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Rating Information	
Price (Rs)	340
Target Price (Rs)	442
Target Date	31st Dec'19
Target Set On	6th Nov'18
Implied yrs of growth (DCF)	25
Fair Value (DCF)	421
Fair Value (DDM)	182
Ind Benchmark	BSEAUTO
Model Portfolio Position	LONG

Stock Information	
Market Cap (Rs Mn)	89,259
Free Float (%)	26.00 %
52 Wk H/L (Rs)	459/282
Avg Daily Volume (1yr)	370,161
Avg Daily Value (Rs Mn)	143
Equity Cap (Rs Mn)	524
Face Value (Rs)	2
Bloomberg Code	MNDA IN

Ownership	Recent	3M	12M
Promoters	70.8 %	-0.2 %	-0.2 %
DII	5.3 %	-0.3 %	-2.1 %
FII	9.5 %	0.0 %	1.8 %
Public	14.4 %	0.6 %	0.4 %

Price %	1M	3M	12M
Absolute	4.0 %	-17.2 %	12.2 %
Vs Industry	0.8 %	-2.7 %	30.5 %
GABRIEL	11.8 %	-11.7 %	-33.9 %
SUPRAJIT	7.6 %	-7.4 %	-14.4 %

Standalone Quarterly EPS forecast

Rs/Share	1Q	2Q	3Q	4Q
EPS (17A)	0.7	1.6	1.3	1.4
EPS (18E)	1.0	1.8	1.0	1.0

Minda Industries

2QFY19 Result: Estimate (↓), TP (↓), Rating (↔)

Regular Coverage

Absolute: LONG
Relative: Overweight
27% ATR in 14 Months

New products/segments to drive growth over FY21E, retain LONG

Auto Parts

MNDA posted 39% yoy consolidated sales/EBITDA growth for 2QFY19 driven by strong performance across segments like alloy wheels and switches. Even on excluding Mindarika, which was not consolidated during 2QFY18 as a subsidiary, sales grew 18% yoy. However, as growth is mainly coming from subsidiaries not 100% owned, like Minda Kosei (70%) and Mindarika (51%), minority interest jumped sharply while yoy PAT growth was soft at 8%. We increase our minority interest assumptions, leading to an 8%/7% cut in FY19/FY20E EPS; our EBITDA estimates are also revised upwards by 3%/ 2%. MNDA remains a strong story on premiumization in cars, and we retain LONG on the stock but lower our target P/E from 33x to 31x due to a cut in EPS growth. We also roll over to a Dec'19 TP of Rs 442 (from a Sep'19 TP of Rs 482).

Comparatively immune to OEM slowdown due to increasing content of products: With OEMs contributing 90% of sales, MNDA is exposed to risks from any slowdown in OEMs; however, it is relatively immune as the content of its newer products like alloy wheels, infotainment systems and air bags (through 48% associate company, TG Minda) is increasing in cars due to premiumization and regulations. Through its tie-up with Sensata, US, for sensors, and the acquisition of iSYS for controllers, the company is also well-placed to capture opportunities from rising electronic content in vehicles.

Regulations to benefit segments like air bags, reverse parking sensors, filters: Airbags will become mandatory in cars from Jul'19, and TG Minda (~24% domestic market share) should emerge as a key beneficiary in this scenario. Similarly, reverse parking systems would also turn mandatory from Jul'19, where MNDA's tie-up with TTE should help it become a market leader. MNDA will also participate in increased sensor requirement in cars through its tie-up with Sensata, USA. Market share of its JV, ROKI Minda, should increase after BS-VI implementation as filter norms and complications would increase.

Sales/EBITDA up 39% yoy, standalone margins improve 162bps qoq: Standalone sales growth (adjusted for hive-off of 2W lighting division to Rinder) stood at 18%, very strong due to high exposure to BJAUT in the switch segment. EBITDA margins improved 28bps yoy/162bps qoq as they included tooling income related to the lighting segment. Consolidated sales grew 18% yoy ex-Mindarika, which was not consolidated in 2QFY18. Consolidated EBITDAM at 12.4% were flat yoy but improved 55bps qoq, mainly on higher standalone margins. Capex for FY19/FY20E (including investments) is expected at Rs 5bn/Rs 3bn; however, debt levels are not expected to increase sharply due to strong cash flow generation.

