

Power

Target price: Rs130

Earnings revision

(%)	FY22E	FY23E
Sales	↓ 1.5	↓ 1.7
EBITDA	↓ 4.4	↓ 5.1
EPS	↓ 12.7	↓ 13.6

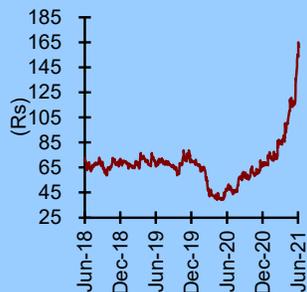
Target price revision

Rs130 from Rs83

Shareholding pattern

	Sep '20	Dec '20	Mar '21
Promoters	74.9	74.9	74.7
Institutional Investors			
MFs and other	14.1	12.9	12.7
FIs/Insurance	3.4	2.0	1.9
FII	4.9	4.9	5.3
FII	5.9	6.0	5.5
Others	11.0	12.2	12.6

Source: NSE

Price chart**Research Analysts:****Rahul Modi**rahul.modi@icicisecurities.com
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+91 22 6637 7419**JSW Energy****SELL**

Downgrade from Reduce

Rs163**Capex cycle commences**

We interacted with the management of JSW Energy's (JSWEL) to gain more clarity on its medium-term growth path and targets. In its quest towards becoming a 10GW capacity company by FY25 driven by renewables (and 20GW by FY30), JSWEL has a clear vision on commissioning of 2.5GW (currently under construction) by FY23 and its participation in auctions to secure the balance 3GW. Company has clarity in terms of project selection – land availability, P90 CUF levels, mid-teen IRRs and high quality offtakers – and it will continue to prefer wind and hybrid projects over solar in the near term. It is also locking-in and developing resources with high lead times – land, evacuation infrastructure, manpower, etc. – which will place it in an advantageous position in future bids and boost project returns as well. Over the past 4-5 years, JSWEL has changed its strategy a couple of times, which can be partly attributed to sectoral shifts. It has proved itself credibly in terms of project execution and operational capabilities, but we await more clarity and pace pickup in the RE auction space for incorporating capacities beyond 7GW. We incorporate these developments in our SoTP valuation and increase our target price for the stock to Rs130 (earlier: Rs83) giving value to renewables platform growth as well. However, as valuations have run up before earnings visibility, we downgrade the stock from *Reduce* to *SELL*.

- **Capacity commissioning targets till FY24 look promising and achievable:** JSWEL is setting up 2.5GW of RE + hydro capacity at a cumulative capex of Rs158bn (of which Rs5.5bn has already been spent till May'21), to be commissioned over the next 2-3 years. This includes: a) 810MW SECI-IX wind-solar hybrid project, b) 450MW SECI-X wind project, c) 958MW group captive renewables project with JSW Steel, and d) 240MW Kutehr HEP (SCoD in FY25). The RE projects will be commissioned in parts over FY22-FY23 (we expect FY24 to be the first full year of operations for RE). The blended tariff for the projects is Rs3.31/kWh and the IRRs for each RE project is >12% (at P90 levels). JSWEL has already acquired land for these projects and related infrastructure (evacuation, water, etc.). As per the company, its internal accruals are sufficient for the equity requirement, as it generates FCFE of Rs17bn p.a. We expect an addition of Rs18bn to the consolidated EBITDA from FY24 onwards.
- **Readying itself for growth beyond ongoing projects:** For growth beyond FY23 in order to reach 10GW by FY25 and 20GW by FY30, JSWEL informed that it is locking-in resources in resource-rich states and will be developing facilities in advance. Company has locked-in land at various locations, sufficient for further 3GW of RE capacity expansion. It is in the process of locking more land for development of a further 15GW. It will be developing basic infrastructure including water, roads, power evacuation, etc. in advance so that it has ready assets for deployment and will be in an advantageous position when participating in future bids. Management stated that in case of future projects also, it will continue to be selective and participate in auctions where competitive intensity is lower (e.g. wind and hybrid currently), so that it has a chance of earning higher IRRs. It will only consider P90 CUF levels with high quality offtakers to mitigate payment risks. Company will be more comfortable participating in solar bids once the tariff war settles down and volatility in panel prices reduces.

