

### Result beat; Profitability to improve gradually, E-learning Biz. revives

- MPS reported beat with a revenue growth of 5.9% QoQ (DE: 2.6%) largely led by traction in Content Biz. / E-learning Biz. (grew 6.5%/18.6% QoQ) while Platform Biz. remained flat due to decline in Highwire Biz.
- EBIT improved by 619bps QoQ to 23.2% (DE: 17.5%) led by profitability improvement in Platform Biz. Due to Cost Savings in Highwire (EBITDA: up 1,220bps QoQ to 33.7%) and positive operating leverage impact in E-learning Biz. leading to reduced loss margin (EBITDA: 8.2% from -3.3%).
- MPS expects improved traction from E-learning segment as work has resumed post pandemic related pause early this year. Profitability in the segment is skewed with India region at double digit EBITDA & Swiss region still under losses. Content Business is also performing well as MPS is gaining market share and it is more confident on the Biz.
- With profitability improvement playing out across business segments, and revived growth prospects of Content/ E-learning Biz. MPS is well poised for strong financial performance and gradual re-rating of the stock, we maintain our Buy rating with TP of Rs570, valued at 12x FY23 Earnings per share of Rs45.5.

### Profitability improvement to play out as rev run rate stabilizes

MPS is on track for its historical profitability in its traditional business (EBITDA: ~40%) by FY22 as there are many cost takeout within the (inefficiently run) Highwire biz available potentially. The Highwire currently in phase 1 of cost takeout's and has multiple cost saving opportunity apart from cost arbitrage (Guided EBITDA 40-45% by end of FY22). The Revival of E-learning Business is also reducing losses with strong positive operating leverage in this segment. Further traction in E-learning Biz. will make the segment profitable (guided for H2FY21). Content Business gaining traction due to superior delivery & operations and improved business positioning. And now can grow faster than earlier thought process of 5% growth cap. Management believes that E-learning can drive overall business financials given the large opportunity and growth potential. MPS has invested in Sales function: started Account Management in sales, recently. With these investments, it has also seen several renewals, RFPs and one new logo during Q3. CEO believes that MPS is now a growth company and also highlighted that acquisition is still part of core strategy at MPS.

### Q3FY21 Result (Rs Mn)

Particulars	Q3FY21	Q3FY20	YoY (%)	Q2FY21	QoQ (%)
Revenue	1,162	837	38.9	1,103	5.3
Total Expense	835	651	28.3	856	(2.4)
EBITDA	327	186	75.8	248	32.0
Depreciation	58	39	46.9	60	(4.2)
EBIT	270	147	83.5	188	43.6
Other Income	40	34	16.3	13	214.2
Interest	5	5	(5.8)	5	(2.0)
EBT	305	176	73.1	195	55.9
Tax	126	47	169.9	56	122.5
RPAT	179	130	38.3	139	28.8
APAT	179	130	38.3	139	28.8
			(bps)		(bps)
Gross Margin (%)	53.4	51.5	184	49.6	375
EBITDA Margin (%)	28.2	22.2	592	22.5	570
NPM (%)	15.4	15.5	(6)	12.6	282
Tax Rate (%)	41.2	26.4	1478	28.9	1234
EBIT Margin (%)	23.2	17.6	564	17.0	619

CMP	Rs 374
Target / Upside	Rs 570 / 52%
NIFTY	13,635

### Scrip Details

Equity / FV	Rs 181mn / Rs 10
Market Cap	Rs 7bn
	USD 96mn
52-week High/Low	Rs 459/ 154
Avg. Volume (no)	13,225
Bloom Code	MPS IN

Price Performance	1M	3M	12M
Absolute (%)	4	2	(5)
Rel to NIFTY (%)	4	2	2

### Shareholding Pattern

	Jun'20	Sep'20	Dec'20
Promoters	67.8	67.8	68.0
MF/Banks/FIs	3.5	3.5	3.4
FIIIs	5.4	5.5	5.3
Public / Others	23.3	23.3	23.3

### Valuation (x)

	FY21E	FY22E	FY23E
P/E	10.2	8.9	7.8
EV/EBITDA	6.1	5.5	4.7
ROE (%)	18.4	20.9	22.4
RoACE (%)			

### Estimates (Rs mn)

	FY21E	FY22E	FY23E
Revenue	4,256	4,842	5,276
EBITDA	1,097	1,161	1,274
PAT	664	762	868
EPS (Rs.)	36.7	42.1	48.0

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**Exhibit 1: Quarterly performance versus estimates**

