



HDFC securities

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20
YEARS

Initiating Coverage Sun TV Network Ltd.

30-March-2021





Industry	LTP	Recommendation	Base Case Fair Value	Bull Case Fair Value	Time Horizon
Broadcasting & Cable TV	Rs. 454	Buy on dips to Rs. 440 - 444 band and add more on dips to Rs. 395-399	Rs. 488	Rs. 521.5	2 quarters

HDFC Scrip Code	SUNTVN
BSE Code	532733
NSE Code	SUNTV
Bloomberg	SUNTV IN
CMP Mar 26, 2021	454.0
Equity Capital (Rscr)	197.1
Face Value (Rs)	5.0
Eq- Share O/S (cr)	39.4
Market Cap (Rscrs)	17891.2
Book Value (Rs)	145.3
Avg. 52Wk Volumes	2184069
52 Week High	570.7
52 Week Low	259.8

Share holding Pattern % (Dec, 2020)	
Promoters	75.0
Institutions	14.5
Non Institutions	10.5
Total	100.0

Fundamental Research Analyst

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Our Take:

Sun TV Network has presence across genres like general entertainment, movies, music, news, kids, action and life with a dominant market share in the five southern states of India (Tamil Nadu, Kerala, Karnataka, and Andhra Pradesh). This ensures continued and sustained viewership and prominent role in the Media and Entertainment Industry. Its flagship channel Sun TV corners more than 40% market share in the Tamil GEC (General Entertainment Channels) genre. Along with Tamil and Malayalam channels; the company also has strong presence in Kannada and Telugu GEC segment through Gemini TV and Udaya TV. The steady flow of highly popular programs and a dominant share of audience viewership have given the tremendous pricing power compare to its competitors. Also Sun TV commands best-in-class margins across the media industry due to its strong presence across value chain along with higher pie of subscription income which come at zero cost.

Company is confident both in terms of revival in advertisement revenue, Q4FY21 will be much better than Q3FY21 and it foresees, advertisement revenue to see de-growth in FY21. However, Advertisement, could see some better numbers going forward. Positive surprise has been led by 3% YoY growth in Q3FY21 in subscriptions. New shows and higher spends from regional advertisers could drive advertisement revenue and earnings growth going forward.

The state assembly elections to be held in Tamil Nadu and Kerala in next few days. Tamil Nadu is expected to spend in the range of Rs 30-40cr and ad spend is expected to remain in the range of Rs 15cr – Rs 20cr in Kerala. The up-coming elections could help the electronic as well as print industry to regain its ground. Sun Group dominates the southern markets, especially in television. Considering the wide presence and strong relationship with clients could help Sun TV to generate more ad revenue amid election time.

The ongoing digitalization of content, shift to online and mobile distribution of content and the rapid pace of innovation will create opportunities to serve new customers in new markets. The presence of large and wealthy Indian diaspora abroad is another powerful enabler for market expansion abroad. The M&E industry influenced by digitalization, the convergence of TV, mobile telephony and the Internet poised for a growth trend. The fact that significant households of India are still without television connectivity highlights the scope of growth in the segment.



Valuations & Recommendation:

Sun TV Network is an established player in Indian Media and television broadcasting industry. Over FY15-FY20, the company's Revenue and PAT grew at a CAGR of 8% and 12% respectively. The company has been consistently operating with cash rich, debt free status with dividend pay-outs (average 49% over last 5 years). The Covid-19 outbreak and dependence on local advertisement has badly affected the ad scenario and creation of fresh content in 9MFY21. We believe it to continue its recovery quarter on quarter, going forward.

Strong growth projected in DTH (Direct To Home), Digital Cable segment would result in substantial increase in subscription revenue over the years to come. Increasing interest in regional content among Indian population across the borders, results in increased overseas viewership thereby attracting foreign investment. Taking into the consideration of future growth, healthy cash balance and robust dividend payout, we have a positive view on the stock. **We feel the Base case fair value of the stock is Rs. 488 (10.75x FY23E EPS) and the Bull case fair value is Rs. 521.5 (11.5x FY23E EPS) over the next two quarters. Investors could buy the stock on dips to Rs 440-444 band (9.75x FY23E EPS) and add more on dips to Rs. 395-399 (8.75x FY23E EPS). At the CMP of Rs 454 the stock trades at 10.0x FY23E EPS.**

Financial Summary (Consolidated)

