

Jubilant FoodWorks

Estimate changes

TP change

Rating change



| | JUBI IN |
|-----------------------------|-------------|
| Bloomberg Equity Shares (m) | 132 |
| M.Cap.(INRb)/(USD\$b) | 297.2 / 3.9 |
| 52-Week Range (INR) | 2285 / 1142 |
| 1, 6, 12 Rel. Per (%) | 27/33/85 |
| 12M Avg Val (INR M) | 1923 |

Financials & Valuations (INR b)

| Y/E March | 2020 | 2021E | 2022E |
|-------------------|------|-------|-------|
| Sales | 39.3 | 33.2 | 46.3 |
| Sales Gr. (%) | 10.2 | -15.5 | 39.4 |
| EBITDA | 8.8 | 7.0 | 11.3 |
| EBITDA Margin (%) | 22.3 | 21.2 | 24.5 |
| Adj. PAT | 2.8 | 1.9 | 4.6 |
| Adj. EPS (INR) | 22.5 | 14.1 | 34.8 |
| EPS Gr. (%) | -6.5 | -37.5 | 147.5 |
| BV/Sh.(INR) | 85.0 | 87.9 | 107.1 |

Ratios

| | | | |
|------------|------|------|------|
| RoE (%) | 26.5 | 16.0 | 32.5 |
| RoCE (%) | 21.1 | 12.1 | 23.2 |
| Payout (%) | 31.1 | 53.3 | 37.3 |

Valuation

| | | | |
|---------------|------|-------|------|
| P/E (x) | 99.9 | 160.0 | 64.6 |
| P/BV (x) | 26.5 | 25.6 | 21.0 |
| EV/EBITDA (x) | 34.9 | 43.3 | 26.4 |

Shareholding pattern (%)

| As On | Jun-20 | Mar-20 | Jun-19 |
|----------|--------|--------|--------|
| Promoter | 41.9 | 41.9 | 41.9 |
| DII | 16.1 | 21.1 | 11.8 |
| FII | 36.4 | 31.1 | 36.1 |
| Others | 5.6 | 5.9 | 10.2 |

FII Includes depository receipts

CMP: INR2,252

TP: INR2,110 (-6%)

Neutral

Weak results; structural story getting better

- Jubilant FoodWorks (JUBI)'s 1QFY21 results were weaker than expected, especially in terms of operating margins. Depreciation and interest costs were also higher than anticipated. Nevertheless, recovery in system sales was sharp in July'20 and Aug'20 to 69.8% and 84.6%, respectively, of last year's levels for the corresponding months.
- Three events underpin higher growth and profitability for JUBI beyond the COVID-19-impacted FY21: (1) the ongoing structural push toward delivery; (2) the introduction of delivery charge; and (3) opportunity created by the crisis to close down 105 of its least profitable (and dine-in dependent) stores. This would lead to all-time high EBITDA margins in FY22, resulting in 33% upward revision in our EPS projections for FY22.
- Valuations of 65x FY22 are expensive. Maintain **Neutral**.

Lockdown significantly impacts performance

- JUBI reported sales decline of 59.5% YoY to INR3.8b (est.: INR4.2b), with same-store sales growth (SSSG) of -61.4% YoY (est.: -63%).
- Like-for-like (LFL) growth stood at -61.5% (this refers to YoY growth in sales for non-split restaurants opened before the previous FY). LFL growth, excluding the restaurants temporarily closed due to COVID-19, stood at -47.3%.
- 24 new Domino's Pizza stores were launched (net addition of 19 stores) and four stores for Dunkin' Donuts were closed down in 1QFY21.
- Gross margins were up by 260bp YoY to 78%.
- Staff costs declined 18.7% YoY to INR1.5b.
- Other expenses (incl. rent) declined 59.9% YoY to INR1.2b.
- EBITDA declined 89% YoY to INR241m (est.: INR487m).
- The EBITDA margin stood at 6.3% (est.: 11.5%) v/s 23.3% in 1QFY20.
- Adj. PAT loss stood at INR726m (est.: INR393m loss) v/s profit of INR748m in 1QFY20.

Highlights from management commentary

- Management expects near-normalcy by the exit of FY21.
- A fundamental shift is expected toward delivery-based players. Management expects a significant amount of restaurant closures, to the extent of 20–30%, in FY21 due to COVID-19-led disruption.
- A delivery charge of INR20 was introduced for the first time in 1QFY21, which is already an accepted industry practice for peers.
- JUBI plans to shut down 105 non-profitable Domino's stores, largely in malls and tech parks, which are dine-in focused.

Valuation and view

- Even more impressive than the recovery in July and August has been the emerging shift toward delivery on account of COVID-19. JUBI is expected to be the biggest beneficiary of this shift in the QSR space.

- The introduction of delivery charge (without any negative feedback on ratings) and closure of 105 least profitable stores would further aid recovery in profitability beyond FY21.
- Valuations of 65x FY22, however, fully capture the upside from a one-year perspective. Maintain **Neutral**, with TP of INR2,110 (55x Sep'22 EPS).

Quarterly Standalone Perf.