(in Rs mn)	Actual	Estimates		% Variation		Comment
		Dolat	Consensus	Dolat	Consensus	
USD Revenue	15.8	15.3	NA	3.3	NA	Rev beat led by revival in E-learning Biz. (18.6% QoQ growth)
INR Revenue	1,162	1,126	NA	3.2	NA	
EBIT	270	197	NA	36.9	NA	OPM beat led by improved profitability in Platform and E-learning Biz.
EBIT, margin	23.2	17.5	NA	571.0	NA	
PAT	179	139	NA	28.8	NA	PAT beat reduced by prior period tax impact

Source: DART, Company

**Change in Estimates**

Given the strong beat in revenues led by robust performance in the elearning business and some volume pick-up in the Content business we have revised up our revenue growth estimates by 1.5%-2.5% over FY21-23E. Also factoring in strong cost control led OPM expansion we have revised up our OPM estimates by 260bps/80bps/119bps respectively for FY21/FY22/FY23E, driving up earnings estimates by 11%/5.3%/5.4%.

**Exhibit 2: Change in Estimates**

Rs mn	FY20	FY21E			FY22E			FY23E		
	Actual	Old	New	Change	Old	New	Change	Old	New	Change
USD Revenue	46.9	56.6	57.4	1.3	63.3	65.0	2.6	68.4	69.4	1.4
Growth, YoY %	(9.7)	20.6	22.3	161	11.8	13.3	143	8.1	6.8	-128
INR Revenue	3,317	4,201	4,256	1.3	4,749	4,842	2.0	5,202	5,276	1.4
Growth, YoY %	(8.5)	26.7	28.3	166	13.0	13.8	72	9.5	9.0	-58
EBIT	636	759	880	16.0	860	916	6.5	945	1,021	8.1
EBIT margins, %	19.2	18.1	20.7	262	18.1	18.9	80	18.2	19.3	119
Net Profit	599	596	664	11.5	721	762	5.7	821	868	5.8
EPS (Rs. Abs)	32.2	33.0	36.7	11.1	40.0	42.1	5.3	45.5	48.0	5.4

Source: DART, Company

**Exhibit 3: Key Assumption in our growth estimates**

Assumption table	FY20A	FY21E	FY22E	FY23E
USD Revenue growth (%)	(9.7)	22.3	13.3	6.8
INR Revenue growth (%)	(8.5)	28.3	13.8	9.0
EBIT Margin	19.2	20.7	18.9	19.3
INR/US\$ realized rate	70.7	74.2	74.5	76.0

Source: DART, Company

**Exhibit 4: Key Revenue Growth Matrix**

Particulars	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21
Content solutions	(6.5)	(9.7)	(15.8)	(17.8)	9.5	(1.0)	14.1
Platform solutions	31.6	(16.0)	(31.0)	(10.6)	(7.2)	195.5	230.4
eLearning solutions	153.1	(16.4)	(3.0)	(12.1)	(29.4)	(29.9)	(21.8)
<b>Total Revenue</b>	<b>15.9</b>	<b>(12.3)</b>	<b>(15.9)</b>	<b>(15.6)</b>	<b>(2.2)</b>	<b>25.1</b>	<b>38.9</b>

