

Real Estate Sector

27 March 2020

Sector Update

Impact of Corona Virus outbreak

The recent outbreak of COVID-19 (corona virus) is one such event which could not have been predicted and has created havoc across different industries and the real estate industry is no exception. The retail arm of the industry is the worst hit because of the sharp fall in consumption, followed by the residential segment, which was already facing slowdown. The commercial segment is comparatively better off because of the visibility of contractual cash flows.

In order to curb the spread of corona virus in India, the center and many state governments have acted swiftly and taken precautionary measures including:

1. Suspension of all tourist visas till 15th April 2020,
2. Complete lockdown across the country till 15th April 2020.

All the above measures taken by the Government together with the recent advisories of the Government have led to:

1. Sharp drop in consumption across malls
2. Delay in construction activities and launches of residential projects
3. Sharp drop or nil attendance in the restaurants
4. Sharp drop in the occupancy levels at hotels

As per our discussions with the management of various companies, the rental rates are not likely to be impacted even in case there is a force closure of the commercial properties by the government, thereby forcing all the tenants to work from home. The contracted revenues continue to flow.

In case of the retail properties, the companies will face a loss in the revenue share, but the minimum guarantee rental will continue to flow.

Risks faced by residential segment includes:

1. Defaults by home buyers in paying the installments for home purchased
2. Cancellations of bookings made by the buyers
3. Potential buyers who were earlier planning to own a residential property are now expected to defer the decision until the situation improves.

In view of the expected slowdown for the foreseeable future, we have reduced our estimates as follows:

1. For retail segment: We have assumed 10% YoY decline in the overall rental income psf for the malls in FY21
2. For hospitality segment: We have assumed 10% YoY decline in the RevPar in FY21
3. For residential segment: We have assumed no price hike in the units sold for FY21 and FY22
4. For commercial segment: We have not changed our estimates for the commercial segment

If the cure is not found within 1QFY21, then the estimates would be very different.

We retain our BUY rating on Brigade Enterprises Limited (BEL) with a revised target price of Rs170 (earlier Rs276). We retain our BUY rating on Prestige Estates Projects Limited (PEPL) with a revised target price of Rs259 (earlier Rs445). We revise our rating on Sobha Limited to BUY (earlier SELL) with a revised target price of Rs162 (earlier Rs360).

Brigade Enterprises Limited (BEL): BEL has a diversified portfolio with presence in all the four verticals viz residential, retail (1.03 mn sq. ft.), commercial (3.50mn sq. ft.) and hospitality (1,194 keys) across cities. In order to avoid further spread of the corona virus, the government has directed complete nationwide lockdown (except essential services), thus impacting consumption at the retail malls and occupancy at hospitality assets.

In the wake of the recent developments, we have reduced our average rental growth psf assumption for the retail malls for FY21 from 6% YoY growth earlier to 10% decline. We expect RevPar to decline by 10% YoY in FY21 and expect the growth to revive sharply in FY22. Hence, we have assumed the FY22 RevPar at the same level as our earlier estimate. (Refer Exhibit 1). For the residential segment, we expect the pricing to slow down and have assumed no price growth for FY21 and FY22. (Refer Exhibit 2). We have not changed estimates for the commercial segment. The net debt to equity is expected to be 1.6x in FY21.

We have valued BEL on NAV based SOTP valuation and arrived at a revised target price of Rs170 (earlier Rs276) based on September FY22E. As a result of the uncertainty with regards the cure of corona virus and lack of visibility in regards of the revival in consumption, we have assigned a 30% discount to NAV. We retain our BUY rating on BEL.

BUY

Sector: Real Estate

Company: Brigade Enterprises Ltd.

CMP: Rs132

Target Price: Rs170

Upside: 29%

BUY

Real Estate

Company: Prestige Estates Projects Limited

CMP: Rs196

Target Price: Rs259

Upside: 32%

BUY

Real Estate

Company: Sobha Limited

CMP: Rs132

Target Price: Rs162

Upside: 23%

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Prestige Estates Projects Limited (PEPL): PEPL has its presence across all the four verticals viz residential, retail (4.28 mn sq. ft.), commercial (10.03mn sq. ft.) and hospitality (1,262 keys) across cities. In order to avoid further spread of the corona virus, the government has directed complete nationwide lockdown (except essential services), thus impacting consumption at the retail malls and occupancy at hospitality assets.

