

Result Beat, Profitability sees sharp uptick!

- Nazara reported revenue growth of 6.3% QoQ (DE: 12.3%). The miss was led by slower traction in Gamified Learning Biz (up 2.9% QoQ v/s estm of 59.0%) and Nodwin Biz (up 4.3% QoQ v/s estm of 22.2%). The performance of other businesses was better than estimates: Telco: 0.4% / Freemium: 33.9% / Sportskeeda: 26.0% / RMG: 8.5%. (QoQ growth).
- OPM improved to 12.9% (DE: 10.7%) due to better profitability across business segments (Exhibit 17). Although GEL's growth was soft but that resulted in improved Margins to 36.3% from 12.6% on account of lower upfront advertising spends due to Apple's privacy policy changes impacting attribution. Ex- impairment impact, EBIT Margins were 16.5%.
- The underlying metrics of key businesses are showing good traction. Nazara expects Freemium/RMG to have larger share of revenues over the medium term as IAP penetration improves (giving Multi-fold growth to WCC Game) and RMG industry sees some regulatory clarity (allowing Nazara to grow in the space).
- Nazara offers an opportunity to buy on a portfolio approach thus neutralizing the risk while opening up doors to play a part in megatrend of Gaming in India with significant optionality (RMG). We value Nazara with DCF based price target of Rs. 2,400 implying 4.9x on its EV/Rev in FY24E (implies PER of 65x and Price to Growth ~1.5x).

All indicators are on track for growth

GEL Biz grew 2.9% QoQ and witnessed a decline of 5.4% QoQ in paying subscribers to 321,763. This has been largely due to low gross additions in Q1 due to Apple's new policy (forcing scaling down on CAC budgets). The LTV (\$61), Retention, CAC (\$28 has gone up by 2\$) and churn rate (4%-7%) are largely stable and Nazara is focusing on building alternate customer acquisition channel. We believe as spends normalises (scaled up); business will see strong subscriber growth. Nodwin is continually scaling its relations with game publishers (Partnered with Riot for Valorant, hosted PMPL for Tencent in S.Asia, hosted BGMI tournament for Krafton). With improved clarity in pandemic situation, Nodwin will host offline tournament in H2FY22 which, in our view, can boost the Media Rights Revenue. Freemium Business also witnessing qualitative improvement as IAP grew 75% YoY (25% of Rev) & IAP Conversion rate inched up to 0.12% from 0.06% YoY.

Q1FY22 Result (Rs Mn)

Particulars	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)
Revenue	1,312	905	45.0	1,234	6.3
Total Expense	1,011	1,039	(2.7)	1,116	(9.4)
EBITDA	301	(134)	(324.6)	118	155.6
Depreciation	84	88	(4.5)	75	12.4
EBIT	169	(222)	(176.1)	20	764.9
Other Income	49	29	69.0	22	123.2
Interest	2	3	(33.3)	1	102.0
EBT	216	(196)	(210.2)	41	433.3
Tax	76	14	442.9	(7)	(1142.5)
RPAT	53	(279)	(119.0)	32	68.1
APAT	53	(279)	(119.0)	32	68.1
			(bps)		(bps)
Gross Margin (%)	41.0	3.1	3791	30.0	1104
EBITDA Margin (%)	22.9	(14.8)	3775	9.5	1340
NPM (%)	4.0	(30.8)	3487	2.6	148
Tax Rate (%)	35.2	(7.1)	4233	(18.0)	5319
EBIT Margin (%)	12.9	(24.5)	3741	1.6	1130

CMP	Rs 1,855	
Target / Upside	Rs 2,400 / 29%	
NIFTY	15,763	
Scrip Details		
Equity / FV	Rs 122mn / Rs 4	
Market Cap	Rs 57bn	
	USD 764mn	
52-week High/Low	Rs 2,025 / 1,432	
Avg. Volume (no)	3,08,811	
Bloom Code	NAZARA IN	
Price Performance		
1M	3M	12M
Absolute (%)	12	7
Rel to NIFTY (%)	11	(1)

Shareholding Pattern

	Dec'20	Mar'21	Jun'21
Promoters	0.0	20.7	0.0
MF/Banks/FIs	0.0	14.6	0.0
FII	0.0	13.6	0.0
Public / Others	0.0	51.1	0.0

Valuation (x)

	FY21A	FY22E	FY23E
P/E	632.4	136.5	83.1
EV/EBITDA	114.9	43.7	27.9
ROE (%)	1.6	6.1	9.3
RoACE (%)	2.4	8.7	12.8

Estimates (Rs mn)

	FY21A	FY22E	FY23E
Revenue	4,542	6,143	9,376
EBITDA	453	1,175	1,782
PAT	93	416	684
EPS (Rs.)	2.9	13.6	22.3

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Exhibit 1: Quarterly performance versus estimates

(Rs mn)	Actual	Estimates		% Variation		Comment
		Dolat	Consensus	Dolat	Consensus	
INR Revenue	1,312	1,385	1,663	(5.3)	(21.1)	Revenue Miss due to lower traction in GEL (up 2.9% QoQ v/s estm of 5.9%) & Nodwin Biz (up 4.3% QoQ v/s 23.2%).
EBIT	169	148	91	14.5	85.7	EBIT Margin beat largely led to improved profitability of GEL Biz. (Margin: expanded to 36.3% from 12.6%).
EBIT, margin	12.9	10.7	5.5	220 bps	740 bps	
PAT	53	89	66	(40.2)	(19.7)	PAT Beat was negated by higher Minority Interest and higher than expected ETR of 36.0%.

