

Estimate change

TP change

Rating change


CMP: INR3,544
TP: INR3,550 (+0%)
Neutral

Aggressive marketing spends drag down op. performance

- Info Edge (INFOE) reported billings decline in 1Q due to COVID-19, which was reflected in 19% YoY revenue de-growth in 2Q (due to the subscription-based model of the business). Continued MoM improvement (after the trough of May'20) in billings is in line with our assumption of a gradual increase in revenues going forward.
- Margins in 2Q were dragged down by aggressive marketing spends in Jeevansathi/99acres. Management indicates the current run-rate of advertisement spends would continue as the company aims to increase its market share in the matrimony portal. Nevertheless, we still estimate a gradual increase in margins going forward, led by positive operating leverage.
- While losses from investee companies reduced by 50% YoY to INR966m, this is still an increase from breakeven levels in the previous quarter. This was largely attributable to some normalization in unit economics at Zomato.
- Traffic/Billings on INFOE's operating portals increased sequentially. Revenue should follow a similar trend going forward.
- Given the company's market positioning, multi-dimensional growth may be expected across its core businesses in the medium-to-long term. We expect long-term growth trends to play out at its operating entities, whose margins continue to inch up on high operating leverage. Furthermore, led by an inclination for profitability in investee companies, we expect consolidated losses to be curtailed over time.
- We value its operating entities using DCF, with WACC of 11% and terminal growth rate of 5%. Our SOTP valuation indicates Target Price of INR3,550. Maintain **Neutral**.

Standalone revenue below estimate; drag in margins led by higher advertisement expenses

- Total billings stood at INR 2.5b, implying an increase of 32% sequentially and decline of 20% YoY.
- Standalone revenue was INR2.56b (-8.6% QoQ and -19.1% YoY) – a 9% miss on our estimate of INR2.8b.
- Revenue de-growth was attributable to 19% decline in the Recruitment segment and 36% decline in the Real Estate segment. This was partially offset by a 12% YoY increase in other businesses (Jeevansathi and Shiksha).
- Naukri's PBT margin declined 5pp sequentially. The PBT margin for 99acres stood at -29% (v/s breakeven achieved in 1QFY21). The PBT margins of other businesses (Jeevansathi and Shiksha) stood at -93% (v/s -36% in the previous quarter).
- The overall EBIT margin was 15.8% (-17.5pp QoQ and -12.4pp YoY), 12pp below our estimate of 27.8% – due to sluggish revenues and higher ad expenses.

Bloomberg	INFOE IN
Equity Shares (m)	104
M.Cap.(INRb)/(USDb)	455.7 / 6.1
52-Week Range (INR)	3784 / 1580
1, 6, 12 Rel. Per (%)	-5/0/30
12M Avg Val (INR M)	1366

Financials & Valuations (INR b)

Y/E Mar	2020	2021E	2022E
Sales	12.7	11.0	13.5
EBITDA	4.0	2.9	3.9
PAT	2.1	2.6	3.4
EPS (INR)	16.7	20.3	26.3
EPS Gr. (%)	-27.1	21.4	29.7
BV/Sh. (INR)	199.5	344.3	356.2

Ratios

RoE (%)	13.8	7.5	7.5
RoCE (%)	13.9	7.5	7.5
Payout (%)	42.4	53.8	54.5

Valuations

P/E (x)	212.3	174.9	134.8
P/BV (x)	17.8	10.3	10.0

Shareholding pattern (%)

As On	Sep-20	Jun-20	Sep-19
Promoter	38.5	40.4	40.6
DII	12.8	12.6	14.1
FII	39.3	37.2	34.8
Others	9.4	9.9	10.6

FII Includes depository receipts

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- Advertisement and promotional expenses stood at 20% of revenues (v/s 9% in 1QFY21). Employee cost increased 5% QoQ and was flat YoY (in line with our estimates).
- PAT was INR511.5m (-39% YoY and down 38.5% QoQ), largely led by lower operational income, partially offset by lower ETR (22% v/s 24% in 2QFY20).
- 2Q net loss in investee companies stood at INR965.9m (v/s profit of INR33m in 1Q). Losses reduced by almost 50% YoY, led by a lower burn in Zomato.

