Triveni Turbine Ltd.

4QFY18 Result: Estimate (↑), TP (↓), Rating (↑) Regular Coverage

Absolute : LONG
Relative : NR
30% ATR in 10months

Strong order book, higher exports to fuel growth in FY19E/FY20E — Upgrade to LONG

Industrials

Rating Information	
Price (Rs)	104
Target Price (Rs)	129
Target Date	31st Mar'19
Target Set On	23rd May'18
Implied yrs of growth (DCF)	10
Fair Value (DCF)	110
Fair Value (DDM)	41
Ind Benchmark	BSETCG
Model Portfolio Position	NA

Stock Information	
Market Cap (Rs Mn)	34,367
Free Float (%)	32.27 %
52 Wk H/L (Rs)	167.25/92
Avg Daily Volume (1yr)	206,461
Avg Daily Value (Rs Mn)	26
Equity Cap (Rs Mn)	330
Face Value (Rs)	1
Bloomberg Code	TRIV IN

Ownership	Recent	3M	12M
Promoters	67.7 %	0.0 %	0.0 %
DII	12.4 %	5.8 %	6.2 %
FII	14.5 %	-6.0 %	-6.4 %
Public	5.5 %	0.2 %	0.3 %

Price %	1M	3M	12M
Absolute	5.3 %	-11.1 %	-23.0 %
Vs Industry	9.3 %	-8.7 %	-28.3 %
TDPOWERSYS	-9.9 %	-14.5 %	-13.7 %
THERMAX	0.6 %	-1.4 %	14.6 %

Standalone Quarterly EPS forecast

Rs/Share	1Q	2Q	3Q	4Q
EPS (18A)	0.3	0.8	0.8	1.1
EPS (19E)	0.9	0.9	1.0	1.0

Triveni Turbine (TRIV) delivered flat sales growth (+1%) yoy for FY18 while margins remained under pressure due to a higher share of domestic revenues. Order inflows rose 17% in FY18 to Rs 8.3bn, leading to a strong closing order book of Rs 7.1bn with a higher share of exports at ~48%. Domestic market declined by ~2% in FY18 even as enquiries improved. We expect the domestic market to remain under pressure in the near term while growth to be led by exports in FY19E/FY20E. With a healthy FY18 closing order book and a strong enquiries pipeline, we upgrade the stock to LONG (from ADD) with a Mar'19 TP of Rs 129 (Rs 134 earlier) set at 35x TTM EPS.

Below-expected topline, margins hit by higher domestic order mix: Standalone revenues improved 45% qoq/34% yoy to Rs 2.4bn, 9% lower than EE of Rs 2.6bn. Standalone EBITDA margins at 25% came in 60bps lower than EE on lower margins in domestic orders. Standalone PAT (post other comprehensive income) fell 19% short of EE at Rs 357mn (+40% qoq/+38% yoy).

Robust order inflows led by exports market: Consolidated order book (ex-JV) at 4QFY18-end was at Rs 7.1bn, up ~12% yoy. Order inflows for FY18 increased ~17% yoy to Rs 8.3bn with strong order inflows from exports at Rs 4.2bn (+40% yoy); domestic order inflows stood at Rs 4.1bn (-1% yoy). Enquiries pipeline in the domestic market improved by ~10% yoy to 1.75GW (<30MW). Management expects domestic market revival to be led by steel, sugar, process co-gen, and waste-to-energy sectors. However as of now, the domestic market, unlike international markets, has not moved on the waste-to-energy and biomass sectors. With a strong enquiry base in domestic and export markets, TRIV sees order inflows rising in the quarters ahead.

GE Triveni JV moving slow: For FY18, the GE Triveni (GETL) JV reported sales of Rs 949mn and losses of Rs 69mn. It received an order of 35MW during 4QFY18 and the enquiries pipeline remains strong. GETL is seeing a steady buildup of references across geographies and verticals, which should drive growth given the existing low revenue base. TRIV remains confident of doing well in oil & gas, renewables, biomass, and waste-to-energy segments in the international market. Management has opened offices at six international locations and intends to tap into the after-sales opportunities over the coming years.

Valuations & view: TRIV is trading at 28.2x/23.0x FY19E/FY20E PE vs. 27%/23% EPS growth in FY19E/FY20E. It has decent FY18 RoEs/core RoICs of ~23%/22% and should deliver well over next three years. Key risks: Weak exports, decline in current margins.

