

Zee Entertainment Enterprises | BUY

10% FCF yield. Any takers ?

ZEEL's revenue growth (+0.7% YoY) was broadly in-line. Underlying construct, however, was not. Ad-revenues declined 25% YoY, well below JMFe: -10% YoY. This was offset by lumpy other sales and services (+3x YoY). Unfavourable base, cricket heavy season and continued demand softness drove down ad-revenues. Subscription revenue growth, up 5% YoY was steady though. EBITDA margin (13.1%), though ahead of JMFe: 12.1%, declined sequentially as adverse mix (lower ad, higher syndication) weighed. Despite that, management reiterated its 18-20% EBITDA margin guidance for FY26. Although, that will need support from growth. Strategy tweaks and judicious investments underpin management's confidence of carving out growth despite non-conducive environment. ZEEL's return to Free-to-air (FTA) network, new templates (Mini series) and pricing interventions (regional pack for Zee5) are few notable examples. Meaningful recovery in growth however will track demand environment, in our view. Revenue/margin aside, ZEEL's operational discipline is also reflected in improved cash conversion. ZEEL delivered (normalised) FCF/PAT of 130% in FY25. That translates into an FY25-FCF yield of 10%. As we demonstrated in [Turning the page](#), that implies zero terminal value for the stock. ZEEL's pan-India reach, a still substantial TV viewership share (16.6%) and improved financial health merit a much better valuation. We continue to value the stock at 15x PER. Maintain BUY with a revised TP of INR 210.

- **4QFY25 – PAT beat:** ZEEL reported revenues of INR 21.8bn (+0.7%), in-line with JMFe: INR 21.9bn. Ad-revenues declined 25% YoY to INR 8.4bn, missing JMFe: INR 9.2bn. High base, cricket (early start to IPL, Champions Trophy) and weak demand impacted growth. Subscription revenues grew 5% YoY to INR 9.9bn, in-line. Lower ad-revenues were made up through higher other sales and services revenues (INR 3.6bn; up 3.3x YoY). Zee5 revenues increased 16% YoY, aided also by sale of one-off syndication revenues. That helped sharp reduction in Zee5 losses (-44% QoQ). This aided better than expected margin performance (13.1% vs JMFe: 12.1%). This however meant that margin in non-OTT segment declined 570bps YoY to 18.9%. Higher other sales and services, lower ad-revenues as well as ILT20 (seasonal) weighed on margins. PAT came in at INR 1,880mn, 15% ahead of JMFe: INR 1,632mn.
- **Outlook - resilient:** ZEEL is hopeful of gradual growth recovery. Absence of cricket, its own interventions in new formats and judicious investments should help. ZEEL has launched lower priced regional language subscription in Zee5 to drive subscriber growth. It believes high single digit ad-revenue growth is possible. These, along with continued cost discipline should help achieve its aspiration of 18-20% EBITDA margin in FY26.
- **Limited changes to EPS; valuations compelling; BUY:** Our already conservative estimates mean revisions to our FY26-27E EPS is limited to -0.5%-1%. ZEEL's judicious content investment is reflected in a) improved inventory mix – content advances, once 20% of inventory, is down to 3%; b) 130% FCF/PAT. As a result, at INR 11bn FCF in FY25, stock trades at 10% FCF yield, unjustifiably low, in our view. Any improvement in demand could trigger re-rating. BUY.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	86,372	82,941	90,232	99,115	1,08,653
Sales Growth (%)	6.6	-4.0	8.8	9.8	9.6
EBITDA	9,071	11,973	16,609	20,278	23,370
EBITDA Margin (%)	10.5	14.4	18.4	20.5	21.5
Adjusted Net Profit	4,738	7,700	11,311	14,308	16,998
Diluted EPS (INR)	4.9	8.0	11.3	13.7	16.3
Diluted EPS Growth (%)	13.6	62.5	40.8	21.5	18.8
ROIC (%)	4.2	7.2	10.7	12.8	14.6
ROE (%)	4.4	6.9	9.4	11.0	11.9
P/E (x)	22.5	13.9	9.8	8.1	6.8
P/B (x)	1.0	0.9	0.9	0.8	0.8
EV/EBITDA (x)	11.0	7.0	5.0	3.7	2.7
Dividend Yield (%)	0.9	2.2	2.8	3.2	3.6

Source: Company data, JM Financial. Note: Valuations as of 08/May/2025



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	210
Upside/(Downside)	89.0%
Previous Price Target	200
Change	5.0%

Key Data – Z IN

Current Market Price	INR111
Market cap (bn)	INR106.7/US\$1.2
Free Float	91%
Shares in issue (mn)	960.6
Diluted share (mn)	1,002.6
3-mon avg daily val (mn)	INR1,423.3/US\$16.6
52-week range	169/89
Sensex/Nifty	80,335/24,274
INR/US\$	85.7

Price Performance

%	1M	6M	12M
Absolute	2.9	-9.4	-17.3
Relative*	-5.4	-10.3	-25.5

* To the BSE Sensex

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

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 indicated that Q4 was shaped by broad-based macro softness and persistent challenges in advertising recovery, particularly within the general entertainment segment. Management highlighted that Ad revenues faced headwinds due to limited demand momentum, while linear subscription trends remained under pressure amid churn across pay-TV platforms. They also reported that rural recovery did not pick up as expected, and this also contributed to a seasonally soft quarter. Management mentioned digital consumption patterns stayed resilient, aided marginally by pricing actions and strong content performance. Overall, the company maintained its position in the broadcast space and continued to strengthen its presence across platforms despite a muted demand environment.

