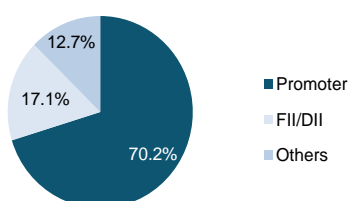


**Key Share Data**

|                                  |            |
|----------------------------------|------------|
| Face Value (INR)                 | 1.0        |
| Equity Capital (INR Mn)          | 102.4      |
| Market Cap (INR Mn)              | 16,793.6   |
| 52 Week High/Low (INR)           | 292/167    |
| 6 months Avg. Daily Volume (BSE) | 34,687     |
| BSE Code                         | 538562     |
| NSE Code                         | SKIPPER    |
| Bloomberg Code                   | SKIPPER:IN |

**Shareholding Pattern (as on March 2018)**


Source: Company

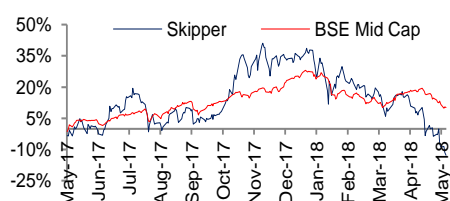
**Key Financials (INR Million)**

| Particulars | FY17     | FY18     | FY19E    | FY20E    |
|-------------|----------|----------|----------|----------|
| Net Sales   | 16,646.0 | 20,737.2 | 23,931.2 | 27,587.1 |
| Growth (%)  | 11.9%    | 24.6%    | 15.4%    | 15.3%    |
| EBITDA      | 2,721.9  | 3,025.5  | 3,205.9  | 3,724.3  |
| PAT         | 1,242.0  | 1,177.6  | 1,255.5  | 1,556.5  |
| Growth (%)  | 30.6%    | -5.2%    | 6.6%     | 24.0%    |
| EPS (INR)   | 12.1     | 11.5     | 12.3     | 15.2     |
| BVPS (INR)  | 52.0     | 62.3     | 72.5     | 85.5     |

**Key Financials Ratios**

| Particulars       | FY17  | FY18  | FY19E | FY20E |
|-------------------|-------|-------|-------|-------|
| P/E (x)           | 20.3  | 14.2  | 13.0  | 10.7  |
| P/BVPS (x)        | 4.7   | 2.6   | 2.3   | 1.9   |
| Mcap/Sales (x)    | 1.5   | 0.8   | 0.7   | 0.6   |
| EV/EBITDA (x)     | 13.7  | 8.0   | 6.9   | 6.0   |
| ROCE (%)          | 14.6% | 14.6% | 14.5% | 15.3% |
| ROE (%)           | 27.2% | 20.1% | 18.6% | 19.4% |
| EBITDA Mar (%)    | 13.2% | 13.3% | 13.2% | 13.2% |
| PAT Mar (%)       | 7.5%  | 5.7%  | 5.4%  | 5.7%  |
| Debt - Equity (x) | 0.8   | 0.7   | 0.6   | 0.5   |

Source: Company, SKP Research

**1 Yr price performance Skipper vis-à-vis BSE Mid Cap**

**Anik Das**

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**Company Background**

Skipper Limited, promoted by Mr S K Bansal of Kolkata, is India's third largest transmission tower manufacturer and tenth largest in the world, having production capacity of 2,65,000 MTPA. It also manufactures PVC pipes for water transportation in which it has aggressive growth plans.

**Investment Rationale**
**Top-line to grow at a CAGR of ~15% over FY18-20E**

After few quarters of good sales growth, during Q4FY18, Skipper reported net sales of Rs 5,928.5 mn, registering a meagre ~5% y-o-y growth due to lower execution in engineering products business and slower growth in polymer division. Engineering vertical grew by 5.9% y-o-y (net of excise) to Rs 4,923.6 mn. Polymer segment's growth remained subdued ~9.3% y-o-y at Rs 748 mn as company faced intense competition from organized players

**Going forward, we expect Skipper sales to grow at a CAGR of ~15% during FY19-20E on the back of robust demand from Power Grid (PGCIL) and incremental capacity addition in the PVC pipe business, resulting into better capacity utilization and higher sales volume. Skipper is strategically focussed on maintaining margins with modest revenue growth mentioned above.**

**Engineering Product Business: Strong order book; expansion underway to encash substantial growth opportunity**

Skipper has a strong order book of ~Rs 26.3 bn (around 1.5x FY18 revenues) of which, domestic and export order is 88% & 12% respectively. 44% of Skipper's order book is made up of orders from PGCIL. During the quarter, order inflows worth Rs 6.2 bn accrued from PGCIL, SEB's and private sector players. Skipper has a bid book of Rs 25 bn and management expects a win ratio of ~35-40%. With declining PGCIL orders, Company has been focusing on sectors like railways, telecom and solar.