Change in Estimates

	Revised Estimates		% Change over Old Est.	
	FY19E	FY20E	FY19E	FY20E
Sales	8,721	10,309	-2.6%	1.2%
EBITDA	1,968	2,389	-0.6%	4.0%
EBIT	1,746	2,147	-1.8%	2.4%
PAT	1,218	1,495	-1.1%	2.3%
EPS	3.7	4.5	-1.1%	2.3%

Consolidated Financials

Rs. Mn YE Mar	FY18A	FY19E	FY20E	FY21E
Sales	7,511	8,721	10,309	12,246
EBITDA	1,578	1,968	2,389	2,890
Depreciation	191	222	242	268
Interest Expense	5	12	12	12
Other Income	81	110	130	154
Reported PAT	964	1,218	1,495	1,825
Recurring PAT	960	1,218	1,495	1,825
Total Equity	4,521	5,120	6,083	7,261
Gross Debt	1	10	10	10
Cash	217	659	760	1,098
Rs. Mn YE Mar	FY18A	FY19E	FY20E	FY21E
Earnings	2.9	3.7	4.5	5.5
Book Value	14	16	18	22
Dividends	1.0	1.1	1.4	1.7
FCFF	1.7	2.9	1.9	3.0
P/E (x)	35.8	28.2	23.0	18.8
P/B (x)	7.6	6.7	5.6	4.7
EV/EBITDA (x)	21.7	17.2	14.1	11.6
ROE (%)	23 %	25 %	27 %	27 %
Core ROIC (%)	22 %	25 %	28 %	29 %
EBITDA Margin (%)	21 %	23 %	23 %	24 %
Net Margin (%)	13 %	14 %	15 %	15 %

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Earnings call takeaways

Consolidated closing order book improves to Rs 7.1bn in FY18

- Consolidated net sales for 4QFY18 stood at Rs 2.44bn (+33% yoy) while for FY18 at Rs 7.51bn (+1% yoy). For FY18, sales from the aftermarket grew 8% yoy to Rs 1.93bn and product revenues declined 2% yoy to Rs 5.58bn.
- Aftermarket revenues were hit by a delayed pick-up in export service revenues. The refurbishment market is not picking up as per management's expectations.
- The share of exports in FY18 revenues declined by ~14% yoy to Rs 3.37bn on a lower exports order book in FY17.
- Hedging losses/gains have been considered in other comprehensive income as against other income/expenses due to adoption of hedge accounting in FY18.
- Order booking remained high during FY18 at Rs 8.28bn (+17% yoy) with domestic and export order booking at Rs 4.1bn (-1% yoy) and Rs 4.2bn (+40% yoy) respectively. Export revenues next year should be higher than domestic revenues, enabling higher margins in FY19E.
- Consolidated order book as on FY18 stood at Rs 7.09bn (vs. Rs 6.9bn qoq/Rs 6.3bn yoy) with the domestic/exports order book at Rs 3.7bn/Rs 3.4bn.

Domestic market remains sluggish but with strong enquiries pipeline

- Domestic market declined by 2% in FY18 compared to FY17. It still remains sluggish while enquiries have improved from steel, cement and process co-gen. Currently, the enquiries pipeline for <30MW is at 1.75GW.
- On the international side, new enquiries are from Europe, South East Asia, SAARC and Africa. Sugar, co-generation and waste-to-energy segments have good potential in the domestic market but orders are not coming up. Renewables, mainly biomass and waste-to-energy, are driving demand in the exports market.
- The company does not propose to open any new offices in the near term. Its six offices should start stabilizing and one-time expenses have been incurred. The company doesn't expect costs to rise further for subsidiaries in FY19E.
- Given the current domestic and exports inquiries pipeline, management expects order inflows in the coming quarters to remain strong.

No dispatches in 4QFY18 for GETL

- During FY18, GETL reported sales of Rs 949mn and losses of Rs 69mn. The JV received one order of 35MW in 4QFY18.
- As a conservative policy, the company has made a provision for GETL and expects the amount to come back in FY19E.
- GETL currently has an order book of Rs 1.54bn, as well as a strong enquiries pipeline.

Other highlights

- Domestically, the company expects waste-to-energy to be the growth driver in the coming years. In countries like India, collection of waste is a big problem.
- Margins in the domestic market are almost half of those generated in the exports market, while the latter are half of those in the aftermarket business.
- Around ~25% of total turbine installations are internationally located; these are expected to generate strong aftermarket business going forward.

