MOTILAL OSWAL
Investment Services

19 January 2023
3QFY23 Results Update | Sector: Media

PVR

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	PVRL IN
Equity Shares (m)	61
M.Cap.(INRb)/(USDb)	102.8 / 1.3
52-Week Range (INR)	2212 / 1478
1, 6, 12 Rel. Per (%)	-7/-22/6
12M Avg Val (INR M)	1545

Financials & Valuations (INR b)

Y/E March	2023E	2024E	2025E
Sales	36.2	45.5	55.0
EBITDA	5.1	8.4	11.3
Adj. PAT	1.2	3.0	5.2
EBITDA Margin (%)	14.0	18.5	20.5
Adj. EPS (INR)	18.9	49.8	85.5
EPS Gr. (%)	LP	163.2	71.9
BV/Sh. (INR)	243.6	293.3	378.9
Ratios			
Net D:E	3.2	2.5	1.8
RoE (%)	8.1	18.5	25.5
RoCE (%)	7.9	13.9	18.9
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	88.8	33.7	19.6
P/BV (x)	6.9	5.7	4.4
EV/EBITDA (x)	22.2	13.1	9.4
Div Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Sep-22	Jun-22	Sep-21
Promoter	17.0	17.0	17.0
DII	27.1	26.2	26.0
FII	36.4	36.6	37.8
Others	19.6	20.3	19.1

FII Includes depository receipts

CMP: INR1,679 TP: INR1,570 (-6%) Neutral

Occupancies recover but yet below pre covid levels

- After reporting a weak performance in 2QFY23, PVR saw recovery and reported EBITDA of INR1.3b (v/s Est. INR1.1b) in 3QFY23, led by improving occupancies, (albeit below pre-covid levels) and healthy distribution income, driving up PAT to INR252m (v/s INR53m est.).
- Healthy content pipeline, expected merger completion between PVR Ltd and INOX Leisure, and a guidance of 150-200 screen additions annually for the combined entity should support growth. However, a mixed bag performance of recent big ticket movies coupled with rising concerns of OTT continue to remain our key monitorables. We reiterate our Neutral rating with a TP of INR1,570.

Healthy PAT growth, backed by improved revenue recovery

- PVR's 3QFY23 revenue reported a 37% QoQ growth to INR9.4b (11% beat, 3% above normalized base of 3QFY20), aided by higher distribution (Drishyam 2, Vikram Vedha & Cirkus) and improved admits and pricing. But it still continues to be below pre-covid levels. Average gross collection of the top five movies was up 75% QoQ.
- Movie tickets/F&B reported a growth of 33%/25% QoQ, (8%/39% v/s pre-covid levels).
- Advertising revenues grew 38.5% QoQ, but continued to remain 26.5% below pre-covid levels.
- Occupancies improved sequentially and stood at 29% v/s 24% in 2QFY23, but yet below pre-covid levels of 31%. Admits at 22m saw an improvement of 22% QoQ. ATP and SPH grew 7%/3% QoQ (14%/33% above pre-covid levels).
- Opex grew 18% QoQ to INR8.1b, mainly led by higher F&B costs, resulting from improved footfalls. EBITDA (pre IND-AS116) stood at INR1.3b.
- Consequently, the company reported a net profit of INR252m (v/s INR53m est).
- Net debt increased to INR11.8b as on Dec'22 v/s INR11b in Sep'22.

Highlights from the management commentary

- Initial advances of 'Pathaan' are encouraging. This, along with a healthy pipeline, should improve footfalls.
- The management announced receipt of approval from NCLT toward merger process. It expects the merger process to complete by the end of FY23.
- The company reiterated its plans to open 150-200 screens annually for the merged entity, with funding to occur through internal accruals.
- The management expects margins to improve, led by increased footfalls and recovery of ad revenues.

