

June 12, 2019

Analyst Meet Update

■ Change in Estimates | Target | ■ Reco

Change in Estimates

| | Current | | Previous | |
|----------------|---------|---------|----------|---------|
| | FY20E | FY21E | FY20E | FY21E |
| Rating | HOLD | | HOLD | |
| Target Price | 1,338 | | 1,228 | |
| Sales (Rs. m) | 257,953 | 330,863 | 257,953 | 330,863 |
| % Chng. | - | - | - | - |
| EBITDA (Rs. m) | 22,124 | 28,935 | 22,124 | 28,935 |
| % Chng. | - | - | - | - |
| EPS (Rs.) | 20.3 | 27.3 | 20.3 | 27.3 |
| % Chng. | - | - | - | - |

Key Financials

| | FY18 | FY19 | FY20E | FY21E |
|----------------|---------|---------|---------|---------|
| Sales (Rs. m) | 150,332 | 200,045 | 257,953 | 330,863 |
| EBITDA (Rs. m) | 13,528 | 16,333 | 22,124 | 28,935 |
| Margin (%) | 9.0 | 8.2 | 8.6 | 8.7 |
| PAT (Rs. m) | 7,678 | 9,025 | 13,174 | 17,713 |
| EPS (Rs.) | 12.3 | 14.5 | 20.3 | 27.3 |
| Gr. (%) | 60.4 | 17.5 | 40.4 | 34.5 |
| DPS (Rs.) | - | - | - | 1.0 |
| Yield (%) | - | - | - | 0.1 |
| RoE (%) | 18.0 | 17.6 | 17.0 | 16.5 |
| RoCE (%) | 22.9 | 25.5 | 24.2 | 23.3 |
| EV/Sales (x) | 5.4 | 4.1 | 3.2 | 2.5 |
| EV/EBITDA (x) | 60.3 | 50.2 | 37.5 | 28.8 |
| PE (x) | 106.5 | 90.6 | 64.5 | 48.0 |
| P/BV (x) | 17.5 | 14.6 | 8.6 | 7.4 |

Key Data

AVEU.BO | DMART IN

| | |
|---------------------|----------------------|
| 52-W High / Low | Rs.1,699 / Rs.1,126 |
| Sensex / Nifty | 39,757 / 11,906 |
| Market Cap | Rs.818bn/ \$ 11,786m |
| Shares Outstanding | 624m |
| 3M Avg. Daily Value | Rs.1485.95m |

Shareholding Pattern (%)

| | |
|-------------------------|-------|
| Promoter's | 81.20 |
| Foreign | 5.91 |
| Domestic Institution | 3.20 |
| Public & Others | 9.68 |
| Promoter Pledge (Rs bn) | - |

Stock Performance (%)

| | 1M | 6M | 12M |
|----------|-------|--------|--------|
| Absolute | 4.7 | (16.0) | (18.5) |
| Relative | (1.3) | (24.4) | (26.9) |

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“The Growth Saga Continues”

D'Mart Analyst Meet reinforced our confidence in “Everyday low Prices” and cluster based expansion strategy of the company. FY19 has been a tepid year due to lower than expected store openings and strategic margin correction taken by the company. D'Mart plans to accelerate store openings (mostly through owned stores). D'Mart is following an aggressive approach with focus to grow volumes and drive margins by operating leverage only. This strategy is like what Asian Paint did in nineties to gain scale and share. We believe ventures like E-Com and Cash and Carry have long term value, however they will remain a small part of total operations.

We estimate 28 store openings in FY20 and 30 in FY21. We estimate 28.7% sales and 33.1% EBIDTA and 37.4% PAT CAGR over FY19-21 on 50bps margin expansion. D'Mart is planning a QIP (upto 25mn shares) and OFS (to reduce promoter holding to 75%) which can provide an inflow of ~Rs35bn and fund growth. We value the stock at 46xJune21 EPS and arrive at a target price of Rs1338 (Rs1228, 45xFY21 EPS earlier). Long term outlooks remain positive; invest on declines in run upto to QIP and OFS.

- Key Analyst Meet Takeaways:** 1) North India cluster is not as good as South and West in terms of numbers or understanding. 2) FY19 store openings were impacted due to approvals and partly due to elections also, need to accelerate store openings 3) D'Mart has added stores with average size of 46000sq ft in FY19, bigger stores will generate more throughput in long term 4) Private label is a 15-20 year story, difficult to sell private labels in competition to established brands 5) Investment in real estate acquisition rising, however will look at leased model only for long term leases 6) Operating costs in brick and mortar store is lower than E-commerce 7) D'Mart will focus on higher volumes/sales and improvement in sales mix, GM is likely to be in the same range. Operating leverage will drive margins. 8) D'Mart has also started cash and carry format, however limited data is available on financials and plans
- FY19 Adj. PAT up 20.2% on 22.8% EBIDTA Growth:** Net Sales increased 32.7% to Rs 199.2bn. FY19 SSG was at 17.8%. Gross Margins declined 100bps to 14.7%. EBIDTA increased 22.8% to Rs16.4bn and EBITDA margins declined 70bps. Cost of retail declined by 30bps YoY led by 20bps lower employee cost. Adj. PAT grew by 20.2% Rs9.36bn as finance costs decreased by 29.2% even as depreciation increased 28.5% and tax rate 50bps.
- 21 Stores added in FY19, mostly in mature clusters:** D'Mart added 21 stores in FY19 (24 in FY18) taking the total stores to 176. D'Mart added most stores in established clusters and has not added any new cluster. Maharashtra, Gujarat, Karnataka and Telangana have seen most store additions, while most new clusters started in FY18, have seen no additions.
- Avenue E Commerce sales up 225%;** Avenue E Commerce (D'Mart Ready) has now 196 stores and achieved sales of Rs1.43bn. Online is a different ballgame given different shopper expectations. D'Mart will have this format only in Metros as of now.