In the wake of the recent developments, we have reduced our average rental growth psf assumption for the retail malls for FY21 from 2% YoY growth earlier to 10% decline (Refer Exhibit 1). We expect RevPar to decline by 10% YoY in FY21 and expect the growth to revive sharply in FY22. Hence, we have assumed the FY22 RevPar at the same level as our earlier estimate. For the residential segment, we expect the pricing to slow down and have assumed no price growth for FY21 and FY22. (Refer Exhibit 2). We have not changed estimates for the commercial segment. The net debt to equity is expected to be 1.5x in FY21.

In case of PEPL, the residential revenues constitute 69% and 64% of the total revenues in FY21E and FY22E. Because of decline in estimates sale price growth in FY22, the revenues for FY22 shows a de-growth of 5% in FY22.

We have valued PEPL on a NAV based SOTP valuation and arrived at a revised target price of Rs259 (earlier Rs445) based on September FY22E. As a result of the uncertainty with regards the cure of corona virus and lack of visibility in regards of the revival in consumption, we have assigned a 40% discount to NAV. We retain our BUY rating on PEPL.

Sobha Limited (Sobha): Sobha has a strong presence in the residential segment with 40.94mn sq. ft. of developable area (saleable – 28.34mn sq. ft.) in pipeline and 205mn sq. ft. of Land Bank as on 3QFY20. In order to avoid further spread of the corona virus, the government has directed complete nationwide lockdown (except essential services), thus impacting construction activity and launches besides also raising concerns about the buyers' ability to honor the EMI payments, thus increasing the stress on the cash flows for the residential players.

In the wake of the recent developments, we expect the pricing to slow down and have assumed no price growth for FY21 and FY22. (Refer Exhibit 2). The net debt to equity is expected to be 1.3x in FY21.

We have valued Sobha on a NAV based valuation and arrived at a revised target price of Rs162 (earlier Rs360) based on September FY22E. As a result of the uncertainty with regards the cure of corona virus and lack of visibility in regards of the revival of demand within the residential sector and continuing stress on cash flows, we have assigned a 15% discount to NAV. We have revised our rating on Sobha from SELL earlier to BUY.

Exhibit 1: Change in estimates for retail and hospitality segments:

Company	FY21E - Old	FY21E - Revised	TP - Old	TP - Revised
<u>Brigade Enterprises Limited</u>				
Retail average rental (Rs)	103	88		
Retail average rental growth (%)	6%	-10%		
Revpar (Rs)	4,362	3,313		
Revpar Growth (%)	17%	-11%		
Target Price (Rs)			276	170
<u>Prestige Estates Projects Limited</u>				
Retail average rental (Rs)	64	57		
Retail average rental growth (%)	2%	-10%		
Target Price (Rs)			445	259

Source: Nirmal Bang Institutional Equities Research

Exhibit 2: Changes in estimates for residential segments:

Company	Old Estimate	New Estimate
<u>Sobha Limited</u>		
<u>Sale price inflation (%)</u>		
FY21	3%	0%
FY22	6%	0%
<u>Cost inflation (%)</u>		
FY21	6%	5%
FY22	6%	5%
<u>Prestige Estates Projects Limited</u>		
<u>Sale price inflation (%)</u>		
FY21	0%	0%
FY22	8%	0%
<u>Brigade Enterprises Limited</u>		
<u>Sale price inflation (%)</u>		
FY21	0%	0%
FY22	5%	0%

Source: Nirmal Bang Institutional Equities Research

Exhibit 3: NAV per share:

Company	NAV/share (Rs)	% of NAV
<u>Brigade Enterprises Limited</u>		
Residential	61	25%
Commercial	214	88%
Retail	79	32%
Hospitality	107	44%
Gross NAV	460	190%
Less: Net Debt	(208)	-86%
Less: Minority Interest	(9)	-4%
Net NAV	242	100%
Discount to NAV	30%	
Target Price	170	
<u>Prestige Estates Projects Limited</u>		
Residential	27	6%
Commercial	471	109%
Retail	99	23%
Hospitality	55	13%
Gross NAV	653	151%
Less: Net Debt	(222)	-51%
Net NAV	431	100%
Discount to NAV	40%	
Target Price	259	
<u>Sobha Limited</u>		
Gross NAV	623	326%
Less: Net Debt	(432)	-226%
Net NAV	191	100%
Discount to NAV	15%	
Target Price	162	