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Valuation and view

- Improved performance from Bollywood movies coupled with improved flow of Hollywood movies aided in recovery of footfalls for 3QFY23 on a QoQ basis, but the occupancies are yet below pre-covid levels, leading to weak margins (adjusted for distribution income).
- Continued uncertainty around acceptability of content, slower recovery in advertising revenues, along with increased risk of rising scale and the traction of movie releases over OTT platforms, as highlighted in our report, continue to be our key monitorables.
- We expect the business to normalize from FY24 onwards .EBITDA margins of 18.5%. The historical rich valuation has contracted, given the slower growth in the business and the risk posed by OTT players. We value PVRL at 12x FY24E EV/EBITDA to arrive at our TP of INR1570. **We reiterate our Neutral rating on the stock.**

Quarterly Performance (INR m)

Y/E March	FY22				FY23E				FY22	FY23E	FY23	Est. Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	**511**	**1,104**	**6,298**	**5,371**	**9,814**	**6,867**	**9,408**	**10,064**	**13,284**	**36,153**	**8,513**	**11**
YoY Change (%)	1096.3	153.2	893.5	224.3	1821.3	522.1	49.4	87.4	379.8	172.2	47.5	
Total Expenditure	1,807	2,357	5,763	5,714	7,924	6,889	8,124	8,155	15,640	31,092	7,432	9
EBITDA	**-1,296**	**-1,253**	**535**	**-342**	**1,890**	**-22**	**1,284**	**1,909**	**-2,357**	**5,061**	**1,081**	**19**
YoY Change (%)	-22.4	54.6	-149.2	-76.1	-245.8	-98.2	140.0	-657.8	-52.9	-314.8	12,328.6	
Depreciation	577	620	645	800	605	610	619	719	2,642	2,553	638	-3
Interest	377	394	389	386	390	393	389	395	1,546	1,567	392	-1
Other Income	198	316	125	164	190	150	128	132	804	600	29	349
PBT before EO expense	**-2,052**	**-1,951**	**-373**	**-1,364**	**1,085**	**-875**	**404**	**927**	**-5,740**	**1,541**	**80**	**407**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**-2,052**	**-1,951**	**-373**	**-1,364**	**1,085**	**-875**	**404**	**927**	**-5,740**	**1,541**	**80**	**407**
Tax	-633	-356	-153	-407	401	-307	152	142	-1548.3	387.9	27	469
Rate (%)	30.8	18.2	41.0	29.8	37.0	35.1	37.6	15.3	27.0	25.2	33.5	
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	**-1,419**	**-1,595**	**-220**	**-957**	**684**	**-568**	**252**	**785**	**-4,192**	**1,153**	**53**	**375**
Adj PAT	**-1,419**	**-1,595**	**-220**	**-957**	**684**	**-568**	**252**	**785**	**-4,192**	**1,153**	**53**	**375**
YoY Change (%)	-22.7	37.5	-83.9	-41.7	-148.2	-64.4	-214.4	-182.1	-30.2	-127.5	-124.1	

E: MOFSL Estimates

Other highlights

Management commentary

Screen opening continues to remain strong:

- The company added 20 screens across 3 properties during the quarter, taking the total count to 884.
- Management indicated that it is on track to open a total of 110-125 new screens in FY23.

Strong performance across segments:

- The quarter saw Hollywood’s resurgence with the highest grossing movie of the quarter ‘Avatar 2 : The Way of Water’ and was supported by movies such as ‘Black Panther : Wakanda Forever’ and ‘Black Adam’.

- The dominance of Regional cinema continued with blockbusters such as 'Ponniyin Selvan 1' and 'Love Today'. 'Kantara' which turned out to be a sleeper hit was the biggest regional release during the quarter.
- 'Drishyam 2' from Bollywood turned out to be 2nd biggest movie of the quarter and was supported by content such as 'Vikram Vedha' and 'Bhediya'.

Merger with Inox

- The company announced receipt of NCLT approval on the Proposed Scheme of Amalgamation between PVR Ltd and INOX Leisure.
- Post receipt of order from NCLT, the company will move to ROC filing, which will mark the effective date of merger.

Exhibit 1: Valuation summary

Particulars	Valuation
EBITDA FY24E (INR m)	8,430
Multiple	12
EV (INR m)	1,05,038
Net Debt (INR m)	9,266
Target Marketcap (INR m)	95,772
No. of shares	61.0
Target Price	**1,570**
CMP	**1,678**
Upside	-6%

Source: MOFSL, Company

Takeaways from the management interaction

Key Highlights:

- Initial advances of 'Pathaan' are encouraging. This, along with a healthy pipeline, should improve footfalls.
- The management announced receipt of approval from NCLT toward merger process. It expects the merger process to complete by the end of FY23.
- The company reiterated its plans to open 150-200 screens for the merged entity, with funding to occur through internal accruals.
- The management expects margins to improve, led by increased footfalls and recovery of ad revenues.

