

INDUSTRY	IT
CMP (as on 18 Jan 2018)	Rs 582
Target Price	Rs 670
Nifty	10,817
Sensex	35,260

KEY STOCK DATA

Bloomberg	CYL IN
No. of Shares (mn)	113
MCap (Rs bn) / (\$ mn)	65/1,026
6m avg traded value (Rs mn)	219

STOCK PERFORMANCE (%)

52 Week high / low	Rs 606 / 435
	3M 6M 12M
Absolute (%)	6.6 12.4 21.3
Relative (%)	(1.6) 1.2 (8.0)

SHAREHOLDING PATTERN (%)

Promoters	22.18
FIs & Local MFs	18.93
FPIs	42.75
Public & Others	16.14

Source : BSE

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Growth acceleration

Cyient delivered good revenue growth and margin performance in 3QFY18. Revenue at USD 152.0mn was up 1.3% QoQ (in-line with our est. of USD 152.5mn). This was led by strong growth in core IT services (92% of revenue, +4.2% QoQ, +4.4% CC) offset by drag in Design Led Manufacturing (DLM) business (8.0% of revenue, -23.3% QoQ). Margin remained flat at 14.5% (in-line with our est. of 14.4%) despite a seasonally weak quarter, led by higher utilization (+270bps) and off-shoring (+8.2% QoQ).

Management remains optimistic about Cyient's growth prospects. It has reiterated its guidance for double-digit growth in the core business, ~20% YoY growth in DLM and ~50bps margin expansion. Aerospace and Defence (34.7% of rev, +4.2% QoQ) posted highest growth in the last six quarters despite seasonality and UTC portfolio rebalancing. We expect traction to continue in Aerospace (driven by a ramp up in avionics-related projects, strong new order bookings) and Transportation (signalling systems).

We expect USD revenue growth of 12.6/13.7/12.3% (implying CQGR of 3.3/2.9% for FY19/20E) and EBITDA% of 14.3/14.8/15.2% for FY18/19/20E

FINANCIAL SUMMARY

(Rs bn)	3QFY18	3QFY17	YoY (%)	2QFY18	QoQ (%)	FY16	FY17	FY18E	FY19E	FY20E
Net Revenues	9.83	9.17	7.2	9.65	1.9	31.02	36.07	39.13	44.79	50.30
EBITDA	1.43	1.23	16.5	1.41	1.4	4.19	4.85	5.59	6.62	7.65
APAT	1.08	0.94	14.8	1.12	(3.2)	3.34	3.70	4.21	4.84	5.55
Diluted adj. EPS (Rs)	8.4	7.4	13.8	8.7	(3.4)	29.8	32.9	37.5	43.1	49.4
P/E (x)						20.1	19.0	14.8	13.5	11.8
EV / EBITDA (x)						14.2	11.8	9.9	8.1	6.7
RoE (%)						17.4	17.4	19.5	18.9	19.1

Source: Company, HDFC sec Inst Research # Consolidated

HDFC securities Institutional Research is also available on Bloomberg HSLB <GO> & Thomson Reuters

respectively, translating into revenue/EBITDA/EPS CAGR of 12.9/16.4/14.5% over FY17-20E. In view of strong recovery in the core business, expected pick-up in DLM growth, margin expansion, and reiteration of double-digit growth guidance, we remain positive on the stock. We maintain BUY with a TP to Rs 670, implying 14x Dec-19 earnings.

Highlights of the quarter

- **Aerospace, Transportation and Utilities led growth:** Core IT services (ex DLM) growth was led by Transportation (+8.8% QoQ), Utilities (+8.7% QoQ) and Aerospace (+4.2%). Semiconductor & Medical equipment was down 6.0/5.3% QoQ.
- Core IT services' EBITDA margin stood at 15.7% down -51bps QoQ due to furlough impact. Order intake in DLM was weak at USD 4mn (vs 12mn in 2QFY18) while services order book registered robust growth (USD 241mn in 3Q vs USD 107mn in 2QFY18).
- **Near-term outlook:** Growth will pick-up in 4QFY18 led by strong DLM and sustained growth in core IT services. Margin will expand gradually with growth and order booking for DLM is expected to improve.

