

# Titan Company (TTAN IN)

**Rating: ACCUMULATE | CMP: Rs1,800 | TP: Rs1,916**

August 4, 2021

## Q1FY22 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current FY22E	Previous FY23E	Current FY22E	Previous FY23E
Rating	ACCUMULATE	ACCUMULATE		
Target Price	1,916	1,869		
Sales (Rs. m)	2,61,058	3,11,842	2,56,736	3,06,223
% Chng.	1.7	1.8		
EBITDA (Rs. m)	27,266	39,364	27,087	38,632
% Chng.	0.7	1.9		
EPS (Rs.)	20.1	30.3	20.0	29.8
% Chng.	0.6	1.9		

### Key Financials - Standalone

Y/e Mar	FY20	FY21	FY22E	FY23E
Sales (Rs. bn)	200	206	261	312
EBITDA (Rs. bn)	24	17	27	39
Margin (%)	12.2	8.3	10.4	12.6
PAT (Rs. bn)	15	10	18	27
EPS (Rs.)	17.1	11.4	20.1	30.3
Gr. (%)	5.1	(33.2)	76.3	50.6
DPS (Rs.)	5.0	3.5	4.5	5.0
Yield (%)	0.3	0.2	0.3	0.3
RoE (%)	23.3	14.1	21.5	26.4
RoCE (%)	24.4	13.3	20.8	28.1
EV/Sales (x)	8.1	7.8	6.1	5.1
EV/EBITDA (x)	66.2	94.4	58.5	40.2
PE (x)	105.3	157.6	89.4	59.3
P/BV (x)	23.4	21.2	17.6	14.1

### Key Data

	TITN.BO   TTAN IN
52-W High / Low	Rs.1,859 / Rs.1,049
Sensex / Nifty	54,370 / 16,259
Market Cap	Rs.1,598bn / \$ 21,535m
Shares Outstanding	888m
3M Avg. Daily Value	Rs.5669.96m

### Shareholding Pattern (%)

Promoter's	52.90
Foreign	18.41
Domestic Institution	9.87
Public & Others	18.82
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	2.6	18.9	67.4
Relative	(1.0)	10.7	16.0

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**On track but Watch for 3<sup>rd</sup> Wave: Accumulate**

### Quick Pointers:

- Jewellery (ex Bullion sale of Rs4.2bn) grew 122% while Watches and Eyewear segments witnessed rapid recovery with the re-opening of stores.
- Incorporated TCL North America, to cater the NRI and PIO segment in US

**We are marginally increasing FY22/23 EPS by 0.64%/1.94% given strong demand recovery in June/July and faster recovery in Eyewear and Watches relative to last year. TTAN remains positive on recovery given rising vaccination, although a couple of large south Indian states remain a drag. We believe that with 1) Rise in wedding jewellery sales and ticket size in 2H22, 2) Improvement in studded ratio, 3) Healthy recovery in watches and Eyewear and 4) Implementation of mandatory Hallmarking will be major growth drivers for TTAN going forward. We remain positive on the long term structural story on account of market share gains, strong balance sheet, franchisee based model, strong brand, and strong head start in executing strategies like customer safety and Omni Channel across product segments. Foray into the US will provide long term growth potential. We maintain ACCUMULATE with DCF based TP of Rs 1916 (Rs 1869 earlier). Possibility of 3<sup>rd</sup> Covid wave during festival season is a key near term risk to our call.**