Source: DART, Company, EBIT includes impact of impairment worth Rs. 48mn.

Change in Estimates

We marginally cut our FY22E Revenue estimates by 2.4% (slower GEL traction) and increase our Revenue FY23E by 1.2% (improved IAP traction in Freemium). Given improved profitability across businesses, we improve our EBIT Margin by 415bps and 404bps in FY22E/FY23E – although expect this to remain volatile given the higher priority on growth at the moment. Overall basis we have seen sharp uptick in our EPS estimates by 18%/36% respectively for FY22/FY23E.

Exhibit 2: Change in Estimates

(Rs mn)	FY21A	FY22E			FY23E		
		Actual	Old	New	Change	Old	New
INR Revenue	4,542	6,297	6,143	(2.4)	9,264	9,376	1.2
YoY growth (%)	83.5	38.6	35.2	(341 bps)	47.1	52.6	551 bps
Gamified early learning	1,758	2,799	2,545	(9.1)	4,608	4,533	(1.6)
eSports	1,700	2,480	2,562	3.3	3,490	3,634	4.1
Freemium	195	251	253	0.7	291	334	14.8
Real money gaming	139	97	99	2.1	170	170	0.0
Telco subscription	749	670	684	2.1	705	705	0.0
EBIT	57	525	767	46.2	962	1,352	40.5
EBIT margin (%)	1.2	8.3	12.5	415 bps	10.4	14.4	404 bps
PAT	92	330	416	26.1	518	684	32.1
EPS (Rs)	3.1	10.5	12.4	18.2	16.4	22.3	36.0

Source: DART, Company

Exhibit 3: Key Assumptions in our estimates

Metrics	FY21A	FY22E	FY23E
Gamified Early Learning Growth YoY (%)	819.0	44.7	78.1
eSports - Nodwin Growth YoY (%)	75.1	42.5	46.8
eSports - Sportskeeda Growth YoY (%)	414.5	83.0	26.6
Freemium Growth YoY (%)	(1.3)	29.4	32.2
RMG Growth YoY (%)	(67.4)	(28.8)	71.7
Telco subscription Growth YoY (%)	(8.4)	(8.7)	3.1
INR Revenue growth (%)	83.5	35.2	52.6
EBIT Margins (%)	1.2	12.5	14.4
EPS growth (%)	NA	302.0	80.4

Source: DART, Company

Exhibit 4: Key Revenue Growth Matrix

QoQ Growth	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
Gamified early learning	86.6	20.3	8.4	8.7	2.9
eSports	(33.2)	39.4	55.8	(15.9)	9.5
Freemium	6.7	9.9	30.3	(29.7)	33.9
Real money gaming	(70.1)	152.3	21.8	(63.4)	8.5
Telco subscription	22.2	(6.5)	(30.6)	24.3	0.4
INR Revenue	3.9	21.5	18.5	(5.4)	6.3

Source: DART, Company

Exhibit 5: Quarterly Trend

Rs mn	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	QoQ%	YoY%	YTDFY21	YTDFY22	YoY%
INR Revenue	905	1,100	1,304	1,234	1,312	6.3	45.0	905	1,312	45.0
Operating Expenses	1,039	904	1,030	1,116	1,011	(9.4)	(2.7)	1,039	1,011	(2.7)
EBITDA	(134)	195	273	118	301	155.6	(324.6)	(134)	301	(324.6)
Depreciation	88	77	132	98	132	34.4	50.0	88	132	50.0
EBIT	(222)	118	141	20	169	764.9	(176.1)	(222)	169	(176.1)
Other Income	29	37	56	22	49	123.2	69.0	29	49	69.0
Finance Cost	3	2	3	1	2	102.0	(33.3)	3	2	(33.3)
Share of Associate	(7)	(9)	(2)	(6)	(5)	(9.3)	(28.6)	(7)	(5)	(28.6)
PBT	(203)	144	192	35	211	503.0	(203.9)	(203)	211	(203.9)
Total Tax	14	11	13	(7)	76	(1,142.5)	442.9	14	76	442.9
PAT Before MI	(217)	133	179	42	135	219.3	(162.2)	(217)	135	(162.2)
MI	62	(105)	77	11	82	662.8	32.3	62	82	32.3
PAT After MI	(279)	238	102	32	53	68.1	(119.0)	(279)	53	(119.0)
Reported EPS	(10.0)	8.6	3.5	1.0	1.7	73.0	(117.4)	(10.0)	1.7	(117.4)
Margins (%)						(bps)	(bps)			(bps)
EBIDTA	(14.8)	17.8	21.0	9.5	22.9	1,340	3,775	(14.8)	22.9	3,775
EBIT	(24.5)	10.7	10.8	1.6	12.9	1,130	3,741	(24.5)	12.9	3,741
PBT	(22.4)	13.1	14.7	2.8	16.1	1,325	3,851	(22.4)	16.1	3,851
PAT	(24.0)	12.1	13.7	3.4	10.3	686	3,427	(24.0)	10.3	3,427
Effective Tax rate	(6.9)	7.6	6.8	(20.8)	36.0	5,685	4,292	(6.9)	36.0	4,292