Market Cap	Rs267bn/US\$3.6bn
Reuters/Bloomberg	JSWE.BO/JSW IN
Shares Outstanding (mn)	1,643.3
52-week Range (Rs)	165/44
Free Float (%)	24.1
FII (%)	5.5
Daily Volume (US\$/'000)	10,381
Absolute Return 3m (%)	85.9
Absolute Return 12m (%)	247.3
Sensex Return 3m (%)	7.7
Sensex Return 12m (%)	52.4

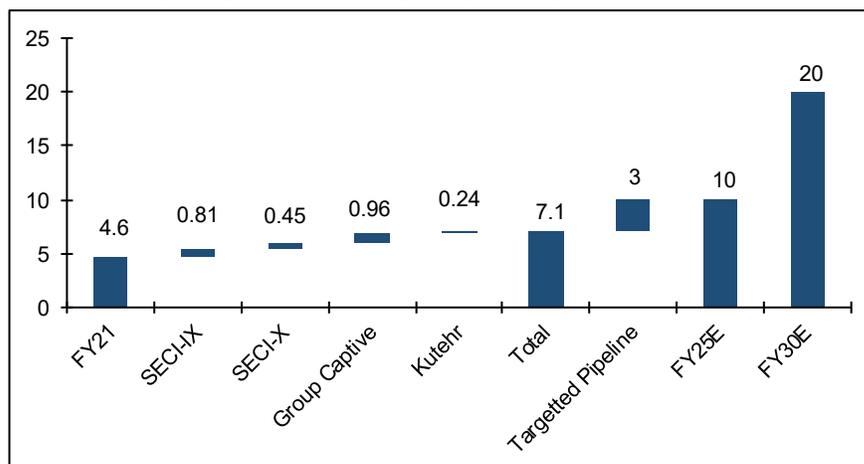
Year to Mar (consol)	FY20	FY21	FY22E	FY23E
Revenue (Rs mn)	82,727	69,222	82,313	86,770
Net Income (Rs mn)	7,700	7,955	8,585	9,964
DEPS (Rs)	4.7	4.8	5.2	6.7
% Chg YoY	10.7	3.3	7.9	27.7
P/E (x)	34.5	33.4	31.0	24.3
P/BV (x)	11.8	11.9	12.3	14.5
EV/E (x)	12.0	11.7	12.6	5.7
Dividend Yield (%)	0.6	1.2	1.2	1.2
RoCE (%)	8.7	6.7	6.0	4.7
RoE (%)	6.6	6.1	5.8	6.5

- ▶ **Preference of wind/hybrid over solar to continue till solar tariffs stabilise:** JSWEL currently has a clear preference for wind and hybrid projects over solar when it comes to bidding, due to several factors: 1) lower competitive intensity as execution of wind projects is more complex, 2) higher tariffs, 3) lower equipment cost volatility (compared to high volatility of solar module prices), 4) frequent changes in solar-related policies vs higher stability and certainty in wind-related policies. As resources, both wind and solar are cyclical in nature, and the only way to reduce operational risk is to consider P90 CUF levels.
- ▶ **Posted decent results in Q4 and FY21 despite challenging environment:** Q4FY21 consolidated revenue / PAT were Rs15.7bn / Rs1.1bn, or 12.5% / 1.7% YoY lower respectively, while EBITDA was up 10.8% YoY to Rs6.3bn. Long-term (LT) generation increased 3% YoY, boosted by 13% increase in generation at Barmer and 15% increase at Vijayanagar. Revenues were impacted since a few existing LT customers (at Ratnagiri) migrated to job work / tolling arrangements (no EBITDA impact). Earnings were hit due to: 1) lower merchant volumes (mainly Ratnagiri) and prices, partially offset by lower fuel cost; 2) lower other income; and 3) lower interest cost. JSWEL's net debt further reduced by Rs5.1bn QoQ to Rs62.1bn, and net D/E to 0.4x, with weighted average cost of debt at 8.2%. Receivables declined 38% YoY to 3-year low of Rs13.1bn. For FY21, consolidated revenue/EBITDA was Rs69.2bn / Rs29.1bn, or 16.3% / 1.7%, lower YoY respectively, while recurring PAT was up 3.3% YoY to Rs8bn. Long-term (LT) generation increased 3% YoY.
- ▶ **Outlook and valuation:** Although execution capability of JSWEL is superior and its O&M cost per MW is lower than peers, we believe the stock price incorporates the upside from the 2.3GW RE addition, which we have valued at 9x EV/EBITDA giving the business a platform value on FY24E basis. We have also incorporated extra income from Karcham Wangtoo as its rated capacity was increased to 1,091MW. We await more clarity on pickup in bidding in the RE space as it has slowed down considerably in the past year. We will therefore incorporate the further 13GW targeted capacity (over and above 7GW by FY24) as and when the bidding commences and on JSWEL's performance in those bids.

