

# Orient Electric

## Margin recovery in sight; upgrade to BUY

Orient Electric's (OEL) Q4 operating print was dampened by annual EPR compliance cost (INR 186mn; 2.4% of EBITDA). This along with investments in branding, capability building, working capital efficiency and seeding alternate channels (e-com/LFR +85%/+80% YoY) led to 310bps margin compression to 3.9% (6.3% ex of EPR cost). ECD revenue growth was led by fans (+29%) with DTM states growing by 46% (65% in FY24). With the Hyderabad plant having commissioned production, OEL is targeting low-to-mid-teens CAGR in fans in the near-medium term. Despite price erosion witnessed in the B2C segment, Lighting continued to post value growth (+9% YoY), led by robust momentum in the B2B portfolio and strong volumes in the B2C portfolio. OEL has been demonstrating healthy revenue traction over the past few quarters coupled with gross margin expansion led by (1) premiumisation of portfolio; (2) innovation; (3) distribution expansion; and (4) brand investments. With most of the strategic spending now at a peak and op-lev improving, we expect margins to expand by 370bps over FY24-26. Improving margin and return profile should help re-rate the company. With the risk-reward now turning favourable, we upgrade the stock to BUY (from ADD) with a target price of INR 270 (33x Mar'26 EPS).

- Revenue grew by 20%; EPR cost pulls down profitability:** Revenue grew by 20% YoY to INR 7.9bn (HSIE: INR 8.2bn), led by fans, appliances, and switchgear. Gross margin expanded by 240bps YoY to 30.8% (HSIE: 30.2%), led by mix improvement and input cost reduction. EBITDA fell by 34% YoY to INR 307mn as employee/other expenses grew by 55/49% respectively. This led to a margin contraction of 310bps YoY to 3.9%. We note that other expense includes annual EPR compliance cost (e-waste management) of INR 196mn and INR40mn higher provisions. Adjusting for this EBITDA stood at INR 533mn (HSIE: INR 592mn) with margins at 6.8% (HSIE: 7.2%). Reported PBT fell 59% YoY to INR 135mn (Adjusted PBT at INR 361mn vs HSIE: INR 435mn) while PAT fell by 48% YoY to INR 128mn.
- ECD revenue grew 24%; lighting maintains growth trajectory:** ECD revenue grew by 24% YoY to INR 5.7bn led by fans which grew by 29%. Margins contracted by 160bps YoY to 8.2%. Adjusting for EPR compliance cost, margins stood at 11.4% (HSIE: 11.5%). **Lighting & Switchgears** revenue grew by 9% YoY to INR2.2bn. Despite price erosion, B2C lighting grew by 4% (healthy volume growth). B2B and Facade continued to maintain healthy momentum. Margins contracted by 670bps YoY to 12.8% due to higher marketing interventions during the quarter.
- Earnings call takeaways:** (1) Revenue in DTM states grew by 46% YoY (+65% in FY24). Added 2 more states in April (J&K and Himachal Pradesh) with 2 more in the offing. (2) OEL has started passing on EPR cost increase beginning April'24. (3) Commenced commercial production of TPW fans in Hyderabad from May 6. Two lines of ceiling fans will start dispatch by the end of May. (4) Project Sanchay led to INR 760mn cost savings in FY24. (5) The intensity of price erosion in LED lamps has come down to low single digits. (6) E-com revenue grew by 85/75% in Q4/FY24. LFR revenues grew by 80% in Q4.

### Financial summary

(INR mn)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	FY23	FY24	FY25E	FY26E
Net Sales	7,877	6,579	19.7	7,519	4.8	25,292	28,121	31,658	36,144
EBITDA	307	464	(33.7)	489	(37.2)	1,510	1,443	2,435	3,173
APAT	128	246	(48.0)	243	(47.4)	758	566	1,276	1,739
EPS (INR)	0.6	1.2	(48.2)	1.1	(47.4)	3.6	2.7	6.0	8.1
P/E (x)						58.6	78.8	35.0	25.6
EV / EBITDA						28.4	30.3	17.7	13.4
RoE (%)						13.5	9.3	18.7	22.0