Source: Nirmal Bang Institutional Equities Research

Consolidated financials – Brigade Enterprises Limited

Exhibit 4: Income statement

Y/E March (Rsmn)	FY18	FY19	FY20E	FY21E	FY22E
Net sales	18,972	29,728	28,917	32,075	35,817
Growth YoY (%)	(6.3)	56.7	11.1	10.9	11.7
COGS	8,448	15,947	15,366	16,754	19,373
Operating Costs	4,979	5,884	6,780	7,265	7,993
EBITDA	5,545	7,897	6,770	8,056	8,451
EBITDA growth (%)	(3.5)	42.4	(21.8)	19.0	4.9
EBITDA margin (%)	29.2	26.6	23.4	25.1	23.6
Depreciation	1,377	1,400	1,891	2,749	3,528
EBIT	4,168	6,497	4,879	5,306	4,924
EBIT (%)	22.0	21.9	16.9	16.5	13.7
Interest expense	2,594	2,785	2,795	2,862	3,197
Other income	483	545	850	792	901
Earnings before tax	1,942	4,257	2,933	3,236	2,627
Tax- total	628	1,455	738	814	661
Rate of tax (%)	32.4	34.2	25.2	25.2	25.2
Net profit	1,314	2,801	2,195	2,421	1,966
Adjusted PAT	1,392	2,399	1,790	2,017	1,561
% growth	(9.1)	72.3	(25.4)	12.7	(22.6)
EPS (FS)	6.8	11.8	8.8	9.9	7.6
% growth	(9.1)	72.3	(25.4)	12.7	(22.6)

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 6: Balance sheet

Y/E March (Rsmn)	FY18	FY19	FY20E	FY21E	FY22E
Share capital	1,361	1,362	2,041	2,041	2,041
Reserves and surplus	21,510	20,332	21,194	22,935	24,358
Net worth	22,870	21,694	23,236	24,976	26,399
Loans	33,897	37,855	41,722	42,722	48,722
Minority Interest	2,231	1,884	1,884	1,884	1,884
Provisions	14	17	17	17	17
Deferred Tax Liability	381	-	-	-	-
Other Non- Current Liability	1,711	1,669	1,669	1,669	1,669
Total capital employed	61,104	63,119	68,527	71,268	78,691
Net Fixed Assets (including CWIP)	29,462	29,345	32,592	34,026	41,221
Investment Property	9,835	13,475	12,580	11,685	10,790
Land Advance	2,260	957	2,260	2,260	2,260
Investments	2,359	977	2,359	2,359	2,359
Loans	99	180	180	180	180
Other Non-Current Assets	5,004	5,970	5,070	5,070	5,070
Goodwill	43	43	43	43	43
Total Non-Current Assets	49,061	50,947	55,085	55,623	61,923
Trade Payables	5,265	6,081	6,754	6,904	7,983
Advances from customers	6,965	2,695	2,159	2,575	2,857
Other liabilities	4,621	35,940	36,658	37,392	38,139
Provisions (Current)	67	80	67	67	67
Liabilities for current tax	198	85	43	47	40
Total Current Liabilities	17,115	44,880	45,682	46,986	49,087
Inventories	21,795	48,161	49,818	53,087	53,929
Unbilled Revenues	2,180	11	10	12	12
Trade receivables	1,770	4,208	4,093	4,540	5,070
Cash and Bank Balance	1,466	2,222	2,631	2,292	4,009
Others	1,948	2,449	2,572	2,700	2,835
Total current assets	29,158	57,052	59,124	62,631	65,855
Net current assets	12,043	12,172	13,443	15,645	16,768
Total capital employed	61,104	63,119	68,527	71,268	78,691