Core services revenue grew strongly for the fourth consecutive quarter

DLM revenue growth was lower than expectations as some of the delivery was shifted to next quarter

Management guidance of ~15% YoY growth (ex-excite) in DLM business appears an up-hill task as the ask rate for 4Q is ~80% QoQ growth

APAT stood at Rs 1.08bn, down 3.2% QoQ due to lower other income (lower forex gain of Rs 82mn in 3Q vs Rs 254mn in 2Q) offset by lower tax rate (19.0%, -909bps QoQ, adjusted tax rate is 22.4%).

Tax rate will be lower by ~100 bps (~27%) for FY19-20E

Quarterly Consolidated Financials Snapshot

Particulars (Rs bn)	3QFY18	3QFY17	YoY (%)	2QFY18	QoQ (%)
Net Revenues (US \$mn)	152.0	135.8	11.9	150.1	1.3
Net Revenues	9.83	9.17	7.2	9.65	1.9
Cost Of Revenue	6.33	6.06	4.5	6.24	1.5
Gross Profit	3.50	3.11	12.5	3.42	2.5
SG&A Expenses	2.07	1.89	9.9	2.01	3.2
EBITDA	1.43	1.23	16.5	1.41	1.4
Depreciation	0.27	0.24	12.8	0.26	5.8
EBIT	1.16	0.98	17.4	1.15	0.4
Interest Cost	0.06	0.05	21.7	0.06	(1.8)
Other Income	0.22	0.31	(27.9)	0.41	(45.1)
PBT	1.32	1.25	6.0	1.50	(11.8)
Minority Interest & Share of Ass. Profit	0.01	0.01	(51.7)	0.04	(80.6)
Tax	0.25	0.32	(22.0)	0.42	(40.4)
RPAT	0.87	0.94	(7.6)	1.12	(22.1)
E/o (adj for tax)	0.21	0.00	NM	0.00	NM
APAT	1.08	0.94	14.8	1.12	(3.2)

Source: Company, HDFC sec Inst Research

Margin Analysis

Particulars	3QFY18	3QFY17	YoY (bps)	2QFY18	QoQ (bps)
Cost of Revenue % Net Revenues	64.4	66.0	(167)	64.6	(22)
Gross Margin (%)	35.6	34.0	167	35.4	22
SG&A Expenses % Net Revenues	21.1	20.6	52	20.8	28
EBITDA Margin (%)	14.5	13.4	116	14.6	(6)
EBIT Margin (%)	11.8	10.7	102	11.9	(17)
Tax Rate (%)	19.0	25.8	(683)	28.1	(909)
APAT Margin (%)	11.0	10.3	72	11.5	(58)

Source: Company, HDFC sec Inst Research

The UGC segment continued to grow for the 6th consecutive quarter, led by Utilities

Manufacturing & Industrial has recovered strongly in the last four quarters led by Aerospace & defense and Transportation

Off-shoring was high in the quarter, which supported margins

Segmental Revenue Break-up

(% Contribution)	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18
Manufacturing & Industrial (MI)	58.4	53.8	51.9	51.7	53.9	52.7	54.1
Utilities, Geo & Comm (UGC)	33.5	36.3	37.2	36.9	37.7	36.8	37.9
Design led Manufacturing (DLM)	8.1	9.9	10.9	11.4	8.4	10.5	8.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Company, HDFC Sec Inst Research

Segmental Revenue Growth

(QoQ, %)	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18
Manufacturing & Industrial (MI)	4.9	0.9	(4.1)	3.5	4.2	4.0	4.1
Utilities, Geo & Comm (UGC)	6.2	18.6	2.0	3.0	2.0	3.9	4.3
Design led Manufacturing (DLM)	(16.9)	33.5	10.2	8.0	(26.0)	33.3	(23.3)
Total	3.1	9.5	(0.5)	3.8	(0.0)	6.5	1.3

Source: Company, HDFC Sec Inst Research

Core Services Business: Onsite-Offshore Break-up

(% Contribution)	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18
Onsite	59.3	59.9	59.6	60.8	59.6	58.8	57.2
Offshore	40.7	40.1	40.4	39.2	40.4	41.2	42.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Company, HDFC Sec Inst Research

Core Services Business: Onsite-Offshore Growth

(QoQ, %)	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18
Onsite	5.9	8.4	(2.2)	5.4	1.3	2.6	1.3
Offshore	4.7	5.8	(0.9)	0.3	6.5	6.0	8.2
Total	5.4	7.4	(1.7)	3.3	3.3	4.0	4.2

Source: Company, HDFC Sec Inst Research

Aerospace, the largest vertical, is growing strongly and outlook remains positive