(INR m)

| Y/E March | FY20 | | | | FY21 | | | | Consol. FY20 | Consol. FY21E | FY21E 1QE | Var. (%) |
|-------------------------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|--------------|----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | | | |
| No of stores (Dominos) | 1,249 | 1,283 | 1,325 | 1,335 | 1,354 | 1,344 | 1,337 | 1,335 | 1,335 | 1,335 | 1,355 | |
| SSG (%) | 4.1 | 4.9 | 5.9 | -3.4 | -61.4 | -17.0 | -1.0 | 9.0 | 3.2 | -17.6 | -63.0 | |
| Net Sales | 9,401 | 9,882 | 10,596 | 8,979 | 3,803 | 8,400 | 10,808 | 10,056 | 39,273 | 33,204 | 4,230 | -10.1% |
| YoY change (%) | 9.9 | 12.1 | 14.1 | 3.8 | -59.5 | -15.0 | 2.0 | 12.0 | 11.2 | -15.5 | -55.0 | |
| Gross Profit | 7,093 | 7,439 | 7,937 | 6,682 | 2,967 | 6,426 | 8,214 | 7,643 | 29,438 | 25,376 | 3,194 | |
| Gross margin (%) | 75.5 | 75.3 | 74.9 | 74.4 | 78.0 | 76.5 | 76.0 | 76.0 | 75.0 | 76.4 | 75.5 | |
| EBITDA | 2,191 | 2,350 | 2,536 | 1,695 | 241 | 1,658 | 2,643 | 2,463 | 8,756 | 7,029 | 487 | -50.5% |
| EBITDA growth % | 54.2 | 59.3 | 48.6 | 14.8 | -89.0 | -29.4 | 4.2 | 45.3 | 44.1 | -19.7 | -77.8 | |
| Margins (%) | 23.3 | 23.8 | 23.9 | 18.9 | 6.3 | 19.7 | 24.5 | 24.5 | 22.3 | 21.2 | 11.5 | |
| Depreciation | 808 | 838 | 880 | 916 | 908 | 800 | 810 | 850 | 3,523 | 3,391 | 710 | |
| Interest | 395 | 404 | 426 | 410 | 419 | 410 | 410 | 400 | 1,652 | 1,655 | 190 | |
| Other Income | 153 | 172 | 159 | 204 | 127 | 130 | 150 | 180 | 696 | 501 | 20 | |
| PBT | 1,141 | 1,281 | 1,389 | 573 | -959 | 578 | 1,573 | 1,393 | 4,277 | 2,484 | -393 | 143.9% |
| Tax | 393 | 396 | 352 | 121 | -233 | 127 | 346 | 411 | 1,303 | 626 | 0 | |
| Rate (%) | 34.4 | 30.9 | 25.4 | 21.1 | 24.3 | 22.0 | 22.0 | 29.5 | 30.5 | 25.2 | 0.0 | |
| Adjusted PAT | 748 | 884 | 1,037 | 452 | -726 | 451 | 1,227 | 981 | 2,974 | 1,858 | -393 | 84.7% |
| YoY change (%) | 0.1 | 13.9 | 7.4 | -42.9 | - | -49.0 | 18.3 | 117.1 | -9.3 | -37.5 | - | |

E: MOFSL Estimates

Key Performance Indicators

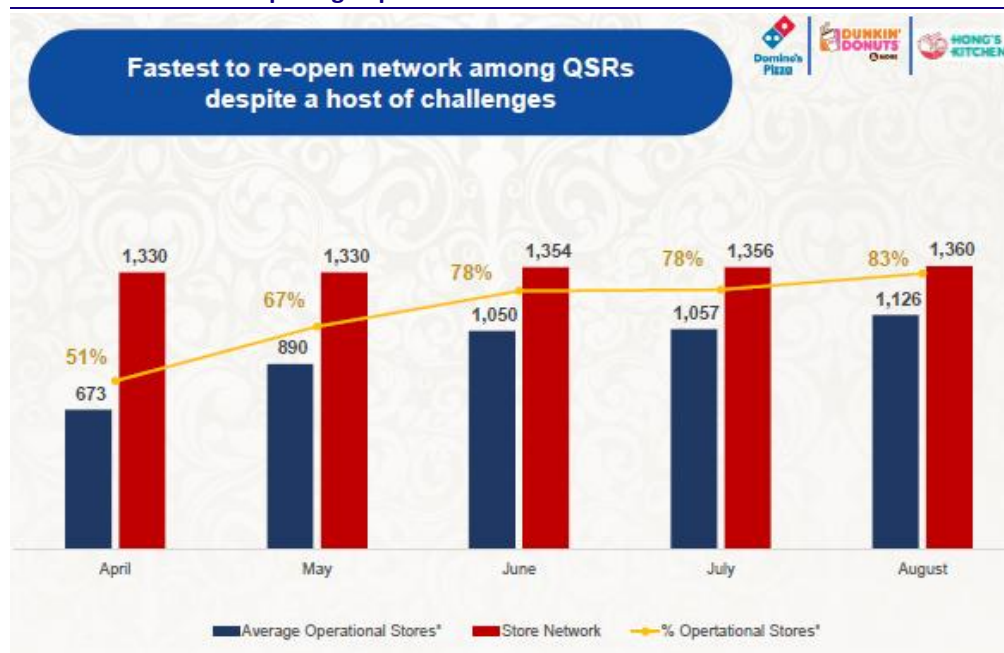
| Y/E March | FY20 | | | | FY21 1Q |
|------------------------------|-------|------|------|-------|---------|
| | 1Q | 2Q | 3Q | 4Q | |
| 2Y average growth (%) | | | | | |
| SSG | 15.0 | 12.7 | 10.3 | 1.3 | -28.7 |
| Sales | 18.0 | 16.7 | 15.4 | 7.4 | -24.8 |
| EBITDA | 66.4 | 51.8 | 36.6 | 15.2 | -17.4 |
| PAT | 106.7 | 37.1 | 26.8 | -13.3 | 0.1 |
| % of Sales | | | | | |
| COGS | 24.5 | 24.7 | 25.1 | 25.6 | 22.0 |
| Operating Expenses | 52.2 | 51.5 | 51.0 | 55.5 | 71.7 |
| Depreciation | 8.6 | 8.5 | 8.3 | 10.2 | 23.9 |
| YoY change (%) | | | | | |
| COGS | 5.9 | 9.2 | 17.1 | 10.9 | -63.8 |
| Operating Expenses | -1.0 | -0.2 | 1.7 | -2.3 | -44.4 |
| Other Income | 113.9 | 59.0 | 15.3 | 34.8 | -16.9 |
| EBIT | 31.1 | 38.6 | 24.2 | -27.7 | -148.3 |