Skipper expects growth to remain strong and expected to gain further pace owing to increased opportunities from PGCIL, SEBs, TBCB projects, renewable projects, exports and infrastructure push in North East & East. During the year, Skipper received core approval from the Railways where it is well placed to tap huge opportunities with its capabilities of fabrication and galvanizing.

**Polymer division to grow over next 2 years post GST related hiccups in FY18**

Skipper expects increased demand from agriculture and construction vertical for polymer business; growth is likely to come back over next two quarters to pre-GST level. Skipper is likely to register sales growth of ~17% CAGR over FY18-20E, backed by ramping up of manufacturing capacities (higher utilization levels) coupled with lower working capital requirements, exploring newer markets, strengthening of dealers network and policy push by the Government.

**Margins to stabilize at ~13%+ with better operating leverage**

During FY18, EBITDA margins improved by 7 bps to INR 2,749.3 million while net profit during the same period declined by 5.2% to INR 1,177.6 million. The decrease in net profit is on account of lower forex gain, higher depreciation and higher interest cost. During FY18, Skipper reported forex gain of INR 276.1 mn as compared to INR 526.3 mn reported in FY17, while Depreciation went up by 45.4% to INR 459.1 mn and interest expense grew by 16.9% to INR 784.5 mn.

Post expansion of PVC pipe segment, Skipper will become a pan India player, which would lead to higher overhead spending, thereby restricting EBITDA margins at level of ~13%+ in the near term. Going forward, we expect net profit to grow at a CAGR of 15.6% during FY18-20E to INR 1,574 mn.

**Valuation**

With higher order inflow from PGCIL, strong entry barriers, efficient working capital management, increasing PVC Pipes capacity through asset light model and enhancing return ratios, augurs well for Skipper. We have valued the stock on the basis of P/E of 18x FY20E EPS, reducing it from 20x in previous quarter on account of lower than expected bottom-line growth rate, and recommend "BUY" on the stock with a target price of Rs 277/- in 18 months.

