

February 13, 2015

₹ 11700

## Page Industries (PAGIND)

### Consistent earning growth to sustain!

- Revenues increased 24.8% YoY to ₹ 377.4 crore (I-direct estimate: ₹ 384.3 crore) led by 15.2% volume growth (29.6 million pieces) and 8% realisation growth (₹ 127/piece) YoY. Growth momentum in the menswear and brassiere segment aided revenue growth
- EBITDA for the quarter stood at ₹ 72.3 crore, up ~31% YoY against ₹ 55 crore in Q3FY14. On the margin front, the EBITDA margin improved 95 bps YoY to 19.1% due to a reduction in raw material cost to sales ratio from 49.3% in Q3FY14 to 46.6% in Q3FY15
- Consequently, PAT posted growth of 29.1% YoY to ₹ 44.7 crore against our expectation of ₹ 46.3 crore

### Steady volume growth to buoy revenues

During FY10-14, volumes grew at a CAGR of 19.8%. Page has achieved this on the back of aggressive capacity addition, which has increased from 2.2 crore pieces in FY07 to 16.3 crore pieces in FY14. We expect the company to continue the volume growth trajectory at a CAGR of ~17% led by capacity addition. We expect total capacity to touch 30.6 crore pieces by FY17E. We believe that with the launch of newer SKUs, volume growth should not be a concern for Page.

### Rising costs to be passed on

Page is cushioned from rising input costs as it takes price hikes to the tune of 5-10% per annum, which enables it to maintain operating margins. The company is confident of maintaining its operating margin around 20%. The operating margin has increased to 21.4% in FY14 (owing to removal of excise duty). We expect it to stabilise in the range of 20-21.0% by FY17E.

### Favourable demographics, low penetration to boost growth

The Indian innerwear segment valued at \$4 billion is expected to grow at 12% CAGR over the next decade. Page has consistently grown well above the industry average. We expect the same to continue as India's per capita spend on innerwear is ~90% lower than that of Thailand and China. The market has been growing faster than the overall clothing market, driven by premiumisation. With discretionary consumer spend in India continuing to grow, these trends should persist, aided by rising urbanisation and growth in consumer incomes.

### Marginal decline in operating margin and earning estimates

We have marginally revised downwards our FY15E, FY16E & FY17E operating margin estimates by 57 bps, 37 bps and 20 bps, respectively. Consequently, earnings have been revised downwards by 7%, 2% and 1% for FY15E, FY16E and FY17E, respectively. The blended realisation has gone up 2.7% QoQ and 8% YoY to ₹ 127. This should also aid in cushioning margins. We expect the operating margin to be maintained between 20% and 21% over FY15E-17E.

### Premium valuations to sustain owing to consistent performance

Page, buoyed by higher volume growth and strong balance sheet, continues to post superior result among its peers in the textile segment. With volume and realisation CAGR of ~20% and 9%, respectively, over FY14-17E we expect the EPS of Page to grow at ~30% CAGR to ₹ 302.8. Further, we believe Page's growth story will remain multi-pronged and drawn over a longer timeframe. Consequently, we have used DCF based valuation to arrive at target price of ₹ 12000 and have a HOLD recommendation on the stock.

Rating matrix	
Rating	: Hold
Target	: ₹ 12000
Target Period	: 12 months
Potential Upside	: 2%

What's changed?	
Target	Unchanged
EPS FY15E	Changed from ₹ 183.4.2 to ₹ 170.6
EPS FY16E	Changed from ₹ 241.7 to ₹ 237.1
EPS FY17E	Changed from ₹ 306 to ₹ 302.8
Rating	Changed from Buy to Hold

Quarterly performance					
	Q3FY15	Q3FY14	YoY (%)	Q2FY15	QoQ (%)
Revenue	377.4	302.5	24.8	389.6	-3.1
EBITDA	72.3	55.0	31.3	67.7	6.8
EBITDA (%)	19.1	18.2	95 bps	17.4	178 bps
PAT	44.7	34.6	29.1	49.9	-10.4

Key financials				
₹ Crore	FY14	FY15E	FY16E	FY17E
Net Sales	1,173	1,509	2,039	2,591
EBITDA	251	305	418	538
Net Profit	154	190	264	338
EPS (₹)	137.9	170.6	237.1	302.8

Valuation summary				
	FY14	FY15E	FY16E	FY17E
P/E	85.0	68.7	49.4	38.7
Target P/E	87.0	70.3	50.6	39.6
EV to EBITDA	52.7	43.2	31.6	24.6
Price to book	45.2	35.5	27.4	21.2
RONW (%)	53.2	51.7	55.4	54.7
ROCE (%)	52.5	61.0	65.1	64.3

Stock data	
Particular	Amount
Market Capitalisation (₹ Crore)	13,104.0
Debt (FY14) (₹ Crore)	163.2
Cash (FY14) (₹ Crore)	3.5
EV (₹ Crore)	13,263.7
52 week H/L	10390 / 4801
Equity Capital (₹ Crore)	11.2
Face Value (₹)	10.0