Out of the company's net worth of Rs145bn, cash and investments (including investments in JSW Steel and JPVL shares) stand at Rs45bn, which implies that Rs100bn is the current invested equity. On this, we estimate Rs14bn PAT in FY24E translating into 14% RoIC. Also, JSWEL's RoE will increase as more capacities get commissioned since it does not intend to monetise / dilute equity or investments and will do capex from internal accruals only. Incorporating these developments, we increase our target price for the stock to Rs130/sh (earlier: Rs83/sh). However, since the valuations have run up before commissioning of future capacities and resultant earnings, we downgrade the stock from **Reduce** to **SELL**.

Details of plan to reach 10GW capacity by FY25:

Chart 1: Capacity addition targets (in GW)



Source: Company, I-Sec research

JSWEL currently has 2.5GW under construction with total capex at Rs158bn (of which Rs5.5bn has already been spent till May'21) and a blended tariff of Rs3.31/kWh:

- **SECI-IX 810MW blended wind-solar project:** JSWEL's subsidiary JSW Solar participated in SECI's Tranche-IX blended wind power projects tender in Sep'20 and received LoA to set up 810MW of blended wind capacity (maximum 20% solar blending). The total project cost is estimated at Rs47bn-48bn, which will be financed at 75/25 D/E, to be set up in Tamil Nadu (land secured). At Rs3/kWh tariff, IRR will be >13%. PLF for wind/solar is estimated at 33-35%/26-27%. Capex for solar/wind is estimated at Rs60mn-65mn/Rs30mn-41mn per MW. PPA for 540MW has already been signed and balance 270MW will be signed in Q2FY22 (necessary approvals are in advanced stages). The project will be commissioned in parts (of 50MW each) over FY22-FY23, with FY24 is expected to be the first full year of operations.
- **SECI-X 450MW wind project:** JSW Future Energy, a wholly-owned subsidiary of JSW Energy, received LoA to set up 450MW wind capacity in SECI's 1,200MW ISTS-connected wind power projects (tranche-X) in Feb'21. The cost of the project is estimated at Rs25bn-26bn at an expected IRR of ~13%. JSW's bid at Rs2.78/kWh was among the four successful bids. PPA for the project is expected to be signed in Q2FY22, with necessary approvals in advanced stages. Land has to be acquired by JSWEL for this project.
- **958MW group captive renewable project:** JSWEL Board has approved setting up of renewables (wind/solar) group captive (with JSW Steel) capacity of 958MW. Of this, 825MW will be set up near the Vijayanagar plant in Karnataka, which will provide RTC power of 275MW (does not include battery set up). JSWEL is setting up its own transmission system for evacuation from this project. The balance capacity will be set up at Salem and Dolvi, which will be purely wind projects. Company expects 80% annual PLF for the project. Further, there will be 12-15% of excess curtailment power, which the company will be able to sell in the green exchange market. PPA for this project will be signed in Q2FY22.

- **240MW Kutehr HEP:** Capex for this project is estimated at Rs27.5bn at 67:33 D/E. Project is expected to be commissioned by FY25. PPA with Haryana discom for the supply of 240MW hydropower from JSW Energy (Kutehr) for 35 years is under finalisation.
- **3GW to be added through upcoming TBCB auctions, with target commissioning by FY25.**
- **Beyond FY25:** JSWEL plans to add 2GW p.a. up to FY30 and >3GW p.a. post FY30 after reaching its 10GW capacity target by FY25. Its existing 4.6GW portfolio and new additions are expected to generate strong cashflows to fund the growth. Additional renewable capacity additions are targeted to have similar return profile of 12-14% (post-tax equity IRR). 20GW capacity is expected to increase consolidated EBITDA by 5x and PAT by 6x from current levels.

Chart 2: JSWEL in FY21 – No RE capacity

(capacities in GW)