Change in Estimates

Rs Mn	Current		Change (%)	
	FY19E	FY20E	FY19E	FY20E
Sales	59,175	67,272	0.8%	1.0%
EBITDA	7,429	8,527	3.1%	2.3%
PAT	3,108	3,887	-8.2%	-7.1%
EPS	12.0	15.0	-8.2%	-7.1%

Consolidated Financials

Rs. Mn YE Mar	FY18A	FY19E	FY20E	FY21E
Sales	44,706	59,175	67,272	78,739
EBITDA	5,338	7,429	8,527	10,038
Depreciation	1,649	2,163	2,384	2,678
Interest Expense	351	618	693	611
Other Income	334	230	306	333
Reported PAT	3,150	3,128	3,887	4,845
Recurring PAT	2,720	3,108	3,887	4,845
Total Equity	13,916	15,517	17,220	19,509
Gross Debt	6,089	8,891	7,791	6,741
Cash	1,595	411	69	619
Rs Per Share	FY18A	FY19E	FY20E	FY21E
Earnings	10.5	12.0	15.0	18.7
Book Value	161	60	66	75
Dividends	2.8	3.8	4.9	5.9
FCFF	-29.3	-8.6	11.7	15.9
P/E (x)	32.4	28.4	22.7	18.2
P/B (x)	2.1	5.7	5.1	4.5
EV/EBITDA (x)	17.9	13.4	11.6	9.7
ROE (%)	22 %	21 %	24 %	26 %
Core ROIC (%)	15 %	16 %	17 %	19 %
EBITDA Margin (%)	12 %	13 %	13 %	13 %
Net Margin (%)	6 %	5 %	6 %	6 %

Quarterly performance, standalone

Rs mn	2QFY19	2QFY19E	1QFY19	2QFY18	% Change			Comments
					2QFY19E	1QFY19	2QFY18	
Net Sales	5,392	5,216	5,174	4,777	3%	4%	13%	
Cost of raw material	3,448	3,338	3,311	3,039	3%	4%	13%	
Employee Cost	725	694	716	617	4%	1%	18%	
Other Expenditure	642	673	678	624	-5%	-5%	3%	
Total Expenditures	4,815	4,705	4,705	4,279	2%	2%	13%	
EBITDA	577	511	470	498	13%	23%	16%	
Depreciation	134	144	127	131	-7%	6%	3%	
EBIT	442	367	343	367	21%	29%	21%	
Interest	30	23	25	11	26%	17%	177%	
Other Income	168	45	26	182	275%	559%	-8%	
PBT	581	388	344	538	50%	69%	8%	
Tax	122	109	80	113	12%	52%	8%	
Recurring PAT	459	280	263	426	64%	74%	8%	
Extraordinaries	-7	0	-13	7				
Reported PAT	467	280	276	419	67%	69%	11%	
EPS (Rs)	1.8	1.1	1.0	1.6	64%	74%	8%	
EBITDA Margin	10.7%	9.5%	9.1%	10.4%	115 bps	162 bps	28 bps	
EBIT Margin	8.2%	5.8%	6.6%	7.7%	243 bps	157 bps	53 bps	
PBT Margin	10.8%	5.9%	6.6%	11.3%	489 bps	414 bps	-50 bps	
PAT Margin	8.7%	4.5%	5.3%	8.8%	419 bps	332 bps	-11 bps	
Tax Rate	20.9%	24.0%	23.3%	20.9%	-307 bps	-239 bps	0 bps	
Raw Material	63.9%	64.0%	64.0%	63.6%	-5 bps	-5 bps	33 bps	
Employee cost	13.4%	13.3%	13.8%	12.9%	14 bps	-39 bps	53 bps	
Other expenses	11.9%	12.9%	13.1%	13.1%	-99 bps	-119 bps	-114 bps	