**Exhibit 1: Net Sales up 32.1%; Adj. PAT up 21.4% on 20bps decline in margins**

| Y/E March | Q4FY19 | Q4FY18 | YoY gr. (%) | Q3FY19 | FY19 | FY18 | YoY gr. (%) |
|---------------------|---------------|---------------|--------------|----------------|----------------|----------------|--------------|
| Net Sales | 50,334 | 38,100 | 32.1 | 148,829 | 199,163 | 150,089 | 32.7 |
| Gross Profit | 7,250 | 5,668 | 27.9 | 22,113 | 29,363 | 23,600 | 24.4 |
| <i>% of NS</i> | <i>14.4</i> | <i>14.9</i> | <i>(0.5)</i> | <i>14.9</i> | <i>14.7</i> | <i>15.7</i> | <i>(1.0)</i> |
| Other Expenses | 3,485 | 2,723 | 28.0 | 9,456 | 12,941 | 10,227 | 26.5 |
| <i>% of NS</i> | <i>6.9</i> | <i>7.1</i> | <i>(0.2)</i> | <i>6.4</i> | <i>6.5</i> | <i>6.8</i> | <i>(0.3)</i> |
| EBITDA | 3,765 | 2,945 | 27.9 | 12,657 | 16,422 | 13,373 | 22.8 |
| <i>Margins (%)</i> | <i>7.5</i> | <i>7.7</i> | <i>(0.2)</i> | <i>8.5</i> | <i>8.2</i> | <i>8.9</i> | <i>(0.7)</i> |
| Depreciation | 619 | 465 | 33.2 | 1,369 | 1,988 | 1,547 | 28.5 |
| Interest | 122 | 132 | (7.8) | 350 | 472 | 594 | (20.6) |
| Other Income | 147 | 149 | (1.6) | 368 | 514 | 726 | (29.2) |
| PBT | 3,171 | 2,497 | 27.0 | 11,306 | 14,476 | 11,959 | 21.1 |
| Tax | 1,142 | 826 | 38.3 | 3,949 | 5,113 | 4,167 | 22.7 |
| <i>Tax rate (%)</i> | <i>36.0</i> | <i>33.1</i> | <i>2.9</i> | <i>34.9</i> | <i>35.3</i> | <i>34.8</i> | <i>0.5</i> |
| Adjusted PAT | 2,029 | 1,671 | 21.4 | 7,356 | 9,364 | 7,792 | 20.2 |

Source: Company, PL

Exhibit 2: Added 12 stores in 4QFY19; Cost of retail down 20bps YoY and up 50bps QoQ

| | 3Q18 | 4Q18 | 1Q19 | 2Q19 | 3Q19 | 4Q19 |
|------------------|-------|-------|-------|-------|--------|-------|
| No. of Stores | 141 | 155 | 157 | 160 | 164 | 176 |
| Area (mn Sq.ft.) | 4.4 | 4.9 | 5.0 | 5.1 | 5.2 | 5.3 |
| Sales/Ft | 9,304 | 7,775 | 9,181 | 9,637 | 10,531 | 9,504 |
| Gross Profit/Ft | 1,525 | 1,157 | 1,434 | 1,381 | 1,547 | 1,369 |
| EBIDTA/FT | 958 | 601 | 851 | 771 | 876 | 711 |
| Cost of retail % | 6.1 | 7.1 | 6.3 | 6.3 | 6.4 | 6.9 |

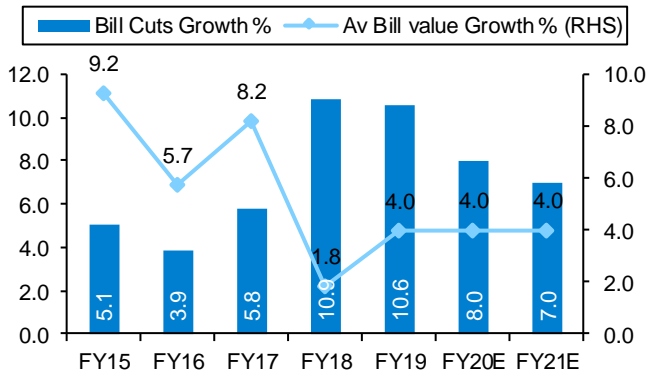
Source: Company, PL

Exhibit 3: EBIDTA/Ft and Cost of retail likely to improve on healthy SSG

| | FY16 | FY17 | FY18 | FY19E | FY20E | FY21E |
|------------------|--------|--------|--------|--------|--------|--------|
| Sales/Ft | 28,136 | 31,120 | 32,719 | 35,647 | 39,669 | 43,429 |
| Gross Profit/Ft | 3,845 | 4,475 | 5,145 | 5,091 | 5,718 | 6,341 |
| EBIDTA/FT | 1,993 | 2,417 | 2,915 | 2,768 | 3,164 | 3,532 |
| Capex/Ft | 9,632 | 8,925 | 10,103 | 15,003 | 14,453 | 14,443 |
| Cost of retail % | 7.2% | 7.0% | 6.9% | 6.9% | 6.9% | 7.0% |
| Working Cap/Ft | 1,263 | 1,631 | 1,723 | 1,566 | 2,207 | 2,328 |