- **Net sales up 122.2% Jewellery volumes up 124%:** Net sales up 122.2% to Rs27.8bn (excluding Bullion) (Est Rs28.01bn) led by ~4x growth in watches, 62.1% growth in jewellery sales and ~2x growth in eyewear. EBITDA of Rs1.44bn (Est Rs1.40bn) from a negative EBITDA of Rs.2.4bn last yr. EBITDA margin at 4.4% (Est 5.0%). Adj. PAT at Rs610mn (Est Rs554mn). Jewellery division gaining traction in new customers and mix in total buyers has reached the pre-pandemic levels. Added net of 13 stores in this quarter - 4 Jewellery, 6 Titan Eye+, 4 Caratlane and 1 closure in Watches.
- **Jewellery** Jewellery sales 62.1% to Rs28.91bn (including bullion sales of Rs4.24bn) and EBIT at Rs2.07bn from Rs-540mn last year. Margins at 6.0% from -3.0%. Volume was up by 124%. Studded ratio stood at 22% vs 18% last year. Tanishq added 5 stores (20000 sq. ft. of retail space) this quarter
- **Watches** Watches sales grew 3.89x at Rs2.92bn, EBIT at -560mn from -1640mn. Volumes up by 124%, EBIT at -560mn from -1640mn last yr. The division added 3 Helios stores and shutdown 2 FastTrack stores in Q1'22, on net basis. **WOT** reported LTL growth of 91%, **Helios** 78% and **LFS** 324% on a low base of last year.
- **Eyewear** sales grew 123% to Rs670mn from Rs300mn last year while EBIT at Rs-130mn vs -310mn in 1QFY2. Added 6 new Titan Eye Stores and registered 47% LTL growth
- **Key Concall Highlights:** 1) Tanishq to enter North America targeting NRI/PIO consumers which is a \$3-4bn market opportunity 2) Plans to open 34 Tanishq stores in India (11 already opened) in FY22 3) Opened 622 eye wear stores

and plans to open 1000 stores in 2-3 years 4) Overall higher footfalls seen this quarter due to better consumer sentiment & vaccinations 5) Loss due to custom duty reduction offset by FIFO gains this quarter 6) Hallmarking good for industry, will bring transparency 7) Hallmarking good for Titan as will bring making charges at par for all players 8) Studded mix in retail at 25% in 1Q vs 21% 1QFY21 vs 28% in 1QFY20 9) Change in hedge accounting will reduce fluctuation in profitability going forward

#### Exhibit 1: Q1FY22 Results: Sales up 122% excluding bullion sales of Rs4.24bn

Y/e March (Rs mn)	Q1FY22	Q1FY21	YoY gr. (%)	Q4FY21	FY21	FY20	YoY gr. (%)
<b>Net Sales</b>	<b>32,490</b>	<b>18,620</b>	<b>74.5</b>	<b>71,350</b>	<b>2,06,020</b>	<b>2,00,096</b>	<b>3.0</b>
Gross Profit	6,900	3,840	79.7	15,240	48,330	54,978	(12.1)
% of NS	21.2	20.6	0.6	21.4	23.5	27.5	(4.0)
Advt & Sales Pro	370	160	131.3	790	2,320	4,767	(51.3)
% of NS	1.1	0.9		1.1	1.1	2.4	
Total Expenses	31,050	21,080	47.3	63,400	1,89,010	1,75,919	7.4
% of NS	95.6	113.2		88.9	91.7	87.9	
<b>EBITDA</b>	<b>1,440</b>	<b>(2,460)</b>	<b>(158.5)</b>	<b>7,950</b>	<b>17,010</b>	<b>24,177</b>	<b>(29.6)</b>
<b>Margins %</b>	<b>4.4</b>	<b>(13.2)</b>	<b>17.6</b>	<b>11.1</b>	<b>8.3</b>	<b>12.1</b>	<b>(3.8)</b>
Depreciation	830	820	1.2	820	3,310	3,097	6.9
Interest	440	460	(4.3)	450	1,810	1,495	21.1
Other Income	650	390	66.7	340	1,810	1,464	23.6
<b>PBT</b>	<b>820</b>	<b>(3,350)</b>	<b>(124.5)</b>	<b>7,020</b>	<b>13,700</b>	<b>21,050</b>	<b>(34.9)</b>
Tax	210	(650)	(132.3)	1,730	3,560	5,873	(39.4)
<b>Tax rate %</b>	<b>25.6</b>	<b>19.4</b>		<b>24.6</b>	<b>26.0</b>	<b>27.9</b>	
<b>Adjusted PAT</b>	<b>610</b>	<b>(2,700)</b>	<b>(122.6)</b>	<b>5,290</b>	<b>10,140</b>	<b>15,176</b>	<b>(33.2)</b>

