

### Story intact, near-term headwinds persist!

- UBL's Q4FY21 operating revenue performance was in-line. Sharp decline in other opex (-12% YoY in Q4FY21, -12% YoY in Q4FY20) was key positive surprise. Opex reduction was despite 9% YoY volume growth. Sustainability of costs reduction is the key.
- UBL's market leadership, product portfolio, brand positioning, premiumisation, costs/capex consciousness and superior execution makes it an attractive long-term play. But, barley price inflation (~15% YoY) and second wave of covid-19 in key beer season are near-term dampener. However, UBL is well-poised for growth and thus a post-covid recovery play led by (1) favorable base (2) costs rationalization and (3) reduction in excise duties in key states (WB, UP, and Rajasthan).
- We reduce our FY22 estimates to factor the impact of covid in H1FY22. We broadly maintain our FY23 estimates. Post the ~10% correction in stock price we upgrade UBL to BUY from Accumulate with revised TP of Rs 1,504 @ 50x Mar-23E EPS net of Rs 20 for CCI liability (earlier Rs 1,476 @ 50x Dec-22E EPS). UBL has traded at ~60x 1-yr forward PE in trailing four years vs. 59/39x FY22/23E EPS.

### Continued perseverance...

- Revenue/GP/EBITDA/APAT was up by +8.4/10.7/98/259% YoY. Volumes grew by 9% YoY led by supportive base, opening of on-trade and excise cut in WB. Price/mix was -0.5% and negative surprise. GM was by 110bps YoY due to benign RM prices. EBITDA outperformance was led by sharp 12% YoY reduction in other expenses (Q4FY20 was -12% YoY) despite higher volumes. This was on account of lower ad spends and costs rationalization efforts.
- UBL's volume recovered across major markets except Orissa, Telengana and Delhi. WB grew >100% led by excise cut in Oct'20. UP was flat but excise cut from Apr'21 should drive growth. FCF was healthy at Rs 4.4bn led by lower capex of Rs 2bn. UBL's market share stood at ~52% by re-gaining the lost market share in H2FY21.

### Q4FY21 Result (Rs Mn)

Particulars	Q4FY21	Q4FY20	YoY (%)	Q3FY21	QoQ (%)
Revenue	15,435	14,242	8.4	12,897	19.7
Total Expense	12,822	12,919	(0.8)	10,933	17.3
EBITDA	2,613	1,323	97.6	1,965	33.0
Depreciation	623	734	(15.1)	578	7.7
EBIT	1,990	589	238.0	1,386	43.6
Other Income	116	6	1796.7	46	150.4
Interest	42	48	(11.3)	53	(21.0)
EBT	1,553	547	183.8	1,699	(8.6)
Tax	586	135	332.6	435	34.6
RPAT	968	412	134.9	1,264	(23.4)
APAT	1,478	412	258.8	944	56.6
			(bps)		(bps)
Gross Margin (%)	52.0	50.9	109	53.9	(188)
EBITDA Margin (%)	16.9	9.3	764	15.2	170
NPM (%)	6.3	2.9	338	9.8	(353)
Tax Rate (%)	37.7	24.7	1297	25.6	1209
EBIT Margin (%)	12.9	4.1	876	10.7	215

CMP	Rs 1,207
Target / Upside	Rs 1,504 / 25%
NIFTY	14,865

### Scrip Details

Equity / FV	Rs 264mn / Rs 1
Market Cap	Rs 319bn
	USD 4bn
52-week High/Low	Rs 1,330/ 859
Avg. Volume (no)	520,074
Bloom Code	UBBL IN

Price Performance	1M	3M	12M
Absolute (%)	(2)	(6)	30
Rel to NIFTY (%)	(4)	(12)	(25)

### Shareholding Pattern

	Sep'20	Dec'20	Mar'21
Promoters	57.7	57.7	57.7
MF/Banks/FIs	8.9	9.7	10.2
FIIIs	10.7	10.0	9.8
Public / Others	22.7	22.5	22.4

### Valuation (x)

	FY21E	FY22E	FY23E
P/E	241.9	58.5	39.6
EV/EBITDA	78.4	30.7	22.7
ROE (%)	3.7	14.4	18.7
RoACE (%)	4.2	14.4	18.4

### Estimates (Rs mn)

	FY21E	FY22E	FY23E
Revenue	42,407	63,852	74,311
EBITDA	4,025	10,276	13,701
PAT	1,319	5,455	8,052
EPS (Rs.)	5.0	20.6	30.5

VP - Research: Himanshu Shah

Tel: +91 22 4096 9737

E-mail: himanshu.shah@dolatcapital.com

Associate: Aastha Bhatia

Tel: +9122 40969736

E-mail: aasthab@dolatcapital.com

## UBL: Key takeaways from conference call

- **Demand recovery** – Demand has been overall enticing with a blended Q4 growth of 9% led by supportive base. North, East and West witnessed a healthy recovery whereas South was muted due to steep increase in consumer prices in Telangana on account of Covid cess. Growth of premium brands was higher than overall portfolio. Yet the price/mix was negative. This we believe is owing to state mix viz. >100% growth in WB where both the excise duty and net realization for companies had gone done.
- **West Bengal:** Currently, the policy in West Bengal favors beer over IMFL. Earlier it used to favor IMFL. Consequently, beer as a category has witnessed healthy volume growth and is likely to continue for couple of quarters before it gets reversed. Also the absolute level of beer volumes is significantly higher, something which the industry hasn't witnessed for long. Overall, AlcoBev as a category volume growth is muted and thus the growth in beer is partly driver by shift from IMFL. This may reverse as IMFL prices gets corrected.