Quarterly performance, standalone

Rs Mn	4QFY18	4QFY18E	3QFY18	4QFY17	% Change 4QFY18E	% Change 3QFY18	% Change 4QFY17	Comments
Net Sales	2,399	2,634	1,650	1,790	-9%	45%	34%	Lower than expected
Consumption of Raw Materials	1,225	1,449	821	959	-15%	49%	28%	
Employee Cost	206	224	193	183	-8%	7%	13%	
Other Expenditure	368	287	315	274	28%	17%	35%	
Total Expenditures	**1,799**	**1,960**	**1,329**	**1,415**	**-8%**	**35%**	**27%**	
EBITDA	**600**	**674**	**321**	**375**	**-11%**	**87%**	**60%**	EBITDAM lower than EE
Depreciation	53	50	47	42	6%	14%	28%	
EBIT	**547**	**625**	**275**	**334**	**-12%**	**99%**	**64%**	
Interest	0	0	3	2	67%	-97%	-93%	
Other Income	38	40	22	101	-3%	73%	-62%	
PBT	**585**	**663**	**294**	**433**	**-12%**	**99%**	**35%**	
Tax	192	226	84	162	-15%	129%	19%	
Reported PAT	**393**	**438**	**210**	**272**	**-10%**	**87%**	**45%**	
Extraordinaries	36	0	-44	13				Other comprehensive income
Recurring PAT	**357**	**438**	**254**	**259**	**-19%**	**40%**	**38%**	
EPS (Rs)	1.1	1.3	0.8	0.8	-19%	40%	38%	
EBITDA Margin	25.0%	25.6%	19.5%	21.0%	-60 bps	553 bps	403 bps	
EBIT Margin	22.8%	23.7%	16.6%	18.6%	-90 bps	618 bps	417 bps	
PBT Margin	24.4%	25.2%	17.8%	24.2%	-81 bps	657 bps	16 bps	
PAT Margin	14.9%	16.6%	15.4%	14.4%	-175 bps	-53 bps	43 bps	
Tax Rate	32.8%	34.0%	28.5%	37.3%	-120 bps	427 bps	-453 bps	

Company Snapshot

How we differ from Consensus

	-	Equirus	Consensus	% Diff	Comment
EPS	FY19E	3.7	3.8	-3 %	We are factoring in realistic domestic recovery
	FY20E	4.5	4.9	-7 %	
Sales	FY19E	8,721	8,523	2 %	
	FY20E	10,309	10,185	1 %	
PAT	FY19E	1,218	1,252	-3 %	
	FY20E	1,495	1,610	-7 %	

Our Key Investment arguments:
(1) A high-end world class niche manufacturing business. (2) Proven market leader poised to grow steadily in the coming cycle. (3) Sound balance sheet with excellent return ratios.

Key Parameters	Unit	2018	2019E	2020E	2021E
Domestic Contribution	MW	413	386	399	425
Exports Contribution	MW	534	614	736	884
Domestic Realizations	Rs. Mn/MW	5.99	5.87	6.04	6.22
Exports Realizations	Rs. Mn/MW	6.62	6.76	6.96	7.10
After Sales Services Growth	%age	10%	18%	20%	20%
Domestic EBITDA%	%age	12%	12%	12%	12%
Exports EBITDA%	%age	20%	20%	20%	20%
After Sales Services EBITDA	%age	42%	42%	42%	42%

Risk to Our View: Slower domestic market recovery and weak exports ramp-up.

Key Triggers

- Improved export orders for higher-range turbines manufactured by GETL.

Sensitivity to Key Variables	% Change	% Impact on EPS
EBITDA Margins	5 %	8 %
Order Book Growth	5 %	6 %
Export Orders	5 %	9 %

DCF Valuations & Assumptions

Rf	Beta	Ke	Term. Growth	Debt/IC in Term. Yr
6.5 %	0.8	11.0 %	2.5 %	0.1 %

-	FY19E	FY20E	FY21-23E	FY24-28E	FY29-33E
Sales Growth	16 %	18 %	13 %	13 %	12 %
NOPAT Margin	13 %	14 %	14 %	14 %	14 %
IC Turnover	1.86	1.85	2.21	2.61	3.14
RoIC	25.1 %	27.6 %	31.4 %	38.2 %	46.2 %
Years of strong growth	1	2	5	10	15
Valuation as on date (Rs)	40	46	64	101	139
Valuation as of Sep'18	44	50	70	110	152

Based on DCF, assuming 10 years of 18% revenue CAGR and 50% average ROIC, we derive our current fair value of Rs 101 and a Mar'19 fair value of Rs 110.