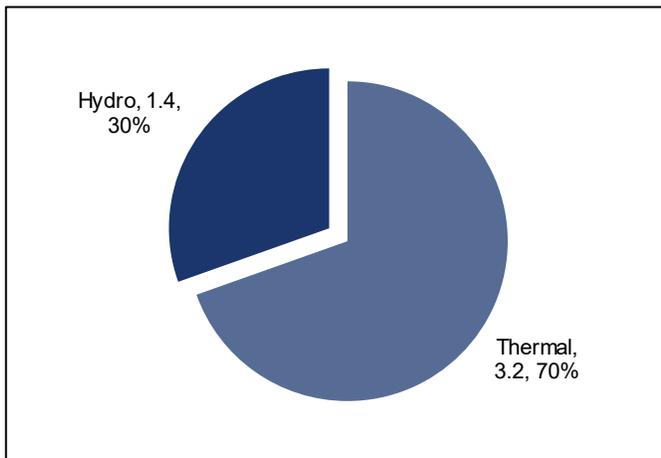
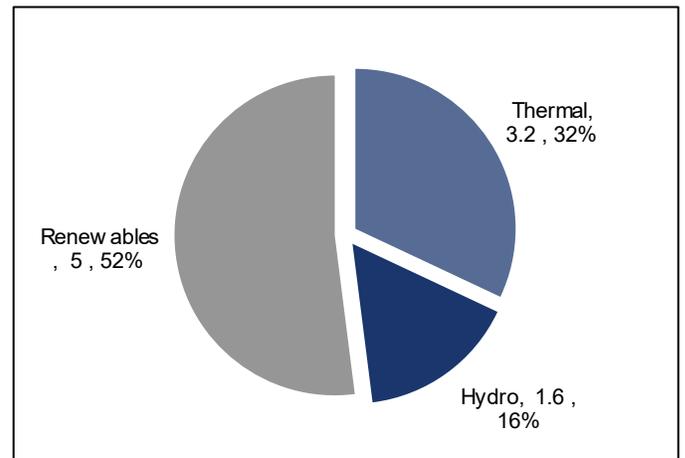


Chart 3: JSWEL in FY25 – 52% RE capacity

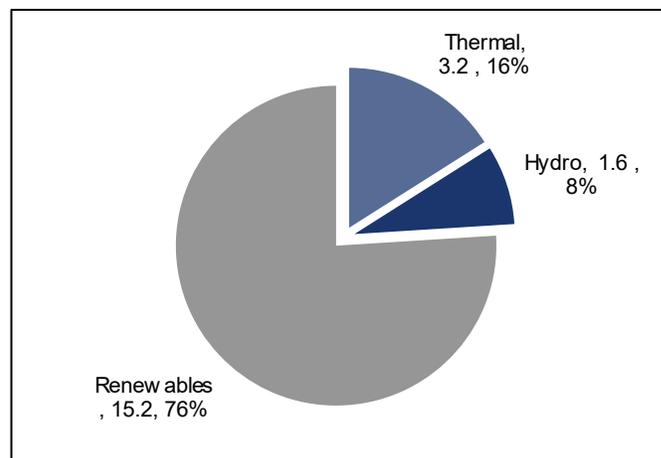
(capacities in GW)



Source: Company, I-Sec research

Chart 4: JSWEL in FY30 – 76% RE capacity

(Capacities in GW)



Source: Company, I-Sec research

Table 1: Q4FY21 consolidated result review*(Rs mn, year ending March 31)*

Particulars	Q4FY21	Q4FY20	Q3FY21	% YoY	% QoQ
Net generation (MU)	3,794	4,106	4,613	(7.6)	(17.8)
Sales	15,696	17,934	16,089	(12.5)	(2.4)
Expenses	9,368	12,186	10,044	(23.1)	(6.7)
Fuel	7,007	9,963	8,227	(29.7)	(14.8)
O&M	2,361	2,136	1,818	10.5	29.9
Staff costs	650	591	558	9.9	16.5
Other expenditure	1711	1545	1260	10.8	35.8
Purchase of power	0	87	0		
EBITDA	6,328	5,748	6,044	10.1	4.7
Depreciation	2,942	2,893	2,916	1.7	0.9
Other Income	445	542	504	(18.0)	(11.8)
EBIT	3,830	3,397	3,632	12.7	5.5
Exceptional item/Forex loss/(gain)	0	0	0		
Interest	2,569	2,480	1,912	3.6	34.4
PBT	1,261	917	1,720	37.5	(26.7)
Tax	270	26	338	936.9	(20.3)
Minority	74.2	193.1	-146.6	(61.6)	(150.6)
PAT	1,066	1,084	1,235	(1.7)	(13.7)
<i>Avg. realisation/unit sold</i>	<i>4.14</i>	<i>4.37</i>	<i>3.49</i>	<i>(5.3)</i>	<i>18.6</i>
<i>Fuel cost/unit sold</i>	<i>1.85</i>	<i>2.43</i>	<i>1.78</i>	<i>(23.9)</i>	<i>3.6</i>
<i>EBITDA margin (%)</i>	<i>40.32</i>	<i>32.05</i>	<i>37.57</i>	<i>25.8</i>	<i>7.3</i>
<i>PAT margin (%)</i>	<i>6.79</i>	<i>6.05</i>	<i>7.68</i>	<i>12.3</i>	<i>(11.5)</i>