Source: Company, HSIE Research

BUY

CMP (as on 10 May2024)	INR 209
Target Price	INR 270
NIFTY	22,055

KEY CHANGES	OLD	NEW
Rating	ADD	BUY
Price Target	INR 275	INR 270
EPS %	FY25E	FY26E
	-6%	-2%

### KEY STOCK DATA

Bloomberg code	ORIENTEL IN
No. of Shares (mn)	213
MCap (INR bn) / (\$ mn)	44/533
6m avg traded value (INR mn)	118
52 Week high / low	INR 263/189

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(0.6)	(4.1)	(5.1)
Relative (%)	(2.1)	(16.1)	(22.4)

### SHAREHOLDING PATTERN (%)

	Dec-23	Mar-24
Promoters	38.31	38.31
FIs & Local MFs	29.23	27.19
FPIs	5.93	6.52
Public & Others	26.53	27.98
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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## Exhibit 1: Quarterly Performance

Y/e March (INR mn)	Q4FY24	Q4FY23	YoY	Q3FY24	QoQ	Q4FY24E	Var	FY24	FY23	YoY
<b>Revenue</b>	<b>7,877</b>	<b>6,579</b>	<b>20%</b>	<b>7,519</b>	<b>5%</b>	<b>8,249</b>	<b>-5%</b>	<b>28,121</b>	<b>25,292</b>	<b>11%</b>
<i>ECD</i>	5,691	4,577	24%	5,352	6%	6,189	-8%	19,828	17,518	13%
<i>Lighting &amp; Switchgear</i>	2,186	2,003	9%	2,167	1%	2,060	6%	8,294	7,774	7%
<b>Gross Profit</b>	<b>2,424</b>	<b>1,864</b>	<b>30%</b>	<b>2,247</b>	<b>8%</b>	<b>2,492</b>	<b>-3%</b>	<b>8,551</b>	<b>7,050</b>	<b>21%</b>
<b>GPM %</b>	<b>30.8%</b>	<b>28.3%</b>	<b>240bps</b>	<b>29.9%</b>	<b>90bps</b>	<b>30.2%</b>	<b>60bps</b>	<b>30.4%</b>	<b>27.9%</b>	<b>250bps</b>
Employee Cost	699	451	55%	636	10%	646	8%	2,589	1,926	34%
<i>% of sales</i>	8.9%	6.9%	200bps	8.5%	40bps	7.8%	100bps	9.2%	7.6%	160bps
Other Expenses*	1,418	950	49%	1,122	26%	1,254	13%	4,519	3,614	25%
<i>% of sales</i>	18.0%	14.4%	360bps	14.9%	310bps	15.2%	280bps	16.1%	14.3%	180bps
<b>EBITDA</b>	<b>307</b>	<b>464</b>	<b>-34%</b>	<b>489</b>	<b>-37%</b>	<b>592</b>	<b>-48%</b>	<b>1,443</b>	<b>1,510</b>	<b>-4%</b>
<b>EBITDAM %</b>	<b>3.9%</b>	<b>7.0%</b>	<b>-310bps</b>	<b>6.5%</b>	<b>-260bps</b>	<b>7.2%</b>	<b>-330bps</b>	<b>5.1%</b>	<b>6.0%</b>	<b>-80bps</b>
Other income	50	63	-21%	43	18%	51	-1%	155	266	-42%
Depreciation	155	137	13%	150	3%	155	0%	590	535	10%
<b>EBIT</b>	<b>203</b>	<b>390</b>	<b>-48%</b>	<b>382</b>	<b>-47%</b>	<b>488</b>	<b>-58%</b>	<b>1,008</b>	<b>1,241</b>	<b>-19%</b>
<b>EBIT Margin %</b>	<b>2.6%</b>	<b>5.9%</b>	<b>-330bps</b>	<b>5.1%</b>	<b>-250bps</b>	<b>5.9%</b>	<b>-330bps</b>	<b>3.6%</b>	<b>4.9%</b>	<b>-130bps</b>
Interest	68	61	11%	54	27%	53	29%	233	222	5%
<b>PBT before exceptional item</b>	<b>135</b>	<b>328</b>	<b>-59%</b>	<b>328</b>	<b>-59%</b>	<b>435</b>	<b>-69%</b>	<b>776</b>	<b>1,019</b>	<b>-24%</b>
Tax Expense	7	82	-92%	85	-92%	111	-94%	210	261	-20%
<b>ETR (%)</b>	<b>5.1%</b>	<b>25.0%</b>	<b>-1990bps</b>	<b>25.8%</b>	<b>-2070bps</b>	<b>25.6%</b>	<b>-2050bps</b>	<b>27.1%</b>	<b>25.6%</b>	<b>150bps</b>
Exceptional item	-	-	na	-	na	-	na	187	-	na
<b>PAT</b>	<b>128</b>	<b>246</b>	<b>-48%</b>	<b>243</b>	<b>-47%</b>	<b>324</b>	<b>-60%</b>	<b>753</b>	<b>758</b>	<b>-1%</b>
<b>Adj. PAT</b>	<b>128</b>	<b>246</b>	<b>-48%</b>	<b>243</b>	<b>na</b>	<b>324</b>	<b>-60%</b>	<b>566</b>	<b>758</b>	<b>-25%</b>
<b>Adj. EPS (INR)</b>	<b>0.6</b>	<b>1.2</b>	<b>-48%</b>	<b>1.1</b>	<b>na</b>	<b>1.5</b>	<b>-60%</b>	<b>2.7</b>	<b>3.6</b>	<b>-26%</b>

