

# JK Lakshmi Cement

**BUY**

## Healthy performance continues

We reiterate BUY on JK Lakshmi (JKLC), with SOTP based TP of Rs 485 (Standalone at 8x Sep'21E EBITDA, its 71% holding in Udaipur Cements at 20% disc and 50% value to Sep'21E CWIP). Our TP implies EV of USD 84/MT.

### HIGHLIGHTS OF THE QUARTER

- During 3QFY20, JKLC's healthy show continues, as its standalone net sales/EBITDA/APAT rose 8%/55/233% YoY to Rs 10.05/1.52/0.49bn resp.
- Flattish volume (+1% YoY)** is driven by weak regional demand and JKLC's lack of surplus clinker capacity.
- North pricing tailwinds continues:** Despite 5% QoQ slide in NSR (higher drag in east mkts), healthy pricing in north and central mkts kept firmed up NSR by 7% YoY, thus boosting margins.
- Benign opex further bolster earnings:** Opex rose a modest 1% YoY, as benefits from falling fuel prices and logistics initiatives offset negative op-lev on flattish vol.
- Thus, JKLC's **unitary EBITDA rebound 53% YoY to Rs 653/MT** ((down 10% QoQ on realization dip). This is JKLC's 7-yr highest margin in 3Q. Below EBITDA, lower interest expense (amid ~15% lower debt YoY) boosted PAT surge on a low base YoY.

### Financial Summary (Standalone)

Year Ending Mar (Rs mn)	3QFY20	3QFY19	YoY (%)	2QFY20	QoQ (%)	FY18	FY19	FY20E	FY21E	FY22E
Net Sales	10,050	9,350	7.5	9,355	7.4	34,122	38,823	43,482	47,409	49,735
EBITDA	1,519	983	54.6	1,487	2.2	4,114	4,150	6,941	7,746	8,090
APAT	492	148	233.4	459	7.1	840	796	2,544	3,259	3,289
Diluted EPS (Rs)	4.2	1.3	233.4	3.9	7.1	7.1	6.8	21.6	27.7	27.9
EV / EBITDA (x)						14.1	13.0	7.8	6.7	6.5
EV/MT (USD)						82	76	71	68	59
P/E (x)						51.9	54.8	17.1	13.4	13.3
RoE (%)						5.9	5.3	15.6	17.2	14.9

Source: Company, HDFC sec Inst Research

- Capex and balance sheet updates:** During FY21/22E JKLC will work on ~2mn MT brownfield capacity increase in the North. It also plans on adding 10MW WHRS in Sirohi (Rs 1.5bn capex) by 1HFY22E. JKLC reduced net debt by 7% in nine months to Rs 11.50 bn. JKLC will also de-bottleneck its subsidiary's capacity by 0.4mn MT to 2mn MT by FY21E (incurring Rs 600mn capex).
- Robust outlook:** We estimate JKLC to deliver 25/61% EBITDA/PAT CAGRs during FY19-22E, aided by stable prices in the north/Gujarat markets and falling fuel prices. The upcoming WHRS will further enhance margins of FY23 and onwards.

### STANCE

**Robust profitability should keep JKLC's net D/E at comfortable levels (below 1x), despite factoring in capex acceleration from FY21E. We thus, estimate its standalone net Debt/EBITDA to further cool off to below 1.5x levels during FY20-22E (vs its >3x levels in the last six years)! Stable north market outlook and healthy cashflow generation should drive re-rating for JKLC. We reiterate a Buy with a TP of Rs 485.**

INDUSTRY	CEMENT
<b>CMP (as on 29 Jan 2020)</b>	<b>Rs 370</b>
<b>Target Price</b>	<b>Rs 485</b>
Nifty	12,130
Sensex	41,199

### KEY STOCK DATA

Bloomberg	JKLC IN
No. of Shares (mn)	118
MCap (Rs bn) / (\$ mn)	44/612
6m avg traded value (Rs mn)	46

### STOCK PERFORMANCE (%)

52 Week high / low	Rs 396/260		
	3M	6M	12M
Absolute (%)	27.3	8.8	24.8
Relative (%)	23.9	(0.5)	9.1

### SHAREHOLDING PATTERN (%)

	Sep-19	Dec-19
Promoters	45.93	45.93
FIs & Local MFs	20.55	18.71
FPIs	9.60	10.53
Public & Others	23.92	24.83
Pledged Shares *	-	-

