Q2FY21 | Q3FY21 | YoY (bps) | QoQ (bps) |
|-------------------------|--------------|--------------|--------------|--------------|--------------|------------|------------|
| Rental income | 62.3 | 62.1 | 64.0 | 63.2 | 64.0 | 173 | 86 |
| Energy revenue | 37.7 | 37.9 | 36.0 | 36.8 | 36.0 | (173) | (86) |
| Net Sales | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | - | - |
| Energy Costs | 37.6 | 35.9 | 37.2 | 38.8 | 36.8 | (83) | (201) |
| Employee expenses | 2.8 | 2.8 | 3.0 | 2.9 | 3.3 | 54 | 43 |
| Other expenses | 8.8 | 16.0 | 9.6 | 10.0 | 7.1 | (165) | (282) |
| Total Opex (Ex-energy) | 11.6 | 18.8 | 12.6 | 12.9 | 10.5 | (111) | (239) |
| EBITDA | 50.8 | 45.2 | 50.2 | 48.3 | 52.7 | 195 | 440 |
| EBITDA Ex-Energy | 81.4 | 69.7 | 80.3 | 79.7 | 83.7 | 224 | 400 |
| EBIT Margin | 31.4 | 23.9 | 29.4 | 27.8 | 31.5 | 7 | 375 |
| RPAT Margin | 20.7 | 15.6 | 18.4 | 17.8 | 20.2 | (46) | 241 |
| Energy Spread | 0.2 | 5.2 | (3.3) | (5.4) | (2.3) | (247) | 308 |
| Tax Rate | 25.3 | 25.1 | 25.5 | 25.5 | 26.0 | 75 | 54 |