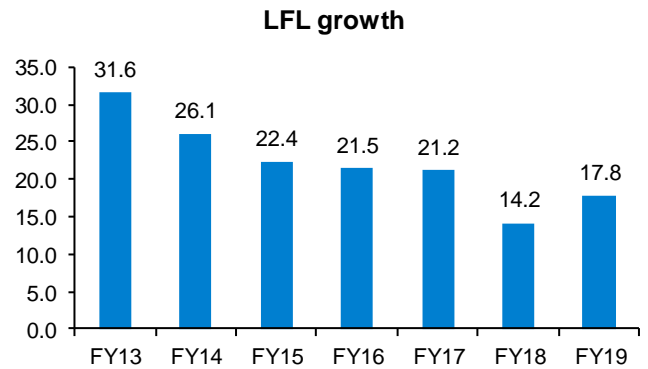
Source: Company, PL

Exhibit 4: Bill Cuts increased by 28% to 172mn in FY19



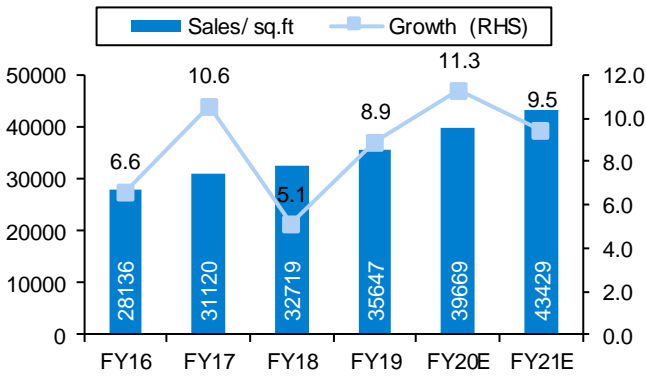
Source: Company, PL

Exhibit 5: LTL growth at 17.8% in FY19



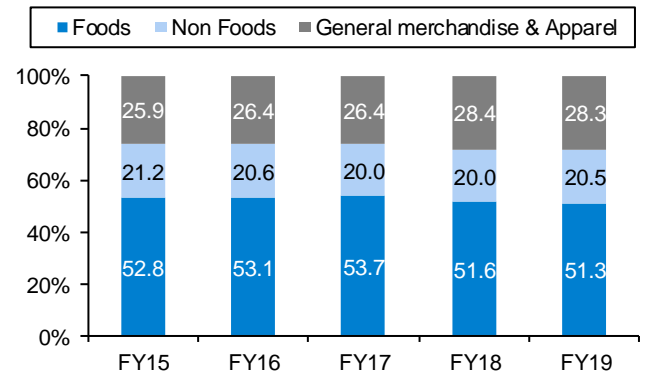
Source: Company, PL

Exhibit 6: Sales/Sq. ft. increased 8.9% in FY19



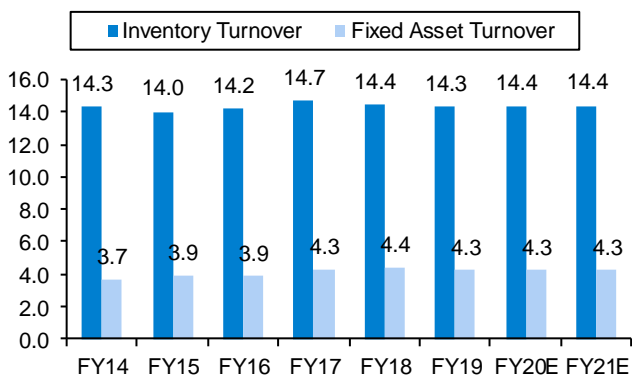
Source: Company, PL

Exhibit 7: Foods continue to remain the highest contributor



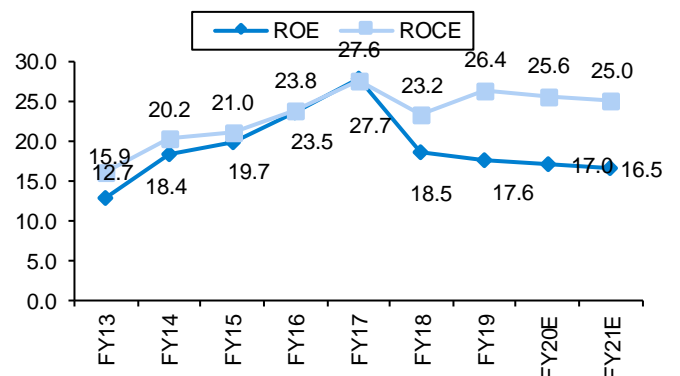
Source: Company, PL

Exhibit 8: ITO has stabilized, FA turnover to increase further



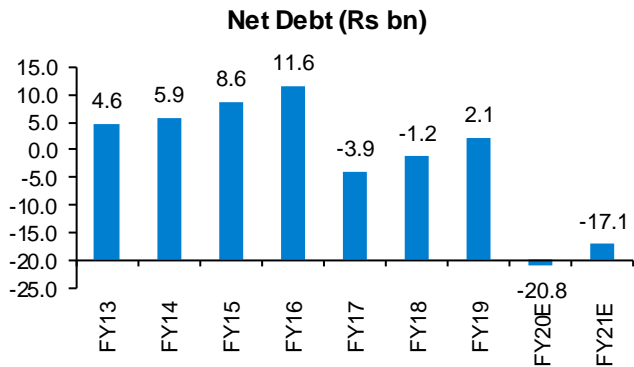
Source: Company, PL

Exhibit 9: Equity dilution to impact ROE marginally



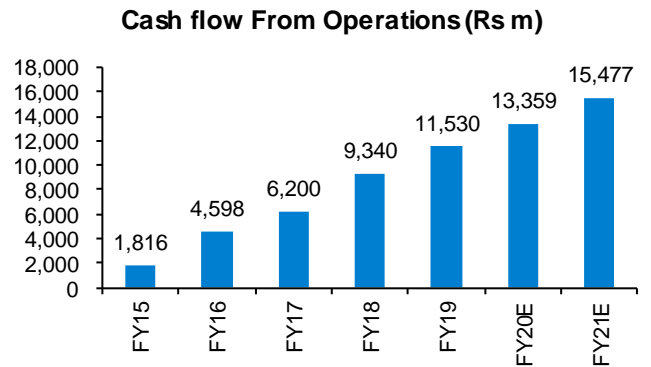
Source: Company, PL

Exhibit 10: QIP and OFS to keep debt under check



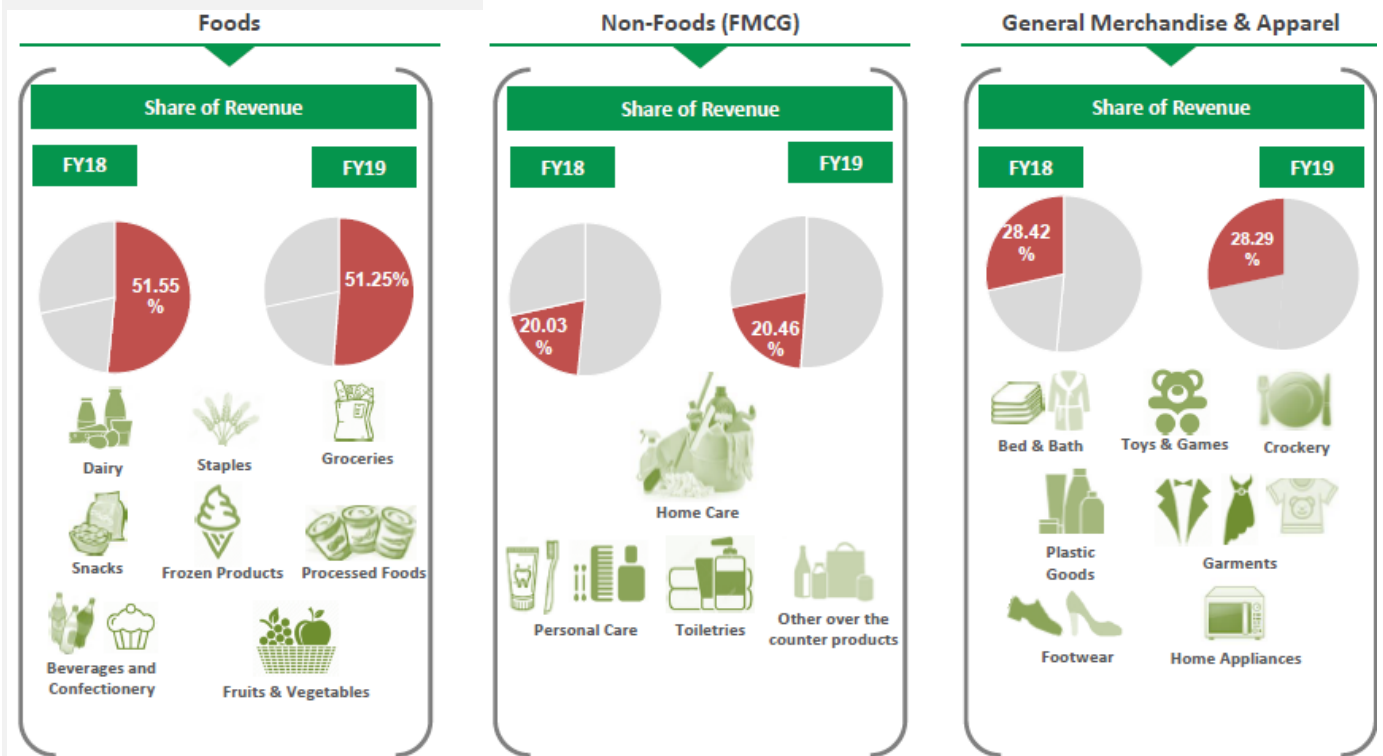
Source: Company, PL

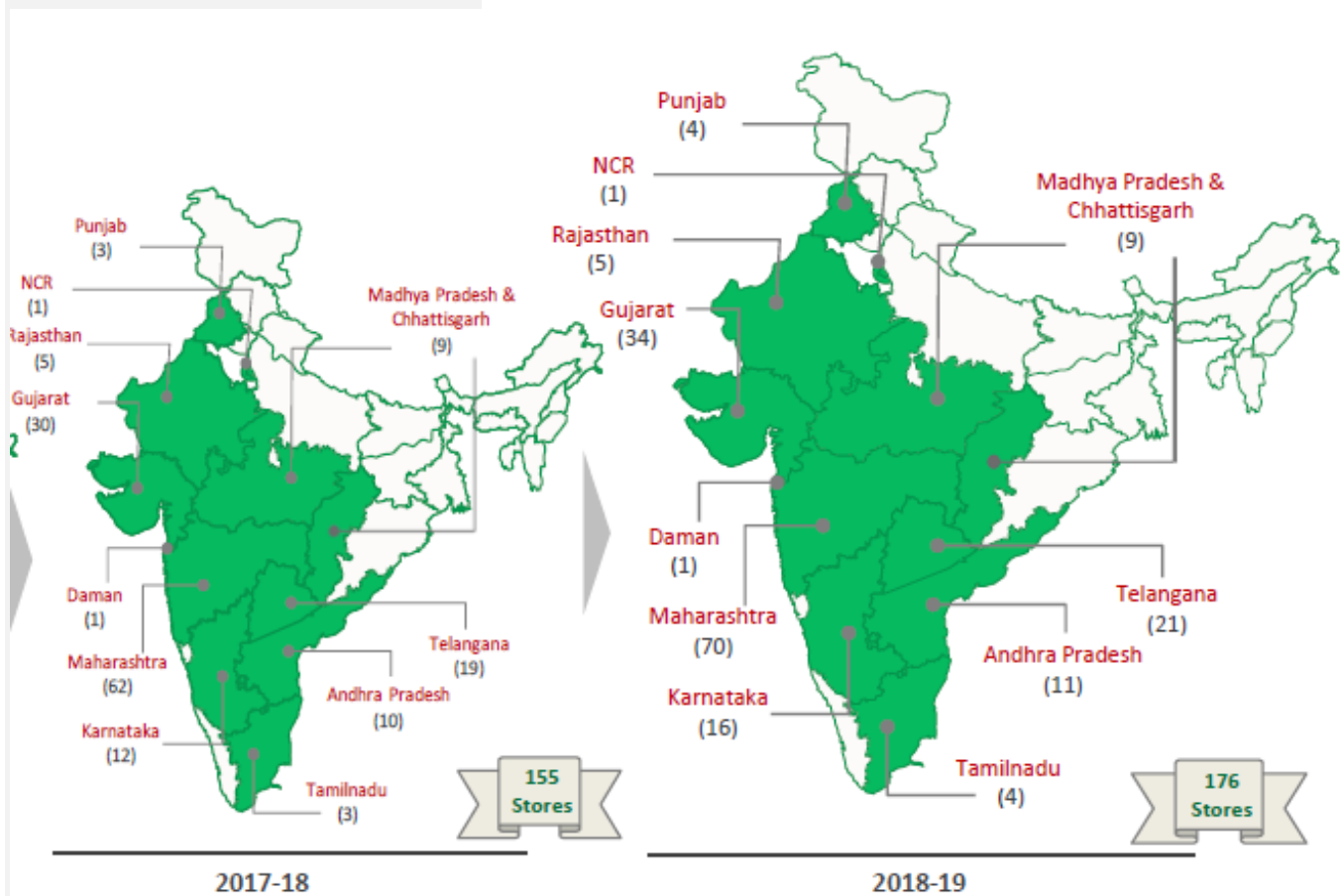
Exhibit 11: CFO to increase at 15.9% CAGR over FY19-21



Source: Company, PL