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 5: Cash flow

Y/E March (Rsmn)	FY18	FY19	FY20E	FY21E	FY22E
Profit after tax	1,392	2,399	1,790	2,017	1,648
Depreciation	1,377	1,400	1,891	2,749	3,528
Other income	(483)	(545)	(850)	(792)	(1,084)
Working capital changes	(775)	628	(862)	(2,542)	594
Operating cash flow	1,511	3,882	1,970	1,432	4,686
Capital expenditure	(10,407)	(1,284)	(4,038)	(3,288)	(9,828)
Net cash after capex	(8,897)	2,599	(2,069)	(1,855)	(5,142)
Issue/(Buyback of Equity)	4,936	9	679	0	0
Change in borrowings	8,134	3,958	3,867	1,000	6,000
Dividends	(408)	(328)	(245)	(276)	(226)
Other	606	(4,570)	1,054	792	1,084
Cash flow from financing	13,268	(932)	5,355	1,516	6,859
Total cash generation	102	756	409	(339)	1,717
Opening cash balance	1,363	1,466	2,222	2,631	2,292
Closing cash & bank balance	1,466	2,222	2,631	2,292	4,009

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 7: Key ratios

Y/E March (Rsmn)	FY18	FY19	FY20E	FY21E	FY22E
Profitability and return ratios					
EBITDA margin (%)	29.2	26.6	23.4	25.1	23.6
EBIT margin (%)	22.0	21.9	16.9	16.5	13.7
Net profit margin (%)	7.3	8.1	6.2	6.3	4.6
RoE (%)	6.1	11.1	7.7	8.1	6.2
RoCE (%)	6.8	10.3	7.1	7.4	6.3
Working capital & liquidity ratios					
Receivables (days)	34	52	52	52	52
Inventory (days)	942	1102	1183	1157	1016
Payables (days)	211	98	198	180	193
Current ratio (x)	1.7	1.3	1.3	1.3	1.3
Valuation ratios					
EV/sales (x)	3.2	2.2	2.3	2.2	2.1
EV/EBITDA (x)	11.1	8.2	10.0	8.6	8.7
P/E (x)	19.4	11.2	15.0	13.4	16.3
P/BV (x)	1.2	1.2	1.2	1.1	1.0

Source: Company, Nirmal Bang Institutional Equities Research

Financial statement – Prestige Estates Projects Limited

Exhibit 8: Income statement

Y/E March (Rsmn)	FY18	FY19	FY20E	FY21E	FY22E
Net sales	54,986	51,719	58,695	60,813	57,799
Growth YoY (%)	15.2	-5.9	7.0	3.6	-5.0
COGS	38,582	21,873	37,648	39,600	37,435
Operating Costs	5,464	15,308	5,497	5,695	5,413
EBITDA	10,940	14,538	15,550	15,518	14,951
EBITDA growth (%)	18.9	32.9	4.7	-0.2	-3.7
EBITDA margin (%)	19.9	28.1	26.5	25.5	25.9
Depreciation	1,547	3,229	3,664	3,774	3,701
EBIT	9,529	11,616	12,050	11,925	11,449
EBIT (%)	17.3	22.5	20.5	19.6	19.8
Interest expense	3,321	7,228	4,334	4,759	4,909
Other income	173	1,122	512	512	512
Extra ordinary expenses	-	894	-	-	-
Earnings before tax	6,381	6,404	8,228	7,678	7,052
Tax- total	2,135	1,985	2,071	1,933	1,775
Rate of tax (%)	33.5	31.0	25.2	25.2	25.2
Net profit	4,246	4,419	6,157	5,746	5,277
Adjusted PAT	3,713	4,156	5,894	5,483	5,014
% growth	40	12	42	-7	-9
EPS (FS)	9.9	11.1	14.7	13.7	12.5
% growth	40	12	33	-7	-9

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 10: Balance sheet

Y/E March (Rsmn)	FY18	FY19	FY20E	FY21E	FY22E
Share capital	3,750	3,750	4,009	4,009	4,009
Reserves and surplus	43,577	38,516	64,421	69,980	75,065
Net worth	47,327	42,266	68,429	73,989	79,073
Loans	75,857	83,621	86,671	95,171	98,171
Minority Interest	2,300	1,120	1,120	1,120	1,120
Provisions	161	231	121	121	121
Deferred Tax Liability	2,434	2,651	2,434	2,434	2,434
Total capital employed	128,079	129,889	158,775	172,835	180,919
Net Fixed Assets (including CWIP)	73,257	80,705	83,501	93,894	103,068
Investment	4,235	7,784	4,589	5,048	5,553
Loans	9,104	9,043	9,577	9,577	10,056
Other Non-Current Assets	8,930	8,952	9,845	10,338	10,854
Goodwill	3,069	3,069	3,069	3,069	3,069
Total Non-Current Assets	98,595	109,553	110,581	121,926	132,600
Trade Payables	13,542	12,530	13,214	13,899	13,139
Other liabilities	41,858	142,095	45,300	47,595	47,634
Provisions (Current)	1,357	2,468	1,357	1,357	1,357
Total Current Liabilities	61,637	157,093	64,751	67,731	67,010
Inventories	57,127	131,501	61,887	65,095	61,537
Unbilled Revenues	7,067	7,239	11,647	12,716	14,324
Trade receivables	9,645	16,544	12,061	12,496	11,877
Cash and Bank Balance	3,532	7,123	7,309	7,797	7,758
Others	13,059	8,648	13,668	14,161	13,460
Deferred and Current Tax Assets	691	6,374	6,374	6,374	6,374
Total current assets	91,121	177,429	112,945	118,640	115,329
Net current assets	29,484	20,336	48,194	50,908	48,319
Total capital employed	128,079	129,889	158,775	172,835	180,919