Source: DART, Company

Exhibit 4: Key assumptions

| Rs Mn | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21E | FY22E | FY23E |
|-------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Operating KPIs | | | | | | | | | | |
| Total Towers | 1,48,913 | 1,53,138 | 1,58,339 | 1,61,829 | 1,63,162 | 1,63,934 | 1,69,002 | 1,77,164 | 1,83,779 | 1,90,559 |
| Net tower additions | 1,975 | 4,225 | 5,201 | 3,490 | 1,333 | 772 | 5,068 | 8,162 | 6,615 | 6,780 |
| Total Co-locations | 3,02,625 | 3,29,332 | 3,51,638 | 3,78,176 | 3,67,073 | 3,05,824 | 3,11,111 | 3,21,191 | 3,36,169 | 3,52,345 |
| Net Additions | 17,541 | 26,707 | 22,306 | 26,538 | (11,103) | (61,249) | 5,287 | 10,080 | 14,978 | 16,176 |
| Closing sharing factor | 2.03 | 2.15 | 2.22 | 2.34 | 2.25 | 1.87 | 1.84 | 1.81 | 1.83 | 1.85 |
| Financials | | | | | | | | | | |
| Sharing Revenue (Rs Mn) | 1,15,810 | 1,25,336 | 1,37,647 | 1,48,344 | 1,57,325 | 1,47,925 | 1,57,194 | 1,63,098 | 1,65,705 | 1,69,387 |
| EBITDA (Rs Mn) | 75,138 | 86,157 | 94,219 | 1,01,388 | 1,08,324 | 99,890 | 1,25,867 | 1,29,786 | 1,33,552 | 1,36,618 |
| - Energy Spread | 2,264 | 5,583 | 4,926 | 5,643 | 6,892 | 6,644 | 1,714 | -2,433 | 482 | 741 |
| - EBITDA Ex-Energy | 72,874 | 80,573 | 89,293 | 95,745 | 1,01,432 | 93,246 | 1,24,154 | 1,32,218 | 1,33,070 | 1,35,878 |
| Margin % | | | | | | | | | | |
| Energy Spread (%) | 3.1 | 7.2 | 6.2 | 6.5 | 7.2 | 6.3 | 1.7 | -2.6 | 0.5 | 0.7 |
| EBITDA Ex-Energy (%) | 62.9 | 64.3 | 64.9 | 64.5 | 64.5 | 63.0 | 79.0 | 81.1 | 80.3 | 80.2 |
| Per Unit | | | | | | | | | | |
| Rev/tower pm(Rs) | 65,241 | 69,158 | 73,653 | 77,222 | 80,682 | 75,373 | 78,691 | 78,526 | 76,515 | 75,416 |
| EBITDA/tower pm (Rs) | 42,329 | 47,540 | 50,415 | 52,778 | 55,552 | 50,897 | 63,009 | 62,487 | 61,668 | 60,827 |
| Rev/Tenant pm (Rs) | 32,842 | 33,055 | 33,689 | 33,877 | 35,184 | 36,639 | 42,466 | 42,990 | 42,013 | 41,003 |
| EBITDA/Tenant pm (Rs) | 21,308 | 22,722 | 23,060 | 23,154 | 24,226 | 24,741 | 34,003 | 34,210 | 33,861 | 33,071 |
| Operating KPIs | | | | | | | | | | |
| Total Towers | 1.3 | 2.8 | 3.4 | 2.2 | 0.8 | 0.5 | 3.1 | 4.8 | 3.7 | 3.7 |
| Total Co-locations | 6.2 | 8.8 | 6.8 | 7.5 | (2.9) | (16.7) | 1.7 | 3.2 | 4.7 | 4.8 |
| Financials | | | | | | | | | | |
| Sharing Revenue (Rs Mn) | 1.5 | 8.2 | 9.8 | 7.8 | 6.1 | (6.0) | 6.3 | 3.8 | 1.6 | 2.2 |
| EBITDA (Rs Mn) | 18.0 | 14.7 | 9.4 | 7.6 | 6.8 | (7.8) | 26.0 | 3.1 | 2.9 | 2.3 |
| - Energy Spread | (353.0) | 146.6 | (11.8) | 14.6 | 22.1 | (3.6) | (74.2) | (242.0) | (119.8) | 53.7 |
| - EBITDA Ex-Energy | 12.9 | 10.6 | 10.8 | 7.2 | 5.9 | (8.1) | 33.1 | 6.5 | 0.6 | 2.1 |
| Margin % | | | | | | | | | | |
| Energy Spread (%) | 450 | 401 | (91) | 22 | 69 | (84) | (458) | (433) | 309 | 25 |
| EBITDA Ex-Energy (%) | 636 | 136 | 59 | (33) | (7) | (144) | 1,595 | 209 | (76) | (9) |
| Per Unit | | | | | | | | | | |
| Rev/tower pm(Rs) | (0.7) | 6.0 | 6.5 | 4.8 | 4.5 | (6.6) | 4.4 | (0.2) | (2.6) | (1.4) |
| EBITDA/tower pm (Rs) | 15.5 | 12.3 | 6.0 | 4.7 | 5.3 | (8.4) | 23.8 | (0.8) | (1.3) | (1.4) |
| Rev/Tenant pm (Rs) | (3.5) | 0.6 | 1.9 | 0.6 | 3.9 | 4.1 | 15.9 | 1.2 | (2.3) | (2.4) |
| EBITDA/Tenant pm (Rs) | 12.2 | 6.6 | 1.5 | 0.4 | 4.6 | 2.1 | 37.4 | 0.6 | (1.0) | (2.3) |

Source: DART, Company

Exhibit 5: Implied TP of BHIN at various target multiples

| (UNITS XXXX) | A | B | C | D |
|--|-----------------|-----------------|-----------------|------------------|
| Target PE multiple (X) | 12 | 15 | 18 | 20 |
| Base case Dec-22E PAT | 54,596 | 54,596 | 54,596 | 54,596 |
| Target Mcap(Rs Mn) | 6,55,157 | 8,18,946 | 9,82,735 | 10,91,928 |
| O/s shares (Mn) | 2,695 | 2,695 | 2,695 | 2,695 |
| TP before incorporating decline in rental/tenant (Rs) | 243 | 304 | 365 | 405 |
| Impact on TP of 5% decline in rental/tenant (Rs) | (28) | (36) | (43) | (47) |
| TP after incorporating decline in rental/tenant (Rs) | 215 | 268 | 322 | 358 |

Source: DART, Company

Exhibit 6: Sensitivity of EPS and TP to 5% change in rental/tenant

| Particulars | Nos |
|--|----------|
| Avg Rental/tenant/month (Rs) | 41,000 |
| Avg tenancy (Nos) | 3,44,257 |
| EBITDA impact of 5% reduction in rentals (Rs mn) | 8,469 |
| PAT impact of 5% reduction in rentals (Rs mn) | 6,394 |
| % of FY23E Consol PAT | 11.5% |
| EPS impact of 5% reduction in rentals on Consol EPS (Rs) | 2.4 |

| | A | B | C | D |
|-----------------------------|----|----|----|----|
| Target PE multiple (X) | 12 | 15 | 18 | 20 |
| Value per share impact (Rs) | 28 | 36 | 43 | 47 |