Quarterly performance, consolidated

Rs mn	2QFY19	2QFY19E	1QFY19	2QFY18	% Change			Comments
					2QFY19E	1QFY19	2QFY18	
Net Sales	15,217	14,568	14,298	10,984	4%	6%	39%	
Raw materials consumed	9,376	8,949	8,825	6,863	5%	6%	37%	
Employee Cost	1,953	1,984	1,886	1,385	-2%	4%	41%	
Other Expenditure	1,995	1,863	1,887	1,370	7%	6%	46%	
Total Expenditures	13,324	12,796	12,598	9,618	4%	6%	39%	
EBITDA	1,893	1,771	1,701	1,366	7%	11%	39%	
Depreciation	561	501	493	383	12%	14%	47%	
EBIT	1,333	1,271	1,208	983	5%	10%	36%	
Interest	151	128	132	63	18%	14%	140%	
Other Income	48	70	65	45	-32%	-27%	7%	
PBT	1,230	1,213	1,141	965	1%	8%	27%	
Tax	387	352	336	297	10%	15%	31%	
PAT before MI & Associates	842	861	805	668	-2%	5%	26%	
Minority Interest	-161	-133	-146	-59	21%	10%	171%	
Profit from Assoc.	46	51	41	65	-11%	11%	-30%	
Recurring PAT	727	780	701	674	-7%	4%	8%	
Extraordinaries	44	0	-25	0				
Reported PAT	771	780	725	674	-1%	6%	14%	
EPS (Rs)	2.8	3.0	2.7	2.6	-7%	4%	8%	
EBITDA Margin	12.4%	12.2%	11.9%	12.4%	28 bps	55 bps	1 bps	
EBIT Margin	8.8%	8.7%	8.4%	8.9%	3 bps	31 bps	-19 bps	
PBT Margin	8.1%	8.3%	8.0%	8.8%	-25 bps	10 bps	-70 bps	
PAT Margin	5.1%	5.4%	5.1%	6.1%	-29 bps	-1 bps	-107 bps	
Tax Rate	31.5%	29.0%	29.5%	30.7%	251 bps	204 bps	75 bps	
Raw Material	61.6%	61.4%	61.7%	62.5%	18 bps	-11 bps	-87 bps	
Employee cost	12.8%	13.6%	13.2%	12.6%	-79 bps	-36 bps	22 bps	
Other expenses	13.1%	12.8%	13.2%	12.5%	32 bps	-9 bps	64 bps	

Exhibit 1: Status of consolidation program

S.no	Company	Effective Date	Consideration				Revenue
			FY16	FY17	FY18	FY19	FY18
1	ASEAN (51%)	Jul-15	260				2,060
2	MJCL (50%)	Aug-15	140				2,740
3	Kosei Minda (30%)	Mar-16	120				2,160
4	Minda TG (51%)	Mar-16	190				520
5	RokiMinda (49%)	Oct-16		430			3,420
6	ASEAN (49%)	Apr-17			290		-
7	MI Torica (60%)	Apr-18			80		2,530
8	MRPL (24%)	Jan-18			950		7,280
9	D 10 Minda (50%)	Jan-18			260		3,430
10	TG Minda (48%)	Oct-18			200	1,370	4,810
Total			710	430	1,780	1,370	28,950

Source: Company, Equirus Securities

Exhibit 2: Segment-wise sales and EBITDA contribution

		2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19
Sales	Switches	3,253	2,859	3,148	3,052	3,427	3,147	5,648	5,862	6,056
	Yoy growth				6%	5%	10%	79%	92%	77%
	Lighting	2,514	2,180	2,466	2,608	2,998	2,735	3,126	3,146	3,302
	Yoy growth				56%	19%	25%	27%	21%	10%
	Acoustics	1,577	1,333	1,740	1,568	1,669	1,743	1,892	2,002	1,796
	Yoy growth				4%	6%	31%	9%	28%	8%
	Others	1,676	2,012	1,614	2,220	2,889	2,936	3,043	3,289	4,063
	Yoy growth				49%	72%	46%	89%	48%	41%
EBITDA	Switches	336	302	286	322	384	388	783	731	765
	Yoy growth				20%	14%	29%	173%	127%	99%
	Lighting	216	271	247	203	264	259	337	221	364
	Yoy growth				34%	22%	-5%	37%	9%	38%
	Acoustics	177	130	193	128	134	159	183	170	110
	Yoy growth				-15%	-24%	22%	-5%	33%	-18%
	Others	202	291	323	356	585	459	392	595	655
	Yoy growth				97%	189%	58%	21%	67%	12%
EBITDA margins	Switches	10%	11%	9%	11%	11%	12%	14%	12%	13%
	Lighting	9%	12%	10%	8%	9%	9%	11%	7%	11%
	Acoustics	11%	10%	11%	8%	8%	9%	10%	8%	6%
	Others	12%	14%	20%	16%	20%	16%	13%	18%	16%

Source: Company, Equirus Securities

Earning call takeaways

Financial performance

- New technologies, increasing electronic content, changing configuration and premiumization are expected to be the main growth drivers ahead.
- Revenues grew 39% yoy to Rs 15.2bn (2QFY18: Rs 10.9bn) led by MRPL consolidation.
- Standalone revenues grew 13% yoy to Rs 5.39bn led by lamp & 2W switch businesses.
- An appreciating USD and commodity prices are putting pressure on the margins.
- MNDA is expecting a similar performance in 2H as management expects demand-side challenges.