D'Mart has increased share of general merchandise and apparel by 160bps



FY21: Focus shifts to Mature clusters of Maharashtra, Gujarat, Karnataka and Telangana

Avenue E-Commerce increases sales 225%, losses flattish

| | Align Retail Trades Pvt Ltd | | | Avenue E-Commerce Ltd | | | Avenue Food Plaza Pvt Ltd | | |
|--------------|-----------------------------|-------------|-------------|-----------------------|-------------|-------------|---------------------------|-------------|-------------|
| ₹ crs | YE Mar 2019 | YE Mar 2018 | YTD19/YTD18 | YE Mar 2019 | YE Mar 2018 | YTD19/YTD18 | YE Mar 2019 | YE Mar 2018 | YTD19/YTD18 |
| Sales | 920.1 | 701.9 | 31.1% | 143.6 | 44.1 | 225.3% | 23.6 | 17.8 | 32.4% |
| Tot Inc | 920.1 | 701.9 | 31.1% | 144.2 | 44.6 | 223.5% | 24.4 | 18.3 | 33.7% |
| COGS | 882.6 | 675.2 | 30.7% | 127.8 | 40.9 | 212.7% | 10.6 | 8.2 | 28.5% |
| GC | 4.1% | 3.8% | 28 bps | 11.0% | 7.5% | 358 bps | 55.2% | 53.8% | 137 bps |
| Empl Exp | 4.3 | 3.1 | 36.5% | 16.1 | 12.8 | 25.4% | 0.0 | 0.0 | 466.7% |
