Trading Buy: Everest Industries Ltd.

Increasing utilization to spur margins across segments

CMP: INR 457
Target Price: INR 624
Upside: 34%
Rating: Trading BUY

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Complete building solutions provider

Everest Industries Limited (EIL) was incorporated in 1934 and has over eight decades of expertise in manufacturing Building and Steel Products. The company is the pioneer of fibre cement products in India and manufactures roofing, ceiling, wall, flooring and cladding products besides offering pre-engineered steel buildings (PEBs) for industrial, commercial and residential applications. It is among the largest PEB companies in India with over 2,000 PEB projects designed and erected. It is also among India's leading building solution providers, offering detailed technical assistance in the form of designs, drawing and implementation for every project. Everest has a capacity of 8,65,000 MT for building material products and 72,000 MT for its steel building plants. It has totally nine manufacturing plants India-wide and serves over 600 cities and 100,000 villages.

Building materials demand: Riding on government initiatives

EIL is focussed on enhancing capacity utilisation, launching new products mainly consumer centric and value added and initiating projects like 'Pehchan' to educate the influencer/fabricator — expected to drive healthy volume growth in the building products (BP) segment. Further: (i) GST implementation (18% GST rate will improve size of the market as these products are more affordable for end consumers); and (ii) governmnet initiatives such as 'Housing for All' will boost demand for EIL products. The rising demand for boards and panels with its inherent advantages over other similar products, is expected to add to the growth curve of EIL ahead. Sales volume of EIL's BP segment is expected to register ~7% CAGR over FY17-20E whilst this segment's revenue will be mostly led by future volumes.

Bloomberg:	EVI:IN
52-week range (INR):	519.60 / 180.30
Share in issue (cr):	1.5
M cap (INR cr):	728
Avg. Daily Vol. BSE/NSE :('000):	75
Promoter Holding (%)	48.66

PEB segment: Healthy order book

The PEB sector is poised for growth with rising demand for warehouses on the back of the rise in e-commerce and agricultural enterprises. EIL is well positioned to gain in tandem with industry growth, record a healthy order book of 26,518 MT by end-H1FY18 and is expected to register revenue growth of ~13% led by ~11% sales volume growth.

Outlook and valuation: Initiate with a trading 'BUY'

EIL is a key beneficiary of government initiatives such as 'Housing for All', migration from '*kuccha*' to '*pucca*' roofs and implementation of GST. Further, higher infrastructure spend in India, e-commerce growth, increasing warehousing and improvement in rural markets will likely drive overall growth. EIL is trading at 12.7x/10.3x PER and 7.1x/6.0x EV/EBIDTA FY19E/FY20E, respectively. We initiate a trading BUY with a target price of INR 624, valuing the stock at 26% discount to historical 1-year fwd average multiple of 19x i.e. 14xFY20E earnings.

Year to March	FY16	FY17	FY18E	FY19E	FY20E
Revenues (INR Cr)	1,313	1,168	1,271	1,386	1,514
Rev growth (%)	3.6	-11.1	8.8	9.0	9.3
EBITDA (INR Cr)	86	36	96	112	130
Net Profit (INR Cr)	34	1	46	57	69
P/E (x)	20.6	576.7	15.6	12.5	10.3
EV/EBITDA (x)	10.5	24.5	8.5	7.1	6.0
RoACE (%)	9.4	1.8	12.6	15.4	16.9
RoAE (%)	10.3	0.4	12.5	14.0	15.1

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Date: 27th November 2017

I. Building products segment – Healthy demand with wide product portfolio

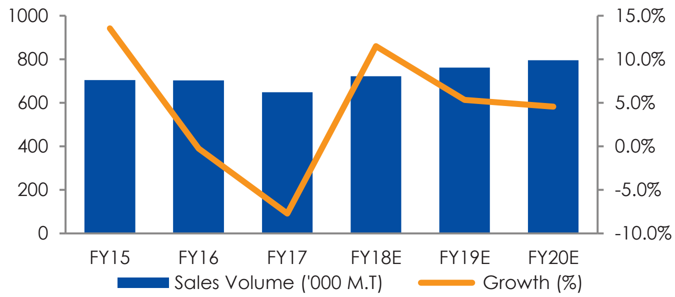
EIL provides building products and building solutions for commercial, industrial and residential sectors. EIL has a wide product range of value added products like cement boards and panels for faster and modern construction of ceilings and walls. EIL has two chief divisions in the building products segment: (a) roofing - fibre cement roofing sheets (ACB); and (b) boards and panels

- EIL has over the last ten years diversified into products other than asbestos-cement for roofing. The revenue contribution from non-roofing products has increased to 16% in FY17 and ~26% of building products revenue, will contniue grow in coming years.
- EIL is continuously focused on launching variants with value-added features, sales to nearby areas to reduce logistics costs and entering into annual contracts for cement and fibre purchases to cushion against price volatility. All of this along with an expected rise in demand for boards and panels, and we estimate volumes of the BP segment to register ~7% CAGR over FY17-20E.

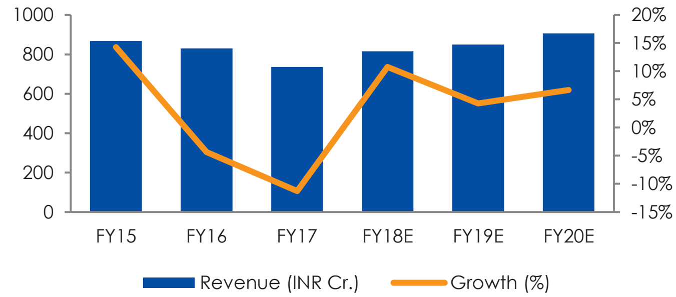
Building products segment — EIL's Growth drivers

- Enhanced capacity utilisation
- Volume pick-up in value added products
- New product launches – focus on more consumer centric products
- Educating the influencer/fabricator – initiated project 'Pehchan' to educate influencing communities to use modern methods of construction e.g. fiber cement boards and panels (FCBs).
- GST implementation – the GST rate at 18% will improve the market size as these products are more affordable for end consumers. This will in turn boost sentiment for demand growth.
- Government initiatives – 'Housing for All' - Pradhan Mantri Awas Yojana (PMAY i.e. affordable housing) expected to spur demand for speedier and faster construction. The government aims to build ~20mn homes by year 2020.
- Increase in rural income – Government of India's focus on doubling rural income by the year 2020. To achieve this GoI has initiated projects like 'Pradhan Mantri Krishi Sinchai Yojana', 'Fasal Bima Yojna' schemes and an increase in MGNREGA allocation to INR 48,000 crore from INR 38,500 crore.
- Migration from 'kuccha'to 'pucca'roofs – the opportunity size for mere migration to pucca roofing is 4.8mn MT of roofing sheets.

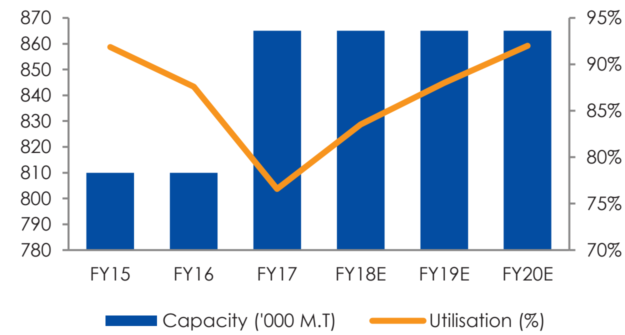
Rise in BP sales volume ...



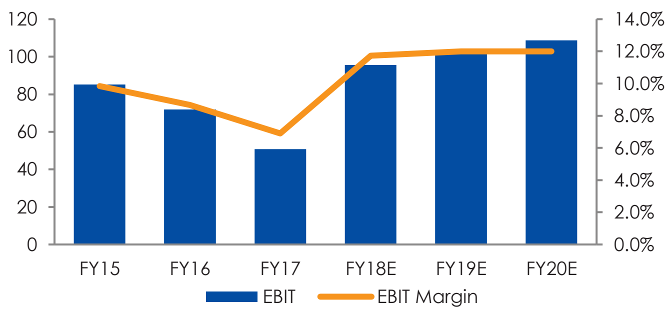
... healthy growth in BP sales



Improvement in BP capacity utilisation ...