E: MOFSL Estimates

Highlights from press release and investor presentation

- 78% of the network resumed operations by June.

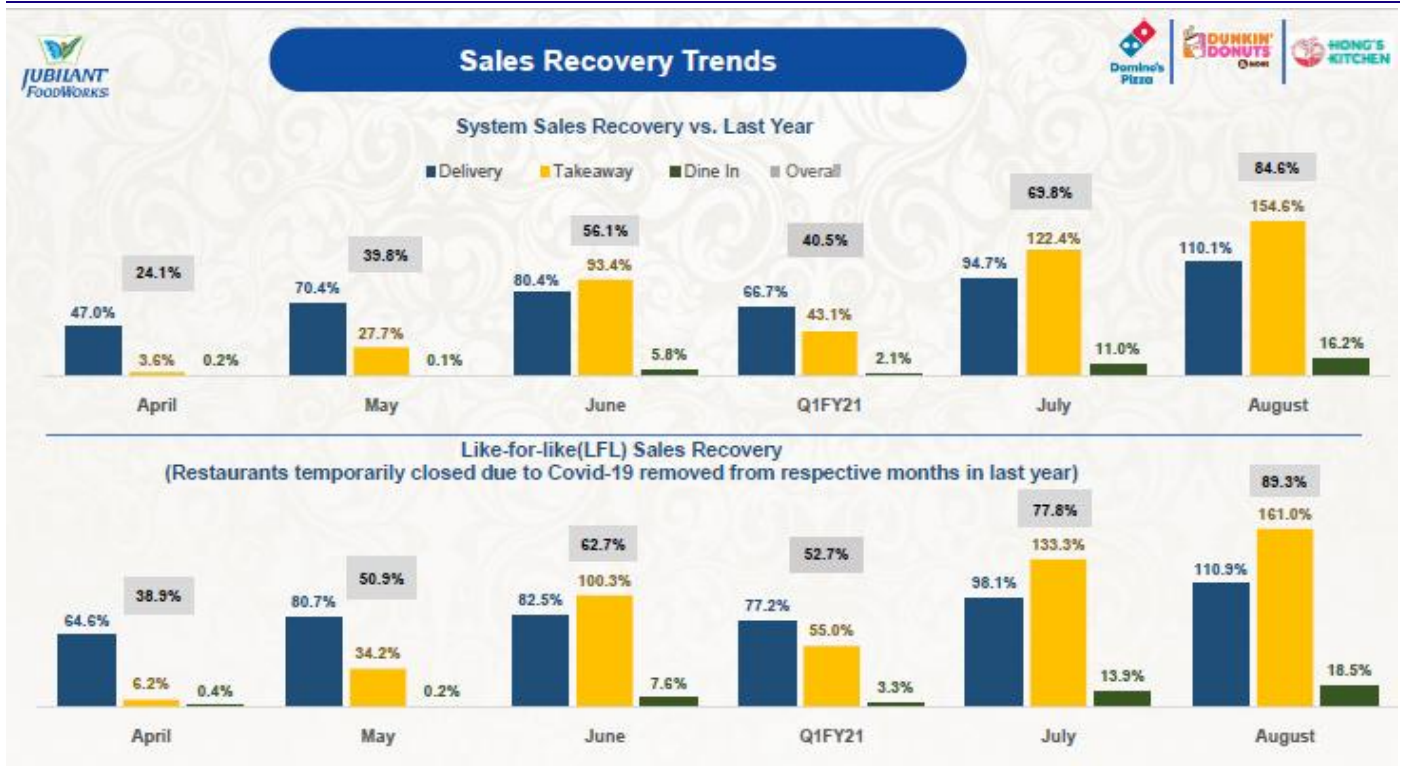
Exhibit 1: Network re-opening improves month-on-month



Source: MOFSL, Company

- JUBI has made strategic choices to emerge stronger from the crisis. These include:
 - Long-term measures:**
 - Variablized manpower cost across stores to better address demand fluctuations
 - Planned closure of ~105 unprofitable Domino's stores as a part of margin-accretive measures; at the same time, plans to open ~100 new stores in FY21 to ensure the network remains unchanged
 - Introduction of delivery charges to recover increased cost of doing business
 - Launched new RTC range of products under the brand 'ChefBoss'
 - Short-term measures:**
 - Achieved good progress on rent waivers for lockdown period
 - Achieved significant reduction across fixed and discretionary spends during the quarter
- Revenue recovery has been significant every month, with recovery of 69.8% seen in July and 84.6% in August.
- The Delivery channel showed recovery of 66.7% in 1QFY21. Both the Delivery and Takeaway channels had recovered fully by August, with the Delivery channel's recovery at 110.9% LFL and Takeaway at 161.0% LFL.