Source: DART, Company

**Exhibit 5: Quarterly and YTD Trend**

Particulars	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	YoY %	QoQ %	YTFY20	YTFY21	YoY %
<b>USD Revenue</b>	<b>12.7</b>	<b>11.8</b>	<b>10.5</b>	<b>10.8</b>	<b>14.9</b>	<b>15.8</b>	<b>34.1</b>	<b>5.9</b>	<b>36.5</b>	<b>41.4</b>	<b>13.6</b>
<b>INR Revenue</b>	<b>882</b>	<b>837</b>	<b>762</b>	<b>818</b>	<b>1,103</b>	<b>1,162</b>	<b>38.9</b>	<b>5.3</b>	<b>2,555</b>	<b>3,083</b>	<b>20.7</b>
Expenditure	617	651	627	611	856	835	28.3	(2.4)	1,900	2,301	21.1
Employee Cost	408	406	415	396	556	542	33.6	(2.5)	1,241	1,493	20.3
as % of sales	46.2	48.5	54.5	48.4	50.4	46.6			48.6	48.4	
Other expenditure	209	245	212	215	300	293	19.6	(2.3)	659	808	22.6
as % of sales	23.7	29.3	27.8	26.3	27.2	25.2			25.8	26.2	
<b>EBITDA</b>	<b>265</b>	<b>186</b>	<b>135</b>	<b>207</b>	<b>248</b>	<b>327</b>	<b>75.8</b>	<b>32.0</b>	<b>655</b>	<b>782</b>	<b>19.4</b>
Depreciation	39	39	38	39	60	58	46.9	(4.2)	116	156	34.6
<b>EBIT</b>	<b>227</b>	<b>147</b>	<b>97</b>	<b>169</b>	<b>188</b>	<b>270</b>	<b>83.5</b>	<b>43.6</b>	<b>539</b>	<b>626</b>	<b>16.1</b>
Other Income	64	34	44	25	13	40	16.3	214.2	156	78	(50.2)
Interest	5	5	6	4	5	5	(5.8)	(2.0)	16	14	(10.8)
PBT	286	176	136	189	195	305	73.1	55.9	679	689	1.6
Tax	65	47	41	51	56	126	169.9	122.5	174	232	33.4
<b>Reported PAT</b>	<b>221</b>	<b>130</b>	<b>94</b>	<b>139</b>	<b>139</b>	<b>179</b>	<b>38.3</b>	<b>28.8</b>	<b>504</b>	<b>457</b>	<b>(9.4)</b>
<b>EPS</b>	<b>11.9</b>	<b>7.0</b>	<b>5.1</b>	<b>7.5</b>	<b>7.5</b>	<b>9.9</b>	<b>42.3</b>	<b>32.5</b>	<b>27.1</b>	<b>24.8</b>	<b>(8.3)</b>
<b>Margins (%)</b>							<b>(bps)</b>	<b>(bps)</b>			<b>(bps)</b>
EBIDTA	30.1	22.2	17.7	25.3	22.5	28.2	5.9	5.7	54.4	47.8	(6.6)
EBIT	25.7	17.6	12.7	20.6	17.0	23.2	5.6	6.2	45.5	37.6	(7.8)
PBT	32.4	21.0	17.8	23.1	17.7	26.2	5.2	8.5	58.3	40.8	(17.5)
PAT	25.1	15.5	12.4	17.0	12.6	15.4	(0.1)	2.8	43.4	29.6	(13.9)
Effective Tax rate	22.7	26.4	30.5	26.7	28.9	41.2	14.8	12.3	51.7	55.6	3.9

Source: DART, Company

### What to expect next Quarter

We expect modest sequential growth of 1.3% QoQ in Q4 as we expect some growth normalization in elearning business. We also expect OPM decline of 152bps QoQ for Q4 as we expect profitability to remain volatile in short term given different growth/margin profile of three business units and their mix.

### Exhibit 6: What to expect next quarter

Particulars (Rs. Mn)	Q4FY21E	Q3FY21	Q4FY20	QoQ (%)	YoY (%)
USD Revenue	16.0	15.8	10.5	1.3	52.5
INR Revenue	1,173	1,162	762	1.0	54.0
EBIT	254	270	97	(5.7)	162.0
PAT	208	179	94	15.9	120.1
EPS (Rs. Abs)	11.5	9.9	5.1	15.9	126.3
EBIT Margin (%)	21.7	23.2	12.7 (152 bps)		894 bps

Source: DART, Company

### Valuation

We value MPS at 12x on FY23E EPS of Rs. 48.0 (earlier Rs. 45.5) with the TP of Rs. 570 (earlier Rs. 550) and maintain our Buy Rating on the stock. We believe the stock is attractively priced at just 8x on FY23E earnings and implies strong potential Dividend yield of over 7%.

## Con-Call Key Takeaways

- Content Solutions Biz (49% of rev):** Content Solutions grew by 6.5% QoQ to Rs.574mn. The Segmental EBIT margins increased by 130bps to 33.6%. Management highlighted that they are now more confident on this business due to the superior delivery and operating performance which led to market share (volume based) gains from other players. in 9MYTDFY21 (earlier stance was a cash cow business with 5% growth cap). Content Solutions total employees increased to 2,177 from 2,480 due to hiring on account of anticipation of more volume in coming quarters.
- Platform Solutions Biz (37% of rev):** Platform business remained flat with a modest decline of 0.3% QoQ. This flat performance was due to decline in Highwire business while the Core Platform Business grew ~9.0% QoQ. The other acquired businesses within platform biz. (Magplus) remained flattish. The Profitability improvement in Platform solutions business with segmental margin of 30.9% was led by improvement in profitability of Highwire Business (turned around in just 2 quarters). MPS expects more improvement in profitability in Platform business largely led by Highwire cost saving (Guided 40% Margin). MPS also highlighted that Cross Sell efforts between MPS platform business and Highwire have started (showing DEMOs) but results will be visible only after couple of quarters as decision and implementation cycle are getting elongated.
- Highwire Biz:** Highwire business declined during the quarter (is down YoY as well) as some client waited before transferring business (in-line with expected run-off in revenue). MPS is expecting some clients (attrition) to churn but has highlighted that it has sufficient time to build revenues (through cross-sell) before the churn. MPS has invested in market for Highwire and expects the campaign to help in CY21. Mr. Rahul (CEO) highlighted that Highwire was a mismanaged entity and with call based in California delivery business. It expects that MPS's cost discipline and wage arbitrage, AWS cloud optimization and reduction of expenses will help improving profitability to guided 40-45% EBITDA level even in this acquired entity.
- E-Learning Solutions Biz (14% of revenue):** E-learning business grew 18.6% QoQ as E-learning industry picked up some pace after a brief pause due to the pandemic (lock-down related impact so far). MPS highlighted that it has implemented some change in strategy where it will more be selective in picking work, position itself as creative education agency. The segment margin stood at negative 1.9% (down from negative 13.8%). The India region already reached double digit margin and Swiss subsidiary (TIS) is also reviving. MPS expects the profitability for E-learning Solutions to improve from positive operating leverage as Cost base will largely remain stable (up 2-3%).