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 9: Cash flow

Y/E March (Rsmn)	FY18	FY19	FY20E	FY21E	FY22E
Profit after tax	3,713	4,156	5,976	5,559	5,085
Depreciation	1,547	3,229	3,664	3,774	3,701
Finance Costs	3,827	7,228	4,334	4,759	4,909
Other income	(691)	1,122	(185)	(185)	(185)
Working capital changes	(1,070)	18,461	(29,100)	(2,719)	1,555
Operating cash flow	7,326	34,196	(15,310)	11,189	15,065
Capital expenditure	(23,698)	(10,677)	(6,460)	(14,168)	(12,875)
Net cash after capex	(16,372)	23,519	(21,770)	(2,979)	2,190
Issue/(Buyback of Equity)	-	-	8,995	-	-
Change in borrowings	18,463	7,764	3,050	8,500	3,000
Other	(281)	(3,549)	3,195	(459)	(505)
Cash flow from financing	16,321	(16,379)	18,761	3,926	(1,724)
Total cash generation	(332)	3,591	186	488	(38)
Opening cash balance	3,864	3,532	7,123	7,309	7,797
Closing cash & bank balance	3,532	7,123	7,309	7,797	7,758

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 11: Key ratios

Y/E March (Rsmn)	FY18	FY19	FY20E	FY21E	FY22E
Profitability and return ratios					
EBITDA margin (%)	19.9	28.1	26.5	25.5	25.9
EBIT margin (%)	17.3	22.5	20.5	19.6	19.8
Net profit margin (%)	7.7	8.5	10.0	9.0	8.7
RoE (%)	9.0	10.5	9.0	7.8	6.7
RoCE (%)	8.0	9.8	8.2	7.4	6.8
Working capital & liquidity ratios					
Receivables (days)	64	117	75	75	75
Inventory (days)	540	2,194	600	600	600
Payables (days)	128	124	128	128	128
Current ratio (x)	1.5	1.1	1.7	1.75	1.72
Valuation ratios					
EV/sales (x)	2.6	2.8	2.6	2.7	2.9
EV/EBITDA (x)	13.1	10.1	10.0	10.5	11.1
P/E (x)	19.1	17.1	12.9	13.8	15.1
P/BV (x)	1.5	1.7	1.1	1.0	1.0

Source: Company, Nirmal Bang Institutional Equities Research

Financial statement – Sobha Limited
Exhibit 12: Income statement

Y/E March (Rsmn)	FY18	FY19	FY20E	FY21E	FY22E
Net sales	27,830	34,421	35,611	39,648	43,149
Growth YoY (%)	24.1	23.7	36.2	11.3	8.8
COGS	16,800	20,561	21,793	24,158	26,443
Operating Costs	1,985	2,359	2,535	2,726	2,930
Staff Expenses	3,848	4,768	5,007	5,257	5,520
EBITDA	5,197	6,733	6,275	7,507	8,255
EBITDA growth (%)	20.1	29.5	10.1	19.6	10.0
EBITDA margin (%)	18.7	19.6	17.6	18.9	19.1
Depreciation	544	623	437	437	437
EBIT	4,653	6,110	5,838	7,069	7,818
EBIT (%)	16.7	17.7	16.4	17.8	18.1
Interest expense	1,646	1,976	2,455	3,050	3,512
Other income	164	348	365	384	403
Earnings before tax	3,171	4,482	3,748	4,403	4,709
Tax- total	1,003	1,512	816	1,049	1,334
Rate of tax (%)	31.6	33.7	21.8	23.8	28.3
Net profit	2,169	2,970	2,932	3,354	3,375
Adjusted PAT	2,169	2,970	2,932	3,354	3,375
% growth	34.9	36.9	(1.3)	14.4	0.6
EPS (FS)	22.9	30.8	30.4	34.8	35.0
% growth	36.9	34.8	(1.3)	14.4	0.6

