

Gujarat State Petro. | BUY



Earnings beat on higher transmission margin, volume slightly lower

GSPL's 2QFY24 standalone EBITDA was INR 4.1bn, slightly higher than JMFe/consensus of INR 3.5bn/ INR 3.7bn due to higher transmission margin while volume was a tad lower. Hence, PAT was also higher at INR 5.3bn vs. JMFe/consensus of INR 4.1bn/ INR 4.6bn, aided by slightly higher other income. Implied transmission EBITDA margin was higher at INR 1,433/tcm (vs. INR 1,221/tcm in 1QFY24) as weighted average tariff was higher QoQ at INR 1,750/tcm in 2QFY24 probably due to implementation of unified tariff; cash opex was also lower. Transmission volume was also up 2.8% QoQ at 30.2mmcmd, though 2.6% below JMFe of 31mmcmd, primarily on account of pick-up in gas demand in fertiliser, CGD, power and other segments, while it was partly offset by decline in demand in refinery/petchem segment. We maintain BUY (unchanged TP of INR 345) as most of GSPL's value is driven from its stake in Gujarat Gas (GGas), whose business we like as we expect its volume growth to sustain in the medium to long term.

- EBITDA beats expectation on account of higher transmission margin:** GSPL's 2QFY24 standalone EBITDA, at INR 4.1bn, was slightly higher than JMFe/consensus of INR 3.5bn/ INR 3.7bn due to higher transmission margin while volume was a little lower. Hence, PAT was also higher at INR 5.3bn vs. JMFe/consensus of INR 4.1bn/ INR 4.6bn, aided by slightly higher other income. Implied transmission EBITDA margin was higher at INR 1,433/tcm vs. JMFe of INR 1,220/tcm (and higher vs. INR 1,221/tcm in 1QFY24) as weighted average tariff was higher QoQ at INR1,750/tcm in 2QFY24 (vs. INR 1,604/tcm in 1QFY24) probably due to implementation of unified tariff; cash opex was also lower at INR 317/tcm (vs. INR 383/tcm in 1QFY24).
- Transmission volume up 2.8% QoQ at 30.2mmcmd, but a tad below JMFe of 31mmcmd:** Transmission volume was up 2.8% QoQ at 30.2mmcmd, though 2.6% below JMFe of 31mmcmd, due to pick-up in gas demand in fertiliser, CGD, power and other segments, while it was partly offset by decline in demand in refinery/petchem segment. The break-up of 0.8mmcmd QoQ rise in volume (**Exhibit 4**) is: **a)** Fertiliser segment saw volume rise by 1.2mmcmd QoQ to 4.6mmcmd; **b)** CGD segment saw volume increase by 0.4mmcmd QoQ to 10.8mmcmd (driven by QoQ rise in GGas volume); **c)** Power segment volume rose by 0.1mmcmd QoQ to 4.1mmcmd; **d)** Others segment volume also went up, by 0.3mmcmd QoQ to 5.2mmcmd; and **e)** Refinery/Petchem segment witnessed decline in volume by 1.1mmcmd QoQ to 5.5mmcmd.
- Maintain BUY on valuation and due to our positive view on GGas' business model:** We maintain **BUY** (unchanged TP of INR 345) on valuation grounds, and as most of its value is driven from its stake in GGas and we have a positive view on GGas' business as we expect its volume growth to sustain in the medium to long term. Our TP of INR 345 comprises: **a)** INR 171 for the existing pipeline business based on a DCF valuation, **b)** INR 169 for its 54.17% stake in GGas based on a 40% discount to CMP and **c)** INR 6 for its 27.5% stake in Sabarmati Gas based on 10x FY22 PAT. At CMP, GSPL is trading at 1.4x FY25E P/B (3-year avg: 1.7x).