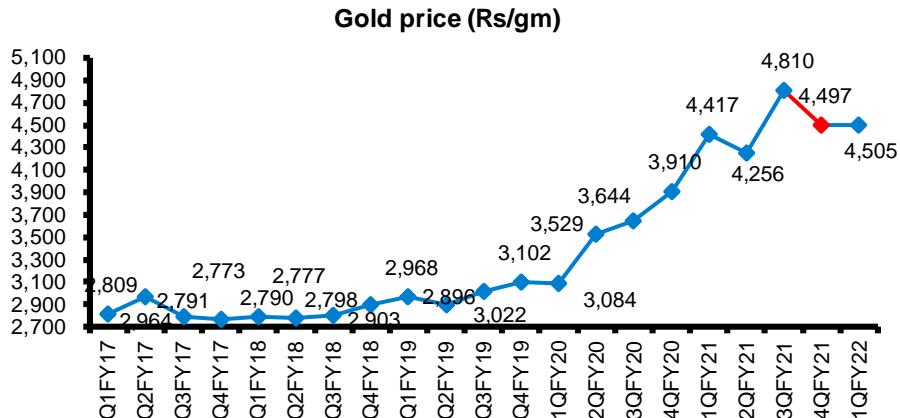
Source: Company, PL

#### Exhibit 2: Jewellery and Watches drive overall growth

(Rs m)	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22
<b>Total Sales</b>	<b>49,471</b>	<b>44,447</b>	<b>62,167</b>	<b>44,604</b>	<b>18,920</b>	<b>43,540</b>	<b>72,990</b>	<b>71,390</b>	<b>32,640</b>
Watches	7,146	7,187	6,253	5,568	750	4,000	5,500	5,550	2,920
<b>YoY Growth</b>	<b>20.4%</b>	<b>6.4%</b>	<b>-2.4%</b>	<b>4.9%</b>	<b>-89.5%</b>	<b>-44.3%</b>	<b>-12.0%</b>	<b>-0.3%</b>	<b>289.3%</b>
Jewellery	40,474	35,278	54,087	37,544	17,830	38,370	65,890	64,220	28,910
<b>YoY Growth</b>	<b>13.3%</b>	<b>-1.5%</b>	<b>10.6%</b>	<b>-5.8%</b>	<b>-55.9%</b>	<b>8.8%</b>	<b>21.8%</b>	<b>71.1%</b>	<b>62.1%</b>
Eyewear	1,488	1,542	1,333	1,077	300	940	1,240	1,270	670
<b>YoY Growth</b>	<b>13.1%</b>	<b>28.5%</b>	<b>2.9%</b>	<b>-17.4%</b>	<b>-79.8%</b>	<b>-39.0%</b>	<b>-7.0%</b>	<b>17.9%</b>	<b>123.3%</b>
Others	363	440	494	415	40	230	360	350	140
<b>YoY Growth</b>	<b>37.9%</b>	<b>33.2%</b>	<b>32.6%</b>	<b>12.5%</b>	<b>-89.0%</b>	<b>-47.7%</b>	<b>-66.4%</b>	<b>-15.6%</b>	<b>250.0%</b>
<b>Total EBIT</b>	<b>5,397</b>	<b>4,897</b>	<b>7,375</b>	<b>5,870</b>	<b>-2,670</b>	<b>2,800</b>	<b>8,230</b>	<b>7,630</b>	<b>1,220</b>
Watches	1,277	1,134	521	722	-1,640	-40	570	460	-560
<b>YoY Growth</b>	<b>14.7%</b>	<b>-6.9%</b>	<b>-4.1%</b>	<b>149.3%</b>	<b>-228.5%</b>	<b>-103.5%</b>	<b>9.4%</b>	<b>-36.3%</b>	<b>-65.9%</b>
<b>EBIT Margin</b>	<b>17.9%</b>	<b>16.7%</b>	<b>8.3%</b>	<b>13.0%</b>	<b>-218.7%</b>	<b>-1.0%</b>	<b>10.4%</b>	<b>8.3%</b>	<b>-12.0%</b>
Jewellery	4,420	3,841	7,013	5,339	-540	2,850	7,520	7,030	2,070
<b>YoY Growth</b>	<b>12.4%</b>	<b>-2.0%</b>	<b>7.8%</b>	<b>4.2%</b>	<b>-112.2%</b>	<b>-25.8%</b>	<b>7.2%</b>	<b>31.7%</b>	<b>-483.3%</b>
<b>EBIT Margin</b>	<b>10.9%</b>	<b>11.0%</b>	<b>13.0%</b>	<b>14.2%</b>	<b>-3.0%</b>	<b>7.4%</b>	<b>11.4%</b>	<b>10.9%</b>	<b>6.0%</b>
Eyewear	-114	20	-67	18	-310	90	220	230	-130
<b>YoY Growth</b>	<b>-756.9%</b>	<b>-299.0%</b>	<b>358.9%</b>	<b>-209.0%</b>	<b>171.2%</b>	<b>352.3%</b>	<b>-428.4%</b>	<b>1170.7%</b>	<b>-58.1%</b>
<b>EBIT Margin</b>	<b>-7.7%</b>	<b>1.0%</b>	<b>-5.0%</b>	<b>4.4%</b>	<b>-103.3%</b>	<b>9.6%</b>	<b>17.7%</b>	<b>18.1%</b>	<b>5.0%</b>
Others	(185)	(98)	(92)	(209)	(180)	(100)	(80)	(90)	(160)

