

Bata India

Can Bata fix its volume problem?

Bata's premiumisation-volume trade-off strategy proved suboptimal vis-a-vis peers over FY15-23 (lost 10pp+ market share over FY15-23; ~13/16% FY23 revenue/EBITDA share). While our initial thesis on Bata's difficulty in winning volumes played out (highlighted in our footwear thematic dated Dec-21; [Link](#)), we interacted with management (Bata India CFO Mr Anil Somani) to understand if Bata has a volume fix up its sleeve. Key takeaways from the interaction: the focus is on (1) continuing to improve price and product range across channels; (2) improving distributor and franchisee unit economics; and (3) making the cost structures variable (to a point). While we maintain our REDUCE rating with an unchanged DCF-based TP of INR1,500/sh (implying 35x Sep-25 P/E), we are waiting for execution on the above initiatives before we can get more constructive on the name.

- Demand normalising; Bata hasn't resorted to EoSS extension/aggression:** Management highlighted that demand continues to normalise in H1 (H1FY23 comprises pent-up demand). However, unlike many players, Bata hasn't resorted to end-of-season sales (EoSS). Instead, the company continues to focus on improving product range and price straddling within ranges (for instance, the range of Hush Puppies and Power has meaningfully improved).
- Channel-wise strategy**
On retail, franchisees will remain the vehicles for expansion. Management highlighted that despite the rising share of franchisee and wholesale business, stable GM (56.1%) over FY19-23 is primarily a function of increased retail GM. The underpinnings of this improvement are (1) better inventory management; (2) reduced share of discounted sales; and (3) mix-led GM improvement. However, over the medium-to-long term, as the mix tilts towards wholesale/franchisee, GMs will inch downwards but so will cost structures. The mix change should be EBIT-accretive or EBIT-neutral at the very least in the medium-to-long term.
On distribution, the focus is to improve revenue/distributor by (1) increasing the product and price range, consequently increasing inventory turns at the distributor level and (2) improving incentive structures. Bata is also extending channel financing to distributors (which should aid stickiness).
Online: Online currently is a liquidation centre for the industry. Bata intends to primarily service orders the omni-way. Hence, although growth may be measured, the scale-up will be profitable.
- Right-sizing stores + tapping white spaces + measured cost variabilization should aid unit economics:** Management highlighted that it is incrementally adding smaller stores (1,100-1,300 sq. ft vs 1,500-1,700 sq ft). This coupled with tapping higher GM white spaces such as Floatz (1.5% of sales currently, target: 5%) and making employee costs more variable (currently 15-20% of employee costs are variable and Bata intends to take this to ~30%) should aid unit economics in the medium-to-long term.
- Valuation and outlook:** Bata gaining a fair share in wholesale/online seems par for the course. That said, scaling beyond a certain level (INR9-12bn in wholesale) is tough as one needs to contend with strong international sports brands at the higher end and functional value brands at the lower end. Hence, while estimates are generous, rerating warrants strong execution on the volume front. We assign a DCF-based TP of INR 1,500/sh (unchanged, implying 35x Sep-25 P/E). 13/22% revenue/EBITDA CAGRs are baked in for FY23-26.

REDUCE

| | |
|-------------------------|-----------|
| CMP (as on 03 Oct 2023) | INR 1,619 |
| Target Price | INR 1,500 |
| NIFTY | 19,529 |

| KEY CHANGES | OLD | NEW |
|--------------|-----------|-----------|
| Rating | REDUCE | REDUCE |
| Price Target | INR 1,500 | INR 1,500 |
| EPS % | FY25E | FY26E |
| | - | - |

KEY STOCK DATA

| | |
|------------------------------|-----------------|
| Bloomberg code | BATA IN |
| No. of Shares (mn) | 129 |
| MCap (INR bn) / (\$ mn) | 208/2,544 |
| 6m avg traded value (INR mn) | 559 |
| 52 Week high / low | INR 1,875/1,381 |

STOCK PERFORMANCE (%)

| | 3M | 6M | 12M |
|--------------|-------|------|--------|
| Absolute (%) | (1.8) | 13.1 | (9.2) |
| Relative (%) | (3.0) | 2.0 | (23.3) |

