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Rating Information	
Price (Rs)	375
Target Price (Rs)	480
Target Date	30th Sept'18
Target Set On	21st July'17
Implied yrs of growth (DCF)	15
Fair Value (DCF)	472
Fair Value (DDM)	420
Ind Benchmark	BSETECK
Model Portfolio Position	NA

Stock Information	
Market Cap (Rs Mn)	69,010
Free Float (%)	30.14 %
52 Wk H/L (Rs)	447.85/322
Avg Daily Volume (1yr)	3,63,360
Avg Daily Value (Rs Mn)	137
Equity Cap (Rs Mn)	1,839
Face Value (Rs)	10
Bloomberg Code	DBCL IN

Ownership	Recent	3M	12M
Promoters	69.9 %	0.0 %	-0.1 %
DII	7.1 %	0.7 %	-0.3 %
FII	15.8 %	-2.6 %	-2.6 %
Public	7.3 %	1.9 %	3.0 %

Price %	1M	3M	12M
Absolute	-0.3 %	-1.0 %	-6.9 %
Vs Industry	-5.6 %	-8.0 %	-7.0 %
JAGRAN	-3.5 %	-8.6 %	-2.3 %
HMYL	2.9 %	-2.9 %	3.3 %

Consolidated Quarterly EPS forecast

Rs/Share	1Q	2Q	3Q	4Q
EPS (17A)	5.6	4.6	6.4	3.6
EPS (18E)	6.0	4.9	8.1	5.2

DB Corp

1QFY18 Result: Estimate (↔), TP (↑), Rating (↔)

Regular Coverage

Decent start to FY18, growth to accelerate in second half; retain LONG

DB Corp (DBCL) reported 1QFY18 revenues of Rs 5.9bn (+3% yoy and 3% below EE). Print advertising grew by 5% yoy, posting a decent performance given GST uncertainties and a high base of last year (20% growth). Going forward, comps are set to get easier and we estimate advertising growth to accelerate in 2HFY18. Circulation growth will be driven by volumes as no cover price hike is expected in FY18. DBCL posted solid EBITDA margin of 31.4% (-17bps yoy and +110bps vs. EE), despite a 6% yoy increase in newsprint costs. We have slightly tweaked our FY18/FY19 EPS estimates by 0%/1% and roll over to Sep'18 TP of Rs 480 (from a Jun'18 TP of Rs 470). Maintain LONG.

Print advertising volumes to pick up from 2HFY18: Print advertisement revenues grew by +5% yoy off a high base (+20% yoy). Management expects high-single digit growth in 2QFY18, which should accelerate in 2HFY18 due to a weaker FY17 base. Circulation revenues grew 5% yoy. Management plans to push more number of copies but without any cover price hikes in FY18. In 1QFY18, newsprint costs increased by ~6% yoy. DBCL keeps 4-6 months of imported newsprint stock and hence was not able to benefit from INR appreciation. Going forward, management expects newsprint costs to remain broadly stable.

Radio growth to be modest; digital strategy debatable: Radio advertising grew by +11% yoy (vs. +11% yoy last quarter). Radio business growth was entirely driven by new stations as legacy stations posted flattish growth. DBCL took a high single-digit rate hike during the quarter for some key stations. Radio EBITDA margins declined to 18% (vs. 35% last year) due to increased costs of newly-launched stations. For the digital segment, DBCL's advertising revenues have been decelerating for the last few quarters and slid 2% yoy in 1QFY18. According to management, the current focus is on improving customer experience on digital platforms rather than on monetization. Digital business garnered 85.6mn unique visitors in Jun'17 vs. 41.5mn in Jun'16; the company could have garnered ~Rs. 20mn more visitors had it not removed ads. Management indicated that focus over the next 12-18 months would be on traffic growth.

Maintain LONG with a rolled over Sep'18 TP of Rs 480 (Jun'18 TP of Rs 470 earlier): Post 1Q results, we have slightly tweaked our FY18/FY19 EPS estimates by 0%/1%. With nearly Rs. 1,900mn cash on the balance sheet, DBCL is looking at various options of enhancing shareholder returns. We maintain our LONG rating on DBCL and roll over to Sep'18 TP of Rs 480 (from a Jun'18 TP of Rs 470) set at 11x EV/EBITDA on our TTM Sep'18 estimates.