Exhibit 2: Encouraging recovery trends month-on-month, driven by Delivery and Takeaway



Source: MOFSL, Company

- JUBI continues to have a strong cash position and a strong, debt-free balance sheet. As of 30th Jun’20, it had healthy liquid funds equivalent to INR6.4b in the form of cash and cash equivalents, bank deposits, and investments.
- JUBI launched the marketing campaign “#OrderKarnaSafeHai” to reiterate the stringent safety measures being followed by Domino’s Pizza to safely serve its consumers.



Highlights from management commentary

Outlook

- A gradual improvement has been seen in operating hours as well as customer confidence.
- JUBI was the first to introduce zero-contact delivery, and later zero-contact takeaway and dine-in.
- Management expects near-normalcy by the exit of FY21.
- With the ongoing COVID-19 crisis, a fundamental shift is expected toward delivery-based players.
- Management expects a significant amount of restaurant closures, to the extent of 20–30%, in FY21.

Significant structural moves

- JUBI has decided to make bold structural moves, including shutting down 105 non-profitable Domino’s stores. These are mainly at malls and tech parks and are dine-in focused, either fully or over two-thirds. On the other hand, it plans to open up 100 stores so there is no material net reduction of stores in FY21.

- Stores closures would not lead to a significant impact as 50% of equipment may be salvageable and new equipment cost would be doubled. No P&L impact would be seen, and since these are old stores, value on the books was on written-down value (WDV).
- JUBI introduced delivery charges of INR20 for the first time in 1QFY21, which is already an accepted industry practice for peers. There has been no impact on customer ratings even after the introduction of the delivery charges.

Other successes

- The Domino's app saw a record 4.5m downloads in 1QFY21.
- JUBI achieved INR294m rent reduction in 1QFY21, primarily in April and May. This translates to approximately one full month of rent savings. JUBI seeks more long-term reductions as well.

New/Recent ventures

- JUBI is experimenting with an Indian brand (Biryani of India) on QSR.
- Hong's Kitchen and the Indian brand would also be optimized for delivery and carryout.

Overseas business

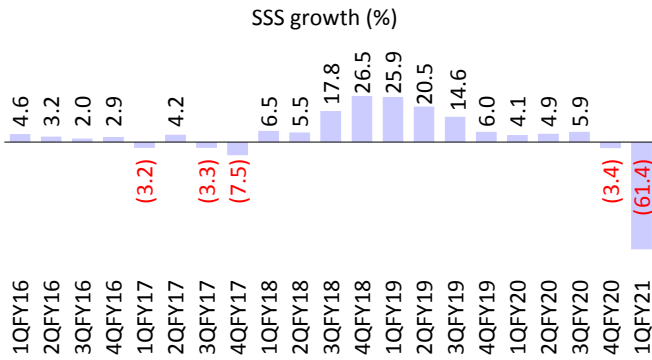
- Sri Lanka – Delivery and dine-in were back at pre-COVID-19 levels at the end of the quarter. JUBI achieved positive EBITDA for the quarter.
- Bangladesh – JUBI is the only QSR to have not seen a single day of closure in the country.
- JUBI aims to open up five stores each in Bangladesh and Sri Lanka in FY21.
- The management expects 300–400 store launch opportunities in the long term.

Other points

- With discounts back in the system, gross margins are likely to be sequentially lower in 2QFY21. Delivery charge introduced in June would, however, aid profitability.

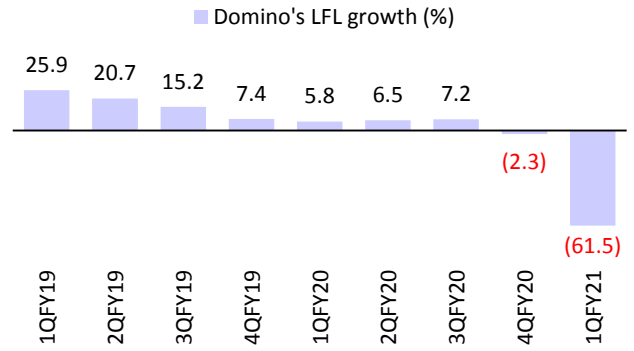
Key exhibits

Exhibit 3: SSS declined by 61.4% in 1QFY21 v/s est. 63% decline...



