

Zee Entertainment Enterprises | BUY

Pushing through

A still inconducive demand environment weighed on ZEEL's 3Q growth (-3% YoY). Ad-revenues (-8% YoY) continued its downward trend as festive uptick fizzled out quickly. Absence of marquee releases dented other sales and services (-43% YoY). Subscription revenues were the only bright spot (+7% YoY). A weak growth notwithstanding, ZEEL pushed through its operational turnaround mandate. Each of the turnaround vectors we are tracking showed improvement. Content cost declined c.250bps QoQ. Zee5 losses shrunk further (down 14% QoQ). Inventory continued its downtrend, in spite of no major releases. Cash balance improved further. Importantly, ZEEL is balancing cost measures with judicious investment towards growth, reflected in 2 ppt increase in A&P spend (as % of rev.). It admits that margin improvement from hereon has higher dependence on growth. Rural recovery offers hope. ZEEL's own interventions – international ad-revenue growth, pricing increase, regional channel strategy – should augment that. That said, we have tempered our FY25-27E revenue expectations by 2-4%. Same has flown down to our EPS estimates. Our current estimates still imply earnings CAGR of 42% over FY24-27E. As we discussed in "[Turning the page](#)", stock trades at trough valuations. Maintain BUY with an unchanged TP of INR 200.

- 3QFY25- Miss on growth beat on margins:** ZEEL reported revenues of INR 19.8bn (-3.3% YoY), missing expectations. Ad-revenues (-8% YoY) were soft. Uptick in the early part of the festive season didn't pan out through the quarter. Subscription revenues (+7% YoY) did better, helped by both linear TV and digital. Q3 saw a lean movie lineup. The quarter saw 5 movie releases with lacklustre performance. This impacted other sales and services (-42% YoY; 50% below JMFe). ZEEL's TV viewership share declined 50bps QoQ to 16.9%. Margin performance was however healthy. EBITDA margin improved 10bps QoQ to 16.1%, ahead of JMFe: 14.5%. Margin improvement was led by optimization and efficiencies. Margins were strong despite wage hikes and higher ad spends. Zee5 losses narrowed further from INR 1.6bn in 2QFY25 to INR 1.4bn in 3QFY25. Adjusted PAT at INR 2.4bn was 30% above JMFe (INR 1.9bn). Reported PAT was impacted by 0.8bn provision related to arbitration proceedings. Cash on balance sheet improved significantly (44% QoQ) and inventories declined largely due to movie rights inventory declining.
- Outlook – Macro improvement needed:** Ad revenues have declined across the industry and require improvement in FMCG spends to return to growth. ZEEL is optimistic about measures in the budget to boost demand. Subscription revenues are expected to continue their growth momentum on the back of price hikes. Zee5 expects a B2B deal renewal to drive growth. Strong movie pipeline in Q4 is expected to drive sequential growth. margin performance will be impacted by how well the releases do. The music business is seeing industry wide cost pressures due to competition. The margin goal of 18-20% for FY26 was reiterated. However, incremental improvement will be dependent on growth.
- EPS down to factor growth challenges; Retain BUY:** We have revised our revenue estimates lower to factor softness in Ad revenues and movie business. This drives 2-4.5% cut in EPS over FY25-26E. Stock trades at trough valuations. TP remains unchanged. BUY.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	HOLD
Current Price Target (12M)	200
Upside/(Downside)	65.6%
Previous Price Target	200
Change	0.0%

Key Data – Z IN

Current Market Price	INR121
Market cap (bn)	INR116.0/US\$1.3
Free Float	91%
Shares in issue (mn)	960.6
Diluted share (mn)	1,044.1
3-mon avg daily val (mn)	INR1,512.5/US\$17.5
52-week range	210/114
Sensex/Nifty	76,520/23,205
INR/US\$	86.5

Price Performance

%	1M	6M	12M
Absolute	-3.9	-10.4	-22.6
Relative*	-1.3	-5.8	-28.8

* To the BSE Sensex

Financial Summary

Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E
Net Sales	81,035	86,372	85,220	93,559	1,02,876
Sales Growth (%)	-1.0	6.6	-1.3	9.8	10.0
EBITDA	11,029	9,071	13,487	17,441	21,634
EBITDA Margin (%)	13.6	10.5	15.8	18.6	21.0
Adjusted Net Profit	4,074	4,738	8,611	11,680	14,965
Diluted EPS (INR)	4.2	4.9	8.6	11.2	13.8
Diluted EPS Growth (%)	-63.0	16.3	74.2	30.2	23.2
ROIC (%)	5.3	4.2	7.5	10.1	12.7
ROE (%)	3.8	4.4	7.7	9.6	11.3
P/E (x)	28.5	24.5	14.1	10.8	8.8
P/B (x)	1.1	1.1	1.0	1.0	0.9
EV/EBITDA (x)	10.5	12.1	7.6	5.4	3.9
Dividend Yield (%)	2.5	0.8	1.3	1.7	2.1

Source: Company data, JM Financial. Note: Valuations as of 23/Jan/2025

JM Financial Institutional Securities Limited

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Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Key conference call takeaways