### Exhibit 7: Business Segment Trend for Q3FY21

Business Segment Revenue	Amount (Rs. mn)	Mix (%)	QoQ (%)	YoY (%)	Incremental Revenue (Rs. mn)	% Contribution of Incremental Revenue
Content solutions	574	49	6.5	14.1	35	60
Platform solutions	428	37	(0.3)	230.4	(1)	(2)
eLearning solutions	159	14	18.6	(21.8)	25	43
<b>Total</b>	<b>1,162</b>	<b>100</b>	<b>5.3</b>	<b>38.9</b>	<b>58</b>	<b>100</b>

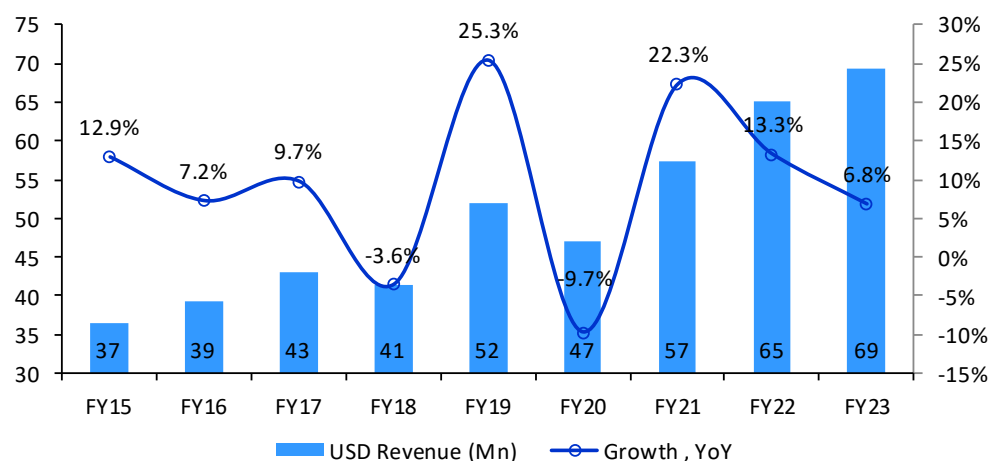
Source: DART, Company

**Exhibit 8: Segmental Profit Trend for Q3FY21**

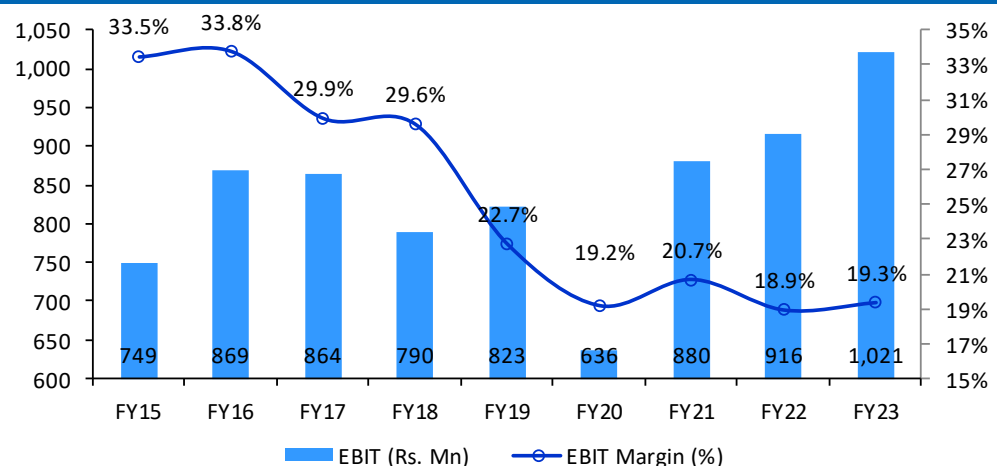
Business Segment Profit	Amount (Rs. mn)	Mix (%)	QoQ (%)	YoY (%)	Incremental Revenue (Rs. mn)	% Contribution of Incremental Revenue
Content solutions	193	60	10.7	44.5	19	22
Platform solutions	133	41	61.4	241.5	50	60
eLearning solutions	(3)	(1)	(83.2)	(110.8)	15	18
Total	322	100	38.9	60.2	84	100

Source: DART, Company

- Tax:** The Tax rate for the quarter was 41.2% due to prior period tax of Rs. 58.5Mn. It is a provision to avoid litigation as MPS decided to opt for the recently introduced Scheme under Income Tax Law.