Absolute : LONG

Relative : Overweight

27% ATR in 14 Months

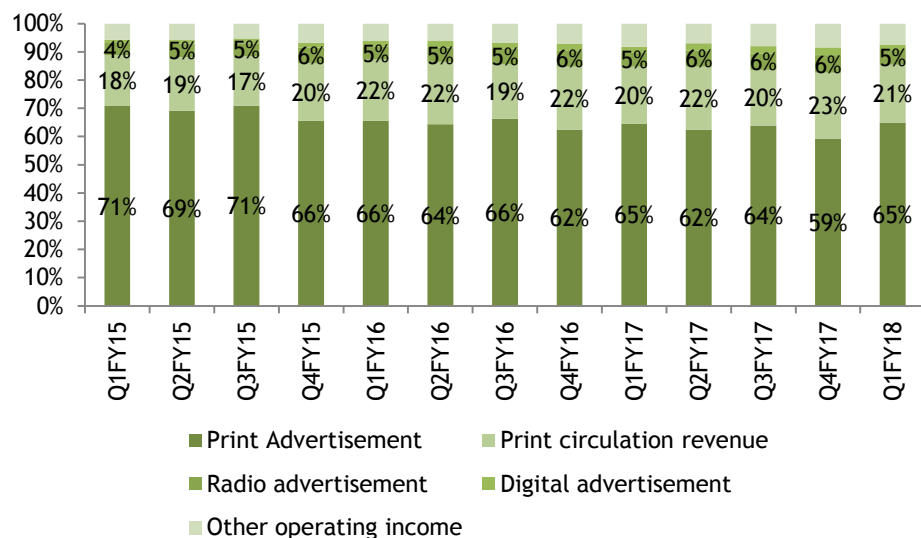
Media & Entertainment

Change in Estimates

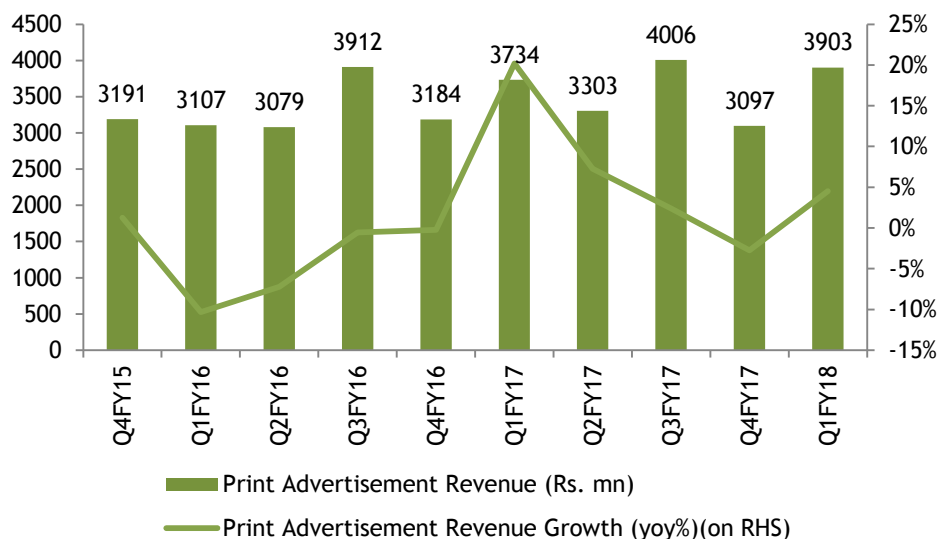
Rs. Mn	FY18E	Chg (%)	FY19E	Chg (%)
Sales	24,633	-3%	27,233	-3%
EBITDA	7,489	0%	8,642	0%
EPS	24.2	0%	28.4	1%