Company Description:

Triveni Turbines Ltd (TTL) is the market leader in 0-30MW steam turbines domestic industry with exposure to key process industries. Recently TTL floated a subsidiary GETL with GE as minority partner to manufacture and market 30-100MW range turbines.

Comparable valuation			Mkt Cap	Price	Target	EPS			P/E			BPS	P/B	RoE			Div Yield	
Company	Reco.	CMP	Rs. Mn.	Target	Date	FY18A	FY19E	FY20E	FY18A	FY19E	FY20E	FY18A	FY19E	FY18A	FY19E	FY20E	FY18A	FY19E
Triveni Turbine	LONG	104	34,367	129	31st Mar'19	2.9	3.7	4.5	35.8	28.2	23.0	13.7	6.7	23 %	25 %	27 %	1.0 %	1.1 %
TD Power Systems	LONG	187	6,215	255	31st Mar'19	-1.3	-2.6	10.2	-139.4	-72.3	18.3	141.0	1.2	-1 %	-2 %	7 %	1.0 %	0.3 %
THERMAX	-	1,138	135,558	-	-	20.6	30.4	38.7	55.2	37.4	29.4	0.0	5.8	9 %	13 %	11 %	0.5 %	0.7 %

Standalone Quarterly Earnings Forecast and Key Drivers

Rs in Mn	1Q18A	2Q18A	3Q18A	4Q18A	1Q19E	2Q19E	3Q19E	4Q19E	1Q20E	2Q20E	3Q14E	4Q20E	FY18A	FY19E	FY20E	FY21E
Revenue	1,190	2,170	1,650	2,399	2,006	2,093	2,268	2,355	2,371	2,474	2,680	2,783	7,409	8,721	10,309	12,246
Consumption of Raw Materials	595	1,214	821	1,225	1,083	1,109	1,202	1,248	1,304	1,361	1,447	1,503	3,854	4,642	5,615	6,735
Employee Cost	175	222	193	206	201	199	215	200	213	223	228	223	796	815	887	1,070
Other Expenditure	233	275	315	368	256	303	340	398	281	333	374	429	1,191	1,296	1,418	1,551
EBITDA	188	460	321	600	466	482	510	509	572	558	631	628	1,568	1,968	2,389	2,890
Depreciation	50	41	47	53	54	55	56	57	58	60	61	63	191	222	242	268
EBIT	137	419	275	546	412	427	455	452	514	498	570	565	1,377	1,746	2,147	2,622
Interest	1	1	3	0	3	3	3	3	3	3	3	3	5	12	12	12
Other Income	11	17	22	38	20	26	28	35	24	31	34	42	88	110	130	154
PBT	147	434	294	585	429	451	480	484	535	526	600	604	1,460	1,845	2,265	2,765
Tax	51	151	84	192	146	153	163	165	182	179	204	205	478	627	770	940
Recurring PAT	96	283	210	393	284	297	317	320	353	347	396	399	982	1,218	1,495	1,825
Extraordinary	-1	10	-44	36	0	0	0	0	0	0	0	0	1	0	0	0
Reported PAT	97	273	254	357	284	297	317	320	353	347	396	399	981	1,218	1,495	1,825
EPS (Rs)	0.29	0.83	0.77	1.08	0.86	0.90	0.96	0.97	1.07	1.05	1.20	1.21	2.98	3.69	4.53	5.53
Key Drivers																
Domestic- manf. rev (in Rs.mn)	-	-	-	-	-	-	-	-	-	-	-	-	2,475	2,265	2,411	2,646
Exports- manf. rev (in Rs.mn)	-	-	-	-	-	-	-	-	-	-	-	-	3,534	4,145	5,124	6,271
Services division rev (in Rs.mn)	-	-	-	-	-	-	-	-	-	-	-	-	1,959	2,311	2,774	3,329
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sequential Growth (%)																
Revenue	-34 %	82 %	-24 %	45 %	-16 %	4 %	8 %	4 %	1 %	4 %	8 %	4 %	-	-	-	-
Consumption of Raw Materials	-38 %	104 %	-32 %	49 %	-12 %	2 %	8 %	4 %	4 %	4 %	6 %	4 %	-	-	-	-
EBITDA	-50 %	145 %	-30 %	87 %	-22 %	3 %	6 %	0 %	12 %	-3 %	13 %	0 %	-	-	-	-
EBIT	-59 %	205 %	-34 %	99 %	-25 %	4 %	6 %	-1 %	14 %	-3 %	14 %	-1 %	-	-	-	-
Recurring PAT	-65 %	194 %	-26 %	87 %	-28 %	5 %	7 %	1 %	10 %	-2 %	14 %	1 %	-	-	-	-
EPS	-62 %	181 %	-7 %	40 %	-21 %	5 %	7 %	1 %	10 %	-2 %	14 %	1 %	-	-	-	-
Yearly Growth (%)																
Revenue	-23 %	8 %	-17 %	34 %	69 %	-4 %	37 %	-2 %	18 %	18 %	18 %	18 %	1 %	18 %	18 %	19 %
EBITDA	-41 %	11 %	-38 %	60 %	149 %	5 %	59 %	-15 %	23 %	16 %	24 %	23 %	-4 %	25 %	21 %	21 %
EBIT	-51 %	10 %	-43 %	64 %	201 %	2 %	66 %	-17 %	25 %	17 %	25 %	25 %	-7 %	27 %	23 %	22 %
Recurring PAT	-56 %	-11 %	-40 %	45 %	195 %	5 %	51 %	-19 %	25 %	17 %	25 %	25 %	-15 %	24 %	23 %	22 %
EPS	-56 %	-15 %	-28 %	38 %	192 %	9 %	25 %	-10 %	25 %	17 %	25 %	25 %	-15 %	24 %	23 %	22 %
Margin (%)																
EBITDA	16 %	21 %	19 %	25 %	23 %	23 %	23 %	22 %	24 %	23 %	24 %	23 %	21 %	23 %	23 %	24 %
EBIT	12 %	19 %	17 %	23 %	21 %	20 %	20 %	19 %	22 %	20 %	21 %	20 %	19 %	20 %	21 %	21 %
PBT	12 %	20 %	18 %	24 %	21 %	22 %	21 %	21 %	23 %	21 %	22 %	22 %	20 %	21 %	22 %	23 %
PAT	8 %	13 %	13 %	16 %	14 %	14 %	14 %	14 %	15 %	14 %	15 %	14 %	13 %	14 %	15 %	15 %