Source : BSE \*as % of total shares o/s

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**JKLC 's healthy earnings recovery continues in 3QFY20 as robust pricing and flattish volumes drove 55% rise in EBITDA, which drove 2.3x jump in PAT (on a low base)**

**Interest cost has been declining in FY20 on debt reduction**

**Robust NSR gain on healthy north pricing**

**Declining power & fuel cost and logistics cost reduction initiatives offset impact of weak.**

### Quarterly Financials' Snapshot (standalone)

(Rs Mn)	3QFY20	3QFY19	YoY (%)	2QFY20	QoQ (%)	9MFY20	9MFY19	YoY (%)
<b>Net Sales</b>	<b>10,050</b>	<b>9,350</b>	<b>7.5</b>	<b>9,355</b>	<b>7.4</b>	<b>29,823</b>	<b>27,099</b>	<b>10.1</b>
Raw Materials	2,588	2,205	17.3	2,209	17.2	7,163	6,295	13.8
Power and Fuel	2,111	2,233	(5.5)	2,090	1.0	6,434	6,635	(3.0)
Transport	757	655	15.5	742	2.0	2,272	1,945	16.8
Employee	2,062	2,296	(10.2)	1,843	11.9	6,036	6,774	(10.9)
Other Exp	1,013	978	3.6	985	2.8	3,216	2,613	23.1
<b>EBITDA</b>	<b>1,519</b>	<b>983</b>	<b>54.6</b>	<b>1,487</b>	<b>2.2</b>	<b>4,704</b>	<b>2,838</b>	<b>65.8</b>
<i>EBITDA margin (%)</i>	<i>15.1</i>	<i>10.5</i>	<i>461</i>	<i>15.9</i>	<i>(78)</i>	<i>15.8</i>	<i>10.5</i>	<i>530</i>
Depreciation	485	451	7.5	437	11.0	1,374	1,348	1.9
<b>EBIT</b>	<b>1,035</b>	<b>532</b>	<b>94.4</b>	<b>1,050</b>	<b>(1.5)</b>	<b>3,330</b>	<b>1,490</b>	<b>123.5</b>
Other Income (Including EO Items)	147	139	5.5	68	117.0	71	399	(82.2)
<b>Interest Cost</b>	<b>428</b>	<b>474</b>	<b>(9.7)</b>	<b>390</b>	<b>9.7</b>	<b>1,217</b>	<b>1,419</b>	<b>(14.2)</b>
<b>PBT - Reported</b>	<b>754</b>	<b>198</b>	<b>281.1</b>	<b>728</b>	<b>3.6</b>	<b>2,183</b>	<b>470</b>	<b>364.3</b>
Tax	262	50	421.5	268	(2.5)	839	107	682.3
<i>Tax rate (%)</i>	<i>34.7</i>	<i>25.4</i>	<i>935</i>	<i>36.9</i>	<i>(215)</i>	<i>38.4</i>	<i>22.8</i>	<i>1,562</i>
<b>RPAT</b>	<b>492</b>	<b>148</b>	<b>233.4</b>	<b>459</b>	<b>7.1</b>	<b>1,345</b>	<b>363</b>	<b>270.4</b>
EO (Loss) / Profit (Net Of Tax)	-	-	-	-	-	(203)	-	-
<b>APAT</b>	<b>492</b>	<b>148</b>	<b>233.4</b>	<b>459</b>	<b>7.1</b>	<b>1,547</b>	<b>363</b>	<b>326.1</b>
<i>Adj PAT margin (%)</i>	<i>4.9</i>	<i>1.6</i>	<i>332</i>	<i>4.9</i>	<i>(1)</i>	<i>5.2</i>	<i>1.3</i>	<i>385</i>