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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	345
Upside/(Downside)	26.7%
Previous Price Target	345
Change	0.1%

Key Data – GUJS IN

Current Market Price	INR273
Market cap (bn)	INR153.8/US\$1.8
Free Float	51%
Shares in issue (mn)	564.1
Diluted share (mn)	564.2
3-mon avg daily val (mn)	INR258.6/US\$3.1
52-week range	311/225
Sensex/Nifty	64,959/19,412
INR/US\$	83.2

Price Performance

%	1M	6M	12M
Absolute	-6.0	-2.4	21.0
Relative*	-4.5	-8.2	13.5

* To the BSE Sensex

Financial Summary (Standalone)

Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E
Net Sales	20,200	17,618	17,777	18,647	19,559
Sales Growth (%)	-2.9	-12.8	0.9	4.9	4.9
EBITDA	13,976	12,587	12,963	13,691	14,455
EBITDA Margin (%)	69.2	71.4	72.9	73.4	73.9
Adjusted Net Profit	9,791	9,450	9,435	10,010	10,615
Diluted EPS (INR)	17.4	16.7	16.7	17.7	18.8
Diluted EPS Growth (%)	5.2	-3.5	-0.2	6.1	6.0
ROIC (%)	28.2	24.1	24.2	26.4	28.8
ROE (%)	12.2	10.7	9.8	9.7	9.6
P/E (x)	15.7	16.3	16.3	15.4	14.5
P/B (x)	1.8	1.7	1.6	1.4	1.4
EV/EBITDA (x)	7.4	7.6	6.8	5.8	5.0
Dividend Yield (%)	0.7	1.8	1.8	1.9	2.1

Source: Company data, JM Financial Note: Valuations as of 10/Nov/2022

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.

2QFY24 Result Review

Exhibit 1. GSPL quarterly snapshot

INR Mn	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	% YoY	% QoQ
Sales (INR m)	5,272	5,885	4,712	4,331	4,818	4,346	4,024	4,430	4,412	5,293	21.8	20.0
EBITDA (INR m)	3,744	3,806	3,365	3,062	3,602	3,338	2,699	2,947	3,364	4,103	22.9	21.9
EBITDA margin (%)	71%	65%	71%	71%	75%	77%	67%	67%	76%	78%	70 bps	125 bps
Interest (INR m)	140	86	53	34	14	11	11	10	10	10	(10.8)	(1.0)
Depreciation (INR m)	481	491	494	494	479	488	489	483	468	477	(2.2)	1.9
Other income (INR m)	38	904	39	64	40	1,037	130	476	180	2,663	156.7	1,376.0
PBT (INR m)	3,161	4,133	2,856	2,598	3,149	3,877	2,329	2,931	3,066	6,278		
Tax (INR m)	828	829	723	577	794	735	620	687	773	958		
PAT (INR m)	2,333	3,304	2,133	2,020	2,355	3,142	1,709	2,243	2,293	5,320		
EPS (INR/ share)	4.1	5.9	3.8	3.6	4.2	5.6	3.0	4.0	4.1	9.4		