... leads to improve BP EBIT



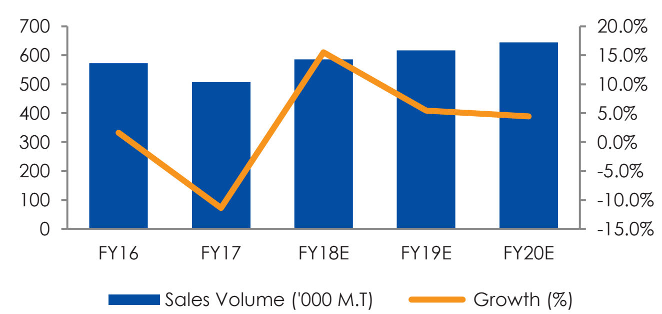
Source: Company, Edelweiss Investment Research

(A) Roofing products - fibre cement roofing sheets (ACB)

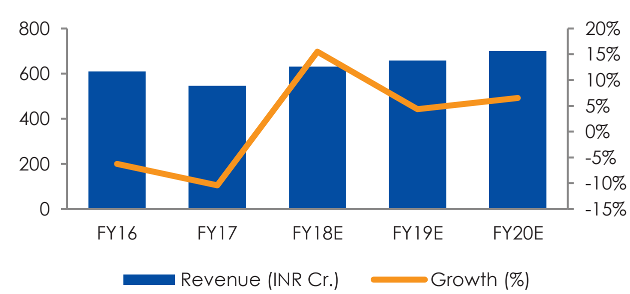
Everest's roofing system consists of corrugated fiber cement roofing sheets, non-asbestos modern roofing system (Everest Hi-tech), metal roofing sheet, Everest rooflight – polycarbonate and roofing accessories like ridges, gutters, north light curves etc. EIL has maintained its ~12-15% market-share in the roofing business.

The roofing sheet business was affected by a combination of weak monsoons and rural inflation during the last few years. This impacted disposable incomes and increased sales of colour coated steel sheets on account of a drastic fall in steel prices. With favourable external factors like normal to above monsoons – agricultural incomes rebounded, there was a perceptible shift from the use of colour coated steel sheets due to an increase in steel prices and the government's thrust on doubling rural income, we believe this sector is on the threshold of a revival. We estimate ~9% revenue CAGR over FY17-20E.

Roofing - Sales volume growth ...

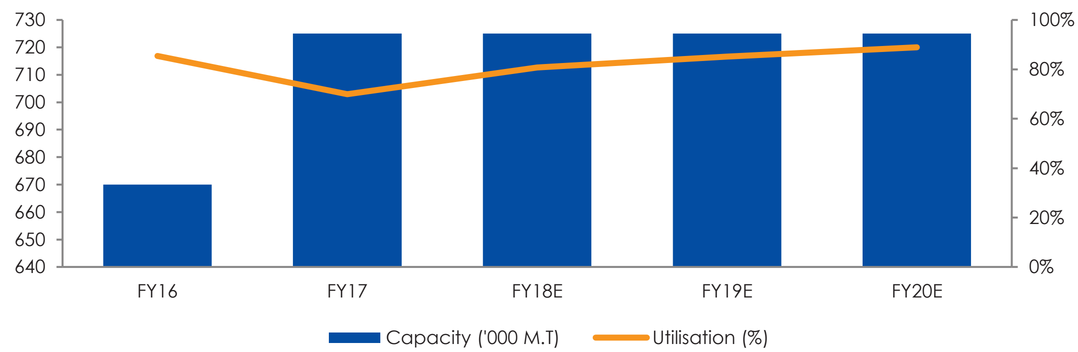


Roofing - Net sales rise ...



Source: Company, Edelweiss Investment Research

Roofings - Utilisation improvement ...



Roofings opportunity size

Potential size of roofing sheets market	
Total population (cr)	132
% population in rural areas	69%
Rural population (cr)	91
% kuccha homes	38%
Rural population living in kuccha houses (cr)	35
Avg. household size	5
Potential homes moving to pucca roofing (cr)	6.9
Roofing sheets required/ 1000 sq.ft (MT)	1.4
Average household size (Sq. ft)	500
Potential roofing sheet demand (mn MT)	4.8
EIL capacity (mn MT)	0.7

Comparison of roofing solutions

Parameters	Non Asbestos Roofing	AC Roofing	Metal Roofing
Resistance to Natural Weathering / Corrosion	Excellent	Excellent	Poor
Thermal and Sound Insulation	Excellent	Excellent	Poor
Conformance to International Specification	Excellent	Poor	Excellent
Chemical Resistance	Excellent	Excellent	Poor
Aesthetics - Long Term	Excellent	Poor	Good
Combustible / Fire Resistance	Excellent	Excellent	Poor
Vapour Permeability / Condensation Control	Good	Good	Poor
Flexural Rigidity	Excellent	Excellent	Poor
Dimensional Stability	Good	Good	Poor
Advanced Evaluation Parameter-IMOR / Impact Resistance	Good	Poor	Good

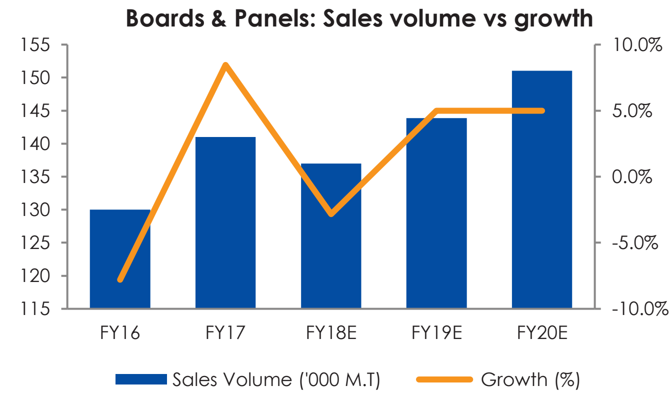
Source: Company, Edelweiss Investment Research

(B) Boards and panels

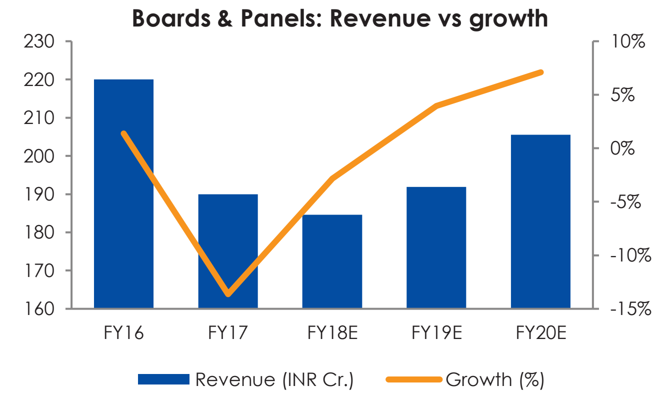
The new trend in construction has led to adoption of ready-to-use products like plywood, particle boards, MDF, laminated boards, gypsum boards and fibre cement boards (FCBs). Fibre cement boards have some inherent advantages over others — they are water resistant, termite resistant, have accoustic insulation properties and good thermal insulation and can be used both indoors and outdoors. The fiber cement boards & panels industry is about 4,70,000 MT in India and growing rapidly in different segments as the consumption of FCBs in India is still at an abysmally low level of 0.28 kg per person.

- The company expects demand for boards and panels (B&P) to rise 3-5x in forthcoming years whereas we have assumed EIL's B&P segment to grow at ~3% with capacity remaining constant, thereby offering greater room for capacity expansion.

Boards & Panels - Sales volume growth

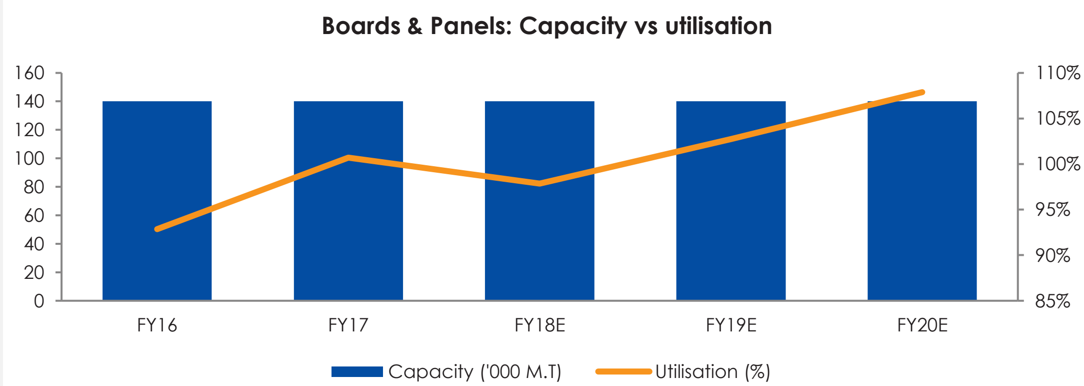


Board & Panels - Net sales rise ...