Source: DART, Company, Depreciation includes impairment.

What to expect Next Quarter

We expect 3.0% QoQ growth led by sustained traction across businesses. We expect EBIT Margins to decline by 289bps QoQ as Ad Spends in GEL businesses return to normal state.

Exhibit 6: What to expect Next Quarter

(Rs Mn)	Q2FY22E	Q1FY22	Q2FY21	QoQ (%)	YoY (%)
INR Revenue	1,351	1,312	1,100	3.0	22.9
EBIT	135	169	118	(20.2)	14.3
PAT	88	53	238	66.8	(62.9)
EPS (Rs)	2.9	1.7	8.6	66.8	(66.3)
EBIT Margin (%)	10.0	12.9	10.7	-289 bps	-75 bps

Source: DART, Company

Con-Call Key Takeaways

Revenue: Nazara's INR Revenue grew by 6.3% QoQ at Rs. 1,312Mn slightly lower than our estimate of Rs. 1,385Mn. The incremental revenue growth was largely led by Sportskeeda (Rs. 31mn, 39.1% of Incremental Revenue), Nodwin Gaming (Rs. 16mn, 20% of Incremental Revenue), Gamified Learning (Rs. 15mn, 19% of Incremental Revenue) and Freemium (Rs. 15mn, 19% of Revenue). The Telco Business was largely flat with 0.4% QoQ growth. The Real Money Gaming Biz. grew by 8.5% QoQ which was largely on account of 1-month overlap with IPL event).

Exhibit 7: Revenue Analysis for Q1FY22

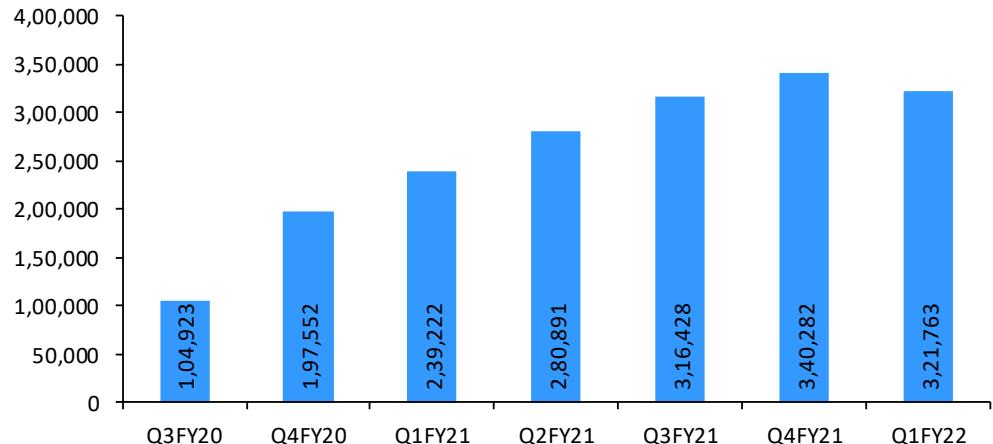
Particulars	Amount (Rs. Mn)	QoQ (%)	YoY (%)	Mix (%)	Incremental Revenue	Contribution to Incremental Revenue
Gamified early learning	521.0	2.9	45.9	39.7	14.9	19.0
Nodwin	384.0	4.3	61.3	29.3	15.7	20.1
SportsKeeda	148.0	26.0	428.6	11.3	30.6	39.1
Freemium	58.0	33.9	34.9	4.4	14.7	18.8
Telco subscription	179.0	0.4	(19.0)	13.6	0.7	0.9
Real money gaming	22.0	8.5	22.2	1.7	1.7	2.2
INR Revenue	1,312.0	6.3	45.0	100.0	78.2	100.0

Source: DART, Company

Gamified Early Learning (40% of Revenue): The Gamified Learning Business witnessed slower traction with 2.9% QoQ. The subscriber based declined by 5.4% QoQ to 3,21,763 paying subscribers.