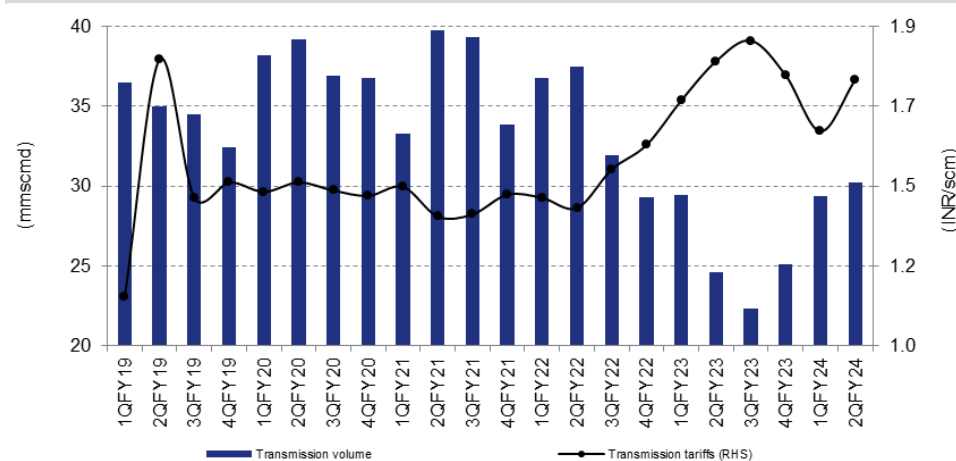
Source: Company, JM Financial

Exhibit 2. Operating details

	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	% YoY	% QoQ
Transmission Volume (mmscmd)	36.8	37.5	31.9	29.3	29.5	24.6	22.3	25.1	29.4	30.2	22.9	2.8
Transmission Revenue (INR/tcm)	1417	1388	1497	1566	1692	1802	1860	1762	1604	1750	(2.9)	9.1
Cash Opex (INR/tcm)	330	322	367	425	392	372	564	551	383	317	(14.8)	(17.2)
Transmission EBITDA (INR/tcm)	1087	1066	1130	1141	1300	1430	1296	1211	1221	1433	0.2	17.3
Depreciation (INR/tcm)	144	142	168	187	179	216	238	214	175	172	(20.4)	(2.0)
Transmission EBIT (INR/tcm)	943	924	961	953	1121	1214	1058	997	1046	1261	3.9	20.6

Source: Company, JM Financial

Exhibit 3. Transmission volume vs. tariff trend



Source: Company, JM Financial

Exhibit 4. Sector-wise transmission volume break-up

Sectors (mmscmd)	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	YoY (mmscmd)	QoQ (mmscmd)
CGD	11.0	13.0	13.0	11.3	10.9	8.7	8.4	10.0	10.4	10.8	2.1	0.4
Refinery/petchem	11.8	10.0	8.5	8.2	9.1	7.9	6.0	6.7	6.6	5.5	-2.4	-1.1
Fertilizer	2.6	3.2	3.2	3.4	3.3	3.7	3.8	3.6	3.4	4.6	0.9	1.2
Power	5.5	5.1	2.1	1.1	1.7	0.4	0.8	1.2	4.0	4.1	3.7	0.1
Others	5.9	6.2	5.1	5.2	4.4	3.9	3.3	3.6	4.9	5.2	1.3	0.3
Total	36.8	37.5	31.9	29.3	29.5	24.6	22.3	25.1	29.4	30.2	5.6	0.8
Sectors (%)												
CGD	30%	35%	41%	39%	37%	35%	38%	40%	35%	36%		
Refinery/petchem	32%	27%	27%	28%	31%	32%	27%	27%	22%	18%		
Fertilizer	7%	9%	10%	12%	11%	15%	17%	14%	12%	15%		
Power	15%	14%	7%	4%	6%	2%	3%	5%	14%	14%		
Others	16%	17%	16%	18%	15%	16%	15%	14%	17%	17%		

Source: Company, JM Financial

Exhibit 5. Key assumptions

	FY21	FY22	FY23	FY24E	FY25E	FY26E	Comments
Volume details							
Gas transmission volume (mmscmd)	36.6	33.9	25.4	29.4	30.9	32.4	Expect volume growth to gradually normalise from FY24 onwards
Transmission tariff break-up							
Weighted average tariffs (INR/tcm)	1,408	1,460	1,676	1,620	1,620	1,620	Assuming lower tariff due to decline in corporate tax rate
Cash opex (INR/tcm)	304	341	327	261	261	261	
EBITDA (INR/tcm)	1,104	1,130	1,360	1,208	1,215	1,222	
Depreciation (INR/tcm)	152	158	210	185	179	174	
Interest (INR/tcm)	70	25	5	-	-	-	
Other income (INR/tcm)	47	109	182	165	165	165	
PBT (INR/tcm)	929	1,055	1,328	1,188	1,200	1,212	
Tax (INR/tcm)	237	239	307	309	312	315	
PAT (INR/tcm)	692	816	1,021	879	888	897	