Price performance				
	1M	3M	6M	12M
Page Industries	7.2	21.4	50.3	108.9
Lovable Lingerie	-5.5	-12.2	0.8	16.4
Rupa & Company	-2.5	-1.8	0.5	9.1

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## Variance analysis

	Q3FY15	Q3FY15E	Q3FY14	YoY (%)	Q2FY15	QoQ (%)	Comments
Revenue	377.4	384.3	302.5	24.8	389.6	-3.1	Revenue growth continues to remain strong with the men's innerwear and women's innerwear registering YoY growth of 23% and 36%, respectively
Other Income	5.7	4.0	4.0	44.8	13.6	-57.7	
Employee Expense	65.2	63.4	49.0	33.2	67.7	-3.7	
Raw Material Expense	176.0	186.4	149.1	18.1	187.1	-5.9	Lower yarn prices aided an improvement in raw material to sales ratio, which declined from 49.3% in Q3FY14 to 46.7% in Q3FY15
SG&A Expenses	64.0	59.6	49.4	29.3	67.1	-4.7	
EBITDA	72.3	74.9	55.0	31.3	67.7	6.8	
EBITDA Margin (%)	19.1	19.5	18.2	95 bps	17.4	178 bps	Owing to a reduction in raw material cost, margins expanded both QoQ and YoY
Depreciation	4.5	4.5	3.6	24.6	3.4	33.1	
Interest	3.9	4.0	2.8	42.5	3.3	17.0	
PBT	69.6	70.4	52.6	32.2	74.5	-6.6	
Tax Outgo	24.9	24.1	18.0	38.1	24.6	1.1	
PAT	44.7	46.3	34.6	29.1	49.9	-10.4	PAT grew strongly on account of revenue growth and improvement in EBITDA margin

## Key Metrics

							Comments
Menswear Volume (Mn pcs)	17.7	18.4	15.4	15.6	19.6	-9.6	Volumes increased 15% YoY for the quarter with various segments reporting volume growth in the range of 12-24%. Only Speedo reported a volume decline, albeit on a low base
Womenwear Volume (Mn pcs)	4.3	4.6	4.0	8.6	4.5	-3.5	
Brasserie Volume (Mn pcs)	1.2	1.3	1.1	14.9	1.4	-11.1	
Leisurewear Volume (Mn pcs)	6.3	5.9	5.3	19.7	5.8	9.3	
Speedo Volume (Mn pcs)	0.0	0.1	0.1	-33.5	0.1	-37.2	
Average Realisation (₹)	127.1	122.6	117.6	8.0	123.8	2.7	The average realisation improved 8% YoY and was higher than our expectation

Source: Company, ICICIdirect.com Research

## Change in estimates

(₹ Crore)	FY15E			FY16E			FY17E			Comments
	Old	New	% Change	Old	New	% Change	Old	New	% Change	
Revenue	1,567.2	1,532.3	-2.2	2,039.0	2,065.7	1.3	2,591.4	2,622.1	1.2	We have marginally revised downward our revenue estimates for FY16E and FY17E. We expect revenues to increase 30% YoY led by ~19% volume growth and 9% realisation growth
EBITDA	325.8	305.2	-6.4	425.3	417.6	-1.8	543.2	537.9	-1.0	
EBITDA mgn (%)	20.8	20.2	-57 bps	20.9	20.5	-37 bps	21.0	20.8	-20 bps	We marginally revise downward our EBITDA margin estimates for FY15, FY16 and FY17
PAT	204.5	190.3	-7.0	269.6	264.5	-1.9	341.3	337.8	-1.0	
EPS (₹)	183.4	170.6	-7.0	241.7	237.1	-1.9	306.0	302.8	-1.0	Consequently, we have revised our earnings estimates

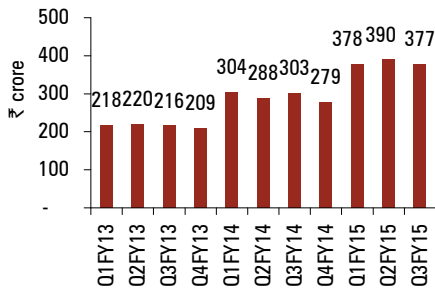
Source: Company, ICICIdirect.com Research

## Assumptions

Volume (In Lakh Pieces)	Current			Earlier			Comments		
	FY13	FY14	FY15E	FY16E	FY17E	FY15E		FY16E	FY17E
Men's	557.1	612.2	734.6	866.8	996.8	734.6	866.8	996.8	Menswear segment growth traction is expected to remain strong
Women's	140.1	160.7	184.3	208.2	239.4	184.3	208.2	239.4	
Brassieres	28.3	40.7	51.2	68.7	89.3	55.0	68.7	89.3	Brassiers segment growth well on track and expect traction
Leisure	142.7	195.1	238.0	328.0	410.0	256.3	328.0	410.0	
Speedo	3.7	3.9	3.1	6.0	7.5	4.8	6.0	7.5	
Blended realisation (₹ per piece)	98.9	115.1	124.6	138.0	148.7	126.9	138.0	148.7	
Average RM cost per piece (₹)	49.2	59.7	65.2	72.1	78.9	65.9	72.1	78.9	