Source: Company; HSIE Research \*Other expense include INR186mn of annual EPR compliance cost and INR 40mn of additional provisions

## Exhibit 2: Segmental Performance

Revenue (INR mn)	Q4FY24	Q4FY23	YoY	Q3FY24	QoQ	Q4FY24E	Var	FY24	FY23	YoY
ECD	5,691	4,577	24%	5,352	6%	6,189	-8%	19,828	17,518	13%
Lighting & Switchgear	2,186	2,003	9%	2,167	1%	2,060	6%	8,294	7,774	7%
<b>Total</b>	<b>7,877</b>	<b>6,579</b>	<b>20%</b>	<b>7,519</b>	<b>5%</b>	<b>8,249</b>	<b>-5%</b>	<b>28,121</b>	<b>25,292</b>	<b>11%</b>
<b>EBIT (INR mn)</b>										
ECD*	465	445	4%	603	-23%	713	-35%	1,856	1,599	16%
Lighting & Switchgear	281	391	-28%	307	-9%	289	-3%	1,164	1,162	0%
<b>Total</b>	<b>746</b>	<b>836</b>	<b>-11%</b>	<b>910</b>	<b>-18%</b>	<b>1,001</b>	<b>-26%</b>	<b>3,020</b>	<b>2,761</b>	<b>9%</b>
<b>EBIT Margin %</b>										
ECD*	8.2%	9.7%	-160bps	11.3%	-310bps	11.5%	-330bps	9.4%	9.1%	20bps
Lighting & Switchgear	12.8%	19.5%	-670bps	14.2%	-130bps	14.0%	-120bps	14.0%	14.9%	-90bps
<b>Total</b>	<b>9.5%</b>	<b>12.7%</b>	<b>-320bps</b>	<b>12.1%</b>	<b>-260bps</b>	<b>12.1%</b>	<b>-270bps</b>	<b>10.7%</b>	<b>10.9%</b>	<b>-20bps</b>

Source: Company; HSIE Research \*INR186mn impact of annual EPR compliance cost

**Exhibit 3: Change in estimates**

Year End (March) - INR mn	Old		New		Change %	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	32,229	36,099	31,658	36,144	-2	0
EBITDA	2,580	3,182	2,435	3,173	-6	0
EBITDAM %	8.0	8.8	7.7	8.8	-30bps	0bps
APAT	1,359	1,766	1,276	1,739	-6	-2
EPS (INR)	6.4	8.3	6.0	8.1	-6	-2
<b>Rating</b>	<b>ADD</b>		<b>BUY</b>			
<b>Target Price (INR)</b>	<b>275</b>		<b>270</b>			
<b>Target P/E (x)</b>	<b>33x Mar'26</b>		<b>33x Mar'26</b>			

