

Retail footprint expansion to enable strong revenue growth...

About the stock: Titan has transformed itself from a watch maker to an enviable lifestyle company, with jewellery being the leading vertical (85% of revenues). Robust distribution network comprises 2500+ stores spread across 3.2+ mn sq ft.

- Titan has consistently displayed its ability to gain market share amid a tough industry scenario owing to its robust balance sheet (30%+ RoCE and cash & investments worth ₹ 3500+ crore) and strong brand patronage

Q4FY23 results: Titan's revenues came in line with our estimates (excluding bullion sales of ₹ 1055 crore) though margins were lower than our expectations.

- As guided by the management in its pre-quarterly update, the jewellery division (excluding gold bullion sale in both quarters) reported healthy growth of 25% YoY to ₹ 8065 crore. On three-year CAGR basis, revenue growth continues to be impressive as watches segment registered 41% YoY revenue growth to ₹ 883 crore (three-year CAGR: 7%) with wearables sub-segment registering multi-fold increase YoY. Overall consolidated revenues (including gold bullion sale: ₹ 1055 crore) grew 33% YoY to ₹ 10360 crore (I-direct estimate: ₹ 9338 crore)
- EBITDA margin improved 30 bps YoY to 10.5% (I-direct estimate: 11.4%). Absolute EBITDA increased 37% YoY To ₹ 1089 crore vs. our estimate of ₹ 1060 crore. Consequently, PAT grew 39% YoY to ₹ 736.0 crore (I-direct estimate: ₹ 707 crore)

What should investors do? Titan has been an exceptional performer in the discretionary space with stock price appreciating at ~23% CAGR in last five years.

- We continue to remain structurally positive on the stock as high growth visibility justifies premium valuations and maintain **BUY** on the stock

Target Price and Valuation: We value Titan at ₹ 3240 i.e. 57x P/E FY25E EPS.

Key triggers for future price performance:

- Robust balance sheet and asset light distribution model have enabled it to outpace peers in terms of store addition
- Aspires to grow jewellery revenues by 2.5x by FY27 (implied CAGR: 20%). Huge headroom for growth with current market share at ~7% in ₹ 4 lakh crore market
- Thrust on the wedding space is bearing fruit with wedding jewellery becoming a critical growth driver while its share in overall jewellery revenue has increased meaningfully
- Gradual recovery in studded ratio to aid gross margins, going forward

Alternate Stock Idea: Besides Titan in our retail coverage, we also like Trent.

- Inherent strength of brands (Westside, Zudio, Zara) and proven business model position Trent as a preferred pick. BUY with a TP of ₹ 1730



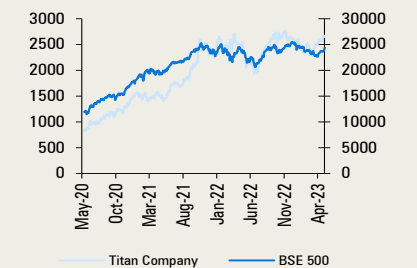
Particulars

| Particular | Amount |
|-------------------------------------|-------------|
| Market Capitalisation (₹ Crore) | 2,37,038.9 |
| Debt (FY23) (₹ Crore) | 2,195.0 |
| Cash & investments (FY23) (₹ Crore) | 1,342.8 |
| EV (₹ Crore) | 2,37,891.1 |
| 52 week H/L | 2791 / 1825 |
| Equity Capital (₹ Crore) | 88.8 |
| Face Value (₹) | 1 |

Shareholding pattern

| | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 |
|----------|--------|--------|--------|--------|--------|
| Promoter | 52.9 | 52.9 | 52.9 | 52.9 | 52.9 |
| FII | 18.4 | 16.8 | 17.0 | 17.5 | 17.5 |
| DII | 10.2 | 11.4 | 11.9 | 11.3 | 11.4 |
| Others | 18.5 | 18.9 | 18.2 | 18.3 | 18.2 |

Price Chart



Key risks

- (i) Current inflationary scenario can impact demand (ii) Significant increase in gold prices can impact volumes