- **Demand:** Management highlighted continued subscription revenue growth. Zee5 also saw healthy subscriber growth. The company took competitive pricing approach and published new channel tariff in Q3. They expect the impact of competitive pricing to reflect in subscription revenue growth after a few quarters post implementation. They mentioned Q3 to be a soft quarter for advertising growth amidst lacklustre FMCG demand especially in the urban segment. This muted spending by FMCG brands in a festive quarter slowed the pace of growth for the company. A challenging macro-environment for consumption led to a 4% sequential decrease in ad-revenues. The company is optimistic about the revival of consumption cycle due to possible measures in the upcoming Union Budget.
- **Outlook:** Management highlighted focus to be on accelerating revenue growth Q4 onwards, since they have made strides on the margin front with a decline in overall costs. They remain optimistic about sustained profitability and will ensure focus on longer term growth related investments. They highlighted that Q4 will witness a busy movie calendar, and while this will aid revenue growth it can also lead to unpredictability on the margin front depending on the commercial success of the movie. The company also expressed confidence about a gradual recovery in ad-spends in FY26.
- **Margins:** The Company reported a 10 bps sequential growth in EBITDA margin led by effective cost management in a soft advertising environment. Management highlighted decline in overall costs due to efficient execution, lower programming and technology costs, and continued cost optimization in Zee5. They remained cautious about balancing their cost optimization efforts with longer term investment needs of the business, and witnessed an increase in advertisement and publicity expenses reflecting continuous investment in marketing and increase in employee benefits expense due to wage increment. They believe that the path of margin expansion will now have a higher dependency on growth and operating leverage. The company remains committed to the goal of 18-20% EBITDA margin by FY26 end.
- **Zee5:** In Q3, Zee5 narrowed down its operating losses and lowered down their EBITDA loss by INR 226 mn QoQ. Management highlighted that even though cost structure and profitability have been the key focus areas in the business, they also continue to make steady progress in usage and engagement KPIs. They witnessed an increase in the number of subscribers and the average watch time in Q3 on a YoY basis. YoY Revenue growth of the business was slightly impacted due to a delay in the renewal of a B2B deal. They mentioned that their original content continues to resonate well with the viewers. They released 14 shows and movies including 7 originals in Q3.
- **Linear TV:** The Company highlighted a healthy TV industry landscape with an increase of 1.4% in industry wide TV viewership. They mentioned their number 2 position in the entertainment network in India and gained 40 bps share compared to the same period last year. On a regional front, they highlighted consistent progress in Zee Marathi with Zee Tamil also gaining a healthy share on a YoY basis. They also mentioned focus towards enhancing Hindi programming, with significant investments in content to provide value to customers.
- **Music and Movie businesses:** While Q3 witnessed healthy profitability and market relevance for the music business, with views driven by a new age music catalogue and a rich library, the quarter had a lean movie line-up. Management highlighted selective behaviour in the future for the music business on account of increased cost of acquisition in the industry. They expressed optimism about the Q4 movie line-up. They released 5 movies in Q3, 2 in Hindi and 3 in regional languages.

3QFY25: Result Summary

Exhibit 1. ZEEL 3QFY25: Actual vs Estimate

	3Q25A	3Q24A	Change (YoY)	2Q24A	Change (QoQ)	Estimate (JMFe)	Variance (vs. JMFe)
Key Financials							
Revenue (INR mn)	19,788	20,457	-3.3%	20,007	-1.1%	20829	-5%
Advertising revenues	9,406	10,274	-8.4%	9,017	4.3%	9,857	-4.6%
Subscription revenues	9,825	9,213	6.6%	9,699	1.3%	9,880	-0.6%
Domestic subscription	8,959	8,269	8.4%	8,655	3.5%	8,918	0.5%
International subscription	866	944	-8.3%	1,044	-17.0%	963	-10.1%
Other sales & services	557	970	-42.6%	1,291	-56.9%	1,092	-49.0%
EBITDA (INR mn)	3,184	2,092	52.2%	3,210	-0.8%	3,052	4.3%
EBITDA margin	16.1%	10.2%	587bp	16.0%	5bp	14.5%	156bp
EBIT (INR mn)	2,526	1,330	89.9%	2,478	1.9%	2,295	10.1%
PAT (INR mn)	1,636	1,137	43.9%	2,094	-16.7%	1,859	-12.0%

Source: Company, JM Financial

Exhibit 2. Key financials -3QFY25

INR mn	2QFY24	3QFY24	4QFY24	FY24	1QFY25	2QFY25	3QFY25	Comments
Revenues	24,378	20,457	21,699	86,372	21,305	20,007	19,788	
YoY growth (%)	20.2	(3.0)	2.7	6.8	7.4	(17.9)	(3.3)	
Programming & operating costs	14,254	11,876	12,830	50,393	11,770	10,615	9,968	
A&P Spends	2,731	2,531	2,642	10,677	2,896	2,896	2,896	• Consol. Revenue declined 3.3% YoY; miss on JMFe
Other expenses	1,467	1,516	4,215	16,719	4,551	3,907	4,203	
Employee costs	2,599	2,442	2,552	10,188	2,258	2,275	2,433	
Total operating expense	21,050	18,365	19,597	77,301	18,579	16,797	16,604	• Advertising declined 8% YoY while Subscription grew 7% YoY.
EBITDA	3,328	2,092	2,103	9,071	2,727	3,210	3,184	• Zee5 revenues grew 8% YoY while its losses decline to INR 1.3bn.
Operating margin (%)	13.6	10.2	9.7	10.5	12.8	16.0	16.1	• EBITDA margin of 16.1% was ahead of our expectation of 14.5%.
Depreciation and amortization	772	761	772	3,091	756	732	658	
EBIT	2,555	1,330	1,331	5,980	1,970	2,478	2,526	• Adjusted PAT of INR 2.4 bn was above JMFe of INR 1.85bn.
EBIT margin (%)	10.5	6.5	6.1	6.9	9.2	12.4	12.8	
Interest & other income	484	94	85	572	135	254	237	
PBT	3,039	1,424	1,415	6,553	2,105	2,732	2,763	
Income tax expense	-1,810	-839	-1,283	-5,142	-915	-639	-1,128	
Share of minority interest	0.8	1.0	0.0	3.5	0.9	1.0	0.0	
PAT	1,230	585	133	1,414	1,191	2,094	1,635	