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 14: Balance sheet

Y/E March (Rsmn)	FY18	FY19	FY20E	FY21E	FY22E
Share capital	948	948	948	948	948
Reserves and surplus	26,751	21,343	24,276	27,516	30,662
Net worth	27,699	22,292	25,224	28,464	31,610
Loans	23,313	26,039	32,039	38,239	43,739
Minority Interest	-	-	-	-	-
Deferred Tax Liability	2,521	-	-	-	-
Total capital employed	53,533	48,331	57,263	66,703	75,349
Net fixed assets	6,103	6,777	6,890	7,002	6,565
Goodwill	-	-	-	-	-
Investments	1,125	1,128	1,128	1,128	1,128
Other Non Current Assets	-	-	-	-	-
Current assets loans and adv.	83,072	98,557	107,850	117,846	128,657
Inventories	48,349	65,173	70,629	77,266	86,229
Debtors	3,407	3,355	5,366	5,974	6,502
Cash and bank	1,355	1,772	1,565	1,797	524
Loans and advances	22,187	23,606	25,991	28,293	30,662
Current investments and others	7,775	4,651	4,300	4,515	4,741
Less Current liab. & prov.	36,821	59,067	59,541	60,209	61,936
Current liabilities	36,045	58,241	58,453	58,553	59,995
Provisions	775	826	1,087	1,656	1,941
Net current assets	46,251	39,489	48,310	57,637	66,721
Miscellaneous	-	-	-	-	-
Deferred Tax Assets	54	935	935	935	935
Total capital employed	53,533	48,331	57,263	66,703	75,349

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 13: Cash flow

Y/E March (Rsmn)	FY18	FY19	FY20E	FY21E	FY22E
Profit after Tax	2,169	2,970	2,932	3,355	3,375
Depreciation	544	623	437	437	437
Other Income	(164)	(348)	(365)	(384)	(403)
Working capital changes	(1,581)	7,179	(9,027)	(9,094)	(10,358)
Operating Cash Flow	968	10,424	(6,023)	(5,686)	(6,949)
Capital Expenditure	(695)	(1,298)	(550)	(550)	0
Investments	(1,125)	(4)	-	-	-
Cash flow from investnents	(1,820)	(1,301)	(550)	(550)	0
Equity	(15)	-	-	-	-
Debt	1,093	2,726	6,000	6,200	5,500
Others	(241)	(10,631)	365	497	403
Dividends	(290)	(800)	-	(229)	(229)
Cash flow from financing	548	(8,706)	6,365	6,468	5,674
Total Cash Generation	(304)	417	(208)	233	(1,274)
Opening Cash Balance	1,659	1,355	1,772	1,564	1,798
Closing Cash & Bank Balance	1,355	1,772	1,565	1,797	524

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 15: Key ratios

Y/E March (Rsmn)	FY18	FY19	FY20E	FY21E	FY22E
Profitability and return ratios					
EBITDA margin (%)	18.7	19.6	17.6	18.9	19.1
EBIT margin (%)	16.7	17.7	16.4	17.8	18.1
Net profit margin (%)	7.8	8.6	8.2	8.5	7.8
RoE (%)	7.8	13.3	11.6	11.8	10.7
RoCE (%)	9.7	13.9	11.0	11.3	11.0
Working capital & liquidity ratios					
Receivables (days)	45	36	55	55	55
Inventory (days)	634	691	724	711	729
Payables (days)	184	201	194	187	182
Current ratio (x)	2.3	1.7	1.8	2.0	2.1
Valuation ratios					
EV/sales (x)	2.3	1.9	2.0	2.0	2.0
EV/EBITDA (x)	12.3	9.8	11.5	10.4	10.3
P/E (x)	19.3	14.3	14.5	12.7	12.6
P/BV (x)	1.5	1.9	1.7	1.5	1.3

Source: Company, Nirmal Bang Institutional Equities Research

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