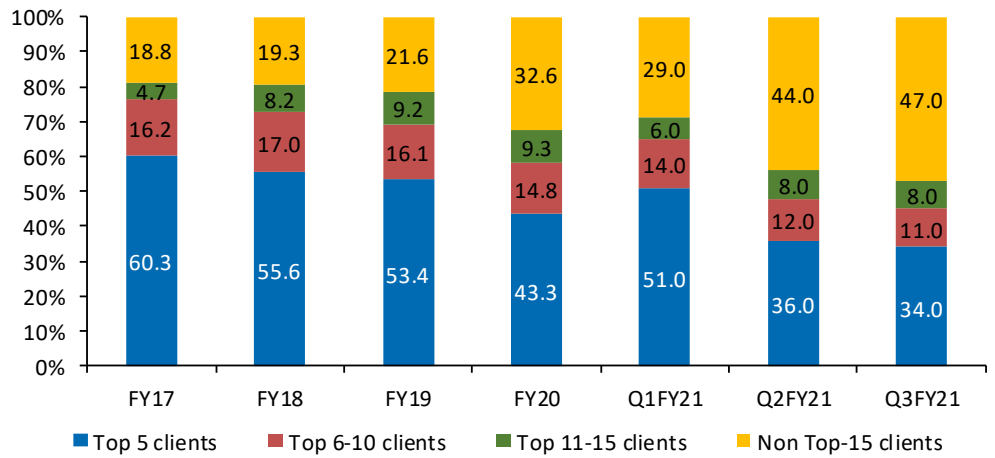
**Charts**
**Exhibit 9: Revenues traction to be led by eLearning business in future (\$ Mn)**