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Key Financial Summary

| Financials | FY20 | FY21 | FY22 | 5 year CAGR (FY17-22) | FY23E | FY24E | FY25E | year CAGR (FY22-25) |
|---------------|----------|----------|----------|-----------------------|----------|----------|----------|---------------------|
| Net Sales | 21,051.5 | 21,644.0 | 28,799.0 | 17.0 | 40,575.0 | 47,098.6 | 56,287.5 | 25.0 |
| EBITDA | 2,466.6 | 1,724.0 | 3,341.0 | 23.0 | 4,879.0 | 5,868.0 | 7,120.4 | 28.7 |
| PAT | 1,501.4 | 973.0 | 2,173.0 | 26.0 | 3,274.0 | 4,110.8 | 5,041.0 | 32.4 |
| EPS (₹) | 16.9 | 11.0 | 24.5 | | 36.9 | 46.3 | 56.8 | |
| P/E (x) | 157.9 | 243.6 | 109.1 | | 72.4 | 57.7 | 47.0 | |
| EV/Sales (x) | 11.3 | 10.8 | 8.2 | | 5.8 | 5.0 | 4.2 | |
| EV/EBITDA (x) | 96.2 | 135.6 | 70.5 | | 48.2 | 40.3 | 33.2 | |
| RoCE (%) | 28.7 | 17.6 | 30.0 | | 31.6 | 34.7 | 34.1 | |
| RoE (%) | 22.5 | 13.0 | 23.4 | | 27.6 | 27.5 | 26.9 | |

Key takeaways of recent quarter and conference call highlights

- As guided by the management in its pre-quarterly update, the jewellery division (excluding gold bullion sale in both quarters) reported healthy growth of 25% YoY to ₹ 8065 crore. On a three-year CAGR basis, revenue growth continues to be impressive at 26%. CaratLane (72% owned subsidiary) continued to scale new highs with robust growth of 58% YoY to ₹ 580 crore. Watches segment registered 41% YoY revenue growth to ₹ 883 crore (three-year CAGR: 7%) with wearables sub-segment registering multi-fold increase YoY. Eyewear segment grew 23% YoY to ₹ 165 crore. Overall consolidated revenues (including gold bullion sale: ₹ 1055 crore) grew 33% YoY to ₹ 10360 crore (I-direct estimate: ₹ 9338 crore). It has clocked in ₹ 2188 crore sales in FY23 (FY22: ₹ 1265 crore). On the outlook front, the management indicated that demand for jewellery in the first half of April was subdued owing to volatility in gold prices. However, the same picked up during the latter half of April owing to robust sales during Akshay Tritiya. Further, demand is expected to be strong in May and June driven by the ensuing wedding season
- Revenue from watches segment grew 41% YoY to ₹ 883 crore. Wearables sales continued to grow multi-fold thereby leading to improved contribution to overall sales. Eyewear segment grew 23% YoY to ₹ 165 crore. with ASPs increasing in low single digits. Emerging business (which includes, fragrances and Indian wear) grew 84% YoY to ₹ 77 crore led by 200% growth in Taneira brand (driven by new store openings and double digit growth from existing stores). The company added five Taneira stores taking the total count to 41. The management expects to add another 34-35 stores in FY24E. 'IRTH' brand of women handbags enhanced its presence and is currently present in 40 Shoppers Stop outlets, apart from being available online
- Gross margins declined 100 bps YoY to 24.3% owing to the company selling gold bullion to the tune of ₹ 1055 crore, which is a low margin segment. Share of studded ratio improved 100 bps YoY (down 400 bps vs. pre-Covid levels) to 33%. Stringent cost control led to employee expenses and other expenses as a percentage to sales being lower by 66 bps and 55 bps YoY, respectively, which aided the margins of the company. Subsequently, EBITDA margins marginally improved by 30 bps YoY to 10.5% (I-direct estimate: 11.4%). Absolute EBITDA increased 37% YoY To ₹ 1089 crore vs. our estimate of ₹ 1060 crore. On the segmental front, EBIT margins for the jewellery division declined 20 bps YoY to 11.0% while the watches segment reported EBIT margins of 12%
- Titan's regionalisation strategy in key focus market (regions where it has a lower market share than its national average) is bearing fruit with market share gains in regions such as South and East. Titan continues to be one of the fastest growing discretionary companies (four-year CAGR: 20%+) in our retail coverage universe. Robust performance in challenging times reaffirms our thesis of long term market share gains for Titan. It has, over the years, withstood challenges and emerged as a resilient player. We believe Titan is a structural growth story and appears to be a key beneficiary of the unorganised to organised shift in the Indian jewellery market. Over the longer term, the company aspires to grow jewellery revenues by 2.5x by FY27 (implied CAGR: 20% from FY22 base). We expect revenues to increase 18% in FY23-25E with jewellery division expected to grow at a CAGR of 20% during the same period (we have not factored in gold bullion sale in FY24/25E). We expect EBITDA margins to be in the range of 12.5-13%. Robust business model (30%+ RoCE) and strong earnings visibility will enable Titan to sustain its premium valuations, going forward. **We reiterate BUY with a revised target price of ₹ 3240 (57x P/E FY25E EPS)**