SHAREHOLDING PATTERN (%)

| | Mar-23 | Jun-23 |
|-----------------|--------|--------|
| Promoters | 50.16 | 50.16 |
| FIs & Local MFs | 21.09 | 19.57 |
| FPIs | 5.86 | 6.63 |
| Public & Others | 22.89 | 23.64 |
| Pledged Shares | 0 | 0 |

Source : BSE

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Financial summary

| | FY22 | FY23 | FY24E | FY25E | FY26E |
|------------------|--------|--------|--------|--------|--------|
| Net Sales | 23,877 | 34,516 | 38,618 | 44,118 | 49,813 |
| EBITDA | 1,318 | 4,822 | 5,728 | 6,810 | 8,102 |
| APAT | 901 | 3,511 | 4,142 | 4,945 | 5,991 |
| Dil. EPS (Rs/sh) | 7.0 | 27.3 | 32.2 | 38.5 | 46.6 |
| P/E (x) | 200.8 | 64.0 | 55.4 | 43.4 | 35.4 |
| EV/EBITDA (x) | 149.5 | 41.8 | 34.9 | 29.0 | 24.0 |
| ROE (%) | 4.6 | 19.4 | 23.7 | 24.5 | 25.3 |
| ROCE (%) | 2.7 | 17.5 | 21.3 | 24.5 | 25.4 |

Source: Company, HSIE Research

Peer Valuation

| Company | CMP | M cap (INR bn) | Reco | TP |
|--------------------------------|-------|----------------|--------|-------|
| F&G | | | | |
| Avenue Supermarts | 3,701 | 2,409 | SELL | 3,200 |
| Apparel & Innerwear | | | | |
| ABFRL | 217 | 206 | REDUCE | 190 |
| Shoppers Stop | 685 | 75 | SELL | 560 |
| V Mart | 2,003 | 40 | ADD | 2,050 |
| Trent | 2,058 | 732 | SELL | 1,350 |
| Jewellery | | | | |
| Titan Company | 3,198 | 2,839 | REDUCE | 2,600 |
| Footwear | | | | |
| Bata India | 1,616 | 208 | ADD | 1,500 |
| Relaxo Footwears | 911 | 227 | SELL | 740 |
| Metro Brands | 1,240 | 337 | SELL | 840 |
| Campus Activewear | 292 | 89 | NR | |
| E-tailers | | | | |
| Nykaa | 151 | 433 | REDUCE | 130 |
| Paints & Adhesives | | | | |
| Asian Paints | 3,171 | 3,042 | REDUCE | 3,200 |
| Berger Paints | 560 | 654 | ADD | 700 |
| Kansai Paints | 325 | 263 | ADD | 330 |