Source: Company, MOFSL

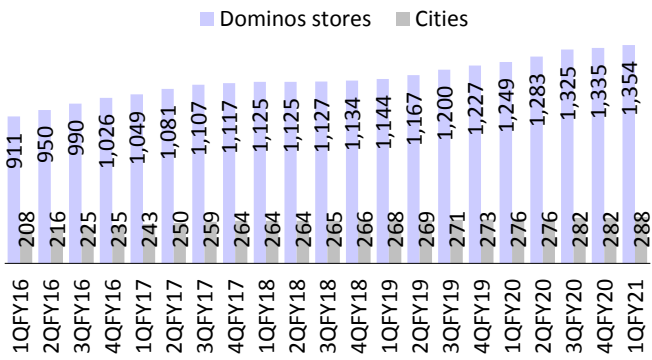
Exhibit 4: ...with LFL growth declining 61.5% in 1QFY21



Source: Company, MOFSL

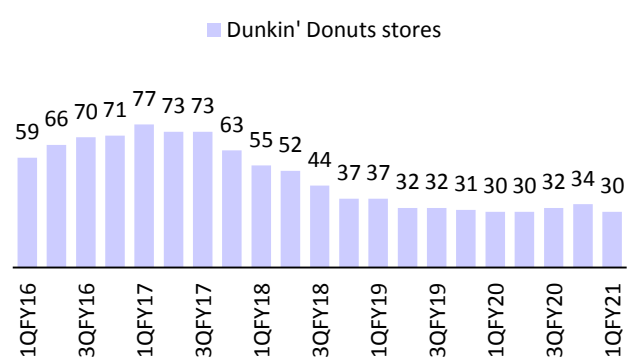
- Total store count for Domino's stood at 1,354, with the net addition of 19 stores (24 stores opened; five stores closed) in 1QFY21.