Source: Company, HDFC sec Inst Research

### Quarterly Performance Analysis – Cement

	3QFY20	3QFY19	YoY (%)	2QFY20	QoQ (%)	9MFY20	9MFY19	YoY (%)
<b>Sales vol (mn MT)</b>	<b>2.3</b>	<b>2.3</b>	<b>1.0</b>	<b>2.1</b>	<b>13.0</b>	<b>6.7</b>	<b>6.7</b>	<b>(0.0)</b>
<b>Rs/MT trend</b>								
<b>NSR</b>	<b>4,319</b>	<b>4,056</b>	<b>6.5</b>	<b>4,541</b>	<b>(4.9)</b>	<b>4,440</b>	<b>4,033</b>	<b>10.1</b>
Raw materials	1,112	957	16.2	1,072	3.7	1,066	937	13.8
Power & fuel	907	969	(6.3)	1,014	(10.6)	958	987	(3.0)
Freight	886	996	(11.0)	895	(1.0)	899	1,008	(10.9)
Employee	325	284	14.4	360	(9.7)	338	289	16.8
Other Exp	435	424	2.6	478	(9.0)	479	389	23.1
Opex	3,666	3,630	1.0	3,820	(4.0)	3,740	3,611	3.6
<b>EBITDA</b>	<b>653</b>	<b>426</b>	<b>53.1</b>	<b>722</b>	<b>(9.5)</b>	<b>700</b>	<b>422</b>	<b>65.8</b>

Source: Company, HDFC sec Inst Research

*We expect JKLC to deliver 4% volume CAGR over FY19-22E*

*We expect its unitary EBITDA to hold on to ~Rs 730/MT levels during FY20-22E on demand and price recovery*

### Operational Trends and Assumptions – Annual

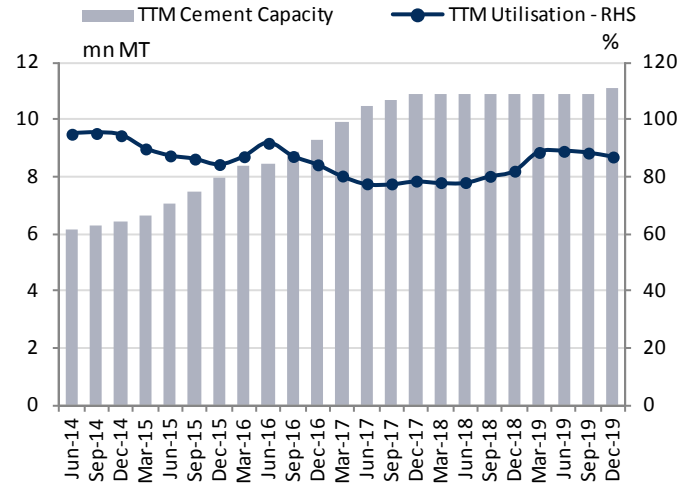
	FY16	FY17	FY18	FY19	FY20E	FY21E	FY22E
Cement Cap (mn MT)	8.5	10.9	10.9	10.9	11.7	11.7	13.7
Sales Volume (mn MT)	7.3	7.9	8.5	9.7	9.8	10.5	10.8
YoY change (%)	22.9	8.6	7.2	13.3	1.1	8.0	2.9
Utilisation (%)	86.6	72.9	78.2	88.5	83.4	90.1	79.1
<b>(Rs/ MT trend)</b>							
NSR	3,580	3,661	4,005	4,023	4,457	4,500	4,588
YoY change (%)	(7.6)	2.3	9.4	0.5	10.8	1.0	2.0
Raw Materials	946	959	914	1,004	1,191	1,178	1,194
Power & Fuel	747	713	934	953	891	900	927
Freight costs	898	906	1,024	988	919	937	965
Employee cost	266	262	276	269	310	319	325
Other expense	351	362	374	379	435	430	430
<b>Total Opex</b>	<b>3,208</b>	<b>3,202</b>	<b>3,522</b>	<b>3,593</b>	<b>3,745</b>	<b>3,764</b>	<b>3,842</b>
<b>EBITDA per MT</b>	<b>372</b>	<b>460</b>	<b>483</b>	<b>430</b>	<b>711</b>	<b>735</b>	<b>746</b>

Source: Company, HDFC sec Inst Research

*We have plotted JKLC's standalone trailing 12m (TTM) operational performance trends for the past six years*

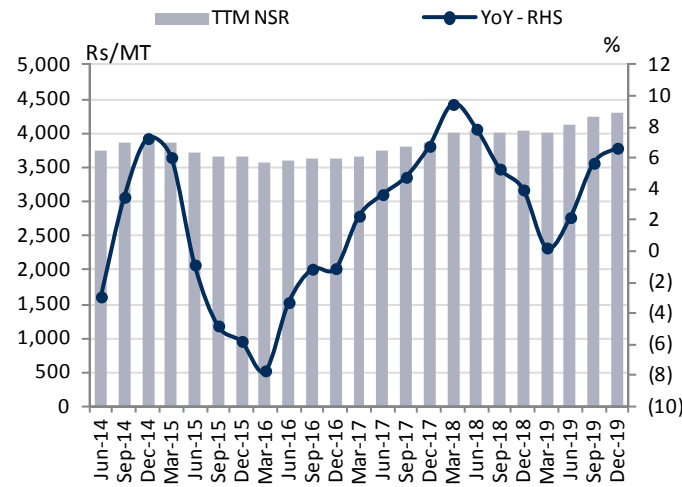
**Long term performance trends (standalone)**

