# Zomato

## Sell

DART — DOLAT ANALYSIS & RESEARCH THEMES — IN-DEPTH• PRECISE• ACTIONABLE

Result Update

### Order growth accelerates, and so does losses

- Zomato reported revenue growth of 20.9% QoQ (DE: 6.1%) led by strong traction in Food Delivery Biz (implied from 37% QoQ growth in Food Delivery GOV; order growth of ~20% QoQ). Dining Out and Hyperpure implied decline in revenues is about ~25%/2% QoQ respectively.
- EBITDA Margin declined to -44.6% from -22.2% (DE: -19.9%). This was largely due to increase in non-cash ESOP cost by ~Rs.2Bn of which Rs1.7bn is attributed to MD & CEO's ESOPs (368.5mn ESOP @37/per share). EBIDTA Mgn ex-ESOP cost was ~-20.1% from -17.4% in Q4FY21.
- The underlying business metrics are performing well. Growth in GOV is strong (37.0% QoQ) and Contribution is still positive (although down QoQ basis led by increased delivery cost burden and higher discounts).
- Declining Contribution despite robust improvement in AOV and order growth suggest that the growth is more pushed through subsidies, which in turn increases magnitude of losses. Also, with increased burden from ESOP cost would mean no near term operating leverage either. Thus, we maintain our Sell rating on Zomato with DCF based TP of Rs90.

### Read Thru from Shareholder Letter (earnings call will be annual)

Zomato's food delivery biz is showing strong growth traction as evident from 37% growth QoQ in GOV. Order delivered count again surpasses the 100mn mark during Q1. However, despite this robust growth both in terms of volume and pricing the company actually witnessed contraction in Contribution/order during the quarter. Zomato has attributed decline in contribution in Q1 due to "costlier business environment in the lockdown" which we believe is partially might be on account of higher variable cost (fuel cost) and increase in overall delivery availability cost (Delivery Partner count has increased from ~0.17mn in Q4 to ~0.3mn in July'21). Within the Other Businesses (not quantified in value), Zomato has highlighted that Dining-out business has shrunk sequentially due to 2nd lockdown impact. The Inventory cost (which is flattish QoQ) implies that the Hyperpure Revenue would have been largely flat. Revenue growth of 21.9% QoQ (while India grew 26.6% QoQ) and increased Adj EBITDA loss of Rs. 1.7Bn from Rs. 1.2Bn largely imply that the contribution margin decline by about 70bps from 3.4% in Q4FY21 negating any gains from operating leverage benefit in Q1. Losses for Q1 were also at their all-time high at Rs3.5bn.

### Q1FY22 Result (Rs Mn)

| Particulars | Q1FY22 | Q1FY21 | YoY (%) | Q4FY21 | QoQ (%) |
|---|---|---|---|---|---|
| Revenue | 8,444 | 2,660 | 217.4 | 6,924 | 22.0 |
| Total Expense | 12,209 | 3,469 | 251.9 | 8,459 | 44.3 |
| EBITDA | (3,765) | (809) | 365.4 | (1,535) | 145.3 |
| Depreciation | 355 | 346 | 2.6 | 346 | 2.6 |
| EBIT | (4,120) | (1,155) | 256.7 | (1,881) | 119.0 |
| Other Income | 722 | 175 | 312.6 | 584 | 23.6 |
| Interest | 33 | 18 | 83.3 | 46 | (28.3) |
| EBT | (3,590) | (998) | 259.7 | (1,343) | 167.3 |
| Tax | 17 | 0 | 0 | 0 | 0 |
| RPAT | (3,562) | (962) | 270.3 | (1,309) | 172.1 |
| APAT | (3,403) | (962) | 253.4 | (1,309) | 160.0 |
| | | | (bps) | | (bps) |
| Gross Margin (%) | 1.7 | 29.4 | (2772) | 5.5 | (384) |
| EBITDA Margin (%) | (44.6) | (30.4) | (1417) | (22.2) | (2242) |
| NPM (%) | (40.3) | (36.2) | 3617 | (18.9) | 1890 |
| Tax Rate (%) | (0.5) | 0.0 | (47) | 0.0 | (47) |
| EBIT Margin (%) | (48.8) | (43.4) | (537) | (27.2) | (2163) |

| | |
|---|---|
| CMP | Rs 125 |
| Target / Downside | Rs 90 / 28% |
| NIFTY | 16,280 |