Outlook: Management emphasized a forward-looking strategy centered on accelerating revenue growth while maintaining profitability discipline. They highlighted that with key cost levers already optimized, future margin expansion is expected to be linked closely to revenue growth. Leadership reported that moves such as re-entry into new content genres, NTO 3.0 order implementation, revival of free-to-air (FTA) channels, and a robust movie slate are expected to act as growth catalysts. The company remains confident of a gradual pickup in advertisements, expecting ad revenues to bounce as the cricket calendar ends, and is focused on capturing value across both linear and digital ecosystems in FY26.

Margins: Management highlighted that effective cost management across businesses resulted in a 390 bps EBITDA margin expansion during the year. They however reported an increase in operating costs during Q4 due to higher number of movie releases. They mentioned that operating expenses remained tightly managed, aided by reductions in content and technology-related costs, alongside savings across verticals. Leadership highlighted that further margin expansion would now hinge more on topline growth rather than incremental cost cuts. The company mentioned that remains focused on striking the right balance between maintaining lean operations and enabling long-term strategic investments, reiterating its commitment to achieving 18–20% EBITDA margins by FY26.

Zee5: Zee5 continued to narrow its operating losses in Q4, supported by sustained traction in both subscription and advertising revenues. Management reported that cost rationalization efforts across the platform yielded strong results, even as the team remained focused on driving platform engagement. Key performance indicators, including active subscriber base and content consumption metrics, showed positive trends, driven by successful content launches and pricing strategy refinement. They highlighted that Zee5 revenue in Q4 was aided by a revised pricing strategy in language packs driving subscriber growth. Management emphasized that further loss reduction would be revenue-led going forward, as cost levers had largely been optimized. With a healthy content pipeline and increasing digital viewership, Zee5 remains central to the company's broader digital growth ambitions.

Linear TV: The company sustained its strong position in the Indian TV landscape during Q4, retaining its rank as the second-largest entertainment network in the country. Management reported that despite a challenging ad environment, the linear business demonstrated resilience, with consistent viewership trends across key regional channels and noted slight uptick in Zee Marathi viewership. They highlighted a 20 bps drop in Q4 viewership due to a busy sports calendar. They also mentioned the importance of content quality in maintaining audience engagement and market share in a highly competitive television environment, and highlighted the new mini-series format to address the evolving preferences of viewers.

Music and Movie businesses: Management reported that the music segment continued to deliver strong performance, benefiting from its diverse content portfolio and digital reach, particularly on platforms like YouTube. They highlighted that the subscriber base and video views remained strong, reflecting the popularity of the company's new-age catalog. In the movie segment, management reported that the quarter saw an increase in releases, with Zee studios releasing 20 movies during the year and achieving an all-time high syndication revenue during Q4.

4QFY25: Result Summary

Exhibit 1. ZEEL 4QFY25: Actual vs Estimate

	4Q25A	4Q24A	Change (YoY)	3Q24A	Change (QoQ)	Estimate (JMFe)	Variance (vs. JMFe)
Key Financials							
Revenue (INR mn)	21,841	21,699	0.7%	19,788	10.4%	21,942	-0.5%
Advertising revenues	8,375	11,102	-24.6%	9,406	-11.0%	9,248	-9.4%
Subscription revenues	9,865	9,494	3.9%	9,825	0.4%	9,936	-0.7%
Domestic subscription	8,855	8,474	4.5%	8,959	-1.2%	8,922	-0.8%
International subscription	1,010	1,020	-1.0%	866	16.6%	1,014	-0.4%
Other sales & services	3,601	1,103	226.4%	557	546.5%	2,758	30.6%
EBITDA (INR mn)	2,852	2,103	35.6%	3,184	-10.4%	2,658	7.3%
EBITDA margin	13.1%	9.7%	337bp	16.1%	-303bp	12.1%	94bp
EBIT (INR mn)	2,213	1,331	66.3%	2,526	-12.4%	2,000	10.6%
PAT (INR mn)	1,886	397	374.6%	1,635	15.4%	1,632	15.6%

Source: Company, JM Financial

Exhibit 2. Key financials -4QFY25

INR mn	3QFY24	4QFY24	FY24	1QFY25	2QFY25	3QFY25	4QFY25	Comments
Revenues	20,457	21,699	86,372	21,305	20,007	19,788	21,841	
YoY growth (%)	(3.0)	2.7	6.8	7.4	(17.9)	(3.3)	0.7	
Programming & operating costs	11,876	12,830	50,393	11,770	10,615	9,968	12,819	• Consol. Revenue grew 0.7% YoY; in-line with JMFe, mainly led by a beat on other sales and services
A&P Spends	2,531	2,642	10,677	2,896	2,896	2,896	2,896	
Other expenses	1,516	4,215	16,719	4,551	3,907	4,203	3,870	
Employee costs	2,442	2,552	10,188	2,258	2,275	2,433	2,300	
Total operating expense	18,365	19,597	77,301	18,579	16,797	16,604	18,989	• Advertising declined 25% YoY due to macro headwinds and lack of rural recovery while Subscription grew 4% YoY led by rate hikes
EBITDA	2,092	2,103	9,071	2,727	3,210	3,184	2,852	
Operating margin (%)	10.2	9.7	10.5	12.8	16.0	16.1	13.1	
Depreciation and amortization	761	772	3,091	756	732	658	639	• Zee5 revenues grew 16% YoY while its losses decline to INR 0.753bn.
EBIT	1,330	1,331	5,980	1,970	2,478	2,526	2,213	
EBIT margin (%)	6.5	6.1	6.9	9.2	12.4	12.8	10.1	• EBITDA margin of 13.1% was ahead of our expectation of 12.1%.
Interest & other income	94	85	572	135	254	237	281	
PBT	1,424	1,415	6,553	2,105	2,732	2,763	2,494	• Adjusted PAT of INR 1.76 bn was above JMFe of INR 1.63bn.
Income tax expense	-839	-1,283	-5,142	-915	-639	-1,128	-609	
Share of minority interest	1.0	0.0	3.5	0.9	1.0	0.0	1.0	
PAT	585	133	1,414	1,191	2,094	1,635	1,884	