Source: Company; HSIE Research

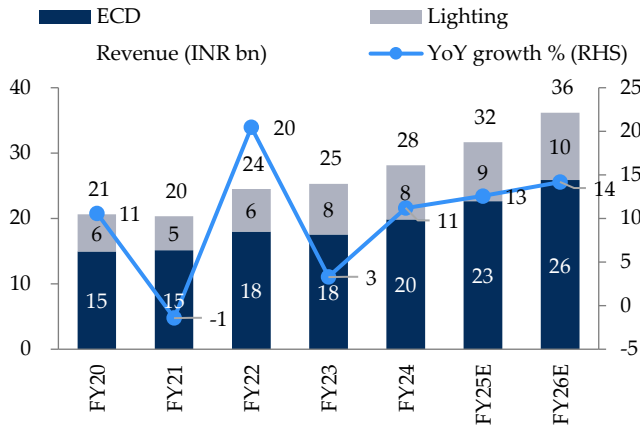
**Exhibit 4: Key Assumptions**

Year End (March)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Revenue (INR mn)</b>							
Electric Consumer Durables	14,916	15,139	17,993	17,518	19,828	22,642	25,856
Lighting & Switchgear	5,702	5,187	6,491	7,774	8,294	9,016	10,288
<b>Total</b>	<b>20,618</b>	<b>20,326</b>	<b>24,484</b>	<b>25,292</b>	<b>28,121</b>	<b>31,658</b>	<b>36,144</b>
<b>Revenue Growth %</b>							
Electric Consumer Durables	12	1	19	-3	13	14	14
Lighting & Switchgear	7	-9	25	20	7	9	14
<b>Total</b>	<b>11</b>	<b>-1</b>	<b>20</b>	<b>3</b>	<b>11</b>	<b>13</b>	<b>14</b>
<b>EBIT (INR mn)</b>							
Electric Consumer Durables	1,818	2,052	2,012	1,599	1,856	2,423	2,844
Lighting & Switchgear	597	692	949	1,162	1,164	1,307	1,517
<b>Total</b>	<b>2,414</b>	<b>2,744</b>	<b>2,960</b>	<b>2,761</b>	<b>3,020</b>	<b>3,730</b>	<b>4,362</b>
<b>EBIT Margin %</b>							
Electric Consumer Durables	12.2	13.6	11.2	9.1	9.4	10.7	11.0
Lighting & Switchgear	10.5	13.3	14.6	14.9	14.0	14.5	14.8
<b>Total</b>	<b>11.7</b>	<b>13.5</b>	<b>12.1</b>	<b>10.9</b>	<b>10.7</b>	<b>11.8</b>	<b>12.1</b>