### Scrip Details

| | |
|---|---|
| Equity / FV | Rs 4,550mn / Rs 1 |
| Market Cap | Rs 982bn |
| | USD 13.2bn |
| 52-week High/Low | Rs 148/ 115 |
| Avg. Volume (no) | 143,125,000 |
| Bloom Code | ZOMATO IN |

| Price Performance | 1M | 3M | 12M |
|---|---|---|---|
| Absolute (%) | | | |
| Rel to NIFTY (%) | | | |

### Shareholding Pattern

| | Dec'20 | Mar'21 | Jun'21 |
|---|---|---|---|
| Promoters | 3.6 | 3.6 | 3.6 |
| MF/Banks/FIs | 0.0 | 0.0 | 0.0 |
| FIIs | 96.4 | 96.4 | 96.4 |
| Public / Others | 0.0 | 0.0 | 0.0 |

### Valuation (x)

| | FY21A | FY22E | FY23E |
|---|---|---|---|
| P/E | (137.7) | (97.8) | (83.2) |
| EV/EBITDA | (208.3) | (74.7) | (63.6) |
| ROE (%) | (18.5) | (8.4) | (7.6) |
| RoACE (%) | (10.9) | (9.2) | (11.4) |

### Estimates (Rs mn)

| | FY21A | FY22E | FY23E |
|---|---|---|---|
| Revenue | 19,938 | 37,624 | 47,450 |
| EBITDA | (4,672) | (12,829) | (15,071) |
| PAT | (4,881) | (10,042) | (11,804) |
| EPS (Rs.) | (0.9) | (1.3) | (1.5) |

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**Exhibit 1: Quarterly performance versus estimates**

| (Rs mn) | Actual | Estimates Dolat | Estimates Consensus | % Variation Dolat | % Variation Consensus | Comment |
|---|---|---|---|---|---|---|
| INR Revenue | 8,444 | 7,348 | NA | 14.9 | NA | Revenue beat led by Strong Traction in Food Delivery Business. |
| EBIT | (4,120) | (1,787) | NA | 130.6 | NA | EBIT Margin Miss due to higher charge of Rs2Bn and declining contribution. |
| EBIT, margin | (48.8) | (24.3) | NA | (2,450 bps) | NA | |
| PAT | (3,562) | (1,250) | NA | 184.9 | NA | PAT Miss largely in-line with Absolute EBIT Miss. |

*Source: DART, Company, EBIT and PAT Variation Sign is positive as both figures are negative.*

## Change in Estimates

Given strong growth performance in Q1 we have scaled up our revenue estimates by 10% in FY22, however declining contribution and increased ESOP charges have translated into increase in our EBIT losses estimates by 34%/6% respectively for FY22/FY23E. We believe the contribution (approx. Rs12/order) would continue to decline for rest of the year to go to Zero as the year progresses.

**Exhibit 2: Change in Estimates**

| (Rs mn) | FY21A | FY22E | | | FY23E | | |
|---|---|---|---|---|---|---|---|
| | Actual | Old | New | Change | Old | New | Change |
| **INR Revenue** | **19,938** | **34,091** | **37,624** | **10.4** | **47,451** | **47,450** | **(0.0)** |
| YoY growth (%) | (23.5) | 71.0 | 88.7 | 1772 bps | 39.2 | 26.1 | (1307 bps) |
| Food Delivery Revenue | 14,126 | 24,555 | 30,026 | 22.3 | 33,666 | 33,666 | (0.0) |
| Dining Out Revenue | 3,029 | 4,397 | 3,463 | (21.2) | 6,645 | 6,645 | 0.0 |
| Hyperpure Revenue | 2,002 | 4,199 | 3,270 | (22.1) | 6,006 | 6,006 | 0.0 |
| Delivery Business in ME | 780 | 940 | 865 | (8.0) | 1,133 | 1,133 | 0.0 |
| Contribution | 4,897 | 2,390.6 | 2,732.6 | 14.3 | (303.8) | (303.8) | (0.0) |
| **Contribution Per Order** | **20.5** | **5.4** | **5.6** | **4.0** | **(0.5)** | **(0.5)** | **(0.0)** |
| EBIT | (6,049) | (10,532) | (14,134) | 34.2 | (15,060) | (15,901) | 5.6 |
| EBIT margin (%) | (30.3) | (30.9) | (37.6) | (667 bps) | (31.7) | (33.5) | (177 bps) |
| PAT | (8,128) | (7,261) | (10,201) | 40.5 | (10,961) | (11,804) | 7.7 |
| EPS (Rs) | (0.9) | (0.9) | (1.3) | 40.5 | (1.4) | (1.5) | 7.7 |