Segment performance

- Switching systems contributed Rs 6.05bn in 2QFY19 or ~39.8% of total consolidated revenue. Overall, segment EBITDA margins stood at ~13%.
- Lighting business contributed Rs 3.30bn in 2QFY19 or ~21.7% to overall revenues with ~12% EBITDA margins. Lighting margins have improved due to tooling income of Rs 150mn-200mn.
- The acoustic division contributed Rs 1.7bn in 2QFY19 or ~11.8% of total revenues with margins of ~7% due to the drag on Clarton Horns which saw lower sales in EU due to new WLTP regulations. This is expected to normalize next quarter.
- Other products like alloy wheels, aluminum die casting and blow molding hoses contributed ~Rs 4.06bn to the consolidated topline with overall margins of ~18%.
- Capacity utilization across all the products is ~80%.

Consolidation update

- TG Minda has become a JV company from 28 Sep'18.
- MIL's 2W lighting business has been hived off to Rinder India wef 30 Jun'18.
- I-Sys RTS acquisition was completed on 12 Sep'18 and it has become a subsidiary of MIL.

Other highlights

- MNDA expects domestic controllers to contribute ~Rs 3bn to the topline in the next 3-4 years driven by modernization and regulatory changes.
- The company expects AIS-140 norms for public transport, enforced three months in advance, to be a strong driver for the controller business.

- A 2W alloy plant would be set up with a capex of Rs 3bn for the first phase, expected to start production by FY20-end. The capacity will be 300,000 wheels per month. The project is expected to be completed in two phases. The company expects to generate the revenues of ~Rs 5bn from the first phase.
- About 60% of 2W alloy wheels are imported; the company plans to tap the opportunity for import substitution. Also, the government has increased custom duty on alloy wheels from 15% to 20%.
- Anti-dumping duty for 4W alloy wheels is US\$ 1/kg.
- Market for alloy wheels in India is 34mn wheels and ~14mn wheels are imported.
- MNDA plans to start a new project for controller and telematics for an outlay of ~Rs 800mn. This will be a division of MIL and work in tandem with i-Sys. The project will be commissioned by FY20.
- MNDA is working with Sensata on the sensors business, with production starting from Apr'19. The company expects sales of Rs 4bn by FY23. Main products would be higher temperature and pressure sensors, differential pressure sensors, and engine and crank sensors. Orders from MSIL, Tata and M&M for BS-VI have been confirmed.
- Margins for Rinder have improved by ~200bps after acquisition to ~10%.
- Rinder has got headlamp orders for LEDs in *Apache*, *Activa 125* and *Jupiter* and is also gaining business from HMCL.
- TG Minda's sales stood at ~Rs 2.7bn, EBITDAM at ~12% and PATM at 3.2% in 1HFY19. Key customers are MSIL, Toyota and Honda Cars.
- Main products are airbags, seat belts and body sealing parts. The company expects growth after airbags becoming mandatory.
- In airbags, TG Minda has a market share of ~23% and is the no. 2 supplier to MSIL.
- Currently, Maruti has 50-55% penetration of front airbags.
- New plant for TG Minda is coming up in Gujarat and will be operational from Nov-end. One line from Neemrana is being shifted to Gujarat. Capacity at TG Minda is ~7.5 lakh vehicles per year.
- TG Minda is now an associate company and will be consolidated by the equity method.
- Total capex for FY19 would be ~Rs 5bn (incl. capex for TG Minda acquisition) and ~Rs 3bn for FY20.
- MNDA has gross/net debt of Rs 9bn/Rs 8bn and expects net debt to be ~Rs 8.5bn by Mar'19.

Company Snapshot

How we differ from Consensus

		-	Equirus	Consensus	% Diff	Comment
EPS	FY19E		12.0	13.1	-8 %	We are broadly in line with consensus
	FY20E		15.0	15.9	-6 %	
Sales	FY19E		59,175	58,298	2 %	
	FY20E		67,272	68,192	-1 %	
PAT	FY19E		3,128	3,628	-14 %	
	FY20E		3,887	4,451	-13 %	

Key Investment arguments:

- MNDA's dominance expected to continue in switch segment on the account of strong in-house R &D.
- Using Indian low-cost base & high technology products range, MNDA to strengthen its leadership position in acoustics with a 13% CAGR over FY17-FY19E.
- Lighting division sales to grow at a 15% CAGR over FY17-19E through ramping up utilization levels led by a revival in the 4W industry.