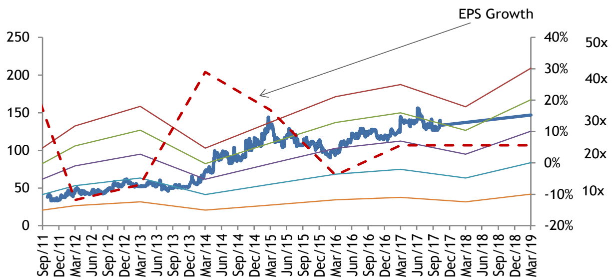
Consolidated Financials

P&L (Rs Mn)	FY18A	FY19E	FY20E	FY21E
Revenue	7,511	8,721	10,309	12,246
Op. Expenditure	5,933	6,754	7,920	9,356
EBITDA	1,578	1,968	2,389	2,890
Depreciation	191	222	242	268
EBIT	1,387	1,746	2,147	2,622
Interest Expense	5	12	12	12
Other Income	81	110	130	154
PBT	1,463	1,845	2,265	2,765
Tax	478	627	770	940
PAT bef. MI & Assoc.	985	1,218	1,495	1,825
Minority Interest	25	0	0	0
Profit from Assoc.	0	0	0	0
Recurring PAT	960	1,218	1,495	1,825
Extraordinaires	-4	0	0	0
Reported PAT	964	1,218	1,495	1,825
FDEPS (Rs)	2.9	3.7	4.5	5.5
DPS (Rs)	1.0	1.1	1.4	1.7
CEPS (Rs)	3.5	4.4	5.3	6.3
FCFPS (Rs)	1.7	2.9	1.9	3.0
BVPS (Rs)	13.7	15.5	18.4	22.0
EBITDAM (%)	21 %	23 %	23 %	24 %
PATM (%)	13 %	14 %	15 %	15 %
Tax Rate (%)	33 %	34 %	34 %	34 %
Sales Growth (%)	-50 %	16 %	18 %	19 %
FDEPS Growth (%)	-61 %	27 %	23 %	22 %