Particulars (Rs cr)	Q3FY21	Q3FY20	YoY-%	Q2FY21	QoQ-%	FY19	FY20	FY21E	FY22E	FY23E
Total Operating Income	994.1	847.8	17.3	768.7	29.3	3782.5	3519.9	3179.4	3749.8	4073.4
EBITDA	608.1	595.3	2.2	494.7	22.9	2606.7	2271.8	2089.3	2467.4	2712.5
Depreciation	74.2	148.7	-50.1	96.8	-23.4	662.8	700.2	475.3	556.4	615.3
Other Income	65.3	67.3	-3.1	54.4	19.9	242.5	260.7	270.2	251.2	264.8
Interest Cost	2.7	3.1	-13.2	2.8	-3.2	1.7	12.8	11.6	10.9	10.7
Tax	150.6	126.1	19.4	114.5	31.5	751.1	434.0	472.8	537.8	564.3
APAT	445.9	384.7	15.9	335.0	33.1	1433.3	1385.2	1400.2	1613.8	1787.3
Diluted EPS (Rs)	11.3	9.8	15.8	8.5	32.9	36.4	35.1	35.5	41.0	45.4
RoE-%						28.1	24.6	24.0	25.8	25.8
P/E (x)						12.5	12.9	12.8	11.1	10.0
EV/EBITDA (x)						6.6	7.6	8.3	7.0	6.3

(Source: Company, HDFC sec)



Sun TV Network Ltd Q3FY21 results key takeaway

- Sun TV reported above expectation number in Q3FY21. Net revenue grew by 17.3% YoY to Rs 994.4cr. Ex-IPL revenue was at Rs. 763.3 crore, down 6.3% YoY. EBITDA was up by 2.2% YoY to Rs 608.1cr, impacted by higher operating as well as other expenses and IPL franchise fees in the quarter. EBITDA margin was down to 61.2% in Q3FY21 vs. 70.2% in Q3FY20.
- Net Profit increased by 15.9% to Rs 445.5cr in Q3FY21, supported by lower depreciation and amortisation expenses in the quarter. While, PAT margin was down by 60 bps YoY to 44.8% in Q3FY21.
- Advertisement revenues were down 10% YoY impacted by slower recovery in retail/local ad spends, lower number of movie telecasts and weak market share in TN. While, Subscription revenue was up by 3% YoY to Rs 424.1cr, Cable revenues were down ~2% YoY to Rs. 200cr while DTH revenues were at Rs. 224 crore, up ~8% YoY. Income from the Company's IPL franchise "Sun Risers Hyderabad" for season 2020 stood at Rs. 254.5cr in 9MFY21 (Rs 45cr in Q2FY21 and Rs 209cr in Q3FY21) vs. of Rs. 244.4cr in 9MFY20 and corresponding costs was at Rs. 161.5cr in 9MFY21 vs.138.5cr in 9MFY20.

Recent Triggers

Advertisement business to recover in near to medium term and subscription growth continues

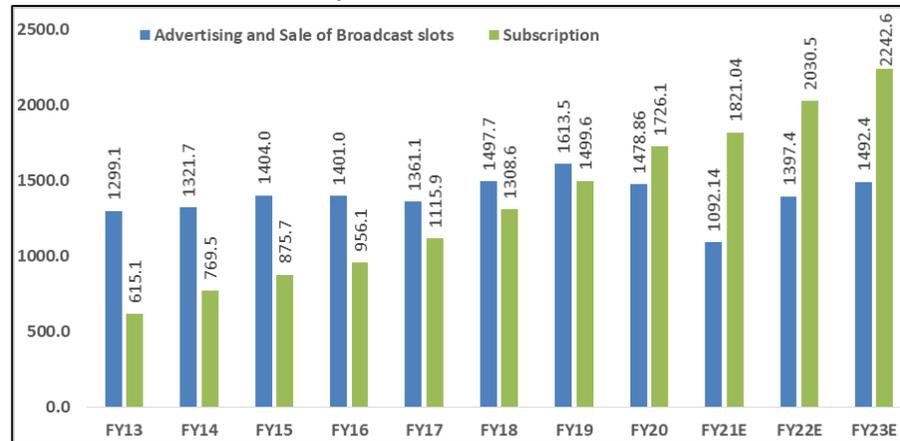
Advertisement revenues were down 10% YoY in Q3FY21, impacted by slower recovery in retail/local ad spends, lower number of movie telecasts and weak market share in Tamil Nadu. It is still far from recovery and the advertisement revenue is expected to decline in FY21. Although advertising revenue is witnessing a significant spike in both TV and digital platforms, ad monetisation has gone down sharply, we expect that the ad growth could return to its normal trajectory by the end of this fiscal. Advertisement revenue could decline by ~26% in FY21E and we expect 28% growth in FY22E and 6.8% growth in FY23E in advertisement business.