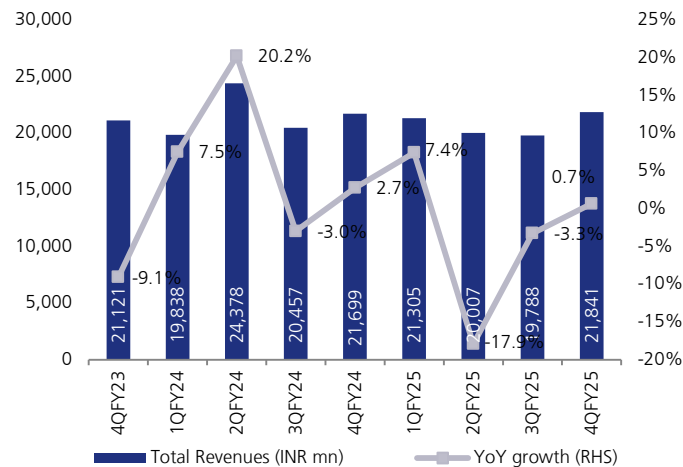
Source: Company, JM Financial

Exhibit 3. Key Segmental Metrics – 4QFY25

INR mn	3QFY24	4QFY24	FY24	1QFY25	2QFY25	3QFY25	4QFY25	Comments
OTT	2,232.0	2,372.0	9,195.0	2,237.0	2,363.0	2,413.0	2,747.0	
YoY growth	14.9	7.8	24.1	15.4	(10.9)	8.1	15.8	• OTT (Zee5) revenues grew by 14% QoQ
Core business revenue	18,224.7	19,327.2	77,176.8	19,068.3	17,644.0	17,375.0	19,094.0	• OTT losses narrowed to INR 0.753 bn (vs. 1.36 bn losses in 2QFY25)
YoY growth	(4.8)	2.1	5.0	6.5	(18.8)	(4.7)	(1.2)	