Oil & gas recovered in the quarter but growth will remain subdued for some quarters

Transportation will continue to remain strong. Alstom and Siemens merger will be positive. Cyient works with the Top-5 global rail OEM's

Vertical Break-up (Ex-DLM)

(% Contribution)	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18
Aerospace and Defense	38.7	36.8	35.6	35.7	35.2	34.7	34.7
Communications	18.9	21.8	22.7	21.4	22.8	23.3	22.7
Utilities & Geospatial	15.8	16.7	17.2	18.5	16.6	15.9	16.6
Transportation	10.3	9.4	9.4	9.7	10.5	11.2	11.7
Industrial, Energy & Natural Resources	10.0	9.3	9.3	8.7	8.5	8.6	8.6
Semiconductor	4.3	4.1	3.9	4.2	4.5	4.1	3.7
Medical and Consumer Electronics	1.9	1.9	1.9	1.9	2.0	2.2	2.0
Others	0.1	0.0	0.0	0.0	(0.1)	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Company, HDFC Sec Inst Research

Vertical Growth (Ex-DLM)

(QoQ, %)	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18
Aerospace and Defense	4.8	2.1	(4.9)	3.6	1.9	2.5	4.2
Communications	13.2	23.8	2.4	(2.6)	10.1	6.3	1.5
Utilities & Geospatial	(0.9)	13.5	1.3	11.1	(7.3)	(0.4)	8.7
Transportation	8.5	(2.0)	(1.7)	6.6	11.8	10.9	8.8
Industrial, Energy & Natural Resources	2.3	(0.2)	(1.7)	(3.3)	1.0	5.2	4.2
Semiconductor	3.0	2.4	(6.5)	11.3	10.7	(5.3)	(6.0)
Medical and Consumer Electronics	17.8	7.3	(1.7)	3.3	8.8	14.4	(5.3)
Others	(64.9)	NM	NM	NM	NM	NM	NM
Total	5.4	7.3	(1.7)	3.4	3.2	4.0	4.2

Source: Company, HDFC Sec Inst Research

Europe continues to out-perform led by transportation

Utilisation expanded 270bps QoQ to 78.6% and is near optimum levels, but ~100-150 bps expansion is still possible

Geographic Break-up (Ex-DLM)

(% Contribution)	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18
North America	60.0	59.1	58.0	57.1	55.8	54.2	55.1
Europe, ME, Africa and India	24.6	24.0	24.0	25.1	26.6	26.7	27.7
Asia Pacific	15.4	16.9	18.0	17.8	17.6	19.1	17.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Company, HDFC Sec Inst Research

Geographic Growth (Ex-DLM)

(QoQ, %)	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18
North America	5.0	5.7	(3.5)	1.7	1.0	1.0	5.9
Europe, ME, Africa and India	1.7	4.7	(1.7)	8.1	9.5	4.4	8.1
Asia Pacific	13.5	17.8	4.7	2.2	2.2	12.8	(6.2)
Total	5.4	7.3	(1.7)	3.3	3.3	4.0	4.2

Source: Company, HDFC Sec Inst Research

Headcount, Attrition and Utilisation Data

(Nos.)	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18
Total headcount (Ex DLM)	12,965	13,216	13,094	13,084	13,206	13,568	13,829
<i>Technical employees</i>	<i>12,273</i>	<i>12,500</i>	<i>12,364</i>	<i>12,279</i>	<i>12,416</i>	<i>12,762</i>	<i>13,026</i>
<i>Support employees</i>	<i>692</i>	<i>716</i>	<i>730</i>	<i>805</i>	<i>790</i>	<i>806</i>	<i>803</i>
Net additions	467	251	(122)	(10)	122	362	261
Overall utilisation (%)	73.5	78.0	78.3	77.4	74.1	75.9	78.6

Source: Company, HDFC Sec Inst Research

Key Assumptions

Particulars	FY16	FY17	FY18E	FY19E	FY20E
Volume growth (%)	(1.2)	6.4	6.6	7.2	5.8
Pricing change (%)	7.0	7.5	6.0	6.5	6.5
USD revenue growth (%)	5.7	13.9	12.6	13.7	12.3
USD/INR rate	65.6	67.0	64.6	65.0	65.0
EBITDA margin (%)	13.5	13.4	14.3	14.8	15.2