On subscription, management remain confident of double-digit growth (ex OTT) led by DTH. Cable revenues to grow in mid-single digit. SunNXT traction a monitorable Subscription revenue has been a key solace for Sun TV and the growth momentum continued in Q3FY21. Subscription revenue grew by 3% in Q3FY21. Company guided for double digit growth in subscription revenues over the next year with SunNXT being the fastest growing segment. We expect subscription revenue growth to 9.1% annually over FY20 to FY23E to Rs 2242.6cr. Company has already started working on original content and looking for additional investment in SunNXT which will be in the tune of Rs 200cr which is mainly directed towards release of OTT originals is likely in FY22E. The focus initially is on Tamil and Telugu content. Sun NXT has about 18 mn active users but the bulk of it is on the back of tie-ups and telco partnerships with other players. Pure organic subscription is a fraction of overall users.



On March 07, 2021, SUN TV Network’s Telugu GEC Gemini TV announced to broadcast Evaru Meelo Koteeswarulu – the Telugu version of the historic “Who Wants to be a Millionaire”, a show that was aired in 120 countries, elevated and changed the lives of many ordinary people, making it truly extraordinary. Through strategic approach and streamlined promotions in digital, well penetrated smartphones, and other mediums of advertising, this show is expected to add turnover as well as participations going forward.

Advertisement and Subscription revenue (Cr)



(Source: Company, HDFC sec)

Investment on movies acquisitions / productions could generate revenue going forward

Movies is the key genre in the Southern market. Home movie production enables Sun to earn a modest 15-20% return. Sun retains the broadcast as well as digital rights. Theatrical release followed by broadcast on satellite television and then on digital is the order that Sun follows. Company has guided a step-up in its investments on movie productions in Q1FY21 from ~Rs 100- 250cr to ~Rs 300-400cr. These are likely to result in ~9 blockbuster movies which are in the pipeline that will be released upto next Diwali. Signing up of directors, fixing dates, advances etc is done. Big names like Rajnikanth, Vijay Sethupati, Dhanush, Suriya and Vijay among others will be the star cast of these movies. Shooting of these movies will happen between Jan-Jun’21. Sun TV plans ~Rs 300cr investments on broadcast satellite rights for



movies and expects theatricals could see survive and grow with significant demand. Direct release of movies on OTT has seen tepid response with modest incremental subscriber additions. Investment in movies acquisition could help to generate revenue going forward.

Long term Triggers

Diversified business operations, established presence in television broadcasting with healthy track record to maintain high TRP

Sun TV has been present in the television broadcasting space for over two decades and has gradually expanded its channel base to 32 as on date. It broadcasts programmes in Tamil, Telugu, Kannada, Malayalam Marathi and Bangla across various genres, such as general entertainment, movies, music, news and kids. Company is on the way to launch Marathi Channel. Sun TV—the flagship channel of the company—was among the highest viewed channels in the general entertainment category in FY20.

Sun TV has consistently obtained the maximum number of impressions in regional general entertainment space and across genres, pan India. This has aided the company in expanding its revenues consistently over the last few years. On the back of consistently high TRPs, popularity of content and its established presence, the company has significant bargaining power over its content providers. This has aided its control over telecasted content. The company had pioneered the programming slot sale model which helped it to keep content costs under control. As per this model, it charges a fixed fee from the producers to air their shows in specific slots on Sun TV channels. In return, the producers are given a part of ad inventory to meet their costs and make a profit. However, rising competition and the emergence of OTT has changed the company's stance towards this model and it has been focusing on owning IP. It has been in the process of removing producer slots from Sun TV and is planning to have 100% in-house produced shows on the channel. Currently, 80% of content on Sun TV is in-house production.

Digitisation to boost ARPUs

Digitisation is expected to boost the average revenue per user for the company. Of the 183 mn TV households in India, Tamil Nadu and Karnataka have 21 mn and 14 mn, respectively, while Andhra Pradesh and Kerala have 21 mn and 8 mn, respectively. Following the successful digitisation in Karnataka, Andhra Pradesh and Kerala, Sun TV's subscription revenue increased by 2.5 folds over the last one decade, it grew at 11% CAGR over FY11 to FY20 to Rs 1726cr. Digitisation in Tamil Nadu gained pace only after the state-run Arasu Cable was granted provisional DAS (Digital Addressable System) licence and started distributing set-top boxes in the state.