Source: DART, Company

**Exhibit 10: Profitability to stabilize in FY22E with scale up in eLearning segment**


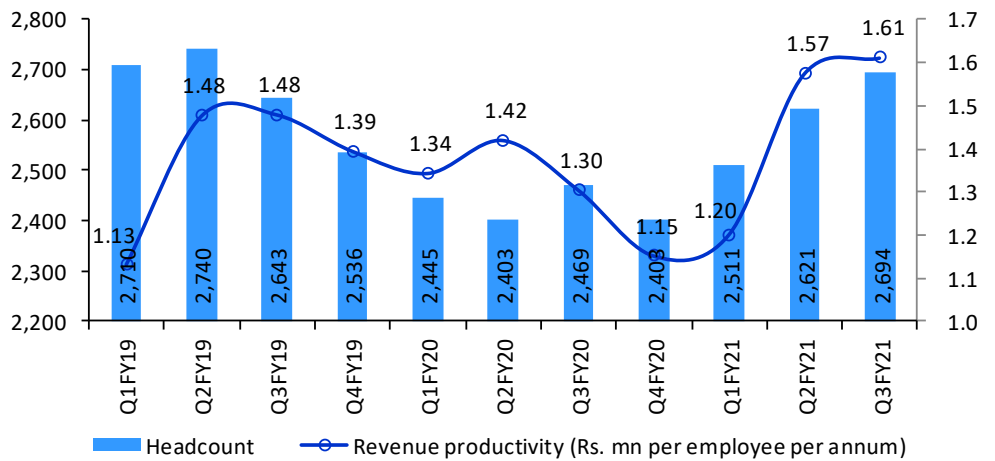
Source: DART, Company

**Exhibit 11: Client concentration has improved after Highwire acquisition**



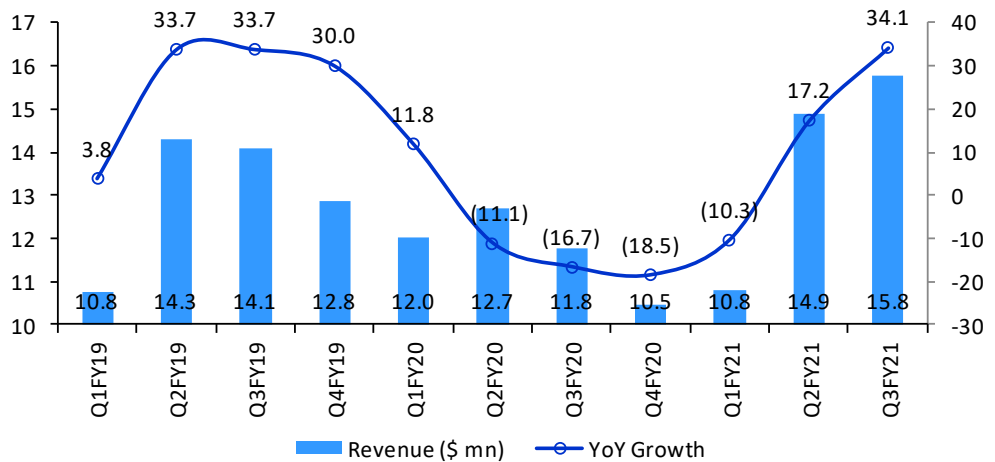
Source: DART, Company

**Exhibit 12: Productivity has improved after Acquisition Highwire**



Source: DART, Company

**Exhibit 13: Revenue grew 34.1% led by Content & E-learning Business**



Source: DART, Company

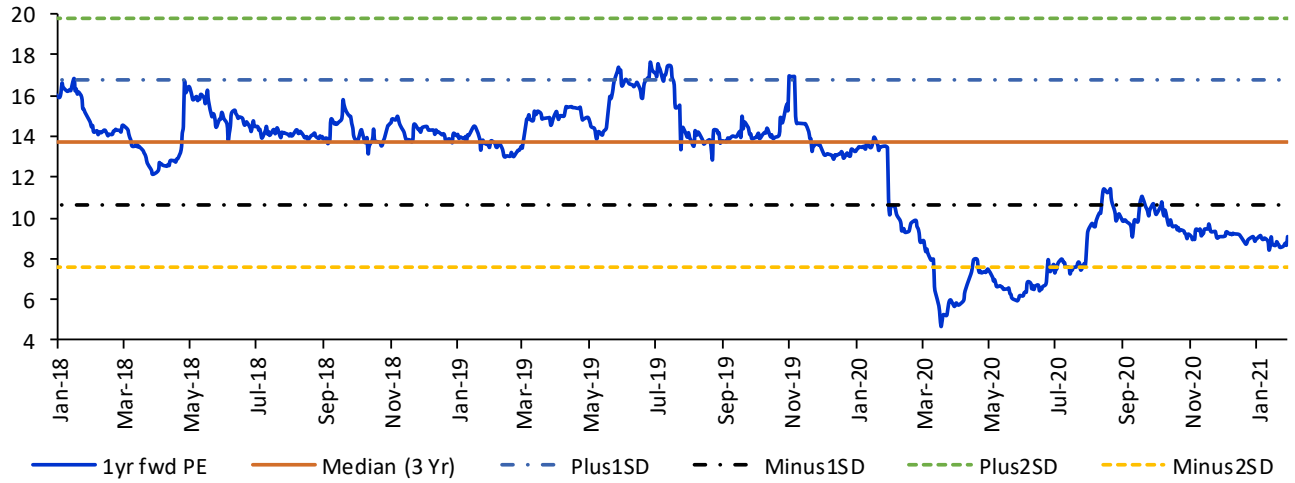
**Exhibit 14: Operating Metrics**

Operating Metrics	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21
<b>\$ Revenue</b>	14.3	14.1	12.8	12.0	12.7	11.8	10.5	10.8	14.9	15.8
Growth, YoY (%)	33.7	33.7	30.0	11.8	(11.1)	(16.7)	(18.5)	(10.3)	17.2	34.1
Growth, QoQ (%)	32.6	(1.3)	(8.9)	(6.3)	5.5	(7.4)	(10.9)	3.2	37.8	5.9
<b>Geography Amount (\$mn)</b>										
North America	7.7	7.9	6.6	5.9	7.0	7.5	6.9	7.2	10.3	10.6
Europe	6.0	5.4	5.9	5.2	4.7	3.4	2.9	2.9	3.9	4.6
Rest of the World	0.4	0.8	0.4	1.0	1.0	0.8	0.6	0.6	0.7	0.8
<b>Geography Growth (YoY)</b>										
North America	28.9	24.8	25.1	14.1	(9.5)	(4.7)	5.4	22.7	47.0	40.4
Europe	40.4	33.7	35.9	9.2	(21.7)	(36.4)	(50.4)	(43.7)	(17.6)	35.3
Rest of the World	0.3	301.2	30.0	11.8	137.0	(2.8)	63.0	(32.7)	(26.7)	(4.2)
<b>Client Amount (\$mn)</b>										
Top 5 Clients	7.7	5.6	7.4	4.6	5.5	5.3	5.0	5.5	5.4	5.4
Top 6-10 Clients	2.6	2.0	2.3	1.8	2.0	1.6	1.5	1.5	1.8	1.7
Top 11-15 Clients	1.6	1.4	1.0	1.3	1.1	1.1	0.8	0.6	1.2	1.3
Non-Top 15 Clients	2.4	5.1	2.1	4.3	4.1	3.8	3.1	3.1	6.5	7.4
<b>Client Growth (YoY)</b>										
Top 5 Clients	24.5	(4.5)	45.0	(33.6)	(29.2)	(6.2)	(32.6)	20.4	(1.9)	1.3
Top 6-10 Clients	50.4	10.1	23.1	19.8	(21.0)	(16.7)	(36.6)	(16.3)	(12.1)	5.4
Top 11-15 Clients	110.1	67.2	4.0	75.6	(27.3)	(25.0)	(18.5)	(51.1)	4.2	19.2
Non-Top 15 Clients	19.6	153.4	9.4	168.3	67.3	(25.9)	52.8	(27.7)	61.2	97.0
<b>Currency Mix (%)</b>										
USD	68	71	83	71	73	75	76	81	79	78
GBP	10	11	13	10	8	7	6	5	10	12
EURO	9	8	2	8	10	7	6	7	5	4
Others	13	10	2	11	9	11	12	7	6	6
<b>Segment Amount (INR mn)</b>										
Content Solution	604	598	592	500	545	503	487	548	540	574
Platform Solutions	173	188	123	147	145	130	110	136	430	428
eLearning business (TIS)	229	210	188	190	192	204	165	134	134	159
<b>Segmental Profit Margin (%)</b>										