| % of Tot Inc | 0.5% | 0.4% | 2 bps | 11.2% | 29.0% | -1785 bps | 0.0% | 0.0% | 2 bps |
| Other Exp | 14.1 | 10.4 | 35.7% | 40.1 | 28.3 | 41.6% | 5.2 | 3.8 | 38.5% |
| % of Tot Inc | 1.5% | 1.5% | 5 bps | 27.9% | 64.2% | -3624 bps | 22.1% | 21.1% | 97 bps |
| EBITDA | 19.1 | 13.1 | 46.1% | -40.4 | -37.9 | 6.6% | 7.8 | 5.8 | 34.0% |
| EBITDA % | 2.1% | 1.9% | 21 bps | -28.0% | -84.9% | 5695 bps | 32.0% | 31.9% | 6 bps |
| Fin Costs | 1.8 | 2.9 | -40.0% | 0.0 | 0.0 | -100.0% | 0.0 | 0.0 | 33.6% |
| Dep & Amort | 1.8 | 1.6 | 14.5% | 11.1 | 10.6 | 3.8% | 0.7 | 0.6 | 18.4% |
| PBT | 15.6 | 8.6 | 80.9% | -50.8 | -48.1 | 5.7% | 7.9 | 5.6 | 39.7% |
| PBT % | 1.7% | 1.2% | 47 bps | -35.2% | -107.9% | 7263 bps | 32.3% | 30.9% | 139 bps |
| Tax | 5.5 | 2.9 | 87.1% | 0.0 | 0.0 | | 2.2 | 1.5 | 51.4% |
| PAT | 10.1 | 5.7 | 77.7% | -50.8 | -48.1 | 5.7% | 5.7 | 4.2 | 35.6% |
| PAT % | 1.1% | 0.8% | 29 bps | -35.2% | -107.9% | 7263 bps | 23.2% | 22.9% | 33 bps |