- The **decline in subscribers** was account of churn being higher (natural churn cycle is 9 months) than the gross additions during the quarter as Kiddopia lower the advertising spends (down to \$1.78mn from \$3.12mn QoQ) during the quarter as Apple's new privacy policy (26th April'21) impacted the attribution aspect of conversions (*as device id can now be masked, thus Adtechs cannot optimise on customer behaviour and their conversion patterns – this may imply spending without knowing results on which channel partner did better*). As per our calculations, GEL lost 56K subs under the churn and added 37K new subs in the quarter. Nazara is already building alternate channels for customer acquisition (currently working on Unity Ads (Gaming Adtech - which has first party access), Apple Ads, other first party solutions). **As alternate customer acquisition channels are built and scale, the growth should return back to normal.** Moreover, as this issue impacts the whole digital advertising industry, industry will bring a solution for this issue (*like crisis brings innovation*). Despite this issue, the retention is still range bound.

Exhibit 8: Subscribers Trend for Kiddopia



Source: DART, Company

- **Underlying Metrics are largely intact** for Kiddopia App. The reported LTV is same at \$61. The customer acquisition cost is also in its stated range of \$22 to \$28. Nazara has highlighted that it has reached the top end of the band at \$28 (from \$26 last quarter) for customer acquisition but are comfortable as company also increased the price for its offering by 14% during the quarter to \$8/month from \$7 earlier. The reported churn has slightly increased from “4% to 6%” to 4% to 7%. However, it is not alarming (in our view). The trial to activation ratio is also range bound at ~70%.
- **Profitability is likely to trend down** as this is temporarily driven by lower advertising spends towards customer acquisition. The Reported PBT stood at Rs. 189mn v/s Rs. 64mn in Q4FY21. This was driven by lower advertising spend of Rs. 131mn in Q1FY22 v/s Rs. 230mn Q4FY21. (based on \$ data converted to INR). On EBITDA Margin basis, GEL’s margin was 39.7% in Q1FY22. Nazara also highlighted that atleast \$1mn subscriber base would be crucial point to generate organic subscriber base but till that time it would be led by ads spends per month basis.
- **Can co-exist with competition:** Nazara highlighted that the Kids app market is **very competitive** and it is working on capturing market share. Within the space, kids have many apps (they may be using 4-5 apps) which parents are okay with it as they are learning. Kiddopia has a usage of 17 minutes per day.
- **Going forward**, Nazara will attempt to focus on scaling the business and gain market share (Currently: achieved trial penetration of 4%-5%; for 25mn target base in US). Nazara will also attempt to enter different geographies and scale if they find the right mix of LTV and CAC.

eSports – Nodwin (30% of Revenue): Nodwin’s Revenue grew only 4.3% QoQ. The Media Rights Revenue was largely flat at Rs. 188mn (49% of Revenue in Q1FY22 v/s 79% of Revenue in Q1FY21). The EBITDA Margin for Nodwin stood at 6.0% in Q1FY22 v/s 4.5% in Q1FY21.

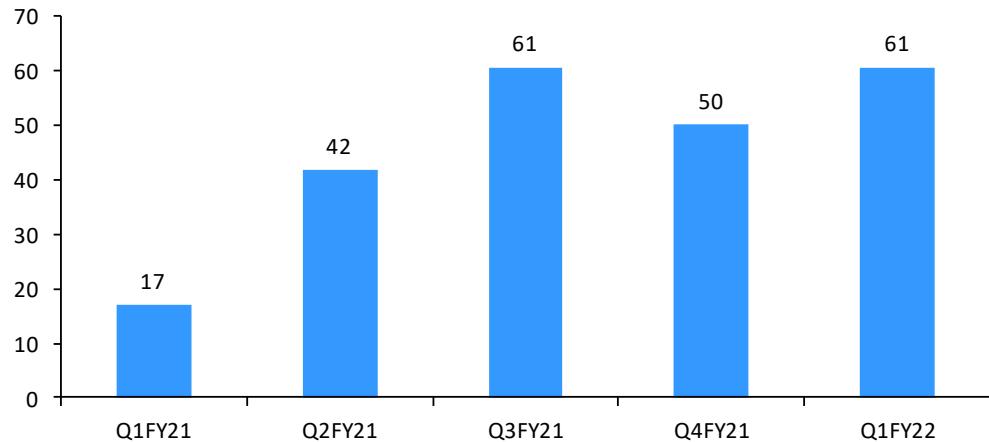
- **Gaming Publisher Relationships are moving to the right direction** as Nodwin is deepening its partnership with publishers (*Example 1:* Nodwin developed a partnership with a game publisher RIOT to launch a new IP Valorant Conquerors Championship (the official league for Valorant in India and only league, whereby winner gets a place in the Valorant World qualifiers, *Example 2:* further strengthened partnership with Tencent as it hosted PMPL Season 3 in Southeast Asia, Nodwin is now also running amateur to professional tournaments of PUBG mobile in South Asian countries other than India).