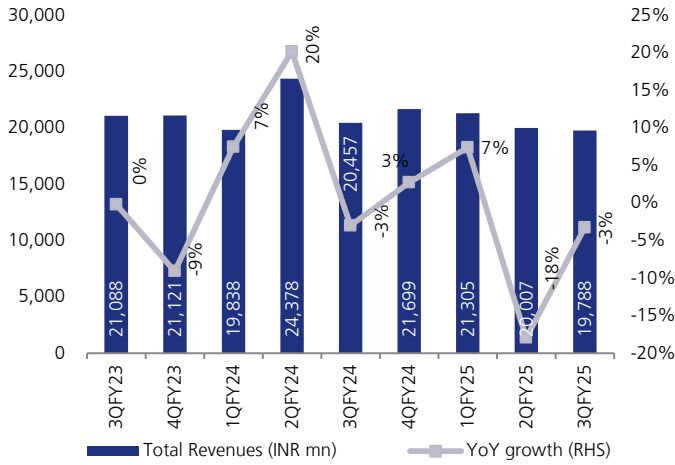
Source: Company, JM Financial

Exhibit 3. Key Segmental Metrics – 3QFY25

INR mn	2QFY24	3QFY24	4QFY24	FY24	1QFY25	2QFY25	3QFY25	Comments
OTT	2,652.0	2,232.0	2,372.0	9,195.0	2,237.0	2,363.0	2,413.0	
YoY growth	58.7	14.9	7.8	24.1	15.4	(10.9)	8.1	• OTT (Zee5) revenues grew by 2.1% QoQ
Core business revenue	21,725.9	18,224.7	19,327.2	77,176.8	19,068.3	17,644.0	17,375.0	• OTT losses narrowed to INR 1.36bn (vs. 1.6 bn losses in 2QFY25)
YoY growth	16.7	(4.8)	2.1	5.0	6.5	(18.8)	(4.7)	

