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## Q1FY21 result review

## Power

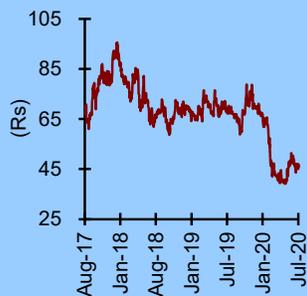
Target price: Rs60

## Shareholding pattern

|                         | Dec '19 | Mar '20 | Jun '20 |
|-------------------------|---------|---------|---------|
| Promoters               | 74.9    | 74.9    | 74.9    |
| Institutional Investors | 16.0    | 16.4    | 16.1    |
| MFs and other           | 3.8     | 3.9     | 4.5     |
| FIs/Insurance           | 5.0     | 5.0     | 4.9     |
| FII                     | 7.2     | 7.5     | 6.7     |
| Others                  | 9.1     | 8.7     | 9.0     |

Source: NSE

## Price chart



## JSW Energy

**BUY**  
Maintained

Rs46

## High FCF increases importance of dividend policy and growth initiatives

JSW Energy's (JSWEL) Q1FY21 consolidated revenue declined 25.2% YoY to Rs18bn, while EBITDA stood at Rs7.5bn, down 7.9% YoY, and PAT stood at Rs2.1bn, down 22.3% YoY. On generation front, Barmer and hydro units performed well; however, thermal generation was lower due to dip in merchant sales and group captive offtake but offtake from long-term customers (ex-group captive) improved. Fuel cost remained low due to subdued international coal prices and lower volumes. JSWEL reduced its net debt by Rs4.5bn QoQ, which further aided the decline in its interest cost (down 3.1% QoQ). JSWEL and GMR have mutually agreed to terminate GMR Kamalanga (GKEL) acquisition, but Ind-Barath Utkal acquisition remains under process awaiting NCLT approval. The company maintains its 10GW target in medium term, where incremental addition will majorly come from renewables. Given the low capex outlook in near term, management indicated that cash will be utilised for debt repayments and/or higher dividends. However, we await more clarity on dividend policy as well as inorganic growth initiatives in the near-term. Maintain BUY with a target price of Rs60.

- **Generation declines due to lower offtake from group captive:** Generation declined 16% YoY to 4,930MUs. Lower ST sales and back down from group captive affected sales at Vijaynagar (down 39% YoY) and Ratnagiri (down 29% YoY), but Barmer sales (up 8% YoY) improved due to higher offtake from discoms (thermal offtake by discoms were up 8% YoY). Hydro generation (down 12.6% YoY) was down due to lower water availability. Earnings were supported by lower fuel cost/unit (down 33% YoY due to lower imported coal prices and generation), lower interest cost (down 11% YoY due to reduction in net debt by Rs4.5bn QoQ to Rs84.9bn) and lower taxes. O&M expenses also reduced YoY due to optimisation, deferment of a part of the expense (CSR etc.) and Rs250mn one-off in Q1FY20. Lower merchant sale on exchanges also reduced expenses. JSWEL aims for 4-6% reduction YoY in O&M expenses for the year. With ~Rs10bn cash, company's other income increased further by Rs310mn one-off due to reversal of liabilities.
- **GKEL acquisition terminated:** With the elapsing of long stop date, both the parties, i.e., JSWEL and GMR have mutually agreed to terminate the acquisition. Ind-Barath Utkal (700MW), at least for now, remains under process, pending approval from NCLT (no hearing during lockdown period), and expects to complete by H1CY21.
- **Medium-term capacity target of 10GW intact:** JSWEL has maintained its 10GW capacity target in the medium term with incremental addition coming mainly from renewables. It will also participate in SECI's upcoming 5GW hybrid tender. Underleveraged balance sheet (net D/E at 0.7x) will help fund high RoE growth projects.
- **Receivables under control:** Receivables are lower by 20% from Mar'20 levels, as of Jul'20-end (lowest in the past six quarters) while overdue is down 33% compared to Mar'20. JSWEL expects it to decline further with the receipt of Rs900bn PFC/REC loans by states. The company received Rs3.5bn more than the amount billed during Q1FY21.
- **Valuation:** With high cash generation, in addition to the current high cash reserves (~Rs10bn), and no visible capex apart from maintenance capex, we expect JSWEL to consider higher dividends and/or buy backs, apart from higher debt repayment. Maintain BUY with a target price of Rs60.