Consolidated Financials

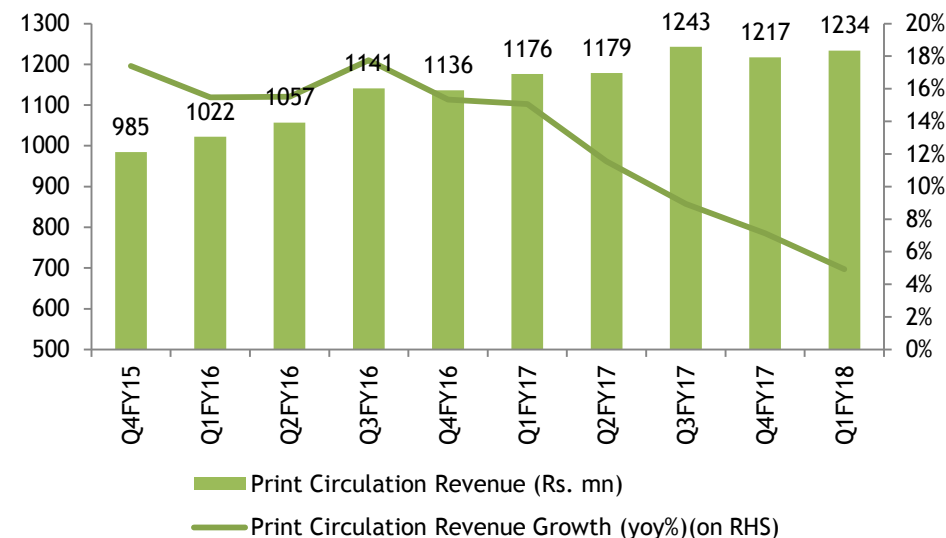
Rs. Mn YE Mar	FY17A	FY18E	FY19E	FY20E
Sales	22,580	24,633	27,233	29,966
EBITDA	6,422	7,489	8,642	9,730
Depreciation	863	878	895	899
Interest Expense	74	70	70	70
Other Income	170	223	241	349
Reported PAT	3,748	4,444	5,225	6,012
Recurring PAT	3,748	4,444	5,225	6,012
Total Equity	15,944	17,720	19,810	22,215
Gross Debt	1,828	1,828	1,828	1,828
Cash	1,744	3,818	5,956	8,420
Rs Per Share	FY17A	FY18E	FY19E	FY20E
Earnings	20.2	24.2	28.4	32.7
Book Value	87	96	108	121
Dividends	4.0	12.1	14.2	16.3
FCFF	16.9	25.2	28.0	31.7
P/E (x)	18.6	15.5	13.2	11.5
P/B (x)	4.3	3.9	3.5	3.1
EV/EBITDA (x)	10.8	8.9	7.5	6.4
ROE (%)	25 %	26 %	28 %	29 %
Core ROIC (%)	23 %	27 %	32 %	37 %
EBITDA Margin (%)	28 %	30 %	32 %	32 %
Net Margin (%)	17 %	18 %	19 %	20 %

Exhibit 1: Quarterly segmental revenue share trends


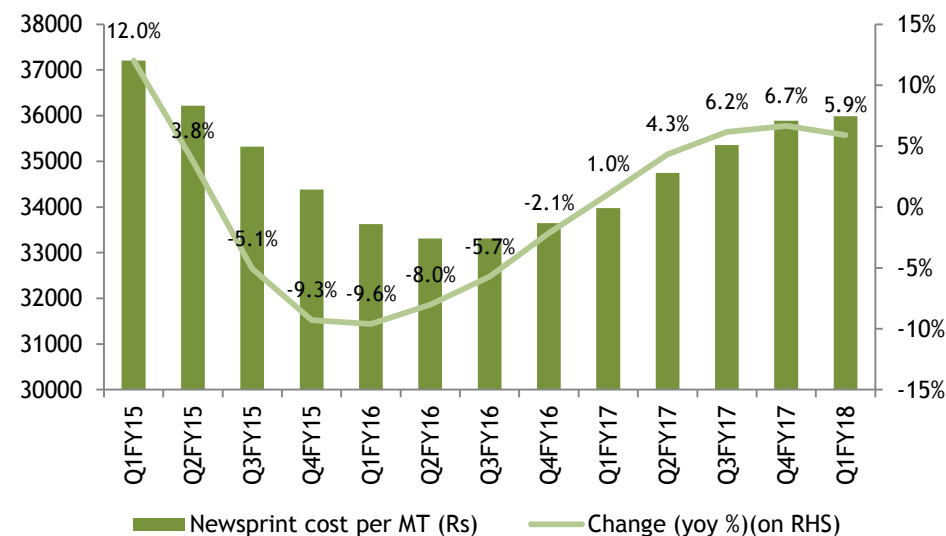
Source: Company, Equirus Research

Exhibit 2: Quarterly print advertising growth trends


Source: Company, Equirus Research

Exhibit 3: Quarterly print circulation growth trends


Source: Company, Equirus Research

Exhibit 4: Quarterly newsprint cost growth trends


Source: Company, Equirus Research

Conference call highlights

Business overview

- In 1QFY18, overall advertising revenues grew 5% yoy mainly due to 5%/11% growth in print/radio ad revenues. Digital ad revenue declined by 2% yoy.
- DBCL maintained its leadership position in legacy markets. Surat edition was launched in Apr'17 and the company is focusing on increasing its reach in the city.
- Advertising revenues grew by ~7.5-8% in April but saw flattish growth in June. Management is confident of posting strong advertising revenue growth in August and September.
- The real estate sector has been in a bad shape since last October due demonetization and RERA-related uncertainties. Advertising from the real estate sector declined ~20% yoy while automobile-related advertising grew ~19% yoy.
- DBCL is not looking to expand into any new geography this financial year.

Newspaper business

- Both print advertisement revenue and print circulation revenue grew by 5% on yoy basis in 1QFY18.
- The company had decided not to increase cover prices two quarters back. They would adhere to this strategy till Mar'18.
- Management indicated that future growth would be driven by an increase in circulation, and that it is hopeful of achieving good circulation numbers in 2Q18.
- The newspaper business recorded its highest-ever EBITM of 31.1% in 1QFY18 (+1,064bps over previous quarter).
- DBCL would not recruit any manpower in existing markets, but would take in new personnel only on expansion into newer geographies.
- In 1QFY18, newsprint cost at Rs 35,988/MT increased by ~6% yoy. Management expects a ~2% qoq increase going ahead. DBCL keeps 4-6 months of imported newsprint stock.
- Top-5 categories contribute to ~55% of print advertising revenue.