### Exhibit 1: Region-wise Volume Trend (%)

Particulars	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY20	FY21
North	(18)	(71)	(32)	(21)	13	(3)	(35)
East	(2)	(90)	(59)	14	26	18	(39)
West	(29)	(79)	(37)	(11)	23	(9)	(30)
South	(27)	(77)	(55)	(18)	3	(7)	(42)
<b>Blended</b>	<b>(21)</b>	<b>(77)</b>	<b>(48)</b>	<b>(15)</b>	<b>9</b>	<b>(4)</b>	<b>(39)</b>

Source: DART, Company

- **WB/UP/Rajasthan excise cut –positive:** WB state reduced excise from Oct'20 whereas in UP/Rajasthan it is effective from Apr'21. This should help drive higher volumes. In Maharashtra, there is ~Rs 5/bottle price increase on account of excise and covid cess in Telangana continues to impact demand.
- **Market share:** UBL market share in H2FY21 was ~52%. It re-gained the lost market share in H1FY22 when there were severe lockdowns and especially as on-trade was impacted. In key important markets it achieved market share gains like UP, Kerala, TN, Maharashtra etc. Delhi, Orissa, Telangana etc it lost share. Loss of market share in Telangana was due to high discounting. Orissa peer's product was getting pushed due to expiry issues.
- **Premiumisation:** UBL's premium portfolio grew ahead of total portfolio in Q4FY21. Witbier which was initially launched in Karnataka in Q3FY20 was expanded in Delhi in Q3FY21 and in Maharashtra, Punjab & Chandigarh in Q4FY21. Amstel on low-base continued to grow significantly ahead of market. It is now present in 10 states. New markets of Telangana, Maharashtra and Haryana added in FY21.
- **Beer category expansion:** UBL as a market leader is cognizant of modest growth in beer as a category though it has maintained its market share. As per company, drinking at home, affordability, distribution reach, more occasions for drinking of beer are few of the parameters in long-term which should help drive increase in category penetrations. Beer per capita consumption in India is low and driving category penetration is one of the agenda as a leader.
- **Beer trails IMFL in growth in FY21:** As per management beer trailed IMFL with higher de-growth. These has been primarily on account of being bulky product and requires to be chilled and thus there was a trade-off in favor of IMFL.

- **Raw material prices outlook:**
  - **Barley prices** have witnessed an inflation of ~15% YoY. UBL is protected till Q1FY22 due to last year inventory. This may put pressure on gross margin however UBL should be able to off-set the same partly led by premiumisation.
  - **Glass bottle** – The inflation in glass bottles is flattish/stable and is positive. However, availability of re-used bottles is a challenge due to lockdowns and this may alter the mix of fresh vs. used bottle and push the cost price index higher.
- **Depreciation** – Lower depreciation charges are owing to capacity based accounting of depreciation and lower capex.
- **Capex – Management** Capex for FY22 shall be ~Rs 2.5bn. We are positive about the consistency in capex. UBL plans for capacity 3-5 years in advance. A higher capex is positive from growth outlook perspective.
- UBL's has three prima-facie capex heads viz. maintenance, discretionary/growth and statutory capex for environmental norms. Maintenance capex annually is ~Rs 0.5-0.8bn and statutory capex of Rs 0.3-0.5bn.
- **Inventory write-off:** Management doesn't envisage inventory write-off due to lockdown unless it is significantly extended.
- **CCI case** – UBL has filed its response to investigative report of CCI on 28<sup>th</sup> Aug, 2020. The matter was heard by CCI on 11<sup>th</sup> February, 2021 and 2<sup>nd</sup> March, 2021. UBL filed its post hearing submissions with CCI on 23<sup>rd</sup> March, 2021. We expect a Rs 5-7bn penalty is likely for UBL. However, we will treat it as one-time costs. We have factored Rs 5bn (Rs 20/sh) in our TP.