Source: Company data, I-Sec research

Table 2: Q4FY21 standalone result review*(Rs mn, year ending March 31)*

Particulars	Q4FY21	Q4FY20	Q3FY21	% YoY	% QoQ
Net generation (MU)	1,852	2,298	2,243	(19.4)	(17.4)
Sales	7,294	10,160	6,918	(28.2)	5.4
Expenses	4,692	7,761	5,066	(39.5)	(7.4)
Fuel	3,611	6,723	4,336	(46.3)	(16.7)
O&M	1,080	1,038	730	4.1	47.9
Staff costs	304	297	266	2.3	14.1
Other expenditure	776	740	464	4.9	67.4
Purchase of power	0	0	0		
EBITDA	2,603	2,400	1,852	8.5	40.5
Depreciation	874	914	900	(4.4)	(3.0)
Other Income	87	279	84	(68.9)	3.5
EBIT	1,816	1,765	1,035	2.9	75.4
Exceptional item/Forex loss/(gain)	0	0	0		
Interest	419	669	460	(37.3)	(8.8)
PBT	1,397	1,096	576	27.4	142.6
Tax	522	146	225	258.3	132.5
PAT	875	951	351	(8.0)	149.0
<i>Avg. realisation/unit sold</i>	<i>3.94</i>	<i>4.42</i>	<i>3.08</i>	<i>(10.9)</i>	<i>27.7</i>
<i>Fuel cost/unit sold</i>	<i>1.41</i>	<i>1.04</i>	<i>0.83</i>	<i>34.6</i>	<i>70.2</i>
<i>EBITDA margin (%)</i>	<i>35.68</i>	<i>23.62</i>	<i>26.77</i>	<i>51.1</i>	<i>33.3</i>
<i>PAT margin (%)</i>	<i>11.99</i>	<i>9.36</i>	<i>5.08</i>	<i>28.2</i>	<i>136.2</i>

Source: Company data, I-Sec research

Change in earnings estimates

Table 3: Earnings revision (consolidated)

(Rs mn, year ending March 31)

	FY22E			FY23E		
	Previous	Previous	% chg	Previous	Previous	% chg
Sales	83,600	82,313	(1.5)	88,292	86,770	(1.7)
EBITDA	29,428	28,141	(4.4)	30,118	28,597	(5.1)
PAT (Rs)	9,834	8,585	(12.7)	11,534	9,964	(13.6)

Source: Company data, I-Sec research

Valuation

Table 4: SoTP valuation summary

Project	Value (Rs/ share)
Standalone business (Vijayanagar and Ratnagiri)	11.7
Barmer	14.3
Jaigad transmission	1.0
Baspa & Karcham Wangtoo	30.9
Cash and investments	28.1
Wind (9x EV/EBITDA for 2.2GW)	39.0
Kutehr	4.6
Total	130

Source: I-Sec research

Although execution capability of JSWEL is superior and its O&M cost per MW is lower than peers, we believe the stock price incorporates the upside from the 2.3GW RE addition, which we have valued at 9x EV/EBITDA giving the business a platform value on FY24E basis. We have also incorporated extra income from Karcham Wangtoo as its rated capacity was increased to 1,091MW. We await more clarity on pickup of bidding in the RE space as it has slowed down considerably in the past year. We will therefore incorporate the further 13GW targeted capacity (over and above the 7GW by FY24E) as and when the bidding commences and on JSWEL's performance on those bids.

Out of the company's net worth of Rs145bn, cash and investments (including investments in JSW Steel and JPVL shares) are worth Rs45bn, which implies that Rs100bn is the current invested equity. On this, we estimate Rs14bn PAT in FY24 translating into 14% RoIC. In addition, the company's RoE will increase as more capacities get commissioned since it does not intend to monetise/dilute equity or investments and will do capex from internal accruals only. Incorporating these developments, we increase our target price for the stock to Rs130/sh (earlier: Rs83/sh). However, since the valuations have run up before commissioning of future capacities and resultant earnings, we downgrade the stock from **Reduce** to **SELL**.

Key downside risks: i) Delay in commissioning of upcoming capacities, ii) higher than expected coal costs, iv) delay in / non-signing of PPAs/PSAs, and iii) lower than expected merchant realisations.