Management commentary highlights

- **Recruitment:** While Naukri's billings declined 20% YoY, it has seen improvement with each month post-May'20. Traffic is now back at pre-COVID levels. Gradual recovery has been seen in the job market, led by resilient verticals such as IT and Pharma. The drag is led by verticals such as Hospitality and Travel. The Naukri Job Seek index has seen continued improvement from May'20; however, it was still down 23% at end-Sep'20.
- **99acres:** 99acres' revenue declined 36% YoY. Operating loss at -INR72m, led by lower revenues and higher advertisement spends. New home launches, which constitute around ~23% of revenues, have seen muted activity as a higher preference for ready-to-move houses has been seen among buyers.
- **Jeevansathi:** INFOE would deploy the majority of its marketing dollars toward aggressively advertising for Jeevansathi. The company's new features, such as video/voice calling and 'Milan Samaroh', are seeing good response.
- **Zomato:** Zomato's revenue run-rate is now near pre-COVID levels. This is largely attributable to higher order value. Order volumes are yet to recover to similar levels (impacted by restaurant closures on account of COVID lockdown). Zomato's burn has reduced significantly and is within an attractive unit economics range.
- **Cash:** The company's total cash balance post-QIP and 2QFY21 stands at INR3.3b. Talks on potential M&As are yet to materialize. INFOE would continue to evaluate options in the areas of Recruitment, Matrimony, and Education.

Valuation and view

- For FY21, we expect 13% revenue decline, largely driven by a 44% drop in billings for 1QFY21. While 1QFY21 resulted in unprecedented billings decline, it has shown an improving trend in 2QFY21. With the expectation of more jobs coming in (on pent-up demand) and pressure on real estate developers to sell off inventory, we expect 22% revenue growth for FY22E.
- Our expectation of a 250bp margin reduction over FY20–22E is attributable to higher advertisement expenses in Jeevansathi.
- With the company investing prudently (clocked an XIRR >35%), some of its current investments would scale up in the medium-to-long term, further contributing to the group's valuations.
- We have individually valued INFOE's group entities using a DCF-based valuation (WACC: 11%; terminal growth rate: 5%). Our SOTP Target Price stands at INR3,550/share. **Maintain Neutral.**

Quarterly Performance (Standalone)

(INR m)

Y/E March	FY20				FY21E				FY20	FY21E	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QFY21	(% / bp)
Revenues	3,128	3,166	3,205	3,228	2,801	2,561	2,747	2,918	12,727	11,027	2,807	-8.8
YoY (%)	20.5	19.5	14.0	10.3	-10.4	-19.1	-14.3	-9.6	15.9	-13.4	-11.3	-780bp
Salary costs	1,298	1,349	1,357	1,392	1,297	1,363	1,409	1,441	5,396	5,510	1,369	-0.4
Ad and Promotion costs	549	514	498	484	256	502	494	525	2,044	1,777	337	48.9
Other Expenses	272	310	291	387	203	181	209	216	1,260	809	209	-13.3
EBITDA	1,010	993	1,059	965	1,046	516	634	736	4,027	2,931	893	-42.2
EBITDA Margin (%)	32.3	31.4	33.0	29.9	37.3	20.1	23.1	25.2	31.6	26.6	31.8	-1170bp
Depreciation	99	101	104	110	111	110	112	114	414	447	113	-2.8
EBIT Margin (%)	29.1	28.2	29.8	26.5	33.4	15.8	19.0	21.3	28.4	22.5	27.8	-1190bp
Other Income	245	232	204	195	203	263	263	267	876	995	250	5.0
PBT bef. Extra-ordinary	1,139	1,107	1,143	1,034	1,122	654	770	874	4,423	3,420	1,015	-35.5
Provision for Tax	390	266	232	246	290	142	193	218	1,133	843	254	-43.8
ETR (%)	34.2	24.0	20.3	23.8	25.8	21.8	25.0	25.0	25.6	24.6	25.0	-320bp
PAT bef. Minority	667	93	880	416	832	512	578	655	2,057	2,577	761	-32.8
EOI	-82	-749	-30	-372	0	0	0	0	-1,233	0	0	
Adjusted PAT	749	842	911	788	832	512	578	655	3,290	2,577	761	-32.8
QoQ (%)	-10.6	12.4	8.2	-13.4	5.6	-38.5	13.0	13.4			-8.6	
YoY (%)	-5.1	7.8	22.5	-5.9	11.1	-39.2	-36.5	-16.8	4.4	-21.7	-9.6	
EPS (INR)	5.4	0.8	7.2	3.4	6.8	4.0	4.5	5.1	16.7	20.3	5.9	-32.8