Content Solution	41.0	33.7	36.0	29.1	37.2	26.5	33.7	35.0	32.3	33.6
Platform Solutions	41.7	40.8	17.4	35.0	41.9	29.9	8.1	33.2	19.1	30.9
eLearning business (TIS)	(5.6)	(5.0)	3.9	10.4	12.9	14.1	(5.0)	(11.2)	(13.8)	(1.9)
<b>Other Metrics</b>										
DSO	66	73	68	56	53	67	72	62	60	71
Client Billed	512	581	298	514	541	550	546	474	582	608

Source: DART, Company

## Band Chart

**Exhibit 15: MPS is attractively priced at PER of ~9.1x**



Source: DART, Company



**Profit and Loss Account**

(Rs Mn)	FY20A	FY21E	FY22E	FY23E
<b>Revenue</b>	<b>3,317</b>	<b>4,256</b>	<b>4,842</b>	<b>5,276</b>
<b>Total Expense</b>	<b>2,527</b>	<b>3,160</b>	<b>3,681</b>	<b>4,002</b>
COGS	1,656	2,045	2,361	2,504
Employees Cost	0	0	0	0
Other expenses	871	1,115	1,320	1,498
<b>EBIDTA</b>	<b>790</b>	<b>1,097</b>	<b>1,161</b>	<b>1,274</b>
Depreciation	154	216	245	253
<b>EBIT</b>	<b>636</b>	<b>880</b>	<b>916</b>	<b>1,021</b>
Interest	22	19	18	16
Other Income	200	106	119	155
Exc. / E.O. items	0	0	0	0
<b>EBT</b>	<b>814</b>	<b>967</b>	<b>1,017</b>	<b>1,160</b>
Tax	216	302	255	292
RPAT	599	664	762	868
Minority Interest	0	0	0	0
<b>Profit/Loss share of associates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>APAT</b>	<b>599</b>	<b>664</b>	<b>762</b>	<b>868</b>

**Balance Sheet**

(Rs Mn)	FY20A	FY21E	FY22E	FY23E
<b>Sources of Funds</b>				
Equity Capital	186	181	181	181
Minority Interest	0	0	0	0
Reserves & Surplus	3,483	3,355	3,574	3,809
<b>Net Worth</b>	<b>3,669</b>	<b>3,536</b>	<b>3,755</b>	<b>3,989</b>
Total Debt	128	128	128	128
Net Deferred Tax Liability	(56)	(56)	(56)	(56)
<b>Total Capital Employed</b>	<b>3,741</b>	<b>3,607</b>	<b>3,826</b>	<b>4,061</b>

**Applications of Funds**

Net Block	<b>1,139</b>	<b>1,517</b>	<b>1,372</b>	<b>1,239</b>
CWIP	0	0	0	0
Investments	857	867	877	887
<b>Current Assets, Loans &amp; Advances</b>	<b>2,338</b>	<b>1,939</b>	<b>2,377</b>	<b>2,804</b>
Inventories	0	0	0	0
Receivables	623	816	902	983
Cash and Bank Balances	945	353	704	1,051
Loans and Advances	35	35	35	35
Other Current Assets	736	736	736	736
<b>Less: Current Liabilities &amp; Provisions</b>	<b>594</b>	<b>716</b>	<b>799</b>	<b>869</b>
Payables	122	140	159	173
Other Current Liabilities	472	576	640	696
		<i>sub total</i>		
Net Current Assets	1,744	1,223	1,577	1,935
<b>Total Assets</b>	<b>3,741</b>	<b>3,607</b>	<b>3,826</b>	<b>4,061</b>