Detailed Highlights

Merger

- The company announced receipt of NCLT approval on 12th Jan 2023 and expects the process to complete by the end of FY23.
- The merged entity would have a combined screen portfolio of over 1600 screens in 115 cities.
- Post completion of the merger process, the company would focus on integrating both the entities and will not look at any inorganic opportunity

Business recovery

- 3QFY23 witnessed a sharp bounce back at box office with admissions crossing 22m, up 21% QoQ

- The recovery was led by overall performance across segments as the quarter saw resurgence of Hollywood movies and continued performance from regional movies. The Bollywood segment to report an improved performance on the back of success of ‘Drishyam 2’ and ‘Vikram Vedha’ and ‘Bhediya’

Content pipeline

- The management stated that the content pipeline looks good across Hollywood and Bollywood.
- Strong performance witnessed by ‘Avatar’ is encouraging and is expected to resolve the issues revolving around frequency of Hollywood movie release pipeline
- Initial advances of ‘Pathaan’ are encouraging and the management does not see any significant impact of protests against the movie.

Screen additions

- The company has already opened 63 screens YTD and is expected to open 47 screens by the end of FY23. Inox too is expected to open 100 screens in FY23.
- Resultantly, the company has reiterated its plans to open 150-200 screens annually moving ahead.
- The company expects the combined operating earnings to fund growth.
- Capital outlay on screen additions should improve, led by increased support from developers, given the association with strong brands.
- The company follows “% revenue share” model with CGR on tickets sold for ICE theatres.
- It expects to open 2 new screens under the ICE format within Mumbai and Bangalore in the short term and plans to add 6 more screens in 12-month period.
- Currently, the share of revenue from the ICE segment stands at merely 2.5% of box office revenue, but 25-30 films is expected to be on ICE format going ahead.

Weak performance of Bollywood content:

- The success ratio of original Hindi films has been low, while dubbed Hindi language content continued to see good performance. The management expects to see correction in this trend from FY24
- The company stated that its income is not dependent on single segment and diversified content across segments mitigates risk
- Further, several avenues to monetization of content ensures steady flow of income for the producers

Distribution business:

- Improved screen share post-merger will provide more bandwidth, which will aid in the expansion of this business segment
- Margin range:
  - Under foreign language content, where the company purchases the product outright (incl. streaming rights, Home theatre, and others), the company earns a margin of 25-30% spread over multiple years
  - Under the Hindi content, the company earns 5-10% depending on the structure of the deal, which is realised within three and eight months

Advertisement revenues

- Weak performance by big ticket movies along with media hype around Bollywood has adversely impacted the ad revenues.
- It expects the recovery to get better moving forward with improved performance in FY24, backed by improved performance of big ticket movies.
- Regionally, the ad revenues are trending better in the South but remained marginally lower than pre-covid levels, led by supply chain issues faced by the retail segment.
- While the per screen revenues for Inox are lower, the company will try to scale up revenues for certain Inox premium properties to PVR levels

Improved per screen revenue

- The company expects to see an average revenue per screen growth of 7-8% YoY, close to pre-pandemic levels.
- Further, the company is looking to open screens in the areas where there is demand to create value accretive expansion.

Margins

- Given the high operating leverage model of the business, the margins were largely impacted by lower footfalls and adversely impacted ad revenues.
- The management expects the improvement in margins backed by improved ad revenues and footfalls to flow down to the

- **Single screens:** Difference in occupancy and ancillary revenues along with limited ability to grow revenue and profitability will continue to adversely impact the performance of the single screens.

Pricing

- The company will continue to evaluate pricing as a lever upon occupancy. It will look to reduce pricing for films that have seen a drop in footfalls in the second and third week to draw more footfalls (e.g., weak performance in 'Cirkus' over the weekend led to correction in ticket pricing)
- Similarly, it has an opportunity to increase the pricing for big ticket films to improve the recovery.

- **Occupancy:** The company witnessed a drop in admission to the tune of ~9% with the Northern and Eastern regions being majorly impacted. The Southern and Western regions, on the other hand, fared better in terms of occupancy backed by regional content.