Key Estimates:

Sales (Rs. mn)	FY18	FY19E	FY20E	FY21E
Switches	10,803	11,783	12,857	14,034
yoy growth (%)	9%	9%	9%	9%
Lighting	5,983	6,817	7,770	8,861
yoy growth (%)	16%	14%	14%	14%
Horns	3,143	3,552	4,019	4,553
yoy growth (%)	12%	13%	13%	13%

Key Risk:

- Margin pressure due to rising commodity prices

Key Triggers

- New JVs
- Better capacity utilization across segments

Sensitivity to Key Variables	% Change	% Impact on EPS
EBITDA Margins	-1 %	-11 %
-	-	-
-	-	-

DCF Valuations & Assumptions

Rf	Beta	Ke	Term. Growth	Debt/IC in Term. Yr
8.0 %	0.9	13.4 %	4.0 %	40.0 %

	FY19E	FY20E	FY21-23E	FY24-28E	FY29-33E
Sales Growth	32 %	14 %	17 %	17 %	12 %
NOPAT Margin	6 %	7 %	7 %	7 %	7 %
IC Turnover	2.31	2.51	3.01	3.20	3.20
RoIC	16.2 %	16.9 %	21.0 %	23.2 %	22.8 %

Years of strong growth	1	2	5	10	15
Valuation as on date (Rs)	118	126	186	249	290
Valuation as on Sep'18	137	146	216	288	335

Based on DCF, assuming 25 years of 12% CAGR growth and 20% average ROIC, we derive our 31 Dec'19 fair value of Rs 421.

Company Description:

Minda Industries Ltd is the flagship company of the Uno Minda Group. From just one product in 1958 to more than 20 products in 2017, MNDA has emerged as one of the leading suppliers of proprietary automotive solutions to OEMs over more than six decades. MNDA had consolidated sales of Rs 35bn in FY17. The company has 12 direct subsidiaries and 7 step-down subsidiaries, 3 joint venture companies and 5 associate entities with headquarters in Manesar, Gurgaon (Haryana), India.

Comparable valuation			Mkt Cap Rs. Mn.	Price Target	Target Date	EPS			P/E			BPS		P/B		RoE			Div Yield	
Company	Reco.	CMP				FY18A	FY19E	FY20E	FY18A	FY19E	FY20E	FY18A	FY19E	FY18A	FY19E	FY18A	FY19E	FY20E	FY18A	FY19E
Minda Industries	LONG	340	89,259	442	31st Dec'19	10.5	12.0	15.0	32.4	28.4	22.7	161.0	5.7	22 %	21 %	24 %	0.8 %	1.1 %		
Gabriel Ind	NR	132	18,961	NR	NR	-	8.0	9.2	-	16.7	14.5	-	10.4	-	16 %	-	0.4 %	-		
Suprajit Engg.	NR	234	32,758	NR	NR	9.3	11.8	14.5	25.1	19.8	16.2	75.2	29.5	36 %	37 %	34 %	0.3 %	0.3 %		