Source: Company, HSIE Research

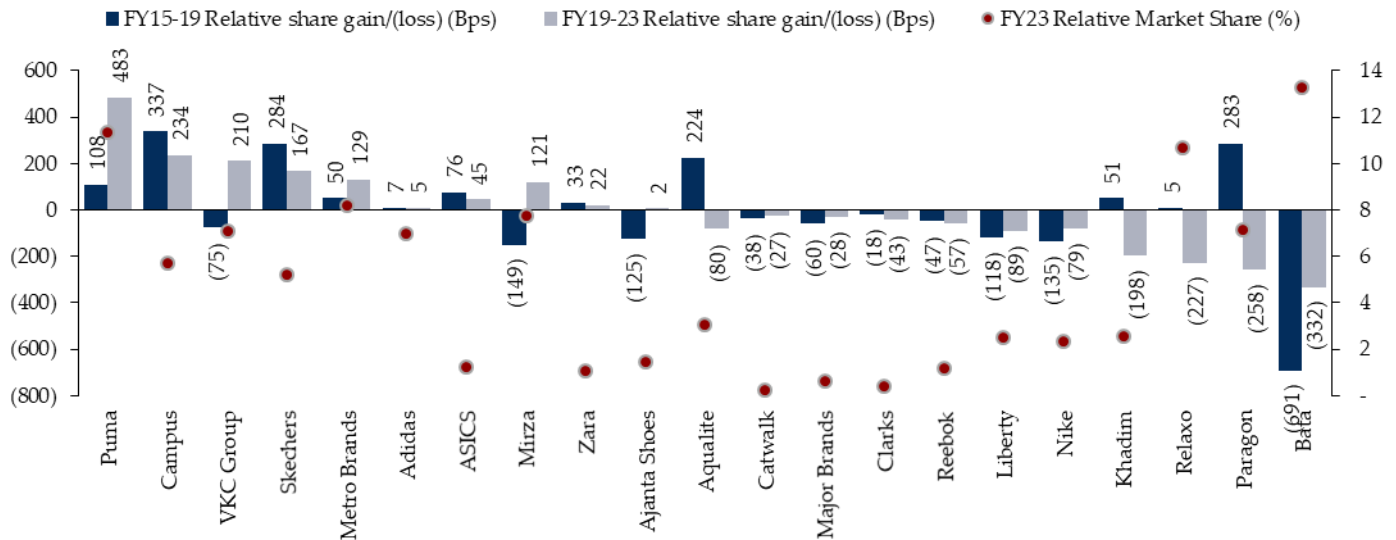
Peer Valuation

| Company | Revenue (INR bn) | | | | EBITDA (INR bn) | | | | EBITDAM (%) | | | | PAT (INR bn) | | | | EPS (INR) | | | |
|--------------------------------|------------------|-------|-------|-------|-----------------|-------|-------|-------|-------------|-------|-------|-------|--------------|-------|-------|-------|-----------|-------|-------|-------|
| | FY23 | FY24E | FY25E | FY26E | FY23 | FY24E | FY25E | FY26E | FY23 | FY24E | FY25E | FY26E | FY23 | FY24E | FY25E | FY26E | FY23 | FY24E | FY25E | FY26E |
| F&G | | | | | | | | | | | | | | | | | | | | |
| Avenue Supermarts | 418 | 502 | 603 | 712 | 34.9 | 44.3 | 54.3 | 64.6 | 8.3 | 8.8 | 9.0 | 9.1 | 25.6 | 29.7 | 36.9 | 44.3 | 39.4 | 45.9 | 56.9 | 68.4 |
| Apparel & Innerwear | | | | | | | | | | | | | | | | | | | | |
| ABFRL | 124 | 140 | 159 | 180 | 14.9 | 16.3 | 20.6 | 25.0 | 12.0 | 11.6 | 12.9 | 13.9 | (0.6) | 0.9 | 3.5 | 5.9 | (0.7) | 0.9 | 3.5 | 7.7 |
| Shoppers Stop | 40 | 43 | 47 | 52 | 2.8 | 3.1 | 3.6 | 4.1 | 7.1 | 7.3 | 7.6 | 7.9 | 1.5 | 1.4 | 1.6 | 1.9 | 14.1 | 12.8 | 14.5 | 17.5 |
| V Mart | 25 | 29 | 33 | 38 | 0.9 | 0.7 | 1.5 | 2.3 | 3.7 | 2.6 | 4.4 | 6.1 | 0.5 | (0.0) | 0.4 | 1.0 | 25.3 | (2.0) | 21.3 | 51.9 |
| Trent | 77 | 100 | 132 | 155 | 11.2 | 12.7 | 16.1 | 19.4 | 14.5 | 12.7 | 12.2 | 12.5 | 5.5 | 4.7 | 5.4 | 6.4 | 15.6 | 13.3 | 15.3 | 18.0 |
| Jewellery | | | | | | | | | | | | | | | | | | | | |
| Titan Company | 406 | 463 | 519 | 582 | 48.8 | 53.1 | 61.9 | 70.9 | 12.0 | 11.5 | 11.9 | 12.2 | 32.7 | 36.5 | 43.5 | 51.1 | 36.9 | 41.1 | 48.9 | 57.6 |
| Footwear | | | | | | | | | | | | | | | | | | | | |
| Bata India | 35 | 39 | 44 | 50 | 4.8 | 5.7 | 6.8 | 8.1 | 14.0 | 14.8 | 15.4 | 16.3 | 3.5 | 4.1 | 4.9 | 6.0 | 27.3 | 32.2 | 38.5 | 46.6 |
| Relaxo Footwears | 28 | 32 | 36 | 40 | 2.8 | 4.8 | 5.8 | 6.7 | 10.1 | 15.1 | 16.1 | 16.5 | 1.5 | 3.0 | 3.7 | 4.3 | 6.2 | 11.9 | 14.9 | 17.4 |
| Metro Brands | 21 | 25 | 29 | 34 | 5.1 | 5.6 | 6.5 | 7.5 | 23.9 | 22.6 | 22.3 | 22.1 | 3.7 | 3.8 | 4.6 | 5.5 | 13.8 | 14.3 | 17.3 | 20.7 |
| Campus Activewear* | 15 | 18 | 21 | 24 | 2.4 | 2.9 | 3.5 | 4.1 | 15.8 | 16.4 | 16.9 | 17.1 | 1.2 | 1.5 | 1.8 | 2.2 | 3.8 | 4.8 | 6.0 | 7.2 |
| E-tailers | | | | | | | | | | | | | | | | | | | | |
| Nykaa | 51 | 63 | 83 | 105 | 2.6 | 3.7 | 5.8 | 8.3 | 5.0 | 5.8 | 7.0 | 7.9 | 0.2 | 0.6 | 1.9 | 3.5 | 0.1 | 0.2 | 0.7 | 1.2 |
| Paints | | | | | | | | | | | | | | | | | | | | |
| Asian Paints | 345 | 376 | 422 | 476 | 62.6 | 76.0 | 87.3 | 98.9 | 18.2 | 20.2 | 20.7 | 20.8 | 40.6 | 52.3 | 59.6 | 68.0 | 45.2 | 54.5 | 62.1 | 70.9 |
| Berger Paints | 106 | 118 | 134 | 152 | 14.9 | 20.7 | 23.4 | 26.7 | 14.1 | 17.6 | 17.5 | 17.6 | 8.6 | 12.9 | 14.9 | 17.7 | 8.9 | 13.2 | 15.3 | 18.2 |
| Kansai Paints | 75 | 84 | 94 | 107 | 8.2 | 9.8 | 11.3 | 13.0 | 10.8 | 11.7 | 12.0 | 12.2 | 4.7 | 5.9 | 6.9 | 8.0 | 5.8 | 7.3 | 8.5 | 9.8 |