|                          |                |                             |             |             |              |              |
|--------------------------|----------------|-----------------------------|-------------|-------------|--------------|--------------|
| Market Cap               | Rs75bn/US\$1bn | <b>Year to Mar (consol)</b> | <b>FY19</b> | <b>FY20</b> | <b>FY21E</b> | <b>FY22E</b> |
| Reuters/Bloomberg        | JSWE.BO/JSW IN | Revenue (Rs mn)             | 91,376      | 82,727      | 77,586       | 81,969       |
| Shares Outstanding (mn)  | 1,642.8        | Net Income (Rs mn)          | 6,951       | 7,700       | 8,098        | 9,839        |
| 52-week Range (Rs)       | 79/39          | DEPS (Rs)                   | 4.2         | 4.7         | 4.9          | 6.0          |
| Free Float (%)           | 25.0           | % Chg YoY                   | 38.2        | 10.7        | 5.2          | 21.5         |
| FII (%)                  | 6.7            | P/E (x)                     | 10.9        | 9.8         | 9.3          | 7.7          |
| Daily Volume (US\$/'000) | 1,250          | P/BV (x)                    | 11.3        | 11.8        | 12.0         | 13.1         |
| Absolute Return 3m (%)   | 2.9            | EV/E (x)                    | 6.2         | 5.4         | 4.9          | 4.0          |
| Absolute Return 12m (%)  | (31.5)         | Dividend Yield (%)          | 2.2         | 2.2         | 2.2          | 3.3          |
| Sensex Return 3m (%)     | 12.2           | RoCE (%)                    | 7.3         | 8.9         | 7.8          | 9.0          |
| Sensex Return 12m (%)    | 1.5            | RoE (%)                     | 6.1         | 6.6         | 6.8          | 7.8          |

## Research Analysts:

## Rahul Modi

rahul.modi@icicisecurities.com  
+91 22 6637 7373

## Anshuman Ashit

anshuman.ashit@icicisecurities.com  
+91 22 6637 7419

**Table 1: Q1FY21 consolidated result review***(Rs mn, year ending March 31)*

| Particulars                        | Q1FY21        | Q1FY20        | Q4FY20        | % YoY  | % QoQ  |
|------------------------------------|---------------|---------------|---------------|--------|--------|
| Net generation (MU)                | 4,930         | 5,867         | 4,106         | (16.0) | 20.1   |
| <b>Sales</b>                       | <b>18,052</b> | <b>24,122</b> | <b>17,934</b> | (25.2) | 0.7    |
| <b>Expenses</b>                    | <b>10,596</b> | <b>16,029</b> | <b>12,186</b> | (33.9) | (13.0) |
| Fuel                               | 9,155         | 13,664        | 9,963         | (33.0) | (8.1)  |
| O&M                                | 1,441         | 2,326         | 2,136         | (38.0) | (32.5) |
| Staff costs                        | 594           | 621           | 591           | (4.5)  | 0.4    |
| Other expenditure                  | 848           | 1705          | 1545          | (50.3) | (45.1) |
| Purchase of power                  | 0             | 39            | 87            |        |        |
| <b>EBITDA</b>                      | <b>7,455</b>  | <b>8,093</b>  | <b>5,748</b>  | (7.9)  | 29.7   |
| Depreciation                       | 2,895         | 2,913         | 2,893         | (0.6)  | 0.1    |
| Other Income                       | 816           | 518           | 542           | 57.5   | 50.5   |
| <b>EBIT</b>                        | <b>5,376</b>  | <b>5,698</b>  | <b>3,397</b>  | (5.6)  | 58.3   |
| Exceptional item/Forex loss/(gain) | 0             | 301           | 0             |        |        |
| Interest                           | 2,404         | 2,698         | 2,480         | (10.9) | (3.1)  |
| <b>PBT</b>                         | <b>2,973</b>  | <b>3,301</b>  | <b>917</b>    | (10.0) | 224.1  |
| Tax                                | 787           | 883           | 26            |        |        |
| Minority                           | -53.1         | 326.7         | 193.1         |        |        |
| <b>PAT</b>                         | <b>2,132</b>  | <b>2,745</b>  | <b>1,084</b>  | (22.3) | 96.6   |
| <i>Avg. realisation/unit sold</i>  | <i>3.66</i>   | <i>4.11</i>   | <i>4.37</i>   | (10.9) | (16.2) |
| <i>Fuel cost/unit sold</i>         | <i>1.86</i>   | <i>2.33</i>   | <i>2.43</i>   | (20.3) | (23.5) |
| <i>EBITDA margin (%)</i>           | <i>41.30</i>  | <i>33.55</i>  | <i>32.05</i>  | 23.1   | 28.9   |
| <i>PAT margin (%)</i>              | <i>11.81</i>  | <i>11.38</i>  | <i>6.05</i>   | 3.8    | 95.4   |