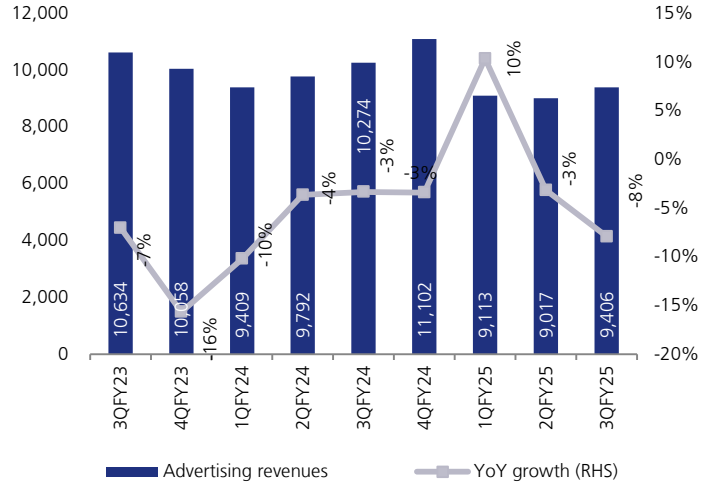
Source: Company, JM Financial

Exhibit 4. Consolidated revenues



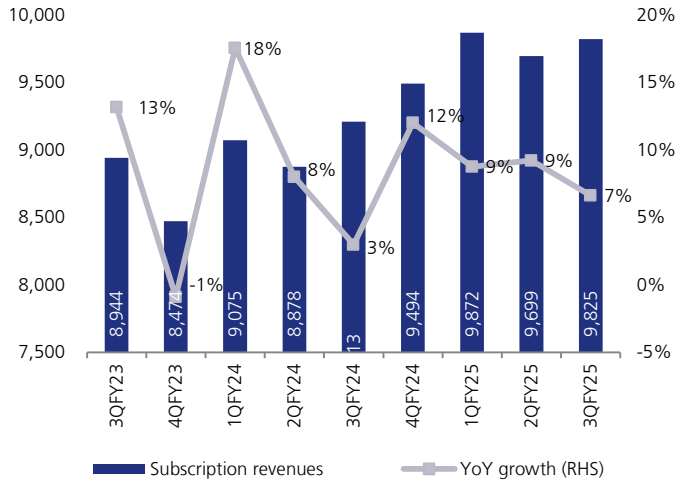
Source: Company, JM Financial

Exhibit 5. Advertising revenues



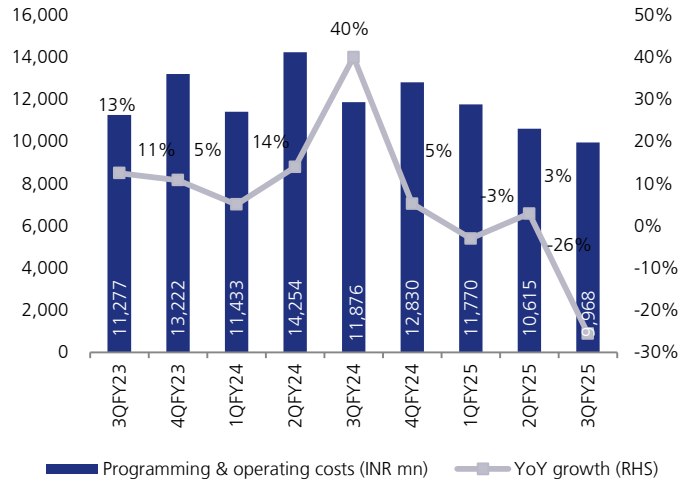
Source: Company, JM Financial

Exhibit 6. Subscription revenues



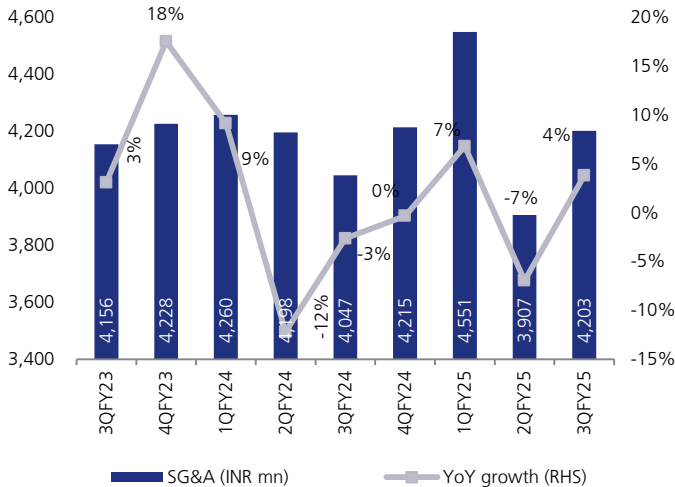
Source: JM Financial, Company

Exhibit 7. Programming costs, moderated on lower releases



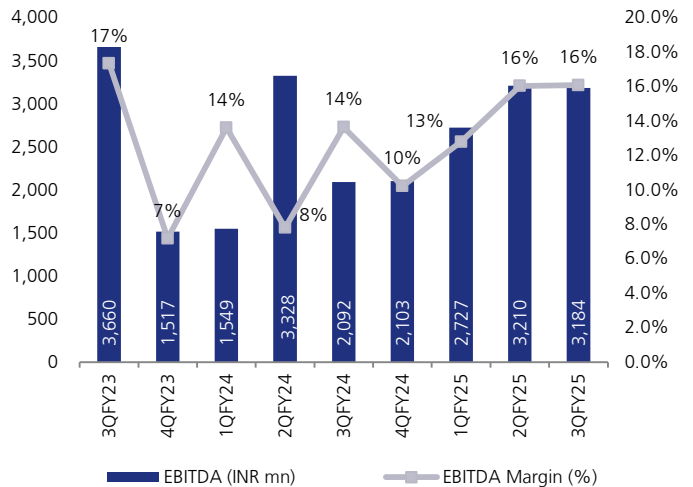
Source: JM Financial, Company

Exhibit 8. SG&A trend



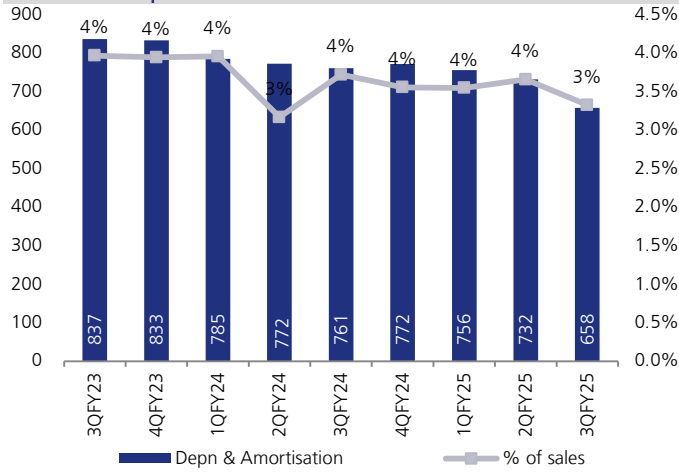
Source: JM Financial, Company

Exhibit 9. EBITDA margin trend



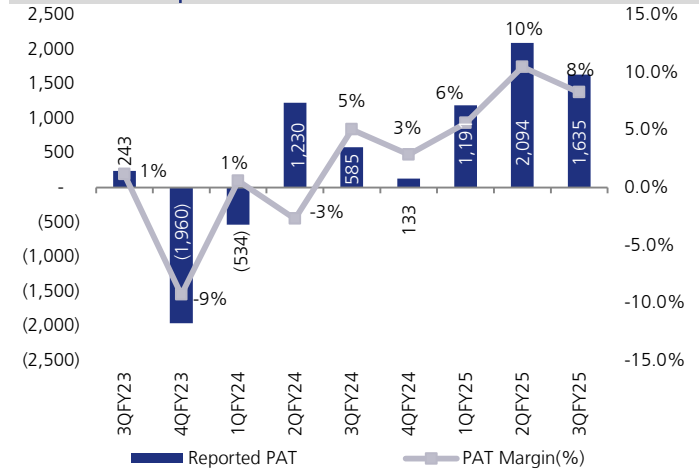
Source: JM Financial, Company