Financials

Income Statement (Rs m)

| Y/e Mar | FY18 | FY19 | FY20E | FY21E |
|-------------------------------|----------------|----------------|----------------|----------------|
| Net Revenues | 150,332 | 200,045 | 257,953 | 330,863 |
| YoY gr. (%) | 26.4 | 33.1 | 28.9 | 28.3 |
| Cost of Goods Sold | 126,356 | 170,008 | 217,970 | 278,918 |
| Gross Profit | 23,976 | 30,037 | 39,983 | 51,946 |
| Margin (%) | 15.9 | 15.0 | 15.5 | 15.7 |
| Employee Cost | 2,826 | 3,554 | 4,901 | 6,286 |
| Other Expenses | 7,622 | 10,150 | 12,957 | 16,724 |
| EBITDA | 13,528 | 16,333 | 22,124 | 28,935 |
| YoY gr. (%) | 37.9 | 20.7 | 35.5 | 30.8 |
| Margin (%) | 9.0 | 8.2 | 8.6 | 8.7 |
| Depreciation and Amortization | 1,590 | 2,125 | 2,654 | 3,306 |
| EBIT | 11,938 | 14,208 | 19,470 | 25,629 |
| Margin (%) | 7.9 | 7.1 | 7.5 | 7.7 |
| Net Interest | 595 | 472 | 285 | 247 |
| Other Income | 693 | 484 | 1,082 | 1,868 |
| Profit Before Tax | 12,036 | 14,219 | 20,268 | 27,250 |
| Margin (%) | 8.0 | 7.1 | 7.9 | 8.2 |
| Total Tax | 4,158 | 5,195 | 7,094 | 9,538 |
| Effective tax rate (%) | 34.5 | 36.5 | 35.0 | 35.0 |
| Profit after tax | 7,878 | 9,025 | 13,174 | 17,713 |
| Minority interest | 0 | - | - | - |
| Share Profit from Associate | (200) | - | - | - |
| Adjusted PAT | 7,678 | 9,025 | 13,174 | 17,713 |
| YoY gr. (%) | 60.4 | 17.5 | 46.0 | 34.5 |
| Margin (%) | 5.1 | 4.5 | 5.1 | 5.4 |
| Extra Ord. Income / (Exp) | 380 | (13) | - | - |
| Reported PAT | 8,058 | 9,011 | 13,174 | 17,713 |
| YoY gr. (%) | 68.0 | 11.8 | 46.2 | 34.5 |
| Margin (%) | 5.4 | 4.5 | 5.1 | 5.4 |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | 8,058 | 9,011 | 13,174 | 17,713 |
| Equity Shares O/s (m) | 624 | 624 | 649 | 649 |
| EPS (Rs) | 12.3 | 14.5 | 20.3 | 27.3 |

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

| Y/e Mar | FY18 | FY19 | FY20E | FY21E |
|---------------------------------------|---------------|---------------|----------------|----------------|
| Non-Current Assets | | | | |
| Gross Block | 40,307 | 52,480 | 67,461 | 87,831 |
| Tangibles | 39,800 | 51,930 | 66,829 | 87,103 |
| Intangibles | 507 | 550 | 633 | 727 |
| Acc: Dep / Amortization | 7,089 | 9,259 | 11,920 | 15,233 |
| Tangibles | 6,877 | 9,009 | 11,594 | 14,820 |
| Intangibles | 212 | 250 | 326 | 413 |
| Net fixed assets | 33,218 | 43,221 | 55,541 | 72,597 |
| Tangibles | 32,923 | 42,921 | 55,235 | 72,283 |
| Intangibles | 294 | 300 | 306 | 314 |
| Capital Work In Progress | 1,471 | 3,768 | 5,000 | 5,000 |
| Goodwill | 783 | 783 | 783 | 783 |
| Non-Current Investments | 414 | 324 | 324 | 324 |
| Net Deferred tax assets | (450) | (633) | (846) | (1,132) |
| Other Non-Current Assets | 876 | 1,136 | 1,508 | 1,754 |
| Current Assets | | | | |
| Investments | 682 | 165 | 182 | 200 |
| Inventories | 11,634 | 16,087 | 20,636 | 25,849 |
| Trade receivables | 335 | 644 | 848 | 1,042 |
| Cash & Bank Balance | 5,602 | 2,191 | 22,529 | 20,614 |
| Other Current Assets | 694 | 1,149 | 1,419 | 1,820 |
| Total Assets | 56,483 | 70,057 | 109,930 | 131,472 |
| Equity | | | | |
| Equity Share Capital | 6,241 | 6,241 | 6,491 | 6,491 |
| Other Equity | 40,450 | 49,634 | 92,221 | 109,152 |
| Total Network | 46,691 | 55,875 | 98,712 | 115,643 |
| Non-Current Liabilities | | | | |
| Long Term borrowings | 2,460 | 1,257 | 700 | 2,500 |
| Provisions | 7 | 11 | 25 | 57 |
| Other non current liabilities | - | - | - | - |
| Current Liabilities | | | | |
| ST Debt / Current of LT Debt | 1,933 | 3,042 | 1,000 | 1,000 |
| Trade payables | 3,173 | 4,633 | 6,195 | 7,998 |
| Other current liabilities | 1,754 | 4,595 | 2,439 | 3,129 |
| Total Equity & Liabilities | 56,482 | 70,057 | 109,930 | 131,472 |