Radio and digital business

- DBCL registered a growth of 11.3% yoy in radio advertisement while digital advertisement declined by 1.2% yoy.

- Radio EBIT margin came in at ~8% vs. ~15% in 4QFY17 and 27% in 1QFY17 as expenses for new stations brought down margins.
- Radio business growth was entirely driven by new stations as legacy stations posted flattish growth. DBCL took a high single-digit rate hike during the quarter.
- The company considers 10 minutes/hour as 100% capacity utilization for radio stations. Inventory utilization in 1Q18 was ~150-160%. Management indicated that it will not go beyond 20-22 minutes/hour.
- For the digital business, DBCL has reiterated it would focus on increasing unique visitors and page views without looking at the bottom-line. Digital media business garnered 85.6mn unique visitors in Jun'17 vs. 41.5mn in Jun'16. The company could have garnered ~Rs 20mn more visitors had it not removed ads. Management indicated the focus over next 12-18 months would be on traffic growth.
- In the last two quarters, traffic has grown at a much faster rate than expected on digital portals. The company prefers not to bother visitors by ads so that they stay on board.

Other highlights

- The company is currently evaluating different avenues of enhancing shareholder returns. We will get more clarity on the same in the next 1-2 quarters.


Quarterly Result Table (Consolidated)

	1QFY18	1QFY18E	4QFY17	1QFY17	% Change			Comments
					1QFY18E	4QFY17	1QFY17	
Net Sales	5,943	6,144	5,171	5,746	-3%	15%	3%	
Raw Material Consumed	1,708	1,680	1,606	1,600	2%	6%	7%	
Personnel Expenses	1,091	1,182	1,059	1,061	-8%	3%	3%	
Administration, Selling and Other Expenses	1,281	1,423	1,384	1,273	-10%	-7%	1%	
Total Expenditures	4079	4284	4049	3934	-5%	1%	4%	
EBITDA	1864	1859	1122	1812	0%	66%	3%	
Depreciation	220	218	218	211	1%	1%	4%	
EBIT	1,644	1,641	904	1,601	0%	82%	3%	
Interest	16	18	5	34	-11%	227%	-54%	
Other Income	70	31	51	41	123%	37%	69%	
PBT	1,698	1,655	950	1,608	3%	79%	6%	
Tax	597	563	309	568	6%	93%	5%	
PAT before MI & Associates	1101	1092	642	1040	1%	72%	6%	
Minority Interest	0	0	0	0				
Profit from Assoc.	0	0	0	0				
Recurring PAT	1,101	1,092	642	1,040	1%	72%	6%	
Extraordinaries	0	0	0	0				
Reported PAT	1,101	1,092	642	1,040	1%	72%	6%	
EPS (Rs)	6.0	5.9	3.6	5.6	1%	68%	6%	
EBITDA Margin	31.4%	30.3%	21.7%	31.5%	110	966	-17	
EBIT Margin	27.7%	26.7%	17.5%	27.9%	95	1,017	-20	
PBT Margin	28.6%	26.9%	18.4%	28.0%	163	1,019	59	
PAT Margin	18.5%	17.8%	12.4%	18.1%	75	612	43	
Tax Rate	35.1%	34.0%	32.5%	35.3%	115	269	-19	



Company Snapshot

How we differ from Consensus

		Equirus	Consensus	% Diff	Comment
EPS	FY18E	24.2	23.3	4 %	Our margin expectations and other income assumptions are slightly higher than consensus.
	FY19E	28.4	27.6	3 %	
Sales	FY18E	24,633	24,810	-1 %	
	FY19E	27,233	27,379	-1 %	
PAT	FY18E	4,444	4,277	4 %	
	FY19E	5,225	5,030	4 %	

Key Estimates:

Particulars	FY17	FY18E	FY19E	FY20E
Print Ad Revenue (Rs. Mn)	14,137	15,975	17,891	19,860
Circulation Revenue (Rs. Mn)	4,814	5,007	5,260	5,526
Radio Business Revenue (Rs. Mn)	1,272	1,437	1,639	1,868

Risk to Our View:

1. Slowdown in the economy
2. Above-expected rise in newsprint prices

Key Triggers

- Revival in advertisement growth

Sensitivity to Key Variables	% Change	% Impact on EPS
Newsprint prices	10 %	0 %
Advertisement revenues	10 %	13 %
-	-	-