Standalone Quarterly Earnings Forecast and Key Drivers

Rs in Mn	1Q18A	2Q18A	3Q18A	4Q18A	1Q19A	2Q19E	3Q19E	4Q19E	1Q20E	2Q20E	3Q20E	4Q20E	FY18A	FY19E	FY20E	FY21E
Revenue	4,226	4,777	4,518	5,046	5,174	5,392	5,081	5,091	5,807	6,051	5,702	5,713	18,571	20,738	23,272	26,012
EBITDA	344	498	485	580	470	577	533	535	627	653	616	617	1,911	2,115	2,513	2,809
Depreciation	119	131	135	140	127	134	136	140	145	149	154	158	525	537	606	678
EBIT	225	367	350	440	343	442	398	394	482	504	462	459	1,385	1,577	1,907	2,131
Interest	17	11	15	25	25	30	74	74	84	84	84	84	68	202	334	374
Other Income	52	182	97	56	26	168	44	43	40	43	47	47	384	280	178	184
PBT	260	538	432	471	344	581	368	363	439	464	426	422	1,701	1,656	1,750	1,941
Tax	77	113	100	109	80	122	103	102	123	130	119	118	398	406	490	544
Recurring PAT	183	426	333	363	263	459	265	262	316	334	306	304	1,303	1,249	1,260	1,398
Extraordinary	-55	7	0	0	-13	-7	0	0	0	0	0	0	-61	-20	0	0
Reported PAT	238	419	333	363	276	467	265	262	316	334	306	304	1,364	1,269	1,260	1,398
EPS (Rs)	0.71	1.64	1.28	1.40	1.02	1.77	1.02	1.01	1.22	1.29	1.18	1.17	5.03	4.82	4.86	5.39
Key Drivers																
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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Sequential Growth (%)																
Revenue	6 %	13 %	-5 %	12 %	3 %	4 %	-6 %	0 %	14 %	4 %	-6 %	0 %	-	-	-	-
EBITDA	-7 %	45 %	-2 %	20 %	-19 %	23 %	-8 %	0 %	17 %	4 %	-6 %	0 %	-	-	-	-
EBIT	-6 %	63 %	-5 %	26 %	-22 %	29 %	-10 %	-1 %	22 %	5 %	-8 %	-1 %	-	-	-	-
Recurring PAT	-9 %	132 %	-22 %	9 %	-27 %	74 %	-42 %	-1 %	21 %	6 %	-8 %	-1 %	-	-	-	-
EPS	-9 %	132 %	-22 %	9 %	-27 %	74 %	-42 %	-1 %	21 %	6 %	-8 %	-1 %	-	-	-	-
Yearly Growth (%)																
Revenue	6 %	9 %	13 %	26 %	22 %	13 %	12 %	1 %	12 %	12 %	12 %	12 %	13 %	12 %	12 %	12 %
EBITDA	-13 %	21 %	36 %	57 %	37 %	16 %	10 %	-8 %	34 %	13 %	15 %	15 %	20 %	11 %	19 %	12 %
EBIT	-20 %	25 %	55 %	83 %	52 %	21 %	14 %	-10 %	41 %	14 %	16 %	16 %	29 %	14 %	21 %	12 %
Recurring PAT	-18 %	29 %	75 %	80 %	44 %	8 %	-20 %	-28 %	20 %	-27 %	16 %	16 %	39 %	-4 %	1 %	11 %
EPS	-18 %	29 %	75 %	80 %	44 %	8 %	-20 %	-28 %	20 %	-27 %	16 %	16 %	39 %	-4 %	1 %	11 %
Margin (%)																
EBITDA	8 %	10 %	11 %	11 %	9 %	11 %	11 %	11 %	11 %	11 %	11 %	11 %	10 %	10 %	11 %	11 %
EBIT	5 %	8 %	8 %	9 %	7 %	8 %	8 %	8 %	8 %	8 %	8 %	8 %	7 %	8 %	8 %	8 %
PBT	6 %	11 %	10 %	9 %	7 %	11 %	7 %	7 %	8 %	8 %	7 %	7 %	9 %	8 %	8 %	7 %
PAT	4 %	9 %	7 %	7 %	5 %	9 %	5 %	5 %	5 %	6 %	5 %	5 %	7 %	6 %	5 %	5 %

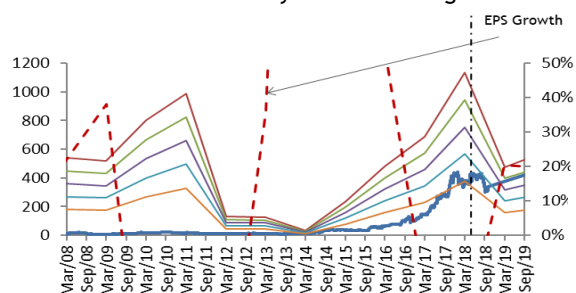
Consolidated Financials

P&L (Rs Mn)	FY18A	FY19E	FY20E	FY21E
Revenue	44,706	59,175	67,272	78,739
Op. Expenditure	39,367	51,745	58,745	68,700
EBITDA	5,338	7,429	8,527	10,038
Depreciation	1,649	2,163	2,384	2,678
EBIT	3,690	5,267	6,142	7,361
Interest Expense	351	618	693	611
Other Income	334	230	306	333
PBT	3,672	4,879	5,756	7,082
Tax	977	1,341	1,612	1,983
PAT bef. MI & Assoc.	2,695	3,538	4,144	5,099
Minority Interest	207	673	670	725
Profit from Assoc.	231	243	414	471
Recurring PAT	2,720	3,108	3,887	4,845
Extraordinaires	-430	-20	0	0
Reported PAT	3,150	3,128	3,887	4,845
FDEPS (Rs)	10.5	12.0	15.0	18.7
DPS (Rs)	2.8	3.8	4.9	5.9
CEPS (Rs)	50.5	20.3	24.2	29.0
FCFPS (Rs)	-29.3	-8.6	11.7	15.9
BVPS (Rs)	161.0	59.9	66.4	75.3
EBITDAM (%)	12 %	13 %	13 %	13 %
PATM (%)	6 %	5 %	6 %	6 %
Tax Rate (%)	27 %	27 %	28 %	28 %
Sales Growth (%)	32 %	32 %	14 %	17 %
FDEPS Growth (%)	65 %	14 %	25 %	25 %