Source: Company data, I-Sec research

**Table 2: Q1FY21 standalone result review***(Rs mn, year ending March 31)*

| Particulars                        | Q1FY21       | Q1FY20        | Q4FY20        | % YoY  | % QoQ  |
|------------------------------------|--------------|---------------|---------------|--------|--------|
| Net generation (MU)                | 1,790        | 2,616         | 2,298         | (31.6) | (22.1) |
| <b>Sales</b>                       | <b>8,044</b> | <b>11,428</b> | <b>10,160</b> | (29.6) | (20.8) |
| <b>Expenses</b>                    | <b>6,182</b> | <b>8,969</b>  | <b>7,761</b>  | (31.1) | (20.3) |
| Fuel                               | 5,586        | 8,206         | 6,723         | (31.9) | (16.9) |
| O&M                                | 596          | 763           | 1,038         | (21.8) | (42.5) |
| Staff costs                        | 299          | 296           | 297           | 0.9    | 0.5    |
| Other expenditure                  | 298          | 467           | 740           | (36.3) | (59.8) |
| Purchase of power                  | 0            | 0             | 0             |        |        |
| <b>EBITDA</b>                      | <b>1,862</b> | <b>2,459</b>  | <b>2,400</b>  | (24.3) | (22.4) |
| Depreciation                       | 903          | 921           | 914           | (2.0)  | (1.2)  |
| Other Income                       | 186          | 487           | 279           | (61.9) | (33.5) |
| <b>EBIT</b>                        | <b>1,145</b> | <b>2,024</b>  | <b>1,765</b>  | (43.5) | (35.2) |
| Exceptional item/Forex loss/(gain) | 0            | 0             | 0             |        |        |
| Interest                           | 667          | 864           | 669           | (22.8) | (0.3)  |
| <b>PBT</b>                         | <b>478</b>   | <b>1,161</b>  | <b>1,096</b>  | (58.8) | (56.4) |
| Tax                                | 196          | 411           | 146           | (52.4) | 34.2   |
| <b>PAT</b>                         | <b>283</b>   | <b>749</b>    | <b>951</b>    | (62.3) | (70.3) |
| <i>Avg. realisation/unit sold</i>  | <i>4.49</i>  | <i>4.37</i>   | <i>4.42</i>   | 2.9    | 1.6    |
| <i>Fuel cost/unit sold</i>         | <i>1.04</i>  | <i>0.94</i>   | <i>1.04</i>   | 10.7   | (0.4)  |
| <i>EBITDA margin (%)</i>           | <i>23.15</i> | <i>21.51</i>  | <i>23.62</i>  | 7.6    | (2.0)  |
| <i>PAT margin (%)</i>              | <i>3.51</i>  | <i>6.56</i>   | <i>9.36</i>   | (46.4) | (62.5) |