Exhibit 2: Consolidated quarterly performance (INR m)

	3QFY22	2QFY23	3QFY23	YoY (%)	QoQ (%)	3QFY23E	v/s est (%)
Revenue	**6,298**	**6,867**	**9,408**	**49**	**37**	**8,513**	**11**
Total operating cost	5,763	6,889	8,124	41	18	7,432	9
EBITDA	**535**	**-22**	**1,284**	**140**	**-5,936**	**1,081**	**19**
EBITDA margin (%)	8.5	-0.3	13.6	NM	NM	12.7	NM
Depreciation	645	610	619	-4	1	638	-3
EBIT	**-110**	**-632**	**665**	**-705**	**-205**	**443**	**50**
Interest	389	393	389	0	-1	392	-1
Other Income	125	150	128	2	-15	29	349
PBT	**-373**	**-875**	**404**	**-208**	**-146**	**80**	**407**
Share in Profit ad loss of JV	0	0	0	NM	NM	0	NM
PBT	**-373**	**-875**	**404**	**-208**	**-146**	**80**	**407**
Tax	-153	-307	152	-199	-150	27	469
Tax rate (%)	41.0	35.1	37.6	-8	7	NM	NM
Reported PAT	**-220**	**-568**	**252**	**-214**	**-144**	**53**	**375**
Adjusted PAT	**-220**	**-568**	**252**	**-214**	**-144**	**53**	**375**

Source: MOFSL, Company

Exhibit 3: KPI snapshot

KPI	**3QFY22**	**2QFY23**	**3QFY23**	**YoY (%)**	**QoQ (%)**
Screens	860	864	884	3%	2%
Admits ('000)	14,500	18,000	22,000	52%	22%
Occupancy (%)	18%	24%	29%	61%	21%
ATP (INR)	239	224	244	2%	9%
SPH (INR)	128	129	133	4%	3%

Source: MOFSL, Company

Exhibit 4: Break-up of operating expenditure

Operating expenses (INR m)	**3QFY22**	**2QFY23**	**3QFY23**	**YoY (%)**	**QoQ (%)**	**3QFY23E**	**v/s est (%)**
Movie exhibition cost	1,182	1,322	1,677	41.9	26.8	1,873	-10.5
Consumption of food and beverages	470	448	778	65.6	73.5	717	8.4
Employee expenses	788	814	943	19.7	15.8	1,022	-7.7
Other Expenses	3,324	4,305	4,727	42.2	9.8	3,820	23.7
Total	**5,763**	**6,889**	**8,124**	**41.0**	**17.9**	**7,432**	**9.3**
Opex (% of revenue)							
Movie exhibition cost	18.8	19.3	17.8	-94	-143	22.0	-418
Consumption of food and beverages	7.5	6.5	8.3	81	174	8.4	-16
Employee expenses	12.5	11.9	10.0	-248	-184	12.0	-198
Other Expenses	52.8	62.7	50.2	-253	-1244	44.9	537

Exhibit 5: Summary of our estimate change

	FY23E	FY24E
Ticket revenue (INR m)		
Old	18,982	25,951
Actual/New	18,133	23,378
Change (%)	-4.5	-9.9
F&B revenue (INR m)		
Old	11,984	15,659
Actual/New	11,596	14,197
Change (%)	-3.2	-9.3
Ad revenue (INR m)		
Old	2,982	4,599
Actual/New	2,980	4,599
Change (%)	-0.1	0.0
Total revenue (INR m)		
Old	36,207	49,523
Actual/New	36,153	45,488
Change (%)	-0.1	-8.1
EBITDA (INR m)		
Old	5,231	9,613
Actual/New	5,061	8,430
Change (%)	-3.2	-12.3
EBITDA margin (%)		
Old	14.4	19.4
Actual/New	14.0	18.5
Change (bp)	-45	-88
PAT (INR m)		
Old	1,505	3,920
Actual/New	1,153	3,035
Change (%)	-23.4	-22.6
Adj. EPS (INR)		
Old	24.7	64.3
Actual/New	18.9	49.8
Change (%)	-23.4	-22.6