Source: Company; HSIE Research

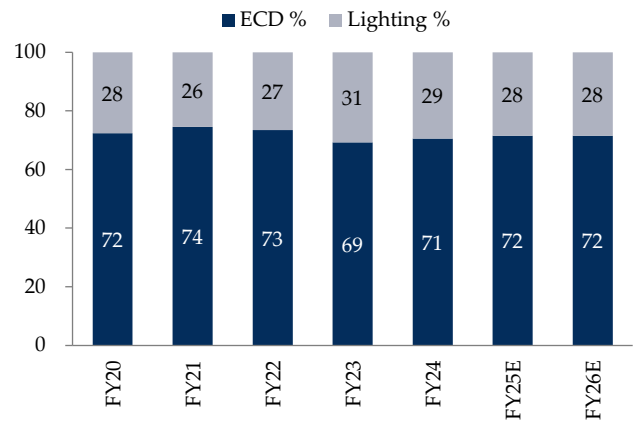
Story in Charts

Exhibit 5: Revenue to grow at 13% CAGR over FY24-26E



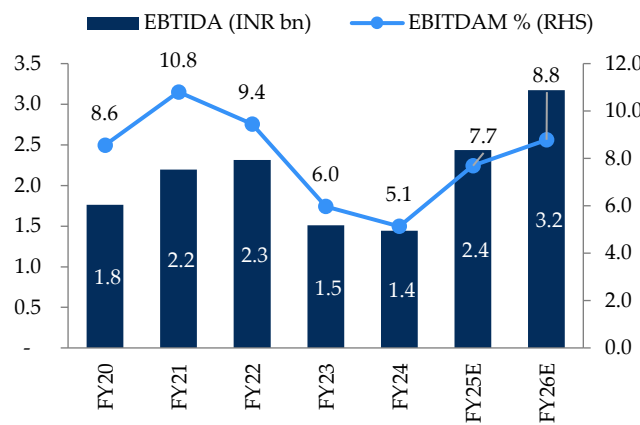
Source: Company, HSIE Research

Exhibit 6: ECD continues to dominate revenue mix



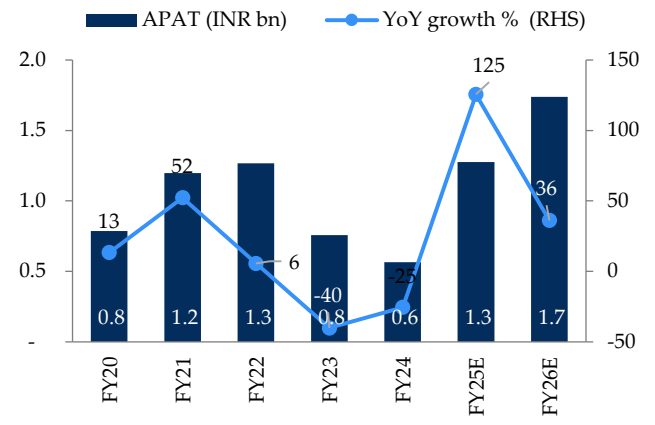
Source: Company, HSIE Research

Exhibit 7: EBITDA to grow at 48% CAGR over FY24-26E



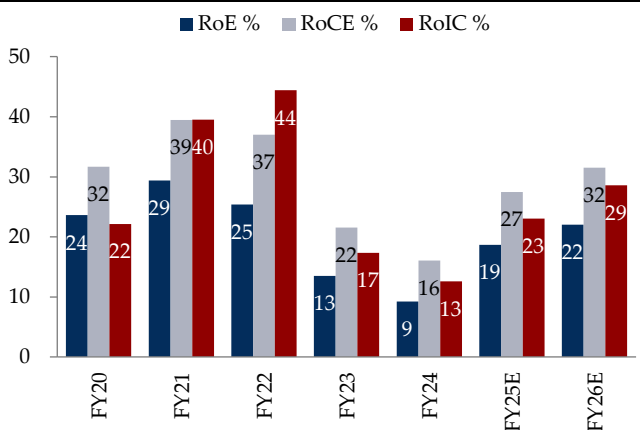
Source: Company, HSIE Research

Exhibit 8: PAT to grow at 75% CAGR over FY24-26E



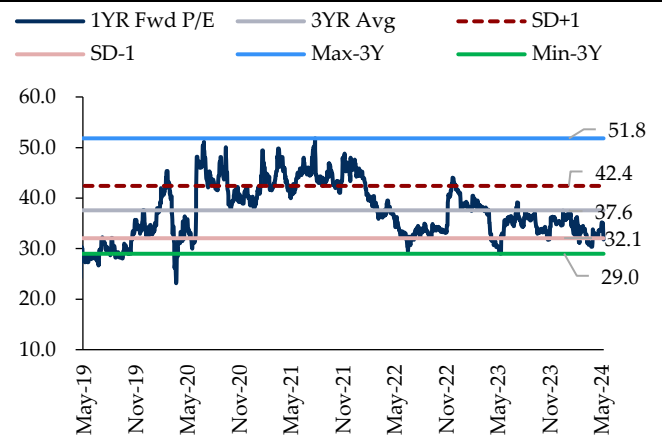
Source: Company, HSIE Research

Exhibit 9: Return ratios set to improve



Source: Company, HSIE Research

Exhibit 10: Trading at 32x 1-year forward P/E



Source: Bloomberg, HSIE Research

## Financials

### Standalone P&L

Year End (March) - INR mn	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Net Revenues</b>	<b>20,618</b>	<b>20,326</b>	<b>24,484</b>	<b>25,292</b>	<b>28,121</b>	<b>31,658</b>	<b>36,144</b>
Growth (%)	10.6	(1.4)	20.5	3.3	11.2	12.6	14.2
Material Expenses	14,094	14,210	17,666	18,242	19,570	21,844	24,758