#### Exhibit 2: Actual vs. Estimates

(Rs Mn)	Actual	Estimate	%/ bps variance	Comments
Volumes (Mn cases)	39.7	39.1	1.4	
Realization/case (Rs)	389	407	(4.4)	
Revenue	15,435	15,922	(3.1)	UBL's volumes were in-line but price/mix was negative leading to lower than expected revenues.
Gross Profit	8,024	8,263	(2.9)	
GP %	52.0	51.9	9	Yet, beat in EBIDTA estimates led by lower other expenses
EBITDA	2,613	2,195	19.0	
Margin %	16.9	13.8	314	
PAT	1,478	1,046	41.2	

Source: DART, Company

#### Exhibit 3: Change in estimates

	FY22E			FY23E			Comments
	Old	New	Chg (%)	Old	New	Chg (%)	
Volumes (Mn cases)	173.2	157.2	(9.2)	183.6	178.9	(2.5)	Reduction in FY22E estimated is to factor the second wave of covid impacting the key beer season of Q1FY22. Our estimates for FY23 are largely unchanged.
Realization (Rs/case)	406.9	406.1	(0.2)	413.0	415.3	0.6	
Revenue (Rs Mn)	70,488	63,852	(9.4)	75,838	74,311	(2.0)	
Gross Profit (Rs Mn)	36,615	32,752	(10.5)	39,584	38,408	(3.0)	
GP %	51.9	51.3	(65)	52.2	51.7	(51)	
EBITDA (Rs Mn)	12,644	10,276	(18.7)	13,814	13,701	(0.8)	
Margin %	17.9	16.1	(184)	18.2	18.4	22	
APAT (Rs Mn)	7,199	5,455	(24.2)	8,138	8,052	(1.1)	
AEPS (Rs Mn)	27.3	20.7	(24.2)	30.8	30.5	(1.1)	

Source: DART, Company

**Exhibit 4: Standalone Quarterly Financials**

Rs Mn	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21
<b>Net Revenue</b>	<b>14,533</b>	<b>14,242</b>	<b>5,069</b>	<b>9,006</b>	<b>12,897</b>	<b>15,435</b>
RM Costs	6,877	6,994	2,704	4,300	5,949	7,411
<b>Gross Profit</b>	<b>7,656</b>	<b>7,248</b>	<b>2,365</b>	<b>4,707</b>	<b>6,948</b>	<b>8,024</b>
Employee cost	1,254	1,279	1,151	1,099	1,241	1,332
Other Exps	4,194	4,647	2,171	3,204	3,742	4,079
<b>Total Operating Exps</b>	<b>5,448</b>	<b>5,926</b>	<b>3,322</b>	<b>4,303</b>	<b>4,984</b>	<b>5,412</b>
<b>EBITDA</b>	<b>2,208</b>	<b>1,323</b>	<b>(957)</b>	<b>404</b>	<b>1,965</b>	<b>2,613</b>
D&A	735	734	505	612	578	623
Interest costs	99	48	72	60	53	42
Other Income	35	6	14	326	46	116
EO Inc/(exp)					320	(510)
<b>PBT</b>	<b>1,408</b>	<b>547</b>	<b>(1,519)</b>	<b>59</b>	<b>1,699</b>	<b>1,553</b>
Tax	344	135	(376)	18	435	586
RPAT	1,064	412	(1,143)	40	1,264	968
<b>APAT</b>	<b>1,064</b>	<b>412</b>	<b>(1,143)</b>	<b>40</b>	<b>944</b>	<b>1,478</b>

Source: DART, Company

**Exhibit 5: Margin Analysis**

% of Net revenue	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21
RM Costs	47.3	49.1	53.3	47.7	46.1	48.0
<b>Gross Profit</b>	<b>52.7</b>	<b>50.9</b>	<b>46.7</b>	<b>52.3</b>	<b>53.9</b>	<b>52.0</b>
Employee cost	8.6	9.0	22.7	12.2	9.6	8.6
Other Exps	28.9	32.6	42.8	35.6	29.0	26.4
Total Operating Exps	37.5	41.6	65.5	47.8	38.6	35.1
<b>EBITDA</b>	<b>15.2</b>	<b>9.3</b>	<b>(18.9)</b>	<b>4.5</b>	<b>15.2</b>	<b>16.9</b>
PBT	9.7	3.8	(30.0)	0.6	13.2	10.1
<b>RPAT</b>	<b>7.3</b>	<b>2.9</b>	<b>(22.5)</b>	<b>0.4</b>	<b>9.8</b>	<b>6.3</b>
APAT	7.3	2.9	(22.5)	0.4	7.3	9.6
Tax as % of PBT	24.4	24.7	24.8	31.5	25.6	37.7