Source: Company, Edelweiss Investment Research

Board & Panels - Utilisation improvement ...



Source: Company, Edelweiss Investment Research

II. Pre-engineered buildings (PEBs) – Healthy order book and a revival in this segment

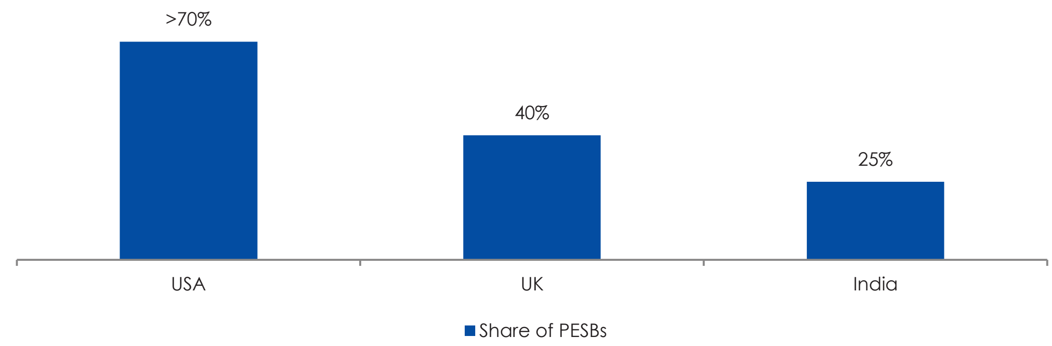
The pre-engineered building segment enjoys increasing acceptance, replacing RCC and conventional steel structures and is a fast growing segment. EIL's PEB segment has erected and designed more than 2,000 PEBs by FY17. EIL forayed into the PEBs segment in FY09 by providing turnkey services for complex structures including factories, warehouses, supermarkets, offices etc.

- This segment is poised to grow with the increasing demand for warehouses owing to the rise of e-commerce and agricultural enterprises, as well as rising investments in manufacturing, metro railways, aviation, solar energy and automotives.
- The market for PEBs in India is growing at 25-30% annually. In India, at present, only 25% of all new low rise industrial/commercial buildings are PEBs, whereas, in the United States, more than 70% of all low rise industrial/commercial buildings are PEBs.
- EIL has gradually diversified its revenue mix from a building products player to being a dominant player in the pre-engineered buildings space. The PEBs segment which was about 17% of EIL's revenues in FY10, currently constitutes ~36% to EIL's revenues (FY17). PEB revenue has grown at a CAGR of ~27% over FY10-16.
- The PEB segment has been impacted due to volatile steel prices, which is now managable/supported by a cost-escalation clause against volatile steel prices. The PEBs segment registered an EBIT margin of 6% in FY12; however, the segment was impacted severely in the last three years, resulting in EBIT losses in FY17. Everest has shown signs of recovery in this segment in H1FY18 and has reported 13.2% in EBIT margin/~15% of EBITDA margin. We believe that the cost escalation clause and the government's thrust to infrastructure growth will likely boost PEBs segment's sales. We estimate 13% sales CAGR over FY17-20E and EBIT margin to be maintained at ~13%.

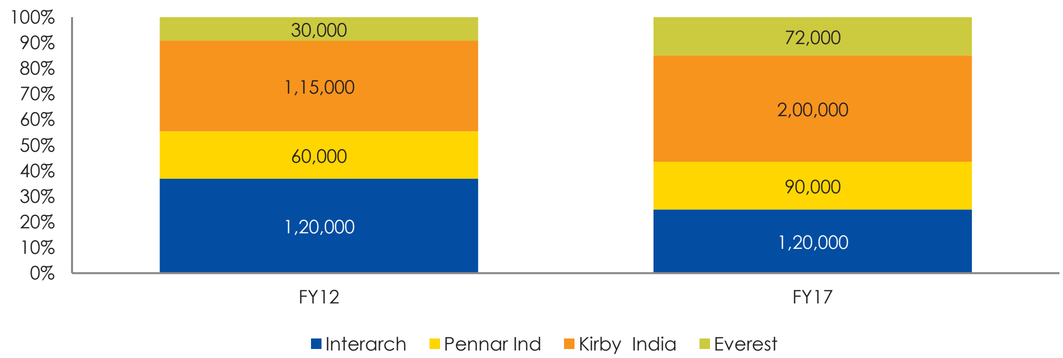
Growth Drivers

- **Reorganization of logistics post GST implementation** – will increase demand for warehouses, can provide a huge opportunity for EIL's PEB segment.
- **Thrust on green buildings** – the private sector has started placing greater focus on green buildings; this trend will likely directly benefit PEBs companies. Everest will directly benefit as it is in a position to provide the best alternative construction method which is three times faster than conventional construction methods.
- **Focus on educating customers and creating brand awareness** – EIL is continuously participating in seminars and exhibitions to educate consumers and fabricators, also educating young architects in colleges and increasing its focus on creating more brand awareness and repeat customers.
- Commodity prices are increasing, but we expect a stable price regime for steel. The company has a cost-escalation clause which will help maintain the segment's net margin.

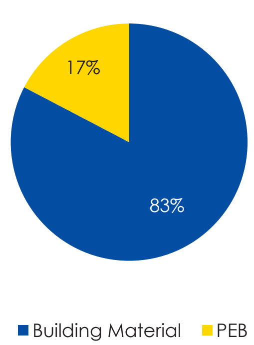
Share of PEBs in newly constructed industrial/commercial buildings



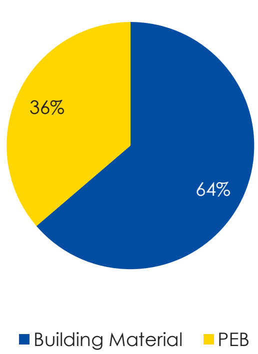
PEBs – major players in India Capacity (in M.T)



EIL Revenue breakup (FY10)

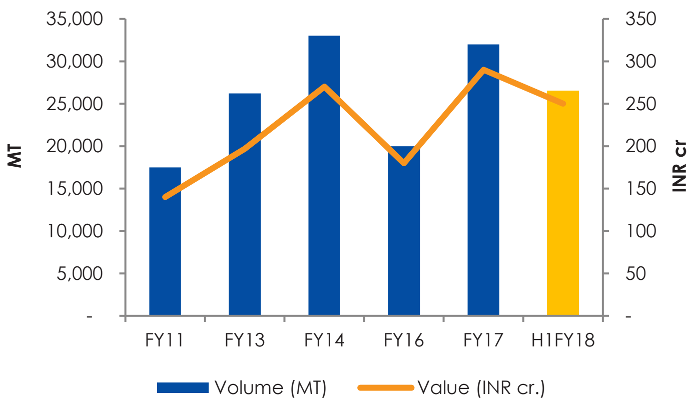


EIL Revenue breakup (FY17)

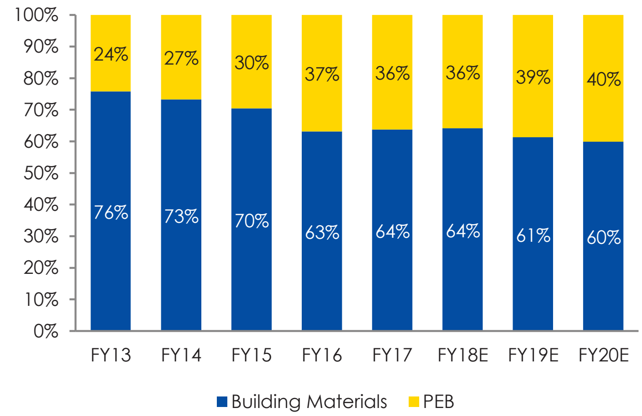


Source: Company, Edelweiss Investment Research.