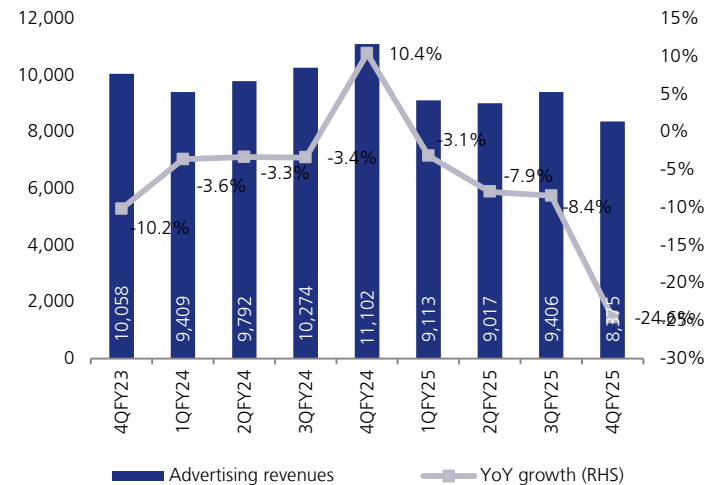
Source: Company, JM Financial

Exhibit 4. Consolidated revenues



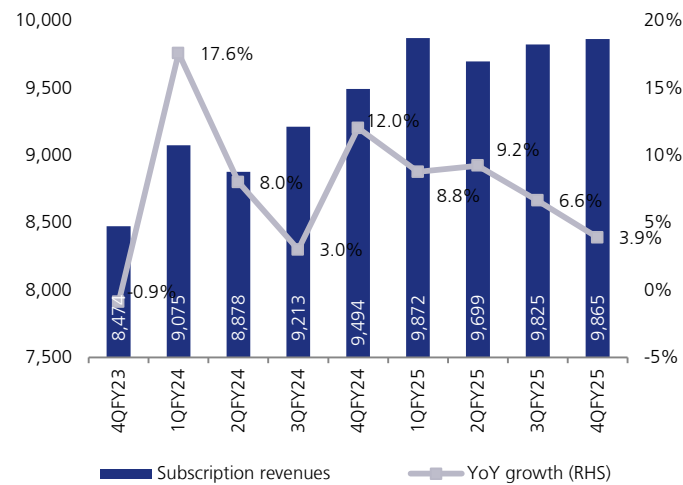
Source: Company, JM Financial

Exhibit 5. Advertising revenues



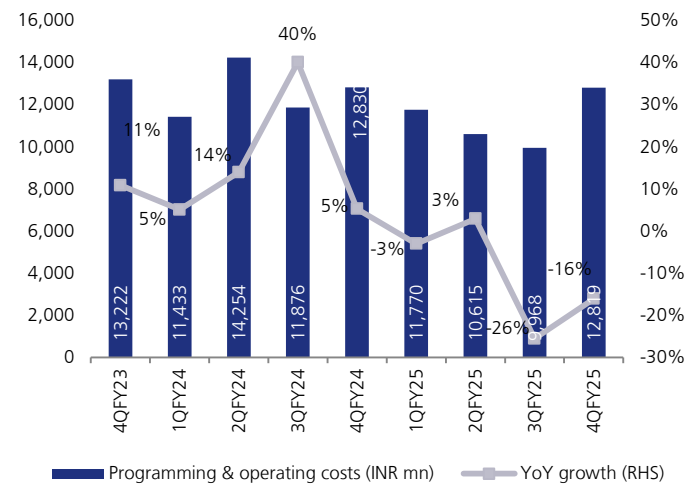
Source: Company, JM Financial

Exhibit 6. Subscription revenues



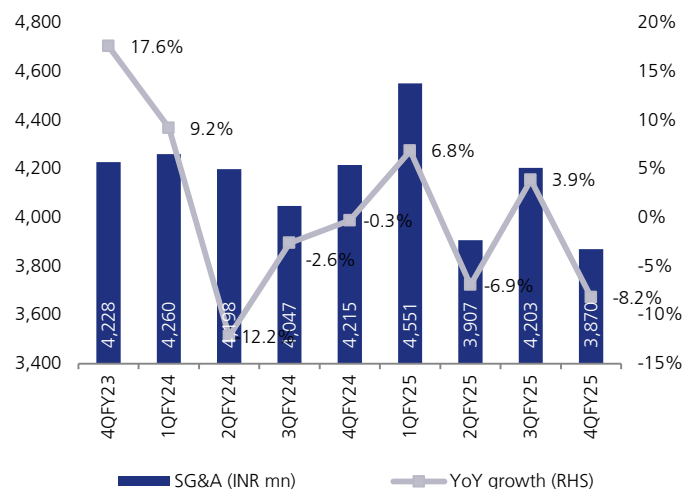
Source: JM Financial, Company

Exhibit 7. Programming costs, moderated on lower releases



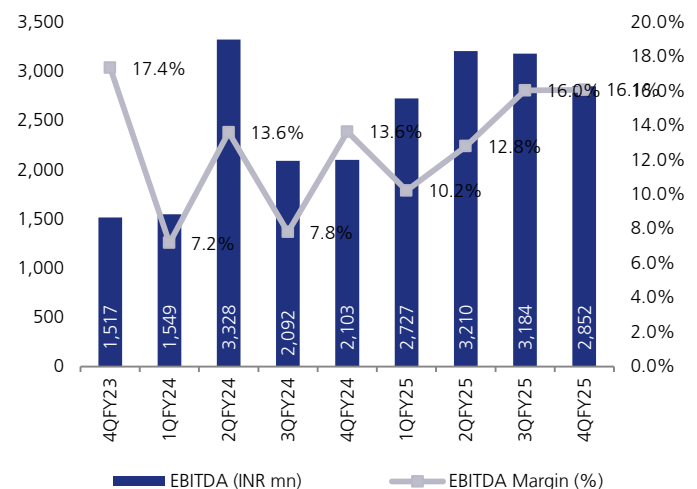
Source: JM Financial, Company

Exhibit 8. SG&A trend



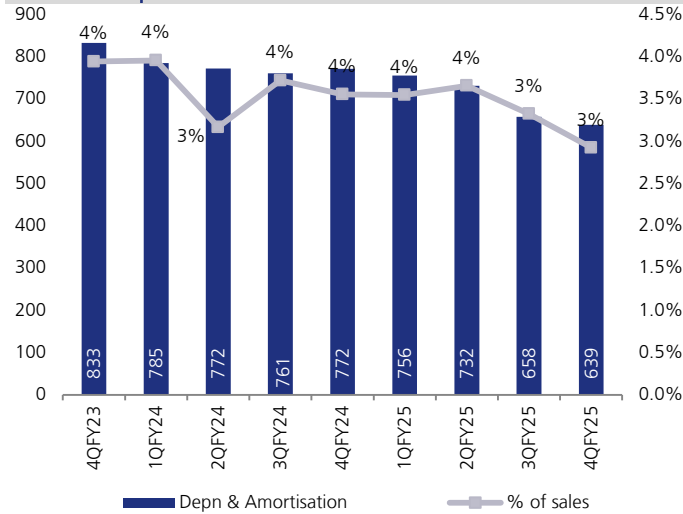
Source: JM Financial, Company