Titan - ESG Disclosure Score*

| Score | FY20 | FY21 | FY22 |
|-------------------|------|------|------|
| Environmental | 25.9 | 26.2 | 26.2 |
| Social | 27.0 | 30.1 | 28.5 |
| Governance | 78.6 | 78.6 | 78.6 |
| Overall ESG Score | 43.9 | 45.0 | 44.5 |

Source: Bloomberg, ICICI Direct Research, *Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures

Q4FY23 conference call highlights

- On the demand front the management indicated that March was soft and the same continued in the first half of April as gold price volatility made buyers defer purchases. The second half of April saw a uptick in demand and the company witnessed a good performance on Akshaya Tritiya. The company expects May and June demand to remain strong driven by the ensuing wedding season
- In spite of the increasing competitive intensity, the company is confident of maintaining healthy EBITDA margins in the range of 12-13%
- On the jewellery store expansion front, the management highlighted that it opened 11 new stores in Q4FY23. Also, the company is increasing space at existing stores. The company is planning to add space in 15 existing stores in FY24 and add more than 40 new stores in FY24
- Wedding jewellery is a focus area for the company. The management highlighted that it contributed ~19% of jewellery revenues. The management indicated that wedding jewellery required higher inventory, but believes the wedding jewellery segment for it can grow faster. The company is investing in select markets and communities and the overall wedding calendar looks good
- The management highlighted that new customer additions are higher in the lower price point category of less than ₹ 1 lakh for Tanishq and ~ ₹ 50000 for Mia and Caratlane
- On the margin front, the management indicated that it is aiming to maintain an EBIT margin in the range of 12-13% for the jewellery segment. The company would focus on revenue growth
- On its international retail operations, the management said that it had opened six stores in UAE and one store in the US. The company is planning to expand international presence to 25 stores by the end of FY24 with majority of stores being added in the Gulf region
- On the watches segment, the management expects revenue growth to remain strong driven by rapid growth in the wearables devices. Currently, wearable devices contribute around 10% of watch segment revenues. The management highlighted that the margin in the wearables is lower than the watches as most wearables are imported. The company is planning to make more in India and focus on premiumisation, which would aid in improving margins, going ahead. The company is targeting a 12-13% EBIT margin in the watches segment
- Among emerging business, the company had launched bags under the brand 'IRTH' and 'Fast Track'. These products have been made available in large format stores and modern retail like Shoppers Stop, Nykaa, AJIO, Myntra. The company is planning to expand the presence in the category as it is getting a good customer response. The company may, at a later stage, look at opening separate stores for the category. It is aspiring to achieve revenues to the tune of ₹ 1000 crore from the segment
- On the gold sourcing front, the management said it was sourcing ~40% of the gold requirements through gold exchange scheme. Though gold inventory is higher owing to spot purchase from customers, capital employed is at reasonable levels owing to gold on lease based sourcing