Source: JM Financial, Company

Valuation

Exhibit 6. Valuation

Terminal FCF (INR Mn)	15,365
Terminal Growth Rate	2.0%
WACC	14.9%
Terminal Value (INR Mn)	1,21,298
PV of Terminal Value (INR Mn)	28,164
PV of Cash Flow (INR Mn)	61,970
Enterprise Value (INR Mn)	90,134
Less: Net Debt (INR Mn)	-6,345
Equity Value from existing pipeline (INR Mn)	96,479
Equity value from existing pipeline (INR/share)	171
Add: Value of new pipeline (INR/share)	0
Add: Value of 27.5% stake in Sabarmati Gas @ 10x FY23 PAT (INR/share)	6
Add: Value of 54.2% stake in Gujarat Gas at CMP less 40% holding discount (INR/share)	169
Total equity value (INR/share)	345

Source: JM Financial, Company

If FY25 tariff changes by +/- 5% our FY25 EPS will change by +/- 6.7%. Similarly, if FY25 volume growth changes by +/- 5%, our FY25 EPS will change by +/- 5.7%.

Exhibit 7. FY25 standalone EPS sensitivity to volume growth and tariff

		FY25 volume growth (%)						
		-15%	-10%	-5%	Base case	5%	10%	15%
FY25 Tariff Change(%)	-15%	11.7	12.5	13.3	14.1	15.0	15.8	16.6
	-10%	12.7	13.6	14.5	15.3	16.2	17.1	18.0
	-5%	13.7	14.7	15.6	16.5	17.5	18.4	19.4
	Base case	14.7	15.7	16.7	17.7	18.7	19.7	20.8
	5%	15.7	16.8	17.9	18.9	20.0	21.1	22.1
	10%	16.8	17.9	19.0	20.1	21.3	22.4	23.5
	15%	17.8	19.0	20.1	21.3	22.5	23.7	24.9

Source: Company, JM Financial

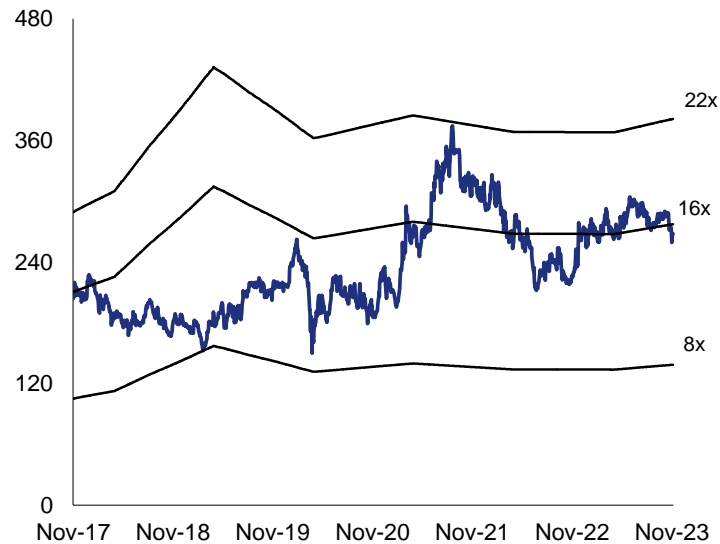
If FY25 tariff changes by +/-5% our valuation will change by +/- INR 11/share (or +/-3.3%). Similarly, if FY25 volume growth changes by +/- 5%, our valuation will change by +/- INR 9/share (or +/- 2.7%).