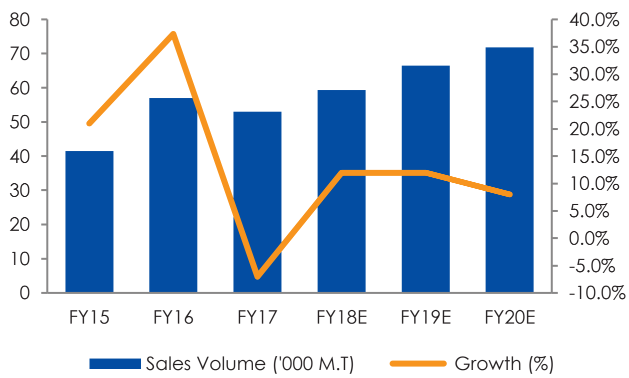
Healthy order book ....



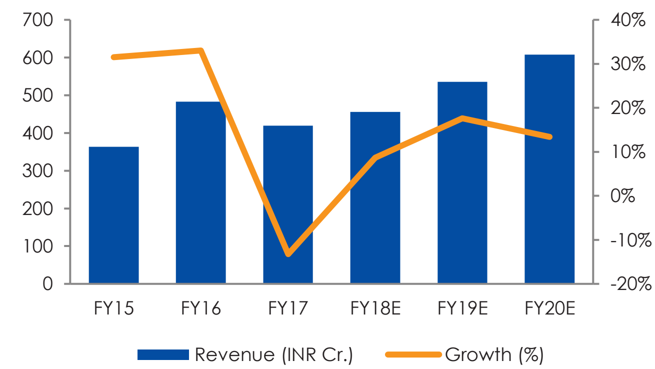
.... increases PEBs sales contribution



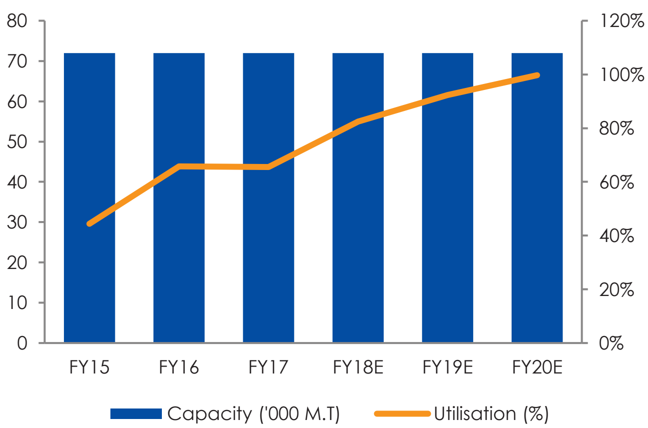
Rise in PEBs sales volume ...



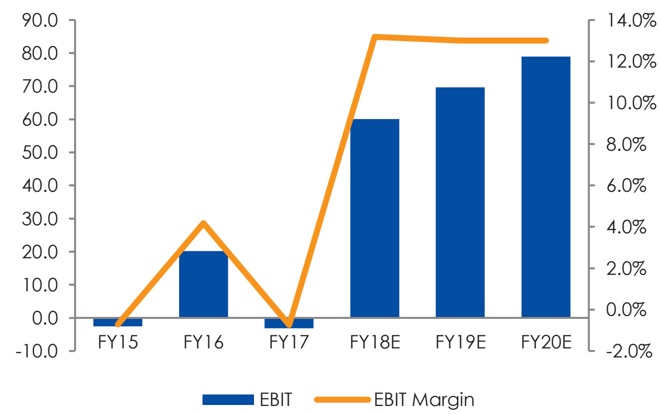
...Healthy growth in PEBs sales



Improvement in PEBs capacity utilisation ...



... leads to improve PEBs EBIT



Source: Edelweiss Investment Research.

Major projects handed over in Q2FY18

Reliance - Jhajjar, Haryana

Centurion - Bhubhaneswar

Gokuldas – Bilaspur, Chhattisgarh

RO-RO Ferry Terminal – Dahej, Gujarat

Rapid Metro-Gurugram, haryana

Technip – Dahej, Gujarat

III. Strong distribution network

Everest has a robust distribution network with 40 sales depots and over 6,000 dealers spanning 600 cities and 100,000 villages.

IV. GST implemetation – Advantage organised players

The lower GST rate (18%) on fibre cement roofs and boards has rendered such products affordable to end-consumers. Also, these products are now more competitive and affordable in a scenario wherein steel sheet prices as well as import levies are rising. Implementation of GST is expected to boost sales of organised players.

Everest Industries – Outlook and valuation

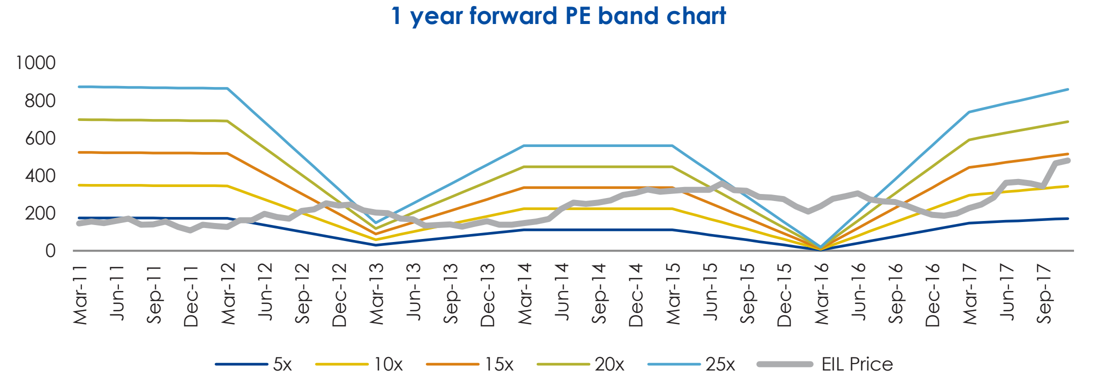
EIL is among the key beneficiaries of government initiatives such as 'Housing for All', migration from '*kuccha*' to '*pucca*' roofs and implementation of GST. Further, improvement in infrastructure spending in India, e-commerce growth, increasing warehousing and improvement in the rural market will likely drive overall growth. Implementation of GST will accelerate the shift from unorganised to organised sector and will lower the price differential between organised and unorganised players, as tax compliance costs would increase for the latter. In the past, EIL's businesses were affected by steep fluctuations in raw material prices, poor monsoons and currency weakness; and we believe that with the above stated drivers, EIL will deliver healthy numbers. We expect normalcy to return in the coming years; EIL is trading at 12.7x/10.3x PER and 7.1x/6.0x EV/EBIDTA FY19E/FY20E, respectively. We initiate our trading BUY on EIL with target price of INR 624, valuing the stock at 26% discount to historical 1-year forward average multiple of 19x i.e. 14x FY20E earnings.

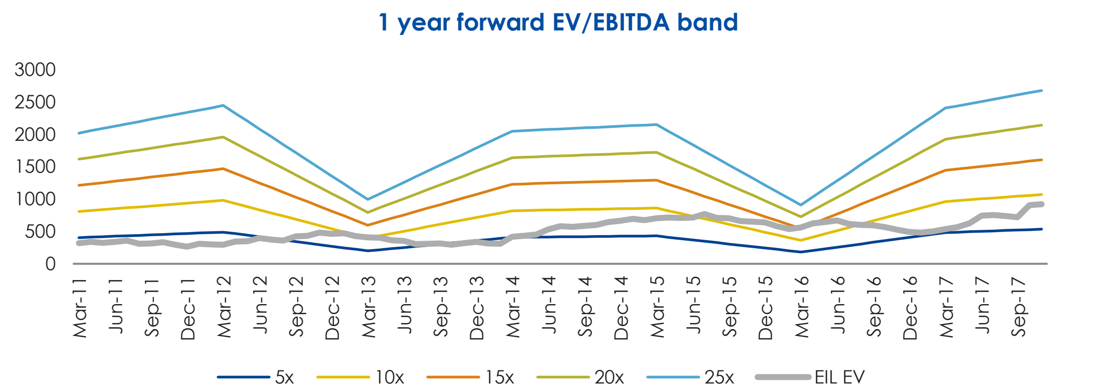
Peer comparison

	Revenue growth (%)			PAT growth (%)			EBITDA margin (%)		
	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E
Everest	-11.1	8.8	9.0	-96.4	NA	24.4	3.1	7.6	8.1
Visaka	-4.0	6.0	7.0	67.0	9.0	36.0	11.9	12.3	12.9
HIL	-4.0	9.0	12.0	44.0	-3.0	21.0	9.7	10.0	10.4

	RoE (%)			Diluted PE (x)			EV/EBITDA (x)		
	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E
Everest	0.4	12.5	14.0	NA	15.6	12.5	24.5	8.5	7.1
Visaka	10.8	10.9	12.6	10.5	23.1	16.9	9.5	8.7	7.2
HIL	11.4	12.1	12.9	17.9	16.4	13.6	9.9	9.3	8.1

Source: Company, Edelweiss Investment Research.