Source: MOFSL

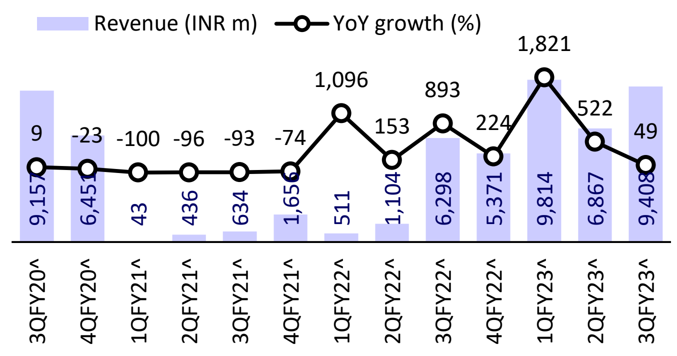
Exhibit 6: Content Pipeline – List of big ticket releases across languages

Movie	Region/ Language	Date
Pathaan	Bollywood	25-01-2023
Babylon	Hollywood	03-02-2023
Michael	South Indian	03-02-2023
Christopher	South Indian	09-02-2023
Shehzada	Bollywood	10-02-2023
Ant Man	Hollywood	17-02-2023
Selfiee	Bollywood	24-02-2023
Creed III	Hollywood	03-03-2023
Tu Jhoothi Me Makkar	Bollywood	08-03-2023
John Wick Chapter 4	Hollywood	24-03-2023
Bholaa	Bollywood	30-03-2023

Source: Company

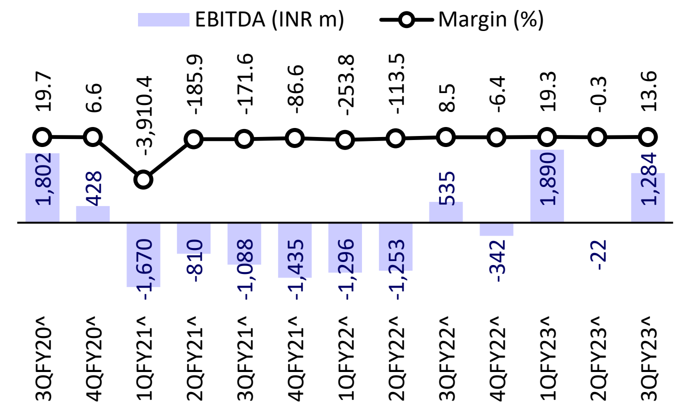
Story in charts

Exhibit 7: Revenue recovered QoQ in 3QFY23



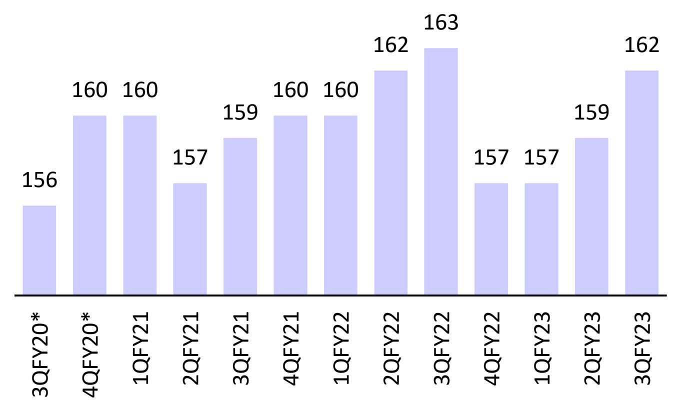
^Includes SPI consolidation Source: MOFSL, Company

Exhibit 8: Consolidated EBITDA turned positive



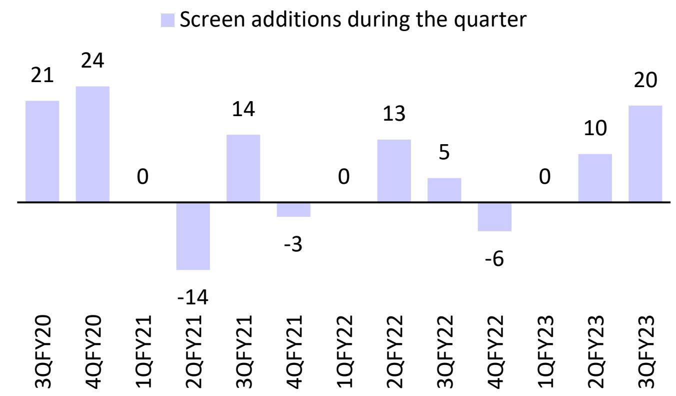
^Includes SPI consolidation Source: MOFSL, Company