Employee Expense	1,985	1,792	1,905	1,926	2,589	2,897	3,253
Other Expenses	2,776	2,130	2,600	3,614	4,519	4,482	4,959
<b>EBITDA</b>	<b>1,764</b>	<b>2,195</b>	<b>2,313</b>	<b>1,510</b>	<b>1,443</b>	<b>2,435</b>	<b>3,173</b>
EBITDA Growth (%)	24.9	24.4	5.4	(34.7)	(4.4)	68.8	30.3
EBITDA Margin (%)	8.6	10.8	9.4	6.0	5.1	7.7	8.8
Depreciation	401	432	471	535	590	672	837
<b>EBIT</b>	<b>1,363</b>	<b>1,764</b>	<b>1,842</b>	<b>975</b>	<b>853</b>	<b>1,764</b>	<b>2,336</b>
Other Income (Including EO Items)	41	63	58	266	155	174	209
Interest	261	207	203	222	233	225	211
<b>PBT</b>	<b>1,143</b>	<b>1,619</b>	<b>1,698</b>	<b>1,019</b>	<b>776</b>	<b>1,713</b>	<b>2,334</b>
Total Tax	357	422	431	261	210	437	595
Exceptional Gain/ (loss)	-	-	-	-	187	-	-
<b>RPAT</b>	<b>786</b>	<b>1,197</b>	<b>1,266</b>	<b>758</b>	<b>753</b>	<b>1,276</b>	<b>1,739</b>
<b>Adjusted PAT</b>	<b>786</b>	<b>1,197</b>	<b>1,266</b>	<b>758</b>	<b>566</b>	<b>1,276</b>	<b>1,739</b>
APAT Growth (%)	13.4	52.3	5.8	(40.1)	(25.4)	125.5	36.3
EPS	3.7	5.6	6.0	3.6	2.7	6.0	8.1
EPS Growth (%)	13.4	52.3	5.8	(40.3)	(25.6)	125.5	36.3