Source: Company, HDFC Sec Inst Research

Change In Estimates

Particulars	Earlier estimates	Revised estimates	% change
FY18E			
Revenue (US\$ mn)	604	606	0.4
Revenue (Rs bn)	39.00	39.13	0.3
EBITDA (Rs bn)	5.53	5.59	1.1
EBITDA margin (%)	14.2	14.3	11 bps
EPS (Rs)	36.6	37.5	2.3
FY19E			
Revenue (US\$ mn)	680	689	1.4
Revenue (Rs bn)	44.17	44.79	1.4
EBITDA (Rs bn)	6.24	6.62	6.1
EBITDA margin (%)	14.1	14.8	65 bps
EPS (Rs)	41.1	43.1	4.7

Source: Company, HDFC Sec Inst Research

Peer Valuations

Company	Mcap (Rs bn)	CMP (Rs)	Reco	TP (Rs)	EPS (Rs)				P/E (x)				EV/EBITDA (x)				RoE (%)			
					FY17	FY18E	FY19E	FY20E	FY17	FY18E	FY19E	FY20E	FY17	FY18E	FY19E	FY20E	FY17	FY18E	FY19E	FY20E
L&T Infotech	186	1,091	BUY	1190	56.9	63.0	69.7	75.8	19.2	17.3	15.6	14.4	17.8	13.8	13.9	11.4	36.9	31.2	29.2	27.4
Mphasis	152	789	BUY	830	38.8	42.4	47.0	54.7	20.3	18.6	16.8	14.4	13.8	12.5	12.4	10.6	13.4	14.1	16.0	17.1
Mindtree	115	684	BUY	735	24.9	27.1	37.7	44.9	27.5	25.2	18.1	15.2	13.5	15.0	14.9	11.1	16.8	20.6	23.3	24.5
Hexaware *	103	348	BUY	380	13.9	17.3	19.0	22.4	25.0	20.1	18.3	15.5	18.4	17.0	14.9	12.2	26.7	27.1	25.2	25.7
L&T Tech	100	984	NEU	960	41.8	41.5	50.2	59.2	23.5	23.7	19.6	16.6	19.4	16.8	17.5	13.8	33.3	26.3	25.5	25.2
Cyient	65	582	BUY	670	32.9	37.5	43.1	49.4	19.0	14.8	13.5	11.8	11.8	9.9	8.2	6.9	17.4	19.6	19.3	19.9
eClerx	61	1,531	SELL	1200	87.8	76.8	86.3	94.7	17.4	19.9	17.7	16.2	11.5	11.5	13.4	11.5	30.8	24.8	23.7	23.6
Persistent	60	753	BUY	800	38.8	40.8	46.1	55.5	19.4	18.5	16.3	13.6	12.9	12.0	11.3	9.2	17.0	16.2	16.3	17.5
Zensar	41	895	BUY	965	51.6	55.3	65.7	76.9	17.1	15.9	13.4	11.6	8.4	9.4	9.2	7.4	16.7	15.7	16.4	16.9
KPIT Tech	38	193	NEU	182	11.1	11.8	14.1	17.1	17.4	16.4	13.6	11.2	8.3	10.7	10.1	7.9	14.8	14.1	15.1	16.4
Sonata	31	291	BUY	300	14.6	15.7	18.8	22.1	19.9	18.5	15.5	13.1	15.0	14.2	13.4	10.9	31.2	30.6	33.1	34.5
Intellect	22	175	BUY	215	(1.7)	2.5	8.5	11.4	(103.9)	71.3	20.5	15.4	(77.6)	(90.2)	24.8	12.4	(3.4)	4.3	12.1	14.1
Majesco	12	514	BUY	680	4.9	2.7	7.1	14.0	104.2	188.9	72.1	36.7	118.6	34.5	52.4	25.3	4.1	2.2	5.5	10.1
Average									17.4	36.1	20.9	15.8	14.8	6.7	16.7	11.6	19.7	19.0	20.1	21.0