Exhibit 10. Depreciation & Amortization trend



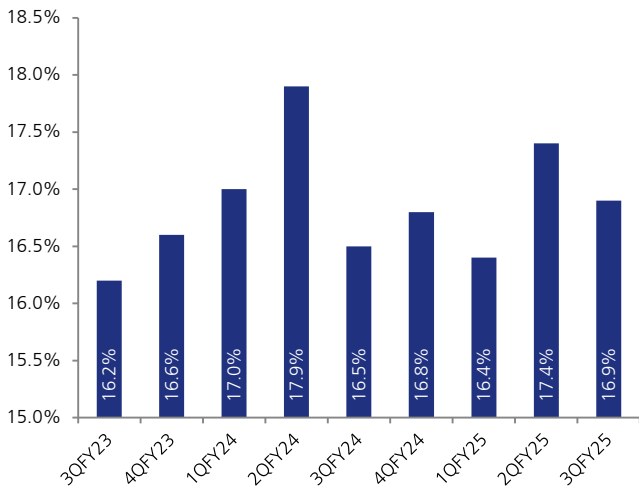
Source: Company, JM Financial

Exhibit 11. Net profit trends



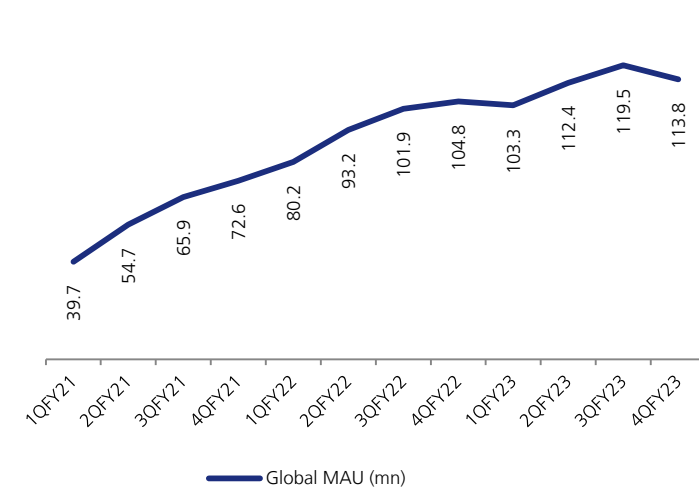
Source: Company, JM Financial

Exhibit 12. ZEE's TV viewership share trends



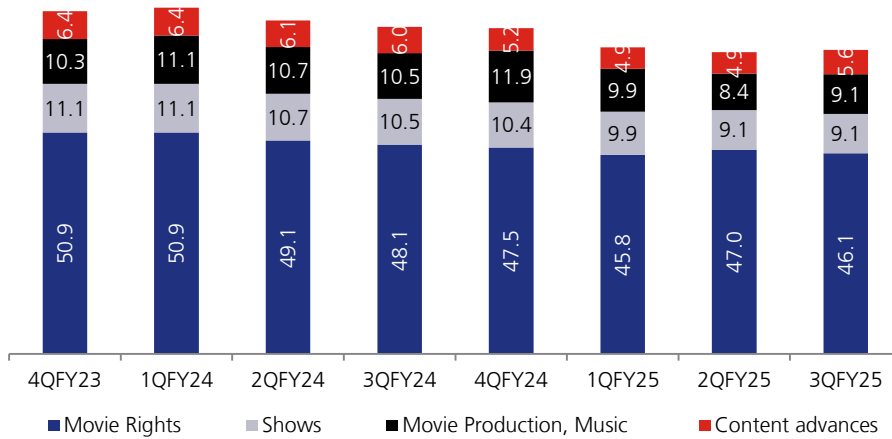
Source: Company, JM Financial

Exhibit 13. Zee5 Global MAU's



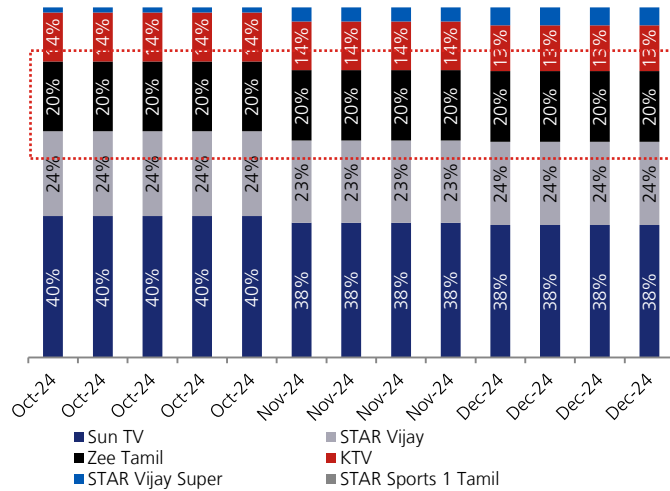
Note: Data has been discontinued from Q1FY24; Source: Company, JM Financial

Exhibit 14. Content inventory appears to have peaked and should reflect in better cash flows
Movement in Inventory



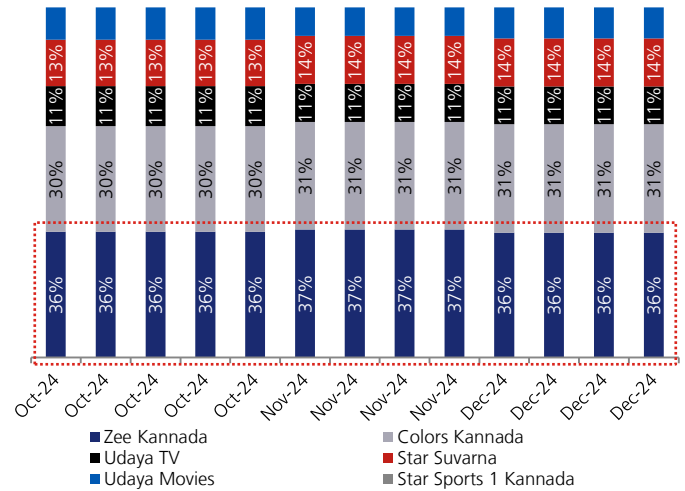
Source: Company, JM Financial

Exhibit 15. Viewership share in TN/Pondicherry (Tamil)