E: MOFSL Estimates

Key Perfor. Indicators

Y/E March	FY20				FY21E				FY20	FY21E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Operating metrics										
Headcount	4,407	4,507	4,590	4,698	4,562	4,478	4,378	4,478	4,698	4,478
Naukri - Revenue per unique customer	37844	38376	38853	38752	41584	37004	38484	39639	91429	89862
99acres - Listing (k)	1,273	1,280	1,396	1,318	642	1,109	1,153	1,199	5,267	4,104
Revenue (YoY %)										
Recruitment	19%	19%	13%	11%	-9%	-19%	-15%	-10%	15%	-13%
99acres	35%	26%	15%	4%	-34%	-35%	-30%	-23%	19%	-30%
Jeevansathi	9%	13%	21%	25%	13%	14%	15%	15%	17%	14%



Management commentary highlights

Recruitment

- **Operating performance:** Naukri's revenue declined 19% YoY, while EBITDA margins increased by 280bp YoY. According to SimilarWeb, traffic share for the platform remains above 90%. Naukri's billings declined 20% YoY during the quarter. Billings have improved with each month post-May'20. Traffic is now back at pre-COVID levels.
- **Gradual recovery in job market:** Gradual recovery has been seen in the job market, led by resilient verticals such as IT and Pharma. The drag is led by verticals such as Hospitality and Travel. The Naukri Job Seek index has seen continued improvement from May'20; however, it was still down 23% at end-Sep'20.
- **Additional services:** Naukri has been working toward making technological improvements to its platform. Additionally, the company has been working on various initiatives, such as: 1) the enterprise version of Resdex, 2) a re-hiring service portal, 3) a separate platform for premium engineering jobs – Hirist, and

4) an ultra-premium job market with personalized services – Bigshyft. However, it would take some time before these new initiatives could significantly contribute to revenue.

Real Estate

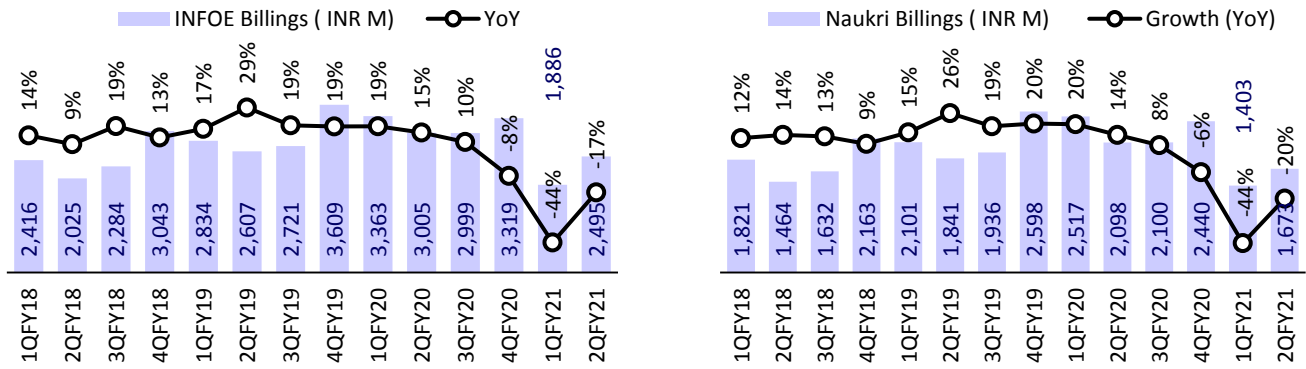
- **Operating performance:** 99acres' revenue declined 36% YoY. Operating loss at – INR72m, led by lower revenues and higher advertisement spends. While paid listings almost doubled sequentially, they were still down 12% YoY. 99acres continues to lead the market in this space.
- **Underperformance led by slower activity in new launches:** New home launches, which constitute around ~23% of revenues, have seen muted activity as a higher preference for ready-to-move houses has been seen among buyers.
- **Traffic:** Traffic is almost back at pre-COVID levels. While there is traction from the buyer side, the supplier side still faces issues. 99acres is seeing higher supply from owner listings; broker listings are yet to recover.