Source: Company Data, PL Research

Cash Flow (Rs m)

| Y/e Mar | FY18 | FY19 | FY20E | FY21E |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
| PBT | 12,036 | 14,219 | 20,268 | 27,250 |
| Add. Depreciation | 1,590 | 2,125 | 2,654 | 3,306 |
| Add. Interest | 595 | 472 | 285 | 247 |
| Less Financial Other Income | 693 | 484 | 1,082 | 1,868 |
| Add. Other | (201) | - | - | - |
| Op. profit before WC changes | 14,021 | 16,816 | 23,207 | 30,803 |
| Net Changes-WC | (1,890) | (731) | (6,188) | (3,643) |
| Direct tax | (4,158) | (5,195) | (7,094) | (9,538) |
| Net cash from Op. activities | 7,973 | 10,891 | 9,925 | 17,623 |
| Capital expenditures | (9,539) | (14,426) | (16,206) | (20,362) |
| Interest / Dividend Income | - | - | - | - |
| Others | (260) | 503 | (17) | (18) |
| Net Cash from Invt. activities | (9,799) | (13,923) | (16,223) | (20,380) |
| Issue of share cap. / premium | 220 | 172 | 29,664 | - |
| Debt changes | (10,580) | (95) | (2,598) | 1,800 |
| Dividend paid | - | - | - | (782) |
| Interest paid | (595) | (472) | (285) | (247) |
| Others | - | (1) | - | - |
| Net cash from Fin. activities | (10,956) | (395) | 26,781 | 771 |
| Net change in cash | (12,782) | (3,427) | 20,483 | (1,987) |
| Free Cash Flow | (1,566) | (3,535) | (6,281) | (2,739) |

Source: Company Data, PL Research

Quarterly Financials (Rs m)

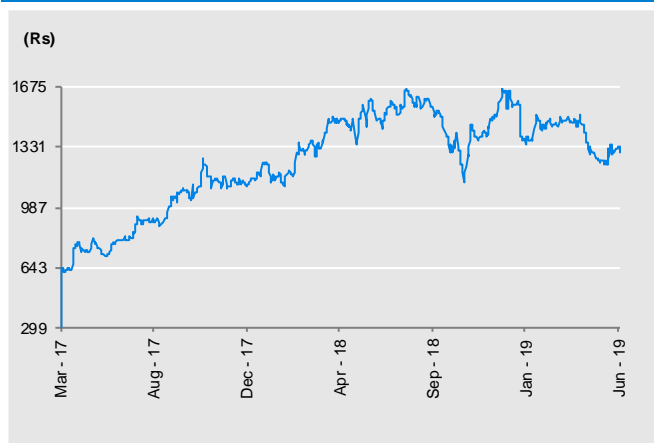
| Y/e Mar | Q1FY19 | Q2FY19 | Q3FY19 | Q4FY19 |
|-----------------------------------|---------------|---------------|---------------|---------------|
| Net Revenue | 45,594 | 48,725 | 54,509 | 50,334 |
| YoY gr. (%) | 26.7 | 38.9 | 33.1 | 32.1 |
| Raw Material Expenses | 38,474 | 41,742 | 46,501 | 43,083 |
| Gross Profit | 7,121 | 6,983 | 8,009 | 7,250 |
| Margin (%) | 15.6 | 14.3 | 14.7 | 14.4 |
| EBITDA | 4,227 | 3,896 | 4,533 | 3,765 |
| YoY gr. (%) | 43.5 | (7.8) | 16.3 | (16.9) |
| Margin (%) | 9.3 | 8.0 | 8.3 | 7.5 |
| Depreciation / Depletion | 403 | 444 | 522 | 619 |
| EBIT | 3,824 | 3,453 | 4,012 | 3,146 |
| Margin (%) | 8.4 | 7.1 | 7.4 | 6.3 |
| Net Interest | 100 | 101 | 149 | 122 |
| Other Income | 143 | 139 | 86 | 147 |
| Profit before Tax | 3,866 | 3,491 | 3,949 | 3,171 |
| Margin (%) | 8.5 | 7.2 | 7.2 | 6.3 |
| Total Tax | 1,360 | 1,233 | 1,378 | 1,142 |
| Effective tax rate (%) | 35.2 | 35.3 | 34.9 | 36.0 |
| Profit after Tax | 2,506 | 2,258 | 2,571 | 2,029 |
| Minority interest | - | - | - | - |
| Share Profit from Associates | - | - | - | - |
| Adjusted PAT | 2,506 | 2,258 | 2,571 | 2,029 |
| YoY gr. (%) | 43.4 | 18.2 | 2.1 | 21.4 |
| Margin (%) | 5.5 | 4.6 | 4.7 | 4.0 |
| Extra Ord. Income / (Exp) | - | - | - | - |
| Reported PAT | 2,506 | 2,258 | 2,571 | 2,029 |
| YoY gr. (%) | 43.4 | 18.2 | 2.1 | 21.4 |
| Margin (%) | 5.5 | 4.6 | 4.7 | 4.0 |
| Other Comprehensive Income | (2) | (1) | (1) | (8) |
| Total Comprehensive Income | 2,505 | 2,256 | 2,570 | 2,020 |
| Avg. Shares O/s (m) | 624 | 624 | 624 | 624 |
| EPS (Rs) | 4.0 | 3.6 | 4.1 | 3.3 |