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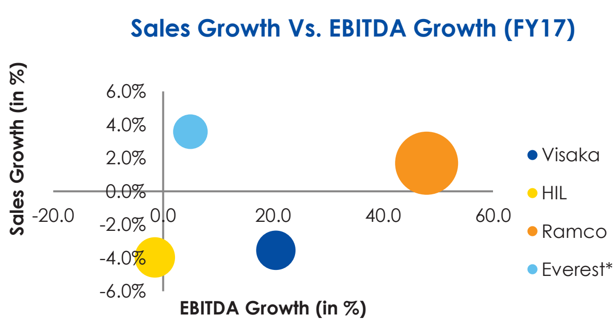
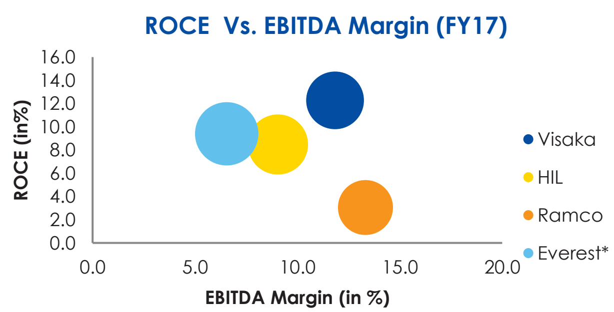
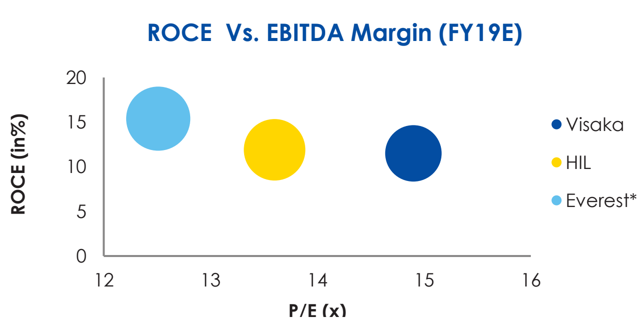


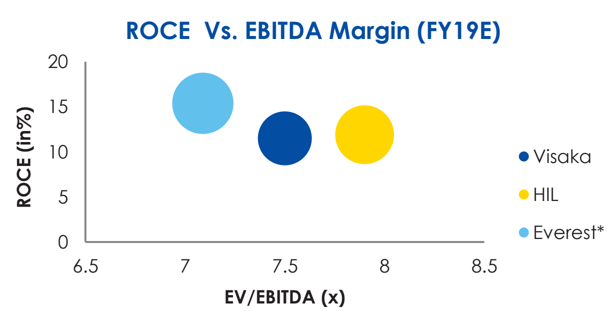
FY16 financials for EIL



**FY16 financials for EIL*



Bubble Size - Net Sales (Rs.Cr.)



Source: Edelweiss Investment Research.

Key management

Name	Designation	Profile
Mr A V Somani	*Chairman*	Mr. A V Somani has an overall experience of 25+ years in real estate, construction, building products, textiles and information technology management. He holds an MBA degree from the University of Pittsburgh, USA, PGDBM from SP Jain Institute of Management and Research and B.Com., M.Com. from Sydenham College of Commerce & Economics.
Mr M L Gupta	*Vice Chairman*	Mr. M L Gupta has a long and varied experience of handling building products businesses. He was the MD of Everest from 2002 to 2010. He holds a B.Tech. (Hons) from IIT Kharagpur.
Mr. Manish Sanghi	*Managing Director*	Mr. Manish Sanghi has a rich experience across industries he has worked with—Castrol, BHEL, Eicher and General Motors prior to joining Everest in 2001. He has joined EIL in 2001 as Marketing Director and took over charge as Managing Director in 2010. He holds a B.E. (Mech) and a PGDM (IIM-A) degree.

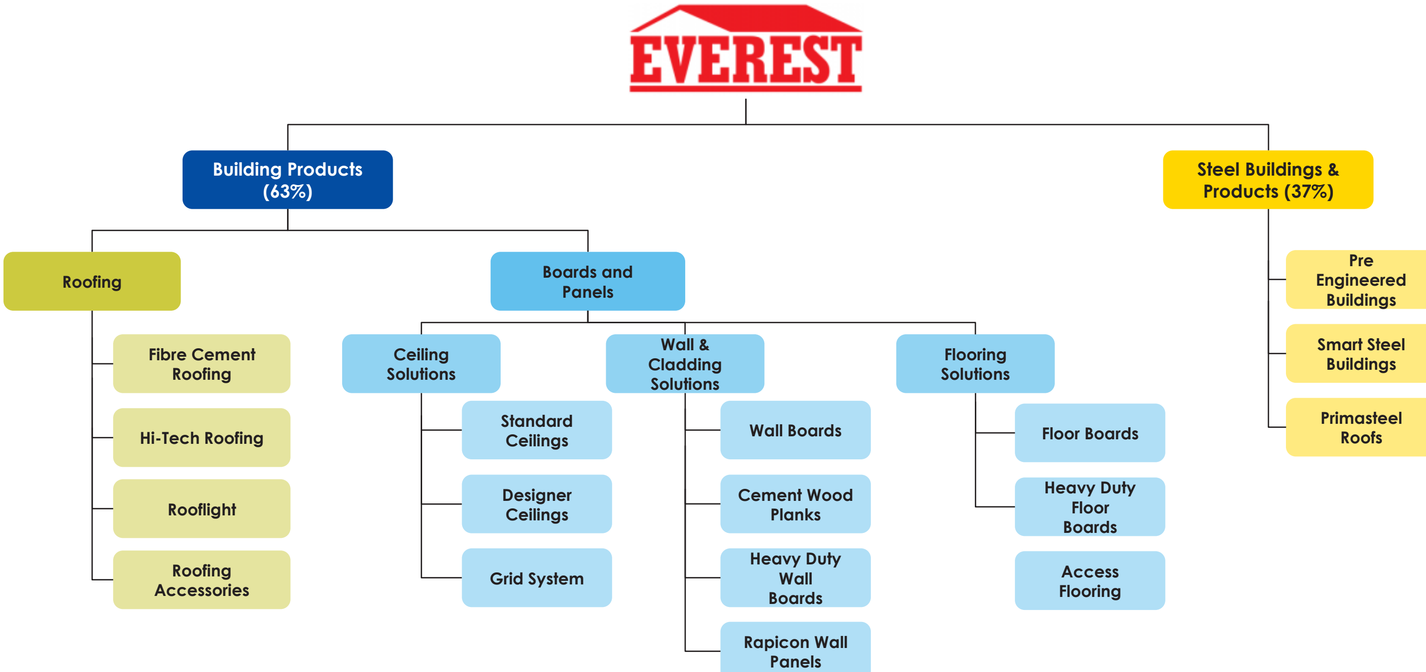
Key risks

- Any disruption in logistics or adverse exchange rate movement may have a significant impact on the company's operations and profitability, as EIL imports asbestos fibre (the key Chrysotile Asbestos Fiber manufacturers are based in Russia, Kazakhstan and Brazil)
- Volatility in steel price poses a significant risk
- High dependence on rural spending, seasonality in business.

Everest Industries Ltd. – A brief summary

EIL has two distinct business segments - Building Products and Steel Buildings. The building products segment contributes 63% to the company's revenue including fibre cement roofing sheets, fibre cement boards, Rapicon wall panels and their accessories. The steel building segment accounted for 37% of total revenue, which includes customized building solutions in steel such as pre-engineered steel buildings, smart steel buildings, metal roofing and cladding.