Exhibit 1: Variance Analysis

| | Q4FY23 | Q4FY23E | Q4FY22 | YoY (%) | Q3FY23 | QoQ (%) | Comments |
|-----------------------------|---------|---------|---------|---------|---------|----------|---|
| Revenue | 10360.0 | 9337.6 | 7796.0 | 32.9 | 11609.0 | -10.8 | Sales include gold bullion worth ₹ 1055 crore (Q4FY22: ₹ 375 crore). Excluding gold bullion sales, revenue grew at an impressive 3-year CAGR of 26% |
| Raw Material Expense | 7,847.0 | 6,924.1 | 5,827.0 | 34.7 | 8,840.0 | -11.2 | Gross margins contraction (down 100 bps YoY to 24.3%) on account of sale of bullion (low margin) to the tune of ₹ 1055 crore during the quarter |
| Employee Expenses | 457.0 | 432.8 | 395.0 | 15.7 | 411.0 | 11.2 | |
| Advertising Expenses | 251.0 | 221.0 | 198.0 | 26.8 | 273.0 | -8.1 | |
| Other Expenses | 716.0 | 699.8 | 582.0 | 23.0 | 738.0 | -3.0 | |
| EBITDA | 1,089.0 | 1,060.0 | 794.0 | 37.2 | 1,347.0 | -19.2 | 3-year EBITDA CAGR: 21% |
| EBITDA Margin (%) | 10.5 | 11.4 | 10.2 | 33 bps | 11.6 | -109 bps | |
| Depreciation | 119.0 | 116.4 | 102.0 | 16.7 | 113.0 | 5.3 | |
| Interest | 96.0 | 80.6 | 61.0 | 57.4 | 79.0 | 21.5 | |
| Other Income | 114.0 | 81.3 | 76.0 | 50.0 | 89.0 | 28.1 | |
| PBT before Exceptional item | 988.0 | 944.3 | 707.0 | 39.7 | 1,244.0 | -20.6 | |
| Exceptional Item | 0.0 | 0.0 | -53.0 | | 0.0 | | |
| PBT | 988.0 | 944.3 | 760.0 | 30.0 | 1,244.0 | -20.6 | |
| Tax Outgo | 252.0 | 237.7 | 126.0 | 100.0 | 332.0 | -24.1 | |
| PAT | 737.0 | 706.6 | 528.0 | 39.6 | 913.0 | -19.3 | 3-year PAT CAGR: 29% |

Source: Company, ICICI Direct Research

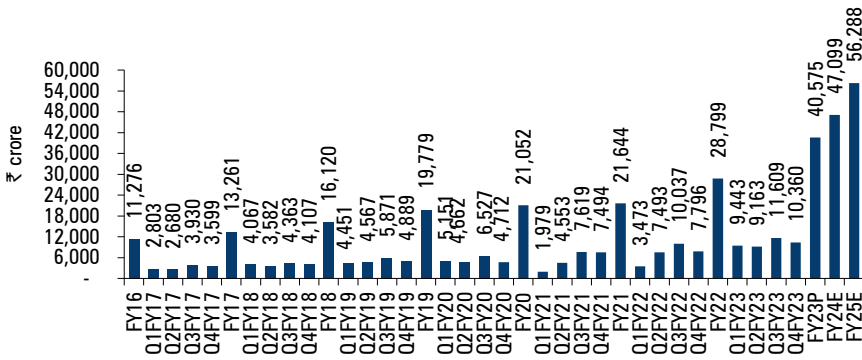
Exhibit 2: Change in estimates

| (₹ Crore) | FY24E | | | FY25E | | |
|-------------------|----------|----------|----------|----------|----------|----------|
| | Old | New | % Change | Old | New | % Change |
| Revenue | 45,086.8 | 47,098.6 | 4.5 | 53,907.0 | 56,287.5 | 4.4 |
| EBITDA | 5,613.5 | 5,868.0 | 4.5 | 6,815.5 | 7,120.4 | 4.5 |
| EBITDA Margin (%) | 12.5 | 12.5 | 1 bps | 12.6 | 12.7 | 1 bps |
| PAT | 3,891.2 | 4,110.8 | 5.6 | 4,777.5 | 5,041.0 | 5.5 |
| EPS (₹) | 43.8 | 46.3 | 5.7 | 53.8 | 56.8 | 5.5 |