Source: Company, ICICIdirect.com Research

### Topline growth trajectory



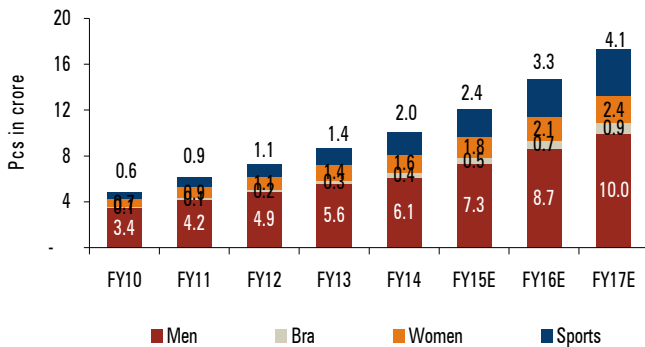
Source: Company, ICICIdirect.com, Research

### Company Analysis

#### Healthy revenue growth to continue...

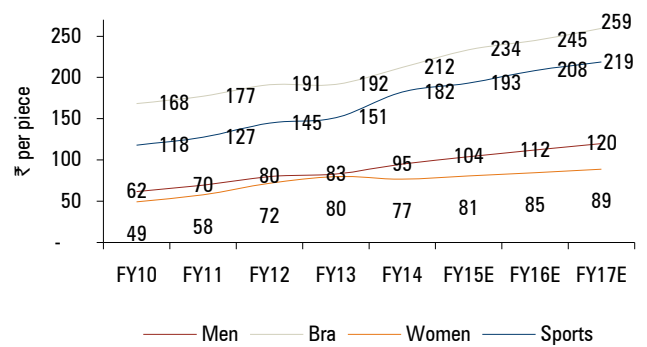
Page's revenues have grown at a CAGR of 36.4% in FY10-14. We expect the growth rate to slow down to 29% during FY14-17E owing to a larger base effect. We expect both volumes as well as realisation to aid this growth. Considering that the penetration of branded innerwear is significantly low in India and that Indians spend significantly lower on innerwear compared to their Asian peers, we do not anticipate any roadblocks in the company's growth plans. Continuous capacity addition and entry into newer markets is likely to further aid growth.

**Exhibit 1: Volumes to grow at CAGR of ~17% during FY14-17E...**



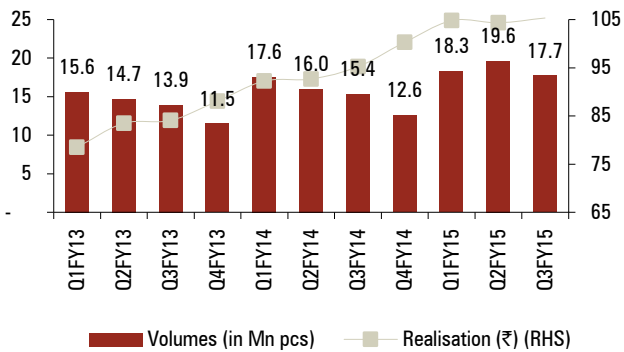
Source: Company, ICICIdirect.com Research

**Exhibit 2: ...with realisation likely to grow 10%**



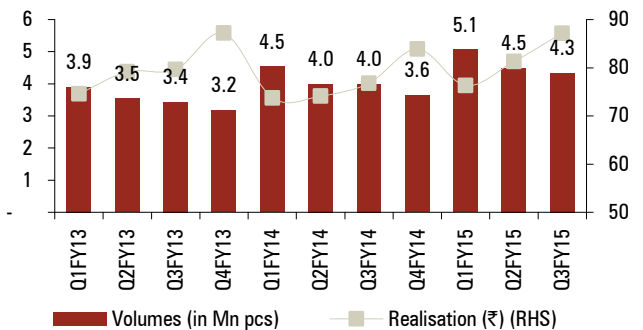
Source: Company, ICICIdirect.com Research

**Exhibit 3: Men's segment witnesses volume growth of 15.6% YoY...**



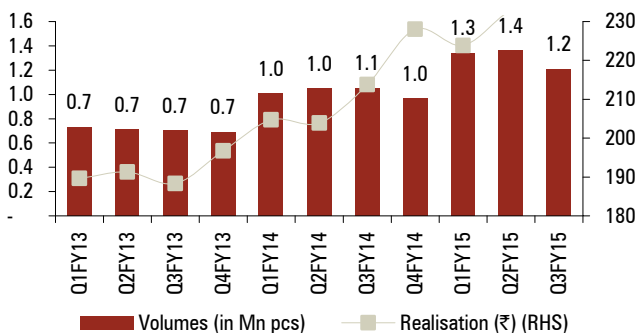
Source: Company, ICICIdirect.com Research