Source: Company data, I-Sec research

## Conference call takeaways

- Discom PPA offtake increased by 8% during the quarter, while merchant sales declined substantially by 83% to 123MUs as both merchant prices and demand remained dismal.
- Company's consolidated finance cost declined 10.9% YoY (3.1% decline QoQ) to Rs2.4bn due to repayment/prepayment of higher cost debt and MCLR reset. Consolidated net LT debt reduced by Rs4.5bn during the quarter to Rs84.9bn (net D/E at 0.7x). It will continue to repay/prepay loans in coming quarters.
- Of the Rs480mn decline in other expenses, Rs240mn can be considered as permanent due to optimisation and adoption of other cost reduction strategies, Rs200mn is one-off during the quarter, while Rs50-60mn had been deferred, to be charged in upcoming quarters.
- Other income was higher due to higher quantum of interest on ~Rs10bn cash in hand and Rs31mn one-offs – reversal of liabilities owed to Himachal Pradesh and disputed amount of Barmer plant.
- Compared to Mar'20, receivable is down 20% while overdue is down 33%. The company expects PFC/REC scheme to help reduce its receivables further. JSWEL does not have any disputed billing. All discoms have started paying.
- Company aims to reach 10GW capacity in the next 3-5 years. This will now be mainly through renewables addition, and thermal addition will not be considered now due to demand uncertainty and feeble outlook for thermal.
- Company is keen on participating in SECI's upcoming 5GW hybrid tender, in which the tariff also includes thermal fuel cost.
- JSWEL has come out with a sustainability policy, which is aimed at improving its ESG compliance. The company has mentioned its targets to be achieved by FY30 in the report. It has also pledged to achieve carbon neutrality by the year 2050.
- The company is still keen on Ind-Barath because of its several attractive characteristics, but it will wait for NCLT approval for any further decision. There was no hearing at NCLT during the lockdown period. The company expects the acquisition to complete by the end of FY21 or the start of FY22.
- 95% of FY20 EBITDA is through long-term PPAs (83% of total capacity is long-term tied up). Only 5% EBITDA is exposed to merchant market.
- PPA tie-up from Dolvi/JSW Steel is likely by H2FY21 after the completion of its expansion. Remaining open capacity is expected to be tied up in the next 24 months by catering to increased group captive requirements and participating in the upcoming RE-thermal hybrid tenders.
- Cash usage during FY21 is expected only for maintenance, equity in Kutehr (minor requirement) and possibly for renewables. It may also be required in case NCLT approves Ind-Barath.
- Company is focussed only in generation space and does not have any interest currently in EPC or distribution space.

## Financial summary (consolidated)

Table 3: Profit &amp; loss statement

(Rs mn, year ending March 31)

|                                 | FY15          | FY16          | FY17          | FY18          | FY19          | FY20          | FY21E         | FY22E         |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Operating Income (Sales)</b> | <b>93,802</b> | <b>98,245</b> | <b>82,634</b> | <b>80,490</b> | <b>91,376</b> | <b>82,727</b> | <b>77,586</b> | <b>81,969</b> |
| <b>Operating Expenses</b>       | <b>57,568</b> | <b>57,984</b> | <b>49,391</b> | <b>52,864</b> | <b>62,845</b> | <b>53,159</b> | <b>49,345</b> | <b>52,671</b> |
| <b>EBITDA</b>                   | <b>36,234</b> | <b>40,261</b> | <b>33,244</b> | <b>27,625</b> | <b>28,531</b> | <b>29,569</b> | <b>28,242</b> | <b>29,298</b> |
| <i>% margins</i>                | 38.6          | 41.0          | 40.2          | 34.3          | 31.2          | 35.7          | 36.4          | 35.7          |
| Depreciation & Amortisation     | 7,898         | 8,543         | 9,692         | 9,661         | 11,637        | 11,681        | 11,685        | 11,685        |
| Gross Interest                  | 11,375        | 14,981        | 16,848        | 14,559        | 11,924        | 10,511        | 8,803         | 7,706         |
| Other Income                    | 2,301         | 1,928         | 2,211         | 4,650         | 3,680         | 2,870         | 3,300         | 3,500         |
| <b>Recurring PBT</b>            | <b>19,263</b> | <b>18,665</b> | <b>8,915</b>  | <b>8,056</b>  | <b>8,650</b>  | <b>10,247</b> | <b>11,054</b> | <b>13,408</b> |
| Add: Extraordinaries            | (342)         | 1,500         | -             | (4,179)       | -             | 615           | -             | -             |
| Less: Taxes                     | 5,150         | 5,563         | 2,690         | 2,532         | 2,124         | 330           | 2,874         | 3,486         |
| Less: Minority Interest         | 276           | 129           | (65)          | 495           | (426)         | (468)         | 82            | 82            |
| <b>Net Income (Reported)</b>    | <b>13,495</b> | <b>14,474</b> | <b>6,290</b>  | <b>849</b>    | <b>6,951</b>  | <b>10,999</b> | <b>8,098</b>  | <b>9,839</b>  |
| <b>Recurring Net Income</b>     | <b>13,837</b> | <b>12,974</b> | <b>6,290</b>  | <b>5,029</b>  | <b>6,951</b>  | <b>7,700</b>  | <b>8,098</b>  | <b>9,839</b>  |