- India's recent eSports event (BGMI's first tournament, Krafton's game **recorded viewership of 10mn views on Day1 and over 530k concurrent viewers**. This metrics is most important metrics to drive Media Rights value over time.
- **Nodwin to eventually return to Offline Events** as the pandemic situation eases. It plans to host previous IPs and launch new IP in H2FY22 (if the lockdown situation eases). This can be a key boost for revenue as media rights and advertising revenue is higher for offline events. Moreover, Q2 and Q4 are strong quarters for Nodwin Business.
- Nodwin has **an alternate Revenue stream** of ad monetization on the OTT partner platforms via contracts. It has not used the option as of now as it intends to focus on expanding the market. (Top 3 platform for Nodwin are Viacom/Hotstar/Youtube - Partnership contract is typically for 3yrs and has a 4 minute per hour potential in terms of ad spots).

Sportskeeda (11% of Revenue): Sportskeeda Revenue grew by 26.0% QoQ to Rs. 148mn. The EBITDA Margin for Q1FY22 stood at 44.5% (largely in line with 48.8% in FY21).

- **Underlying Metrics continue to show improvement** for Sportskeeda as the MAU is now at 61mn v/s 50mn in Q4FY21. The Visits per month data is also at 121mn v/s 59mn in FY21 (implies 2 visits per user). Although, the average duration has slightly come down to 178 seconds in Q1FY22 from 199 seconds in FY21. Sportskeeda has emerged as a leading Esports news and content destination in India. During peak cricket season (April-21), Sportskeeda recorded 59.61mn MAU up from 23.51mn MAU in June'20. We believe Sportskeeda is likely to witness more traction as IPL starts again in Sept'21.

Exhibit 9: Sportskeeda MAU Trend (mn)



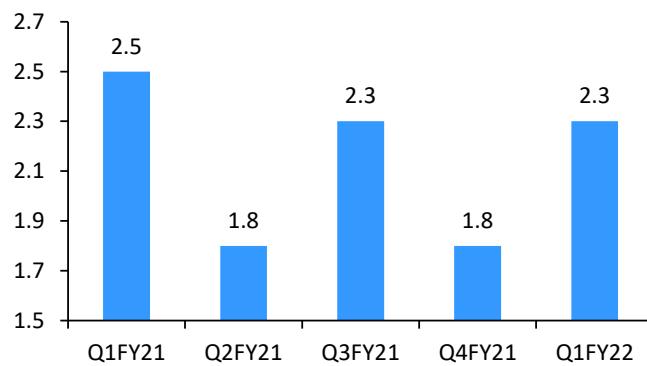
Source: DART, Company

Freemium (4% of Revenue): Freemium Revenue stood at Rs. 58mn (up 33.9% QoQ). The EBITDA Margin for Q1FY22 stood at 25.3% (Q1FY21: 20.4%). This was driven by strong recovery in IAP Revenue which grew 75% YoY and 153% QoQ to Rs. 26mn (currently, 27% of Revenue).

- **IAP Metrics are improving** as the conversion ratio (DPU/DAU) for WCC3 has increased to 0.12% from 0.07% in Q4FY21 and 0.6% in Q1FY21. Nazara is further planning to improve the In-App Purchase trend by focusing on new product updates.

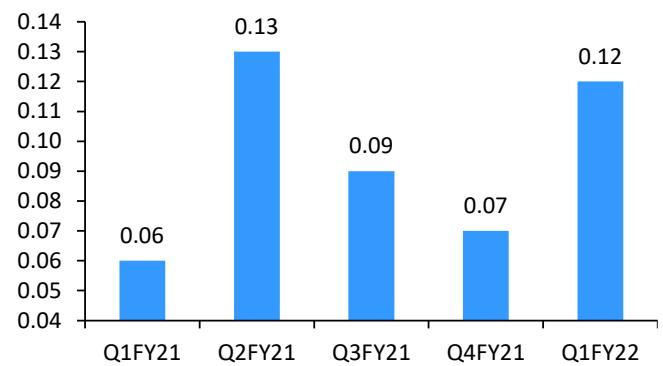
- **WCC is likely to witness spikes in user base whenever Cricket tournaments get hosted.** The same trend was visible in April'21 where DAUs witnessed spikes during IPL. The DAU and MAU for WCC in Q1FY22 stood at 2.3mn and 13.2mn. The Retention data highlights that 30 day retention is 9%-10% and 1 year retention is upwards of 1%.
- **Nazara's strategy for WCC** is to scale the user base as IAP purchase trend improves in India. Currently, not scaling up ads spends as do not see right fitments for desired LTV/CAC equation.

Exhibit 10: WCC DAUs (mn)



Source: Company

Exhibit 11: IP Conversion Rate (%) for WCC3



Source: Company

Telco Business (14% of Revenue): Telco grew 0.4% QoQ to Rs. 179mn (down 19% YoY). The PBT Margin has declined on YoY basis to 18.4% from 20.4%. Nazara is expected to launch Disney Character based games across markets in coming months. Under the Disney Agreement, Nazara will be the only player to have rights to create a storefront for Disney and Star Wars games. Nazara believes that recovery for the segment depends on the new Disney premium games strategy and the outcome here will be visible in next 2-3 quarters).