Source: Company, HSIE Research, Note: *For Campus Activewear, consensus estimates used

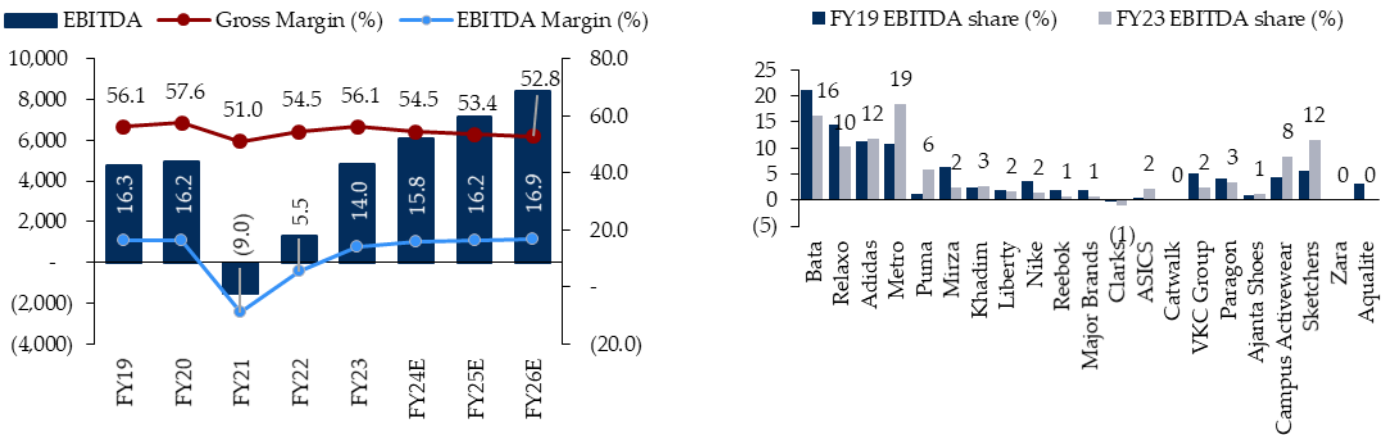
Focus Charts

Bata remains the biggest organised footwear retailer but it has ceded significant market share over FY15-23