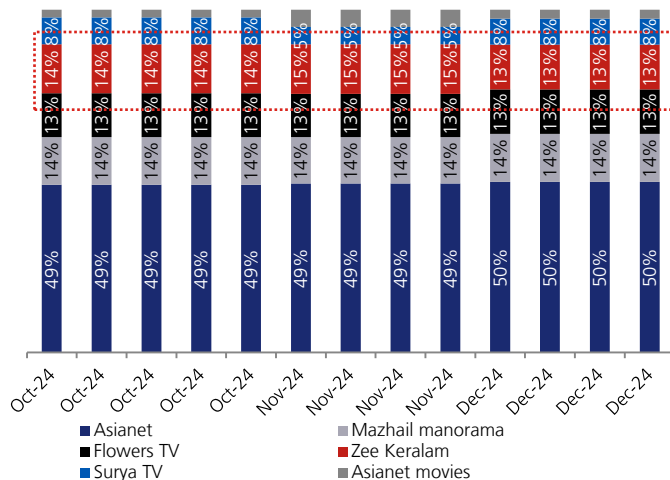
Source: JM Financial, BARC

Exhibit 16. Viewership share in Karnataka (Kannada)



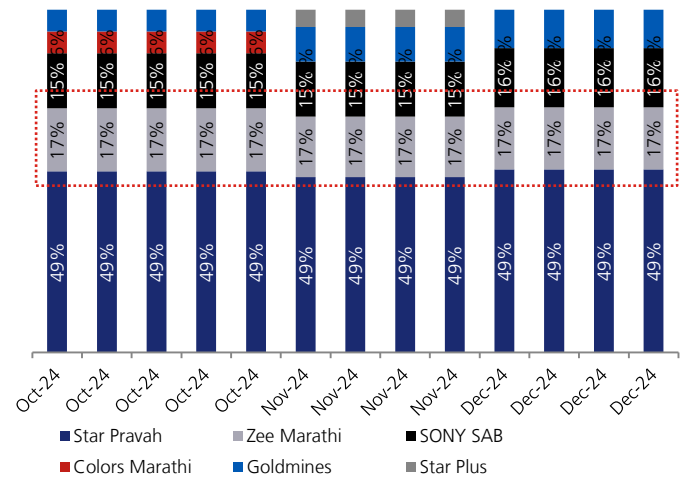
Source: JM Financial, BARC

Exhibit 17. Viewership share in Kerala (Keralam)



Source: JM Financial, BARC

Exhibit 18. Viewership share in Maharashtra/Goa (Marathi)



Source: JM Financial, BARC

Retain BUY; TP maintained at INR 200

The quarter saw 3.3% decline in consol revenues. This was on account of an 8% decline in ad revenues and 40% decline in other sales and revenue. Subscription revenues grew 7% YoY. The green shoots witnessed in ad spend at the beginning of festive season fizzled out in November and December. Recovery in ad spend is yet to materialise. Movie releases in the quarter was muted and performance was soft. Management reported good movie lineup in Q4. They are also beginning to invest in growth, which is a positive. Albeit, our revenue estimates for ZEEL are revised lower by 1.5%-3.5% for FY25-27E given the challenges in ad revenue. EBTDA margins remain largely unchanged; they are revised lower by 1-30 bps for FY25-27E. Management expect margin expansion to be a function of growth going forward, this tempers margin estimates. The lowering of growth estimates and margin estimates drives down our EPS estimates. We have revised our EPS estimates lower by 2.3-4.6% over FY25-26E. We continue to value ZEEL at 15x 12-month forward PER. Reduction in EPS offset by rolling forward to January 2026 gives a target price of INR 200. Maintain BUY.

Exhibit 19. What has changed to our estimates – Zee (Consol.)

INR mn	OLD			NEW			Change		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
Consolidated revenue (INR mn)	88,319	95,948	104,490	85,220	93,559	102,876	-3.5%	-2.5%	-1.5%
Revenue growth rate (YoY)	2.3%	8.6%	8.9%	-1.3%	9.8%	10.0%	-36bp	11bp	11bp
EBITDA (INR mn)	14,258	18,130	21,979	13,487	17,441	21,634	-5.4%	-3.8%	-1.6%
EBITDA margin	16.1%	18.9%	21.0%	15.8%	18.6%	21.0%	-32bp	-25bp	-1bp
EBIT (INR mn)	11,159	14,833	18,497	10,588	14,356	18,375	-5.1%	-3.2%	-0.7%
EBIT margin	12.6%	15.5%	17.7%	12.4%	15.3%	17.9%	-21bp	-11bp	16bp
PAT (INR mn)	9,026	11,958	15,038	8,611	11,680	14,965	-4.6%	-2.3%	-0.5%
Adj. EPS (INR mn)	9.19	11.69	14.12	8.77	11.41	14.05	-4.6%	-2.3%	-0.5%