Source: DART, Company

**Exhibit 6: Growth YoY %**

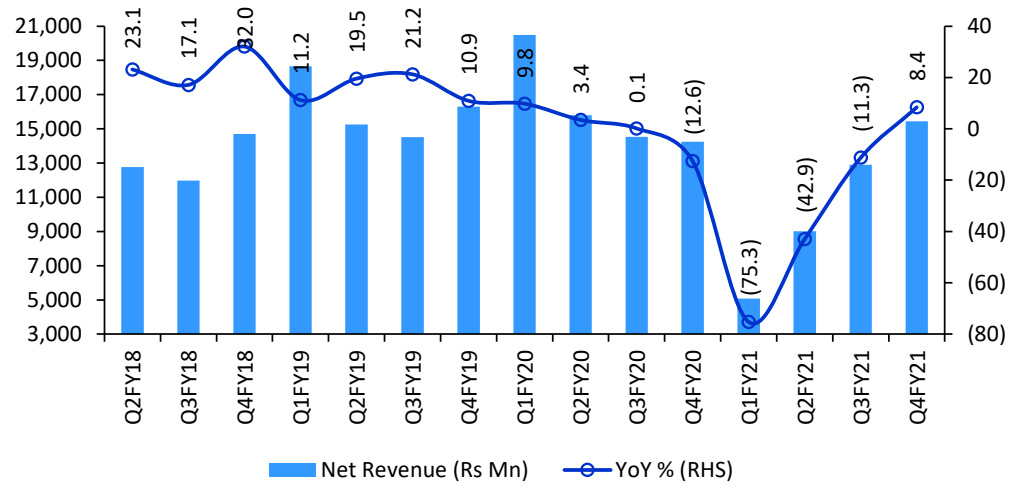
Particulars	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21
<b>Net Revenue</b>	<b>0.1</b>	<b>(12.6)</b>	<b>(75.3)</b>	<b>(42.9)</b>	<b>(11.3)</b>	<b>8.4</b>
RM Costs	1.5	(13.3)	(73.4)	(43.1)	(13.5)	6.0
<b>Gross Profit</b>	<b>(1.1)</b>	<b>(11.9)</b>	<b>(77.1)</b>	<b>(42.8)</b>	<b>(9.2)</b>	<b>10.7</b>
Employee cost	13.1	3.5	(6.5)	(10.2)	(1.0)	4.2
Other Exps	1.0	(12.0)	(62.5)	(36.8)	(10.8)	(12.2)
<b>Total Operating Exps</b>	<b>3.6</b>	<b>(9.1)</b>	<b>(52.7)</b>	<b>(31.6)</b>	<b>(8.5)</b>	<b>(8.7)</b>
<b>EBITDA</b>	<b>(10.9)</b>	<b>(22.8)</b>	<b>(129.1)</b>	<b>(79.1)</b>	<b>(11.0)</b>	<b>97.6</b>
D&A	10.5	14.8	(27.0)	(11.1)	(21.3)	(15.1)
Interest costs	59.5	(59.6)	(6.9)	(32.2)	(46.0)	(11.3)
Other Income	64.3	(94.3)	(55.4)	1,762.9	33.9	1,796.7
PBT	<b>(20.6)</b>	<b>(48.5)</b>	<b>(159.5)</b>	<b>(95.0)</b>	<b>20.7</b>	<b>183.8</b>
Tax	(49.4)	(64.6)	(141.5)	21.9	26.5	332.6
RPAT	<b>(2.6)</b>	<b>(39.4)</b>	<b>(169.5)</b>	<b>(96.5)</b>	<b>18.8</b>	<b>134.9</b>
<b>APAT</b>	<b>(2.6)</b>	<b>(39.4)</b>	<b>(161.9)</b>	<b>(95.8)</b>	<b>(11.3)</b>	<b>258.8</b>

Source: DART, Company

UBL reported Revenue/EBITDA/APAT increase after 8 consecutive quarters of decline

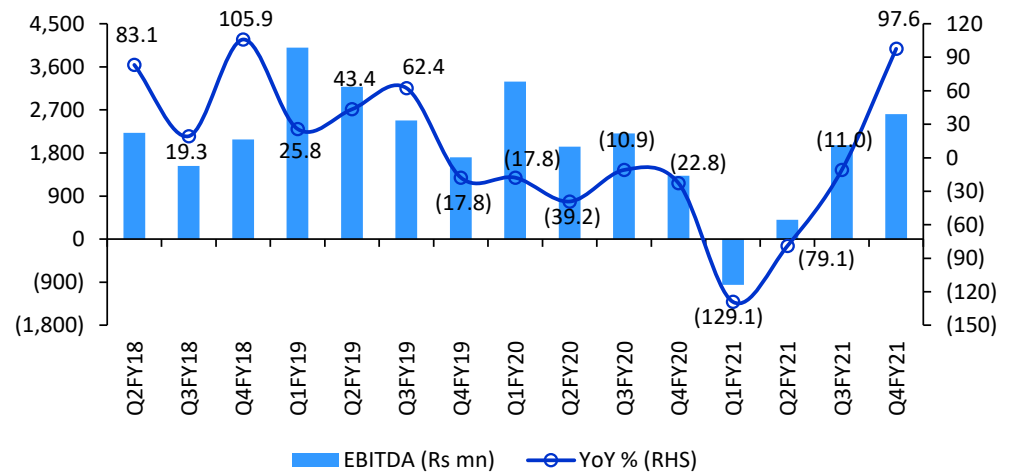
EBITDA outperformance was led by sharp 12% YoY reduction in other exps (Q4FY20 was -12% YoY) despite higher volumes