DCF Valuations & Assumptions

Rf	Beta	Ke	Term. Growth	Debt/IC in Term. Yr
6.8 %	0.6	10.4 %	4.0 %	10.0 %

	FY18E	FY19E	FY20-22E	FY23-27E	FY28-32E
Sales Growth	9 %	11 %	9 %	8 %	7 %
NOPAT Margin	18 %	19 %	18 %	15 %	15 %
IC Turnover	1.56	1.72	2.03	2.10	2.10
RoIC	27.2 %	32.3 %	37.2 %	32.7 %	32.6 %

Years of strong growth	1	2	5	10	15
Valuation as on date (Rs)	319	368	356	393	420
Valuation as of 30th Sept'18	359	414	401	442	472

Based on DCF, we derive 30th Sept, 2018 fair value of Rs. 472.

Company Description:

D B Corp Ltd. is engaged in printing and publication of Newspaper in four languages across 14 states, in Radio Business with "94.3 MY FM" Radio station in 7 states and 24 cities along with strong web presence in India. DBCL is the only media house to enjoy leadership at multiple states, in multiple languages and with well diversified readership.

Comparable valuation			Mkt Cap Rs. Mn.	Price Target	Target Date	EPS			P/E			BPS		P/B		RoE			Div Yield	
Company	Reco.	CMP				FY17A	FY18E	FY19E	FY17A	FY18E	FY19E	FY17A	FY18E	FY17A	FY18E	FY17A	FY18E	FY19E	FY17A	FY18E
DB Corp	LONG	375	69,010	480	30th Sept'18	20.2	24.2	28.4	18.6	15.5	13.2	86.7	3.9	25 %	26 %	28 %	1.3 %	3.9 %		
Jagran	LONG	175	57,324	230	30th June'18	10.6	12.8	14.8	16.5	13.7	11.9	65.9	2.6	18 %	19 %	20 %	1.7 %	2.2 %		
HMVL	LONG	282	20,715	390	30th Sept'18	25.8	27.5	31.9	10.9	10.3	8.8	159.0	1.5	18 %	16 %	16 %	0.4 %	0.5 %		