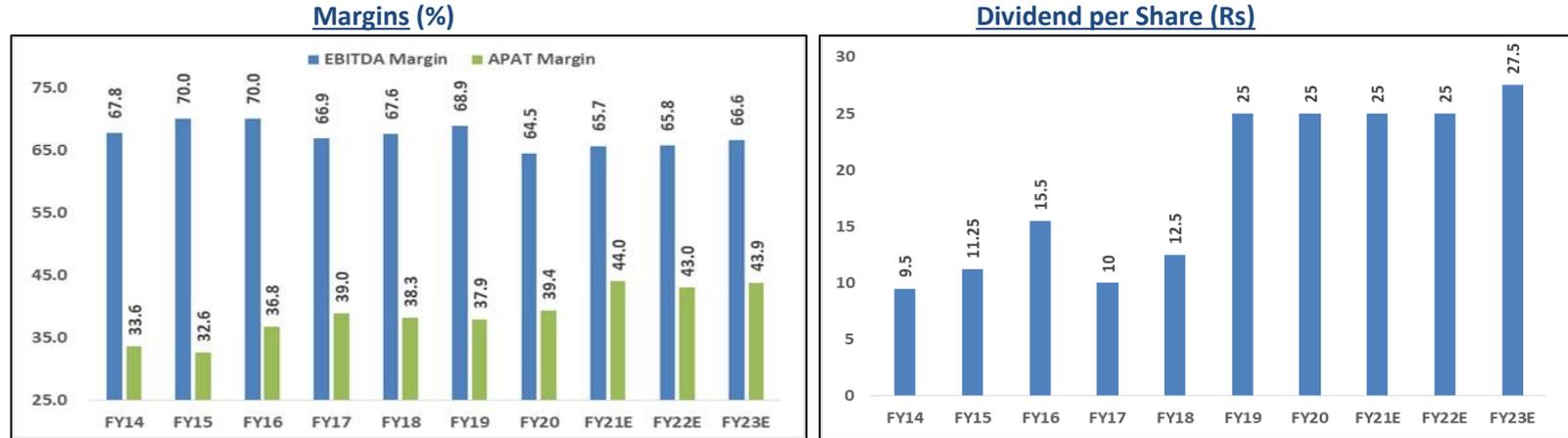
Revenue linked IPL franchise fees could improve going forward

IPL has completed 13 years in 2020 and IPL matches, concluded on 10th Nov, 2020. Although the IPL earning was impacted due to change in sponsorship from Vivo to Dream11, absence of gate revenues led by lack of audience and travel costs as the event was hosted abroad. The company's IPL business reported Rs 209cr in Q3FY21, and Rs 45cr in Q2FY21 as just 3 matches were held in the quarter. Its IPL franchise SRH (Sun Rise Hyderabad) has earned Rs 254cr of revenues in 9MFY21. This was a marginally up as compared to Rs 244cr in FY20.

Now, Vivo came back as a title sponsorship for the period of 2021 to 2023. Next edition of IPL matches will begin from 9th April and it will end on 30th May, 2021. However, the next phase of COVID in India could bring some uncertainty on IPL schedule. IPL profitability is expected to dip owing to increased expenses and lower revenues. We expect IPL business could report better growth going forward.

Sound fundamentals led by comfortable capital structure and strong debt coverage indicators

- Sun TV has reported strong profit margins/accruals in the last several years aided by its scale of operations, strong vertical integration with presence across the value chain, high bargaining power and negligible finance costs. Sun TV reported revenue growth at 7.2% and PAT growth at 9% CAGR over the last 8 years. Company has seen Significant decline in the profit and margins in FY20 and has reported 6.9% and 3.4% decline in revenue and PAT in FY20. Advertising revenues for the year declined by 8.3%, while the subscription revenue grew by 15.1% on YoY basis.
- Its EBITDA was down by 12.8% and EBITDA margin declined to 64.5% in FY20 from 68.9% reported in FY19. Net profit margin increased to 39.4% from 37.9% in FY19, due to lower tax expenses.
- Sun TV's capital structure stands comfortable with strong net-worth base which stood at Rs 5724cr as on March 31, 2020. Sun TV has had zero debt in its balance sheet dates for the last several years, with sizeable cash and liquid investment balance.
- Company has superior liquidity with sizeable consolidated cash balance of Rs 3,037cr as on 30th Sept 2020. Higher profitability could continue to maintain return ratio going forward.
- Sun TV has recommended total dividend of Rs 25 per equity share (F.V of Rs 5 per equity share) in FY20, dividend payout stood at 71% and yield is 4.9% in FY20. We expect that the company could pay Rs 25 per share to shareholders as a dividend in FY21E and FY22E and Rs 27.5 per share in FY23E.