Exhibit 8. Valuation sensitivity to FY25 volume growth and tariff

		FY25 volume growth (%)						
		-15%	-10%	-5%	Base case	5%	10%	15%
FY25 Tariff Change(%)	-15%	288	296	304	311	319	327	335
	-10%	298	306	314	323	331	339	348
	-5%	307	316	325	334	343	352	361
	Base case	317	327	336	345	355	364	374
	5%	327	337	347	357	367	377	387
	10%	336	347	358	368	379	389	400
	15%	346	357	368	379	391	402	413

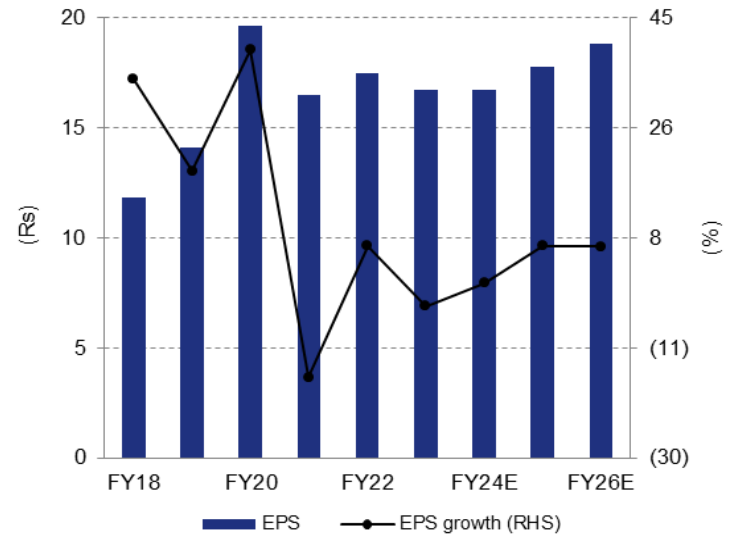
Source: Company, JM Financial

Exhibit 9. GSPL 1- year forward PE band



Source: JM Financial, Company

Exhibit 10. EPS vs. EPS Growth



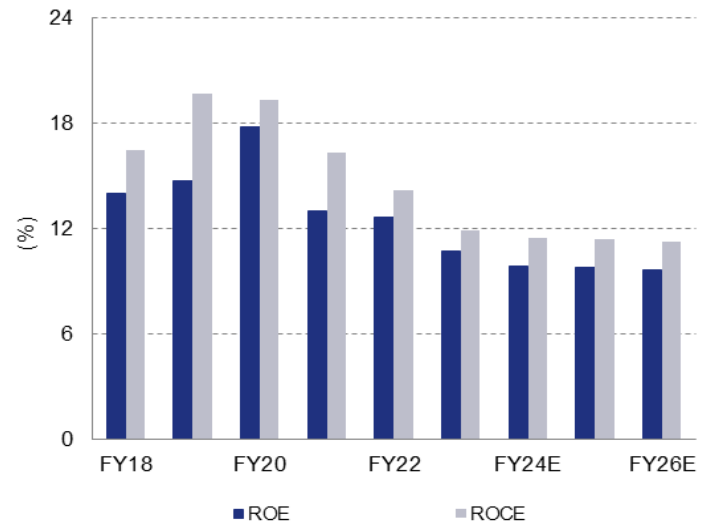
Source: JM Financial, Company

Exhibit 11. GSPL 1- year forward PB band



Source: JM Financial, Company

Exhibit 12. RoE vs. RoCE



Source: JM Financial, Company

Exhibit 13. Global gas companies' valuation snapshot

Company	EV/EBITDA (x)			P/E (x)			P/B (x)			EBITDA Margins (%)			ROE (%)		
	FY23/CY22	FY24/CY23	FY25/CY24	FY23/CY22	FY24/CY23	FY25/CY24	FY23/CY22	FY24/CY23	FY25/CY24	FY23/CY22	FY24/CY23	FY25/CY24	FY23/CY22	FY24/CY23	FY25/CY24
US Peers															
Sempra Energy	18.3	13.2	12.8	16.7	16.0	15.1	1.9	1.7	1.6	0.3	0.4	0.4	8.2	10.4	10.7
Nisource	11.7	11.5	10.3	20.6	16.2	15.2	1.9	1.6	1.5	0.4	0.4	0.4	13.1	10.6	10.7
UGI Corp	6.1	36.3	6.6	6.4	8.1	7.3	1.1	NM	NM	0.2	0.0	0.2	19.1	9.4	9.1
Atmos Energy	13.3	11.8	10.4	18.4	17.2	16.1	1.5	1.4	1.4	0.4	0.4	0.4	8.6	8.4	8.6
US peers average	12.3	18.2	10.0	15.6	14.4	13.4	1.6	1.6	1.5	0.3	0.3	0.3	12.2	9.7	9.8
European Peers															
Enagas	14.0	9.4	10.0	10.8	13.9	17.4	1.3	1.4	1.5	0.6	0.8	0.8	12.0	9.9	8.3