Source: Company, ICICI Direct Research

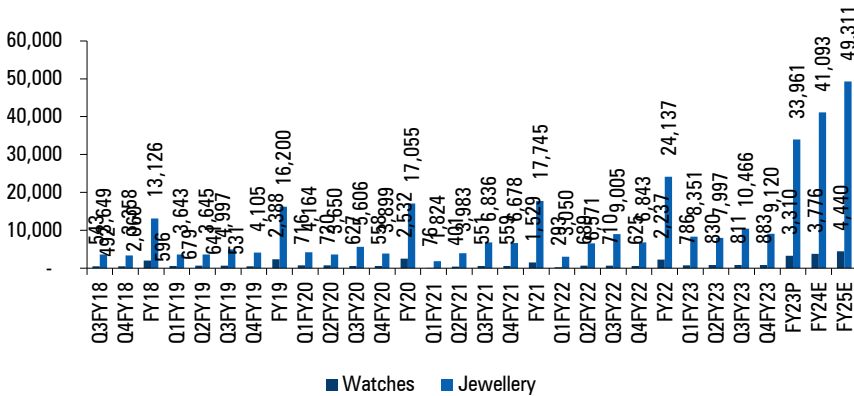
Financial story in charts

Exhibit 3: Revenue trend



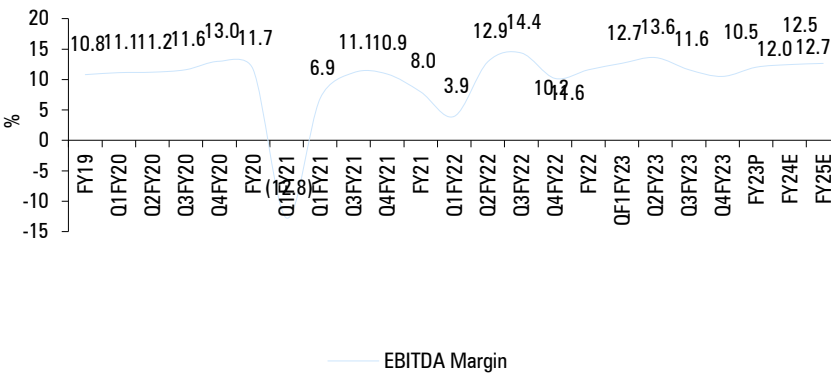
Source: Company, ICICI Direct Research

Exhibit 4: Divisional performance (revenue)



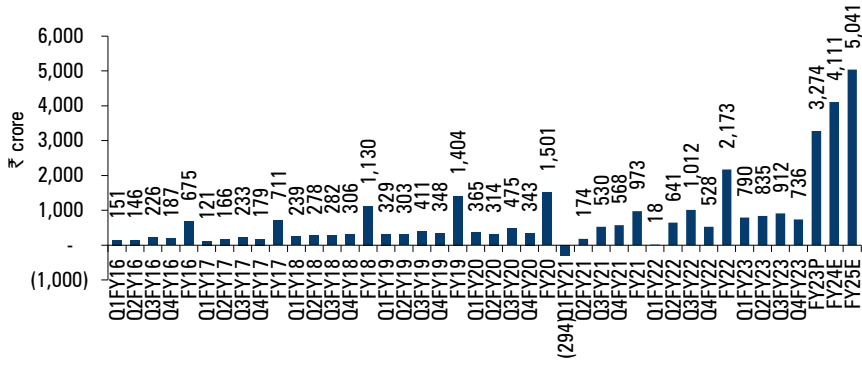
Source: Company, ICICI Direct Research

Exhibit 5: EBITDA margin trend (post Ind-AS 116)



Source: Company, ICICI Direct Research

Exhibit 6: Net profit trend



Source: Company, ICICI Direct Research.

Exhibit 7: Valuation

| | Sales (₹ cr) | Growth (%) | EPS (₹) | Growth (%) | PE (x) | EV/EBITD A (x) | RoNW (%) | RoCE (%) |
|-------|-----------------|---------------|------------|---------------|-----------|----------------------|-------------|-------------|
| FY21 | 21,644.0 | 2.8 | 11.0 | -35.2 | 243.6 | 135.6 | 13.0 | 17.6 |
| FY22 | 28,799.0 | 33.1 | 24.5 | 123.3 | 109.1 | 70.5 | 23.4 | 30.0 |
| FY23P | 40,575.0 | 40.9 | 36.9 | 50.7 | 72.4 | 48.2 | 27.6 | 31.6 |
| FY24E | 47,098.6 | 16.1 | 46.3 | 25.6 | 57.7 | 40.3 | 27.5 | 34.7 |
| FY25E | 56,287.5 | 19.5 | 56.8 | 22.6 | 47.0 | 33.2 | 27.5 | 34.1 |