Chart 5: JSWEL P/E (1-year forward) trend

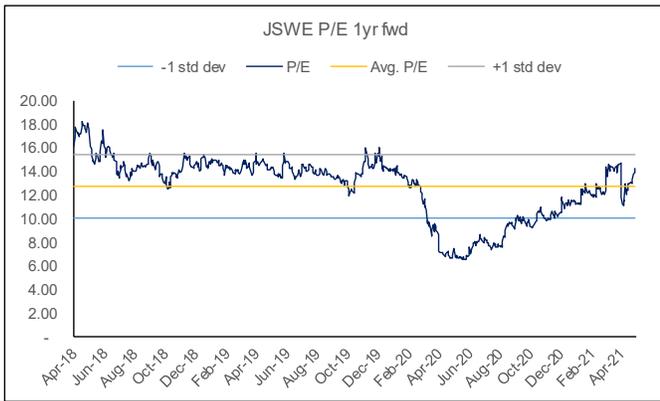
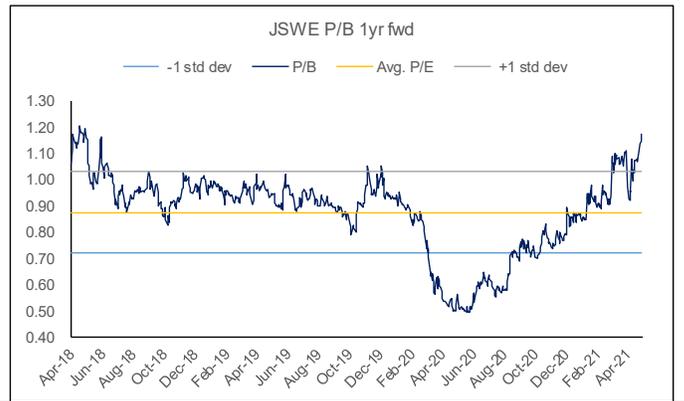
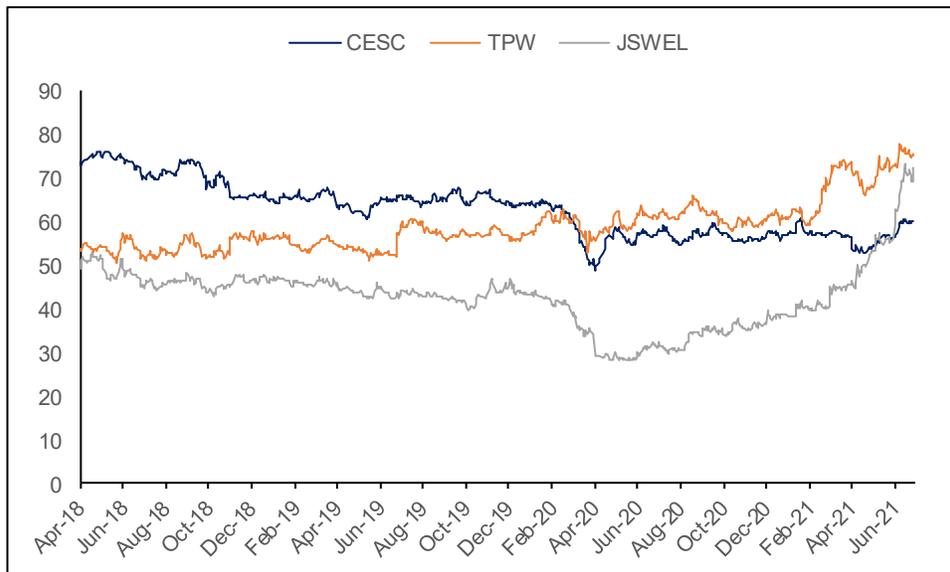


Chart 6: JSWEL P/B (1-year forward) trend



Source: Company, I-Sec research

Chart 7: EV/MW comparison – JSWEL closing up on Torrent Power on the back of capacity expansion and foray into renewables



Source: Company, I-Sec research

Financial summary (consolidated)

Table 5: Profit & Loss statement

(Rs mn, year ending March 31)