**Exhibit 4: ...with women's segment growing at 8.6% YoY**



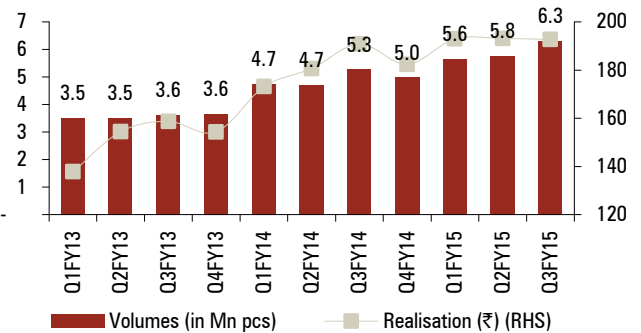
Source: Company, ICICIdirect.com Research

**Exhibit 5: Brassiere segment grows at 14.9% YoY, albeit on small base...**



Source: Company, ICICIdirect.com Research

**Exhibit 6: ...and leisure wear segment grows at 19.7% YoY**

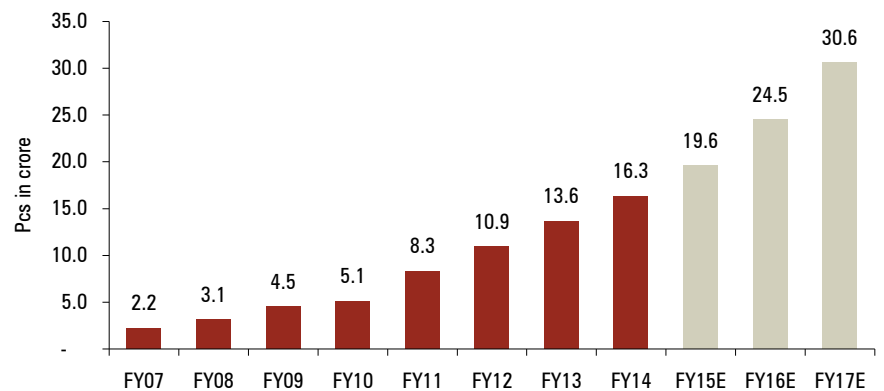


Source: Company, ICICIdirect.com Research

**Capacity addition to continue**

Page has continuously expanded capacity in line with growing demand for its products. Page’s capacity has increased from 2.2 crore pieces in FY07 to 16.3 crore pieces in FY14. We expect the same to go up to 30.6 crore pieces by FY17E. As the company is absent in a highly capital intensive segment, Page has been comfortably able to fund the same through internal accruals. We expect the same to continue, going forward. With the current rate of capacity addition, the company is only able to cater to the Indian markets despite holding licenses for Sri Lanka, Bangladesh, Nepal and UAE as well. In a scenario when Indian demand starts to flatten out, the company can access these markets for growth opportunities.

**Exhibit 7: Continuous capacity addition aids healthy topline growth**

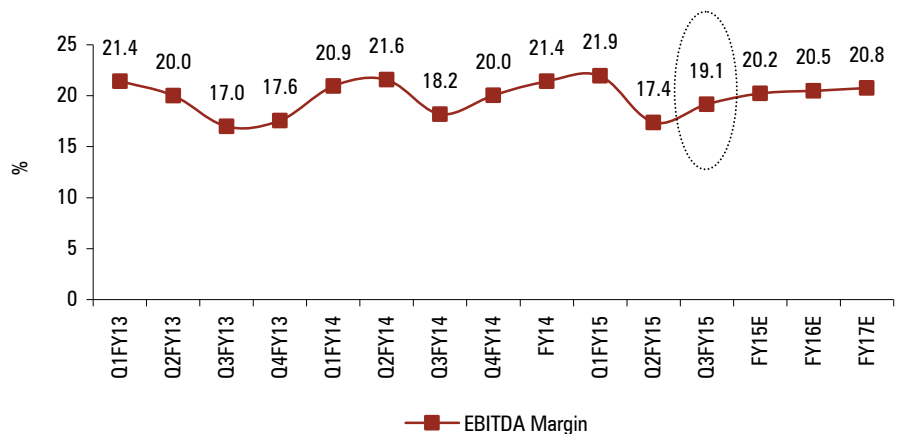


Source: Company, ICICIdirect.com Research

**Operating margin to be maintained at 20-21% over FY14-17E**

The management aims to maintain the operating margin around 20%. The company does not take aggressive price hikes despite the strong demand and believes in taking price hikes to the tune necessary to maintain its operating margins. Though the operating margin has touched 21.4% (in FY14) owing to the benefits of removal of excise duty, we expect the margin to remain at 20-21% over the next two years.