**Exhibit 7: Revenue Trend**



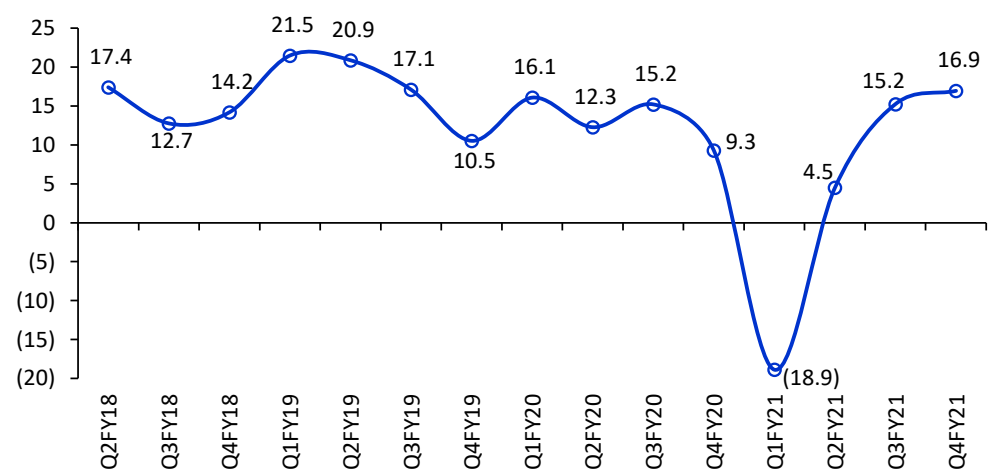
Source: DART, Company

**Exhibit 8: EBITDA Trend**



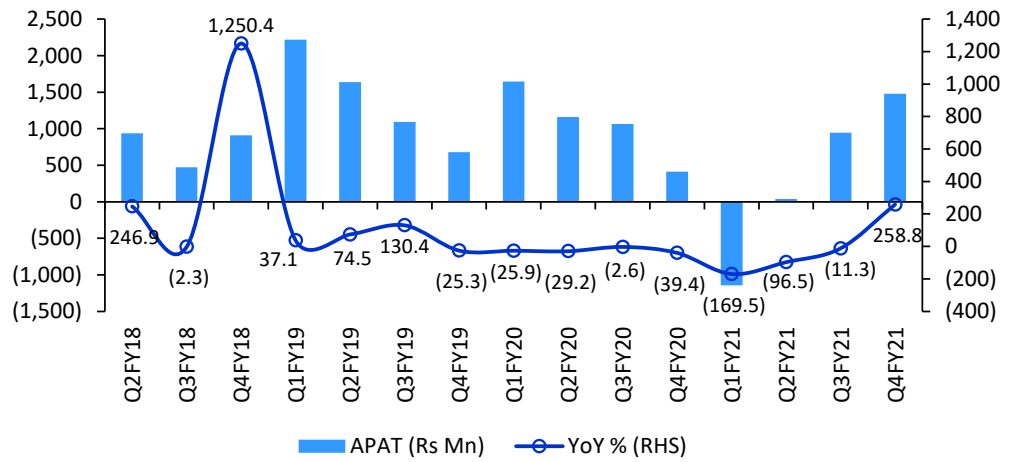
Source: DART, Company

**Exhibit 9: EBITDA Margins Trend**



Source: DART, Company

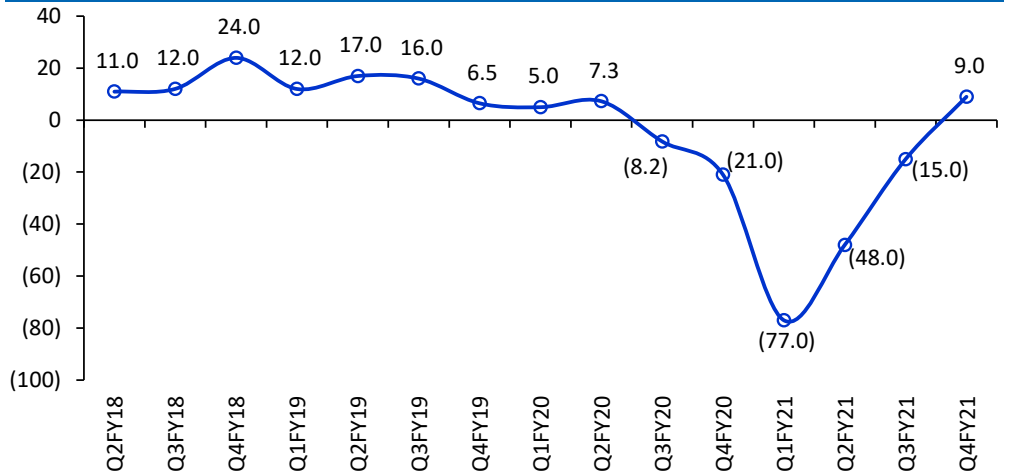
**Exhibit 10: APAT Trend**



Source: DART, Company

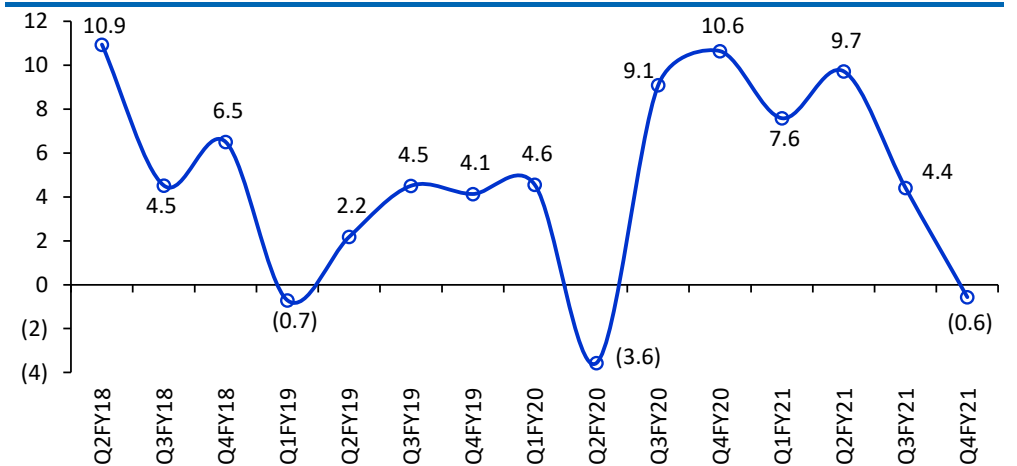
**Exhibit 11: Volume Growth Trend (YoY %)**

*Recovery in covid induced decline due to opening of on trade and festive season*



Source: DART, Company

**Exhibit 12: Realization Trends YoY %**



Source: DART, Company



**Exhibit 13: Key Assumptions**

Particulars	FY16	FY17	FY18	FY19	FY20	FY21A	FY22E	FY23E
Volumes (Mn Cases)	149.3	145.7	161.2	181.3	174.3	106.3	157.2	178.9
Revenue (Rs Mn)	48,345	47,359	56,208	64,724	65,046	42,407	63,852	74,311
Gross Profit (Rs Mn)	26,954	25,399	29,759	34,550	33,443	22,044	32,752	38,408
EBITDA (Rs Mn)	6,854	6,412	9,011	11,378	8,754	4,025	10,276	13,701
PAT (Rs Mn)	2,979	2,293	3,940	5,628	4,281	1,319	5,455	8,052
EPS (Rs)	11.3	8.7	14.9	21.3	16.2	5.0	20.6	30.5
<b>Margin Analysis (%)</b>								
Gross Profit	55.8	53.6	52.9	53.4	51.4	52.0	51.3	51.7
EBITDA	14.2	13.5	16.0	17.6	13.5	9.5	16.1	18.4
PAT	6.2	4.8	7.0	8.7	6.6	3.1	8.5	10.8
<b>Change YoY %</b>								
Volumes		(2.4)	10.6	12.5	(3.8)	(39.0)	47.9	13.8
Revenue		(2.0)	18.7	15.2	0.5	(34.8)	50.6	16.4
Gross Profit		(5.8)	17.2	16.1	(3.2)	(34.1)	48.6	17.3
EBITDA		(6.4)	40.5	26.3	(23.1)	(54.0)	155.3	33.3
PAT		(23.0)	71.8	42.8	(23.9)	(69.2)	313.6	47.6