Exhibit 9. EBITDA margin trend



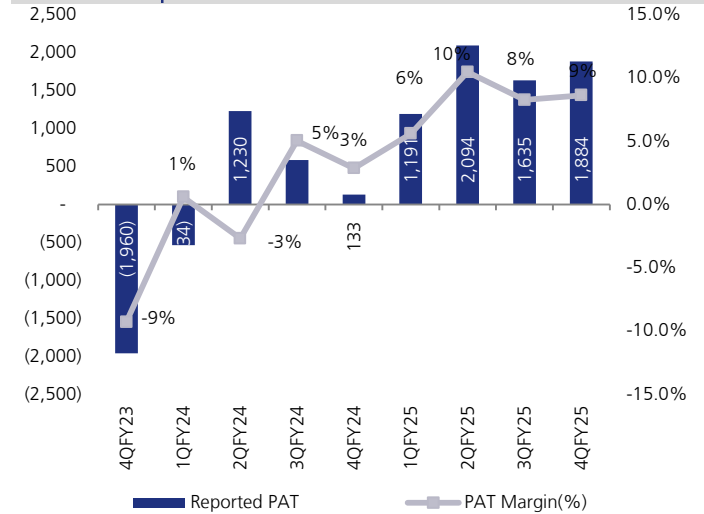
Source: JM Financial, Company

Exhibit 1. Depreciation and Amortisation trend



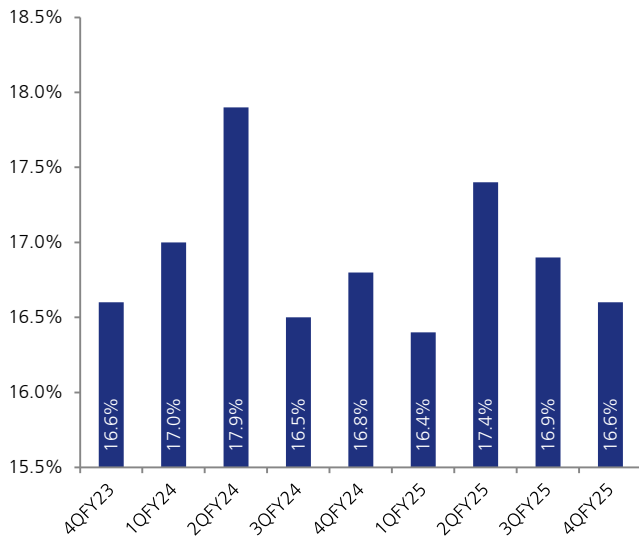
Source: JM Financial, Company

Exhibit 2. Net profit trends



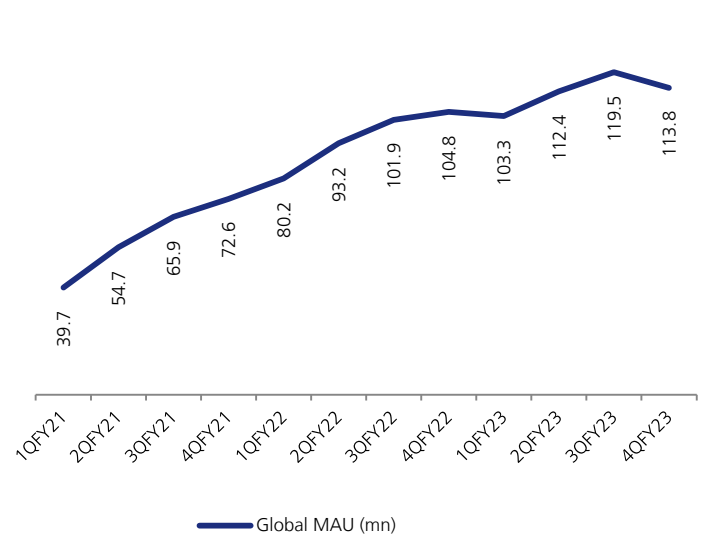
Source: JM Financial, Company

Exhibit 3. ZEEI's TV viewership share trends



Source: JM Financial, Company

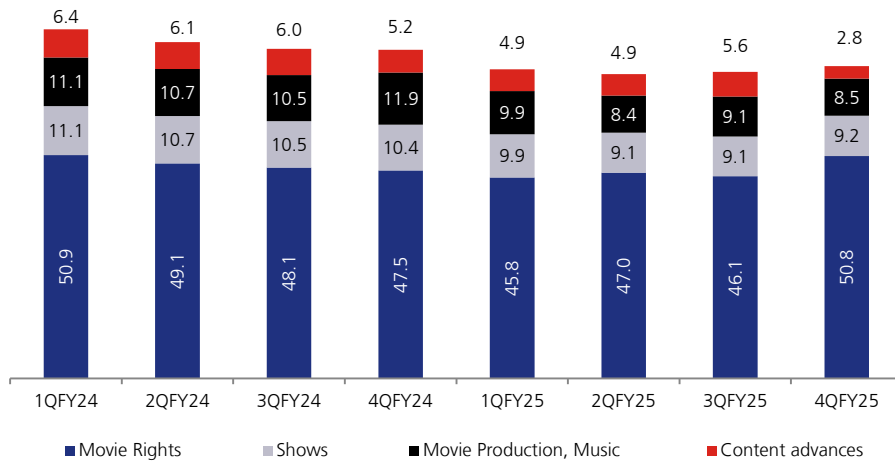
Exhibit 4. Zee5 global MAUs



Source: JM Financial, Company

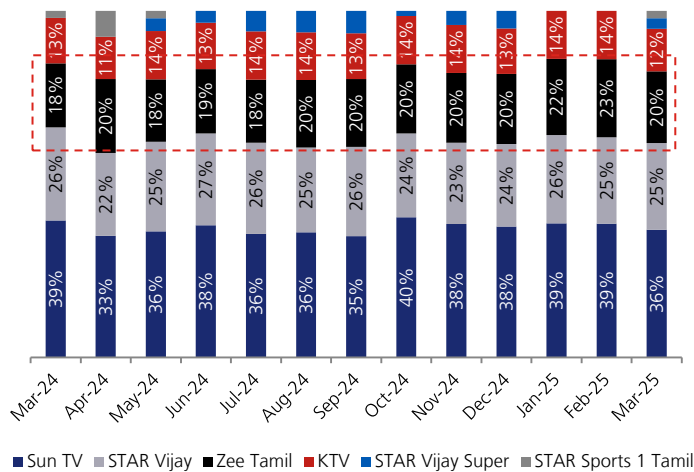
Exhibit 5. Content inventory appears to have peaked and should reflect in better cash flows