Source: Company, HSIE Research

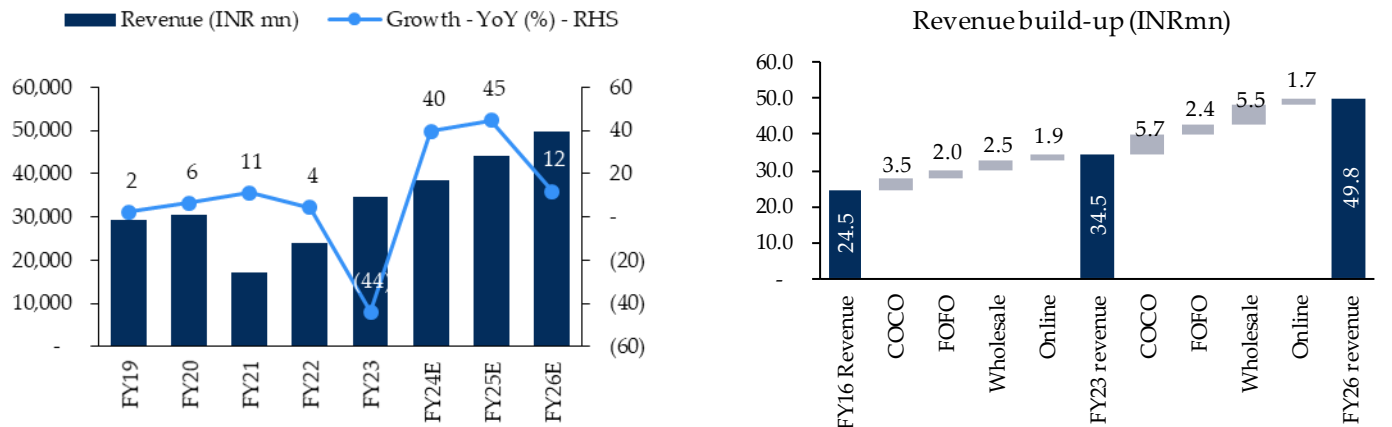
Premiumisation cushions profitability (not sustainable) and Bata's relative share in the profit pool



Source: Company, HSIE Research

Source: Company, HSIE Research

We build in 13% revenue CAGR over FY19-23 primarily led by wholesale and online/omni channel



Source: Company, HSIE Research

Source: Company, HSIE Research

Financials

P&L

| Year End (March) | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 |
|---|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|
| Net Revenues | 29,311 | 30,561 | 17,085 | 23,877 | 34,516 | 38,618 | 44,118 | 49,813 |
| Growth (%) | 11.3 | 4.3 | (44.1) | 39.8 | 44.6 | 11.9 | 14.2 | 12.9 |
| Material Expenses | 12,871 | 12,966 | 8,375 | 10,868 | 15,136 | 17,580 | 20,564 | 23,529 |
| Employee Expense | 3,311 | 3,764 | 3,398 | 3,787 | 4,187 | 4,346 | 4,686 | 5,053 |
| A&P Expense | 661 | 769 | 339 | 601 | 881 | 965 | 1,147 | 1,305 |
| Rent Expense | 3,793 | 3,865 | 3,399 | 3,454 | 4,282 | 4,356 | 4,519 | 4,686 |
| Other selling and distribution Expense | 1,004 | 1,127 | 726 | 897 | 1,340 | 1,506 | 1,712 | 1,928 |
| Other Expenses | 2,900 | 3,127 | 2,376 | 2,953 | 3,869 | 4,135 | 4,680 | 5,210 |
| EBITDA | 4,771 | 4,942 | (1,530) | 1,318 | 4,822 | 5,728 | 6,810 | 8,102 |
| EBITDA Growth (%) | 35.8 | 3.6 | (131.0) | (186.2) | 265.8 | 18.8 | 18.9 | 19.0 |
| EBITDA Margin (%) | 16.3 | 16.2 | (9.0) | 5.5 | 14.0 | 14.8 | 15.4 | 16.3 |
| Depreciation | 640 | 643 | 629 | 594 | 620 | 744 | 804 | 861 |
| EBIT | 4,130 | 4,299 | (2,158) | 725 | 4,202 | 4,984 | 6,006 | 7,241 |
| Other Income (Including EO Items) | 682 | 687 | 895 | 560 | 387 | 430 | 558 | 735 |
| Interest | 35 | 23 | 23 | 16 | 9 | 17 | 17 | 18 |
| PBT | 4,777 | 4,962 | (1,286) | 1,268 | 4,580 | 5,397 | 6,546 | 7,958 |
| Total Tax | 1,487 | 1,583 | (273) | 367 | 1,068 | 1,255 | 1,601 | 1,968 |
| PAT before share of associate earnings | 3,290 | 3,379 | (1,013) | 901 | 3,511 | 4,142 | 4,945 | 5,991 |
| Share of associate earnings | - | - | - | - | - | - | - | - |
| RPAT | 3,290 | 3,379 | (1,013) | 901 | 3,511 | 4,142 | 4,945 | 5,991 |
| Exceptional Gain/(loss) | - | - | 46 | - | - | - | - | - |
| Adjusted PAT | 3,290 | 3,379 | (967) | 901 | 3,511 | 4,142 | 4,945 | 5,991 |
| APAT Growth (%) | 49.2 | 2.7 | (128.6) | (193.2) | 289.6 | 18.0 | 19.4 | 21.2 |
| Adjusted EPS (Rs) | 25.6 | 26.3 | (7.5) | 7.0 | 27.3 | 32.2 | 38.5 | 46.6 |
| EPS Growth (%) | 49.2 | 2.7 | (128.6) | (193.2) | 289.6 | 18.0 | 19.4 | 21.2 |