Source: Company data, I-Sec research

Table 4: Balance sheet

(Rs mn, year ending March 31)

|  | FY15           | FY16           | FY17           | FY18           | FY19           | FY20           | FY21E          | FY22E          |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Assets</b>                          |                |                |                |                |                |                |                |                |
| Total Current Assets                   | 54,096         | 67,295         | 68,663         | 48,911         | 50,159         | 64,078         | 69,666         | 78,327         |
| <i>of which cash &amp; cash eqv.</i>   | 17,376         | 4,328          | 10,032         | 6,479          | 5,458          | 9,448          | 18,458         | 29,067         |
| Total Current Liabilities & Provisions | 22,240         | 41,545         | 21,805         | 31,701         | 29,886         | 34,064         | 32,914         | 33,917         |
| <b>Net Current Assets</b>              | <b>31,857</b>  | <b>25,750</b>  | <b>46,858</b>  | <b>17,210</b>  | <b>20,273</b>  | <b>30,015</b>  | <b>36,752</b>  | <b>44,410</b>  |
| <b>Investments</b>                     | <b>2,327</b>   | <b>9,369</b>   | <b>13,599</b>  | <b>20,782</b>  | <b>21,083</b>  | <b>11,095</b>  | <b>11,095</b>  | <b>11,095</b>  |
| <i>of which</i>                        |                |                |                |                |                |                |                |                |
| <i>Strategic/Group</i>                 | 2,327          | 9,369          | 13,599         | 20,782         | 21,083         | 11,095         | 11,095         | 11,095         |
| <i>Other Marketable</i>                | -              | -              | -              | -              | -              | -              | -              | -              |
| <b>Net Fixed Assets</b>                | <b>137,777</b> | <b>208,726</b> | <b>203,627</b> | <b>197,516</b> | <b>188,020</b> | <b>175,945</b> | <b>164,261</b> | <b>152,576</b> |
| <i>of which</i>                        |                |                |                |                |                |                |                |                |
| <i>intangibles</i>                     | 1,431          | 8,999          | 9,901          | 12,205         | 12,173         | 11,303         | 11,303         | 11,303         |
| <i>Capital Work-in-Progress</i>        | 4,536          | 3,206          | 5,269          | 2,935          | 4,000          | 3,913          | 3,913          | 3,913          |
| Other long term assets                 |                |                |                |                |                |                |                |                |
| <b>Total Assets</b>                    | <b>171,960</b> | <b>243,844</b> | <b>264,084</b> | <b>235,508</b> | <b>229,375</b> | <b>217,055</b> | <b>212,108</b> | <b>208,081</b> |
| <b>Liabilities</b>                     |                |                |                |                |                |                |                |                |
| Borrowings                             | 92,941         | 142,036        | 154,086        | 118,751        | 105,549        | 93,807         | 82,404         | 71,001         |
| Deferred Tax Liability                 | 2,930          | 4,341          | 5,801          | 4,632          | 4,961          | 4,074          | 4,074          | 4,074          |
| Equity Share Capital                   | 16,401         | 16,268         | 16,280         | 16,401         | 16,409         | 16,419         | 16,419         | 16,419         |
| <i>Face Value per share (Rs)</i>       | 10             | 10             | 10             | 10             | 10             | 10             | 10             | 10             |
| Reserves & Surplus                     | 58,780         | 80,773         | 87,405         | 94,697         | 101,814        | 100,037        | 106,493        | 113,870        |
| <b>Net Worth</b>                       | <b>75,180</b>  | <b>97,041</b>  | <b>103,685</b> | <b>111,097</b> | <b>118,222</b> | <b>116,456</b> | <b>122,912</b> | <b>130,289</b> |
| Other long term liabilities            | 910            | 426            | 512            | 1,028          | 642            | 2,718          | 2,718          | 2,718          |
| <b>Total Liabilities</b>               | <b>171,961</b> | <b>243,844</b> | <b>264,084</b> | <b>235,508</b> | <b>229,375</b> | <b>217,055</b> | <b>212,108</b> | <b>208,081</b> |