*Source: DART, Company*

## What to expect Next Quarter

Given, the introduction of 'No cooking July' campaign in Q2, we expect the order growth momentum to continue in Q2 driving up revenue growth by 8.4% QoQ. While EBIT is likely to see increased losses (assuming on ESOP cost impact in Q2) on account of increased burden from delivery cost (availability fees) given ongoing tussle over fuel prices increases, also lower utilization of delivery partner and also incremental impact on delivery cost from launch of Zomato Pro Plus in August first week. In case the ESOP charge is also posted again in Q2 the reported losses would increase even on QoQ basis.

**Exhibit 3: What to expect next quarter**

| (Rs Mn) | Q2FY22E | Q1FY22 | Q2FY21 | QoQ (%) | YoY (%) |
|---|---|---|---|---|---|
| INR Revenue | 9,157 | 8,444 | 3,900 | 8.4 | 134.8 |
| EBIT | (2,797) | (4,120) | (1,084) | (32.1) | 158.0 |
| PAT | (1,661) | (3,562) | (884) | (53.4) | 87.9 |
| EPS (Rs) | (0.2) | (0.6) | (0.1) | (62.1) | 67.5 |
| EBIT Margin (%) | (30.5) | (48.8) | (27.8) | 1825 bps | (275 bps) |

*Source: DART, Company*

**Exhibit 4: Key Assumption in Our Estimates**

| Key Assumption | FY21A | FY22E | FY23E | FY24E | FY25E |
|---|---|---|---|---|---|
| **Food Delivery Metrics** | | | | | |
| **GOV (Rs. Mn)** | **94,829** | **202,922** | **224,440** | **306,141** | **424,577** |
| Orders (Mn) | 239 | 488 | 656 | 902 | 1,213 |
| **AOV (Rs. Abs)** | **396.9** | **416.2** | **342.0** | **339.5** | **350.0** |
| Net Take Rates (%) | 14.9 | 14.8 | 15.0 | 15.0 | 15.0 |
| Commissions earned | 59.1 | 61.6 | 51.3 | 50.9 | 52.5 |
| Customer Delivery Charge (Rs. Abs, per order) | 27.6 | 26.2 | 23.2 | 23.0 | 24.0 |
| Delivery Cost Borne by Zomato (Rs. Abs, per order) | 18.7 | 23.9 | 21.8 | 22.0 | 21.0 |
| Discounts Borne by Zomato (Rs. Abs, per order) | 8.3 | 15.8 | 16.0 | 17.0 | 16.2 |
| Other Variable Cost (Rs. Abs, per order) | 15.3 | 16.2 | 14.0 | 14.0 | 14.0 |
| Contribution (Rs. Abs, per order) | 20.5 | 5.6 | (0.5) | (2.1) | 1.3 |
| MTU (mn) | 6.8 | 13.0 | 17.8 | 23.5 | 30.7 |
| Monthly order frequency (x) | 2.9 | 3.1 | 3.1 | 3.2 | 3.3 |
| Food Delivery Revenue Growth (YoY) | (18.5) | 112.6 | 12.1 | 36.4 | 38.7 |
| **Dining Out Metrics** | | | | | |
| Zomato Pro / Plus subscribers | 1.3 | 1.7 | 2.8 | 3.7 | 4.6 |
| Annual Realisation per subs (Rs. Abs) | 199.0 | 193.2 | 225.0 | 225.0 | 225.0 |
| Monthly Order frequency of Pro+ users (x) | 6.9 | 10.4 | 8.7 | 8.6 | 8.6 |
| Implied Ad Revenue Growth (YoY) | (48.1) | (4.3) | 93.4 | 26.0 | 21.7 |
| Dining Out Revenue Growth (YoY) | (45.7) | 14.3 | 91.9 | 27.6 | 23.1 |
| **HyperPure Metrics** | | | | | |
| HyperPure Restaurants | 5,438 | 8,853 | 14,932 | 19,452 | 22,707 |
| Order value per restaurants (in Mn) | 0.37 | 0.37 | 0.40 | 0.40 | 0.40 |
| HyperPure Revenue Growth (YoY) | 86.1 | 63.4 | 83.7 | 28.3 | 17.6 |
| **ME Delivery Business** | | | | | |
| ME Delivery Business Growth (YoY) | (62.2) | 10.8 | 31.0 | 15.2 | 15.1 |
| **Company Level Assumptions** | | | | | |
| INR Revenue Growth (YoY) | (23.5) | 88.7 | 26.1 | 33.6 | 33.6 |
| EBIT Margin (%) | (30.3) | (37.6) | (33.5) | (31.3) | (24.0) |