Source: Company, JM Financial estimates

Exhibit 20. Key assumptions

	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Revenues Growth, YoY (%)								
Advertising revenues	(7.1)	(19.9)	17.3	(7.7)	(0.0)	(5.6)	8.0	8.8
Subscription revenues	25.0	12.3	0.1	2.7	9.9	7.6	12.4	11.9
Other sales & services	(4.3)	31.5	(26.0)	29.9	28.8	(18.1)	5.0	5.0
Total Revenues	2.5	(4.9)	5.9	(1.0)	6.6	(1.3)	9.8	10.0
Cost – as % of revenues (%)								
Programming/Content	44.4	44.8	44.9	49.9	53.2	47.1	45.4	44.1
SG&A	23.2	17.7	19.0	20.9	19.4	20.2	19.8	19.4
Employee costs	9.6	10.6	10.6	10.2	11.8	11.4	11.1	10.8
Total operating cost	79.9	76.8	79.0	86.4	89.5	84.2	81.4	79.0
Effective tax rate	26.0	28.9	27.6	27.6	27.6	27.6	27.6	27.6
Balance Sheet								
Inventory days of programming cost (%)	465	567	585	650	600	575	550	525
Capex (INR mn)	2,230	2,163	2,966	3,016	3,066	3,016	2,966	2,916

Source: Company, JM Financial estimates

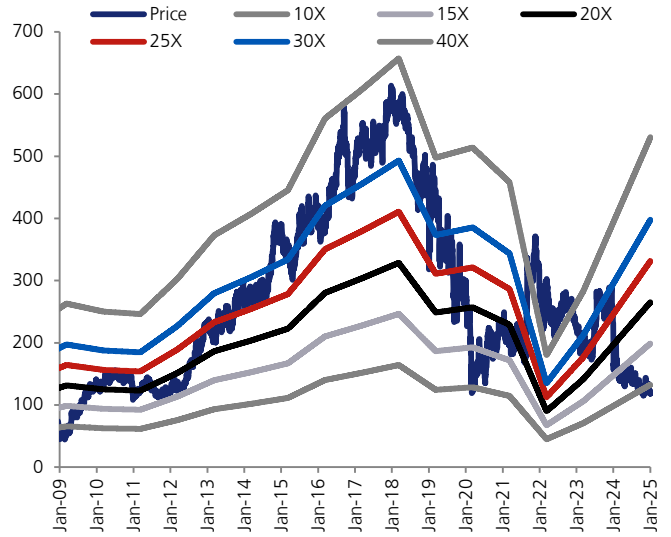
Valuation

Exhibit 21. Zee: 1yr forward PER valuation



Source: JM Financial, Bloomberg

Exhibit 22. 1yr forward EV/EBITDA valuation



Source: JM Financial, Bloomberg

Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Net Sales	81,035	86,372	85,220	93,559	1,02,876	
Sales Growth	-1.0%	6.6%	-1.3%	9.8%	10.0%	
Other Operating Income	0	0	0	0	0	
Total Revenue	81,035	86,372	85,220	93,559	1,02,876	
Cost of Goods Sold/Op. Exp	44,824	50,393	44,749	47,148	50,109	
Personnel Cost	8,238	10,188	9,740	10,412	11,141	
Other Expenses	16,944	16,719	17,244	18,557	19,993	
EBITDA	11,029	9,071	13,487	17,441	21,634	
EBITDA Margin	13.6%	10.5%	15.8%	18.6%	21.0%	
EBITDA Growth	-36.0%	-17.8%	48.7%	29.3%	24.0%	
Depn. & Amort.	3,413	3,091	2,900	3,085	3,259	
EBIT	7,616	5,980	10,588	14,356	18,375	
Other Income	797	1,293	1,552	2,012	2,520	
Finance Cost	702	721	192	192	192	
PBT before Excep. & Forex	7,711	6,553	11,947	16,176	20,703	
Excep. & Forex Inc./Loss(-)	0	0	0	0	0	
PBT	7,711	6,553	11,947	16,176	20,703	
Taxes	2,167	1,818	3,344	4,510	5,757	
Extraordinary Inc./Loss(-)	-5,333	-3,324	0	0	0	
Assoc. Profit/Min. Int.(-)	-1	4	9	14	19	
Reported Net Profit	210	1,414	8,611	11,680	14,965	
Adjusted Net Profit	4,074	4,738	8,611	11,680	14,965	
Net Margin	5.0%	5.5%	10.1%	12.5%	14.5%	
Diluted Share Cap. (mn)	961.0	961.0	1,002.6	1,044.1	1,085.7	
Diluted EPS (INR)	4.2	4.9	8.6	11.2	13.8	
Diluted EPS Growth	-63.0%	16.3%	74.2%	30.2%	23.2%	
Total Dividend + Tax	2,883	961	1,504	2,088	2,714	
Dividend Per Share (INR)	3.0	1.0	1.5	2.0	2.5	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Profit before Tax	7,710	6,556	11,956	16,190	20,721	
Depn. & Amort.	3,413	3,167	2,900	3,085	3,259	
Net Interest Exp. / Inc. (-)	288	251	-524	-960	-1,442	
Inc (-) / Dec in WCap.	-2,722	3,418	5,159	-2,237	-2,833	
Others	-3,506	-3,847	0	0	0	
Taxes Paid	-3,893	-2,401	-3,347	-4,510	-5,757	
Operating Cash Flow	1,291	7,143	16,143	11,569	13,948	
Capex	-2,332	-1,014	-7,601	-2,966	-2,916	
Free Cash Flow	-1,041	6,130	8,542	8,603	11,032	
Inc (-) / Dec in Investments	-87	75	-843	-14	-19	
Others	403	465	716	1,152	1,634	
Investing Cash Flow	-2,016	-474	-7,728	-1,828	-1,300	
Inc / Dec (-) in Capital	0	0	0	0	0	
Dividend + Tax thereon	-2,882	0	-961	-1,504	-2,088	
Inc / Dec (-) in Loans	-1,121	-1,204	0	0	0	
Others	-80	-1,531	-192	-192	-192	
Financing Cash Flow	-4,082	-2,735	-1,153	-1,696	-2,280	
Inc / Dec (-) in Cash	-4,807	3,934	7,262	8,046	10,368	
Opening Cash Balance	11,986	7,198	11,131	18,394	26,439	
Closing Cash Balance	7,179	11,131	18,394	26,439	36,807	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Shareholders' Fund	1,07,219	1,08,729	1,16,380	1,26,556	1,39,433	
Share Capital	961	961	961	961	961	
Reserves & Surplus	1,06,258	1,07,768	1,15,419	1,25,595	1,38,472	
Preference Share Capital	0	0	0	0	0	
Minority Interest	0	0	0	0	0	
Total Loans	7,067	5,119	5,119	5,119	5,119	
Def. Tax Liab. / Assets (-)	-5,940	-4,530	-4,533	-4,533	-4,533	
Total - Equity & Liab.	1,08,346	1,09,318	1,16,966	1,27,142	1,40,019	
Net Fixed Assets	9,986	8,530	13,045	12,926	12,583	
Gross Fixed Assets	16,565	17,765	19,340	20,480	21,507	
Intangible Assets	7,930	8,463	10,574	11,217	11,840	
Less: Depn. & Amort.	14,700	17,791	16,962	18,864	20,856	
Capital WIP	191	93	93	93	93	
Investments	1,710	1,681	1,689	1,703	1,721	
Current Assets	1,19,331	1,19,930	1,23,474	1,35,102	1,49,852	
Inventories	73,079	69,129	63,292	64,018	65,232	
Sundry Debtors	16,088	17,016	18,081	19,850	21,827	
Cash & Bank Balances	7,179	11,131	18,394	26,439	36,807	
Loans & Advances	6,451	6,451	6,774	7,112	7,468	
Other Current Assets	16,534	16,203	16,934	17,682	18,519	
Current Liab. & Prov.	22,681	20,636	21,243	22,588	24,138	
Current Liabilities	17,494	14,355	15,020	15,938	17,012	
Provisions & Others	5,187	6,282	6,223	6,650	7,126	
Net Current Assets	96,650	99,294	1,02,231	1,12,514	1,25,714	
Total - Assets	1,08,346	1,09,504	1,16,966	1,27,142	1,40,019	