Exhibit 5: Net store additions in 1QFY21



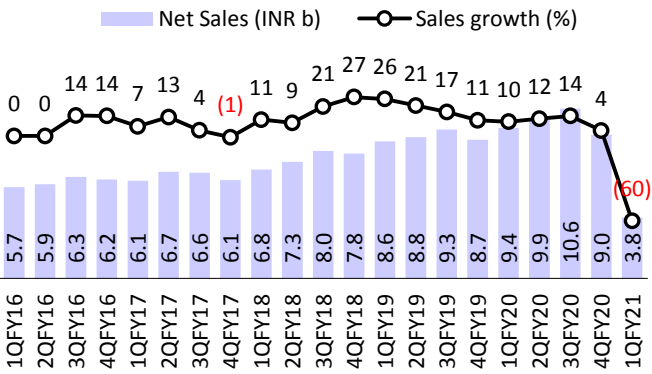
Source: Company, MOFSL

Exhibit 6: Dunkin' Donuts closed four stores in 1QFY21



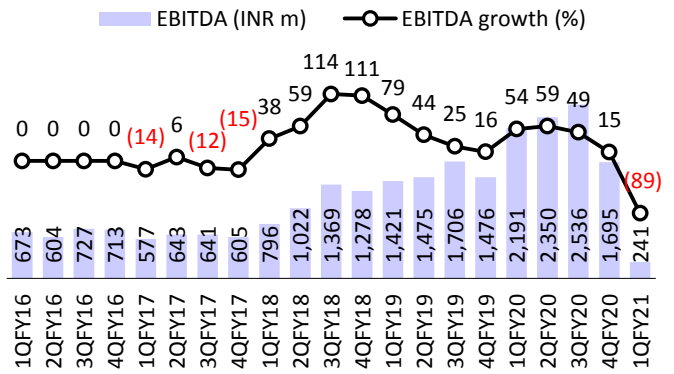
Source: Company, MOFSL

Exhibit 7: Net sales fell 59.5% YoY to INR3.8b in 1QFY21



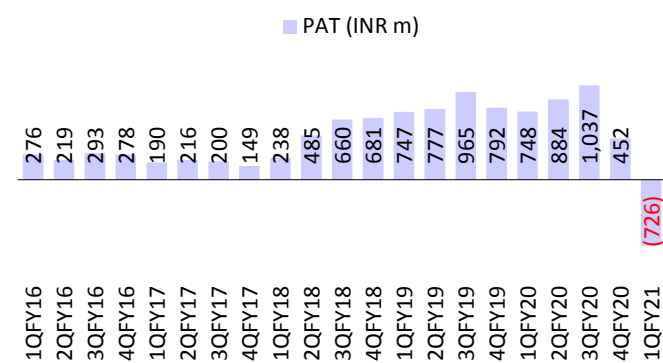
Source: Company, MOFSL

Exhibit 8: EBITDA declined 89% YoY to INR241m in 1QFY21



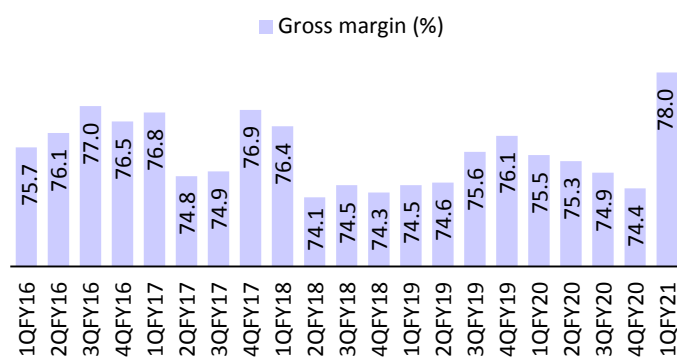
Source: Company, MOFSL

Exhibit 9: Adj. PAT loss stood at INR726m in 1QFY21



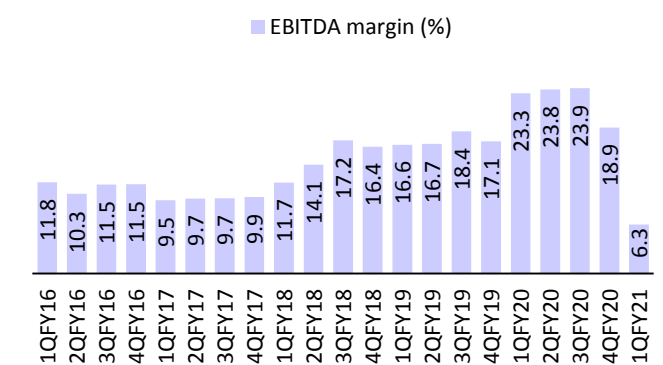
Source: MOFSL, Company

Exhibit 10: Gross margin expanded 260bp YoY in 1QFY21



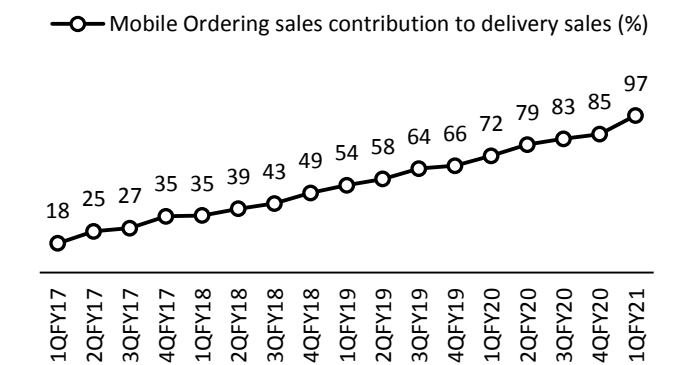
Source: MOFSL, Company

Exhibit 11: EBITDA margins stood at 6.3% in 1QFY21



Source: MOFSL, Company

Exhibit 12: Mobile ordering sales contribution to delivery sales stood at 97% in 1QFY21 (85% in 4QFY20)



Source: MOFSL, Company

Valuation and view

Outstanding growth over past decade

- With the number of stores increasing to over 1,335 at the end of FY20 from 228 at the beginning of FY10, the company has expanded both successfully and profitably. It delivered a 25% CAGR sales (nearly 10x sales growth in this period), ~30% EBITDA growth (~13x growth), and ~24% PAT CAGR (~8x growth).
- Performances for the past three years and five years have also been equally impressive, with sales growing at ~15% CAGR and 13% CAGR, respectively; EBITDA grew at ~54% CAGR and 28% CAGR, and PAT at ~62% and 29% CAGR, respectively.
- JUBI is by far the largest player in the Indian QSR market – nearly 2x higher in terms of the number of stores v/s the next largest player. It also dominates the QSR Pizza market with over 70% market share.
- It is also the most profitable player in the Indian QSR market, with net margins of ~8% in FY20, led by strong execution in the delivery-focused business.

Valuations seem expensive

- Even more impressive than the recovery in July and August has been the emerging shift toward delivery on account of COVID-19. JUBI is expected to be the biggest beneficiary of this shift in the QSR space.

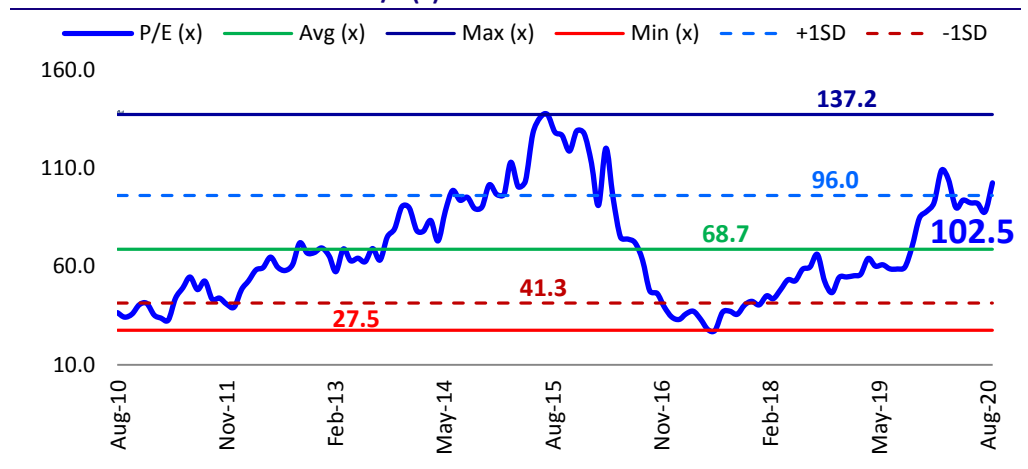
- The introduction of delivery charge (without any negative feedback on ratings) and closure of 105 least profitable stores would further aid recovery in profitability beyond FY21.
- Valuations of 65x FY22, however, fully capture the upside from a one-year perspective. Maintain **Neutral**, with TP of INR2,110 (55x Sep'22 EPS).