*Source: DART, Company*

## Valuation

Given the persistent losses in the past and expected continuation of the cash burn in near future we believe company can compound its revenues by 13x over a decade with modest profitability and cash generation in near term for next couple of years and thus believe DCF valuation as an ideal tool to value real long term potential of the business. We have currently factored in Revenue CAGR of 26% (earlier 26%) over FY20-30E in its hyper-growth stage with Average EBIT Margin of -14% (earlier -13%), Cost of Capital of 10% and Terminal growth rate of 7%. Taking these assumptions, we have arrived at TP of Rs90 per share.

### Exhibit 5: Financial Performance - Quarterly and YTD Trend

| Rs mn | Q1FY21 | Q4FY21 | Q1FY22 | QoQ | YoY | YTDFY22 | YTDFY21 | YoY |
|---|---|---|---|---|---|---|---|---|
| **INR Revenue** | **2,660** | **6,924** | **8,444** | **21.9** | **217.4** | **8,444** | **2,660** | **217.4** |
| Operating Expenses | 3,469 | 8,459 | 12,209 | 44.3 | 251.9 | 12,209 | 3,469 | 251.9 |
| **Employee Expenses** | **1,591** | **1,917** | **3,907** | **103.8** | **145.6** | **3,907** | **1,591** | **145.6** |
| as % of sales | 59.8 | 27.7 | 46.3 | 1859 bps | (1354 bps) | 46.3 | 59.8 | (1354 bps) |
| **Other Expenses** | **1,878** | **6,542** | **8,302** | **26.9** | **342.1** | **8,302** | **1,878** | **342.1** |
| as % of sales | 70.6 | 94.5 | 98.3 | 384 bps | 2772 bps | 98.3 | 70.6 | 2772 bps |
| **EBITDA** | **(809)** | **(1,534)** | **(3,765)** | **145.4** | **365.4** | **(3,765)** | **(809)** | **365.4** |
| Depreciation | 346 | 346 | 355 | 2.6 | 2.6 | 355 | 346 | 2.6 |
| **EBIT** | **(1,155)** | **(1,880)** | **(4,120)** | **119.1** | **256.7** | **(4,120)** | **(1,155)** | **256.7** |
| Other Income | 175 | 584 | 722 | 23.6 | 312.6 | 722 | 175 | 312.6 |
| Finance Cost | 18 | 46 | 33 | (27.8) | 83.3 | 33 | 18 | 83.3 |
| Exceptional items | 0 | 0 | (159) | NA | NA | (159) | 0 | NA |
| **PBT** | **(998)** | **(1,342)** | **(3,590)** | **167.5** | **259.7** | **(3,590)** | **(998)** | **259.7** |
| Tax | 0 | 0 | 17 | NA | NA | 17 | 0 | NA |
| **Reported PAT** | **(998)** | **(1,342)** | **(3,607)** | **168.8** | **261.4** | **(3,607)** | **(998)** | **261.4** |
| MI | 0 | (34) | (45) | 32.0 | NA | (45) | 0 | NA |
| **PAT after MI** | **(998)** | **(1,308)** | **(3,562)** | **172.3** | **256.9** | **(3,562)** | **(998)** | **256.9** |
| Reported EPS | (0.2) | (0.2) | (0.6) | 129.8 | 166.7 | (0.6) | (0.2) | 166.7 |
| **Margins (%)** | | | | **(bps)** | **(bps)** | | | **(bps)** |
| EBIDTA | (30.4) | (22.2) | (44.6) | (2243 bps) | (1417 bps) | (44.6) | (30.4) | (1417 bps) |
| EBIT | (43.4) | (27.2) | (48.8) | (2164 bps) | (537 bps) | (48.8) | (43.4) | (537 bps) |
| PBT | (37.5) | (19.4) | (42.5) | (2313 bps) | (500 bps) | (42.5) | (37.5) | (500 bps) |
| PAT | (37.5) | (18.9) | (42.2) | (2330 bps) | (467 bps) | (42.2) | (37.5) | (467 bps) |
| Effective Tax rate | 0.0 | 0.0 | (0.5) | (47 bps) | (47 bps) | (0.5) | 0.0 | (47 bps) |