Exhibit: Q4FY18 Result Review

Figs. in INR Million

| Particulars                     | Q4FY18         | Q4FY17         | YoY (%)         | Q3FY18         | QoQ (%)        | FY18            | FY17            | YoY (%)         |
|---------------------------------|----------------|----------------|-----------------|----------------|----------------|-----------------|-----------------|-----------------|
| Net Sales                       | 5,928.5        | 5,644.2        | 5.0%            | 5,664.2        | 4.7%           | 20,737.2        | 16,646.0        | 24.6%           |
| <b>Total Income</b>             | <b>5,928.5</b> | <b>5,644.2</b> | <b>5.0%</b>     | <b>5,664.2</b> | <b>4.7%</b>    | <b>20,737.2</b> | <b>16,646.0</b> | <b>24.6%</b>    |
| <b>Expenditure</b>              | <b>4,842.8</b> | <b>4,634.1</b> | <b>4.5%</b>     | <b>4,923.5</b> | <b>-1.6%</b>   | <b>17,987.9</b> | <b>14,450.5</b> | <b>24.5%</b>    |
| Material Consumed               | 3,416.0        | 3,766.7        | -9.3%           | 3,902.3        | -12.5%         | 13,245.9        | 10,908.2        |                 |
| <i>(as a % of Total Income)</i> | <b>57.6%</b>   | <b>66.7%</b>   |                 | <b>68.9%</b>   |                | <b>63.9%</b>    | <b>65.5%</b>    |                 |
| Employees Cost                  | 237.2          | 206.1          | 15.1%           | 235.5          | 0.7%           | 934.0           | 744.7           | 25.4%           |
| <i>(as a % of Total Income)</i> | <b>4.0%</b>    | <b>3.7%</b>    |                 | <b>4.2%</b>    |                | <b>4.5%</b>     | <b>4.5%</b>     |                 |
| Other Expenses                  | 1,189.6        | 661.3          | 79.9%           | 785.6          | 51.4%          | 3,808.0         | 2,797.6         | 36.1%           |
| <i>(as a % of Total Income)</i> | <b>20.1%</b>   | <b>11.7%</b>   |                 | <b>13.9%</b>   |                | <b>18.4%</b>    | <b>16.8%</b>    |                 |
| <b>EBITDA</b>                   | <b>1,085.8</b> | <b>1,010.1</b> | <b>7.5%</b>     | <b>740.8</b>   | <b>46.6%</b>   | <b>2,749.3</b>  | <b>2,195.5</b>  | <b>25.2%</b>    |
| <i>EBITDA Margin (%)</i>        | <b>18.3%</b>   | <b>17.9%</b>   | <b>42 Bps</b>   | <b>13.1%</b>   | <b>524 Bps</b> | <b>13.3%</b>    | <b>13.2%</b>    | <b>7 Bps</b>    |
| Depreciation                    | 113.5          | 100.3          | 13.2%           | 117.6          | -3.5%          | 459.1           | 315.7           | 45.4%           |
| <b>EBIT</b>                     | <b>972.3</b>   | <b>909.8</b>   | <b>6.9%</b>     | <b>623.2</b>   | <b>56.0%</b>   | <b>2,290.2</b>  | <b>1,879.8</b>  | <b>21.8%</b>    |
| Other Income                    | 7.9            | 8.3            | -5.4%           | 3.3            | 140.8%         | 21.9            | 31.8            | -31.0%          |
| Interest Expense                | 239.3          | 136.0          | 76.0%           | 176.3          | 35.8%          | 784.5           | 670.8           | 16.9%           |
| <b>Forex Gain / Loss</b>        |                |                |                 |                |                | <b>276.2</b>    | <b>526.4</b>    | <b>-47.5%</b>   |
| <b>Profit Before Tax</b>        | <b>740.8</b>   | <b>782.2</b>   | <b>-5.3%</b>    | <b>450.2</b>   | <b>64.6%</b>   | <b>1,803.9</b>  | <b>1,767.3</b>  | <b>2.1%</b>     |
| Income Tax                      | 247.3          | 200.6          | 23.3%           | 158.2          | 56.3%          | 626.3           | 525.1           | 19.3%           |
| <b>Profit After Tax (PAT)</b>   | <b>493.5</b>   | <b>581.5</b>   | <b>-15.1%</b>   | <b>292.0</b>   | <b>69.0%</b>   | <b>1,177.6</b>  | <b>1,242.2</b>  | <b>-5.2%</b>    |
| <i>PAT Margins (%)</i>          | <b>8.3%</b>    | <b>10.3%</b>   | <b>(198)Bps</b> | <b>5.15%</b>   | <b>317 Bps</b> | <b>5.68%</b>    | <b>7.46%</b>    | <b>(178)Bps</b> |
| Diluted EPS                     | 4.8            | 5.7            | -15.1%          | 2.9            | 68.9%          | 11.5            | 12.1            | -5.2%           |

Source: Company Data, SKP Research

Exhibit: Earnings Revision

| Particulars (Rs Mn) | FY19E   |         |                | FY20E   |         |                | Comments   |
|---------------------|---------|---------|----------------|---------|---------|----------------|--|
|                     | Old     | New     | YoY (%)        | Old     | New     | YoY (%)        |  |
| Net Sales           | 24319.3 | 23931.2 | -1.6%          | 28536.0 | 27587.1 | -3.3%          | We tweak our estimates in line with management commentary.                                     |
| EBITDA              | 3233.6  | 3205.9  | -0.9%          | 3823.8  | 3724.3  | -2.6%          | Management guided a blended EBITDA margin of ~13-14%.  |
| EBITDA Margin (%)   | 13.3%   | 13.4%   | <b>10 Bps</b>  | 13.4%   | 13.5%   | <b>10 Bps</b>  |  |
| PAT                 | 1496.1  | 1255.5  | -16.1%         | 1875.0  | 1556.5  | -17.0%         | Trimming down our earnings estimates on expected higher interest expense and lower forex gain. |
| PAT Margin (%)      | 5.5%    | 5.2%    | <b>(25)Bps</b> | 7%      | 5.6%    | <b>(96)Bps</b> |  |