	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Operating Income (Sales)	98,245	82,634	80,490	91,376	82,727	69,222	82,313	86,770
Operating Expenses	57,984	49,391	52,864	62,845	53,159	40,156	54,172	58,173
EBITDA	40,261	33,244	27,625	28,531	29,569	29,066	28,141	28,597
<i>% margins</i>	<i>41.0</i>	<i>40.2</i>	<i>34.3</i>	<i>31.2</i>	<i>35.7</i>	<i>42.0</i>	<i>34.2</i>	<i>33.0</i>
Depreciation & Amortisation	8,543	9,692	9,661	11,637	11,681	11,669	11,685	11,685
Gross Interest	14,981	16,848	14,559	11,924	10,511	8,957	7,743	6,736
Other Income	1,928	2,211	4,650	3,680	2,870	2,375	3,000	3,400
Recurring PBT	18,665	8,915	8,056	8,650	10,247	10,814	11,713	13,576
Add: Extraordinaries	1,500	-	(4,179)	-	615	-	-	-
Less: Taxes	5,563	2,690	2,532	2,124	330	2,759	3,045	3,530
Less: Minority Interest	129	(65)	495	(426)	(468)	101	82	82
Net Income (Reported)	14,474	6,290	849	6,951	10,999	7,955	8,585	9,964
Recurring Net Income	12,974	6,290	5,029	6,951	7,700	7,955	8,585	9,964

Source: Company data, I-Sec research

Table 6: Balance sheet

(Rs mn, year ending March 31)

	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Assets								
Total Current Assets	67,295	68,663	48,911	50,159	64,078	62,960	65,800	52,784
<i>of which cash & cash eqv.</i>	<i>4,328</i>	<i>10,032</i>	<i>6,479</i>	<i>5,458</i>	<i>9,448</i>	<i>11,634</i>	<i>10,261</i>	<i>3,820</i>
Total Current Liabilities & Provisions	41,545	21,805	31,701	29,886	29,466	20,425	24,283	27,270
Net Current Assets	25,750	46,858	17,210	20,273	34,612	42,535	41,517	25,514
Investments	9,369	13,599	20,782	21,083	11,095	33,679	33,679	33,679
<i>of which</i>								
<i>Strategic/Group</i>	<i>9,369</i>	<i>13,599</i>	<i>20,782</i>	<i>21,083</i>	<i>11,095</i>	<i>33,679</i>	<i>33,679</i>	<i>33,679</i>
<i>Other Marketable</i>	<i>-</i>							
Net Fixed Assets	208,726	203,627	197,516	188,020	175,945	167,724	187,039	277,585
<i>of which</i>								
<i>intangibles</i>	<i>8,999</i>	<i>9,901</i>	<i>12,205</i>	<i>12,173</i>	<i>11,303</i>	<i>13,027</i>	<i>13,027</i>	<i>13,027</i>
Capital Work-in-Progress	3,206	5,269	2,935	4,000	3,913	4,728	35,728	1,37,958
Other long term assets								
Total Assets	243,844	264,084	235,508	229,375	221,652	243,938	262,235	336,778
Liabilities								
Borrowings	142,036	154,086	118,751	105,549	98,405	84,624	97,620	165,484
Deferred Tax Liability	4,341	5,801	4,632	401	369	368	368	368
Equity Share Capital	16,268	16,280	16,401	16,409	16,419	16,423	16,423	16,423
<i>Face Value per share (Rs)</i>	<i>10</i>							
Reserves & Surplus	80,773	87,405	94,697	101,814	100,037	128,647	133,947	140,627
Net Worth	97,041	103,685	111,097	118,222	116,456	145,070	150,371	157,050
Other long term liabilities	426	512	1,028	5,203	6,422	13,877	13,877	13,877
Total Liabilities	243,844	264,084	235,508	229,375	221,652	243,938	262,235	336,778

*Excluding revaluation reserves

Source: Company data, I-Sec research

Table 7: Quarterly trend

(Rs mn, year ending March 31)

	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Total Revenues	24,308	24,217	19,246	24,122	21,186	19,486	17,934	18,052	19,386	16,089	15,696
EBITDA	8,613	7,387	4,768	8,093	9,348	6,380	5,748	7,455	9,238	6,044	6,328
Margin (%)	35.4	30.5	24.8	33.5	44.1	32.7	32.1	41.3	47.7	37.6	40.3
Other income	1,370	701	936	518	1,133	676	542	816	610	504	445
Add: Extraordinaries	-	-	-	301	-	2,655	-	-	-	-	-
Net profit	3,160	1,461	39	2,745	3,530	1,287	1,084	2,132	3,521	1,235	1,066