<b>Per case (Rs)</b>								
Revenue	324	325	349	357	373	399	406	415
Gross Profit	181	174	185	191	192	207	208	215
EBITDA	46	44	56	63	50	38	65	77
PAT	20	16	24	31	25	12	35	45
<b>YoY %</b>								
Revenue		0.4	7.3	2.4	4.5	6.9	1.8	2.3
Gross Profit		(3.4)	5.9	3.2	0.7	8.1	0.5	3.1
EBITDA		(4.1)	27.0	12.3	(20.0)	(24.6)	72.6	17.2
PAT		(21.1)	55.3	27.0	(20.9)	(49.5)	179.7	29.7

Source: DART, Company

*We value UBL at 50x  
Mar-23E EPS net of CCI  
liability of Rs 20/sh at  
Rs 1,504*

**Exhibit 14: Target price sensitivity to various PE multiples**

EPS ----->	5.0	20.6	30.5
Tgt PE (x)	FY21	FY22	FY23
35	156	703	1,047
40	181	806	1,199
45	205	909	1,351
50	230	1,013	1,504
55	255	1,116	1,656

Source: DART, Company

**Profit and Loss Account**

(Rs Mn)	FY20A	FY21E	FY22E	FY23E
<b>Revenue</b>	<b>65,045</b>	<b>42,407</b>	<b>63,852</b>	<b>74,311</b>
<b>Total Expense</b>	<b>56,291</b>	<b>38,382</b>	<b>53,576</b>	<b>60,610</b>
COGS	31,603	20,363	31,100	35,903
Employees Cost	4,988	4,823	5,310	5,708
Other expenses	19,701	13,196	17,166	18,999
<b>EBIDTA</b>	<b>8,754</b>	<b>4,025</b>	<b>10,276</b>	<b>13,701</b>
Depreciation	2,850	2,319	2,807	2,877
<b>EBIT</b>	<b>5,904</b>	<b>1,707</b>	<b>7,468</b>	<b>10,823</b>
Interest	311	227	170	85
Other Income	90	502	123	143
Exc. / E.O. items	0	0	0	0
<b>EBT</b>	<b>5,683</b>	<b>1,982</b>	<b>7,421</b>	<b>10,881</b>
Tax	1,401	663	1,967	2,829
RPAT	4,281	1,319	5,455	8,052
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>4,281</b>	<b>1,319</b>	<b>5,455</b>	<b>8,052</b>