Consolidated Quarterly Earnings Forecast and Key Drivers

Rs in Mn	1Q17A	2Q17A	3Q17A	4Q17A	1Q18E	2Q18E	3Q18E	4Q18E	1Q19E	2Q19E	3Q19E	4Q19E	FY17A	FY18E	FY19E	FY20E
Revenue	5,746	5,391	6,273	5,171	5,943	5,658	7,059	5,973	6,607	6,237	7,804	6,585	22,580	24,633	27,233	29,966
Raw Material Consumed	1,600	1,634	1,769	1,606	1,708	1,781	1,928	1,726	1,844	1,906	2,102	1,873	6,609	7,143	7,725	8,355
Personnel Expenses	1,061	1,074	1,085	1,059	1,091	1,103	1,127	1,113	1,189	1,192	1,218	1,195	4,286	4,434	4,793	5,229
Administration, Selling and Other Expenses	1,273	1,177	1,436	1,384	1,281	1,229	1,546	1,511	1,433	1,364	1,716	1,560	5,264	5,567	6,073	6,652
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA	1,812	1,505	1,982	1,122	1,864	1,544	2,458	1,623	2,141	1,775	2,769	1,957	6,422	7,489	8,642	9,730
Depreciation	211	216	218	218	220	219	219	219	224	224	224	224	863	878	895	899
EBIT	1,601	1,290	1,765	904	1,644	1,325	2,238	1,404	1,918	1,551	2,545	1,733	5,559	6,612	7,747	8,831
Interest	34	6	30	5	16	18	18	19	18	18	18	18	74	70	70	70
Other Income	41	41	36	51	70	50	50	54	60	60	60	60	170	223	241	349
PBT	1,608	1,325	1,771	950	1,698	1,357	2,271	1,439	1,960	1,594	2,588	1,775	5,654	6,764	7,917	9,110
Tax	568	440	590	309	597	461	772	490	666	542	880	604	1,907	2,320	2,692	3,097
PAT bef. MI & Assoc.	1,040	885	1,181	642	1,101	896	1,499	949	1,294	1,052	1,708	1,172	3,748	4,444	5,225	6,012
Minority Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit from Assoc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recurring PAT	1,040	885	1,181	642	1,101	896	1,499	949	1,294	1,052	1,708	1,172	3,748	4,444	5,225	6,012
Extraordinaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reported PAT	1,040	885	1,181	642	1,101	896	1,499	949	1,294	1,052	1,708	1,172	3,748	4,444	5,225	6,012
EPS (Rs)	5.64	4.63	6.41	3.55	5.98	4.87	8.15	5.16	7.03	5.72	9.29	6.37	20.22	24.16	28.41	32.69
Key Drivers																
Ad revenue(in Rs mn)	-	-	-	-	-	-	-	-	-	-	-	-	14,137	15,975	17,891	19,860
Circulation revenue(in Rs mn)	-	-	-	-	-	-	-	-	-	-	-	-	4,814	5,007	5,260	5,526
Revenue from radio business(in Rs mn)	-	-	-	-	-	-	-	-	-	-	-	-	1,272	1,437	1,639	1,868
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sequential Growth (%)																
Revenue	13 %	-6 %	16 %	-18 %	15 %	-5 %	25 %	-15 %	11 %	-6 %	25 %	-16 %	-	-	-	-
Raw Material Consumed	1 %	2 %	8 %	-9 %	6 %	4 %	8 %	-10 %	7 %	3 %	10 %	-11 %	-	-	-	-
EBITDA	56 %	-17 %	32 %	-43 %	66 %	-17 %	59 %	-34 %	32 %	-17 %	56 %	-29 %	-	-	-	-
EBIT	70 %	-19 %	37 %	-49 %	82 %	-19 %	69 %	-37 %	37 %	-19 %	64 %	-32 %	-	-	-	-
Recurring PAT	72 %	-15 %	33 %	-46 %	72 %	-19 %	67 %	-37 %	36 %	-19 %	62 %	-31 %	-	-	-	-
EPS	62 %	-18 %	38 %	-45 %	68 %	-19 %	67 %	-37 %	36 %	-19 %	62 %	-31 %	-	-	-	-
Yearly Growth (%)																
Revenue	21 %	13 %	6 %	1 %	3 %	5 %	13 %	16 %	11 %	10 %	11 %	10 %	10 %	9 %	11 %	10 %
EBITDA	49 %	35 %	5 %	-3 %	3 %	3 %	24 %	45 %	15 %	15 %	13 %	21 %	20 %	17 %	15 %	13 %
EBIT	58 %	43 %	6 %	-4 %	3 %	3 %	27 %	55 %	17 %	17 %	14 %	23 %	24 %	19 %	17 %	14 %
Recurring PAT	56 %	50 %	7 %	6 %	6 %	1 %	27 %	48 %	17 %	17 %	14 %	24 %	28 %	19 %	18 %	15 %
EPS	56 %	44 %	7 %	2 %	6 %	5 %	27 %	45 %	18 %	17 %	14 %	24 %	28 %	19 %	18 %	15 %
Margin (%)																
EBITDA	32 %	28 %	32 %	22 %	31 %	27 %	35 %	27 %	32 %	28 %	35 %	30 %	28 %	30 %	32 %	32 %
EBIT	28 %	24 %	28 %	17 %	28 %	23 %	32 %	24 %	29 %	25 %	33 %	26 %	25 %	27 %	28 %	29 %
PBT	28 %	25 %	28 %	18 %	29 %	24 %	32 %	24 %	30 %	26 %	33 %	27 %	25 %	27 %	29 %	30 %
PAT	18 %	16 %	19 %	12 %	19 %	16 %	21 %	16 %	20 %	17 %	22 %	18 %	17 %	18 %	19 %	20 %

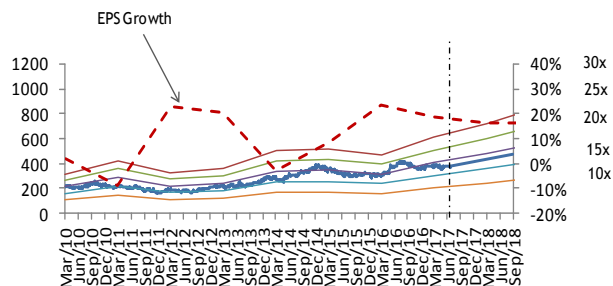
Consolidated Financials

P&L (Rs Mn)	FY17A	FY18E	FY19E	FY20E
Revenue	22,580	24,633	27,233	29,966
Op. Expenditure	16,158	17,144	18,591	20,236
EBITDA	6,422	7,489	8,642	9,730
Depreciation	863	878	895	899
EBIT	5,559	6,612	7,747	8,831
Interest Expense	74	70	70	70
Other Income	170	223	241	349
PBT	5,654	6,764	7,917	9,110
Tax	1,907	2,320	2,692	3,097
PAT bef. MI & Assoc.	3,748	4,444	5,225	6,012
Minority Interest	0	0	0	0
Profit from Assoc.	0	0	0	0
Recurring PAT	3,748	4,444	5,225	6,012
Extraordinaires	0	0	0	0
Reported PAT	3,748	4,444	5,225	6,012
FDEPS (Rs)	20.2	24.2	28.4	32.7
DPS (Rs)	4.0	12.1	14.2	16.3
CEPS (Rs)	25.1	28.9	33.3	37.6
FCFPS (Rs)	16.9	25.2	28.0	31.7
BVPS (Rs)	86.7	96.3	107.7	120.8
EBITDAM (%)	28 %	30 %	32 %	32 %
PATM (%)	17 %	18 %	19 %	20 %
Tax Rate (%)	34 %	34 %	34 %	34 %
Sales Growth (%)	10 %	9 %	11 %	10 %
FDEPS Growth (%)	28 %	19 %	18 %	15 %