Matrimony

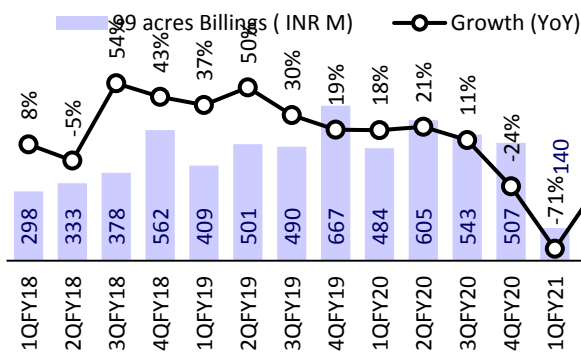
- **Operating performance:** Unlike Naukri and 99acres, Jeevansathi's revenue increased by 14% YoY. However, at the same time, EBITDA loss doubled to INR333m. Billings for Jeevansathi were up 19% YoY.
- **Advertising spend:** INFOE would deploy the majority of its marketing dollars toward aggressively advertising for Jeevansathi. The company's new features, such as video/voice calling and 'Milan Samaroh', are seeing good response.
- **Market share:** Jeevansathi ranks third in the Matrimony segment. Overall market share is less than 15%. Traffic share is higher in the north and west regions of India (~25%), while it is insignificant in south India (majorly dominated by Matrimony.com).

Others

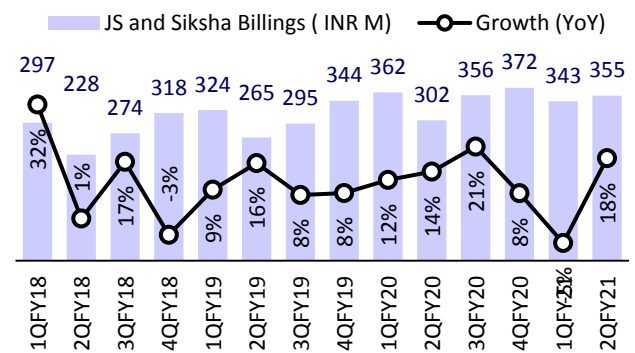
- **Zomato:** Zomato's revenue run-rate is now near pre-COVID levels. This is largely attributable to higher order value. Order volumes are yet to recover to similar levels (impacted by restaurant closures on account of COVID lockdown). Zomato's burn has reduced significantly and is within an attractive unit economics range.
- **Cash:** The company's total cash balance post-QIP and 2QFY21 stands at INR3.3b. Talks on potential M&As are yet to materialize. INFOE would continue to evaluate options in the areas of Recruitment, Matrimony, and Education.
- **Other investee companies:** Apart from Zomato and Policybazaar, ShoeKconnect, ShopKirana, and Gramophone have been doing well. However, any potential exit would take some time as these companies are not yet of scale to go for an IPO.