(Source: Company, HDFC sec)

What could go wrong?

- Media and Entertainment industry is highly regulated which could possibly affect the business model. In the recent past, the industry witnessed some reforms like transition to the GST regime and New Tariff Order. The recent Interconnection Regulations & Tariff Order issued by the TRAI wherein broadcasters declared the monthly MRP of each channel and the bouquets, with the condition that no pay channel, which is part of a bouquet, is priced above Rs.19. FTA (Free To Air) and pay channels would be segregated into different bouquets.
- Competition and increasing prices may adversely affect Sun TV's ability to acquire desired programming and artistic talent. Sun Network operates in an intensely competitive industry. Sun Network is a regional broadcaster, there is limited opportunities for growth as well as attractiveness to advertising customers.
- The current slowdown in the Indian economy has stunned the expected growth of major companies, and media conglomerates are not an exception. South India's largest broadcaster Sun TV Network is being cautious about the growth expectation for the rest of the year especially due to a headwind in the advertising sector. Due to this, the Marathi channel launch has been put on hold.

- Increasing smartphone penetration and affordable data tariffs have led to an increase in digital content consumption. While this trend is expected to continue, digital consumption so far has been largely supplementing television viewing. If there is a faster than expected migration to digital platforms from television, it may have an impact on the television business revenue of the Company.
- Company spends a significant amount for acquisition of rights to movies and music across its broadcast, digital and international business. With increasing competition, content creation and content acquisition overall costs could rise to a level not commensurate with the monetization potential and estimated cost recovery.
- Delays in collection of accounts receivable could affect the Company's cash flow, with poor follow up potentially leading to delinquency and write-offs. Company has Rs 1,331cr of Trade receivable (40% of Revenue, as on 30th Sept, 2020 on LTM basis). The delays in actual payment receipts beyond the credit periods offered to advertisement agencies, DTH and cable operators stretches the working capital.
- Advertisement sales constituted around 42% of the total broadcasting revenue in FY20. The advertisement revenue remains vulnerable to factors like market competition, television viewership for the channels, the quality and popularity of content being broadcast, trends in the media sector, regulatory changes and to the level of economic activity in general. As the uncertainty during the implementation of tariff order resulted in some of the brands moving their advertising spends temporarily to sports channels airing cricket events which had certainty with regards to the reach. It is expected to remain weak in FY21 as well.
- The entertainment industry offers more choices to consumers, focus on content production which forms the major portion of inventory amongst the players in the industry. Therefore, Sun TV's operation is working capital intensive mainly on account of higher inventory holding in the form of content development and rights.
- Sun TV promoter salary as on FY20 stood at Rs 88cr, which translates into 6.3% of company's net profit. In case of any further increase in the promoter salary can have a negative overhang on the stock performance.
- The companies renewed strategy of operating with 100% in-house produced content can be a high risk high reward strategy.

Company Profile:

Sun TV Network, India's largest media conglomerate with 32 TV Channels in five Indian languages Tamil, Telugu, Kannada, Malayalam and Bengali with the reach of more than 95 mn households in India. It is engaged in producing and broadcasting satellite television and radio software programming in the regional languages of South India and it operates television channels in approximately South Indian languages to viewers in India and to viewers in 27 countries including Sri Lanka, Singapore, Malaysia, the United Kingdom, Europe, the Middle East, the United States, Australia, South Africa and Canada. Sun TV operates Sun TV channel and its other satellite channels are Surya TV, Gemini TV



and Udaya TV etc. It is also into the business of frequency modulation (FM) radio broadcasting at Chennai, Coimbatore and Tirunelveli. Company has the license to operate an Indian Premier League franchise.

It has presence across various genres such as general entertainment, movies, music, news, kids, action and life. Company is also engaged in DTH, Radio, News Paper and Magazine, Films, IPL Franchise, and Digital Platform. Company has 48 FM radio stations and owns the Sun Risers Hyderabad Cricket Franchise of the Indian Premier League. Company has two subsidiaries viz., M/s. Kal Radio Limited and M/s. South Asia FM Limited (SAFM). SAFM is a subsidiary which has been classified as Joint Venture (JV).