Source: SKP Research

| Exhibit: Q4FY18 Result Review |        |        |                 |        |                |         |         |                 |
|-------------------------------|--------|--------|-----------------|--------|----------------|---------|---------|-----------------|
| Particulars                   | Q4FY18 | Q4FY17 | YoY (%)         | Q3FY18 | QoQ (%)        | FY18    | FY17    | YoY (%)         |
| <b>Segment Revenue</b>        |        |        |                 |        |                |         |         |                 |
| Engineering Products          | 4923.6 | 4650.5 | 5.9%            | 4863.3 | 1.2%           | 17781.7 | 13887.2 | 28.0%           |
| Polymer Products              | 748.1  | 684.7  | 9.3%            | 539.9  | 38.6%          | 2100.2  | 1953.4  | 7.5%            |
| Infrastructure Projects       | 256.8  | 309.0  | -16.9%          | 261.0  | -1.6%          | 855.4   | 805.5   | 6.2%            |
| <b>Segment EBIT</b>           |        |        |                 |        |                |         |         |                 |
| Engineering Products          | 963.6  | 864.9  | 11%             | 638.8  | 50.9%          | 2647.9  | 2335.6  | 13.4%           |
| Polymer Products              | 55.8   | 58.3   | -4.3%           | 36.0   | 55.1%          | 150.9   | 165.8   | -9.0%           |
| Infrastructure Projects       | 35.4   | 44.1   | -19.8%          | 32.0   | 10.4%          | 108.1   | 114.4   | -5.5%           |
| <b>Segment Margin (%)</b>     |        |        |                 |        |                |         |         |                 |
| Engineering Products          | 19.6%  | 18.6%  | <b>97 Bps</b>   | 13.1%  | <b>644 Bps</b> | 14.9%   | 16.8%   | <b>(193)Bps</b> |
| PVC Products                  | 7.5%   | 8.5%   | <b>(105)Bps</b> | 6.7%   | <b>79 Bps</b>  | 7.2%    | 8.5%    | <b>(130)Bps</b> |
| Infrastructure Projects       | 13.8%  | 14.3%  | <b>(50)Bps</b>  | 12.3%  | <b>150 Bps</b> | 12.6%   | 14.2%   | <b>(157)Bps</b> |

*Source: Company Data, SKP Research*

## Other Key Highlights

### Engineering Capacity

- ✓ Skipper has increased its engineering segment capacity by 35,000 TPA to 265,000 TPA during the year. The Company has reported a capacity utilization levels in the engineering segment close to 90% in FY18.
- ✓ In FY18, Skipper saw ~6-7% value growth due to increased raw material prices and rest was driven by volume growth.

### Order Inflow

- ✓ Skipper sees huge opportunity in North-East India with recent Government announcement Rs.400 bn worth of work lined up to connect capital cities of 5 North Eastern states and areas bordering China, Myanmar and Bangladesh with rest of India.
- ✓ During the year, Skipper got qualified for exports to Canada and North America. It currently exports to ~15-20 countries and targets to enter newer geographies.

### Polymer Business

- ✓ Polymer business' current capacity stands at ~55,000 tons and is running at utilization level of ~50%.
- ✓ Skipper has engaged Vector consultancy for polymer business, which will implement Theory of Constraints (ToC) that will help in streamlining its supply chain and sales and distribution network. Vector – which implements the principles of Theory of Constraints – has worked with several reputed brands across different sectors in India.

### Capex Guidance

- ✓ The company has planned Rs.750 mn capex for FY19, of which it would spend Rs.200 mn in polymer business. Rest Rs.550 mn would be spent on core engineering segment to increase its capacity by another ~30,000 TPA