Exhibit 1: Overall/Recruitment billing shows sequential improvement, however still down by -17/20% YoY

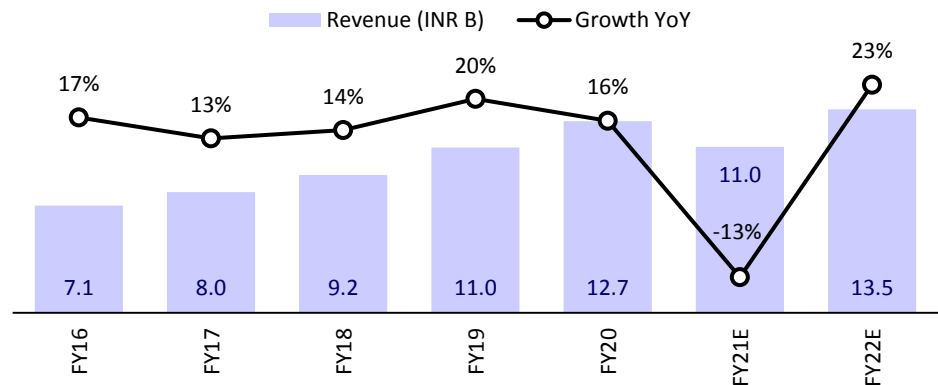
Source: Company, MOFSL

Exhibit 2: Strong recovery in billings of 99acres

Source: MOFSL, Company

Exhibit 3: Jeevansathi billings up 18%

Source: MOFSL, Company

Exhibit 4: Billings decline to translate to negative growth for FY21

Source: Company, MOFSL

Exhibit 5: Investee companies at ~36% premium to book value recorded by INFOE

Company	Amt. Invested (INR m)	~ Actual Holding (%)	Valuation as per last funding round INR m	INFOE Value INR m	Description
Zomato Media Pvt Ltd.	1522	22.71	247500	56207	Food Tech
Etchaces Marketing and Consulting Pvt Ltd.	5758	15.85	112500	17831	Insurance Broker
Happily Unmarried Marketing Pvt Ltd.	323	42.33	2200	931	Specialized E Commerce
NoPaperForms Solutions Pvt.Ltd.	337	48.1	1000	481	School Operations
International Educational Gateway Pvt. Ltd	205	37.9	541	205	Education Consultation
Agstack Technologies Private Limited	204	33.21	614	204	Farming Solutions
Bizcrum Infotech Pvt. Ltd.	160	32.85	735	241	B2B marketplace for footwear's
Medcords Healthcare Solutions Pvt. Ltd.	96	22.4	1050	235	Teleconsultation
Printo Document Services Pvt. Ltd.	250	25.12	929	233	Print Solutions
Shop Kirana E Trading Private Ltd	604	25.36	3750	951	B2B E-Tailing
Greytip Software Private Limited	350	20.25	1728	350	SaaS-based HR and Payroll Software
Metis Eduventures Private Limited (Adda_24*7)	280	16.97	1650	280	Online Education
Terralytics Analysis Private Limited (Teal)	50	20	266	53.25	Real Estate Analytics
LQ Global Services Private Limited	15	16.67	90	15	Online legal search engine
Llama Logisol Private Limited (Shipsy)	50	10	500	50	SaaS-based Logistics platform
Sunrise Mentors Private Limited (Coding Ninja)	371	25	1554	388	Online Education
Qyuki Digital Media Private Limited	250	5.36	4928	264	Digital Content strategy
Dotpe Private Limited	104	7.48	1463	109	QR payment service
Intellihealth Solution Pvt Ltd	37	17.8	208	37	Tele consultation
Fanbuff Esports India Pvt Limited	35	20	175	35	Gaming
Rusk Media Pvt Limited	35	10	350	35	Digital media services
Bulbul Shopping Network Pte Ltd	480	17.8	2696	240	Video Shopping App