Source: Company, PL

## Exhibit 3: Average Gold Prices up 2% YoY



Source: Bloomberg, PL

## Exhibit 4: Grammage increases 124%, studded share at 22%

	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22
<b>Jewellery</b>									
Volume Gr %	6	-14	-5	-20	-81	-31	-14	45	124
Studded Share %	25	38	27	37	18	26	26	30	22
Sales Gr %	13.3%	-1.5%	10.6%	-5.8%	-55.9%	-25.8%	21.8%	71.1%	62.1%
<b>Tanishq</b>									
Sales Gr %	16	7	15	-4	-23	-4	13	63	115
LTL Growth %	10	2	9	-9	-18	-9	7	47	117
Stores	299	308	321	327	333	341	351	353	358
Area (sq. Ft)	11,20,000	11,60,000	12,00,000	12,40,000	12,50,000	12,90,000	13,40,000	13,60,000	13,80,000

Source: Company, PL

## Exhibit 5: Watches improve 291% on a low base of 1Q last year

	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22
<b>Watches</b>									
Sales Growth %	20.4	6.4	-2.4	4.9	-89.5	-44.3	-12.0	-0.3	291.3
Volume Growth %	13	-1	-10	-5	-93	-48	-26	-4	466
<b>World Of Titan</b>									
Sales Growth %	6	-1	11	-7	-59	-50	-14	8	86
LTL Sales growth %	6	-3	11	-9	-51	-49	-15	7	91
Stores	488	489	492	499	505	506	499	511	509
<b>Helios</b>									
Sales Growth %	8	9	23	10	-51	-34	-9	10	73
LTL Sales growth %	5	1	12	-3	-29	-30	-14	6	78
Stores	81	86	88	92	93	96	98	103	106
<b>Fastrack</b>									
Sales Growth %	4	-7	1	-10	-64	-50	-24	-4	63
LTL Sales growth %	1	-12	-4	-12	-58	-47	-22	-2	80
Stores	175	180	179	183	192	180	169	168	166
<b>LFS</b>									
Sales Growth %	16	6	8	-9	-86	-66	-23	-3	323
LTL Sales growth %	12	1	3	-15	-84	-67	-23	-3	324

Source: Company, PL

**Exhibit 6: Eyewear likely to gain momentum from 6 new stores addition this quarter**

Eyewear	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22
Sales Gr %	20	35	11	-8	-46	-35	-14	28	74
LTL Growth % (Titan Eye+)	14	28	3	-16	-44	-34	-15	27	47
Stores	556	561	578	584	569	557	571	599	605
Area (sq Ft)	3,67,000	3,71,000	3,81,000	3,86,000	3,78,000	3,71,000	3,76,000	3,88,000	3,89,000

Source: Company PL

**Exhibit 7: Stage Set for strong recovery in FY22**

(Rs m)	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
<b>Jewellery</b>							
Sales	1,04,752	1,30,231	1,59,881	1,66,983	1,85,877	2,26,948	2,71,944
Growth %	20.4	24.3	22.8	4.4	11.3	22.1	19.8
EBIDTA	11,232	15,893	19,996	21,813	18,023	25,455	35,048
Growth %	36.8	41.5	25.8	9.1	(17.4)	41.2	37.7
EBIDTA Margin %	10.7	12.2	12.5	13.1	9.7	11.2	12.9
<b>Watches</b>							
Sales	20,138	20,547	24,409	25,261	15,826	25,955	29,199
Growth %	2.6	2.0	18.8	3.5	(37.4)	64.0	12.5
EBIDTA	2,376	3,083	3,572	3,789	32	2,595	5,256
Growth %	18.5	29.7	15.9	6.1	(99.2)	8,100.0	102.5
EBIDTA Margin %	11.8	15.0	14.6	15.0	0.2	10.0	18.0