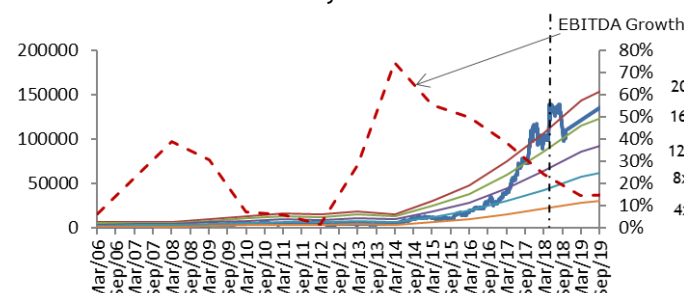
Balance Sheet (Rs Mn)	FY18A	FY19E	FY20E	FY21E
Equity Capital	173	519	519	519
Reserve	13,743	14,999	16,701	18,991
Networth	13,916	15,517	17,220	19,509
Long Term Debt	6,089	8,891	7,791	6,741
Def Tax Liability	1,554	1,520	1,520	1,520
Minority Interest	2,110	2,783	3,453	4,178
Account Payables	7,984	10,355	11,778	13,806
Other Curr Liabi	1,998	3,107	3,534	4,140
Total Liabilities & Equity	33,651	42,175	45,296	49,896
Net Fixed Assets	12,387	15,517	16,033	15,956
Capital WIP	2,108	2,384	2,384	2,384
Others	3,885	5,522	5,936	6,407
Inventory	4,175	5,873	6,693	7,896
Account Receivables	7,897	10,195	11,592	13,572
Other Current Assets	1,604	2,271	2,589	3,061
Cash	1,595	411	69	619
Total Assets	33,651	42,175	45,296	49,895
Non-cash Working Capital	3,694	4,877	5,563	6,583
Cash Conv Cycle	30.2	30.1	30.2	30.5
WC Turnover	12.1	12.1	12.1	12.0
FA Turnover	3.1	3.3	3.7	4.3
Net D/E	0.3	0.5	0.4	0.3
Revenue/Capital Employed	2.2	2.3	2.3	2.5
Capital Employed/Equity	1.2	1.4	1.6	1.6

Cash Flow (Rs Mn)	FY18A	FY19E	FY20E	FY21E
PBT	3,672	4,879	5,756	7,082
Depreciation	1,649	2,163	2,384	2,678
Others	321	20	0	0
Taxes Paid	846	1,341	1,612	1,983
Change in WC	-1,175	-1,183	-685	-1,021
Operating C/F	3,621	4,537	5,843	6,756
Capex	-4,950	-5,620	-3,314	-3,071
Change in Invest	-1,376	-1,586	0	0
Others	-79	0	0	0
Investing C/F	-6,406	-7,206	-3,314	-3,071
Change in Debt	842	2,802	-1,100	-1,050
Change in Equity	1	-327	-670	-725
Others	-382	-990	-1,101	-1,359
Financing C/F	461	1,486	-2,872	-3,134
Net change in cash	-2,324	-1,183	-342	550
RoE (%)	22 %	21 %	24 %	26 %
RoC (%)	14 %	14 %	15 %	17 %
Core RoC (%)	15 %	16 %	17 %	19 %
Div Payout (%)	9 %	38 %	39 %	38 %
P/E	32.4	28.4	22.7	18.2
P/B	2.1	5.7	5.1	4.5
P/FCFF	-11.6	-39.7	29.1	21.4
EV/EBITDA	17.9	13.4	11.6	9.7
EV/Sales	2.1	1.7	1.5	1.2
Dividend Yield (%)	0.8 %	1.1 %	1.4 %	0.0 %