Source: MOFSL, Company, VCC Edge

Exhibit 6: SOTP TP – INR3,550**Info Edge (India)**

Segment	Methodology	Methodology description	Valuation towards INFOE (INR b)	Contribution (INR per share)
Naukri	DCF	We have taken an assumption of 16% revenue CAGR and 18% EBIT CAGR over FY20–34. Our WACC and Terminal growth estimates stand at 11% and 5%, respectively.	259.4	2011
99acres.com	DCF	We forecast an 8% CAGR in total absorption for the next 15 years, coupled with a 4% CAGR in weighted average price; this implies a 12% CAGR for the sector. Based on assumptions of long-term average of 7% market share for 99acres in real estate marketing expenditure, we estimate an 18% revenue CAGR over FY20–34. Our WACC and Terminal growth estimates stand at 11% and 5%, respectively.	47.6	369
Zomato.com	DCF	We estimate a 34% CAGR in GMVs, 26% CAGR in the number of orders, and a consistent take rate of 21% over FY20–34. Our WACC and Terminal growth estimates stand at 11% and 5%, respectively. INFOE holds 22.7% in Zomato.	69.4	538
Policybazaar.com	33% premium to valuation ascribed in the latest round of funding	Factoring in a USD2b valuation	24.0	186
Jeevansathi.com	DCF	We expect near-term consolidation in the Online Matrimony industry. We estimate an 18% revenue CAGR over FY20–34 and increase margins to 30% in FY34 from -78% in FY20. Our WACC and Terminal growth estimates stand at 11% and 5%, respectively.	14.1	109
Other Businesses	Multiples	7x One-year forward sales	4.5	35
Other investee companies	40% premium to the investment value		6.0	47
Cash On books			33.3	258
Total				3550

Exhibit 7: Revisions to our estimates

Standalone business	Revised			Earlier			Change (% / bp)		
	FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E
Revenue (INR m)	12.7	11.0	13.5	12.7	11.6	13.9	0.0	-4.6	-2.4
YoY (%)	15.9	-13.4	22.6	15.9	(9.2)	19.8	0bp	-420bp	280bp
EBITDA (%)	31.6	26.6	29.1	31.6	32.9	32.6	0bp	-630bp	-350bp
EBIT (%)	28.4	22.5	25.6	28.4	28.9	29.1	0bp	-640bp	-350bp
EPS (INR)	16.7	20.3	26.3	16.7	24.9	29.5	0.0	-18.6	-10.8

Source: MOFSL, Company

Valuation and view**Direct, high-quality play on exploding e-commerce opportunity**

- India's E-Commerce industry is expected to grow to USD100b by 2025 from the current size of USD30b. As per Google, the Classifieds segment is expected to grow at a CAGR of 18%, with Jobs, Real Estate, and Matrimony constituting two-thirds of the market.
- As GDP growth revives in India, it would directly benefit INFOE's Recruitment segment growth, which has had a 7–8pp historical multiplier effect for every 1pp uptick in GDP growth. Naukri.com's traffic share is almost 70%.

Reducing industry burn vindicates prudent investment strategy

- The scenario in venture capital funding appears to have changed over the last few months, with companies making a pivot toward monetization and profitability. This would imply that the worst in terms of month-on-month burn is behind.
- We believe this plays into INFOE's strategy of staying put to protect its market leadership in multiple franchises, such as Zomato; it could now look forward to deriving the financial rewards from its investments sooner rather than later.

Revival of GDP growth to help flagship Recruitment segment

- Naukri.com should directly and disproportionately benefit from the uptick in GDP growth. This should be compounded by a pickup in demand for IT resources. We expect near-term pain in the segment on account of lower collections in 1HFY21. However, V-shaped recovery in billings is likely on the assumption that GDP would revive in FY22 (given that IT sector hiring persists).

Disciplined management action drives confidence

- **Backing strong teams:** Despite buying significant stake in investee companies, the approach has been to back its teams and get involved as and when guidance is sought.
- **Prioritizing:** INFOE has been quick to write-off its book investments where either scale visibility dwindled and/or the company's focus changed (INR2.2b to date).

Robust cash balance

- INFOE has a strong liquidity position of INR33b. Given the fixed commitments of INR6b in FY20, the company has adequate liquidity to sustain operations for 2.5 years. Additionally, the book value of start-up investments amounts to INR11b

on the balance sheet. INFOE's start-up investments have been highly successful in the past.