Exhibit 9: Trend in Cinema property additions



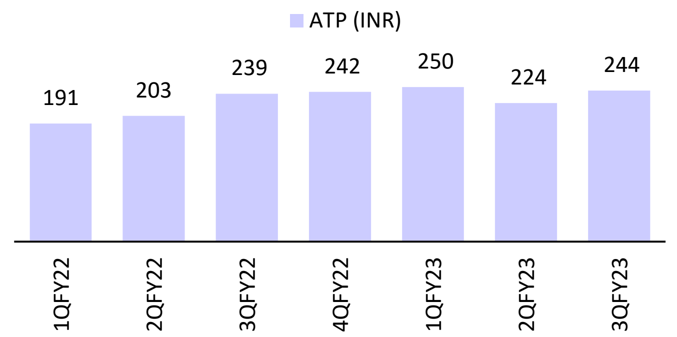
*Excludes SPI Cinemas Source: MOFSL, Company

Exhibit 10: PVRL added net 20 screens in 3QFY23



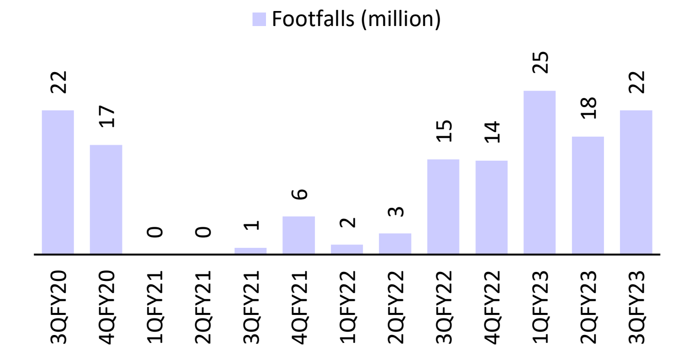
Source: MOFSL, Company

Exhibit 11: ATP improved sequentially



Source: MOFSL, Company

Exhibit 12: Footfalls saw sequential improvement



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement								(INR m)
Y/E March	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23E**	**FY24E**	**FY25E**
Net Sales	**23,341**	**30,856**	**34,144**	**2,769**	**13,284**	**36,153**	**45,488**	**54,997**
Change (%)	10.1	32.2	10.7	-91.9	379.8	172.2	25.8	20.9
Total Production Expenses	6,967	9,407	9,971	1,156	3,975	10,748	14,085	17,012
% of Sales	29.8	30.5	29.2	41.8	29.9	29.7	31.0	30.9
Personnel Expenses	2,541	3,373	3,938	2,171	2,693	3,977	4,549	5,610
% of Sales	10.9	10.9	11.5	78.4	20.3	11.0	10.0	10.2
Rent	4,111	5,091	5,659	1,196	3,389	7,083	8,014	9,625
% of Sales	17.6	16.5	16.6	43.2	25.5	19.6	17.6	17.5
Administrative & Other Expenses	5,703	7,122	8,815	3,249	5,584	9,284	10,411	11,491
% of Sales	24.4	23.1	25.8	117.4	42.0	25.7	22.9	20.9
Total Expenditure	**19,323**	**24,992**	**28,383**	**7,771**	**15,640**	**31,092**	**37,058**	**43,738**
% of Sales	82.8	81.0	83.1	280.7	117.7	86.0	81.5	79.5
EBITDA	**4,018**	**5,863**	**5,762**	**-5,003**	**-2,357**	**5,061**	**8,430**	**11,260**
Margin (%)	17.2	19.0	16.9	-180.7	-17.7	14.0	18.5	20.5
Depreciation	1,537	1,913	2,324	2,383	2,642	2,553	2,935	3,225
EBIT	**2,481**	**3,951**	**3,437**	**-7,386**	**-4,998**	**2,508**	**5,495**	**8,035**
Int. and Finance Charges	837	1,280	1,521	1,490	1,546	1,567	1,589	1,237
Other Income	313	331	378	336	804	600	150	175
PBT bef. EO Exp.	**1,958**	**3,002**	**2,294**	**-8,540**	**-5,740**	**1,541**	**4,056**	**6,973**
EO Expense/(Income)	6	0	5	0	0	0	0	0
PBT after EO Exp.	**1,952**	**3,002**	**2,288**	**-8,540**	**-5,740**	**1,541**	**4,056**	**6,973**
Current Tax	489	1,017	627	-2,539	-1,548	388	1,021	1,755
Deferred Tax	216	79	0	0	0	0	0	0
Tax Rate (%)	36.1	36.5	27.4	29.7	27.0	25.2	25.2	25.2
Less: Minority Interest	0	-68	-5	3	0	0	0	0
Reported PAT	**1,247**	**1,838**	**1,656**	**-5,998**	**-4,192**	**1,153**	**3,035**	**5,218**
Adj. PAT	**1,250**	**1,838**	**1,708**	**-6,010**	**-4,192**	**1,153**	**3,035**	**5,218**
Change (%)	27.1	47.0	-7.1	-451.9	-30.3	-127.5	163.2	71.9
Margin (%)	5.4	6.0	5.0	-217.1	-31.6	3.2	6.7	9.5
Net Profit	**1,247**	**1,770**	**1,652**	**-5,994**	**-4,192**	**1,153**	**3,035**	**5,218**