**Balance Sheet**

(Rs Mn)	FY20A	FY21E	FY22E	FY23E
<b>Sources of Funds</b>				
Equity Capital	264	264	264	264
Minority Interest	0	0	0	0
Reserves & Surplus	34,915	35,532	39,664	45,734
<b>Net Worth</b>	<b>35,180</b>	<b>35,796</b>	<b>39,929</b>	<b>45,998</b>
Total Debt	1,690	1,154	1,049	954
Net Deferred Tax Liability	279	127	140	154
<b>Total Capital Employed</b>	<b>37,149</b>	<b>37,077</b>	<b>41,118</b>	<b>47,106</b>

**Applications of Funds**

Net Block	<b>19,008</b>	<b>19,420</b>	<b>19,354</b>	<b>19,540</b>
CWIP	1,991	1,280	1,216	1,520
Investments	4,889	4,531	4,843	5,239
<b>Current Assets, Loans &amp; Advances</b>	<b>29,550</b>	<b>33,214</b>	<b>35,605</b>	<b>43,825</b>
Inventories	10,923	11,353	10,038	11,631
Receivables	13,498	13,948	16,794	19,789
Cash and Bank Balances	733	4,681	5,086	8,304
Loans and Advances	490	426	557	565
Other Current Assets	3,907	2,806	3,130	3,536
<b>Less: Current Liabilities &amp; Provisions</b>	<b>18,289</b>	<b>21,368</b>	<b>19,900</b>	<b>23,019</b>
Payables	5,446	6,176	5,675	6,548
Other Current Liabilities	12,842	15,192	14,225	16,471
		<i>sub total</i>		
Net Current Assets	11,262	11,846	15,705	20,806
<b>Total Assets</b>	<b>37,149</b>	<b>37,077</b>	<b>41,118</b>	<b>47,106</b>

E – Estimates



**Important Ratios**

Particulars	FY20A	FY21E	FY22E	FY23E
<b>(A) Margins (%)</b>				
Gross Profit Margin	51.4	52.0	51.3	51.7
EBIDTA Margin	13.5	9.5	16.1	18.4
EBIT Margin	9.1	4.0	11.7	14.6
Tax rate	24.7	33.5	26.5	26.0
Net Profit Margin	6.6	3.1	8.5	10.8
<b>(B) As Percentage of Net Sales (%)</b>				
COGS	48.6	48.0	48.7	48.3
Employee	7.7	11.4	8.3	7.7
Other	30.3	31.1	26.9	25.6
<b>(C) Measure of Financial Status</b>				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Interest Coverage	19.0	7.5	43.9	127.3
Inventory days	61	98	57	57
Debtors days	76	120	96	97
Average Cost of Debt	24.9	15.9	15.4	8.5
Payable days	31	53	32	32
Working Capital days	63	102	90	102
FA T/O	3.4	2.2	3.3	3.8
<b>(D) Measures of Investment</b>				
AEPS (Rs)	16.2	5.0	20.6	30.5
CEPS (Rs)	27.0	13.8	31.2	41.3
DPS (Rs)	2.5	2.5	2.5	2.5
Dividend Payout (%)	15.4	50.1	12.1	8.2
BVPS (Rs)	133.1	135.4	151.0	174.0
RoANW (%)	12.8	3.7	14.4	18.7
RoACE (%)	13.1	4.2	14.4	18.4
RoAIC (%)	17.2	5.0	21.8	28.9
<b>(E) Valuation Ratios</b>				
CMP (Rs)	1207	1207	1207	1207
P/E	74.5	241.9	58.5	39.6
Mcap (Rs Mn)	319,038	319,038	319,038	319,038
Mcap/ Sales	4.9	7.5	5.0	4.3
EV	319,995	315,512	315,002	311,688
EV/Sales	4.9	7.4	4.9	4.2
EV/EBITDA	36.6	78.4	30.7	22.7
P/BV	9.1	8.9	8.0	6.9
Dividend Yield (%)	0.2	0.2	0.2	0.2
<b>(F) Growth Rate (%)</b>				
Revenue	0.5	(34.8)	50.6	16.4
EBITDA	(23.1)	(54.0)	155.3	33.3
EBIT	(32.8)	(71.1)	337.6	44.9
PBT	(35.3)	(65.1)	274.5	46.6
APAT	(23.9)	(69.2)	313.6	47.6
EPS	(23.9)	(69.2)	313.6	47.6
<b>Cash Flow</b>				
<b>(Rs Mn)</b>	<b>FY20A</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
CFO	5,444	6,725	4,855	8,989
CFI	(4,807)	(1,313)	(2,853)	(3,607)
CFF	(356)	(1,465)	(1,597)	(2,163)
FCFF	1,017	4,705	2,178	5,621
Opening Cash	451	733	4,681	5,086
Closing Cash	733	4,681	5,086	8,304