**JKLC's grinding utilization remains at 80%+**



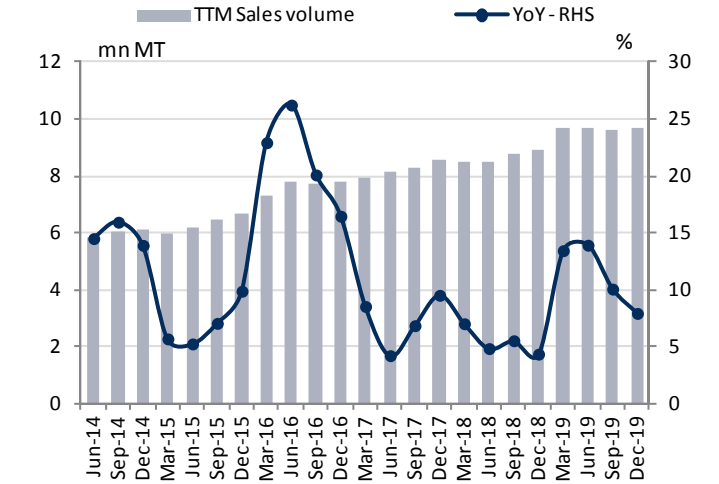
Source: Company, HDFC Sec Inst Research

**Sustenance of price recovery in north market has helped NSR to despite a weak pricing in east mkt...**



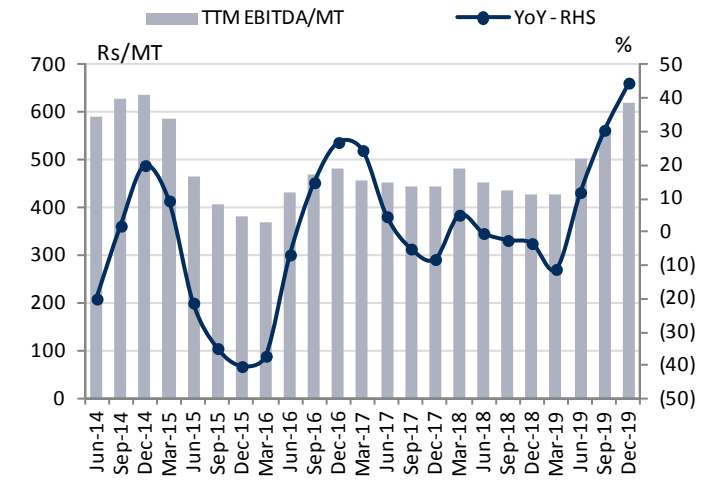
Source: Company, HDFC Sec Inst Research

**Weak demand has moderated growth recently**



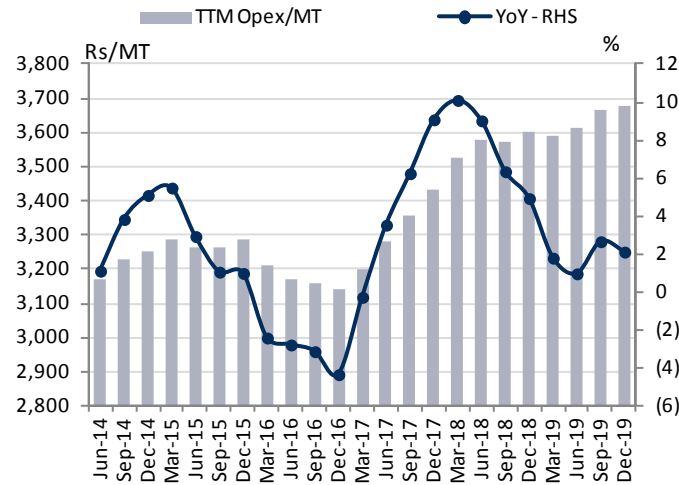
Source: Company, HDFC Sec Inst Research

**...this along with falling fuel prices and benefits from logistics cost reduction bolstering op margin**



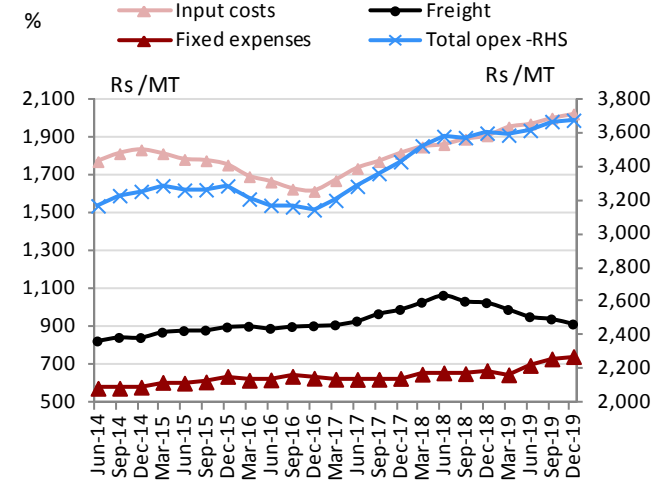
Source: Company, HDFC Sec Inst Research

**Opex inflation is subdued on falling fuel prices and benefits from logistics cost reduction**



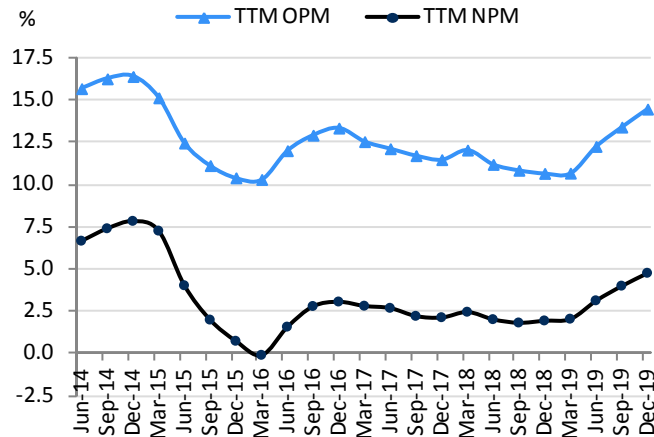
Source: Company, HDFC Sec Inst Research

**Input cost appears inflated due to rise in traded-cement sales from Udaipur Cem**



Source: Company, HDFC Sec Inst Research

**JKLC's OPM and NPM have recovered to a 5-yr high**



Source: Company, HDFC Sec Inst Research

### Change in Estimates

Rs bn (Standalone)	FY20E Old	FY20E Revised	Change %	FY21E Old	FY21E Revised	Change %	FY22E Old	FY22E Revised	Change %
Net Revenues	43.48	43.48	-	47.75	47.41	(0.7)	51.72	49.73	(3.8)
EBITDA	6.89	6.94	0.7	7.70	7.75	0.6	8.11	8.09	(0.2)
APAT	2.57	2.54	(0.8)	3.27	3.26	(0.5)	3.35	3.29	(1.7)