Source: PL Research

## Financials

### Income Statement (Rs m)

Y/e Mar	FY20	FY21	FY22E	FY23E
<b>Net Revenues</b>	<b>2,00,302</b>	<b>2,06,020</b>	<b>2,61,058</b>	<b>3,11,842</b>
YoY gr. (%)	4.9	2.9	26.7	19.5
Cost of Goods Sold	1,45,119	1,57,690	1,94,959	2,17,386
<b>Gross Profit</b>	<b>55,183</b>	<b>48,330</b>	<b>66,099</b>	<b>94,456</b>
Margin (%)	27.5	23.5	25.3	30.3
Employee Cost	10,401	9,110	12,528	14,965
Other Expenses	8,360	-	14,352	25,835
<b>EBITDA</b>	<b>24,381</b>	<b>17,010</b>	<b>27,266</b>	<b>39,364</b>
YoY gr. (%)	19.9	(30.2)	60.3	44.4
Margin (%)	12.2	8.3	10.4	12.6
Depreciation and Amortization	3,097	3,310	3,607	3,996
<b>EBIT</b>	<b>21,285</b>	<b>13,700</b>	<b>23,658</b>	<b>35,368</b>
Margin (%)	10.6	6.6	9.1	11.3
Net Interest	1,495	1,810	1,736	1,830
Other Income	1,258	1,810	1,973	2,457
<b>Profit Before Tax</b>	<b>21,048</b>	<b>13,700</b>	<b>23,895</b>	<b>35,995</b>
Margin (%)	10.5	6.6	9.2	11.5
Total Tax	5,873	3,560	6,014	9,060
Effective tax rate (%)	27.9	26.0	25.2	25.2
<b>Profit after tax</b>	<b>15,175</b>	<b>10,140</b>	<b>17,881</b>	<b>26,935</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>15,175</b>	<b>10,140</b>	<b>17,881</b>	<b>26,935</b>
YoY gr. (%)	5.1	(33.2)	76.3	50.6
Margin (%)	7.6	4.9	6.8	8.6
Extra Ord. Income / (Exp)	-	(1,370)	-	-
<b>Reported PAT</b>	<b>15,175</b>	<b>8,770</b>	<b>17,881</b>	<b>26,935</b>
YoY gr. (%)	10.4	(42.2)	103.9	50.6
Margin (%)	7.6	4.3	6.8	8.6
Other Comprehensive Income	(2,386)	2,060	-	-
Total Comprehensive Income	12,789	10,830	17,881	26,935
<b>Equity Shares O/s (m)</b>	<b>888</b>	<b>888</b>	<b>888</b>	<b>888</b>
<b>EPS (Rs)</b>	<b>17.1</b>	<b>11.4</b>	<b>20.1</b>	<b>30.3</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY20	FY21	FY22E	FY23E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>21,707</b>	<b>24,070</b>	<b>26,173</b>	<b>28,277</b>
Tangibles	19,988	22,348	24,448	26,549
Intangibles	1,719	1,722	1,725	1,728
<b>Acc: Dep / Amortization</b>	<b>9,876</b>	<b>13,018</b>	<b>16,313</b>	<b>19,922</b>
Tangibles	8,802	11,848	15,066	18,600
Intangibles	1,074	1,171	1,246	1,321
<b>Net fixed assets</b>	<b>11,831</b>	<b>11,052</b>	<b>9,860</b>	<b>8,355</b>
Tangibles	11,186	10,500	9,381	7,948
Intangibles	645	551	479	407
Capital Work In Progress	138	250	276	305