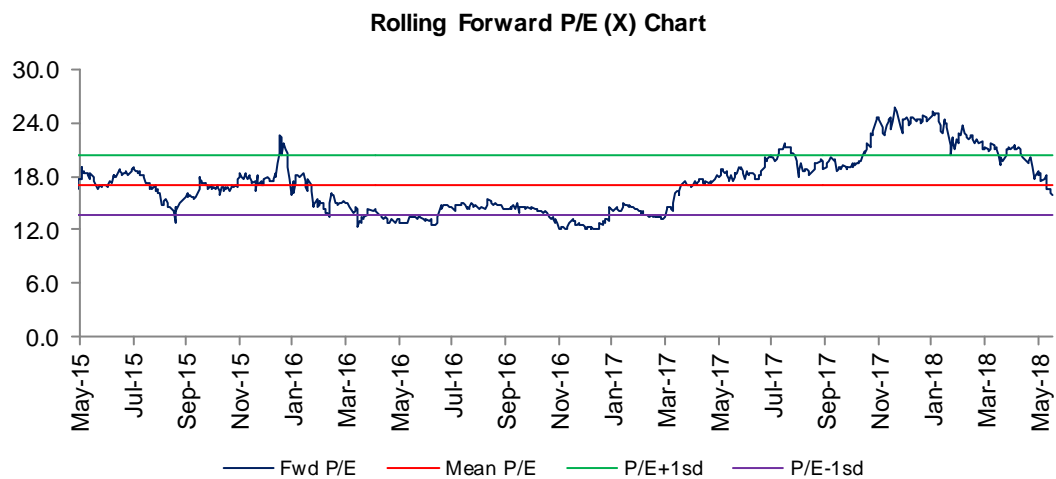
### Key Concerns

- ✓ **Slowdown in order intake & execution:** Over the last couple of years, Skipper reported healthy top-line on the back of order pick-up from PGCIL and export market. However, going forward, any slowdown in transmission capex and lower than expected execution for the export market could adversely impact order book intake and could also impact our estimates for the engineering product segment, thereby, adversely affecting the overall performance.
- ✓ **Delay in capacity addition for PVC segment:** Skipper has an aggressive capacity expansion plan for the PVC business which will bring new execution and competition challenges. If the company resorts to aggressive pricing on its way to become a national player than it would be a margin dilutive proposition for Skipper.
- ✓ **Volatile Dollar Rupee Rate:** Export market contributes ~12% of total order book. Any unfavorable USD-INR movement may have negative impact on the margins and profitability.

### Valuations

- ✓ With higher order inflow from PCGIL, strong entry barriers, efficient working capital management, increasing PVC Pipes capacity through asset light model and enhancing return ratios, augurs well for Skipper.
- ✓ We have valued the stock on the basis of P/E of 18x FY20E EPS, reducing it from 20x in previous quarter on account of lower growth rate prospects, and recommend “BUY” on the stock with a target price of Rs 277/- in 18 months.

#### Exhibit: Valuation Charts



Source: Company, SKP Research

**Exhibit: Income Statement** *Figures in INR Million*

| Particulars                    | FY17            | FY18            | FY19E           | FY20E           |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Total Income</b>            | <b>16,646.0</b> | <b>20,737.2</b> | <b>23,931.2</b> | <b>27,587.1</b> |
| <i>Growth (%)</i>              | <i>11.9%</i>    | <i>24.6%</i>    | <i>15.4%</i>    | <i>15.3%</i>    |
| <b>Expenditure</b>             | <b>14,450.5</b> | <b>17,987.9</b> | <b>20,773.2</b> | <b>23,945.6</b> |
| Material Cost                  | 10,908.2        | 13,245.9        | 15,603.2        | 17,986.8        |
| Traded goods                   | -               | -               | -               | -               |
| Change in Inventories          | (821.5)         | (1,442.3)       | (1,507.7)       | (1,738.0)       |
| Employee Cost                  | 744.7           | 934.0           | 1,053.0         | 1,213.8         |
| Admin & Other Exp.             | 2,797.6         | 3,808.0         | 4,116.2         | 4,745.0         |
| <b>EBITDA</b>                  | <b>2,195.5</b>  | <b>2,749.3</b>  | <b>3,158.1</b>  | <b>3,641.5</b>  |
| Depreciation                   | 315.7           | 459.1           | 499.7           | 547.9           |
| <b>EBIT</b>                    | <b>1,879.8</b>  | <b>2,290.2</b>  | <b>2,658.3</b>  | <b>3,093.6</b>  |
| Other Income                   | 558.0           | 298.1           | 125.2           | 140.3           |
| Interest Expense               | 670.8           | 784.5           | 801.0           | 812.1           |
| Exceptional items              | -               | -               | -               | -               |
| <b>Profit Before Tax (PBT)</b> | <b>1,767.1</b>  | <b>1,803.9</b>  | <b>1,982.5</b>  | <b>2,421.8</b>  |
| Income Tax                     | 525.1           | 626.3           | 693.9           | 847.6           |
| <b>Profit After Tax (PAT)</b>  | <b>1,242.0</b>  | <b>1,177.6</b>  | <b>1,288.6</b>  | <b>1,574.2</b>  |
| <i>Growth (%)</i>              | <i>30.6%</i>    | <i>-5.2%</i>    | <i>9.4%</i>     | <i>22.2%</i>    |
| <b>Diluted EPS</b>             | <b>12.1</b>     | <b>11.5</b>     | <b>12.6</b>     | <b>15.4</b>     |