### Standalone Balance Sheet

Year End (March) - INR mn	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>SOURCES OF FUNDS</b>							
Share Capital - Equity	212	212	212	213	213	213	213
Other Equity	3,382	4,344	5,201	5,634	6,176	7,078	8,284
<b>Total Shareholders' Funds</b>	<b>3,594</b>	<b>4,557</b>	<b>5,413</b>	<b>5,846</b>	<b>6,389</b>	<b>7,292</b>	<b>8,497</b>
Long Term Debt	-	17	-	-	-	-	-
Short Term Debt	947	135	147	101	209	209	159
<b>Total Debt</b>	<b>947</b>	<b>153</b>	<b>147</b>	<b>101</b>	<b>209</b>	<b>209</b>	<b>159</b>
Net Deferred Taxes	(214)	(263)	(263)	(255)	(302)	(284)	(261)
Other Non-Current Liabilities	706	554	739	964	943	967	996
<b>TOTAL SOURCES OF FUNDS</b>	<b>5,033</b>	<b>5,000</b>	<b>6,036</b>	<b>6,657</b>	<b>7,240</b>	<b>8,183</b>	<b>9,390</b>
<b>APPLICATION OF FUNDS</b>							
<b>Net Block</b>	<b>1,296</b>	<b>1,298</b>	<b>1,424</b>	<b>1,272</b>	<b>1,396</b>	<b>3,719</b>	<b>3,863</b>
Goodwill	-	-	-	-	-	-	-
CWIP	103	26	31	860	2,251	100	100
Intangible assets	63	143	219	183	142	175	195
Right of Use Assets	542	504	477	803	821	841	865
Non-Current Investments	-	-	-	-	-	-	-
Other Non-Current Assets	384	425	511	579	405	456	521
<b>Total Non-current Assets</b>	<b>2,387</b>	<b>2,397</b>	<b>2,661</b>	<b>3,696</b>	<b>5,014</b>	<b>5,292</b>	<b>5,544</b>
Current-Investments	-	-	-	-	373	873	1,373
Inventories	2,865	2,492	3,261	2,846	3,151	3,469	3,961
Debtors	3,637	3,552	3,904	3,560	4,620	4,597	5,248
Cash & Equivalents	75	2,576	1,505	1,642	663	779	960
Other Current Assets	427	345	280	647	387	434	493
<b>Total Current Assets</b>	<b>7,004</b>	<b>8,964</b>	<b>8,950</b>	<b>8,696</b>	<b>9,194</b>	<b>10,153</b>	<b>12,035</b>
Creditors	3,305	5,191	4,495	4,530	5,439	5,638	6,437
Other Current Liabilities & Provisions	1,053	1,169	1,080	1,205	1,530	1,623	1,752
<b>Total Current Liabilities</b>	<b>4,358</b>	<b>6,360</b>	<b>5,575</b>	<b>5,735</b>	<b>6,969</b>	<b>7,261</b>	<b>8,189</b>
<b>Net Current Assets</b>	<b>2,646</b>	<b>2,604</b>	<b>3,375</b>	<b>2,961</b>	<b>2,226</b>	<b>2,891</b>	<b>3,847</b>
<b>TOTAL APPLICATION OF FUNDS</b>	<b>5,033</b>	<b>5,001</b>	<b>6,036</b>	<b>6,657</b>	<b>7,240</b>	<b>8,183</b>	<b>9,390</b>

Source: Company, HSIE Research

### Standalone Cash Flow

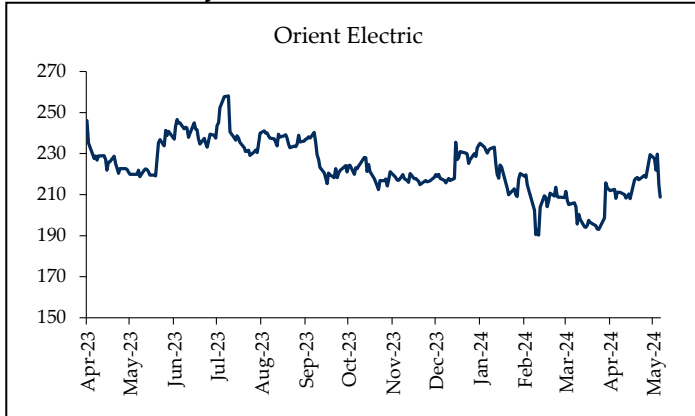
Year End (March) - INR mn	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Reported PBT	1,143	1,619	1,698	1,019	776	1,713	2,334
Non-operating & EO Items	392	218	30	(97)	83	(70)	(97)
Interest Expenses	261	207	203	222	233	225	211
Depreciation	401	432	471	535	590	672	837
Working Capital Change	(423)	2,211	(1,906)	567	(443)	(63)	(291)
Tax Paid	(482)	(414)	(508)	(349)	(57)	(437)	(595)
<b>OPERATING CASH FLOW ( a )</b>	<b>1,292</b>	<b>4,273</b>	<b>(13)</b>	<b>1,897</b>	<b>1,183</b>	<b>2,040</b>	<b>2,399</b>
Capex	(522)	(359)	(423)	(1,136)	(1,400)	(898)	(1,024)
Free Cash Flow (FCF)	771	3,914	(435)	761	(217)	1,142	1,375
Investments	(4)	(1,170)	1,172	(58)	(376)	(500)	(500)
Non-operating Income	17	22	33	95	70	73	101
Others	-	-	-	-	-	-	-
<b>INVESTING CASH FLOW ( b )</b>	<b>(508)</b>	<b>(1,506)</b>	<b>782</b>	<b>(1,099)</b>	<b>(1,705)</b>	<b>(1,325)</b>	<b>(1,423)</b>
Debt Issuance/(Repaid)	(367)	(832)	(57)	(46)	108	-	(50)
Interest Expenses	(259)	(210)	(38)	(34)	(37)	(225)	(211)
FCFE	662	3,292	(455)	749	(72)	1,367	1,536
Share Capital Issuance	-	-	-	89	84	-	-
Dividend	(294)	(265)	(424)	(425)	(320)	(373)	(533)
Others	(109)	(129)	(151)	(246)	(291)	-	-
<b>FINANCING CASH FLOW ( c )</b>	<b>(1,029)</b>	<b>(1,437)</b>	<b>(670)</b>	<b>(661)</b>	<b>(457)</b>	<b>(599)</b>	<b>(795)</b>
<b>NET CASH FLOW (a+b+c)</b>	<b>(245)</b>	<b>1,330</b>	<b>99</b>	<b>137</b>	<b>(979)</b>	<b>116</b>	<b>181</b>
EO Items, Others	-	-	-	-	187	-	-
Closing Cash & Equivalents	71	1,401	1,500	1,636	657	772	953