E – Estimates

**Important Ratios**

Particulars	FY20A	FY21E	FY22E	FY23E
<b>(A) Margins (%)</b>				
Gross Profit Margin	50.1	52.0	51.2	52.5
EBIDTA Margin	23.8	25.8	24.0	24.1
EBIT Margin	19.2	20.7	18.9	19.3
Tax rate	26.5	31.3	25.1	25.2
Net Profit Margin	18.0	15.6	15.7	16.5
<b>(B) As Percentage of Net Sales (%)</b>				
COGS	49.9	48.0	48.8	47.5
Employee	0.0	0.0	0.0	0.0
Other	26.3	26.2	27.3	28.4
<b>(C) Measure of Financial Status</b>				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Interest Coverage	29.6	46.3	50.9	63.8
Inventory days	0	0	0	0
Debtors days	69	70	68	68
Average Cost of Debt	33.6	14.9	14.1	12.5
Payable days	13	12	12	12
Working Capital days	192	105	119	134
FA T/O	2.9	2.8	3.5	4.3
<b>(D) Measures of Investment</b>				
AEPS (Rs)	32.2	36.7	42.1	48.0
CEPS (Rs)	40.4	48.7	55.7	62.0
DPS (Rs)	50.0	25.0	30.0	35.0
Dividend Payout (%)	155.5	68.1	71.2	73.0
BVPS (Rs)	197.1	195.4	207.5	220.5
RoANW (%)	14.3	18.4	20.9	22.4
RoACE (%)				
RoAIC (%)	19.0	29.1	28.7	33.3
<b>(E) Valuation Ratios</b>				
CMP (Rs)	374	374	374	374
P/E	11.6	10.2	8.9	7.8
Mcap (Rs Mn)	6,968	6,968	6,968	6,968
MCap/ Sales	2.1	1.6	1.4	1.3
EV	6,152	6,744	6,392	6,045
EV/Sales	1.9	1.6	1.3	1.1
EV/EBITDA	7.8	6.1	5.5	4.7
P/BV	1.9	1.9	1.8	1.7
Dividend Yield (%)	13.4	6.7	8.0	9.3
<b>(F) Growth Rate (%)</b>				
Revenue	(8.5)	28.3	13.8	9.0
EBITDA	(15.4)	38.9	5.9	9.7
EBIT	(22.7)	38.4	4.1	11.4
PBT	(24.2)	18.7	5.2	14.0
APAT	(21.3)	11.0	14.7	13.9
EPS	(21.3)	14.2	14.7	13.9
<b>Cash Flow</b>				
<b>(Rs Mn)</b>	<b>FY20A</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
CFO	527	723	903	971
CFI	1,516	(498)	9	25
CFF	(1,753)	(562)	(669)	(776)
FCFF	481	129	803	851
Opening Cash	475	766	429	672
Closing Cash	766	429	672	892

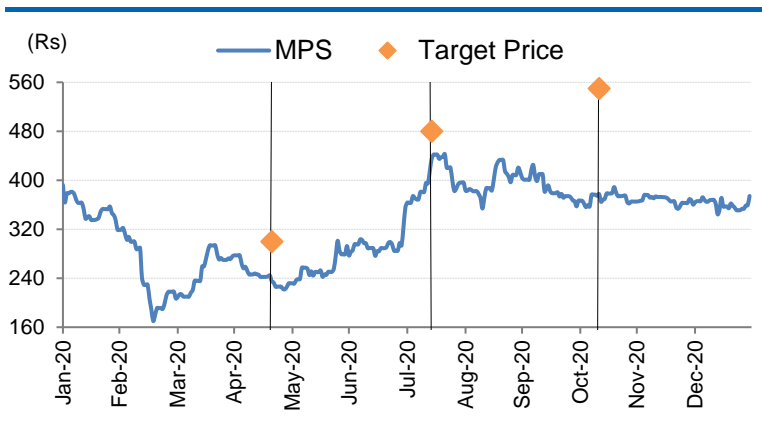
E – Estimates

### DART RATING MATRIX

Total Return Expectation (12 Months)

<b>Buy</b>	<b>&gt; 20%</b>
<b>Accumulate</b>	<b>10 to 20%</b>
<b>Reduce</b>	<b>0 to 10%</b>
<b>Sell</b>	<b>&lt; 0%</b>

### Rating and Target Price History



Month	Rating	TP (Rs.)	Price (Rs.)
May-20	Buy	300	235
Aug-20	Buy	480	435
Nov-20	Buy	550	378

\*Price as on recommendation date

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