Business overview

TV Broadcasting

With 32 channels in four Indian languages, Sun Group is able to connect to the world erasing geographical distances. All channels programming is a mixed bag and have a wholesome blend of Films, Film-Based Shows, Super hit Serials, News Capsules, Reality Shows, Game Shows, Talk Shows, Children's hours, Women Show, Sports Show, trendy programming for youth and special contents, created specifically for section of society like villages.

Sun Direct – DTH

Sun Direct uses the latest MPEG-4 based technology to increase broadcast capacity. Sun Direct confirms to provide next-generation services in fast-growing and emerging markets quickly and efficiently. Sun Direct selected Oracle based on its convergent multi-service capabilities and proven real-time scalability allowing it to consolidate billing operations, enables powerful new service offerings and improves visibility into customer information across services.

FM Radio Stations

Sun TV launched its first radio FM channel in Tamil Nadu in 2003. In Aug-2007, Sun TV through its subsidiary South Asia FM Ltd. (SAFL) entered into a strategic alliance with Red FM to further its FM Radio broadcasting business in the North, West and East Indian markets In 2009 S FM or Suryan FM took over Red FM and re-branded all its stations to Red FM except for the ones in Tamil Nadu. Today Sun broadcasts across 48 radio stations across India.

Indian Premier League

Sun TV network is the owner of the Indian Premier League (IPL) team Sunrisers Hyderabad. IPL is an annual T20 cricket tournament and Sunrisers Hyderabad has been a part since inception winning the tournament in 2016.

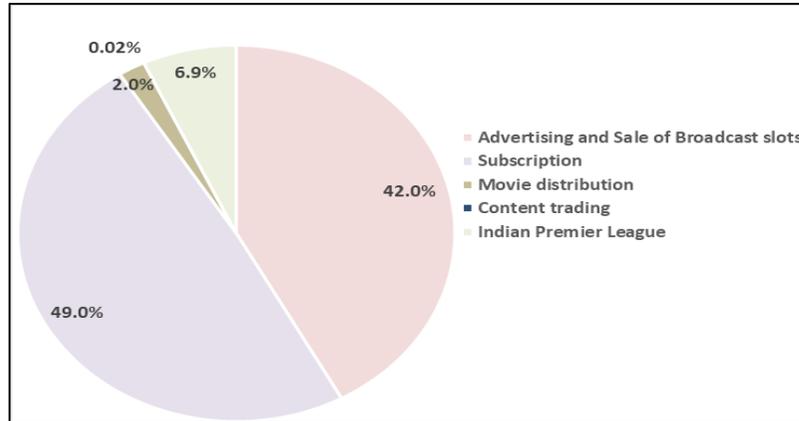


Film Production/distribution

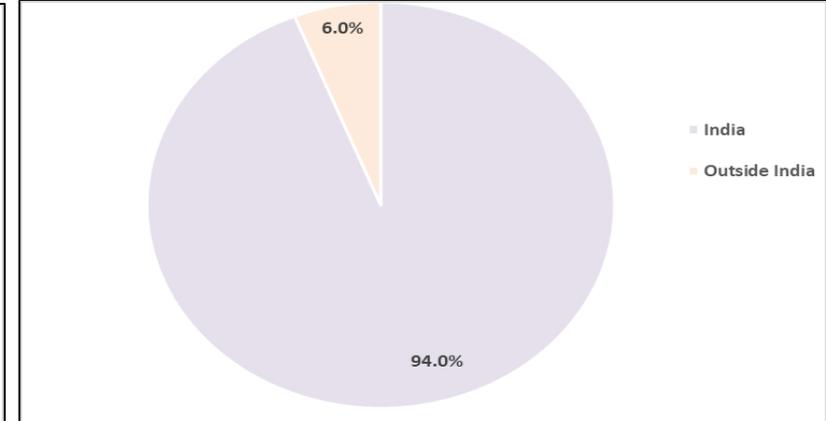
Sun TV entered into film production and distribution in FY09 through its subsidiary, Sun Pictures. Sun Pictures produces films in the five southern languages of Tamil, Telugu, Kannada and Malayalam.