AEPS	21.8	21.6	(0.8)	27.8	27.7	(0.5)	28.4	27.9	(1.7)

Source: HDFC sec Inst Research

### Peer Set Comparison

Company	Mcap (Rs bn)	CMP (Rs/sh)	Reco	TP	EV/EBITDA (x)			EV/MT (USD)			Net D:E (x)			RoE (%)		
					FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19	FY20E	FY21E
UltraTech Cement	1,255	4,568	BUY	5,600	20.0	14.8	13.1	200	199	190	0.6	0.5	0.3	8.3	12.0	12.8
Shree Cement	810	23,241	NEU	20,000	29.3	21.2	18.6	302	287	268	0.0	(0.3)	(0.3)	13.5	15.1	13.7
Ambuja Cements	425	214	BUY	240	14.5	12.4	11.1	143	139	128	(0.7)	(0.7)	(0.7)	5.9	6.4	6.7
ACC	291	1,552	BUY	1,940	12.3	10.5	9.2	126	122	119	(0.3)	(0.4)	(0.4)	11.0	13.1	13.7
Ramco Cements	191	810	BUY	770	19.9	17.4	15.3	192	176	167	0.3	0.4	0.4	12.1	13.5	13.9
Dalmia Bharat	171	887	BUY	1,275	10.5	9.2	9.2	119	120	100	0.3	0.3	0.3	2.8	2.8	2.5
JK Cements	107	1,390	BUY	1,523	15.3	11.5	10.2	134	111	112	0.8	1.0	0.9	10.5	14.9	15.2
Star Cement	37	88	BUY	135	8.1	8.1	6.4	151	125	109	(0.1)	(0.1)	(0.2)	17.9	16.7	17.7
<b>JK Lakshmi</b>	<b>44</b>	<b>370</b>	<b>BUY</b>	<b>485</b>	<b>13.5</b>	<b>7.8</b>	<b>7.0</b>	<b>79</b>	<b>71</b>	<b>71</b>	<b>0.8</b>	<b>0.6</b>	<b>0.5</b>	<b>5.3</b>	<b>15.6</b>	<b>17.2</b>
Orient Cement	17.3	84	BUY	120	9.6	8.1	6.9	58	56	56	1.2	1.1	0.9	4.6	7.4	11.1
Deccan Cement	4.67	333	BUY	520	4.1	5.0	4.7	27	30	36	(0.2)	(0.1)	0.1	11.9	11.5	12.1