Movement in Inventory



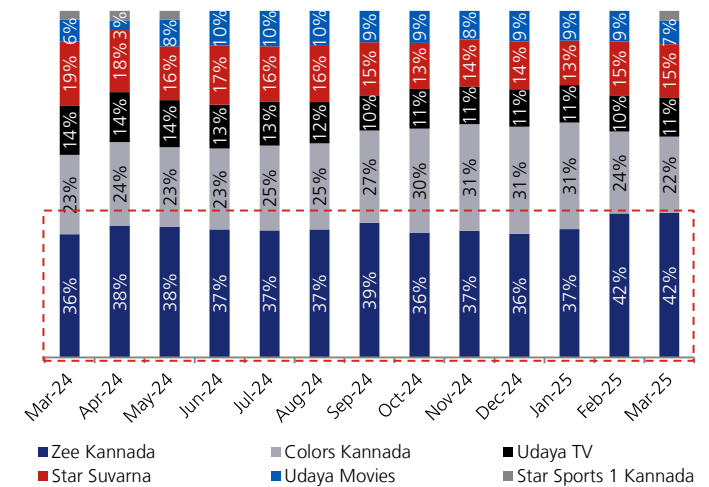
Source: Company, JM Financial

Exhibit 6. Viewership share in TN/Pondicherry (Tamil)



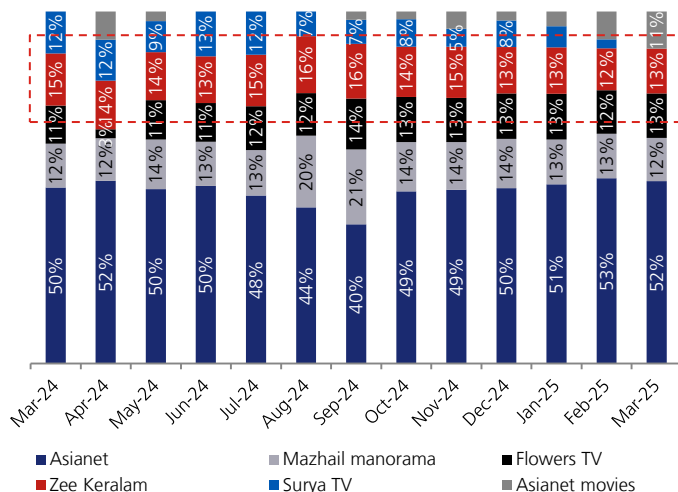
Source: BARC, JM Financial

Exhibit 7. Viewership share in Karnataka (Kannada)



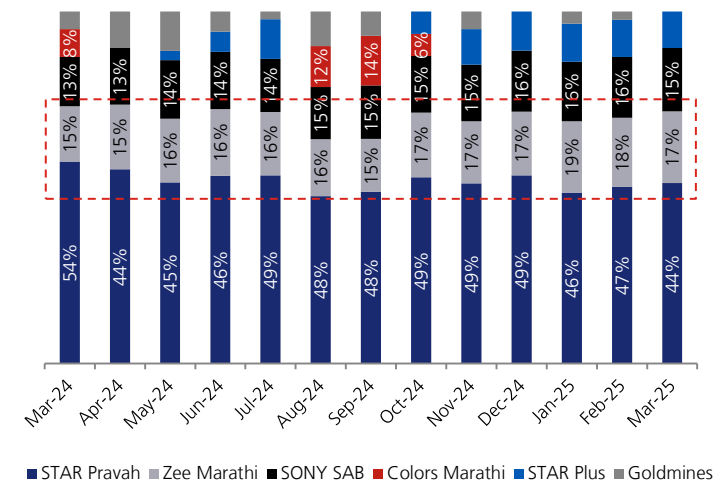
Source: BARC, JM Financial

Exhibit 8. Viewership share in Kerala (Keralam)



Source: BARC, JM Financial

Exhibit 9. Viewership share in Maharashtra/ Goa



Source: BARC, JM Financial

Retain BUY; TP revised to INR 210

The quarter saw 0.7% growth in consol revenues. This quarter saw 25% YoY decline in ad revenues and a stable 4% growth in subscription revenue. Other sales and services grew 226% YoY making up for the softness in ad revenue. Limited demand, cricket and the macro weakness led to softness in Ad revenues. Subscription revenues were impacted by churn in PayTV but remained steady. Interventions to drive subscription growth and strategy tweaks are positives for growth. We revise our revenue estimates down by 3.6%-3.7% over FY26-27E. The company beat margin expectations for the quarter led by cost discipline and reiterated their EBITDA margin guidance of 18-20% for FY26. However, incremental improvement in margin will come from growth. We build lower end of the guidance for FY26E at 18.4%. Our EBITDA margin estimates have been revised lower by 24-57 bps over FY26-27E. Our PAT estimates are revised lower by 3.2%-4.4% over FY26-27E. Lower dilution assumptions limit changes to our EPS, our EPS estimates are revised by -0.5%-0.9% over FY26-27E. We continue to value ZEEL at 15x 12-month forward PER. We maintain BUY with a revised TP of INR 210.

Exhibit 10. What has changed to our estimates – Zee (Consol.)