Revenue Mix (FY20)- Consolidated

Segments Revenue



Geographical Revenue



(Source: Company, HDFC sec)

Peer Comparison

Company, Rs in Cr	Mkt Cap, Cr	Sales			EBITDA			PAT			ROE-%			P/E (x)		
		FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
ZEE Entert-	19210	6,859.8	8,474.6	9,480.6	1,615.5	2,389.8	2,815.7	965.4	1,534.0	1,836.1	10	14.5	15.3	19.9	12.5	10.5
Sun TV Network	17891.2	3179.4	3749.8	4073.4	2089.3	2467.4	2712.5	1400.2	1613.8	1787.3	24.0	25.8	25.8	12.8	11.1	10.0

(Source: Company, HDFC sec)

Financials (consolidated)

Income Statement

(Rs Cr)	FY19	FY20	FY21E	FY22E	FY23E
Net Revenues	3782.5	3519.9	3179.4	3749.8	4073.4
Growth (%)	27.7	-6.9	-9.7	17.9	8.6
Operating Expenses	1175.9	1248.1	1090.0	1282.4	1360.9
EBITDA	2606.7	2271.8	2089.3	2467.4	2712.5
Growth (%)	30.1	-12.8	-8.0	18.1	9.9
EBITDA Margin (%)	68.9	64.5	65.7	65.8	66.6
Depreciation	662.8	700.2	475.3	556.4	615.3
EBIT	1943.9	1571.6	1614.0	1911.0	2097.2
Other Income	242.5	260.7	270.2	251.2	264.8
Interest expenses	1.7	12.8	11.6	10.9	10.7
PBT	2184.7	1819.5	1872.7	2151.3	2351.3
Tax	751.1	434.0	472.8	537.8	564.3
RPAT	1433.7	1385.5	1399.8	1613.5	1787.0
APAT	1433.3	1385.2	1400.2	1613.8	1787.3
Growth (%)	26.3	-3.4	1.1	15.3	10.8
EPS	36.4	35.1	35.5	41.0	45.4

Balance Sheet

As at March	FY19	FY20	FY21E	FY22E	FY23E
SOURCE OF FUNDS					
Share Capital	197.0	197.0	197.0	197.0	197.0
Reserves	5329.5	5527.1	5744.4	6373.0	7076.6
Shareholders' Funds	5526.5	5724.1	5941.5	6570.1	7273.7
Long Term Debt	0.0	0.0	0.0	0.0	0.0
Net Deferred Taxes	104.5	84.2	75.6	67.9	60.9
Long Term Provisions & Others	12.1	82.5	90.8	99.9	109.9
Minority Interest	4.4	4.8	4.3	3.8	3.5
Total Source of Funds	5647.5	5895.6	6112.1	6741.7	7447.9
APPLICATION OF FUNDS					
Net Block & Goodwill	1112.0	1145.4	1237.2	1426.6	1557.0
CWIP	13.4	66.3	82.9	87.0	91.4
Other Non-Current Assets	1026.5	1020.5	1071.5	1125.1	1181.4
Total Non Current Assets	2151.9	2232.2	2391.6	2638.8	2829.7
Current Investments	2093.5	1972.9	2170.2	2387.2	2626.0
Inventories	0.2	0.0	3.5	4.1	4.5
Trade Receivables	1134.0	1367.2	1175.9	1335.5	1450.8
Cash & Equivalents	593.0	703.2	646.2	630.7	754.3
Other Current Assets	224.0	231.1	254.2	279.6	307.5
Total Current Assets	4044.7	4274.4	4249.9	4637.2	5143.1
Short-Term Borrowings	0.0	0.0	0.0	0.0	0.0
Trade Payables	229.4	316.7	261.3	277.4	290.2
Other Current Liab & Provisions	319.8	294.4	268.1	256.9	234.7
Total Current Liabilities	549.2	611.0	529.4	534.3	524.9
Net Current Assets	3495.6	3663.4	3720.5	4102.9	4618.2
Total Application of Funds	5647.5	5895.6	6112.1	6741.7	7447.9