Goodwill	-	-	-	-
Non-Current Investments	12,082	10,830	11,913	13,104
Net Deferred tax assets	1,721	1,050	261	312
Other Non-Current Assets	10,760	10,410	10,717	11,034
<b>Current Assets</b>				
Investments	3,292	27,530	31,660	36,408
Inventories	77,406	79,840	96,677	114,024
Trade receivables	2,144	2,908	3,218	3,844
Cash & Bank Balance	1,007	5,118	(7,937)	5,394
Other Current Assets	6,371	6,710	3,263	3,898
<b>Total Assets</b>	<b>1,31,878</b>	<b>1,58,598</b>	<b>1,62,952</b>	<b>1,99,876</b>
<b>Equity</b>				
Equity Share Capital	888	888	888	888
Other Equity	67,360	74,640	89,967	112,463
<b>Total Networth</b>	<b>68,247</b>	<b>75,528</b>	<b>90,854</b>	<b>1,13,350</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	-	-	-	-
Provisions	1,525	1,430	1,827	2,182
Other non current liabilities	9,668	9,710	10,681	11,749
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	21,332	40,940	20,628	26,854
Trade payables	5,099	6,950	7,831	8,820
Other current liabilities	26,008	24,040	31,130	36,919
<b>Total Equity &amp; Liabilities</b>	<b>1,31,878</b>	<b>1,58,598</b>	<b>1,62,952</b>	<b>1,99,875</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY20	FY21	FY22E	FY23E
PBT	21,048	15,814	23,895	35,995
Add. Depreciation	3,097	3,350	3,607	3,996
Add. Interest	445	1,495	1,575	1,736
Less Financial Other Income	1,258	1,810	1,973	2,457
Add. Other	(639)	719	1,526	699
Op. profit before WC changes	23,950	21,378	30,604	42,426
Net Changes-WC	(12,644)	203	(26,813)	(14,005)
Direct tax	(5,872)	(3,985)	(6,014)	(9,060)
<b>Net cash from Op. activities</b>	<b>5,434</b>	<b>17,596</b>	<b>(2,224)</b>	<b>19,361</b>
Capital expenditures	(4,116)	(2,682)	(2,443)	(2,520)
Interest / Dividend Income	-	-	-	-
Others	(1,024)	1,501	(759)	(835)
<b>Net Cash from Invt. activities</b>	<b>(5,140)</b>	<b>(1,181)</b>	<b>(3,202)</b>	<b>(3,355)</b>
Issue of share cap. / premium	(3,394)	(1,441)	1,441	-
Debt changes	6,262	(6,262)	(3,500)	3,500
Dividend paid	(5,351)	(3,107)	(3,995)	(4,439)
Interest paid	(445)	(1,495)	(1,575)	(1,736)
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>(2,927)</b>	<b>(12,305)</b>	<b>(7,629)</b>	<b>(2,675)</b>
<b>Net change in cash</b>	<b>(2,633)</b>	<b>4,110</b>	<b>(13,055)</b>	<b>13,331</b>
Free Cash Flow	1,318	14,915	(4,667)	16,841