Source: Company data, I-Sec research

Table 8: Cashflow statement*(Rs mn, year ending March 31)*

	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Operating Cashflow	40,685	34,775	19,929	28,719	20,025	48,421	25,013	24,985
Working Capital Changes	(6,941)	(15,404)	26,099	(4,001)	(10,350)	(5,737)	(355)	9,562
Capital Commitments	(71,923)	(3,692)	(1,245)	(2,173)	(476)	(1,724)	(31,000)	(1,02,230)
Free Cashflow	(38,178)	15,679	44,782	22,546	9,199	40,960	(6,342)	(67,684)
Cashflow from Investing Activities	(5,114)	(2,020)	(2,532)	3,379	12,858	(20,210)	3,000	3,400
Issue of Share Capital	(133)	12	121	8	10	4	-	-
Buyback of shares								
Inc (Dec) in Borrowings	49,095	12,050	(35,340)	(13,284)	(7,144)	(13,781)	12,996	67,864
Dividend paid	(18,235)	(20,103)	(15,379)	(13,565)	(12,153)	(12,241)	(11,028)	(10,021)
Extraordinary Items	(533)	10	(63)	(81)	(118)	151	-	-
Chg. in Cash & Bank balance	(13,097)	5,627	(8,412)	(997)	2,652	(5,117)	(1,373)	(6,440)

Source: Company data, I-Sec research

Table 9: Key ratios*(Year ending March 31)*

	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
Per Share Data (Rs)								
EPS(Basic Recurring)	8.0	3.9	3.1	4.2	4.7	4.8	5.2	6.1
Diluted Recurring EPS	8.0	3.9	3.1	4.2	4.7	4.8	5.2	6.1
Recurring Cash EPS	13.2	9.8	9.0	11.3	11.8	11.9	12.3	13.2
Dividend per share (DPS)	2.0	2.0	0.5	1.0	1.0	2.0	2.0	2.0
Book Value per share (BV)	59.7	63.7	67.7	72.0	70.9	88.3	91.6	95.6
Growth Ratios (%)								
Operating Income	4.7	(15.9)	(2.6)	13.5	(9.5)	(16.3)	18.9	5.4
EBITDA	11.1	(17.4)	(16.9)	3.3	3.6	(1.7)	(3.2)	1.6
Recurring Net Income	(6.2)	(51.5)	(20.1)	38.2	10.8	3.3	7.9	16.1
Diluted Recurring EPS	(5.5)	(51.5)	(20.6)	38.2	10.7	3.3	7.9	16.1
Diluted Recurring CEPS	(0.2)	(25.8)	(8.8)	26.5	4.2	1.2	3.3	6.8
Valuation Ratios (x)								
P/E	20.3	41.9	52.8	38.2	34.5	33.4	31.0	26.7
P/CEPS	12.2	16.5	18.1	14.3	13.7	13.6	13.1	12.3
P/BV	2.7	2.5	2.4	2.2	2.3	1.8	1.8	1.7
EV / EBITDA	10.4	12.3	13.7	12.8	12.0	11.7	12.6	5.7
EV / Operating Income	4.2	4.9	4.7	4.0	4.3	4.9	4.3	1.9
EV / Operating FCF	(7.7)	13.0	8.4	16.2	38.6	8.3	(55.7)	(2.4)
Operating Ratios								
SG&A cost / Revenue	50.1	49.1	54.8	59.5	54.4	47.4	54.1	55.6
Operating expenses / Revenue	59.0	59.8	65.7	68.8	64.3	58.0	65.8	67.0
Other Income / PBT (%)	10.3	24.8	57.7	42.5	28.0	22.0	25.6	25.0
Effective Tax Rate (%)	29.8	30.2	31.4	24.6	3.2	25.5	26.0	26.0
NWC / Total Assets (%)	14.4	14.0	4.6	6.5	11.4	12.7	11.9	6.4
Inventory Turnover (days)	40.0	44.1	37.0	26.4	43.9	43.9	43.9	43.9
Receivables (days)	108.0	96.4	52.2	57.0	92.8	68.6	65.0	65.0
Payables (days)	159.3	156.6	160.7	106.8	110.1	90.0	90.0	90.0
Net D/E Ratio (x)	1.6	1.4	1.0	0.8	0.8	0.5	0.6	1.0
Return/Profitability Ratios (%)								
Recurring Net Income Margins	13.2	7.6	6.2	7.6	9.3	11.5	10.4	11.5
RoCE	9.4	7.3	6.7	7.3	8.7	6.7	6.0	4.7
RoNW	15.1	6.3	4.7	6.1	6.6	6.1	5.8	6.5
Dividend Payout Ratio	0.3	0.5	0.2	0.2	0.2	0.4	0.4	0.3
Dividend Yield	1.2	1.2	0.3	0.6	0.6	1.2	1.2	1.2
EBITDA Margins	41.0	40.2	34.3	31.2	35.7	42.0	34.2	33.0

Source: Company data, I-Sec research

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