Source: Company, HDFC sec Inst Research, For ACC and Ambuja, the financial year is CY18/CY19E/CY20E resp

*We broadly maintain our earnings estimates*

*We have modelled in higher capex of Rs 6bn each in FY21/22E as against an avg annual capex of Rs 1.4bn in the last five years. This is to account for brownfield expansions across its plants in north (as JKLC is already operating its clinker capacities at peak utilisation) and WHRS addition*

**Standalone Income Statement**

(Rs Mn)	FY18	FY19	FY20E	FY21E	FY22E
<b>Revenues</b>	<b>34,122</b>	<b>38,823</b>	<b>43,482</b>	<b>47,409</b>	<b>49,735</b>
<b>Growth %</b>	<b>17.2</b>	<b>13.8</b>	<b>12.0</b>	<b>9.0</b>	<b>4.9</b>
Raw Material	7,784	9,687	11,618	12,414	12,943
Power & Fuel	7,959	9,198	8,695	9,484	10,050
Freight Expense	8,726	9,533	8,963	9,874	10,463
Employee cost	2,350	2,599	3,021	3,361	3,527
Other Expenses	3,190	3,656	4,244	4,531	4,661
<b>EBITDA</b>	<b>4,114</b>	<b>4,150</b>	<b>6,941</b>	<b>7,746</b>	<b>8,090</b>
<b>EBITDA Margin (%)</b>	<b>12.1</b>	<b>10.7</b>	<b>16.0</b>	<b>16.3</b>	<b>16.3</b>
<b>EBITDA Growth %</b>	<b>12.6</b>	<b>0.9</b>	<b>67.2</b>	<b>11.6</b>	<b>4.4</b>
Depreciation	1,793	1,794	1,883	2,029	2,250
<b>EBIT</b>	<b>2,321</b>	<b>2,356</b>	<b>5,058</b>	<b>5,718</b>	<b>5,840</b>
Other Income (Including EO Items)	681	563	170	300	300
Interest	1,975	1,874	1,616	1,225	1,373
<b>PBT</b>	<b>1,027</b>	<b>1,044</b>	<b>3,612</b>	<b>4,792</b>	<b>4,766</b>
Tax	188	249	1,268	1,533	1,478
RPAT	<b>840</b>	<b>796</b>	<b>2,344</b>	<b>3,259</b>	<b>3,289</b>
EO (Loss) / Profit (Net Of Tax)	-	-	(200)	-	-
<b>APAT</b>	<b>840</b>	<b>796</b>	<b>2,544</b>	<b>3,259</b>	<b>3,289</b>
<b>APAT Growth (%)</b>	<b>2.4</b>	<b>(5.2)</b>	<b>219.8</b>	<b>28.1</b>	<b>0.9</b>
<b>AEPS</b>	<b>7.1</b>	<b>6.8</b>	<b>21.6</b>	<b>27.7</b>	<b>27.9</b>
<b>AEPS Growth %</b>	<b>2.4</b>	<b>(5.2)</b>	<b>219.8</b>	<b>28.1</b>	<b>0.9</b>