**Exhibit 8: EBITDA margin trend**

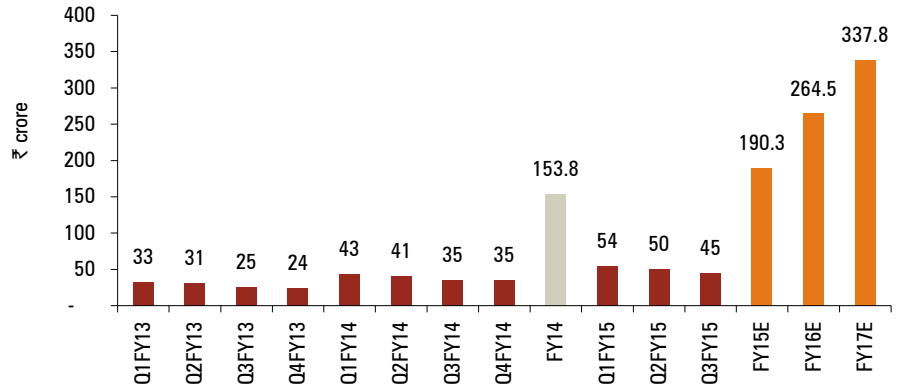


Source: Company, ICICIdirect.com Research

### PAT to grow on the back of healthy topline growth

Owing to a healthy topline growth and fairly stable margins, the company has been able to grow PAT consistently. We expect the same to continue, going forward. Page's PAT has increased at a CAGR of 40.4% during FY10-14. We expect it to report growth of 30% during FY14-17E.

**Exhibit 9: Net profit trend**

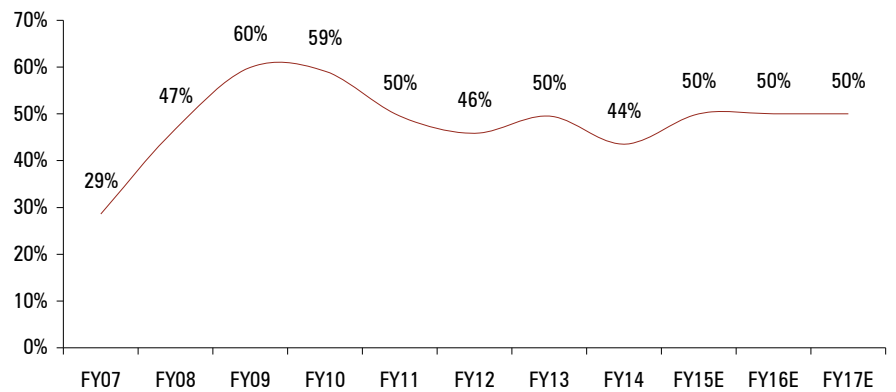


Source: Company, ICICIdirect.com Research

### Dividend payouts to be maintained

Over the years, Page has maintained a dividend payout in excess of 40%. Despite the continuous capacity addition, the company has been able to maintain this owing to the strong cash generated in the business. We expect this to continue and also expect the payout to increase to ~50% during FY15-17E.

**Exhibit 10: Dividend payout trend**



Source: Company, ICICIdirect.com Research

## Valuation

We believe changing demographics will continue to work in favour of consumption oriented companies like Page Industries. The company will be a beneficiary of the shift from unbranded to branded products. Apart from local demand, Page has licenses to cater to countries like Nepal, Sri Lanka, Bangladesh and UAE. Currently, Page's exports are negligible and the company will be able to explore export opportunities as and when domestic demand begins to dry up.

The stock has also faced some concerns that the company will need to resort to debt in order to be able to maintain its current dividend payout and capex requirements. The company incurs a capex of ₹ 30-40 crore each year and pays out ₹ 50-60 crore in the form of dividends. With cash from operations of ~₹ 100 crore, the company should be able to maintain the payout as well as capacity addition without needing to raise substantial debt. Most of the debt the company raises is typically towards working capital requirements.

Given the unorganised nature of the Indian hosiery market, Page with its strong brand recall of "Jockey" is expected to lead the market shift towards organised and premium innerwear segment. We expect the growth to be multi-pronged (growth in brassier and leisure segment together with women's wear besides the men's innerwear segment) and long drawn as the industry moves towards the more organised segment. To capture this growth, we shift towards three phase discounted cash flow based valuation. We expect Page to maintain its high growth trajectory with revenue growth CAGR of ~28% in FY15-20 buoyed by volume growth of ~18% over the same period. Volume growth is expected to be driven by the women's segment with brassier and women innerwear categories growing at a CAGR of 28% and 15%, respectively, over the same period followed by men's innerwear segment registering growth of 14%. In the subsequent phases of transition and stable growth (FY21-25 and FY26-30, respectively) we expect revenue to grow at a CAGR of ~17.7% and 13.2%, respectively, supported by volume growth of 11% and 9%, respectively. We expect average realisation during the respective periods to grow at 9%, 6% and 4%. Consequently, based on our DCF valuation, we arrive at a target price of ₹ 12000 and have **HOLD** recommendation on the stock.