INR mn	OLD			NEW			Change		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
Consolidated revenue (INR mn)	93,559	102,876	-	90,232	99,115	108,653	-3.6%	-3.7%	-
Revenue growth rate (YoY)	9.8%	10.0%	-	4.5%	9.8%	9.6%	-53bp	-1bp	-
EBITDA (INR mn)	17,441	21,634	-	16,609	20,278	23,370	-4.8%	-6.3%	-
EBITDA margin	18.6%	21.0%	-	18.4%	20.5%	21.5%	-24bp	-57bp	-
EBIT (INR mn)	14,356	18,375	-	13,836	17,431	20,463	-3.6%	-5.1%	-
EBIT margin	15.3%	17.9%	-	15.3%	17.6%	18.8%	-1bp	-27bp	-
PAT (INR mn)	11,680	14,965	-	11,311	14,308	16,998	-3.2%	-4.4%	-
Adj. EPS (INR mn)	11.41	14.05	-	11.52	13.98	16.28	0.9%	-0.5%	-

Source: Company, JM Financial estimates

Exhibit 11. Key assumptions

	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Revenues Growth, YoY (%)								
Advertising revenues	(19.9)	17.3	(7.7)	(0.0)	(11.5)	9.7	10.0	8.9
Subscription revenues	12.3	0.1	2.7	9.9	7.1	7.2	10.7	11.2
Other sales & services	31.5	(26.0)	29.9	28.8	(15.0)	12.6	5.0	5.0
Total Revenues	(4.9)	5.9	(1.0)	6.6	(4.0)	8.8	9.8	9.6
Cost – as % of revenues (%)								
Programming/Content	44.8	44.9	49.9	53.2	48.9	46.6	45.7	45.0
SG&A	17.7	19.0	20.9	19.4	19.9	19.1	18.6	18.6
Employee costs	10.6	10.6	10.2	11.8	11.2	10.7	10.4	10.4
Total operating cost	76.8	79.0	86.4	89.5	85.6	81.6	79.5	78.5
Effective tax rate	28.9	27.6	25.8	25.0	23.0	25.0	25.0	25.0
Balance Sheet								
Inventory days of programming cost (%)	567	585	650	600	575	550	525	500
Capex (INR mn)	2,163	2,966	3,016	3,066	3,016	2,966	2,916	2,966

Source: Company, JM Financial estimates

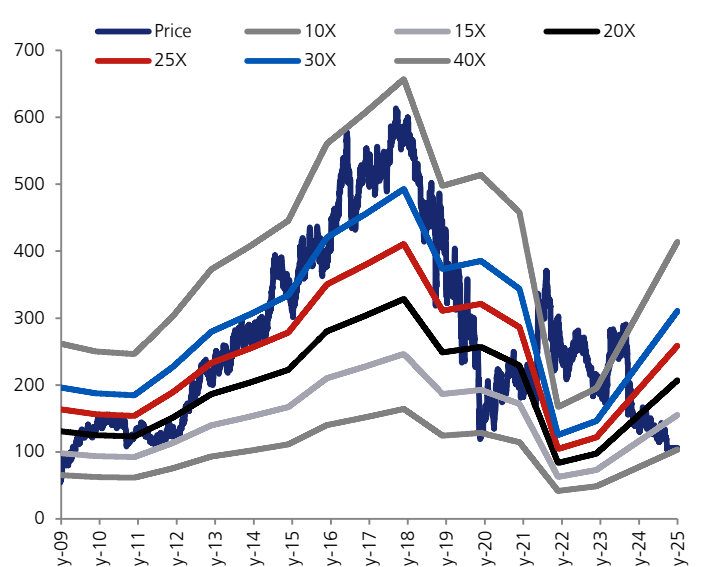
Valuation

Exhibit 12. Zee: 1yr forward PER valuation



Source: Bloomberg, JM Financial

Exhibit 13. 1yr forward EV/EBITDA valuation



Source: Bloomberg, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	86,372	82,941	90,232	99,115	1,08,653
Sales Growth	6.6%	-4.0%	8.8%	9.8%	9.6%
Other Operating Income	0	0	0	0	0
Total Revenue	86,372	82,941	90,232	99,115	1,08,653
Cost of Goods Sold/Op. Exp	50,393	45,172	46,677	50,053	53,783
Personnel Cost	10,188	9,266	9,700	10,357	11,300
Other Expenses	16,719	16,531	17,247	18,427	20,200
EBITDA	9,071	11,973	16,609	20,278	23,370
EBITDA Margin	10.5%	14.4%	18.4%	20.5%	21.5%
EBITDA Growth	-17.8%	32.0%	38.7%	22.1%	15.2%
Depn. & Amort.	3,091	2,785	2,773	2,847	2,907
EBIT	5,980	9,187	13,836	17,431	20,463
Other Income	1,293	1,234	1,669	2,064	2,611
Finance Cost	721	327	327	327	327
PBT before Excep. & Forex	6,553	10,094	15,178	19,168	22,747
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	6,553	10,094	15,178	19,168	22,747
Taxes	1,818	2,398	3,876	4,874	5,769
Extraordinary Inc./Loss(-)	-3,324	80	0	0	0
Assoc. Profit/Min. Int.(-)	4	4	9	14	19
Reported Net Profit	1,414	7,780	11,311	14,308	16,998
Adjusted Net Profit	4,738	7,700	11,311	14,308	16,998
Net Margin	5.5%	9.3%	12.5%	14.4%	15.6%
Diluted Share Cap. (mn)	961.0	961.0	1,002.6	1,044.1	1,044.1
Diluted EPS (INR)	4.9	8.0	11.3	13.7	16.3
Diluted EPS Growth	13.6%	62.5%	40.8%	21.5%	18.8%
Total Dividend + Tax	961	2,335	3,008	3,654	4,177
Dividend Per Share (INR)	1.0	2.4	3.1	3.6	4.0