Source: Company, JM Financial

Dupont Analysis						
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
Net Margin	5.0%	5.5%	10.1%	12.5%	14.5%	
Asset Turnover (x)	0.7	0.8	0.7	0.7	0.7	
Leverage Factor (x)	1.1	1.1	1.0	1.0	1.0	
RoE	3.8%	4.4%	7.7%	9.6%	11.3%	

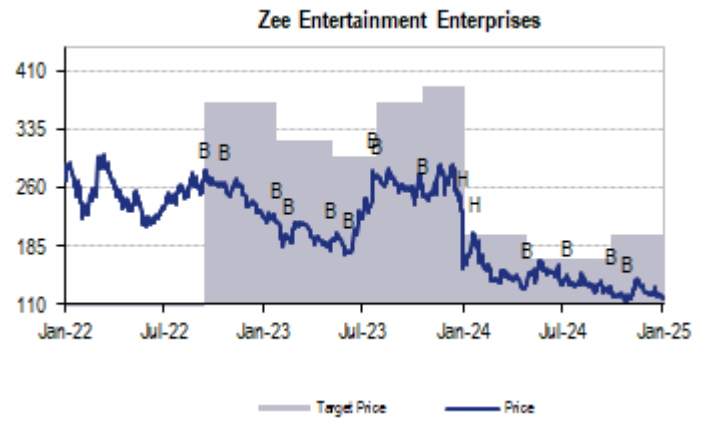
Key Ratios						
Y/E March	FY23A	FY24A	FY25E	FY26E	FY27E	
BV/Share (INR)	111.6	113.1	118.5	123.7	130.9	
ROIC	5.3%	4.2%	7.5%	10.1%	12.7%	
ROE	3.8%	4.4%	7.7%	9.6%	11.3%	
Net Debt/Equity (x)	0.0	-0.1	-0.1	-0.2	-0.2	
P/E (x)	28.5	24.5	14.1	10.8	8.8	
P/B (x)	1.1	1.1	1.0	1.0	0.9	
EV/EBITDA (x)	10.5	12.1	7.6	5.4	3.9	
EV/Sales (x)	1.4	1.3	1.2	1.0	0.8	
Debtor days	72	72	77	77	77	
Inventory days	329	292	271	250	231	
Creditor days	91	68	76	76	76	

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
5-Oct-22	Buy	370	
12-Nov-22	Buy	370	0.0
14-Feb-23	Buy	320	-13.5
8-Mar-23	Buy	320	0.0
26-May-23	Buy	300	-6.3
27-Jun-23	Buy	300	0.0
10-Aug-23	Buy	300	0.0
17-Aug-23	Buy	370	23.3
10-Nov-23	Buy	390	5.4
22-Jan-24	Hold	200	-48.7
14-Feb-24	Hold	200	0.0
18-May-24	Buy	170	-15.0
1-Aug-24	Buy	170	0.0
20-Oct-24	Buy	200	17.6
20-Nov-24	Buy	200	0.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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* REITs refers to Real Estate Investment Trusts.

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