Source: Company, ICICI Direct Research

Financial Summary

| Exhibit 8: Profit and loss statement | | | | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | ₹ crore | | | |
| (Year-end March) | FY22 | FY23P | FY24E | FY25E |
| Total operating Income | 28,799.0 | 40,575.0 | 47,098.6 | 56,287.5 |
| Growth (%) | 33.1 | 40.9 | 16.1 | 19.5 |
| Raw Material Expenses | 21,641.0 | 30,355.0 | 34,570.4 | 41,315.1 |
| Employee Expenses | 1,349.0 | 1,647.0 | 2,072.3 | 2,442.9 |
| Mfg, Admin & selling Exps | 2,468.0 | 3,694.0 | 4,587.9 | 5,409.2 |
| Total Operating Expenditure | 25,458.0 | 35,696.0 | 41,230.6 | 49,167.1 |
| EBITDA | 3,341.0 | 4,879.0 | 5,868.0 | 7,120.4 |
| Growth (%) | 93.8 | 46.0 | 20.3 | 21.3 |
| Depreciation | 399.0 | 441.0 | 464.8 | 531.6 |
| Interest | 218.0 | 300.0 | 270.8 | 278.4 |
| Other Income | 234.0 | 308.0 | 363.4 | 428.9 |
| PBT | 2,958.0 | 4,446.0 | 5,495.8 | 6,739.3 |
| Exceptional items* | 54.0 | 0.0 | 0.0 | 0.0 |
| Total Tax | 706.0 | 1,173.0 | 1,384.9 | 1,698.3 |
| Share of JV/Minority int | -25.0 | 1.0 | 0.0 | 0.0 |
| PAT | 2,173.0 | 3,274.0 | 4,110.8 | 5,041.0 |
| Growth (%) | 123.3 | 50.7 | 25.6 | 22.6 |
| EPS (₹) | 24.5 | 36.9 | 46.3 | 56.8 |

Source: Company, ICICI Direct Research

| Exhibit 9: Cash flow statement | | | | |
|------------------------------------|----------------|-----------------|-----------------|-----------------|
| | ₹ crore | | | |
| (Year-end March) | FY22 | FY23P | FY24E | FY25E |
| PAT | 2,173.0 | 3,274.0 | 4,110.8 | 5,041.0 |
| Add: Depreciation | 399.0 | 441.0 | 464.8 | 531.6 |
| Add: Finance Cost | 218.0 | 300.0 | 270.8 | 278.4 |
| (Inc)/dec in Current Assets | -6,087.0 | -3,340.0 | -3,712.7 | -4,262.1 |
| Inc/(dec) in CL and Provisions | 2,457.0 | 1,070.0 | 1,298.6 | 1,638.5 |
| Others | 0.0 | 0.0 | 0.0 | 0.0 |
| CF from operating activitie | -840.0 | 1,745.0 | 2,432.4 | 3,227.4 |
| (Inc)/dec in Investments | 2,553.0 | -2,221.0 | 754.8 | -880.6 |
| (Inc)/dec in Fixed Assets | -201.0 | -391.8 | -320.0 | -320.0 |
| (Inc)/dec in CWIP | -53.0 | -59.0 | 43.2 | 30.2 |
| Others | -72.0 | -326.0 | 0.0 | 0.0 |
| CF from investing activitie | 2,227.0 | -2,997.8 | 478.0 | -1,170.4 |
| Issue/(Buy back) of Equity | 0.0 | 0.0 | 0.0 | 0.0 |
| Inc/(dec) in loan funds | 353.0 | 1,677.0 | -1,536.5 | -65.9 |
| Less: Finance Cost | -218.0 | -300.0 | -270.8 | -278.4 |
| Dividend Paid | -366.5 | -726.0 | -1,027.7 | -1,260.3 |
| Others | -142.0 | 371.8 | -171.9 | -206.1 |
| CF from financing activitie | -373.5 | 1,022.8 | -3,006.9 | -1,810.6 |
| Net Cash flow | 1,013.5 | -230.0 | -96.5 | 246.5 |
| Opening Cash | 559.3 | 1,572.8 | 1,342.8 | 1,246.2 |
| Closing Cash | 1,572.8 | 1,342.8 | 1,246.2 | 1,492.7 |