European peers average	14.0	9.4	10.0	10.8	13.9	17.4	1.3	1.4	1.5	0.6	0.8	0.8	12.0	9.9	8.3
Asian peers															
ENN Energy	11.7	6.4	6.0	18.6	8.9	8.1	2.8	1.5	1.3	0.1	0.1	0.1	15.7	17.5	17.3
Towngas China	12.3	9.5	7.5	13.0	7.5	6.6	0.6	0.5	0.5	0.1	0.1	0.2	4.3	6.5	6.4
Hong Kong & China Gas	16.5	12.2	11.8	26.4	16.9	17.0	2.3	1.7	1.7	0.2	0.2	0.2	8.2	9.8	10.5
China Resources Gas	7.9	6.7	6.1	14.0	9.2	8.6	1.7	1.2	1.1	0.1	0.1	0.1	11.7	13.7	13.4
China Gas Holdings	11.9	8.1	7.4	13.8	7.1	6.3	1.0	0.6	0.6	0.1	0.1	0.1	7.1	9.1	9.7
Beijing Enterprises	9.9	6.6	6.3	4.2	4.2	3.8	0.4	0.3	0.3	0.1	0.2	0.2	8.1	8.7	9.0
Korea Gas	11.2	12.3	11.3	2.1	6.5	3.3	0.3	0.2	0.2	0.1	0.1	0.1	15.6	3.2	5.6
Petronas Gas BHD	10.3	9.6	9.6	20.6	18.0	17.6	2.6	2.5	2.5	0.5	0.6	0.6	12.5	13.9	13.9
IIGL	13.2	10.1	9.4	20.8	15.3	14.3	4.2	3.4	2.9	0.1	0.2	0.2	20.6	23.4	21.4
MGL	7.0	4.9	5.3	12.3	9.3	10.2	2.3	2.1	1.9	0.2	0.3	0.2	20.4	24.9	19.7
Gujarat Gas	13.0	13.9	11.3	20.7	23.2	18.7	4.5	3.7	3.2	0.1	0.1	0.1	24.2	16.6	17.7
Petronet LNG	6.1	5.2	4.8	10.6	9.3	8.7	2.3	1.8	1.7	0.1	0.1	0.1	22.8	20.3	19.7
IGAIL	12.6	7.9	7.1	13.1	9.8	8.7	1.2	1.4	1.2	0.0	0.1	0.1	9.5	14.0	14.3
GSPL	11.8	11.3	8.4	15.8	16.9	14.8	1.6	1.5	1.4	0.7	0.8	0.4	10.7	9.6	10.4
Asian peers average	11.1	8.9	8.0	14.7	11.6	10.5	2.0	1.6	1.5	0.2	0.2	0.2	13.7	13.7	13.5
Global peers average	11.5	10.9	8.6	14.7	12.3	11.5	1.9	1.6	1.5	0.2	0.3	0.3	13.3	12.6	12.4
Global peers median	11.8	9.6	8.4	14.0	9.8	10.2	1.7	1.5	1.4	0.1	0.2	0.2	12.0	10.4	10.7

Source: Bloomberg, JM Financial

Financial Tables (Standalone)