Source: Company, HDFC sec Inst Research

**Standalone Balance Sheet**

(Rs mn)	FY18	FY19	FY20E	FY21E	FY22E
<b>SOURCES OF FUNDS</b>					
Share Capital	589	589	589	589	589
Reserves And Surplus	13,944	14,638	16,841	19,959	23,036
<b>Total Equity</b>	<b>14,532</b>	<b>15,227</b>	<b>17,430</b>	<b>20,547</b>	<b>23,624</b>
Long-term Debt	16,075	15,543	14,043	14,000	14,000
Short-term Debt	4,130	586	600	600	600
<b>Total Debt</b>	<b>20,204</b>	<b>16,129</b>	<b>14,643</b>	<b>14,600</b>	<b>14,600</b>
Deferred Tax Liability	(200)	(220)	(220)	(220)	(220)
Long-term Liab+ Provisions	3,112	3,621	3,797	3,797	4,166
<b>TOTAL SOURCES OF FUNDS</b>	<b>37,648</b>	<b>34,757</b>	<b>35,650</b>	<b>38,724</b>	<b>42,170</b>
<b>APPLICATION OF FUNDS</b>					
Net Block	27,952	26,390	29,008	27,979	34,729
Capital WIP	2,261	4,111	611	5,611	2,611
Goodwill	-	-	-	-	-
Other Non-current Assets	1,919	1,892	2,009	2,009	2,009
Total Non-current Investments	3,539	3,573	3,073	3,073	3,073
<b>Total Non-current Assets</b>	<b>35,671</b>	<b>35,966</b>	<b>34,700</b>	<b>38,671</b>	<b>42,421</b>
Inventories	3,170	3,117	3,812	4,286	4,497
Debtors	969	1,066	1,251	1,364	1,431
Cash and Cash Equivalents	4,518	3,804	4,037	3,813	4,291
Other Current Assets (& Loans/adv)	356	382	392	402	414
<b>Total Current Assets</b>	<b>9,014</b>	<b>8,369</b>	<b>9,491</b>	<b>9,865</b>	<b>10,633</b>
Creditors	3,186	5,114	3,459	3,723	4,170
Other Current Liabilities & Provns	3,851	4,464	5,083	6,090	6,715
<b>Total Current Liabilities</b>	<b>7,037</b>	<b>9,578</b>	<b>8,542</b>	<b>9,813</b>	<b>10,884</b>
<b>Net Current Assets</b>	<b>1,977</b>	<b>(1,209)</b>	<b>950</b>	<b>53</b>	<b>(251)</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>37,648</b>	<b>34,757</b>	<b>35,650</b>	<b>38,724</b>	<b>42,170</b>

Source: Company, HDFC sec Inst Research

**Standalone Cash Flow**

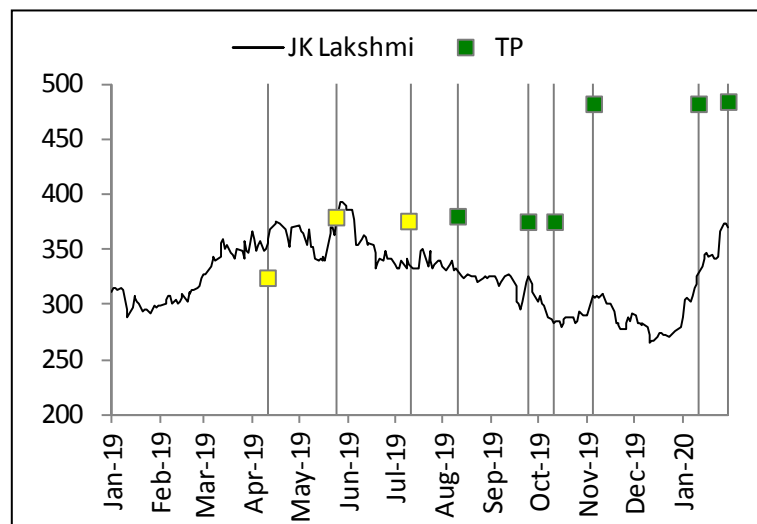
(Rs mn)	FY18	FY19	FY20E	FY21E	FY22E
Reported PBT	1,027	1,044	3,612	4,792	4,766
Non-operating & EO Items	(436)	(335)	(370)	(300)	(300)
Interest Expenses	1,975	1,874	1,616	1,225	1,373
Depreciation	1,793	1,794	1,883	2,029	2,250
Working Capital Change	591	2,698	(1,867)	673	1,151
Tax Paid	(386)	(181)	(1,268)	(1,533)	(1,478)
<b>OPERATING CASH FLOW ( a )</b>	<b>4,565</b>	<b>6,895</b>	<b>3,605</b>	<b>6,886</b>	<b>7,764</b>
Capex	(1,369)	(1,888)	(1,000)	(6,000)	(6,000)
Free Cash Flow (FCF)	3,196	5,006	2,605	886	1,764
Investments	463	1,065	500	500	500
Non-operating Income	17	29	370	300	300
Others					
<b>INVESTING CASH FLOW ( b )</b>	<b>(888)</b>	<b>(794)</b>	<b>(130)</b>	<b>(5,200)</b>	<b>(5,200)</b>
Debt Issuance/(Repaid)	(1,502)	(3,934)	(1,486)	(43)	-
Interest Expenses	(2,046)	(1,991)	(1,616)	(1,225)	(1,373)
FCFE	(351)	(919)	(496)	(383)	391
Share Capital Issuance	-	-	-	-	-
Dividend	(103)	(111)	(141)	(141)	(212)
<b>FINANCING CASH FLOW ( c )</b>	<b>(3,650)</b>	<b>(6,036)</b>	<b>(3,243)</b>	<b>(1,410)</b>	<b>(1,585)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>26</b>	<b>64</b>	<b>233</b>	<b>276</b>	<b>979</b>
EO Items, Others					
<b>Closing Cash &amp; Equivalents</b>	<b>5,113</b>	<b>4,583</b>	<b>4,037</b>	<b>4,313</b>	<b>4,791</b>