Cash Flow Statement

(Rs Cr)	FY19	FY20	FY21E	FY22E	FY23E
Reported PBT	2,169.3	1,823.6	1,872.7	2,151.3	2,351.3
Non-operating & EO items	-206.4	-198.4	-105.5	-125.0	-145.7
Interest Expenses	1.7	12.8	11.6	10.9	10.7
Depreciation	662.8	700.2	475.3	556.4	615.3
Working Capital Change	-66.2	-249.2	-65.5	-180.1	-150.7
Tax Paid	-737.1	-433.4	-472.8	-537.8	-624.3
OPERATING CASH FLOW (a)	1,824.1	1,655.6	1,715.7	1,875.7	2,056.6
Capex	-554.4	-659.4	-649.3	-749.2	-749.1
Free Cash Flow	1,269.7	996.2	1,066.4	1,126.5	1,307.6
Investments	-564.9	29.7	-36.0	-37.8	-39.6
Non-operating income	6.2	221.7	270.2	251.2	264.8
INVESTING CASH FLOW (b)	-1,113.1	-408.0	-415.0	-535.7	-523.9
Debt Issuance / (Repaid)	0.0	-34.0	0.0	0.0	0.0
Interest Expenses	-1.7	-0.7	-11.6	-10.9	-10.7
FCFE	1,271.4	1,030.8	1,078.0	1,137.4	1,318.2
Share Capital Issuance	0.0	0.0	0.0	0.0	0.0
Dividend	-593.9	-1,187.7	-985.2	-985.2	-1,083.7
Others	0.0	0.0	-270.2	-251.2	-264.8
FINANCING CASH FLOW (c)	-595.5	-1,222.4	-1,267.0	-1,247.3	-1,359.1
NET CASH FLOW (a+b+c)	115.5	25.2	33.7	92.7	173.6

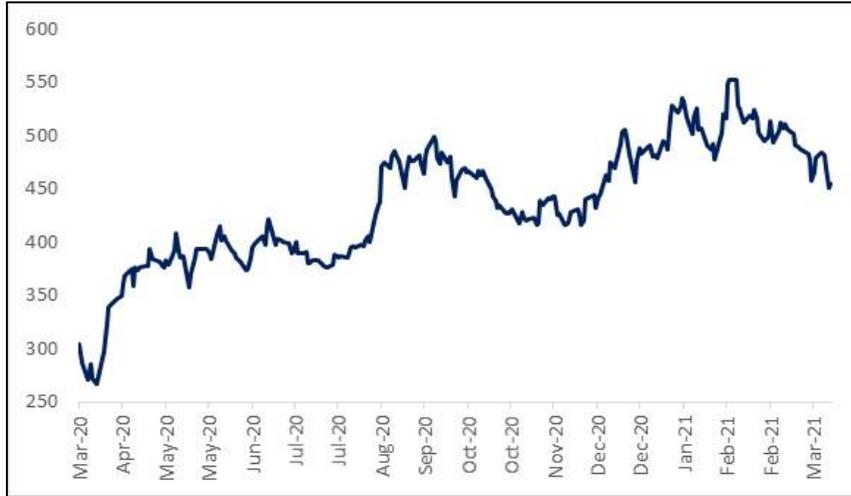
Key Ratios

Particulars	FY19	FY20	FY21E	FY22E	FY23E
EBITDA Margin (%)	68.9	64.5	65.7	65.8	66.6
EBIT Margin (%)	51.4	44.6	50.8	51.0	51.5
APAT Margin (%)	37.9	39.4	44.0	43.0	43.9
RoE (%)	28.1	24.6	24.0	25.8	25.8
RoCE (%)	18.4	18.8	17.9	19.3	19.6
Solvency Ratio (x)					
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0
Net D/E	0.0	0.0	0.0	0.0	0.0
PER SHARE DATA (Rs)					
EPS	36.4	35.1	35.5	41.0	45.4
CEPS	53.2	52.9	47.6	55.1	61.0
BV	140.2	145.3	150.8	166.7	184.6
Dividend	25.0	25.0	25.0	25.0	27.5
Turnover Ratios (days)					
Debtor days	109.4	141.8	135.0	130.0	130.0
Inventory days	0.0	0.0	0.4	0.4	0.4
Creditors days	22.1	32.8	30.0	27.0	26.0
VALUATION (x)					
P/E	12.5	12.9	12.8	11.1	10.0
P/BV	3.2	3.1	3.0	2.7	2.5
EV/EBITDA	6.6	7.6	8.3	7.0	6.3
EV / Revenues	4.6	4.9	5.4	4.6	4.2
Dividend Yield (%)	5.5	5.5	5.5	5.5	6.1
Dividend Payout (%)	68.7	71.1	70.4	61.0	60.6

(Source: Company, HDFC sec)

598.71	685.65	685.65	685.65	203.88	118.92	118.92
(+2.11)	(-14.50)	(-7.74)	(-1.00)	(-11.00)	(-11.00)	(-11.00)
142.09	167.22	154.12	393.13	-62.95	-187.58	-42.88
(-3.51)	(-17.40)	(7.88)	(-7.58)	(-115.88)	(-71.48)	(-115.88)

One Year Stock Price Chart



(Source: Company, HDFC sec)



Disclosure:

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