- According to our estimate, the company has clocked an XIRR of >35% since it first started investing. Management indicated that some of the investee companies, such as ShopKirana and ShoeKconnect, could gain sustainable momentum over the medium-to-long term.

Valuation and view

- For FY21, we expect 13% revenue decline, largely driven by a 44% drop in billings for 1QFY21. While 1QFY21 resulted in unprecedented billings decline, it has shown an improvement trend in 2QFY21. With the expectation of more jobs coming in (on pent-up demand) and pressure on real estate developers to sell off inventory, we expect 22% revenue growth for FY22E.
- Our expectation of a 250bp margin reduction over FY20–22E is attributable to higher advertisement expenses in Jeevansathi.
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- We have individually valued INFOE's group entities using a DCF-based valuation (WACC: 11%; terminal growth rate: 5%). Our SOTP Target Price stands at INR3,550/share. Maintain Neutral.

Financials and valuations

Income Statement							(INR m)	
Y/E Mar	2015	2016	2017	2018	2019	2020	2021E	2022E
Sales	6,116	7,123	8,021	9,155	10,983	12,727	11,027	13,521
Change (%)	20.9	16.5	12.6	14.1	20.0	15.9	-13.4	22.6
Employee expense	2,520	3,247	3,752	3,931	4,586	5,396	5,510	5,797
Advertising cost	842	1,318	881	1,164	1,757	2,044	1,777	2,434
Other expense	931	1,137	1,114	1,088	1,226	1,260	809	1,351
EBITDA	1,822	1,421	2,275	2,973	3,413	4,027	2,931	3,940
% of Net Sales	29.8	20.0	28.4	32.5	31.1	31.6	26.6	29.1
Depreciation	173	210	241	215	204	414	447	474
Interest	30	1	1	1	1	67	59	58
Other Income	764	721	625	971	1,112	876	995	1,121
PBT	2,383	1,932	2,659	3,728	4,320	4,423	3,420	4,528
Tax	736	539	575	991	1,169	1,133	843	1,132
Rate (%)	30.9	27.9	21.6	26.6	27.1	25.6	24.6	25.0
Adjusted PAT	1,647	1,393	2,084	2,737	3,152	3,290	2,577	3,396
Extraordinary Items	292	-160	-40	-913	-334	-1,233	0	0
Reported PAT	1,939	1,233	2,044	1,824	2,818	2,057	2,577	3,396
Change (%)	50.9	-36.4	65.7	-10.8	54.5	-27.0	25.3	31.8
Balance Sheet							(INR m)	
Y/E Mar	2015	2016	2017	2018	2019	2020	2021E	2022E
Share Capital	1,202	1,209	1,211	1,216	1,220	1,223	1,284	1,284
Reserves	15,422	16,431	18,620	19,859	22,019	23,094	43,113	44,660
Net Worth	16,624	17,640	19,831	21,074	23,239	24,317	44,397	45,943
Loans	2.8	60.2	52.3	44.0	46.0	568.7	486.9	486.9
Capital Employed	16,627	17,700	19,883	21,118	23,285	24,885	44,884	46,430
Gross Block	1,635	1,901	1,723	1,866	2,109	3,279	3,502	3,822
Less : Depreciation	700	881	1,121	1,337	1,540	1,954	2,401	2,875
Net Block	935	1,020	602	529	569	1,325	1,100	946
CWIP	0	0	0	0	0	0	0	0
Investments	5,578	7,405	8,371	10,720	12,857	16,404	16,110	16,110
Curr. Assets	12,907	12,152	15,188	15,028	15,984	13,381	33,771	36,809
Current Investments	8,973	357	2,162	11,456	3,400	2,554	2,554	2,554
Debtors	98	118	75	44	60	70	81	102
Cash	3,007	9,522	11,280	1,458	1,052	4,275	15,711	15,006
Loans & Advances	155	347	247	0	0	0	0	0
Other Current Assets	673	1,808	1,424	2,070	11,472	6,482	15,425	19,147
Current Liab. & Prov	2,794	2,877	4,278	5,159	6,125	6,225	6,098	7,435
Current Liabilities	2,341	2,448	3,862	4,703	5,628	5,676	5,414	6,751
Provisions	452	429	416	456	496	549	684	684
Net Current Assets	10,114	9,275	10,910	9,869	9,860	7,156	27,673	29,373
Application of Funds	16,627	17,700	19,883	21,118	23,285	24,885	44,884	46,430