Consolidated - Balance Sheet								(INR m)
Y/E March	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23E**	**FY24E**	**FY25E**
Equity Share Capital	467	467	514	608	610	610	610	610
Total Reserves	10,286	14,490	14,289	17,726	13,094	14,247	17,282	22,500
Net Worth	**10,754**	**14,957**	**14,802**	**18,334**	**13,704**	**14,857**	**17,892**	**23,110**
Minority Interest	8	5	3	0	-3	-3	-3	-3
Deferred Liabilities (net)	-150	266	-2,049	-3,987	-5,926	-5,926	-5,926	-5,926
Total Loans	6,614	11,039	48,723	47,524	51,959	51,959	49,959	47,959
Lease Liabilities			37,715	36,512	36,907	36,907	36,907	36,907
Capital Employed	**17,226**	**26,267**	**61,479**	**61,871**	**59,734**	**60,887**	**61,923**	**65,141**
Gross Block	24,676	38,193	71,953	70,227	72,191	76,191	80,191	84,191
Less: Accum. Deprn.	8,856	10,769	13,093	15,476	18,117	20,671	23,605	26,830
Intangible assets- Goodwill	79	0	0	0	0	0	0	0
Net Fixed Assets	**15,899**	**27,425**	**58,860**	**54,751**	**54,074**	**55,520**	**56,586**	**57,361**
Right to use Assets			**30,047**	**27,554**	**26,783**	**26,783**	**26,783**	**26,783**
Capital WIP	1,017	2,208	1,547	2,172	645	645	645	645
Total Investments	**209**	**111**	**23**	**3**	**5**	**5**	**5**	**5**
Curr. Assets, Loans&Adv.	**6,208**	**8,659**	**11,799**	**14,106**	**12,584**	**12,735**	**15,017**	**19,456**
Inventory	198	303	307	250	342	276	369	441
Account Receivables	1,556	1,839	1,893	307	707	1,981	2,493	3,014
Cash and Bank Balance	328	341	3,223	7,314	5,781	4,536	4,678	6,961
Loans and Advances	4,126	6,175	6,377	6,235	5,754	5,943	7,478	9,041
Curr. Liability & Prov.	**6,107**	**12,135**	**10,750**	**9,161**	**7,573**	**8,018**	**10,330**	**12,326**
Account Payables	5,980	11,920	10,571	8,909	7,448	7,830	10,093	12,148
Provisions	127	215	180	252	126	188	237	178
Net Current Assets	**101**	**-3,477**	**1,049**	**4,945**	**5,011**	**4,717**	**4,687**	**7,130**
Appl. of Funds	**17,226**	**26,267**	**61,479**	**61,872**	**59,734**	**60,887**	**61,923**	**65,141**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Basic (INR)								
EPS	**26.7**	**37.9**	**32.2**	**-98.7**	**-68.7**	**18.9**	**49.8**	**85.5**
Cash EPS	59.6	80.2	78.5	-59.7	-25.4	60.8	97.9	138.4
BV/Share	230.1	320.0	288.3	301.7	224.7	243.6	293.3	378.9
DPS	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	9.0	6.1	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)								
P/E	62.9	44.3	52.2	NM	-24.4	88.8	33.7	19.6
Cash P/E	28.1	20.9	21.4	NM	-66.0	27.6	17.1	12.1
P/BV	7.3	5.2	5.8	5.6	7.5	6.9	5.7	4.4
EV/Sales	4.6	3.7	4.3	51.3	11.2	4.1	3.2	2.6
EV/EBITDA	26.9	19.2	25.6	NM	-47.2	22.2	13.1	9.4
Dividend Yield (%)	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Return Ratios (%)								
RoE	12.2	13.8	11.1	-36.2	-26.2	8.1	18.5	25.5
RoCE	10.4	12.5	10.7	-10.7	-10.5	7.9	13.9	18.9
RoIC	10.2	12.8	11.7	-14.3	-22.6	10.7	21.4	29.8
Working Capital Ratios								
Asset Turnover (x)	1.4	1.2	0.6	0.0	0.2	0.6	0.7	0.8
Inventory (Days)	3	4	3	33	9	3	3	3
Debtor (Days)	24	22	20	40	19	20	20	20
Creditor (Days)	94	141	113	1,175	205	79	81	81
Working Capital Turnover (Days)	-4	-45	-23	-312	-21	2	0	1
Leverage Ratio (x)								
Current Ratio	1.0	0.7	1.1	1.5	1.7	1.6	1.5	1.6
Debt/Equity	0.6	0.7	3.3	2.6	3.8	3.5	2.8	2.1