Business overview



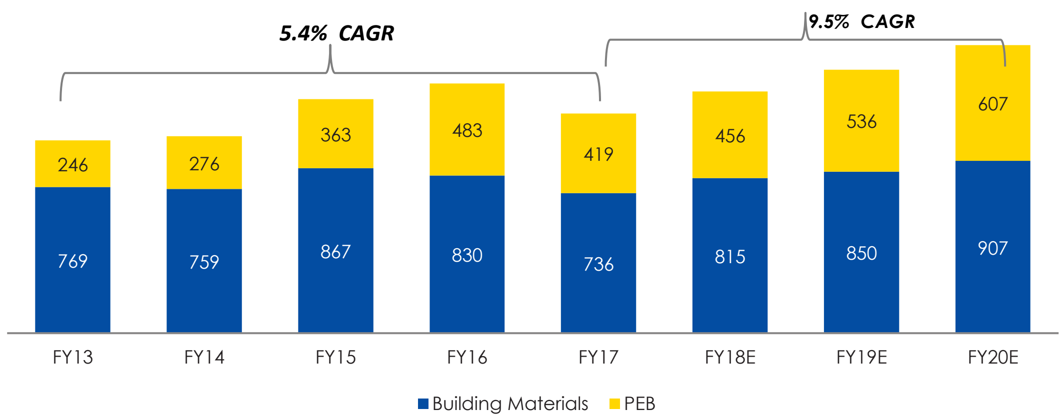
Manufacturing facilities

Location	Products	Capacity (MTPA)
Bhagwanpur, Uttarakhand	Building Products	8,65,000
Lakhmapur, Maharashtra		
Kolkata, West Bengal		
Kymore, Madhya Pradesh		
Podanur, Tamil Nadu		
Somnathpur, Odisha		
Bhagwanpur, Uttarakhand	Steel Buildings	72,000
Dahej, Gujarat		
Ranchi, Jharkhand		

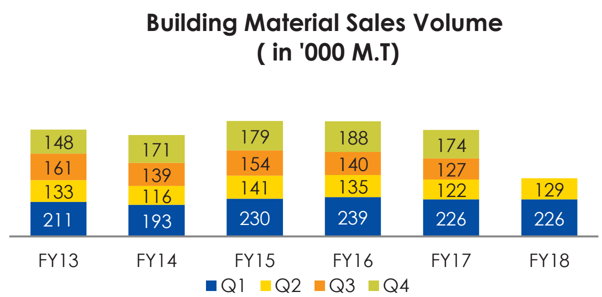
Financial analysis

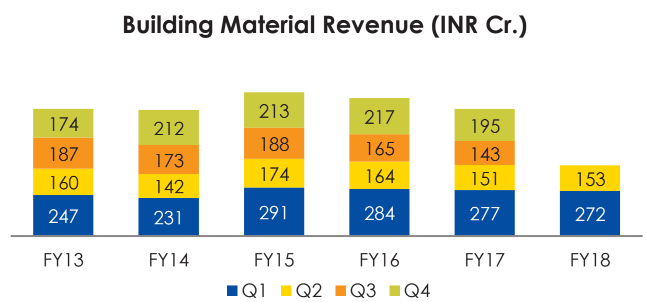
Utilisation improvement drives revenue

EIL expected to deliver sales volume growth of ~7%/~11% in BP division/PEBs division over FY17-20, mostly with the improvement in utilisations and realisations expected to be flat over FY17-20E, would results 9.4% revenue CAGR during FY17-20E.

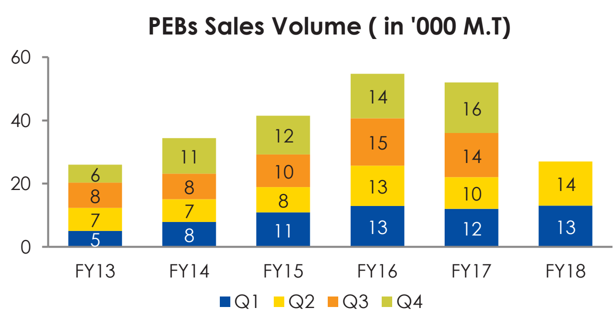


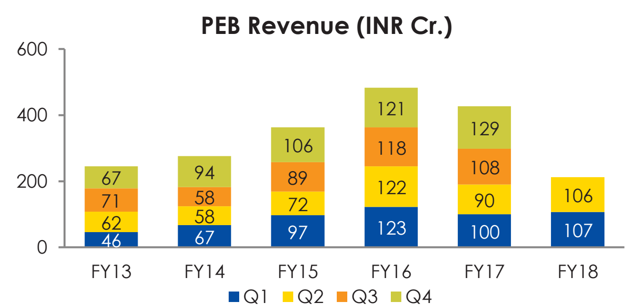
Sales & Volume – BP segment





Sales & Volume – PEBs segment



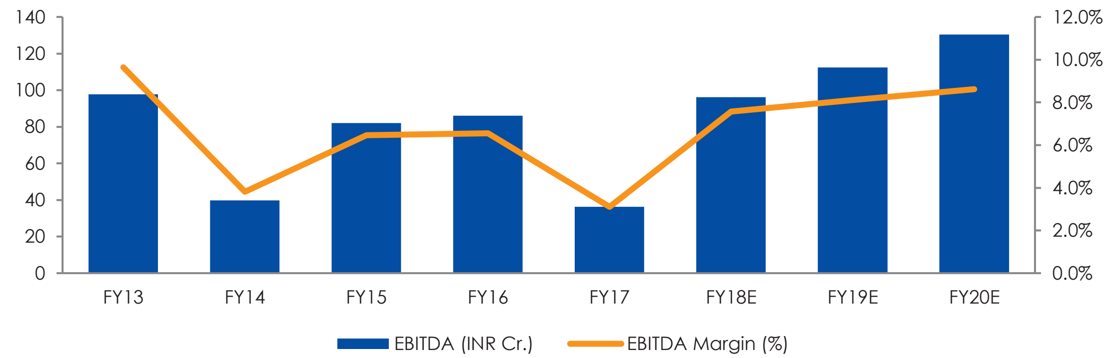


Source: Edelweiss Investment Research.

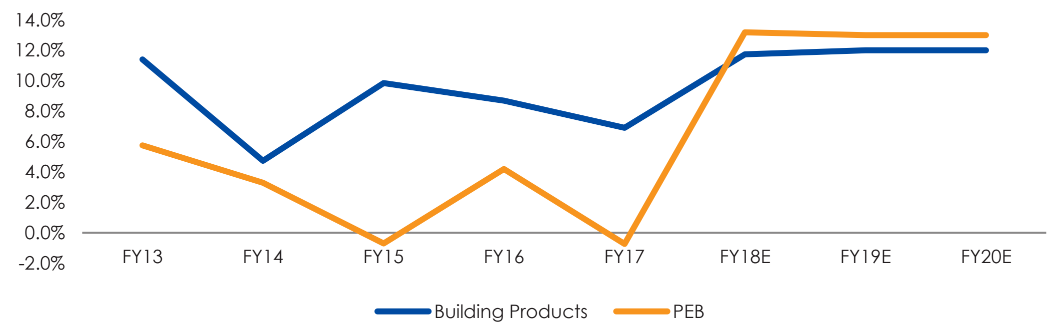
Operational efficiency, higher value-added productss to boost operating margin

We estimate EBITDA margin to improve by ~200 bps over the next two years, considering FY16 as the base year (as FY17 was a one off year impacted by several adverse factors), on account of improvement in utilisation, stability in raw material cost and increment in value-added products in the portfolio. EIL has already reported ~7% of EBITDA margin in H1FY18.