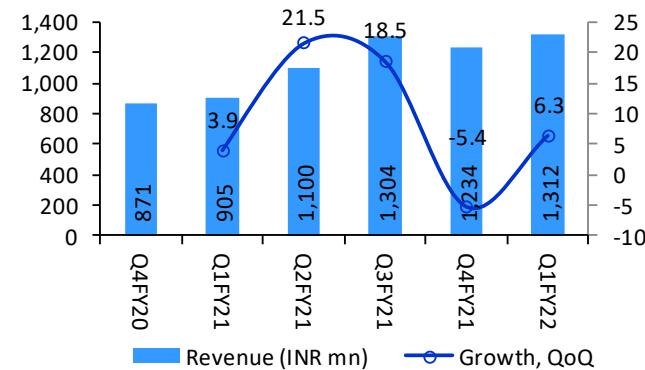
Real Money Gaming (2% of Revenue): Real Money Gaming grew 8.5% QoQ to Rs.22mn. Nazara is following a product driven strategy rather than an aggressive customer acquisition strategy in this segment.

Other Key Takeaways

- **Publishme Acquisition** closed on 30th July. Nazara has highlighted that it will help the company to enter MENA Region.
- **Geography Expansion:** Nazara highlighted that repeating the success it has had in India across business segments can be replicated into other region as one of its expansion strategy (repeating the India playbook).