### Ratios

Year End (March)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>PROFITABILITY (%)</b>							
GPM	31.6	30.1	27.8	27.9	30.4	31.0	31.5
EBITDA Margin (%)	8.6	10.8	9.4	6.0	5.1	7.7	8.8
EBIT Margin	6.6	8.7	7.5	3.9	3.0	5.6	6.5
PBT Margin	5.5	8.0	6.9	4.0	2.8	5.4	6.5
APAT Margin	3.8	5.9	5.2	3.0	2.0	4.0	4.8
RoE	23.6	29.4	25.4	13.5	9.3	18.7	22.0
RoIC (or Core RoCE)	22.2	39.5	44.4	17.4	12.6	23.0	28.6
RoCE	31.7	39.5	37.0	21.6	16.1	27.5	31.5
<b>EFFICIENCY</b>							
Tax Rate (%)	31.2	26.0	25.4	25.6	27.1	25.5	25.5
Fixed Asset Turnover (x)	8.5	7.5	8.1	7.9	8.2	6.3	5.4
Inventory (days)	49	48	43	44	41	40	40
Debtors (days)	67	65	56	54	60	53	53
Other Current Assets (days)	7	7	5	7	5	5	5
Payables (days)	60	76	72	65	71	65	65
Other Current Liab & Provns (days)	18	20	17	16	20	19	18
Cash Conversion Cycle (days)	45	23	14	23	15	14	15
Net D/E (x)	0.2	(0.5)	(0.3)	(0.3)	(0.1)	(0.1)	(0.1)
Interest Coverage (x)	5.2	8.5	9.1	4.4	3.7	7.8	11.1
<b>PER SHARE DATA (Rs)</b>							
EPS	3.7	5.6	6.0	3.6	2.7	6.0	8.1
CEPS	5.6	7.7	8.2	6.1	5.4	9.1	12.1
Dividend	1.1	2.0	2.0	1.5	1.5	2.5	3.5
Book Value	16.9	21.5	25.5	27.5	29.9	34.2	39.8
<b>VALUATION</b>							
P/E (x)	56.4	37.0	35.0	58.6	78.8	35.0	25.6
P/BV (x)	12.3	9.7	8.2	7.6	7.0	6.1	5.2
EV/EBITDA (x)	25.6	19.1	18.6	28.4	30.3	17.7	13.4
EV/Revenues (x)	2.2	2.1	1.8	1.7	1.6	1.4	1.2
OCF/EV (%)	2.9	10.2	(0.0)	4.4	2.7	4.7	5.7
FCF/EV (%)	1.7	9.3	(1.0)	1.8	(0.5)	2.6	3.2
FCFE/Mkt Cap (%)	1.5	7.4	(1.0)	1.7	(0.2)	3.1	3.4
Dividend Yield (%)	0.6	1.0	1.0	0.7	0.7	1.2	1.7

Source: Company, HSIE Research

1 Yr Price History



Rating Criteria

- BUY: >+15% return potential
- ADD: +5% to +15% return potential
- REDUCE: -10% to +5% return potential
- SELL: >10% Downside return potential



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