**Exhibit: Cash Flow Statement** *Figures in INR Million*

| Particulars                        | FY17             | FY18           | FY19E          | FY20E          |
|------------------------------------|------------------|----------------|----------------|----------------|
| <b>Profit Before Tax (PBT)</b>     | <b>1,565.2</b>   | <b>1,803.9</b> | <b>1,982.5</b> | <b>2,421.8</b> |
| Depreciation                       | 315.5            | 459.1          | 499.7          | 547.9          |
| Finance Costs                      | 611.0            | 784.5          | 801.0          | 812.1          |
| Chg. in Working Capital            | 2,204.6          | 1,904.3        | 1,415.8        | 1,574.7        |
| Direct Taxes Paid                  | 452.3            | 626.3          | 693.9          | 847.6          |
| Other Charges                      | (6.3)            | (15.0)         | (15.0)         | (15.0)         |
| <b>Operating Cash Flows</b>        | <b>1,752.3</b>   | <b>1,278.0</b> | <b>721.9</b>   | <b>727.1</b>   |
| Capital Expenditure                | (939.2)          | (1,051.8)      | (527.4)        | (460.8)        |
| Sale of Fixed Assets               | -                | -              | -              | -              |
| Others                             | 141.3            | 142.0          | -              | -              |
| <b>Investing Cash Flows</b>        | <b>(797.3)</b>   | <b>(909.9)</b> | <b>(527.4)</b> | <b>(460.8)</b> |
| Changes in Equity                  | -                | -              | -              | -              |
| Inc / (Dec) in Debt                | (914.2)          | (206.1)        | 128.7          | 26.9           |
| Dividend Paid (inc tax)            | (172.5)          | (168.8)        | (179.1)        | (189.3)        |
| <b>Financing Cash Flows</b>        | <b>(1,086.7)</b> | <b>(375.0)</b> | <b>(50.4)</b>  | <b>(162.4)</b> |
| <b>Chg. in Cash &amp; Cash Eqv</b> | <b>(131.6)</b>   | <b>(6.8)</b>   | <b>144.2</b>   | <b>103.9</b>   |
| Opening Cash Balance               | 146.5            | 14.8           | 8.0            | 152.2          |
| Balances with Banks                | 234.5            | 167.8          | 175.8          | 328.0          |
| <b>Closing Cash Balance</b>        | <b>249.4</b>     | <b>175.8</b>   | <b>328.0</b>   | <b>584.2</b>   |

Source: SKP Research

**Exhibit: Balance Sheet** *Figures in INR Million*

| Particulars                       | FY17            | FY18            | FY19E           | FY20E           |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|
| Share Capital                     | 102.3           | 102.6           | 102.6           | 102.6           |
| Reserve & Surplus                 | 5,218.9         | 6,270.2         | 7,348.4         | 8,700.2         |
| <b>Shareholders Funds</b>         | <b>5,321.2</b>  | <b>6,372.7</b>  | <b>7,451.0</b>  | <b>8,802.8</b>  |
| <b>Total Debt</b>                 | <b>4,153.8</b>  | <b>4,613.3</b>  | <b>4,742.0</b>  | <b>4,768.9</b>  |
| Deferred Tax Liab                 | 625.6           | 538.5           | 538.5           | 538.5           |
| Liabilities & Provisions          | 3,807.6         | 5,910.7         | 6,439.4         | 7,081.2         |
| <b>Total Liabilities</b>          | <b>13,908.3</b> | <b>17,435.3</b> | <b>19,170.9</b> | <b>21,191.4</b> |
| <b>Net Block inc. Capital WIP</b> | <b>5112.1</b>   | <b>5224.5</b>   | <b>5416.5</b>   | <b>5568.6</b>   |
| Other Non Current Assets          | 164.1           | 38.2            | 38.2            | 38.2            |
| <b>Non-Current Assets</b>         | <b>8,632.1</b>  | <b>12,172.7</b> | <b>13,716.3</b> | <b>15,584.7</b> |
| Inventories                       | 3,681.8         | 5,622.7         | 6,190.8         | 6,887.0         |
| Sundry Debtors                    | 3,722.0         | 5,164.4         | 5,354.8         | 5,465.1         |
| Cash & Bank Balance               | 249.4           | 175.8           | 328.0           | 584.2           |
| Other Current Assets              | 939.4           | 1,174.2         | 1,794.8         | 2,620.8         |
| Loans & Advances                  | 39.5            | 35.6            | 47.9            | 27.6            |
| Non Current Investments           | -               | -               | -               | -               |
| <b>Total Assets</b>               | <b>13,908.3</b> | <b>17,435.3</b> | <b>19,170.9</b> | <b>21,191.4</b> |