Exhibit 13: Our PAT forecasts have changed by -13.9%/+33.5% for FY21/FY22

| | New | | Old | | Change | |
|---------------|--------|--------|--------|--------|--------|-------|
| | FY21E | FY22E | FY21E | FY22E | FY21E | FY22E |
| Sales | 33,204 | 46,303 | 33,225 | 42,733 | -0.1% | 8.4% |
| EBITDA | 7,029 | 11,348 | 6,745 | 9,480 | 4.2% | 19.7% |
| PAT | 1,858 | 4,598 | 2,157 | 3,444 | -13.9% | 33.5% |

Source: Company, MOFSL

Exhibit 14: Jubilant FoodWorks' P/E (x)



Source: Company, MOFSL

Financials and Valuations

| Income Statement | | | | | | | (INR m) |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Y/E March | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E |
| Net Sales | 24,379 | 25,834 | 30,184 | 35,631 | 39,273 | 33,204 | 46,303 |
| Change (%) | 16.4 | 6.0 | 16.8 | 18.0 | 10.2 | -15.5 | 39.4 |
| Material Consumed | 5,801 | 6,308 | 7,660 | 8,861 | 9,835 | 7,828 | 10,835 |
| Gross Profit | 18,579 | 19,526 | 22,524 | 26,770 | 29,438 | 25,376 | 35,468 |
| Gross Margin % | 76.2 | 75.6 | 74.6 | 75.1 | 75.0 | 76.4 | 76.6 |
| Operating expenses | 15,942 | 17,115 | 18,123 | 20,773 | 20,682 | 18,347 | 24,120 |
| EBITDA | 2,636 | 2,411 | 4,401 | 5,998 | 8,756 | 7,029 | 11,348 |
| Change (%) | 3.0 | -8.5 | 82.5 | 36.3 | 46.0 | -19.7 | 61.4 |
| Margin (%) | 10.8 | 9.3 | 14.6 | 16.8 | 22.3 | 21.2 | 24.5 |
| Depreciation | 1,282 | 1,554 | 1,601 | 1,575 | 3,523 | 3,391 | 3,932 |
| Int. and Fin. Ch. | 0 | 0 | 0 | 0 | 1,652 | 1,655 | 1,915 |
| Other Non-recurring Inc. | 116 | 147 | 231 | 474 | 696 | 501 | 645 |
| PBT | 1,470 | 1,004 | 3,031 | 4,897 | 4,277 | 2,484 | 6,147 |
| Change (%) | 9.4 | -31.7 | 201.7 | 61.6 | -12.7 | -41.9 | 147.5 |
| Margin (%) | 6.0 | 3.9 | 10.0 | 13.7 | 10.9 | 7.5 | 13.3 |
| Tax | 501 | 305 | 1,068 | 1,717 | 1,303 | 626 | 1,549 |
| Tax Rate (%) | 34.1 | 30.4 | 35.3 | 35.1 | 30.5 | 25.2 | 25.2 |
| Adjusted PAT | 968 | 699 | 1,962 | 3,180 | 2,974 | 1,858 | 4,598 |
| Change (%) | 15.4 | -27.8 | 180.5 | 62.0 | -6.5 | -37.5 | 147.5 |
| Margin (%) | 4.0 | 2.7 | 6.5 | 8.9 | 7.6 | 5.6 | 9.9 |
| Non-rec. (Exp)/Inc. | 0 | -122 | 0 | 0 | -186 | 0 | 0 |
| Reported PAT | 968 | 578 | 1,962 | 3,180 | 2,788 | 1,858 | 4,598 |
| Balance Sheet | | | | | | | (INR m) |
| Y/E March | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E |
| Share Capital | 1,316 | 1,319 | 1,320 | 1,320 | 1,320 | 1,320 | 1,320 |
| Reserves | 6,304 | 6,734 | 8,358 | 11,277 | 9,901 | 10,281 | 12,820 |
| Net Worth | 7,620 | 8,053 | 9,677 | 12,596 | 11,220 | 11,601 | 14,140 |
| Loans | 17 | 18 | 30 | 9 | 15,252 | 12,964 | 13,353 |
| Capital Employed | 7,637 | 8,071 | 9,708 | 12,631 | 26,579 | 24,672 | 27,600 |
| Gross Block | 9,466 | 10,604 | 11,748 | 13,107 | 30,417 | 32,385 | 35,989 |
| Less: Accum. Depn. | 1,181 | 2,603 | 3,838 | 5,007 | 8,530 | 11,921 | 15,853 |
| Net Fixed Assets | 8,285 | 8,001 | 7,910 | 8,100 | 21,887 | 20,464 | 20,136 |
| Lease Deposits | 1,363 | 1,822 | 1,776 | 2,056 | 1,719 | 1,790 | 2,034 |
| Capital WIP | 261 | 608 | 124 | 152 | 412 | 473 | 544 |
| Investments | 908 | 936 | 2,631 | 1,808 | 512 | 691 | 1,368 |
| Deferred tax assets | -729 | -693 | -550 | -500 | 751 | 751 | 751 |
| Curr. Assets, L&A | 1,404 | 1,539 | 2,525 | 6,441 | 8,417 | 7,105 | 12,139 |
| Inventory | 552 | 607 | 642 | 771 | 947 | 708 | 980 |
| Account Receivables | 125 | 161 | 157 | 274 | 166 | 226 | 315 |
| Cash and Bank Balance | 332 | 354 | 1,290 | 4,943 | 6,559 | 5,420 | 9,954 |
| Others | 396 | 417 | 437 | 454 | 745 | 752 | 890 |
| Curr. Liab. and Prov. | 3,854 | 4,143 | 4,710 | 5,426 | 7,119 | 6,603 | 9,372 |
| Other Current Liabilities | 722 | 798 | 656 | 915 | 2,370 | 2,005 | 2,795 |
| Creditors | 2,960 | 3,142 | 3,890 | 4,209 | 4,470 | 4,004 | 5,548 |
| Provisions | 172 | 202 | 164 | 303 | 279 | 594 | 1,029 |
| Net Curr. Assets | -2,450 | -2,604 | -2,184 | 1,015 | 1,298 | 502 | 2,766 |
| Appl. of Funds | 7,637 | 8,071 | 9,708 | 12,631 | 26,579 | 24,672 | 27,600 |