Balance Sheet

| Year End (March) | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| SOURCES OF FUNDS | | | | | | | | |
| Share Capital - Equity | 643 | 643 | 643 | 643 | 643 | 643 | 643 | 643 |
| Reserves | 16,776 | 20,459 | 18,968 | 19,239 | 15,644 | 18,051 | 21,067 | 25,002 |
| Total Shareholders Funds | 17,418 | 21,102 | 19,610 | 19,882 | 16,286 | 18,693 | 21,710 | 25,644 |
| Long Term Debt | - | - | - | - | - | - | - | - |
| Short Term Debt | - | - | - | - | - | - | - | - |
| Total Debt | - | - | - | - | - | - | - | - |
| Net Deferred Taxes | - | - | - | - | - | - | - | - |
| Other Non-current Liabilities & Provns | - | - | - | - | 5 | - | - | - |
| TOTAL SOURCES OF FUNDS | 17,418 | 21,102 | 19,610 | 19,882 | 16,291 | 18,693 | 21,710 | 25,644 |
| APPLICATION OF FUNDS | | | | | | | | |
| Net Block | 3,165 | 3,365 | 2,902 | 3,067 | 3,380 | 3,523 | 3,645 | 3,730 |
| CWIP | 173 | 199 | 336 | 37 | 16 | 16 | 16 | 16 |
| Other Non-current Assets | 1,099 | 2,225 | 2,045 | 1,713 | 1,405 | 1,405 | 1,405 | 1,405 |
| Total Non-current Assets | 4,436 | 5,789 | 5,283 | 4,817 | 4,801 | 4,945 | 5,066 | 5,151 |
| Inventories | 8,394 | 8,737 | 6,083 | 8,709 | 9,046 | 9,909 | 11,199 | 12,509 |
| Debtors | 664 | 633 | 794 | 717 | 826 | 977 | 1,176 | 1,396 |
| Other Current Assets | 2,844 | 2,198 | 1,904 | 2,114 | 2,167 | 2,266 | 2,407 | 2,513 |
| Cash & Equivalents | 8,403 | 9,639 | 10,968 | 9,688 | 5,317 | 7,032 | 9,094 | 12,242 |
| Total Current Assets | 20,305 | 21,207 | 19,748 | 21,228 | 17,355 | 20,184 | 23,877 | 28,660 |
| Creditors | 6,160 | 5,034 | 4,397 | 4,562 | 4,094 | 5,290 | 6,044 | 6,824 |
| Other Current Liabilities & Provns | 1,162 | 860 | 1,024 | 1,601 | 1,772 | 1,145 | 1,190 | 1,343 |
| Total Current Liabilities | 7,322 | 5,894 | 5,421 | 6,163 | 5,865 | 6,435 | 7,233 | 8,167 |
| Net Current Assets | 12,982 | 15,313 | 14,328 | 15,065 | 11,490 | 13,749 | 16,644 | 20,493 |
| Others | | | | | | | | |
| TOTAL APPLICATION OF FUNDS | 17,418 | 21,102 | 19,610 | 19,882 | 16,291 | 18,693 | 21,710 | 25,644 |