Financials and valuations

Ratios

Y/E March	2015	2016	2017	2018	2019	2020	2021E	2022E
Basic (INR)								
EPS	16.5	10.0	15.4	14.9	23.0	16.7	20.3	26.3
Cash EPS	13.0	14.0	17.4	24.2	27.5	30.4	23.4	30.0
Book Value	138.3	188.0	162.7	172.9	190.7	199.5	344.3	356.2
DPS	3.0	4.3	3.0	5.5	5.5	9.6	9.0	12.0
Payout (%)	31.2	44.2	23.2	29.3	25.6	42.4	53.8	54.5
Valuation (x)								
P/E	215.3	353.6	230.7	238.6	154.7	212.3	174.9	134.8
Cash P/E	272.2	254.0	204.1	146.5	128.9	116.8	151.4	118.3
EV/EBITDA	266.3	279.8	199.5	141.4	122.7	102.3	145.4	108.3
EV/Sales	68.4	44.4	51.5	45.9	38.1	32.4	38.6	31.6
Price/Book Value	25.7	18.9	21.8	20.5	18.6	17.8	10.3	10.0
Dividend Yield (%)	0.1	0.1	0.1	0.2	0.2	0.3	0.3	0.3
Profitability Ratios (%)								
RoE	11.5	6.4	10.0	13.4	14.2	13.8	7.5	7.5
RoCE	13.8	8.1	11.1	13.4	14.2	13.9	7.5	7.5
RoIC	-112.9	-338.4	-210.6	-91.1	135.3	70.5	30.8	22.3
Turnover Ratios								
Debtors (Days)	6	6	3	2	2	2	3	3
Fixed Asset Turnover (x)	6.5	7.0	13.3	17.3	19.3	9.6	10.0	14.3

Cash Flow Statement

Y/E March	2015	2016	2017	2018	2019	2020	2021E	2022E
CF from Operations	1,968	809	1,653	1,901	2,097	1,735	21,323	2,808
Cash for Working Capital	2	6,706	630	1,166	860	752	-9,062	-2,405
Net Operating CF	1,970	7,515	2,283	3,067	2,956	2,487	12,261	402
Net Purchase of FA	-2,151	-1,620	-1,970	-4,158	-2,276	-9,039	-223	-320
Free Cash Flow	-181	5,895	314	-1,091	680	-6,552	12,038	82
Net Purchase of Invest.	-6,279	1,320	1,864	-7,973	8,718	5,245	845	1,121
Net Cash from Invest.	-8,430	-300	-106	-12,132	6,442	-3,794	622	801
Proceeds from Equity	7,497	25	19	48	27	3	0	0
Proceeds from LTB/STB	-4	0	-1	-1	0	-204	-60	-58
Dividend Payments	-337	-726	-437	-803	-808	-1,176	-1,387	-1,850
Cash Flow from Fin.	7,156	-701	-419	-757	-781	-1,377	-1,447	-1,908
Net Cash Flow	696	6,514	1,759	-9,822	8,618	-2,684	11,436	-705
Opening Cash Bal.	2,311	3,007	9,522	11,280	1,458	1,053	4,275	15,710
Add: Net Cash	696	6,514	1,759	-9,822	-405	3,222	11,436	-705
Closing Cash Bal.	3,007	9,522	11,280	1,458	1,053	4,275	15,710	15,005

E: MOFSL Estimates

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
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UNDER REVIEW	Rating may undergo a change
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