Source: Company, ICICI Direct Research

| Exhibit 10: Balance Sheet | | | | |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|
| | ₹ crore | | | |
| (Year-end March) | FY22 | FY23P | FY24E | FY25E |
| Liabilities | | | | |
| Equity Capital | 88.8 | 88.8 | 88.8 | 88.8 |
| Reserve and Surplus | 9,214.0 | 11,762.0 | 14,845.1 | 18,625.9 |
| Total Shareholders funds | 9,302.8 | 11,850.8 | 14,933.9 | 18,714.7 |
| Total Debt | 518.0 | 2,195.0 | 658.5 | 592.7 |
| Deferred Tax Liability | (181.0) | (155.0) | (144.0) | (130.5) |
| Other long term liabilities | 1,389.0 | 1,926.0 | 1,926.5 | 1,927.1 |
| Total Liabilities | 11,028.8 | 15,816.8 | 17,374.9 | 21,103.8 |
| Assets | | | | |
| Gross Block | 2,282.0 | 2,673.8 | 2,993.8 | 3,313.8 |
| Less: Accu Depreciation | 835.0 | 1,084.8 | 1,366.2 | 1,677.7 |
| Net Block | 1,447.0 | 1,589.0 | 1,627.6 | 1,636.1 |
| Capital WIP | 85.0 | 144.0 | 100.8 | 70.6 |
| Goodwill on Consolidation | 123.0 | 123.0 | 123.0 | 123.0 |
| Total Fixed Assets | 1,655.0 | 1,856.0 | 1,851.4 | 1,829.7 |
| Investments | 295.0 | 2,516.0 | 1,761.2 | 2,641.8 |
| Inventory | 13,609.0 | 16,584.0 | 19,355.6 | 22,823.4 |
| Debtors | 565.0 | 674.0 | 774.2 | 925.3 |
| Loans and Advances | 2,200.0 | 2,456.0 | 3,296.9 | 3,940.1 |
| Other Current Assets | - | - | - | - |
| Cash | 1,572.8 | 1,342.8 | 1,246.2 | 1,492.7 |
| Total Current Assets | 17,946.8 | 21,056.8 | 24,672.9 | 29,181.5 |
| Creditors | 6,692.0 | 6,513.0 | 9,032.6 | 10,023.8 |
| Other Current Liabilities | 3,050.0 | 4,163.0 | 2,967.2 | 3,546.1 |
| Provisions | 236.0 | 372.0 | 346.8 | 415.2 |
| Total Current Liabilities | 9,978.0 | 11,048.0 | 12,346.6 | 13,985.2 |
| Net Current Assets | 7,968.8 | 10,008.8 | 12,326.3 | 15,196.4 |
| Others Non Current Assets | 1,110.0 | 1,436.0 | 1,436.0 | 1,436.0 |
| Application of Funds | 11,028.8 | 15,816.8 | 17,374.9 | 21,103.8 |

Source: Company, ICICI Direct Research

| Exhibit 11: Key ratios | | | | |
|-----------------------------|-------|-------|-------|-------|
| (Year-end March) | FY22 | FY23P | FY24E | FY25E |
| Per share data (₹) | | | | |
| EPS | 24.5 | 36.9 | 46.3 | 56.8 |
| Cash EPS | 29.3 | 41.8 | 51.5 | 62.8 |
| BV | 104.8 | 133.5 | 168.2 | 210.8 |
| DPS | 4.0 | 7.5 | 11.6 | 14.2 |
| Cash Per Share | 17.7 | 15.1 | 14.0 | 16.8 |
| Operating Ratios | | | | |
| EBITDA Margin (%) | 11.6 | 12.0 | 12.5 | 12.7 |
| PBT Margin (%) | 10.3 | 11.0 | 11.7 | 12.0 |
| PAT Margin (%) | 7.6 | 8.1 | 8.7 | 9.0 |
| Inventory days | 172.5 | 149.2 | 150.0 | 148.0 |
| Debtor days | 7.2 | 6.1 | 6.0 | 6.0 |
| Creditor days | 84.8 | 58.6 | 70.0 | 65.0 |
| Return Ratios (%) | | | | |
| RoE | 23.4 | 27.6 | 27.5 | 26.9 |
| RoCE | 30.0 | 31.6 | 34.7 | 34.1 |
| RoC | 37.0 | 43.6 | 39.4 | 39.7 |
| Valuation Ratios (x) | | | | |
| P/E | 109.1 | 72.4 | 57.7 | 47.0 |
| EV / EBITDA | 70.5 | 48.2 | 40.3 | 33.2 |
| EV / Net Sales | 8.2 | 5.8 | 5.0 | 4.2 |
| Market Cap / Sales | 8.2 | 5.8 | 5.0 | 4.2 |
| Price to Book Value | 25.5 | 20.0 | 15.9 | 12.7 |
| Solvency Ratios | | | | |
| Debt/EBITDA | 0.2 | 0.4 | 0.1 | 0.1 |
| Debt / Equity | 0.1 | 0.2 | 0.0 | 0.0 |
| Current Ratio | 1.8 | 1.9 | 2.0 | 2.1 |
| Quick Ratio | 0.4 | 0.4 | 0.4 | 0.5 |

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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ANALYST CERTIFICATION

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