Source: Company, HSIE Research

CASH FLOW

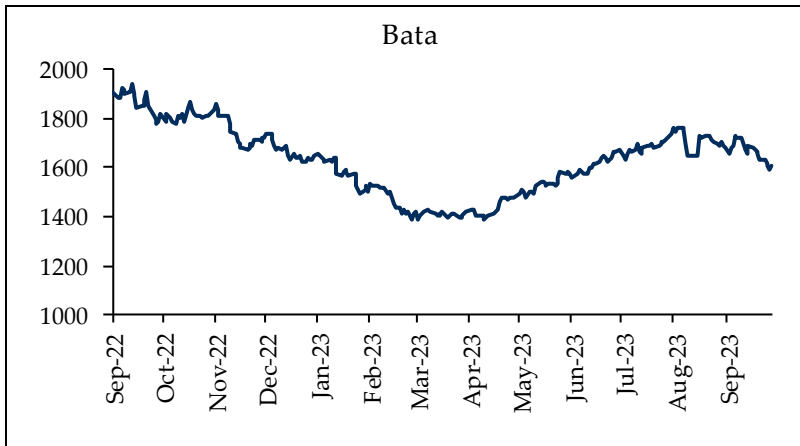
| Year ending March | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Reported PBT | 4,777 | 4,872 | (1,166) | 1,397 | 4,298 | 5,397 | 6,546 | 7,958 |
| Non-operating & EO Items | (733) | (638) | (440) | (601) | (286) | (430) | (558) | (735) |
| Interest Expenses | 35 | 1,177 | 1,035 | 928 | 1,079 | 17 | 17 | 18 |
| Depreciation | 634 | 2,958 | 2,648 | 2,442 | 2,948 | 744 | 804 | 861 |
| Working Capital Change | 147 | (682) | 2,066 | (1,982) | (776) | (543) | (833) | (702) |
| Tax Paid | (1,410) | (1,870) | 468 | (68) | (974) | (1,255) | (1,601) | (1,968) |
| OPERATING CASH FLOW (a) | 3,451 | 5,817 | 4,611 | 2,115 | 6,288 | 3,930 | 4,375 | 5,433 |
| Capex | (822) | (857) | (357) | (477) | (897) | (888) | (926) | (946) |
| Free Cash Flow (FCF) | 2,629 | 4,960 | 4,254 | 1,638 | 5,391 | 3,042 | 3,449 | 4,487 |
| Investments | - | - | - | 29 | - | - | - | - |
| Non-operating Income | (1,955) | (1,033) | (170) | 1,376 | 5,282 | 430 | 558 | 735 |
| INVESTING CASH FLOW (b) | (2,776) | (1,890) | (527) | 928 | 4,385 | (458) | (368) | (210) |
| Debt Issuance/(Repaid) | (14) | (13) | (11) | (9) | - | (17) | (17) | (18) |
| FCFE | 660 | 3,915 | 4,072 | 3,034 | 10,673 | 3,455 | 3,990 | 5,205 |
| Share Capital Issuance | - | - | - | - | - | - | - | - |
| Dividend | (618) | (969) | (515) | (514) | (6,989) | (1,735) | (1,928) | (2,056) |
| Others | - | (3,379) | (3,165) | (2,886) | - | (5) | - | - |
| FINANCING CASH FLOW (c) | (631) | (4,361) | (3,691) | (3,410) | (6,989) | (1,757) | (1,945) | (2,074) |
| NET CASH FLOW (a+b+c) | 43 | (434) | 393 | (367) | 3,684 | 1,715 | 2,062 | 3,148 |
| EO Items, Others | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Closing Cash & Equivalents | 8,403 | 9,639 | 10,968 | 9,688 | 5,312 | 7,027 | 9,089 | 12,237 |