Income Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Net Sales	20,200	17,618	17,777	18,647	19,559	
Sales Growth	-2.9%	-12.8%	0.9%	4.9%	4.9%	
Other Operating Income	0	0	0	0	0	
Total Revenue	20,200	17,618	17,777	18,647	19,559	
Cost of Goods Sold/Op. Exp	0	0	0	0	0	
Personnel Cost	653	722	0	0	0	
Other Expenses	1,962	1,965	0	0	0	
EBITDA	13,976	12,587	12,963	13,691	14,455	
EBITDA Margin	69.2%	71.4%	72.9%	73.4%	73.9%	
EBITDA Growth	-5.1%	-9.9%	3.0%	5.6%	5.6%	
Depn. & Amort.	1,960	1,939	1,981	2,020	2,060	
EBIT	12,016	10,648	10,981	11,670	12,395	
Other Income	1,045	1,684	1,768	1,857	1,950	
Finance Cost	313	47	0	0	0	
PBT before Excep. & Forex	12,748	12,286	12,749	13,527	14,345	
Excep. & Forex Inc./Loss(-)	307	0	0	0	0	
PBT	13,055	12,286	12,749	13,527	14,345	
Taxes	2,958	2,836	3,315	3,517	3,730	
Extraordinary Inc./Loss(-)	0	0	0	0	0	
Assoc. Profit/Min. Int.(-)	0	0	0	0	0	
Reported Net Profit	10,097	9,450	9,435	10,010	10,615	
Adjusted Net Profit	9,791	9,450	9,435	10,010	10,615	
Net Margin	48.5%	53.6%	53.1%	53.7%	54.3%	
Diluted Share Cap. (mn)	564.2	564.2	564.2	564.2	564.2	
Diluted EPS (INR)	17.4	16.7	16.7	17.7	18.8	
Diluted EPS Growth	5.2%	-3.5%	-0.2%	6.1%	6.0%	
Total Dividend + Tax	1,128	2,821	2,830	3,003	3,185	
Dividend Per Share (INR)	2.0	5.0	5.0	5.3	5.6	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Profit before Tax	13,055	12,286	12,749	13,527	14,345	
Depn. & Amort.	1,960	1,939	1,981	2,020	2,060	
Net Interest Exp. / Inc. (-)	-599	-1,495	-1,768	-1,857	-1,950	
Inc (-) / Dec in WCap.	-202	-274	-172	-303	-318	
Others	-401	-50	0	0	0	
Taxes Paid	-3,062	-2,741	-3,315	-3,517	-3,730	
Operating Cash Flow	10,752	9,664	9,475	9,871	10,408	
Capex	-804	-1,982	-1,000	-1,020	-1,040	
Free Cash Flow	9,948	7,682	8,475	8,851	9,367	
Inc (-) / Dec in Investments	-1,690	0	-2,585	-2,714	-2,850	
Others	2,458	-5,037	1,768	1,857	1,950	
Investing Cash Flow	-36	-7,019	-1,817	-1,878	-1,941	
Inc / Dec (-) in Capital	0	0	0	0	0	
Dividend + Tax thereon	-1,475	-1,151	-2,830	-3,003	-3,185	
Inc / Dec (-) in Loans	-9,348	-875	160	168	176	
Others	0	0	0	0	0	
Financing Cash Flow	-10,823	-2,026	-2,671	-2,835	-3,009	
Inc / Dec (-) in Cash	-107	619	4,988	5,158	5,458	
Opening Cash Balance	845	738	1,357	6,345	11,503	
Closing Cash Balance	738	1,357	6,345	11,503	16,961	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Shareholders' Fund	84,429	92,732	99,336	106,343	113,773	
Share Capital	5,642	5,642	5,642	5,642	5,642	
Reserves & Surplus	78,787	87,090	93,694	100,701	108,131	
Preference Share Capital	0	0	0	0	0	
Minority Interest	0	0	0	0	0	
Total Loans	1,997	0	0	0	0	
Def. Tax Liab. / Assets (-)	4,250	4,238	4,238	4,238	4,238	
Total - Equity & Liab.	90,677	96,970	103,574	110,581	118,011	
Net Fixed Assets	35,785	35,799	34,818	33,817	32,798	
Gross Fixed Assets	46,339	46,566	47,480	48,414	49,365	
Intangible Assets	0	0	0	0	0	
Less: Depn. & Amort.	13,085	15,023	17,005	19,025	21,085	
Capital WIP	2,531	4,257	4,342	4,429	4,517	
Investments	51,863	57,260	59,845	62,559	65,409	
Current Assets	5,751	7,814	12,980	18,465	24,268	
Inventories	1,890	2,121	2,140	2,245	2,355	
Sundry Debtors	1,295	1,440	1,453	1,525	1,599	
Cash & Bank Balances	738	1,357	6,345	11,503	16,962	
Loans & Advances	312	233	245	257	270	
Other Current Assets	1,516	2,663	2,796	2,936	3,082	
Current Liab. & Prov.	2,723	3,913	4,077	4,270	4,472	
Current Liabilities	654	510	514	540	566	
Provisions & Others	2,069	3,403	3,563	3,730	3,906	
Net Current Assets	3,028	3,901	8,902	14,195	19,796	
Total - Assets	90,677	96,960	103,565	110,572	118,002	