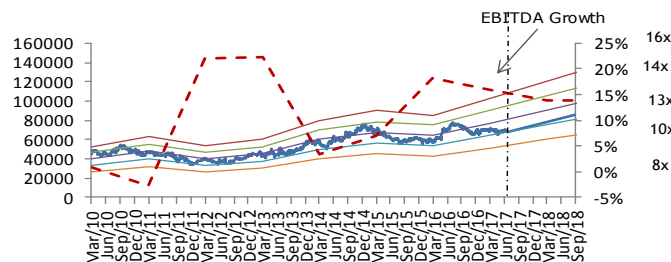
Balance Sheet (Rs Mn)	FY17A	FY18E	FY19E	FY20E
Equity Capital	1,839	1,839	1,839	1,839
Reserve	14,105	15,881	17,971	20,376
Networth	15,944	17,720	19,810	22,215
Long Term Debt	561	561	561	561
Def Tax Liability	1,267	1,267	1,267	1,267
Minority Interest	0	0	0	0
Account Payables	1,276	1,327	1,418	1,534
Other Curr Liabi	1,733	1,733	1,733	1,733
Total Liabilities & Equity	20,781	22,609	24,789	27,310
Net Fixed Assets	8,833	8,290	7,764	7,225
Capital WIP	0	0	0	0
Others	3,359	3,359	3,359	3,359
Inventory	1,987	2,074	2,180	2,289
Account Receivables	4,177	4,387	4,850	5,336
Other Current Assets	682	682	682	682
Cash	1,744	3,818	5,956	8,420
Total Assets	20,781	22,609	24,789	27,310
Non-cash Working Capital	3,837	4,082	4,560	5,040
Cash Conv Cycle	62.0	60.5	61.1	61.4
WC Turnover	5.9	6.0	6.0	5.9
FA Turnover	2.6	3.0	3.5	4.1
Net D/E	-0.1	-0.2	-0.3	-0.4
Revenue/Capital Employed	1.3	1.3	1.3	1.3
Capital Employed/Equity	1.1	1.1	1.1	1.1

Cash Flow (Rs Mn)	FY17E	FY18E	FY19E	FY20E
PBT	5,654	6,764	7,917	9,110
Depreciation	863	878	895	899
Others	0	0	0	0
Taxes Paid	1,907	2,320	2,692	3,097
Change in WC	-883	-246	-478	-480
Operating C/F	3,632	4,923	5,472	6,152
Capex	-567	-334	-370	-360
Change in Invest	-147	0	0	0
Others	170	223	241	349
Investing C/F	-545	-111	-129	-11
Change in Debt	-560	0	0	0
Change in Equity	0	0	0	0
Others	-1,853	-2,738	-3,205	-3,678
Financing C/F	-2,413	-2,738	-3,205	-3,678
Net change in cash	674	2,074	2,138	2,464
RoE (%)	25 %	26 %	28 %	29 %
RoIC (%)	22 %	24 %	26 %	27 %
Core RoIC (%)	23 %	27 %	32 %	37 %
Div Payout (%)	24 %	60 %	60 %	60 %
P/E	18.6	15.5	13.2	11.5
P/B	4.3	3.9	3.5	3.1
P/FCFF	22.2	14.9	13.4	11.8
EV/EBITDA	10.8	8.9	7.5	6.4
EV/Sales	3.1	2.7	2.4	2.1
Dividend Yield (%)	1.3 %	3.9 %	4.5 %	5.2 %