Source: Company Data, PL Research

Key Financial Metrics

| Y/e Mar | FY18 | FY19 | FY20E | FY21E |
|----------------------------|-------|-------|-------|-------|
| Per Share(Rs) | | | | |
| EPS | 12.3 | 14.5 | 20.3 | 27.3 |
| CEPS | 14.9 | 17.9 | 24.4 | 32.4 |
| BVPS | 74.8 | 89.5 | 152.1 | 178.2 |
| FCF | (2.5) | (5.7) | (9.7) | (4.2) |
| DPS | - | - | - | 1.0 |
| Return Ratio(%) | | | | |
| RoCE | 22.9 | 25.5 | 24.2 | 23.3 |
| ROIC | 23.8 | 21.0 | 22.3 | 23.2 |
| RoE | 18.0 | 17.6 | 17.0 | 16.5 |
| Balance Sheet | | | | |
| Net Debt : Equity (x) | 0.0 | 0.0 | (0.2) | (0.1) |
| Net Working Capital (Days) | 21 | 22 | 22 | 21 |
| Valuation(x) | | | | |
| PER | 106.5 | 90.6 | 64.5 | 48.0 |
| P/B | 17.5 | 14.6 | 8.6 | 7.4 |
| P/CEPS | 88.2 | 73.3 | 53.7 | 40.5 |
| EV/EBITDA | 60.3 | 50.2 | 37.5 | 28.8 |
| EV/Sales | 5.4 | 4.1 | 3.2 | 2.5 |
| Dividend Yield (%) | - | - | - | 0.1 |

Source: Company Data, PL Research

Price Chart
Recommendation History


| No. | Date | Rating | TP (Rs.) | Share Price (Rs.) |
|-----|-----------|--------|----------|-------------------|
| 1 | 15-Jun-18 | Reduce | 1,197 | 1,569 |
| 2 | 10-Jul-18 | Reduce | 1,197 | 1,522 |
| 3 | 30-Jul-18 | Reduce | 1,285 | 1,595 |
| 4 | 5-Oct-18 | Reduce | 1,301 | 1,346 |
| 5 | 14-Oct-18 | Reduce | 1,286 | 1,412 |
| 6 | 7-Jan-19 | Reduce | 1,286 | 1,571 |
| 7 | 14-Jan-19 | Reduce | 1,270 | 1,572 |
| 8 | 5-Apr-19 | Reduce | 1,270 | 1,449 |
| 9 | 12-May-19 | HOLD | 1,228 | 1,251 |

Analyst Coverage Universe

| Sr. No. | CompanyName | Rating | TP (Rs) | Share Price (Rs) |
|---------|---------------------------------------|------------|---------|------------------|
| 1 | Asian Paints | Accumulate | 1,433 | 1,386 |
| 2 | Avenue Supermarts | HOLD | 1,228 | 1,251 |
| 3 | Britannia Industries | Accumulate | 3,145 | 2,783 |
| 4 | Colgate Palmolive | Hold | 1,220 | 1,180 |
| 5 | Crompton Greaves Consumer Electricals | BUY | 284 | 218 |
| 6 | Dabur India | Hold | 430 | 382 |
| 7 | Emami | Accumulate | 475 | 358 |
| 8 | Future Retail | BUY | 554 | 446 |
| 9 | GlaxoSmithKline Consumer Healthcare | Hold | 8,139 | 6,996 |
| 10 | Hindustan Unilever | Hold | 1,764 | 1,831 |
| 11 | ITC | BUY | 369 | 289 |
| 12 | Jubilant FoodWorks | BUY | 1,541 | 1,243 |
| 13 | Kansai Nerolac Paints | Accumulate | 464 | 419 |
| 14 | Marico | Hold | 351 | 340 |
| 15 | Nestle India | Accumulate | 10,742 | 10,300 |
| 16 | Pidilite Industries | Accumulate | 1,184 | 1,154 |
| 17 | Titan Company | BUY | 1,264 | 1,132 |
| 18 | Voltas | HOLD | 584 | 580 |

PL's Recommendation Nomenclature (Absolute Performance)

| | |
|--------------------------|-----------------------------------|
| Buy | : > 15% |
| Accumulate | : 5% to 15% |
| Hold | : +5% to -5% |
| Reduce | : -5% to -15% |
| Sell | : < -15% |
| Not Rated (NR) | : No specific call on the stock |
| Under Review (UR) | : Rating likely to change shortly |



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