*Source: DART, Company*

## Other Key Takeaways

- **Orders:** Zomato completed 1Bn Orders milestone on its platform (in 6 years) and 10%+ of these orders were done in last 3 months (possibly over MJJ).
- **Delivery Partners:** With redesigned payment structure including additional fee for long distance, increased fuel prices, etc; Zomato highlighted that Delivery Partner's earning per order has increased by 15% YoY (On an average, the top 20% of the delivery partners who deliver on bikes and put in more than 40 hours a week receive a payout of more than Rs. 27,000 per month). Although, delivery per order declined over FY20 (Rs. 52) to FY21 (Rs. 45.7). Zomato has removed physical on-boarding of partners. 160K delivery partners (310K active partners in July) have received alteast one dose of vaccine. Many efforts like this have increased the Net Promotor Score to 28% from minus 10% last year.
- **Investor Call:** Zomato to do investor call once a year (FY end basis)
- **Geography wise Trend:** India Region grew by 26.6% QoQ to Rs. 8,069Mn. The UAE Region de-grew by 9.3% QoQ to Rs. 316Mn. ROW Region saw a sharp decline of 70% QoQ in revenues to Rs. 59mn as it exited business interest in 8 countries (due to this decline, the losses (on PBT level) from ROW region also increased to Rs. 178mn from Rs. 43mn in Q4FY21).
- **ESOP:** Zomato has granted 368.5mn options to the MD & CEO (who is not taking any salary for 3 years). They have a value of Rs. 13,635mn and will be vested over 1-6 years. The company has recorded cost of Rs. 1,701mn in Q1FY21. During Q1 the total ESOP cost stood at ~Rs. 2000mn (difference of Adj EBITDA and EBITDA). The remaining ~Rs. 300mn ESOP Cost is potentially for other employees and it was present in Q4FY21 (at Rs. 327mn).

**Profit and Loss Account**

| (Rs Mn) | FY20A | FY21A | FY22E | FY23E |
|---|---|---|---|---|
| **Revenue** | **26,047** | **19,938** | **37,624** | **47,450** |
| **Total Expense** | **49,094** | **24,610** | **50,453** | **62,522** |
| COGS | 41,106 | 17,202 | 39,772 | 50,729 |
| Employees Cost | 7,989 | 7,408 | 10,681 | 11,793 |
| Other expenses | 0 | 0 | 0 | 0 |
| **EBIDTA** | **(23,047)** | **(4,672)** | **(12,829)** | **(15,071)** |
| Depreciation | 842 | 1,377 | 1,305 | 830 |
| **EBIT** | **(23,889)** | **(6,049)** | **(14,134)** | **(15,901)** |
| Interest | 126 | 101 | 141 | 206 |
| Other Income | 1,380 | 1,246 | 4,072 | 4,100 |
| Exc. / E.O. items | (1,220) | (3,248) | (159) | 0 |
| **EBT** | **(23,856)** | **(8,151)** | **(10,362)** | **(12,007)** |
| Tax | 0 | 13 | 34 | 26 |
| RPAT | (23,672) | (8,128) | (10,201) | (11,804) |
| Minority Interest | (184) | (36) | (195) | (230) |
| **Profit/Loss share of associates** | **0** | **0** | **0** | **0** |
| **APAT** | **(22,451)** | **(4,881)** | **(10,042)** | **(11,804)** |