Source: HDFC sec Inst Research * YE Dec

Consolidated Income Statement

YE March (Rs bn)	FY16	FY17	FY18E	FY19E	FY20E
Net Revenues (US \$mn)	472.3	538.0	605.8	689.1	773.8
Growth (%)	5.7	13.9	12.6	13.7	12.3
Net Revenues	31.02	36.07	39.13	44.79	50.30
Growth (%)	13.4	16.3	8.5	14.5	12.3
Cost of Revenue	20.16	23.65	25.23	28.89	32.48
SG&A Expenses	6.67	7.57	8.31	9.27	10.17
EBITDA	4.19	4.85	5.59	6.62	7.65
EBITDA (%)	13.5	13.4	14.3	14.8	15.2
EBITDA Growth (%)	4.4	15.7	15.3	18.5	15.5
Depreciation	0.89	0.95	1.03	1.10	1.24
EBIT	3.30	3.89	4.56	5.52	6.41
Other Income	0.98	0.61	1.44	1.29	1.35
Interest	0.19	0.19	0.22	0.21	0.19
PBT	4.09	4.32	5.78	6.60	7.57
Tax (incl deferred)	1.01	1.05	1.46	1.78	2.04
Minority Interest and associate profit	0.18	0.17	0.10	0.03	0.03
RPAT	3.26	3.44	4.42	4.84	5.55
EO (Loss) / Profit (Net Of Tax)	-0.09	-0.26	0.21	0.00	0.00
APAT	3.34	3.70	4.21	4.84	5.55
APAT Growth (%)	(5.4)	10.6	13.8	15.1	14.7
EPS	29.8	32.9	37.5	43.1	49.4

Source: Company, HDFC sec Inst Research

Consolidated Balance Sheet

YE March (Rs bn)	FY16	FY17	FY18E	FY19E	FY20E
SOURCES OF FUNDS					
Share Capital - Equity	0.56	0.56	0.56	0.56	0.56
Reserves	17.81	20.64	23.24	25.82	28.77
Total Shareholders' Funds	18.37	21.20	23.81	26.38	29.34
Minority Interest	0.00	0.00	0.00	0.00	0.00
Total Debt	2.52	1.92	1.92	1.92	1.92
Net Deferred Taxes	0.00	0.20	0.20	0.20	0.20
Long-term Provisions & Others	0.72	0.81	0.81	0.81	0.81
TOTAL SOURCES OF FUNDS	21.61	24.13	26.74	29.32	32.27
APPLICATION OF FUNDS					
Net Block	3.90	4.44	5.05	5.83	6.35
CWIP	0.06	0.06	0.06	0.06	0.06
Goodwill & Other Intangible Assets	2.71	3.28	3.28	3.28	3.28
Investments	0.81	1.03	1.03	1.03	1.03
LT Loans & Advances, Others	1.74	1.74	1.74	1.74	1.74
Total Non Current Assets	9.22	10.55	11.16	11.94	12.46
Inventories	0.98	0.94	1.07	1.23	1.38
Debtors	6.15	6.50	7.16	8.20	9.21
Cash & Equivalents	7.74	9.71	11.10	12.36	14.29
Other Current Assets	3.05	3.58	3.86	4.21	4.59
Total Current Assets	17.91	20.71	23.20	26.00	29.46
Creditors	3.10	4.02	4.12	4.69	5.24
Other Current Liabilities & Provns	2.42	3.11	3.50	3.93	4.42
Total Current Liabilities	5.52	7.13	7.62	8.62	9.66
Net Current Assets	12.39	13.58	15.58	17.38	19.80
TOTAL APPLICATION OF FUNDS	21.61	24.13	26.74	29.32	32.27

Source: Company, HDFC sec Inst Research

Consolidated Cash Flow

YE March (Rs bn)	FY16	FY17	FY18E	FY19E	FY20E
Reported PBT	4.09	4.32	5.78	6.60	7.57
Non-operating & EO items	(0.94)	(0.75)	(1.13)	(1.26)	(1.32)
Interest expenses	0.19	0.19	0.22	0.21	0.19
Depreciation	0.89	0.95	1.03	1.10	1.24
Working Capital Change	1.07	1.30	(0.60)	(0.54)	(0.50)
Tax paid	(1.01)	(1.05)	(1.46)	(1.78)	(2.04)
OPERATING CASH FLOW (a)	4.29	4.97	3.84	4.33	5.13
Capex	(1.13)	(1.49)	(1.64)	(1.88)	(1.76)
Free cash flow (FCF)	3.16	3.48	2.19	2.45	3.37
Investments	(0.59)	(0.36)	0.00	0.00	0.00
Non-operating income	1.06	0.88	1.23	1.29	1.35
INVESTING CASH FLOW (b)	(0.66)	(0.97)	(0.42)	(0.59)	(0.41)
Debt Issuance	1.24	(0.60)	0.00	0.00	0.00
Interest expenses	(0.19)	(0.19)	(0.22)	(0.21)	(0.19)
FCFE	4.20	2.69	1.97	2.24	3.18
Share capital Issuance	0.00	0.00	0.00	0.00	0.00
Dividend	(1.31)	(1.18)	(1.81)	(2.27)	(2.60)
FINANCING CASH FLOW (c)	(0.26)	(1.97)	(2.03)	(2.48)	(2.79)
NET CASH FLOW (a+b+c)	3.37	2.03	1.39	1.26	1.93
Non-operating and EO items	(2.20)	(0.06)	0.00	0.00	0.00
Closing Cash & Equivalents	7.74	9.71	11.10	12.36	14.29