\*Excluding revaluation reserves

Source: Company data, I-Sec research

Table 5: Quarterly trend

(Rs mn, year ending March 31)

|                      | Jun-18       | Sep-18       | Dec-18       | Mar-19    | Jun-19       | Sep-19       | Dec-19       | Mar-20       | Jun-20       |
|----------------------|--------------|--------------|--------------|-----------|--------------|--------------|--------------|--------------|--------------|
| Total Revenues       | 23,606       | 24,308       | 24,217       | 19,246    | 24,122       | 21,186       | 19,486       | 17,934       | 18,052       |
| EBITDA               | 7,762        | 8,613        | 7,387        | 4,768     | 8,093        | 9,348        | 6,380        | 5,748        | 7,455        |
| Margin (%)           | 32.9         | 35.4         | 30.5         | 24.8      | 33.5         | 44.1         | 32.7         | 32.1         | 41.3         |
| Other income         | 673          | 1,370        | 701          | 936       | 518          | 1,133        | 676          | 542          | 816          |
| Add: Extraordinaries | -            | -            | -            | -         | 301          | -            | 2,655        | -            | -            |
| <b>Net profit</b>    | <b>2,292</b> | <b>3,160</b> | <b>1,461</b> | <b>39</b> | <b>2,745</b> | <b>3,530</b> | <b>1,287</b> | <b>1,084</b> | <b>2,132</b> |

Source: Company data, I-Sec research

**Table 6: Cashflow statement***(Rs mn, year ending March 31)*

|   | FY15          | FY16            | FY17           | FY18           | FY19          | FY20          | FY21E         | FY22E         |
|---|---------------|-----------------|----------------|----------------|---------------|---------------|---------------|---------------|
| <b>Operating Cashflow</b>                 | <b>30,384</b> | <b>40,685</b>   | <b>34,775</b>  | <b>24,208</b>  | <b>29,001</b> | <b>19,168</b> | <b>25,284</b> | <b>25,728</b> |
| Working Capital Changes                   | (2,977)       | (6,941)         | (15,404)       | 26,094         | (4,083)       | (5,752)       | 2,273         | 2,951         |
| Capital Commitments                       | (1,857)       | (71,923)        | (3,692)        | (1,245)        | (2,173)       | (476)         | -             | -             |
| <b>Free Cashflow</b>                      | <b>25,550</b> | <b>(38,178)</b> | <b>15,679</b>  | <b>49,057</b>  | <b>22,745</b> | <b>12,939</b> | <b>27,557</b> | <b>28,679</b> |
| <b>Cashflow from Investing Activities</b> | <b>2,509</b>  | <b>(5,114)</b>  | <b>(2,020)</b> | <b>(2,532)</b> | <b>3,379</b>  | <b>12,858</b> | <b>3,300</b>  | <b>3,500</b>  |
| Issue of Share Capital                    | -             | (133)           | 12             | 121            | 8             | 10            | -             | -             |
| Buyback of shares                         |               |                 |                |                |               |               |               |               |
| Inc (Dec) in Borrowings                   | (8,124)       | 49,095          | 12,050         | (35,335)       | (13,202)      | (11,741)      | (11,403)      | (11,403)      |
| Dividend paid                             | (14,655)      | (18,235)        | (20,103)       | (15,379)       | (13,565)      | (12,152)      | (10,443)      | (10,167)      |
| <b>Extraordinary Items</b>                | <b>44</b>     | <b>(533)</b>    | <b>10</b>      | <b>(63)</b>    | <b>(81)</b>   | <b>(118)</b>  | <b>-</b>      | <b>-</b>      |
| <b>Chg. in Cash &amp; Bank balance</b>    | <b>5,325</b>  | <b>(13,097)</b> | <b>5,627</b>   | <b>(4,132)</b> | <b>(716)</b>  | <b>1,796</b>  | <b>9,010</b>  | <b>10,609</b> |