### Exhibit 11: DCF valuation

Terminal growth (%)	3
PV of high growth period (₹ )Cr	1085.9
PV of transitional growth period (₹ Cr)	2672.9
PV of stable growth period (₹ Cr)	6215.8
PV of terminal growth (₹ Cr)	3409.6
Total (₹ Cr)	13384.1
Per share Value (₹)	12000

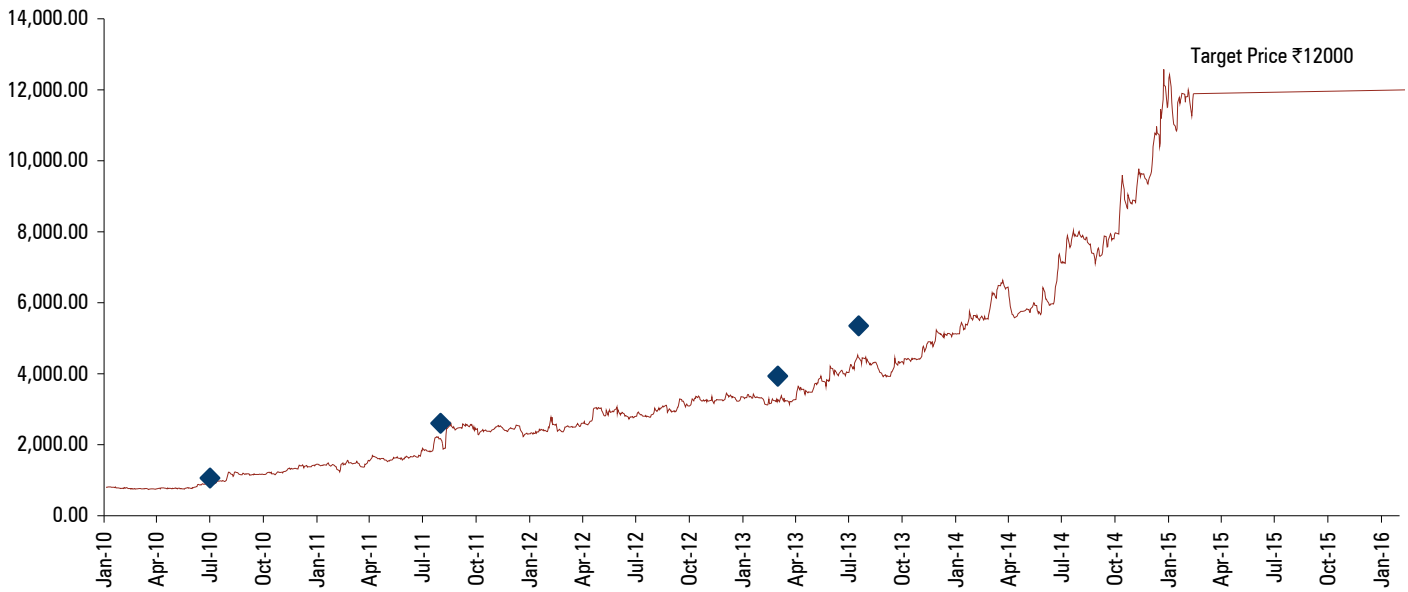
Source: Company, ICICIdirect.com Research

### Exhibit 12: Valuations

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY14	1173.1	35.9	137.9	36.7	85.0	52.7	53.2	52.5
FY15E	1509.1	28.6	170.6	23.7	68.7	43.2	51.7	61.0
FY16E	2039.0	35.1	237.1	39.0	49.4	31.6	55.4	65.1
FY17E	2591.4	27.1	302.8	27.7	38.7	24.6	54.7	64.3

Source: Company, ICICIdirect.com Research

## Company snapshot



Source: Bloomberg, Company, ICICIdirect.com Research

## Key events

Date	Event
Mar-08	Continued the capacity expansion from 2.2 crore pieces in FY07 to 3.1 crore pieces in FY08; witnessed a topline growth of 42% and PAT growth of 40% YoY
Mar-09	Further expanded capacities from 3.1 crore pieces (FY08) to 4.5 crore pieces translating to topline growth of 32% and PAT growth of 33% YoY
Jul-10	Capacity increased 60% YoY from 5.1 crore pieces (FY10) to 8.3 crore pieces (FY11), leading to 45% & 48% topline and PAT growth, respectively
Aug-11	The company continued the topline and bottomline growth at 30%+ and also increased the dividend payout from ~30% in FY07 to ~50%
Mar-13	Revenue growth relatively slowed down to 26.3% in FY13, mainly due to lower price hikes taken during the year
Jul-13	Reported strong ~40% topline and 32% bottomline growth in Q1FY14