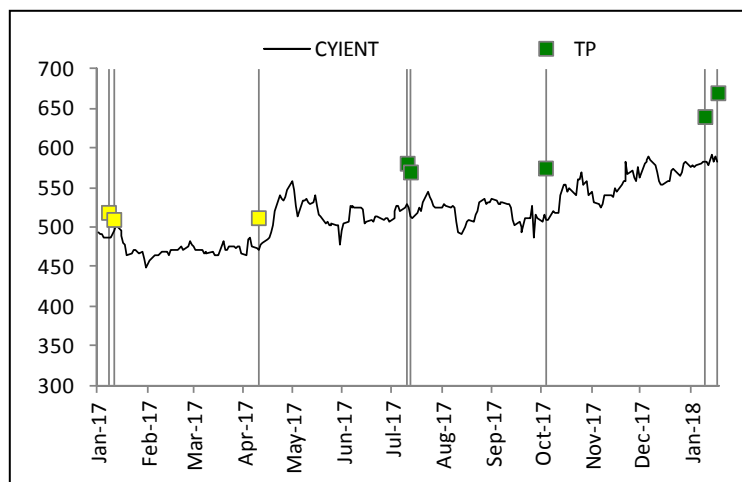
Source: Company, HDFC sec Inst Research

Key Ratios

	FY16	FY17	FY18E	FY19E	FY20E
PROFITABILITY (%)					
EBITDA Margin	13.5	13.4	14.3	14.8	15.2
APAT Margin	10.5	9.5	11.3	10.8	11.0
RoE	17.4	17.4	19.6	19.3	19.9
RoIC or Core RoCE	18.5	22.3	24.3	26.4	28.5
RoCE	16.3	16.8	17.2	17.8	18.5
EFFICIENCY					
Tax Rate (%)	24.7	24.2	25.3	27.0	27.0
Fixed Asset Turnover (x)	3.7	3.7	3.4	3.4	3.3
Inventory (days)	12	9	10	10	10
Debtors (days)	86	78	78	77	76
Payables (days)	42	47	45	45	45
Cash Conversion Cycle (days)	56	40	43	42	41
Net Debt/EBITDA (x)	(1.2)	(1.6)	(1.6)	(1.6)	(1.6)
Net Debt/Equity (x)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)
Interest Coverage (x)	17.2	20.6	20.7	26.2	33.4
PER SHARE DATA					
EPS (Rs/sh)	29.8	32.9	37.5	43.1	49.4
CEPS (Rs/sh)	37.1	39.3	48.7	53.2	60.7
DPS (Rs/sh)	10	9	14	17	20
BV (Rs/sh)	163.7	188.9	212.1	235.1	261.4
VALUATION					
P/E	20.1	19.0	14.8	13.5	11.8
P/BV	3.6	3.1	2.7	2.5	2.2
EV/EBITDA	14.2	11.8	9.9	8.2	6.9
OCF/EV (%)	7.2	8.7	6.9	8.0	9.8
FCF/EV (%)	5.3	6.1	3.9	4.5	6.4
FCFE/mkt cap (%)	6.5	4.2	3.0	3.5	4.9
Dividend Yield (%)	1.7	1.5	2.4	3.0	3.4

Source: Company, HDFC sec Inst Research

RECOMMENDATION HISTORY



Date	CMP	Reco	Target
9-Jan-17	488	NEU	518
13-Jan-17	497	NEU	510
11-Apr-17	474	NEU	512
11-Jul-17	528	BUY	581
14-Jul-17	513	BUY	570
4-Oct-17	508	BUY	575
10-Jan-18	583	BUY	640
19-Jan-18	582	BUY	670

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

Disclosure:

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