Source: DART, Company

Profit and Loss Account

| (Rs Mn) | FY21E | FY22E | FY23E | FY24E |
|--|----------------|----------------|----------------|----------------|
| Revenue | 257,111 | 262,069 | 268,159 | 274,872 |
| Total Expense | 127,325 | 128,517 | 131,541 | 134,824 |
| COGS | 96,446 | 95,882 | 98,032 | 100,483 |
| Employees Cost | 7,760 | 7,618 | 7,808 | 8,003 |
| Other expenses | 23,119 | 25,018 | 25,701 | 26,338 |
| EBIDTA | 129,786 | 133,552 | 136,618 | 140,048 |
| Depreciation | 53,065 | 52,629 | 53,690 | 54,771 |
| EBIT | 76,721 | 80,922 | 82,929 | 85,276 |
| Interest | 14,161 | 13,699 | 11,509 | 9,322 |
| Other Income | 2,948 | 3,137 | 3,167 | 3,160 |
| Exc. / E.O. items | 0 | 0 | 0 | 0 |
| EBT | 65,507 | 70,360 | 74,587 | 79,114 |
| Tax | 16,825 | 18,118 | 19,206 | 20,372 |
| RPAT | 48,682 | 52,242 | 55,381 | 58,742 |
| Minority Interest | 0 | 0 | 0 | 0 |
| Profit/Loss share of associates | 0 | 0 | 0 | 0 |
| APAT | 48,682 | 52,242 | 55,381 | 58,742 |

Balance Sheet

| (Rs Mn) | FY21E | FY22E | FY23E | FY24E |
|-------------------------------|----------------|----------------|----------------|----------------|
| Sources of Funds | | | | |
| Equity Capital | 26,949 | 26,949 | 26,949 | 26,949 |
| Minority Interest | 0 | 0 | 0 | 0 |
| Reserves & Surplus | 131,096 | 134,830 | 136,313 | 141,158 |
| Net Worth | 158,045 | 161,779 | 163,262 | 168,107 |
| Total Debt | 192,127 | 185,149 | 189,518 | 192,748 |
| Net Deferred Tax Liability | 23,272 | 23,183 | 23,142 | 23,137 |
| Total Capital Employed | 373,444 | 370,112 | 375,923 | 383,992 |

Applications of Funds

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Net Block | 309,994 | 296,734 | 283,558 | 270,379 |
| CWIP | 2,834 | 2,675 | 2,702 | 2,708 |
| Investments | 30,640 | 31,071 | 31,018 | 31,000 |
| Current Assets, Loans & Advances | 102,253 | 102,732 | 122,758 | 146,800 |
| Inventories | 0 | 0 | 0 | 0 |
| Receivables | 41,227 | 43,565 | 44,294 | 46,632 |
| Cash and Bank Balances | 27,057 | 24,061 | 43,780 | 65,525 |
| Loans and Advances | 0 | 0 | 0 | 0 |
| Other Current Assets | 33,968 | 35,106 | 34,684 | 34,642 |
| Less: Current Liabilities & Provisions | 72,277 | 63,100 | 64,114 | 66,895 |
| Payables | 34,724 | 35,162 | 35,504 | 37,430 |
| Other Current Liabilities | 37,552 | 27,938 | 28,610 | 29,465 |
| <i>sub total</i> | | | | |
| Net Current Assets | 29,976 | 39,632 | 58,644 | 79,905 |
| Total Assets | 373,444 | 370,112 | 375,923 | 383,992 |