E: MOFSL Estimates

Financials and Valuations

Ratios

| Y/E March | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E |
|-------------------------------|------------|------------|-------------|-------------|-------------|-------------|-------------|
| Basic (INR) | | | | | | | |
| EPS | 7.4 | 5.3 | 14.9 | 24.1 | 22.5 | 14.1 | 34.8 |
| BV/Share | 57.9 | 61.1 | 73.3 | 95.4 | 85.0 | 87.9 | 107.1 |
| DPS | 1.3 | 1.2 | 2.5 | 5.0 | 7.0 | 7.5 | 13.0 |
| Payout % | 17.0 | 23.4 | 16.8 | 20.8 | 31.1 | 53.3 | 37.3 |
| Valuation (x) | | | | | | | |
| P/E | 306.0 | 424.7 | 151.5 | 93.5 | 99.9 | 160.0 | 64.6 |
| EV/Sales | 12.1 | 11.4 | 9.7 | 8.2 | 7.8 | 9.2 | 6.5 |
| EV/EBITDA | 111.9 | 122.7 | 66.7 | 48.4 | 34.9 | 43.3 | 26.4 |
| P/BV | 38.9 | 36.9 | 30.7 | 23.6 | 26.5 | 25.6 | 21.0 |
| Return Ratios (%) | | | | | | | |
| RoE | 12.7 | 8.7 | 20.3 | 25.2 | 26.5 | 16.0 | 32.5 |
| RoCE | 13.6 | 8.9 | 22.1 | 28.5 | 21.1 | 12.1 | 23.2 |
| RoIC | 15.6 | 9.7 | 30.6 | 50.4 | 29.3 | 14.6 | 32.8 |
| Working Capital Ratios | | | | | | | |
| Debtor (Days) | 2 | 2 | 2 | 3 | 2 | 2 | 2 |
| Inventory (Days) | 8 | 9 | 8 | 8 | 9 | 8 | 8 |
| Creditor (Days) | 44 | 44 | 47 | 43 | 42 | 44 | 44 |
| Asset Turnover (x) | 3.2 | 3.2 | 3.1 | 2.8 | 1.5 | 1.3 | 1.7 |
| Leverage Ratio | | | | | | | |
| Debt/Equity (x) | 0.0 | 0.0 | 0.0 | 0.0 | 1.4 | 1.1 | 0.9 |

Cash Flow Statement

| Y/E March | 2016 | 2017 | 2018 | 2019 | 2020 | 2021E | 2022E |
|------------------------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|
| (INR m) | | | | | | | |
| OP/(loss) before Tax | 1,470 | 883 | 3,031 | 4,897 | 4,028 | 2,484 | 6,147 |
| Int./Div. Received | 61 | -34 | -120 | -165 | 1,665 | -501 | -645 |
| Depreciation & Amort. | 1,282 | 1,554 | 1,601 | 1,575 | 3,523 | 3,391 | 3,932 |
| Interest Paid | 3 | 58 | 71 | 256 | 454 | -1,655 | -1,915 |
| Direct Taxes Paid | 386 | 366 | 1,262 | 1,779 | 1,402 | 626 | 1,549 |
| Incr in WC | 308 | -57 | -912 | 14 | 82 | 343 | -2,270 |
| CF from Operations | 2,117 | 2,036 | 4,091 | 4,256 | 7,278 | 6,060 | 12,070 |
| Incr in FA | -2,264 | -1,996 | -1,160 | -1,657 | -2,830 | -2,030 | -3,675 |
| Free Cash Flow | -147 | 40 | 2,931 | 2,600 | 4,448 | 4,030 | 8,395 |
| Others | 67 | 102 | 48 | 262 | 281 | 439 | 699 |
| Pur of Investments | 200 | 28 | -1,695 | 958 | 1,502 | -179 | -677 |
| CF from Invest. | -1,998 | -1,866 | -2,808 | -437 | -1,047 | -1,770 | -3,652 |
| Issue of Shares | 21 | 50 | 210 | 230 | 108 | 0 | 0 |
| Incr in Debt | 0 | 0 | 0 | 0 | -1,323 | -2,288 | 389 |
| Dividend Paid | 164 | 165 | 164 | 329 | 1,448 | 1,188 | 2,059 |
| Others | -33 | -34 | -393 | -68 | -1,951 | -1,953 | -2,213 |
| CF from Fin. Activity | -177 | -148 | -347 | -167 | -4,614 | -5,429 | -3,883 |
| Incr/Decr of Cash | -57 | 22 | 936 | 3,652 | 1,616 | -1,139 | 4,534 |
| Add: Opening Balance | 389 | 332 | 354 | 1,290 | 4,943 | 6,559 | 5,420 |
| Closing Balance | 332 | 354 | 1,290 | 4,943 | 6,559 | 5,420 | 9,954 |

E: MOFSL Estimates

| Explanation of Investment Rating | |
|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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