This is sample text in document.

**Companies Covered**

**Xyz Company**

|  |  |
| --- | --- |
| CMP | Rs405 |
| Reco | BUY |
| Target Price | Rs515 |

**Abc Company**

|  |  |
| --- | --- |
| CMP | Rs163 |
| Reco | BUY |
| Target Price | Rs200 |

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Financials

Income Statement

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Y/E Mar, Rs bn | FY13 | FY14 | FY15E | FY16E |
| **Net sales** | **100** | **200** | **300** | **1,000** |
| Growth, % | 8 | 12 | 12 | 13 |
| Total income | 769 | 859 | 963 | 1,091 |
| Other Operating expenses | -546 | -581 | -634 | -698 |
| **EBITDA (Core)** | **200** | **200** | **300** | **300** |
| Growth, % | (5.7) | 24.4 | 18.6 | 19.2 |
| Margin, % | 29.0 | 32.4 | 34.2 | 36.0 |
| Depreciation | -148 | -156 | -175 | -197 |
| **EBIT** | **75** | **121** | **155** | **196** |
| Growth, % | (27.1) | 61.4 | 27.6 | 26.5 |
| Margin, % | 9.8 | 14.1 | 16.1 | 17.9 |
| Interest paid | -40 | -48 | -38 | -40 |
| Other Non-Operating Income | 0 | 0 | 0 | 0 |
| **Pre-tax profit** | **39** | **78** | **123** | **163** |
| Tax provided | -25 | -48 | -60 | -70 |
| **Profit after tax** | **13** | **30** | **63** | **93** |
| Others (Minorities, Associates) | 0 | -2 | -4 | -4 |
| **Net Profit** | **13** | **27** | **59** | **88** |
| Growth, % | (68.2) | 101.9 | 117.2 | 49.4 |
| **Net Profit (adjusted)** | **13** | **27** | **59** | **88** |
| Unadj. shares (bn) | 4.0 | 4.0 | 4.0 | 4.0 |
| Wtd avg shares (bn) | 4.0 | 4.0 | 4.0 | 4.0 |

Balance Sheet

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Y/E Mar, Rs bn | FY13 | FY14 | FY15E | FY16E |
| Cash & bank | 16 | 50 | 19 | 37 |
| Debtors | 68 | 62 | 59 | 63 |
| Inventory | 1 | 1 | 2 | 2 |
| Other current assets | 112 | 110 | 107 | 105 |
| Total current assets | 197 | 224 | 187 | 207 |
| Gross fixed assets | 1,000 | 2,085 | 2,000 | 2,000 |
| Net fixed assets | 1,317 | 1,000 | 1,000 | 1,000 |
| Non-current assets | 109 | 202 | 202 | 202 |
| **Total assets** | **1,592** | **1,832** | **1,892** | **2,029** |
|  |  |  |  |  |
| Current liabilities | 124 | 658 | 530 | 593 |
| Total current liabilities | 421 | 568 | 530 | 593 |
| Non-current liabilities | 628 | 624 | 628 | 578 |
| Total liabilities | 1,048 | 1,192 | 1,234 | 1,171 |
| Paid-up capital | 19 | 20 | 20 | 20 |
| Reserves & surplus | 484 | 578 | 668 | 789 |
| Shareholders’ equity | 544 | 640 | 734 | 858 |
| **Total equity & liabilities** | **1,592** | **1,832** | **1,892** | **2,029** |

Source: Company Estimates

Note: FY13 onwards revenue, costs and EBITDA numbers exclude whose contribution is included under the share of income from associates. Consequently balance sheet and cash flows also exclude.

Cash Flow

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Y/E Mar, Rs bn | FY13 | FY14 | FY15E | FY16E |
| Pre-tax profit | 39 | 78 | 123 | 163 |
| Depreciation | 148 | 156 | 175 | 197 |
| Chg in working capital | 16 | 77 | 56 | 48 |
| Total tax paid | -25 | -48 | -60 | -70 |
| Other operating activities | 0 | 0 | 0 | 0 |
| **Cash flow from operating activities** | **177** | **263** | **293** | **338** |
| Capital expenditure | -129 | -125 | -377 | -264 |
| Chg in marketable securities | -189 | 2 | 3 | 2 |
| **Cash flow from investing activities** | **-318** | **-124** | **-374** | **-257** |
| Equity raised/(repaid) | 0 | 68 | 0 | 0 |
| Debt raised/(repaid) | 72 | -19 | 4 | -50 |
| Other financing activities | -50 | 0 | 0 | 0 |
| **Cash flow from financing activities** | **22** | **49** | **4** | **-51** |
| Net chg in cash | -4 | 190 | -74 | 30 |

Valuation Ratios & Per Share Data

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | FY13 | FY14 | FY15E | FY16E |
| **Per Share data** |  |  |  |  |
| EPS (INR) | 3.4 | 6.8 | 14.8 | 22.1 |
| Growth, % | (68.2) | 101.9 | 117.2 | 49.4 |
| Book NAV/share (INR) | 125.8 | 149.4 | 172.0 | 202.3 |
| FDEPS (INR) | 3.4 | 6.8 | 14.8 | 22.1 |
| CEPS (INR) | 40.4 | 45.9 | 58.4 | 71.3 |
| CFPS (INR) | 34.8 | 60.0 | 37.3 | 73.4 |
| **Return ratios** |  |  |  |  |
| Return on assets (%) | 2.4 | 3.6 | 4.9 | 6.2 |
| Return on equity (%) | 2.7 | 4.5 | 8.6 | 10.9 |
| Return on capital employed (%) | 3.5 | 5.0 | 6.6 | 8.4 |
| **Turnover ratios** |  |  |  |  |
| Asset turnover (x) | 0.7 | 0.8 | 0.8 | 0.8 |
| Sales/Total assets (x) | 0.5 | 0.5 | 0.5 | 0.6 |
| Sales/Net FA (x) | 0.6 | 0.7 | 0.7 | 0.7 |
| Working capital/Sales (x) | (0.3) | (0.5) | (0.4) | (0.4) |
| Fixed capital/Sales (x) | 1.7 | 1.6 | 1.5 | 1.4 |
| Working capital days | (113.7) | (167.5) | (137.1) | (141.5) |
| **Liquidity ratios** |  |  |  |  |
| Current ratio (x) | 0.5 | 0.4 | 0.4 | 0.3 |
| Quick ratio (x) | 0.5 | 0.4 | 0.3 | 0.3 |
| Interest cover (x) | 1.9 | 2.5 | 4.1 | 4.9 |
| Total debt/Equity (%) | 100.6 | 100.0 | 100.2 | 100.5 |
| Net debt/Equity (%) | 100.4 | 100.7 | 100.4 | 10.9 |
| **Valuation** |  |  |  |  |
| PER (x) | 100.3 | 59.6 | 27.4 | 18.4 |
| Price/Book (x) | 1.2 | 2.7 | 2.4 | 2.0 |
| EV/Net sales (x) | 3.0 | 2.7 | 2.5 | 2.2 |
| EV/EBITDA (x) | 10.2 | 8.4 | 7.3 | 6.1 |
| EV/EBIT (x) | 20.2 | 19.2 | 15.6 | 12.2 |