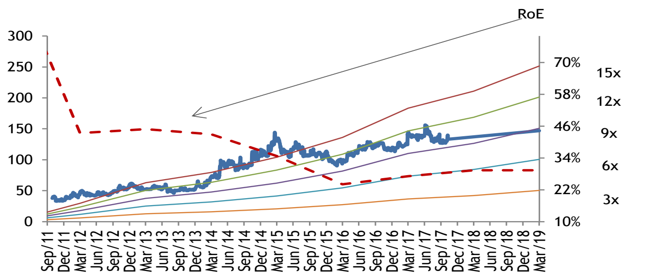
Balance Sheet (Rs Mn)	FY18A	FY19E	FY20E	FY21E
Equity Capital	330	330	330	330
Reserve	4,191	4,790	5,753	6,931
Networth	4,521	5,120	6,083	7,261
Long Term Debt	1	0	0	0
Def Tax Liability	121	106	106	106
Minority Interest	0	0	0	0
Account Payables	1,465	1,145	1,231	1,292
Other Curr Liabi	1,420	1,646	1,945	2,311
Total Liabilities & Equity	7,527	8,016	9,364	10,969
Net Fixed Assets	2,257	2,343	2,581	2,833
Capital WIP	385	0	0	0
Others	135	511	621	681
Inventory	1,807	1,792	2,118	2,516
Account Receivables	2,090	1,912	2,259	2,516
Other Current Assets	637	799	1,025	1,325
Cash	217	659	760	1,098
Total Assets	7,527	8,016	9,364	10,969
Non-cash Working Capital	1,649	1,713	2,227	2,755
Cash Conv Cycle	80.1	71.7	78.8	82.1
WC Turnover	4.6	5.1	4.6	4.4
FA Turnover	2.8	3.7	4.0	4.3
Net D/E	0.0	-0.1	-0.1	-0.2
Revenue/Capital Employed	3.2	3.0	2.8	2.8
Capital Employed/Equity	1.2	1.1	1.0	1.0

Cash Flow (Rs Mn)	FY18A	FY19E	FY20E	FY21E
PBT	1,463	1,845	2,265	2,765
Depreciation	191	222	242	268
Others	4	0	0	0
Taxes Paid	478	627	770	940
Change in WC	-400	-63	-514	-529
Operating C/F	780	1,376	1,223	1,564
Capex	-236	-307	-590	-580
Change in Invest	25	8	0	0
Others	0	-131	0	0
Investing C/F	-211	-430	-590	-580
Change in Debt	-2	-1	0	0
Change in Equity	-91	-182	0	0
Others	-477	-443	-533	-646
Financing C/F	-570	-625	-533	-646
Net change in cash	-1	321	101	338
RoE (%)	23 %	25 %	27 %	27 %
RoIC (%)	22 %	25 %	26 %	27 %
Core RoIC (%)	22 %	25 %	28 %	29 %
Div Payout (%)	40 %	36 %	36 %	35 %
P/E	35.8	28.2	23.0	18.8
P/B	7.6	6.7	5.6	4.7
P/FCFF	60.0	36.0	53.6	34.6
EV/EBITDA	21.7	17.2	14.1	11.6
EV/Sales	4.6	3.9	3.3	2.7
Dividend Yield (%)	1.0 %	1.1 %	1.3 %	1.6 %