**Exhibit: Ratio Analysis**

| Particulars                 | FY17  | FY18  | FY19E | FY20E |
|-----------------------------|-------|-------|-------|-------|
| <b>Earning Ratios (%)</b>   |       |       |       |       |
| EBITDA Margin (%)           | 13.2% | 13.3% | 13.2% | 13.2% |
| PAT Margins (%)             | 7.5%  | 5.7%  | 5.4%  | 5.7%  |
| ROCE (%)                    | 14.6% | 14.6% | 14.5% | 15.3% |
| ROE (%)                     | 27.2% | 20.1% | 18.6% | 19.4% |
| <b>Per Share Data (INR)</b> |       |       |       |       |
| Diluted EPS                 | 12.1  | 11.5  | 12.6  | 15.4  |
| Cash EPS (CEPS)             | 15.2  | 16.0  | 17.5  | 20.7  |
| BVPS                        | 52.0  | 62.3  | 72.8  | 86.0  |
| <b>Valuation Ratios (x)</b> |       |       |       |       |
| P/E                         | 20.3  | 14.2  | 13.0  | 10.7  |
| Price/BVPS                  | 4.7   | 2.6   | 2.3   | 1.9   |
| EV/Sales                    | 1.8   | 1.1   | 0.9   | 0.8   |
| EV/EBITDA                   | 13.7  | 8.0   | 6.9   | 6.0   |
| Dividend Yield (%)          | 0.6%  | 1.0%  | 1.1%  | 1.1%  |
| <b>Balance Sheet Ratios</b> |       |       |       |       |
| Debt - Equity               | 0.8   | 0.7   | 0.6   | 0.5   |
| Current Ratio               | 1.4   | 1.4   | 1.5   | 1.5   |
| Fixed Asset Turn. Ratios    | 1.7   | 2.0   | 2.2   | 2.5   |

**Exhibit: Recommendation -History Table**

| Date      | Rating  | Issue Price | Target Price | Upside Potential | Period (months) |
|-----------|---------|-------------|--------------|------------------|-----------------|
| 21-Sep-15 | BUY     | 140         | 195          | 39%              | 18              |
| 6-Nov-15  | BUY     | 155         | 204          | 32%              | 18              |
| 4-Feb-16  | BUY     | 157         | 218          | 39%              | 18              |
| 20-May-16 | BUY     | 140         | 218          | 56%              | 18              |
| 12-Aug-16 | BUY     | 160         | 225          | 41%              | 18              |
| 16-Nov-16 | BUY     | 132         | 191          | 45%              | 15              |
| 13-Feb-17 | BUY     | 153         | 184          | 20%              | 15              |
| 17-May-17 | BUY     | 205         | 238          | 16%              | 18              |
| 11-Sep-17 | BUY     | 207         | 255          | 23%              | 15              |
| 1-Dec-17  | NEUTRAL | 275         | NA           | NA               | NA              |
| 12-Feb-18 | BUY     | 258         | 367          | 42%              | 18              |
| 30-May-18 | BUY     | 164         | 277          | 69%              | 18              |

**Exhibit: Recommendation -History Chart**



Source: SKP Research

Source: BSE, SKP Research

**Notes:**

The above analysis and data are based on last available prices and not official closing rates. SKP Research is also available on Bloomberg and Thomson First Call.

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