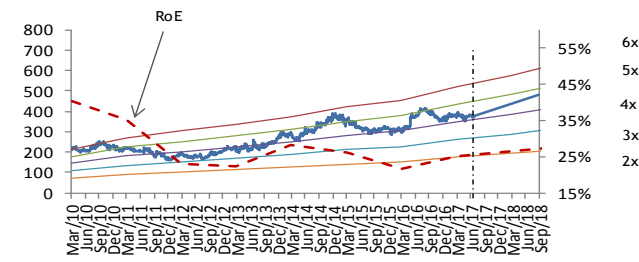
TTM P/E vs. 2 yr forward EPS growth



TTM EV/EBITDA vs. 2 yr forward EBITDA growth



TTM P/B vs. 2 yr forward RoE



Historical Consolidated Financials

P&L (Rs Mn)	FY14A	FY15A	FY16A	FY17A
Revenue	18,598	20,096	20,493	22,580
Op. Expenditure	13,595	14,474	15,145	16,158
EBITDA	5,003	5,622	5,349	6,422
Depreciation	642	881	853	863
EBIT	4,360	4,741	4,496	5,559
Interest Expense	75	76	138	74
Other Income	239	257	241	170
PBT	4,524	4,923	4,599	5,654
Tax	1,457	1,759	1,678	1,907
PAT bef. MI & Assoc.	3,066	3,163	2,921	3,748
Minority Interest	0	0	0	0
Profit from Assoc.	0	0	0	0
Recurring PAT	3,066	3,163	2,921	3,748
Extraordinaires	0	0	0	0
Reported PAT	3,066	3,163	2,921	3,748
EPS (Rs)	16.7	17.2	15.8	20.2
DPS (Rs)	7.3	7.8	11.0	4.0
CEPS (Rs)	20.2	22.0	20.5	25.1
FCFPS (Rs)	8.0	19.5	7.9	16.9
BVPS (Rs)	62.5	70.2	76.1	86.7
EBITDAM (%)	27 %	28 %	26 %	28 %
PATM (%)	16 %	16 %	14 %	17 %
Tax Rate (%)	32 %	36 %	36 %	34 %
Sales growth (%)	17 %	8 %	2 %	10 %
FDEPS growth (%)	41 %	3 %	-8 %	28 %

Balance Sheet (Rs Mn)	FY14A	FY15A	FY16A	FY17A
Equity Capital	1,835	1,836	1,837	1,839
Reserve	9,633	11,045	12,138	14,105
Networth	11,467	12,882	13,975	15,944
Long Term Debt	1,264	983	1,121	561
Def Tax Liability	1,232	1,209	1,259	1,267
Minority Interest	0	0	0	0
Account Payables	1,114	1,215	1,180	1,276
Other Curr Liabi	2,618	2,757	1,979	1,733
Total Liabilities & Equity	17,695	19,045	19,514	20,781
Net Fixed Assets	8,503	8,158	9,128	8,833
Capital WIP	22	45	0	0
Others	2,628	3,794	3,211	3,359
Inventory	1,732	1,402	1,675	1,987
Account Receivables	3,280	3,450	3,773	4,177
Other Current Assets	397	418	656	682
Cash	1,133	1,780	1,070	1,744
Total Assets	17,695	19,046	19,514	20,781
Non-cash Working Capital	1,676	1,297	2,945	3,837
Cash Conv Cycle	32.9	23.6	52.5	62.0
WC Turnover	11.1	15.5	7.0	5.9
FA Turnover	2.2	2.4	2.2	2.6
Net D/E	0.0	-0.1	0.0	-0.1
Revenue/Capital Employed	1.4	1.4	1.3	1.3
Capital Employed/Equity	1.2	1.2	1.2	1.1

Cash Flow (Rs Mn)	FY14A	FY15A	FY16A	FY17E
PBT	4,524	4,923	4,657	5,654
Depreciation	642	881	878	863
Others	-23	0	0	0
Taxes Paid	1,502	1,686	1,747	1,907
Change in WC	-1,387	-95	-632	-883
Operating C/F	2,479	4,253	3,351	3,632
Capex	-1,058	-715	-1,991	-567
Change in Invest	10	0	55	-147
Others	47	-914	2	54
Investing C/F	-921	-1,529	-1,818	-545
Change in Debt	-233	-331	90	-560
Change in Equity	15	23	13	0
Others	0	0	0	-896
Financing C/F	-1,650	-2,051	-2,402	-2,413
Net change in cash	-92	674	-869	674
RoE (%)	28 %	26 %	22 %	25 %
RoIC (%)	23 %	22 %	19 %	22 %
Core RoIC (%)	25 %	24 %	20 %	23 %
Div Payout (%)	51 %	54 %	84 %	24 %
P/E	22.5	21.8	23.8	18.6
P/B	6.0	5.3	4.9	4.3
P/FCFF	46.8	19.2	47.6	22.2
EV/EBITDA	14.1	12.3	13.1	10.8
EV/Sales	3.8	3.5	3.4	3.1
Dividend Yield (%)	2.3 %	2.5 %	3.5 %	1.3 %

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- LONG : Over the investment horizon, ATR >= Ke for companies with Free Float market cap > Rs 5 billion and ATR >= 20% for rest of the companies
- ADD: ATR >= 5% but less than Ke over investment horizon
- REDUCE: ATR >= negative 10% but <5% over investment horizon
- SHORT: ATR < negative 10% over investment horizon

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- OVERWEIGHT: Likely to outperform the benchmark by at least 5% over investment horizon
- BENCHMARK: likely to perform in line with the benchmark

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