**Balance Sheet**

| (Rs Mn) | FY20A | FY21A | FY22E | FY23E |
|---|---|---|---|---|
| **Sources of Funds** | | | | |
| Equity Capital | 2,524 | 4,550 | 7,845 | 7,845 |
| Minority Interest | (65) | (57) | (252) | (482) |
| Reserves & Surplus | 4,574 | 76,438 | 152,818 | 140,765 |
| **Net Worth** | **7,098** | **80,987** | **160,664** | **148,610** |
| Total Debt | 15 | 14 | 13 | 12 |
| Net Deferred Tax Liability | 0 | 0 | 0 | 0 |
| **Total Capital Employed** | **7,047** | **80,944** | **160,424** | **148,139** |
| | | | | |
| **Applications of Funds** | | | | |
| Net Block | **15,913** | **15,392** | **14,787** | **14,832** |
| CWIP | 2 | 0 | 0 | 0 |
| Investments | 3,239 | 22,052 | 89,462 | 82,612 |
| **Current Assets, Loans & Advances** | **9,850** | **49,591** | **68,064** | **64,495** |
| Inventories | 37 | 148 | 158 | 158 |
| Receivables | 1,231 | 1,299 | 3,092 | 3,900 |
| Cash and Bank Balances | 3,599 | 9,037 | 24,377 | 23,989 |
| Loans and Advances | 0 | 0 | 0 | 0 |
| Other Current Assets | 4,982 | 39,108 | 40,437 | 36,447 |
| | | | | |
| **Less: Current Liabilities & Provisions** | **21,956** | **6,092** | **11,889** | **13,799** |
| Payables | 2,687 | 2,972 | 6,538 | 6,949 |
| Other Current Liabilities | 19,269 | 3,120 | 5,351 | 6,850 |
| *sub total* | | | | |
| Net Current Assets | (12,107) | 43,499 | 56,175 | 50,695 |
| **Total Assets** | **7,047** | **80,944** | **160,424** | **148,139** |