E – Estimates

Important Ratios

| Particulars | FY21E | FY22E | FY23E | FY24E |
|---|---------|---------|---------|---------|
| (A) Margins (%) | | | | |
| Gross Profit Margin | 62.5 | 63.4 | 63.4 | 63.4 |
| EBIDTA Margin | 50.5 | 51.0 | 50.9 | 51.0 |
| EBIT Margin | 29.8 | 30.9 | 30.9 | 31.0 |
| Tax rate | 25.7 | 25.8 | 25.8 | 25.8 |
| Net Profit Margin | 18.9 | 19.9 | 20.7 | 21.4 |
| (B) As Percentage of Net Sales (%) | | | | |
| COGS | 37.5 | 36.6 | 36.6 | 36.6 |
| Employee | 3.0 | 2.9 | 2.9 | 2.9 |
| Other | 9.0 | 9.5 | 9.6 | 9.6 |
| (C) Measure of Financial Status | | | | |
| Gross Debt / Equity | 1.2 | 1.1 | 1.2 | 1.1 |
| Interest Coverage | 5.4 | 5.9 | 7.2 | 9.1 |
| Inventory days | 0 | 0 | 0 | 0 |
| Debtors days | 59 | 61 | 60 | 62 |
| Average Cost of Debt | 18.6 | 7.3 | 6.1 | 4.9 |
| Payable days | 49 | 49 | 48 | 50 |
| Working Capital days | 43 | 55 | 80 | 106 |
| FA T/O | 0.8 | 0.9 | 0.9 | 1.0 |
| (D) Measures of Investment | | | | |
| AEPS (Rs) | 18.1 | 19.4 | 20.6 | 21.8 |
| CEPS (Rs) | 37.8 | 38.9 | 40.5 | 42.1 |
| DPS (Rs) | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividend Payout (%) | 0.0 | 0.0 | 0.0 | 0.0 |
| BVPS (Rs) | 58.6 | 60.0 | 60.6 | 62.4 |
| RoANW (%) | 74.8 | 32.7 | 34.1 | 35.5 |
| RoACE (%) | 41.8 | 17.7 | 17.9 | 17.9 |
| RoAIC (%) | 57.1 | 23.4 | 24.5 | 26.2 |
| (E) Valuation Ratios | | | | |
| CMP (Rs) | 232 | 232 | 232 | 232 |
| P/E | 12.8 | 11.9 | 11.3 | 10.6 |
| Mcap (Rs Mn) | 623,869 | 623,869 | 623,869 | 623,869 |
| MCap/ Sales | 2.4 | 2.4 | 2.3 | 2.3 |
| EV | 788,939 | 784,957 | 769,608 | 751,093 |
| EV/Sales | 3.1 | 3.0 | 2.9 | 2.7 |
| EV/EBITDA | 6.1 | 5.9 | 5.6 | 5.4 |
| P/BV | 3.9 | 3.9 | 3.8 | 3.7 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.0 |
| (F) Growth Rate (%) | | | | |
| Revenue | | 1.9 | 2.3 | 2.5 |
| EBITDA | | 2.9 | 2.3 | 2.5 |
| EBIT | | 5.5 | 2.5 | 2.8 |
| PBT | | 7.4 | 6.0 | 6.1 |
| APAT | | 7.3 | 6.0 | 6.1 |
| EPS | | 7.3 | 6.0 | 6.1 |

Cash Flow

| (Rs Mn) | FY21E | FY22E | FY23E | FY24E |
|--------------|----------|----------|----------|----------|
| CFO | 126,219 | 105,920 | 121,285 | 123,320 |
| CFI | (65,664) | (39,730) | (40,529) | (41,585) |
| CFF | (75,704) | (69,186) | (61,038) | (59,990) |
| FCFF | 37,477 | 48,411 | 50,592 | 54,748 |
| Opening Cash | 42,207 | 27,057 | 24,061 | 43,780 |
| Closing Cash | 27,057 | 24,061 | 43,780 | 65,525 |

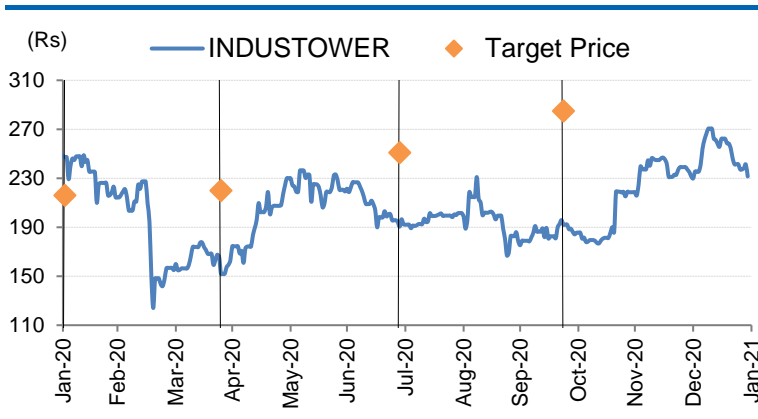
E – Estimates

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.) |
|--------|------------|----------|-------------|
| Feb-20 | Accumulate | 216 | 247 |
| Apr-20 | BUY | 220 | 152 |
| Jul-20 | BUY | 251 | 191 |
| Oct-20 | BUY | 285 | 192 |

*Price as on recommendation date

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