EBITDA & EBITDA margin



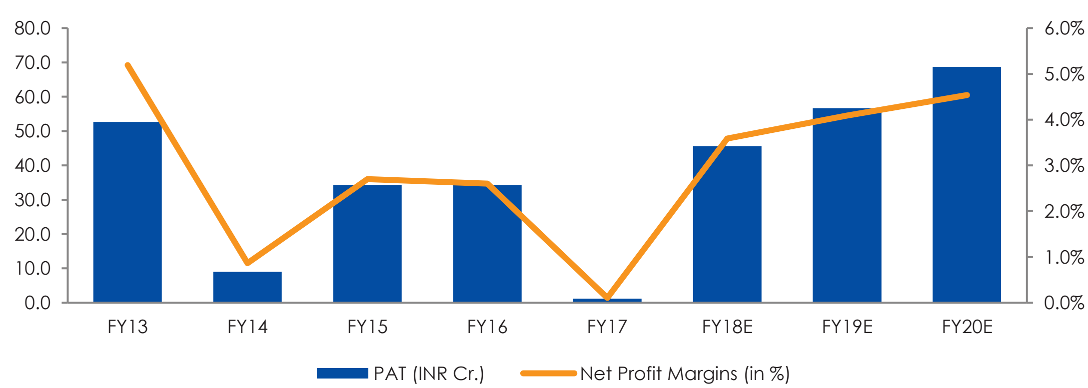
EBIT margins – BP & PEBs segments



Robust PAT growth to improve margin

With healthy sales growth, margin improvement, restricted depreciation and interest expenses are expected to result in positive PAT growth over FY17-20E. PAT margin is estimated to improve to 4.5% in FY20E from 2.6% in FY17. EIL has already achieved a PAT margin of 3.7% in H1FY18.

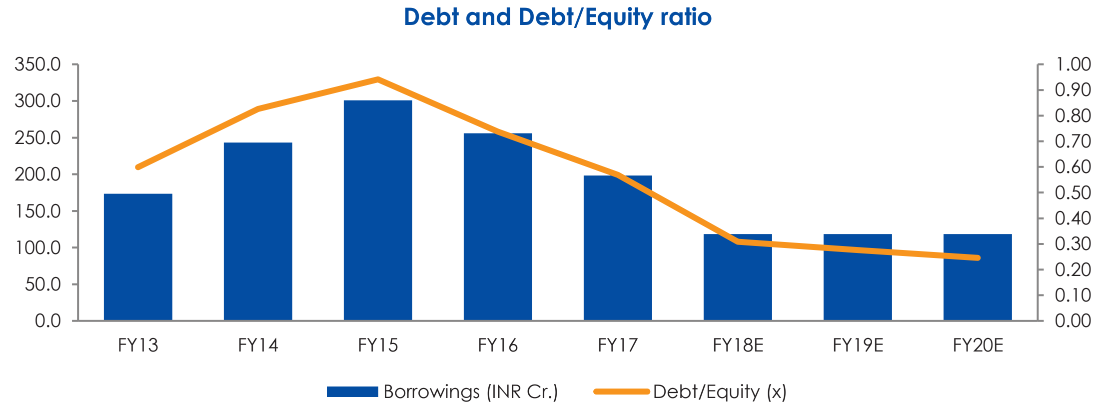
PAT and PAT margin



Source: Edelweiss Investment Research.

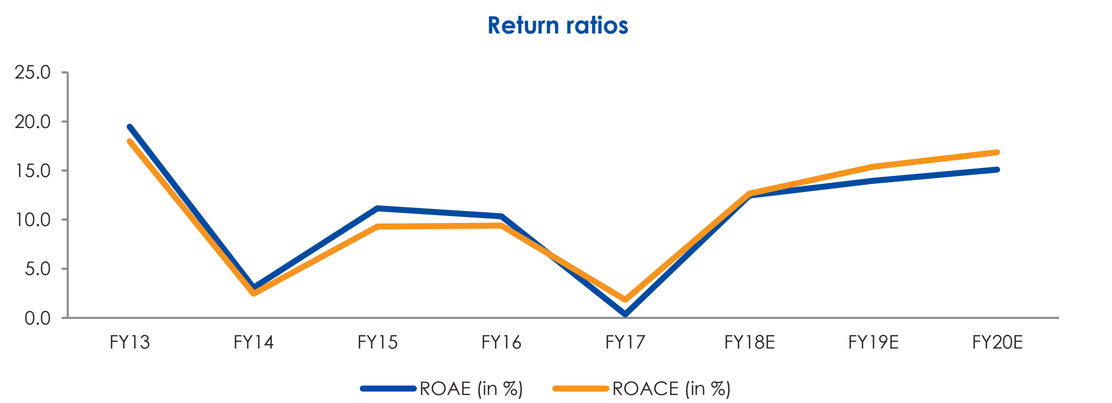
Debt to dip significantly

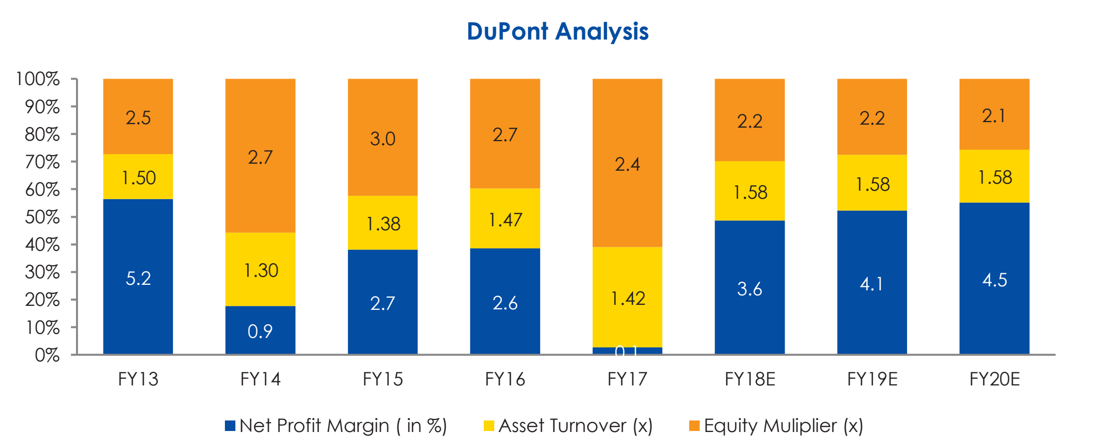
We estimate EIL's debt-equity ratio to improve to 0.2x by FY20E with positive free cash flow. There is no capex planned and the focus is on operational efficiency.



Return ratios to improve as utilisation picks up

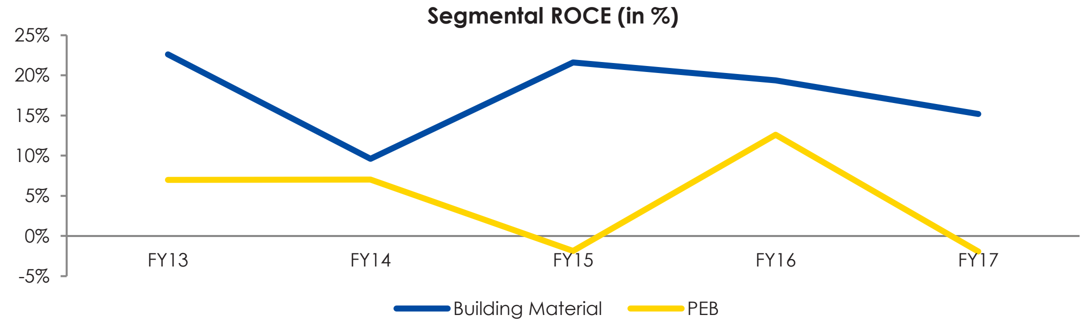
With improving margin, we estimate EIL's RoCE and RoE to improve by ~750 bps and 480 bps, respectively, over the next two years, considering FY16 as the base year (as FY17 was a one-off year). We expect the company to clock higher RoCE on account of better product mix and higher operational efficiencies.