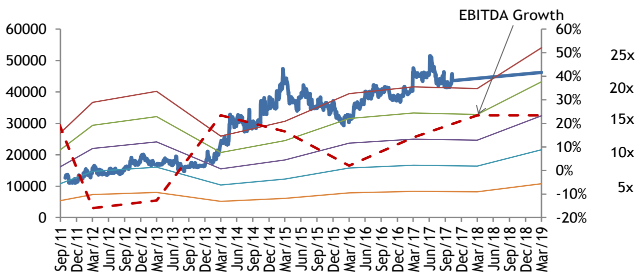
TTM P/E vs. 2 yr forward EPS growth



TTM P/B vs. 2 yr forward RoE



TTM EV/EBITDA vs. 2 yr forward EBITDA growth



Historical Consolidated Financials

P&L (Rs Mn)	FY15A	FY16A	FY17A	FY18A
Revenue	6,508	7,129	7,446	7,511
Op. Expenditure	5,282	5,551	5,782	5,933
EBITDA	1,225	1,578	1,664	1,578
Depreciation	158	153	148	191
EBIT	1,068	1,425	1,516	1,387
Interest Expense	18	3	3	5
Other Income	313	212	290	81
PBT	1,363	1,634	1,803	1,463
Tax	431	540	611	478
PAT bef. MI & Assoc.	932	1,094	1,192	985
Minority Interest	27	-36	-44	25
Profit from Assoc.	0	0	0	0
Recurring PAT	905	1,130	1,236	960
Extraordinaires	0	-3	16	-4
Reported PAT	905	1,133	1,220	964
EPS (Rs)	2.7	3.4	3.7	2.9
DPS (Rs)	0.9	0.9	1.2	1.0
CEPS (Rs)	3.2	3.9	4.2	3.5
FCFPS (Rs)	1.1	2.9	0.3	1.7
BVPS (Rs)	6.9	9.1	12.2	13.7
EBITDAM (%)	19 %	22 %	22 %	21 %
PATM (%)	14 %	16 %	17 %	13 %
Tax Rate (%)	32 %	33 %	34 %	33 %
Sales growth (%)	-37 %	-45 %	-48 %	-50 %
FDEPS growth (%)	-33 %	-38 %	-45 %	-61 %

Balance Sheet (Rs Mn)	FY15A	FY16A	FY17A	FY18A
Equity Capital	330	330	330	330
Reserve	1,956	2,664	3,705	4,191
Networth	2,286	2,994	4,034	4,521
Long Term Debt	129	4	2	1
Def Tax Liability	122	143	187	121
Minority Interest	68	0	0	0
Account Payables	1,325	900	944	1,465
Other Curr Liabi	1,823	1,738	1,249	1,420
Total Liabilities & Equity	5,752	5,778	6,417	7,527
Net Fixed Assets	1,551	1,316	2,319	2,257
Capital WIP	61	329	103	385
Others	281	251	335	135
Inventory	1,349	1,568	1,459	1,807
Account Receivables	1,483	1,341	1,520	2,090
Other Current Assets	691	573	464	637
Cash	337	402	218	217
Total Assets	5,752	5,779	6,417	7,527
Non-cash Working Capital	376	843	1,249	1,649
Cash Conv Cycle	21.1	43.2	61.2	80.1
WC Turnover	17.3	8.5	6.0	4.6
FA Turnover	4.0	4.3	3.1	2.8
Net D/E	-0.1	-0.1	-0.1	0.0
Revenue/Capital Employed	7.4	5.5	4.0	3.2
Capital Employed/Equity	2.6	1.3	1.2	1.2

Cash Flow (Rs Mn)	FY15A	FY16A	FY17A	FY18A
PBT	1,363	1,634	1,803	1,463
Depreciation	158	153	148	191
Others	-22	-61	-48	4
Taxes Paid	462	493	573	478
Change in WC	-330	164	-509	-400
Operating C/F	706	1,397	820	780
Capex	-111	-426	-833	-236
Change in Invest	-215	-33	93	25
Others	-17	1	0	0
Investing C/F	-343	-457	-740	-211
Change in Debt	-59	-1	-3	-2
Change in Equity	1	0	0	-91
Others	-316	-694	-190	-477
Financing C/F	-374	-695	-193	-570
Net change in cash	-11	245	-112	-1
RoE (%)	45 %	43 %	35 %	23 %
RoIC (%)	39 %	40 %	33 %	22 %
Core RoIC (%)	32 %	36 %	29 %	22 %
Div Payout (%)	36 %	29 %	38 %	40 %
P/E	38.0	30.4	27.8	35.8
P/B	15.0	11.5	8.5	7.6
P/FCFF	91.7	36.5	415.9	60.0
EV/EBITDA	28.1	21.7	20.7	21.7
EV/Sales	5.3	4.8	4.6	4.6
Dividend Yield (%)	1.0 %	1.1 %	1.3 %	1.6 %

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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

Relative Rating

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

Investment Horizon

Investment Horizon is set at a minimum 3 months to maximum 18 months with target date falling on last day of a calendar quarter.

Lite vs. Regular Coverage vs. Spot Coverage

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