**Key Financial Metrics**

Y/e Mar	FY20	FY21	FY22E	FY23E
<b>Per Share(Rs)</b>				
EPS	17.1	11.4	20.1	30.3
CEPS	20.6	15.1	24.2	34.8
BVPS	76.9	85.1	102.3	127.7
FCF	1.5	16.8	(5.3)	19.0
DPS	5.0	3.5	4.5	5.0
<b>Return Ratio(%)</b>				
RoCE	24.4	13.3	20.8	28.1
ROIC	16.7	10.9	17.0	22.4
RoE	23.3	14.1	21.5	26.4
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.2	0.1	0.0	(0.1)
Net Working Capital (Days)	136	134	129	128
<b>Valuation(x)</b>				
PER	105.3	157.6	89.4	59.3
P/B	23.4	21.2	17.6	14.1
P/CEPS	87.4	118.8	74.4	51.7
EV/EBITDA	66.2	94.4	58.5	40.2
EV/Sales	8.1	7.8	6.1	5.1
Dividend Yield (%)	0.3	0.2	0.3	0.3

Source: Company Data, PL Research

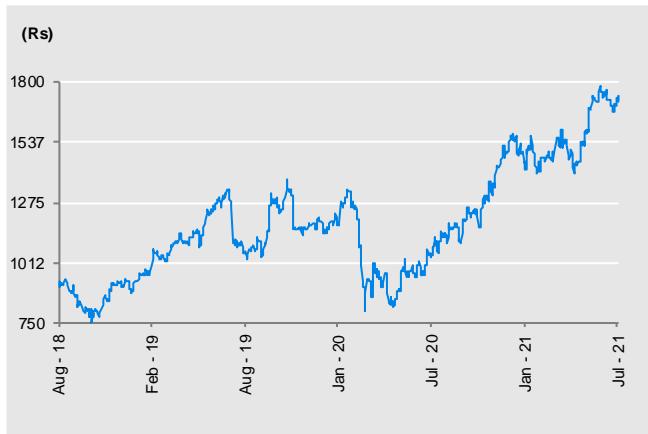
**Quarterly Financials (Rs m)**

Y/e Mar	Q2FY21	Q3FY21	Q4FY21	Q1FY22
<b>Net Revenue</b>	<b>43,180</b>	<b>72,870</b>	<b>71,350</b>	<b>32,490</b>
YoY gr. (%)	(2.6)	17.4	61.1	74.5
Raw Material Expenses	29,870	56,930	56,110	25,590
Gross Profit	13,310	15,940	15,240	6,900
Margin (%)	30.8	21.9	21.4	21.2
<b>EBITDA</b>	<b>2,940</b>	<b>8,580</b>	<b>7,950</b>	<b>1,440</b>
YoY gr. (%)	(42.7)	16.6	31.7	(158.5)
Margin (%)	6.8	11.8	11.1	4.4
Depreciation / Depletion	830	840	820	830
<b>EBIT</b>	<b>2,110</b>	<b>7,740</b>	<b>7,130</b>	<b>610</b>
Margin (%)	4.9	10.6	10.0	1.9
Net Interest	440	460	450	440
Other Income	710	370	340	650
<b>Profit before Tax</b>	<b>2,380</b>	<b>7,650</b>	<b>7,020</b>	<b>820</b>
Margin (%)	5.5	10.5	9.8	2.5
Total Tax	390	2,090	1,730	210
Effective tax rate (%)	16.4	27.3	24.6	25.6
<b>Profit after Tax</b>	<b>1,990</b>	<b>5,560</b>	<b>5,290</b>	<b>610</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>1,990</b>	<b>5,560</b>	<b>5,290</b>	<b>610</b>
YoY gr. (%)	(37.8)	18.3	48.3	(122.6)
Margin (%)	4.6	7.6	7.4	1.9
Extra Ord. Income / (Exp)	-	(1,370)	-	-
<b>Reported PAT</b>	<b>1,990</b>	<b>4,190</b>	<b>5,290</b>	<b>610</b>
YoY gr. (%)	(37.8)	(10.8)	48.3	(122.6)
Margin (%)	4.6	5.7	7.4	1.9
Other Comprehensive Income	3,130	60	370	260
<b>Total Comprehensive Income</b>	<b>5,120</b>	<b>4,250</b>	<b>5,660</b>	<b>870</b>
Avg. Shares O/s (m)	888	888	888	890
<b>EPS (Rs)</b>	<b>2.2</b>	<b>6.3</b>	<b>6.0</b>	<b>0.7</b>

Source: Company Data, PL Research

## Price Chart

## Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Jul-21	Accumulate	1,869	1,763
2	05-Jul-21	Accumulate	1,663	1,755
3	29-Apr-21	Accumulate	1,663	1,507
4	07-Apr-21	Accumulate	1,663	1,518
5	07-Apr-21	Accumulate	1,663	1,518
6	10-Feb-21	Hold	1,601	1,563
7	07-Jan-21	UR	-	1,573
8	28-Oct-20	Accumulate	1,352	1,217
9	08-Oct-20	Accumulate	1,352	1,254
10	08-Oct-20	Accumulate	1,352	1,254

## Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	BUY	3,511	3,159
2	Avenue Supermarts	BUY	3,744	3,397
3	Bajaj Electricals	Hold	1,084	1,050
4	Britannia Industries	Accumulate	3,911	3,505
5	Burger King India	BUY	250	158
6	Colgate Palmolive	Accumulate	1,846	1,710
7	Crompton Greaves Consumer Electricals	BUY	518	468
8	Dabur India	Hold	588	614
9	Emami	Accumulate	624	573
10	Havells India	Accumulate	1,226	1,151
11	Hindustan Unilever	Accumulate	2,535	2,378
12	ITC	BUY	258	212
13	Jubilant FoodWorks	Accumulate	3,404	3,065
14	Kansai Nerolac Paints	Accumulate	661	628
15	Marico	Hold	525	547
16	Mold-tek Packaging	BUY	598	510
17	Nestle India	Accumulate	19,290	18,023
18	Pidilite Industries	UR	-	2,179
19	Titan Company	Accumulate	1,869	1,763
20	Volta	Hold	955	1,015
21	Westlife Development	BUY	572	496

## PL's Recommendation Nomenclature (Absolute Performance)

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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