KEY RATIOS

| | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 |
|-----------------------------------|-------|-------|---------|-------|-------|-------|-------|-------|
| PROFITABILITY (%) | | | | | | | | |
| GPM | 56.1 | 57.6 | 51.0 | 54.5 | 56.1 | 54.5 | 53.4 | 52.8 |
| EBITDA Margin | 16.3 | 16.3 | 9.5 | 17.5 | 23.0 | 23.1 | 22.7 | 22.7 |
| EBIT Margin | 14.1 | 14.2 | (6.0) | 7.4 | 14.5 | 14.7 | 15.7 | 16.4 |
| APAT Margin | 11.2 | 11.1 | (5.7) | 3.8 | 10.2 | 10.7 | 11.2 | 12.0 |
| RoE | 20.5 | 17.5 | (4.8) | 4.6 | 19.4 | 23.7 | 24.5 | 25.3 |
| RoIC (or Core RoCE) | 31.9 | 28.7 | (16.2) | 5.7 | 29.8 | 33.0 | 37.0 | 41.7 |
| RoCE | 17.7 | 15.3 | (8.0) | 2.7 | 17.5 | 21.3 | 24.5 | 25.4 |
| EFFICIENCY | | | | | | | | |
| Tax Rate (%) | 31.1 | 31.6 | 24.4 | 26.3 | 24.9 | 25.2 | 25.2 | 25.2 |
| Fixed Asset Turnover (x) | 5.2 | 4.8 | 2.7 | 3.5 | 4.7 | 4.7 | 4.8 | 4.9 |
| Inventory (days) | 104.5 | 104.3 | 130.0 | 133.1 | 95.7 | 93.7 | 92.7 | 91.7 |
| Debtors (days) | 8.3 | 7.6 | 17.0 | 11.0 | 8.7 | 9.2 | 9.7 | 10.2 |
| Other Current Assets (days) | 35.4 | 26.3 | 40.7 | 32.3 | 22.9 | 21.4 | 19.9 | 18.4 |
| Payables (days) | 76.7 | 60.1 | 93.9 | 69.7 | 43.3 | 50.0 | 50.0 | 50.0 |
| Other Current Liab & Provs (days) | 14.5 | 10.3 | 21.9 | 24.5 | 18.7 | 10.8 | 9.8 | 9.8 |
| Cash Conversion Cycle (days) | 57.0 | 67.8 | 71.8 | 82.2 | 65.3 | 63.5 | 62.5 | 60.5 |
| Net D/E (x) | (0.5) | (0.5) | (0.6) | (0.5) | (0.3) | (0.4) | (0.4) | (0.5) |
| Interest Coverage (x) | 116.5 | 183.2 | (94.9) | 44.4 | 474.2 | 291.2 | 345.0 | 408.9 |
| PER SHARE DATA (Rs) | | | | | | | | |
| EPS | 25.6 | 26.7 | (7.3) | 8.0 | 25.1 | 29.0 | 37.0 | 45.5 |
| CEPS | 30.6 | 31.7 | (2.4) | 12.6 | 30.0 | 34.8 | 43.3 | 52.2 |
| Dividend | 6.3 | 4.0 | 4.0 | 54.5 | 13.5 | 15.0 | 16.0 | 17.0 |
| Book Value | 135.5 | 164.2 | 152.6 | 154.7 | 126.7 | 145.4 | 168.9 | 199.5 |
| VALUATION | | | | | | | | |
| P/E (x) | 62.9 | 60.3 | (220.2) | 200.8 | 64.0 | 55.4 | 43.4 | 35.4 |
| P/BV (x) | 11.9 | 9.8 | 10.5 | 10.4 | 12.7 | 11.1 | 9.5 | 8.1 |
| EV/EBITDA (x) | 41.6 | 39.9 | (128.0) | 149.5 | 41.8 | 34.9 | 29.0 | 24.0 |
| EV/Revenues (x) | 6.8 | 6.5 | 11.5 | 8.3 | 5.8 | 5.2 | 4.5 | 3.9 |
| OCF/EV (%) | 1.7 | 3.0 | 2.4 | 1.1 | 3.1 | 2.0 | 2.2 | 2.8 |
| FCF/EV (%) | 1.3 | 2.5 | 2.2 | 0.8 | 2.7 | 1.5 | 1.7 | 2.3 |
| FCFE/Mkt Cap (%) | 0.3 | 1.9 | 2.0 | 1.5 | 5.2 | 1.7 | 1.9 | 2.5 |
| Dividend Yield (%) | 0.4 | 0.2 | 0.2 | 3.4 | 0.8 | 0.9 | 1.0 | 1.1 |

Source: Company, HSIE Research

1 Yr Price Movement



Rating Criteria

- BUY: >+15% return potential
- ADD: +5% to +15% return potential
- REDUCE: -10% to +5% return potential
- SELL: >10% Downside return potential

Disclosure:

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