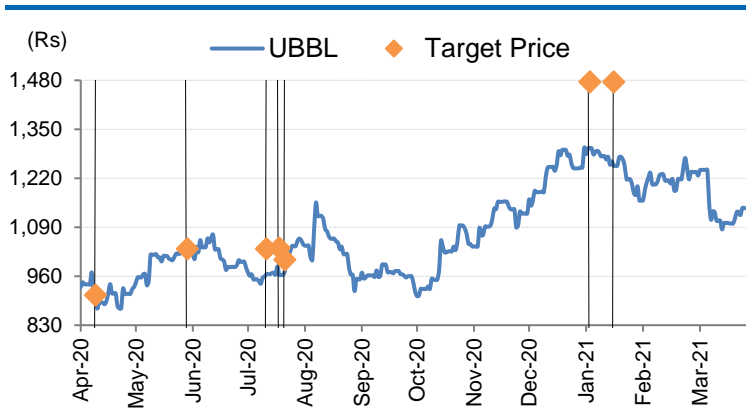
E – Estimates

### 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	Reduce	910	897
Jun-20	Reduce	1,033	1,049
Aug-20	Reduce	1,033	966
Aug-20	Reduce	1,035	964
Aug-20	Reduce	1,004	972
Jan-21	ACCUMULAT E	1,476	1,300
Feb-21	ACCUMULAT E	1,476	1,253

\*Price as on recommendation date

### DART Team

<b>Purvag Shah</b>	<b>Managing Director</b>	<b>purvag@dolatcapital.com</b>	<b>+9122 4096 9747</b>
<b>Amit Khurana, CFA</b>	<b>Head of Equities</b>	<b>amit@dolatcapital.com</b>	<b>+9122 4096 9745</b>

#### CONTACT DETAILS

Equity Sales	Designation	E-mail	Direct Lines
Dinesh Bajaj	VP - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	VP - Equity Sales	kapil@dolatcapital.com	+9122 4096 9735
Yomika Agarwal	VP - Equity Sales	yomika@dolatcapital.com	+9122 4096 9772
Jubbin Shah	VP - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Ashwani Kandoi	AVP - Equity Sales	ashwanik@dolatcapital.com	+9122 4096 9725
Lekha Nahar	AVP - Equity Sales	lekhan@dolatcapital.com	+9122 4096 9740
Equity Trading	Designation	E-mail	
P. Sridhar	SVP and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	VP - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	VP - Head Domestic Derivatives Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Asia Head Derivatives	kartikm@dolatcapital.com	+9122 4096 9715
Dinesh Mehta	Co- Head Asia Derivatives	dinesh.mehta@dolatcapital.com	+9122 4096 9765
Bhavin Mehta	VP - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

**Dolat** Capital Market Private Limited.

Sunshine Tower, 28th Floor, Senapati Bapat Marg, Dadar (West), Mumbai 400013

---

**Analyst(s) Certification**

The research analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

---

**I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)****II. Disclaimer:**

This research report has been prepared by Dolat Capital Market Private Limited. to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies) solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of Dolat Capital Market Private Limited. This report has been prepared independent of the companies covered herein. Dolat Capital Market Private Limited. and its affiliated companies are part of a multi-service, integrated investment banking, brokerage and financing group. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, financing or any other advisory services to the company(ies) covered herein. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have received or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services. Research analysts and sales persons of Dolat Capital Market Private Limited. may provide important inputs to its affiliated company(ies) associated with it. While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and Dolat Capital Market Private Limited. does not warrant its accuracy or completeness. Dolat Capital Market Private Limited. may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and Dolat Capital Market Private Limited. reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. Dolat Capital Market Private Limited. and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions. This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Dolat Capital Market Private Limited. and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

**For U.S. Entity/ persons only:** "This Report is considered independent third-party research and was prepared by Dolat Capital Market Private Limited, with headquarters in India. The distribution of this Research is provided pursuant to the exemption under Rule 15a-6(a) (2) and is only intended for an audience of Major U.S. Institutional Investors (MUSIIs) as defined by Rule 15a-6(b)(4). This research is not a product of StoneX Financial Inc. Dolat Capital Market Private Limited has sole control over the contents of this research report. StoneX Financial Inc. does not exercise any control over the contents of, or the views expressed in, any research reports prepared by Dolat Capital Market Private Limited and under Rule 15a-6(a) (3), any U.S. recipient of this research report wishing to affect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through StoneX Financial Inc. Please contact Paul Karrlsson-Willis at +1 (407) 741-5310 or email Paul.Karrlsson-Willis@stonex.com and/or Igor Chernomorskiy at +1 (212)379-5463 or email Igor.Chernomorskiy@stonex.com. Under no circumstances should any U.S. recipient of this research report effect any transaction to buy or sell securities or related financial instruments through the Dolat Capital Market Private Limited."



---

**Dolat Capital Market Private Limited.**

Corporate Identity Number: U65990DD1993PTC009797

Member: BSE Limited and National Stock Exchange of India Limited.

SEBI Registration No: BSE – INZ000274132, NSE - INZ000274132, Research: INH000000685

Registered office: Office No. 141, Centre Point, Somnath, Daman – 396 210, Daman & Diu

Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com

---