Source: Company, ICICIdirect.com Research

## Top 10 Shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Genomal (Nari)	2-Jan-15	17.26	1.9	0.0
2	Genomal (Ramesh)	2-Jan-15	17.26	1.9	0.0
3	Genomal (Sunder)	2-Jan-15	17.26	1.9	0.0
4	Nalanda Capital Pte Ltd	31-Dec-14	9.96	1.1	0.0
5	Cartica Capital, Ltd.	31-Dec-14	7.58	0.9	0.0
6	IIFL Inc	31-Dec-14	3.67	0.4	0.0
7	IDFC Asset Management Company Private Limited	31-Dec-14	3.20	0.4	0.0
8	SBI Funds Management Pvt. Ltd.	31-Dec-14	1.90	0.2	0.2
9	ABG Capital, Ltd.	31-Dec-14	1.76	0.2	0.2
10	Massachusetts Institute of Technology	30-Sep-14	1.76	0.2	0.0

Source: Reuters, ICICIdirect.com Research

## Shareholding Pattern

(in %)	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Promoter	56.9	51.8	51.8	51.8	51.8
FII	23.2	32.6	32.6	32.3	31.9
DII	12.2	7.5	6.5	6.4	6.3
Others	7.7	8.1	9.1	9.5	10.0

## Recent Activity

Investor name	Value	Shares	Investor name	Value	Shares
ABG Capital, Ltd.	36.53m	0.20m	HDFC Asset Management Co., Ltd.	-47.28m	-0.44m
Motilal Oswal Asset Management Company Ltd.	8.90m	0.05m	IDFC Asset Management Company Private Limited	-5.94m	-0.03m
Fidelity Management & Research Company	3.87m	0.02m	William Blair & Company, L.L.C.	-5.85m	-0.03m
BNP Paribas Investment Partners Asia Ltd.	1.86m	0.01m	Wasatch Advisors, Inc.	-3.15m	-0.02m
Wellington Management Company, LLP	1.00m	0.01m	Edmond de Rothschild Asset Management	-0.64m	-0.01m

Source: Reuters, ICICIdirect.com Research

## Financial summary

Profit and loss statement		₹ Crore			
(Year-end March)	FY14	FY15E	FY16E	FY17E	
Total operating Income	1,187.6	1,532.3	2,065.7	2,622.1	
Growth (%)	35.9	28.6	35.1	27.1	
Raw Material Expenses	565.9	732.7	984.9	1,261.9	
Employee Expenses	188.1	257.5	344.5	459.5	
Other Expenses	182.4	236.9	318.7	362.8	
Total Operating Expenditure	936.4	1,227.1	1,648.1	2,084.2	
EBITDA	251.2	305.2	417.6	537.9	
Growth (%)	42.3	21.5	36.9	28.8	
Depreciation	13.9	17.5	19.7	29.5	
EBIT	237.3	287.7	397.9	508.4	
Growth (%)	43.6	21.2	38.3	27.8	
Interest	10.4	13.5	10.9	14.1	
Other Income	6.6	9.8	10.2	13.0	
PBT	233.5	284.0	397.2	507.3	
Growth (%)	40.9	21.6	39.9	27.7	
Total Tax	79.7	93.7	132.7	169.5	
PAT	153.8	190.3	264.5	337.8	
Growth (%)	36.7	23.7	39.0	27.7	
EPS (₹)	137.9	170.6	237.1	302.8	

Source: Company, ICICIdirect.com Research

Balance sheet		₹ Crore			
(Year-end March)	FY14	FY15E	FY16E	FY17E	
<b>Liabilities</b>					
Equity Capital	11.2	11.2	11.2	11.2	
Reserve and Surplus	277.8	356.8	466.6	606.7	
Total Shareholders funds	289.0	368.0	477.7	617.9	
Total Debt	163.2	104.0	133.3	172.3	
Deferred Tax Liability	9.5	11.8	14.9	19.0	
Other long term liabilities	46.6	49.9	53.4	57.1	
Total Liabilities	508.3	533.5	679.3	866.3	
<b>Assets</b>					
Gross Block	234.9	275.6	327.9	399.2	
Less: Acc Depreciation	64.8	82.3	102.0	131.6	
Net Block	170.1	193.3	225.9	267.6	
Capital WIP	3.6	8.8	10.5	12.2	
Intangible Assets	2.8	2.8	2.8	2.8	
Total Fixed Assets	176.4	204.8	239.1	282.6	
Investments	-	-	-	-	
Inventory	362.6	372.1	497.2	631.9	
Debtors	72.7	68.2	83.8	113.6	
Loans and Advances	49.0	58.7	75.5	102.0	
Cash	3.5	5.8	7.9	14.1	
Total Current Assets	488.3	504.8	664.4	861.6	
Sundry Creditors	60.8	80.3	105.2	134.8	
Current Liabilities	76.4	69.4	81.5	95.3	
Provisions	24.1	31.8	44.2	56.4	
Total Current Liabilities	161.3	181.4	230.9	286.5	
Net Current Assets	327.0	323.4	433.4	575.0	
Other Non-current Assets	4.9	5.3	6.8	8.7	
Application of Funds	508.3	533.5	679.3	866.3	