Consolidated - Cash Flow Statement (INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Net Profit / (Loss) Before Tax / EO	1,952	3,002	896	-9,388	-6,807	1,541	4,056	6,973
Depreciation	1,537	1,913	5,425	5,748	6,144	2,553	2,935	3,225
Interest & Finance Charges	837	1,280	4,730	4,949	4,938	1,567	1,589	1,237
Direct Taxes Paid	-704	-1,097	-295	72	99	-388	-1,021	-1,755
(Inc)/Dec in WC	699	4,007	-2,647	-803	434	-952	173	-160
CF from Operations	**4,320**	**9,105**	**8,108**	**578**	**4,808**	**4,321**	**7,732**	**9,519**
Others	-163	-331	-238	-4,705	-3,140	-600	-150	-175
CF from Operating incl EO	**4,157**	**8,774**	**7,870**	**-4,127**	**1,668**	**3,721**	**7,582**	**9,344**
(inc)/dec in FA	-2,302	-14,630	-3,838	-1,166	-1,245	-4,000	-4,000	-4,000
Free Cash Flow	**1,856**	**-5,856**	**4,033**	**-5,293**	**423**	**-279**	**3,582**	**5,344**
(Pur)/Sale of Investments	-190	99	0	0	0	0	0	0
Others	0	2,739	-66	-1,720	1,217	600	150	175
CF from Investments	**-2,491**	**-11,793**	**-3,903**	**-2,886**	**-28**	**-3,400**	**-3,850**	**-3,825**
Issue of Shares	0	0	5,041	10,931	183	0	0	0
(Inc)/Dec in Debt	-687	4,425	-674	1,768	1,553	0	-2,000	-2,000
Interest Paid	-837	-1,280	-1,151	-982	-1,246	-1,567	-1,589	-1,237
Dividend Paid	-113	-113	-360	0	0	0	0	0
Others	0	0	-4,965	-962	-2,658	0	0	0
CF from Fin. Activity	**-1,637**	**3,033**	**-2,110**	**10,755**	**-2,168**	**-1,567**	**-3,589**	**-3,237**
Inc/Dec of Cash	**29**	**14**	**1,857**	**3,742**	**-528**	**-1,245**	**143**	**2,283**
Add: Beginning Balance	299	328	-74	1,783	5,524	4,996	3,750	3,893
Closing Balance	**328**	**341**	**1,783**	**5,524**	**4,996**	**3,750**	**3,893**	**6,175**
Bank OD	0		1,441	1,790	785	785	785	785
Net Closing Balance	**328**	**341**	**3,223**	**7,314**	**5,781**	**4,536**	**4,678**	**6,961**

E: MOFSL Estimates

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Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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