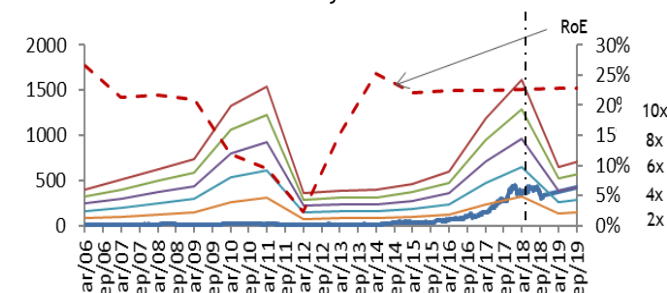
TTM P/E vs. 2 yr forward EPS growth



TTM EV/EBITDA vs. 2 yr forward EBITDA Growth



TTM P/B vs. 2 yr forward RoE



Historical Consolidated Financials

P&L (Rs Mn)	FY15A	FY16A	FY17A	FY18A
Revenue	22,266	25,273	33,863	44,706
Op. Expenditure	20,723	22,895	30,123	39,367
EBITDA	1,543	2,378	3,740	5,338
Depreciation	835	926	1,362	1,649
EBIT	708	1,452	2,378	3,690
Interest Expense	250	257	398	351
Other Income	229	140	138	334
PBT	688	1,335	2,119	3,672
Tax	194	277	465	977
PAT bef. MI & Assoc.	494	1,058	1,654	2,695
Minority Interest	-3	115	200	207
Profit from Assoc.	24	117	197	231
Recurring PAT	520	1,059	1,652	2,720
Extraordinaires	-160	-52	25	-430
Reported PAT	680	1,111	1,627	3,150
EPS (Rs)	2.0	4.1	6.4	10.5
DPS (Rs)	1.2	1.4	2.2	2.8
CEPS (Rs)	17.1	25.0	38.0	50.5
FCFPS (Rs)	14.4	-11.4	1.9	-29.3
BVPS (Rs)	46.0	59.5	118.9	161.0
EBITDAM (%)	7 %	9 %	11 %	12 %
PATM (%)	2 %	4 %	5 %	6 %
Tax Rate (%)	28 %	21 %	22 %	27 %
Sales growth (%)	31 %	14 %	34 %	32 %
FDEPS growth (%)	625 %	104 %	56 %	65 %

Balance Sheet (Rs Mn)	FY15A	FY16A	FY17A	FY18A
Equity Capital	159	159	173	173
Reserve	3,494	4,558	10,101	13,743
Networth	3,653	4,717	10,273	13,916
Long Term Debt	2,088	3,927	5,324	6,089
Def Tax Liability	294	427	768	1,554
Minority Interest	213	1,096	1,390	2,110
Account Payables	2,670	3,215	5,151	7,984
Other Curr Liabi	1,049	1,487	1,206	1,998
Total Liabilities & Equity	9,966	14,868	24,111	33,651
Net Fixed Assets	3,987	5,664	8,955	12,387
Capital WIP	219	1,301	1,373	2,108
Others	570	903	1,250	3,885
Inventory	1,406	1,838	2,513	4,175
Account Receivables	2,895	3,639	5,235	7,897
Other Current Assets	589	957	1,020	1,604
Cash	301	567	3,766	1,595
Total Assets	9,966	14,869	24,111	33,651
Non-cash Working Capital	1,171	1,732	2,411	3,694
Cash Conv Cycle	19.2	25.0	26.0	30.2
WC Turnover	19.0	14.6	14.0	12.1
FA Turnover	5.3	3.6	3.3	3.1
Net D/E	0.5	0.7	0.2	0.3
Revenue/Capital Employed	3.6	3.1	2.4	2.2
Capital Employed/Equity	1.7	1.5	1.1	1.2

Cash Flow (Rs Mn)	FY15A	FY16A	FY17A	FY18A
PBT	688	1,335	2,119	3,672
Depreciation	835	926	1,362	1,649
Others	104	277	411	321
Taxes Paid	168	253	508	846
Change in WC	-104	-822	177	-1,175
Operating C/F	1,354	1,463	3,561	3,621
Capex	-646	-3,425	-4,662	-4,950
Change in Invest	195	-2,133	-2,837	-1,376
Others	59	2,989	3,779	-79
Investing C/F	-391	-2,569	-3,720	-6,406
Change in Debt	-674	1,602	372	842
Change in Equity	53	0	2,965	1
Others	-362	-368	-669	-382
Financing C/F	-984	1,234	2,669	461
Net change in cash	-21	127	2,510	-2,324
RoE (%)	15 %	25 %	22 %	22 %
RoIC (%)	11 %	15 %	14 %	14 %
Core RoIC (%)	9 %	15 %	15 %	15 %
Div Payout (%)	82 %	73 %	14 %	9 %
P/E	169.5	83.2	53.4	0.0
P/B	7.4	5.7	2.9	0.0
P/FCFF	23.6	-29.9	178.0	-11.6
EV/EBITDA	59.4	39.3	24.7	0.0
EV/Sales	4.1	3.7	2.7	0.0
Dividend Yield (%)	0.4 %	0.4 %	0.6 %	0.8 %

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• REDUCE: ATR >= negative 10% but <5% over investment horizon

• SHORT: ATR < negative 10% over investment horizon

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