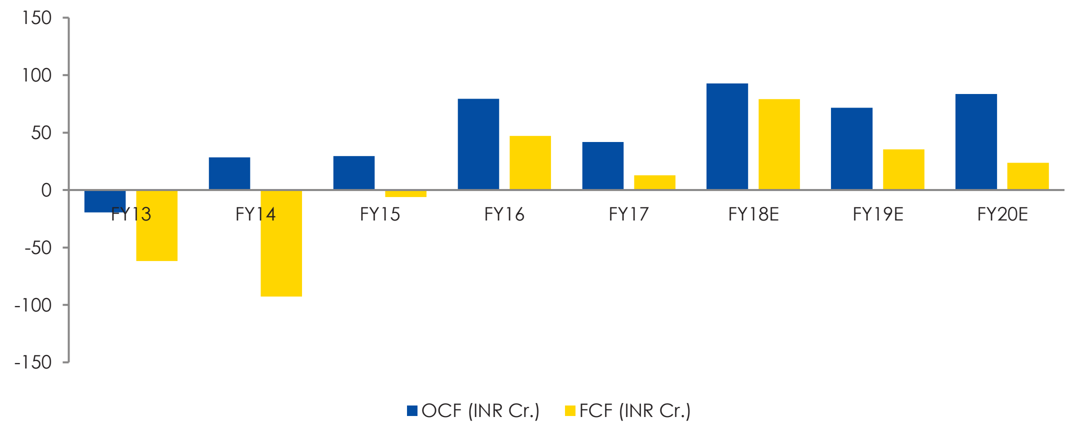


Source: Edelweiss Investment Research.

RoCE – BP & PEBs segments



Cash flows: OCF vs FCF



Source: Edelweiss Investment Research.

Financials

Income statement (INR cr)

Year to March	FY16	FY17	FY18E	FY19E	FY20E
Income from operations	1,313	1,168	1,271	1,386	1,514
Direct costs	768	681	727	790	863
Employee costs	129	130	127	139	151
Other expenses	459	450	448	484	521
Total operating expenses	1,227	1,132	1,175	1,273	1,384
EBITDA	86	36	96	112	130
Depreciation and amortisation	26	25	26	27	29
EBIT	60	11	70	85	102
Interest expenses	23	19	13	10	10
Other income	13	9	8	9	9
Profit before tax	50	1	65	85	101
Provision for tax	16	0	20	28	32
Core profit	34	1	46	57	69
Extraordinary items	-0	0	0	0	0
Profit after tax	34	1	46	57	69
Minority Interest	0	0	0	0	0
Share from associates	0	0	0	0	0
Adjusted net profit	34	1	46	57	69
Equity shares outstanding (mn)	2	1.5	1.5	1.5	1.5
EPS (INR) basic	22.4	0.8	29.5	36.8	44.6
Diluted shares (Cr)	1.5	1.5	1.5	1.5	1.5
EPS (INR) fully diluted	22.4	0.8	29.5	36.8	44.6
Dividend per share	5.0	0.0	6.5	8.1	9.8
Dividend payout (%)	22.4	0.0	22.0	22.0	22.0

Common size metrics- as % of net revenues

Year to March	FY16	FY17	FY18E	FY19E	FY20E
Operating expenses	93.5	96.9	92.4	91.9	91.4
Depreciation	2.0	2.2	2.0	1.9	1.9
Interest expenditure	1.7	1.6	1.0	0.7	0.7
EBITDA margins	6.5	3.1	7.6	8.1	8.6
Net profit margins	2.6	0.1	3.6	4.1	4.5

Growth metrics (%)

Year to March	FY16	FY17	FY18E	FY19E	FY20E
Revenues	3.6	(11.1)	8.8	9.0	9.3
EBITDA	5.0	(57.8)	165.0	16.9	16.0
PBT	4.5	(97.4)	4,794.0	30.0	19.4
Net profit	0.6	(96.4)	3,604.3	24.4	21.2
EPS	(0.0)	(96.4)	3,604.3	24.4	21.2

Balance sheet (INR cr)

As on 31st March	FY16	FY17	FY18E	FY19E	FY20E
Equity share capital	15	15	15	15	15
Preference Share Capital	0	0	0	0	0
Reserves & surplus	331	333	368	412	466
Shareholders funds	347	348	384	428	481
Secured loans	256	198	118	118	118
Unsecured loans	0	0	0	0	0
Borrowings	256	198	118	118	118
Minority interest	1	0	0	0	0
Sources of funds	**603**	**547**	**502**	**546**	**600**
Gross block	596	608	633	658	708
Depreciation	245	271	297	323	352
Net block	350	337	336	334	356
Capital work in progress	9	26	15	26	36
Total fixed assets	360	364	351	360	392
Unrealised profit	0	0	0	0	0
Investments	0	0	0	0	0
Inventories	253	237	244	266	290
Sundry debtors	113	108	117	128	140
Cash and equivalents	63	18	8	31	39
Loans and advances	81	81	76	83	91
Other current assets	0	0	0	0	0
Total current assets	509	445	445	508	560
Sundry creditors and others	264	273	297	324	354
Provisions	27	6	6	7	7
Total CL & provisions	291	278	303	330	361
Net current assets	218	166	142	177	199
Net Deferred tax	-32	-31	-31	-31	-31
Misc expenditure	57	48	40	40	40
Uses of funds	**603**	**547**	**502**	**546**	**600**
Book value per share (INR)	225	226	249	277	312
	0	0	0	0	0

Cash flow statement

Year to March	FY16	FY17	FY18E	FY19E	FY20E
Net profit	35	1	46	57	69
Add: Depreciation	26	25	26	27	29
Add: Misc expenses written off	27	10	8	0	0
Add: Deferred tax	3	-1	0	0	0
Add: Others	0	0	0	0	0
Gross cash flow	90	35	79	84	97
Less: Changes in W. C.	11	-7	-13	12	14
Operating cash flow	79	42	93	71	84
Less: Capex	32	29	14	36	60
Free cash flow	**47**	**13**	**79**	**35**	**24**

Ratios

Year to March	FY16	FY17	FY18E	FY19E	FY20E
ROAE (%)	10.3	0.4	12.5	14.0	15.1
ROACE (%)	9.4	1.8	12.6	15.4	16.9
Debtors (days)	31	34	34	34	34
Current ratio	1.7	1.6	1.5	1.5	1.6
Debt/Equity	0.7	0.6	0.3	0.3	0.2
Inventory (days)	70	74	70	70	70
Payable (days)	48	55	55	55	55
Cash conversion cycle (days)	54	53	48	48	48
Debt/EBITDA	3.0	5.5	1.2	1.1	0.9
Adjusted debt/Equity	0.6	0.5	0.3	0.2	0.2

Valuation parameters

Year to March	FY16	FY17	FY18E	FY19E	FY20E
Diluted EPS (INR)	22.4	0.8	29.5	36.8	44.6
Y-o-Y growth (%)	*(0.0)*	*(96.4)*	*3,604.3*	*24.4*	*21.2*
CEPS (INR)	39.0	17.1	46.4	54.3	63.1
Diluted P/E (x)	20.6	576.7	15.6	12.5	10.3
Price/BV(x)	2.0	2.0	1.8	1.7	1.5
EV/Sales (x)	0.7	0.8	0.6	0.6	0.5
EV/EBITDA (x)	10.5	24.5	8.5	7.1	6.0
Diluted shares O/S	1.5	1.5	1.5	1.5	1.5
Basic EPS	22.4	0.8	29.5	36.8	44.6
Basic PE (x)	20.6	576.7	15.6	12.5	10.3
Dividend yield (%)	1.1	0.0	1.4	1.8	2.1

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Vinay Khattar

Head Research

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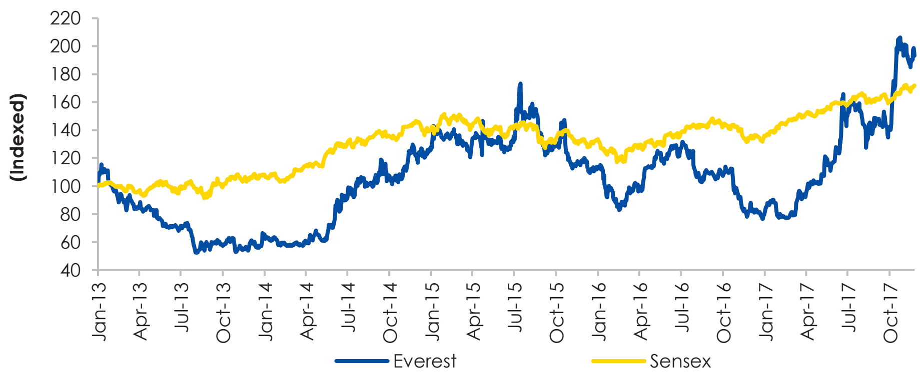
Rating	Expected to
Buy	appreciate more than 15% over a 12-month period
Hold	appreciate between 5-15% over a 12-month period
Reduce	Return below 5% over a 12-month period



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