Source: Company, HDFC sec Inst Research

**Standalone Key Ratios & Valuations**

	FY18	FY19	FY20E	FY21E	FY22E
<b>PROFITABILITY %</b>					
EBITDA Margin	12.1	10.7	16.0	16.3	16.3
EBIT Margin	6.8	6.1	11.6	12.1	11.7
APAT Margin	2.5	2.0	5.9	6.9	6.6
RoE	5.9	5.3	15.6	17.2	14.9
RoIC	5.7	5.6	10.5	11.7	11.1
RoCE	6.4	6.1	10.0	11.0	10.5
<b>EFFICIENCY</b>					
Tax Rate %	18.3	23.8	35.1	32.0	31.0
Fixed Asset Turnover (x)	1.1	1.2	1.2	1.2	1.1
Inventory (days)	34	29	32	33	33
Debtors (days)	10	10	11	11	11
Other Current Assets (days)	4	4	3	3	3
Payables (days)	34	48	29	29	31
Other Current Liab & Provns (days)	41	42	43	47	49
Cash Conversion Cycle (days)	(27)	(47)	(26)	(29)	(33)
Net Debt/EBITDA (x)	3.8	3.0	1.5	1.4	1.3
Net D/E (x)	1.1	0.8	0.6	0.5	0.4
Interest Coverage (x)	1.2	1.3	3.1	4.7	4.3
<b>PER SHARE DATA (Rs)</b>					
EPS	7.1	6.8	21.6	27.7	27.9
CEPS	22.4	22.0	37.6	44.9	47.1
Dividend	0.8	0.8	1.0	1.0	1.5
Book Value	123.5	129.4	148.1	174.6	200.7
<b>VALUATION</b>					
P/E (x)	51.9	54.8	17.1	13.4	13.3
P/Cash EPS (x)	16.6	16.8	10.3	8.2	7.9
P/BV (x)	3.0	2.9	2.5	2.1	1.8
EV/EBITDA (x)	14.1	13.0	7.8	6.7	6.5
EV/MT(USD)	82	76	71	68	59
Dividend Yield (%)	0.2	0.2	0.3	0.3	0.4
OCF/EV (%)	7.9	12.8	6.7	13.4	14.8
FCFF/EV (%)	5.5	9.3	4.8	1.7	3.4
FCFE/M Cap (%)	7.3	11.5	6.0	2.0	4.0

Source: Company, HDFC sec Inst Research,

**RECOMMENDATION HISTORY**


Date	CMP	Reco	Target
10-Apr-19	351	NEU	324
27-May-19	376	NEU	378
10-Jul-19	341	NEU	376
11-Aug-19	332	BUY	381
22-Sep-19	303	BUY	376
10-Oct-19	286	BUY	376
5-Nov-19	308	BUY	483
10-Jan-20	319	BUY	483
29-Jan-20	370	BUY	485

**Rating Definitions**

- BUY** : Where the stock is expected to deliver more than 10% returns over the next 12 month period  
**NEUTRAL** : Where the stock is expected to deliver (-)10% to 10% returns over the next 12 month period  
**SELL** : Where the stock is expected to deliver less than (-)10% returns over the next 12 month period

**INSTITUTIONAL RESEARCH**
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