Source: Company, ICICIdirect.com Research

Cash flow statement		₹ Crore			
(Year-end March)	FY14	FY15E	FY16E	FY17E	
Profit before Tax	233.5	284.0	397.2	507.3	
Add: Depreciation	13.9	17.5	19.7	29.5	
(Inc)/dec in Current Assets	(166.7)	(15.1)	(158.9)	(192.9)	
Inc/(dec) in CL and Provisions	61.6	20.1	49.5	55.6	
Taxes Paid	(75.0)	(93.7)	(132.7)	(169.5)	
Others	6.7	19.4	17.3	21.2	
CF from operating activities	74.0	232.2	192.0	251.2	
(Inc)/dec in Investments	1.9	0.1	0.4	0.8	
(Inc)/dec in Fixed Assets	(47.3)	(45.9)	(54.0)	(73.0)	
Others	1.3	-	-	-	
CF from investing activities	(44.1)	(45.8)	(53.6)	(72.3)	
Issue/(Buy back) of Equity	-	-	-	-	
Inc/(dec) in loan funds	4.3	(59.3)	29.4	39.0	
Dividend paid & dividend tax	(75.6)	(111.3)	(154.7)	(197.6)	
Others	40.3	(13.5)	(10.9)	(14.1)	
CF from financing activities	(31.0)	(184.1)	(136.3)	(172.7)	
Net Cash flow	(1.1)	2.3	2.1	6.2	
Opening Cash	4.6	3.5	5.8	7.9	
Closing Cash	3.5	5.8	7.9	14.1	

Source: Company, ICICIdirect.com Research

Key ratios		₹ Crore			
(Year-end March)	FY14	FY15E	FY16E	FY17E	
<b>Per share data (₹)</b>					
EPS	137.9	170.6	237.1	302.8	
Cash EPS	150.4	186.2	254.8	329.3	
BV	259.1	329.9	428.3	554.0	
DPS	60.0	85.3	118.6	151.4	
Cash Per Share	3.1	5.2	7.1	12.7	
<b>Operating Ratios</b>					
EBITDA Margin (%)	21.4	20.2	20.5	20.8	
PBT Margin (%)	19.9	18.8	19.5	19.6	
PAT Margin (%)	13.1	12.6	13.0	13.0	
Inventory days	93.0	90.0	89.0	89.0	
Debtor days	20.3	16.5	15.0	16.0	
Creditor days	39.2	40.0	39.0	39.0	
<b>Return Ratios (%)</b>					
RoE	53.2	51.7	55.4	54.7	
RoCE	52.5	61.0	65.1	64.3	
RoIC	53.3	62.9	67.1	66.6	
<b>Valuation Ratios (x)</b>					
P/E	85.0	68.7	49.4	38.7	
EV / EBITDA	52.7	43.2	31.6	24.6	
EV / Net Sales	11.3	8.7	6.5	5.1	
Market Cap / Sales	11.1	8.7	6.4	5.0	
Price to Book Value	45.2	35.5	27.4	21.2	
<b>Solvency Ratios</b>					
Debt/EBITDA	0.6	0.3	0.3	0.3	
Debt / Equity	0.6	0.3	0.3	0.3	
Current Ratio	3.0	2.8	2.9	3.0	
Quick Ratio	0.8	0.7	0.7	0.8	

Source: Company, ICICIdirect.com Research



## ICICIdirect.com coverage universe (Apparel)

Sector / Company	CMP		Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)			FY15E	FY16E	FY17E	FY15E	FY16E	FY17E	FY15E	FY16E	FY17E	FY15E	FY16E	FY17E	FY15E	FY16E	FY17E
Kewal Kiran Clothing (KEWKIR)	1,750	1,685	Hold	2,158	49.6	68.8	84.3	35.3	25.5	20.8	24.0	18.4	15.0	28.7	34.0	36.9	21.2	26.5	28.6
Page Industries (PAGIND)	11,700	12,000	Hold	13,104	170.6	237.1	302.8	68.6	49.3	38.6	43.2	31.6	24.6	61.0	65.1	64.3	51.7	55.4	54.7
Rupa & Company (RUPACO)	230	-	Unrated	1,828	8.3	9.4	10.2	27.7	24.5	22.4	15.5	14.2	12.7	24.4	24.0	24.1	23.1	22.1	20.5
Vardhman Textiles (MAHSPI)	470	525	Buy	2,990	73.4	77.7	95.1	6.4	6.0	4.9	4.6	3.9	3.1	11.0	12.3	14.7	14.9	14.1	15.3

Source: Company, ICICIdirect.com Research

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