E – Estimates

**Important Ratios**

| Particulars | FY20A | FY21A | FY22E | FY23E |
|---|---|---|---|---|
| **(A) Margins (%)** | | | | |
| Gross Profit Margin | (57.8) | 13.7 | (5.7) | (6.9) |
| EBIDTA Margin | (88.5) | (23.4) | (34.1) | (31.8) |
| EBIT Margin | (91.7) | (30.3) | (37.6) | (33.5) |
| Tax rate | 0.0 | (0.2) | (0.3) | (0.2) |
| Net Profit Margin | (90.9) | (40.8) | (27.1) | (24.9) |
| **(B) As Percentage of Net Sales (%)** | | | | |
| COGS | 157.8 | 86.3 | 105.7 | 106.9 |
| Employee | 30.7 | 37.2 | 28.4 | 24.9 |
| Other | 0.0 | 0.0 | 0.0 | 0.0 |
| **(C) Measure of Financial Status** | | | | |
| Gross Debt / Equity | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest Coverage | (189.1) | (60.0) | (100.2) | (77.2) |
| Inventory days | 1 | 3 | 2 | 1 |
| Debtors days | 17 | 24 | 30 | 30 |
| Average Cost of Debt | 908.4 | 712.8 | 1075.5 | 1701.1 |
| Payable days | 38 | 54 | 63 | 53 |
| Working Capital days | (170) | 796 | 545 | 390 |
| FA T/O | 1.6 | 1.3 | 2.5 | 3.2 |
| **(D) Measures of Investment** | | | | |
| AEPS (Rs) | (5.1) | (0.9) | (1.3) | (1.5) |
| CEPS (Rs) | (4.9) | (0.7) | (1.1) | (1.4) |
| DPS (Rs) | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividend Payout (%) | 0.0 | 0.0 | 0.0 | 0.0 |
| BVPS (Rs) | 1.6 | 15.1 | 20.5 | 18.9 |
| RoANW (%) | (143.0) | (18.5) | (8.4) | (7.6) |
| RoACE (%) | (137.5) | (10.9) | (8.4) | 0.0 |
| RoAIC (%) | (178.5) | (16.1) | (13.6) | |
| **(E) Valuation Ratios** | | | | |
| CMP (Rs) | 125 | 125 | 125 | 125 |
| P/E | (24.4) | (137.7) | (97.8) | (83.2) |
| Mcap (Rs Mn) | 982,219 | 982,219 | 982,219 | 982,219 |
| MCap/ Sales | 37.7 | 49.3 | 26.1 | 20.7 |
| EV | 978,635 | 973,196 | 957,855 | 958,241 |
| EV/Sales | 37.6 | 48.8 | 25.5 | 20.2 |
| EV/EBITDA | (42.5) | (208.3) | (74.7) | (63.6) |
| P/BV | 77.0 | 8.3 | 6.1 | 6.6 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.0 |
| **(F) Growth Rate (%)** | | | | |
| Revenue | 98.4 | (23.5) | 88.7 | 26.1 |
| EBITDA | 2.7 | (79.7) | 174.6 | 17.5 |
| EBIT | 4.5 | (74.7) | 133.7 | 12.5 |
| PBT | 136.1 | (65.8) | 27.1 | 15.9 |
| APAT | 3.7 | (78.3) | 105.8 | 17.5 |
| EPS | (10.9) | (82.3) | 40.7 | 17.5 |

**Cash Flow**

| (Rs Mn) | FY20A | FY21A | FY22E | FY23E |
|---|---|---|---|---|
| CFO | (21,436) | (10,179) | (2,495) | (2,217) |
| CFI | 17,352 | (52,436) | (68,210) | 5,775 |
| CFF | 3,589 | 64,026 | 85,946 | (4,145) |
| FCFF | (21,650) | (10,284) | (3,195) | (3,092) |
| Opening Cash | 2,124 | 1,672 | 3,065 | 18,306 |
| Closing Cash | 1,672 | 3,065 | 18,306 | 17,718 |

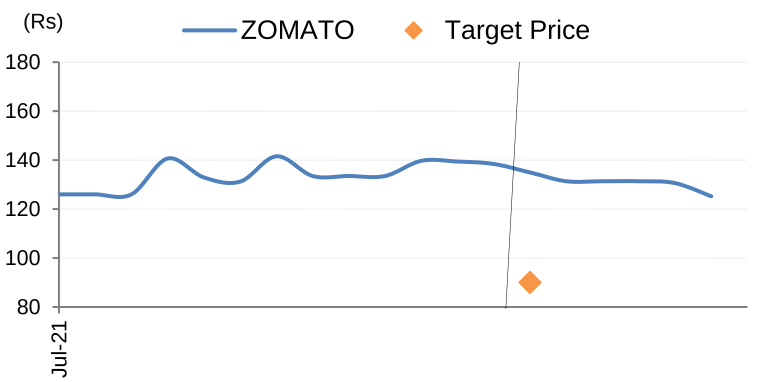
E – Estimates

### *DART* RATING MATRIX

Total Return Expectation (12 Months)

| | |
|---|---|
| **Buy** | **> 20%** |
| **Accumulate** | **10 to 20%** |
| **Reduce** | **0 to 10%** |
| **Sell** | **< 0%** |

### Rating and Target Price History




| Month | Rating | TP (Rs.) | Price (Rs.) |
|---|---|---|---|
| Aug-21 | Sell | 90 | 135 |

*Price as on recommendation date

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**I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)**

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