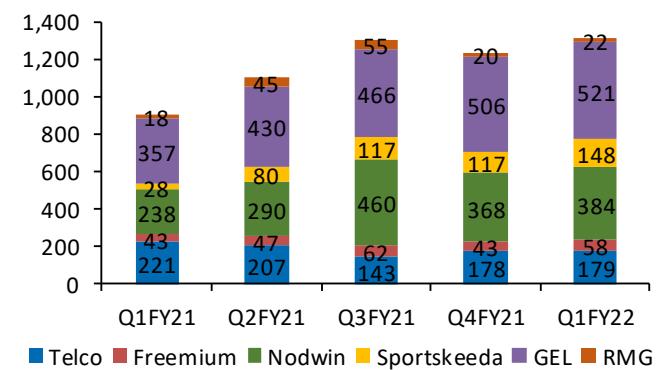
Story in Charts

Exhibit 12: Revenue grew by 6.3% QoQ



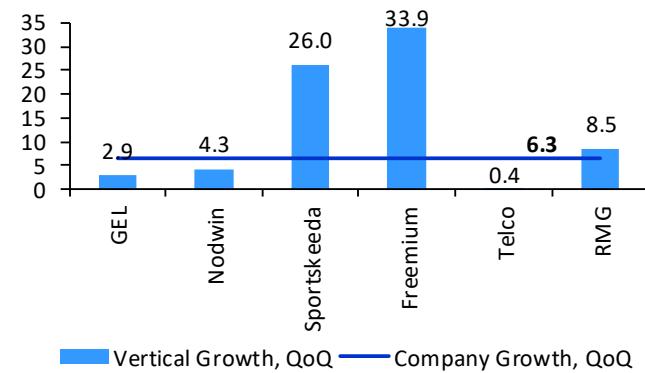
Source: DART, Company

Exhibit 13: Business wise performance



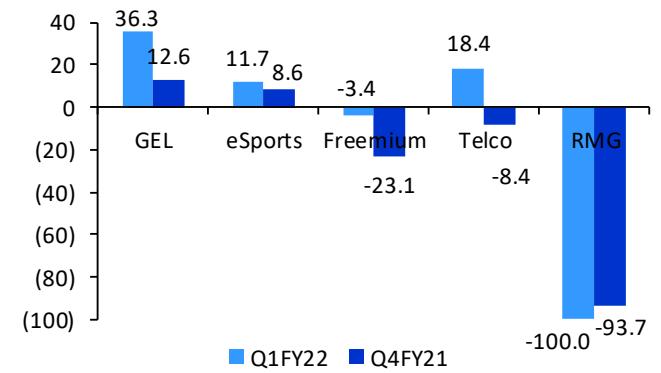
Source: DART, Company

Exhibit 14: Biz wise QoQ v/s Company QoQ Growth



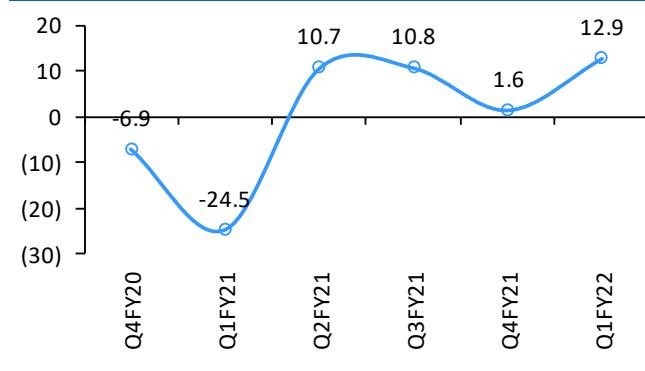
Source: DART, Company

Exhibit 15: PBT Margin Trend



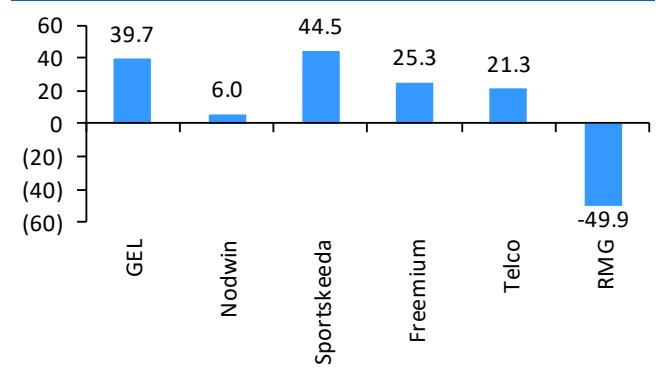
Source: DART, Company

Exhibit 16: EBIT Margin in Q1FY22 reached 12.9%



Source: DART, Company

Exhibit 17: EBITDA Margin Segment-wise



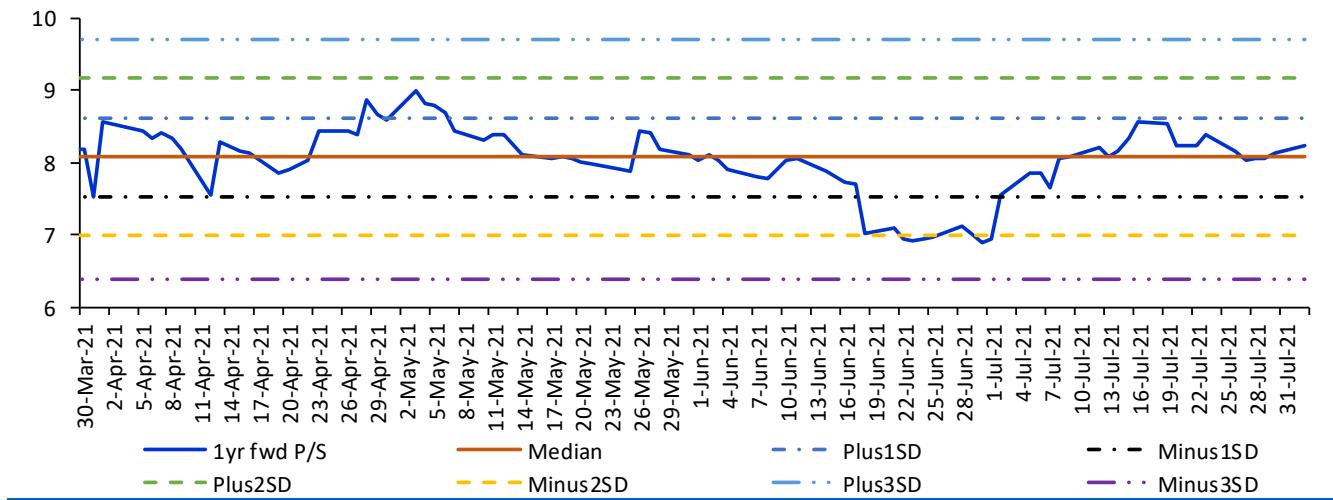
Source: DART, Company

Valuation

Given the infancy stage of the gaming industry in India with Average Rev Per Gamer of just \$9 p.a. (versus US/China at \$73/\$35), we believe company can compound its revenues by 10x over a decade. We have currently factored in Revenue CAGR of 42.6% (earlier 42.3%) over FY21-25E in its hyper-growth stage and gradual deceleration to 25.2% CAGR (unchanged) over FY25-30E, Average EBIT Margin of 18.7% (earlier 17.1%) and Terminal growth rate of 5%. We have a Buy Rating with a Target Price of Rs. 2,400.

Band Chart

Exhibit 18: Nazara Price/Sales Chart (price largely aligned to its 12MF Median Price/sales multiple of 8x)



Source: DART, Company

Profit and Loss Account

(Rs Mn)	FY20A	FY21A	FY22E	FY23E
Revenue	2,475	4,542	6,143	9,376
Total Expense	2,531	4,090	4,968	7,594
COGS	1,908	3,290	3,911	5,967
Employees Cost	319	487	671	1,034
Other expenses	305	313	385	593
EBIDTA	(56)	453	1,175	1,782
Depreciation	263	355	360	430
EBIT	(319)	57	767	1,352
Interest	12	9	8	8
Other Income	155	143	172	180
Exc. / E.O. items	0	0	0	0
EBT	(177)	191	931	1,524
Tax	72	31	215	349
RPAT	(21)	93	416	684
Minority Interest	(246)	44	277	468
Profit/Loss share of associates	(18)	(24)	(23)	(24)
APAT	(21)	93	416	684