Source: Company data, I-Sec research

**Table 7: Key ratios***(Year ending March 31)*

|  | FY15  | FY16  | FY17   | FY18   | FY19  | FY20  | FY21E | FY22E |
|--|-------|-------|--------|--------|-------|-------|-------|-------|
| <b>Per Share Data (Rs)</b>             |       |       |        |        |       |       |       |       |
| EPS(Basic Recurring)                   | 8.4   | 8.0   | 3.9    | 3.1    | 4.2   | 4.7   | 4.9   | 6.0   |
| Diluted Recurring EPS                  | 8.4   | 8.0   | 3.9    | 3.1    | 4.2   | 4.7   | 4.9   | 6.0   |
| Recurring Cash EPS                     | 13.3  | 13.2  | 9.8    | 9.0    | 11.3  | 11.8  | 12.0  | 13.1  |
| Dividend per share (DPS)               | 2.0   | 2.0   | 2.0    | 0.5    | 1.0   | 1.0   | 1.0   | 1.5   |
| Book Value per share (BV)              | 45.8  | 59.7  | 63.7   | 67.7   | 72.0  | 70.9  | 74.9  | 79.4  |
| <b>Growth Ratios (%)</b>               |       |       |        |        |       |       |       |       |
| Operating Income                       | 7.8   | 4.7   | (15.9) | (2.6)  | 13.5  | (9.5) | (6.2) | 5.6   |
| EBITDA                                 | 11.4  | 11.1  | (17.4) | (16.9) | 3.3   | 3.6   | (4.5) | 3.7   |
| Recurring Net Income                   | 33.3  | (6.2) | (51.5) | (20.1) | 38.2  | 10.8  | 5.2   | 21.5  |
| Diluted Recurring EPS                  | 33.3  | (5.5) | (51.5) | (20.6) | 38.2  | 10.7  | 5.2   | 21.5  |
| Diluted Recurring CEPS                 | 17.6  | (0.2) | (25.8) | (8.8)  | 26.5  | 4.2   | 2.1   | 8.8   |
| <b>Valuation Ratios (x)</b>            |       |       |        |        |       |       |       |       |
| P/E                                    | 5.5   | 5.8   | 11.9   | 15.0   | 10.9  | 9.8   | 9.3   | 7.7   |
| P/CEPS                                 | 3.5   | 3.5   | 4.7    | 5.1    | 4.1   | 3.9   | 3.8   | 3.5   |
| P/BV                                   | 1.0   | 0.8   | 0.7    | 0.7    | 0.6   | 0.6   | 0.6   | 0.6   |
| EV / EBITDA                            | 4.2   | 5.3   | 6.6    | 6.8    | 6.2   | 5.4   | 4.9   | 4.0   |
| EV / Operating Income                  | 1.6   | 2.2   | 2.6    | 2.3    | 1.9   | 1.9   | 1.8   | 1.4   |
| EV / Operating FCF                     | 5.9   | (5.6) | 14.0   | 3.8    | 7.7   | 12.4  | 5.1   | 4.1   |
| <b>Operating Ratios</b>                |       |       |        |        |       |       |       |       |
| SG&A cost / Revenue                    | 52.3  | 50.1  | 49.1   | 54.8   | 59.5  | 54.4  | 50.9  | 52.5  |
| Operating expenses / Revenue           | 61.4  | 59.0  | 59.8   | 65.7   | 68.8  | 64.3  | 63.6  | 64.3  |
| Other Income / PBT (%)                 | 11.9  | 10.3  | 24.8   | 57.7   | 42.5  | 28.0  | 29.9  | 26.1  |
| Effective Tax Rate (%)                 | 26.7  | 29.8  | 30.2   | 31.4   | 24.6  | 3.2   | 26.0  | 26.0  |
| NWC / Total Assets (%)                 | 8.4   | 8.8   | 13.9   | 4.6    | 6.5   | 9.5   | 8.6   | 7.4   |
| Inventory Turnover (days)              | 34.8  | 40.0  | 44.1   | 37.0   | 26.4  | 43.9  | 43.9  | 43.9  |
| Receivables (days)                     | 45.6  | 108.0 | 96.4   | 52.2   | 57.0  | 92.8  | 85.0  | 70.0  |
| Payables (days)                        | 103.9 | 159.3 | 156.6  | 160.7  | 106.8 | 110.1 | 110.1 | 110.1 |
| Net D/E Ratio (x)                      | 1.0   | 1.4   | 1.4    | 1.0    | 0.8   | 0.7   | 0.5   | 0.3   |
| <b>Return/Profitability Ratios (%)</b> |       |       |        |        |       |       |       |       |
| Recurring Net Income Margins           | 14.8  | 13.2  | 7.6    | 6.2    | 7.6   | 9.3   | 10.4  | 12.0  |
| RoCE                                   | 14.7  | 10.0  | 7.3    | 6.7    | 7.3   | 8.9   | 7.8   | 9.0   |
| RoNW                                   | 19.6  | 15.1  | 6.3    | 4.7    | 6.1   | 6.6   | 6.8   | 7.8   |
| Dividend Payout Ratio                  | 0.2   | 0.3   | 0.5    | 0.2    | 0.2   | 0.2   | 0.2   | 0.3   |
| Dividend Yield                         | 4.3   | 4.3   | 4.3    | 1.1    | 2.2   | 2.2   | 2.2   | 3.3   |
| EBITDA Margins                         | 38.6  | 41.0  | 40.2   | 34.3   | 31.2  | 35.7  | 36.4  | 35.7  |

Source: Company data, I-Sec research

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