Source: Company, JM Financial

Dupont Analysis						
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Net Margin	48.5%	53.6%	53.1%	53.7%	54.3%	
Asset Turnover (x)	0.2	0.2	0.2	0.2	0.2	
Leverage Factor (x)	1.1	1.1	1.0	1.0	1.0	
RoE	12.2%	10.7%	9.8%	9.7%	9.6%	

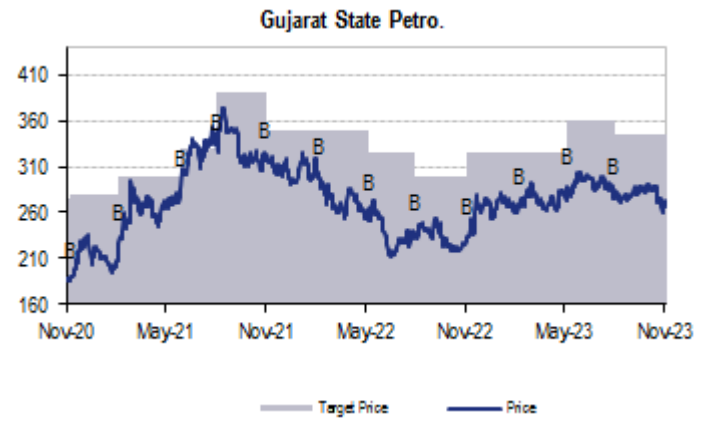
Key Ratios						
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
BV/Share (INR)	149.6	164.4	176.1	188.5	201.7	
ROIC	28.2%	24.1%	24.2%	26.4%	28.8%	
ROE	12.2%	10.7%	9.8%	9.7%	9.6%	
Net Debt/Equity (x)	-0.6	-0.6	-0.7	-0.7	-0.7	
P/E (x)	15.7	16.3	16.3	15.4	14.5	
P/B (x)	1.8	1.7	1.6	1.4	1.4	
EV/EBITDA (x)	7.4	7.6	6.8	5.8	5.0	
EV/Sales (x)	5.1	5.4	4.9	4.3	3.7	
Debtor days	23	30	30	30	30	
Inventory days	34	44	44	44	44	
Creditor days	38	37	39	40	40	

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
13-Feb-20	Buy	285	
8-Jun-20	Buy	290	1.9
8-Jun-20	Buy	290	0.0
6-Aug-20	Buy	275	-5.1
11-Nov-20	Buy	280	1.9
10-Feb-21	Buy	300	7.0
3-Jun-21	Buy	330	10.0
9-Aug-21	Buy	390	18.3
5-Nov-21	Buy	350	-10.3
10-Feb-22	Buy	350	-0.2
12-May-22	Buy	325	-6.9
4-Aug-22	Buy	300	-7.8
10-Nov-22	Buy	325	8.4
13-Feb-23	Buy	325	0.1
11-May-23	Buy	360	10.5
4-Aug-23	Buy	345	-4.1

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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