Balance Sheet

(Rs Mn)	FY20A	FY21A	FY22E	FY23E
Sources of Funds				
Equity Capital	112	122	122	122
Minority Interest	690	1,208	1,485	1,952
Reserves & Surplus	4,899	6,460	6,876	7,560
Net Worth	5,011	6,582	6,998	7,682
Total Debt	0	0	5	5
Net Deferred Tax Liability	284	214	179	144
Total Capital Employed	5,984	8,003	8,666	9,783

Applications of Funds

Net Block	3,331	2,986	2,940	2,559
CWIP	0	0	0	0
Investments	81	42	42	42
Current Assets, Loans & Advances	4,105	7,153	8,434	11,379
Inventories	0	0	0	0
Receivables	681	686	892	1,336
Cash and Bank Balances	721	1,400	2,001	3,648
Loans and Advances	36	29	35	52
Other Current Assets	1,019	1,574	2,040	2,876
Less: Current Liabilities & Provisions	1,532	2,177	2,749	4,196
Payables	693	640	794	1,223
Other Current Liabilities	839	1,537	1,955	2,973
<i>sub total</i>				
Net Current Assets	2,573	4,976	5,685	7,183
Total Assets	5,984	8,003	8,666	9,783

E – Estimates

Important Ratios

Particulars	FY20A	FY21A	FY22E	FY23E
(A) Margins (%)				
Gross Profit Margin	22.9	27.6	36.3	36.4
EBIDTA Margin	(2.3)	10.0	19.1	19.0
EBIT Margin	(12.9)	1.2	12.5	14.4
Tax rate	(40.6)	16.1	23.1	22.9
Net Profit Margin	(0.8)	2.0	6.8	7.3
(B) As Percentage of Net Sales (%)				
COGS	77.1	72.4	63.7	63.6
Employee	12.9	10.7	10.9	11.0
Other	12.3	6.9	6.3	6.3
(C) Measure of Financial Status				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Interest Coverage	(25.8)	6.3	99.0	167.0
Inventory days	0	0	0	0
Debtors days	100	55	53	52
Average Cost of Debt			310.0	162.0
Payable days	102	51	47	48
Working Capital days	379	400	338	280
FA T/O	0.7	1.5	2.1	3.7
(D) Measures of Investment				
AEPS (Rs)	(0.7)	2.9	13.6	22.3
CEPS (Rs)	8.7	14.2	25.3	36.4
DPS (Rs)	0.0	0.0	0.0	0.0
Dividend Payout (%)	0.0	0.0	0.0	0.0
BVPS (Rs)	180.5	208.7	228.4	250.8
RoANW (%)	(0.5)	1.6	6.1	9.3
RoACE (%)	(4.5)	2.4	8.7	12.8
RoAIC (%)	(7.0)	1.0	11.6	21.1
(E) Valuation Ratios				
CMP (Rs)	1855	1855	1855	1855
P/E	(2488.7)	632.4	136.5	83.1
Mcap (Rs Mn)	56,840	56,840	56,840	56,840
MCap/ Sales	23.0	12.5	9.3	6.1
EV	54,471	51,976	51,378	49,731
EV/Sales	22.0	11.4	8.4	5.3
EV/EBITDA	(972.3)	114.9	43.7	27.9
P/BV	10.3	8.9	8.1	7.4
Dividend Yield (%)	0.0	0.0	0.0	0.0
(F) Growth Rate (%)				
Revenue	45.9	83.5	35.2	52.6
EBITDA	(134.3)	(907.8)	159.6	51.7
EBIT	898.3	(117.8)	1251.8	76.4
PBT	(249.8)	(207.9)	387.6	63.7
APAT	(111.8)	(547.1)	350.0	64.3
EPS	(111.7)	(493.5)	363.2	64.3

Cash Flow

(Rs Mn)	FY20A	FY21A	FY22E	FY23E
CFO	(22)	674	748	1,524
CFI	89	(2,675)	(316)	(49)
CFF	34	2,171	169	172
FCFF	(223)	320	434	1,475
Opening Cash	533	721	864	1,465
Closing Cash	721	864	1,465	3,112

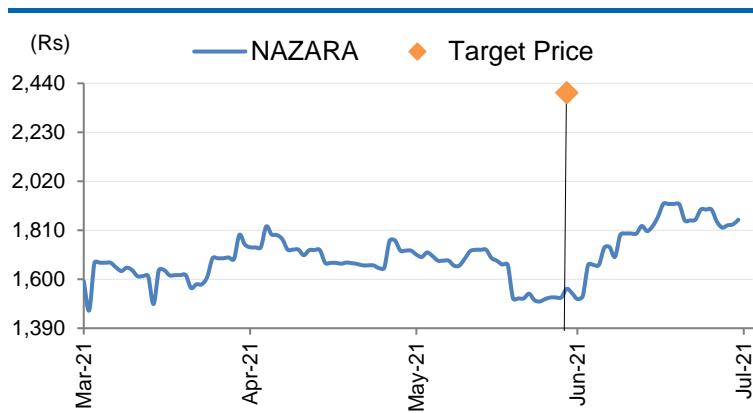
E – Estimates

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



**Price as on recommendation date*

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