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	6,556	10,098	15,187	19,182	22,766
Depn. & Amort.	3,167	2,785	2,773	2,847	2,907
Net Interest Exp. / Inc. (-)	251	-381	-799	-1,169	-1,691
Inc (-) / Dec in WCap.	3,418	739	4,236	-2,519	-2,360
Others	-3,847	-647	0	0	0
Taxes Paid	-2,401	-734	-3,876	-4,874	-5,769
Operating Cash Flow	7,143	11,860	17,520	13,467	15,854
Capex	-1,014	-16,618	-8,974	-2,916	-2,966
Free Cash Flow	6,130	-4,758	8,547	10,551	12,888
Inc (-) / Dec in Investments	75	0	-842	-14	-19
Others	465	583	1,126	1,496	2,018
Investing Cash Flow	-474	-16,035	-8,690	-1,434	-967
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	0	-961	-2,335	-3,008	-3,654
Inc / Dec (-) in Loans	-1,204	1,089	0	0	0
Others	-1,531	-120	-327	-327	-327
Financing Cash Flow	-2,735	8	-2,662	-3,335	-3,981
Inc / Dec (-) in Cash	3,934	-4,167	6,169	8,698	10,906
Opening Cash Balance	7,198	11,150	7,203	13,371	22,070
Closing Cash Balance	11,131	6,983	13,371	22,070	32,975

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	1,08,729	1,15,334	1,24,309	1,35,610	1,48,953
Share Capital	961	961	961	961	961
Reserves & Surplus	1,07,768	1,14,373	1,23,348	1,34,649	1,47,992
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	5,119	1,601	1,601	1,601	1,601
Def. Tax Liab. / Assets (-)	-4,530	-3,987	-3,987	-3,987	-3,987
Total - Equity & Liab.	1,09,318	1,12,948	1,21,923	1,33,224	1,46,567
Net Fixed Assets	8,530	6,784	12,957	13,026	13,085
Gross Fixed Assets	17,836	18,724	20,559	21,581	22,572
Intangible Assets	8,391	8,622	11,217	11,840	12,469
Less: Depn. & Amort.	17,791	20,576	18,833	20,409	21,970
Capital WIP	93	14	14	14	14
Investments	1,681	11,947	11,956	11,970	11,989
Current Assets	1,19,930	1,14,537	1,16,096	1,29,114	1,44,490
Inventories	69,129	67,748	63,307	65,152	67,029
Sundry Debtors	17,016	15,325	18,650	19,943	21,267
Cash & Bank Balances	11,131	12,500	13,371	22,070	32,975
Loans & Advances	6,451	0	0	0	0
Other Current Assets	16,203	18,964	20,768	21,950	23,220
Current Liab. & Prov.	20,636	20,292	24,383	26,183	28,294
Current Liabilities	14,355	11,907	15,416	16,508	17,858
Provisions & Others	6,282	8,385	8,967	9,675	10,436
Net Current Assets	99,294	94,245	91,713	1,02,931	1,16,196
Total - Assets	1,09,504	1,12,976	1,16,626	1,27,927	1,41,270

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	5.5%	9.3%	12.5%	14.4%	15.6%
Asset Turnover (x)	0.8	0.7	0.8	0.8	0.8
Leverage Factor (x)	1.1	1.0	1.0	1.0	1.0
RoE	4.4%	6.9%	9.4%	11.0%	11.9%

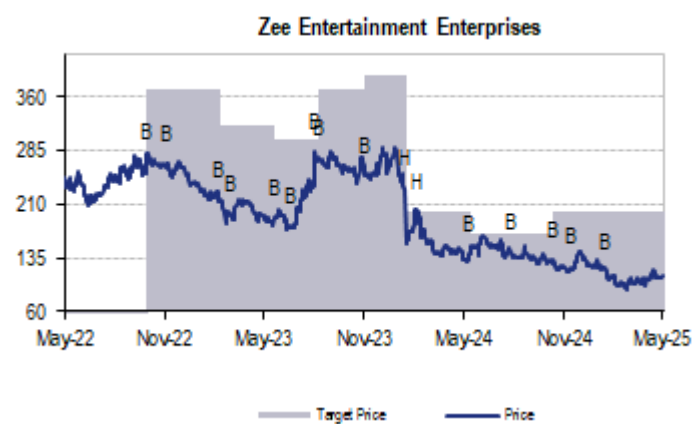
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	113.1	120.0	126.6	132.5	142.7
ROIC	4.2%	7.2%	10.7%	12.8%	14.6%
ROE	4.4%	6.9%	9.4%	11.0%	11.9%
Net Debt/Equity (x)	-0.1	-0.2	-0.2	-0.2	-0.3
P/E (x)	22.5	13.9	9.8	8.1	6.8
P/B (x)	1.0	0.9	0.9	0.8	0.8
EV/EBITDA (x)	11.0	7.0	5.0	3.7	2.7
EV/Sales (x)	1.2	1.0	0.9	0.8	0.6
Debtor days	72	67	75	73	71
Inventory days	292	298	256	240	225
Creditor days	68	61	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
24-Jan-25	Buy	200	0.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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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.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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