

Dixon Technologies

Refer to important disclosures at the end of this report

In the golden era of growth

- The 28% revenue beat was primarily driven by a 37% outperformance in Consumer Electronics (TVs). Customer additions, better realizations and sustained order book led to strong revenues across key business segments.
- Better-than-expected margin in the Lighting and strong growth in the TV segment led to a 20% EBITDA beat. EBITDA per TV improved 72% on backward integration and better sales mix. Input cost inflation and change in revenue mix constrained margins.
- Management remains upbeat on medium- to long-term outlook for domestic electronics manufacturing. Rising wallet share of existing customers and new customer additions is leading to further capacity expansion in Lighting, Washing Machines and CCTV cameras.
- The strong Q3 print leads us to raise our ahead of consensus FY21-23E EPS by 4-12%. Our estimates do not factor in potential opportunities from Lighting, IT Hardware PLI and Wearables. We maintain Buy with a revised TP of Rs18,000 (45x FY23E EPS).

Another strong quarter: Revenue of Rs21.8bn grew 120% yoy, driven by Consumer Electronics (Rs13.6bn; +199% yoy), Home Appliances (Rs1.15bn; +68.4%) and Mobile Phones (Rs2.99bn; +114.4%), while the performance of Lighting Products (Rs3.5bn; +26% yoy), Reverse Logistics (Rs45mn; -3.5% yoy) and Security Systems (Rs555mn; +10.4% yoy) was moderate on a relative basis. EBITDA came in at Rs1bn (+95% yoy). Input cost pressures and revenue mix change led to gross margin contraction of 324bps to 9.6%. EBITDA margins were also contained by rising contribution of TV segment. Employee and other operating expenses increased 39% and 45% yoy, respectively. PAT grew 134% yoy to Rs616mn.

Outlook

Management remains upbeat about medium- to long-term opportunities in domestic electronic manufacturing. With continuously achieving scale across the key segments, the company is also focusing on increasing backward integration to improve margin profile and customer stickiness. In the wake of strong order book visibility and potential visibility in exports (Lighting), the company has announced further capacity expansion in Lighting, Semi-Automatic Washing Machines and CCTV cameras. Dixon's execution capabilities and scale are leading to higher customer wallet share and customer pull from smaller contract manufacturers. Our estimates are yet to incorporate potential revenue opportunities arising from Lighting and IT Hardware PLI as well as Wearables. In addition, we have now assumed capex for the Refrigerator segment over FY22-23E, while revenues from it would accrue from FY24E. FY23E RoCE of 38%, negative working capital and continued headroom for tapping further revenue opportunities and market share gains make us value the company at 45x FY23E vs. 30x earlier. **Key risks:** Adverse currency and continued commodity inflation; customer losses and execution challenges; and a rise in competitive intensity in the contract manufacturing space.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Consumer Durables \(page 11\)](#)

Financial Snapshot (Consolidated)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	29,844	44,001	65,314	1,28,534	1,61,805
EBITDA	1,349	2,231	3,098	5,695	7,103
EBITDA Margin (%)	4.5	5.1	4.7	4.4	4.4
APAT	634	1,205	1,787	3,537	4,627
EPS (Rs)	54.8	104.1	154.4	305.7	399.9
EPS (% chg)	4.0	90.2	48.3	98.0	30.8
ROE (%)	18.3	26.2	28.4	39.6	35.6
P/E (x)	286.6	150.7	101.6	51.3	39.3
EV/EBITDA (x)	135.5	81.4	58.6	32.0	25.3
P/BV (x)	48.0	33.5	25.3	17.0	11.9

Source: Company, Emkay Research

CMP	Target Price
Rs 15,697 as of (February 2, 2021)	Rs 18,000 (▲) 12 months
Rating	Upside
BUY (■)	14.7 %

Change in Estimates

EPS Chg FY21E/FY22E (%)	12.4/4.2
Target Price change (%)	59.1
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY21E	FY22E
Emkay	154.4	305.7
Consensus	129.5	253.2
Mean Consensus TP (12M)	Rs 12,487	

Stock Details

Bloomberg Code	DIXON IN
Face Value (Rs)	10
Shares outstanding (mn)	12
52 Week H/L	16,788 / 2,900
M Cap (Rs bn/USD bn)	184 / 2.52
Daily Avg Volume (nos.)	67,295
Daily Avg Turnover (US\$ mn)	11.9

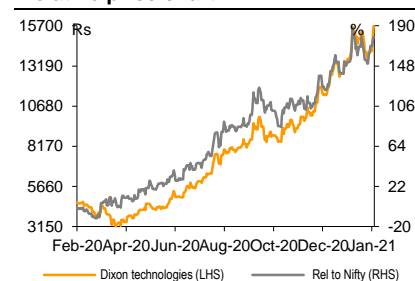
Shareholding Pattern Dec '20

Promoters	35.1%
FIIIs	20.3%
DIIIs	15.2%
Public and Others	29.4%

Price Performance

(%)	1M	3M	6M	12M
Absolute	15	65	106	253
Rel. to Nifty	10	32	55	181

Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

Naval Seth

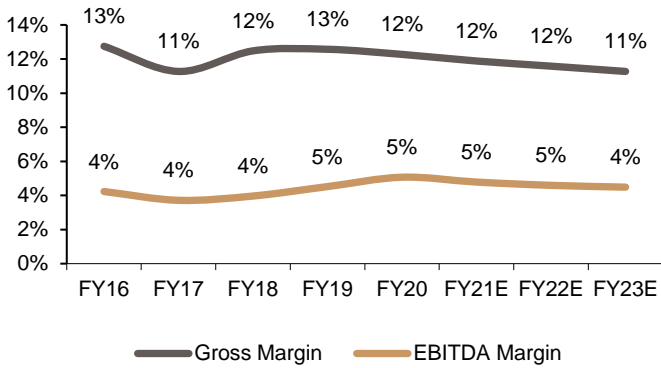
naval.seth@emkayglobal.com
+91 22 6624 2414

Abhijeet Singh

abhijeet.singh@emkayglobal.com
+91 22 6612 1241

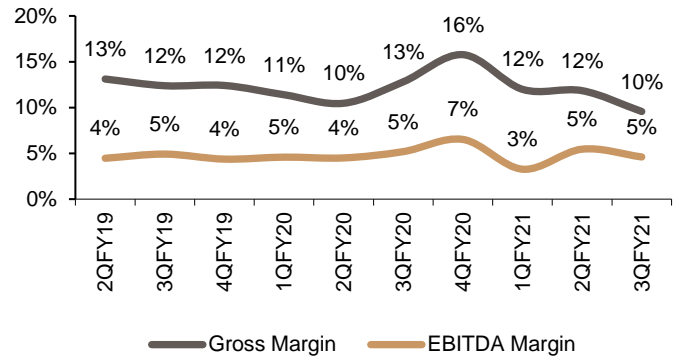
Story in Charts

Exhibit 1: EBITDA margin to stabilize at ~4-4.5%



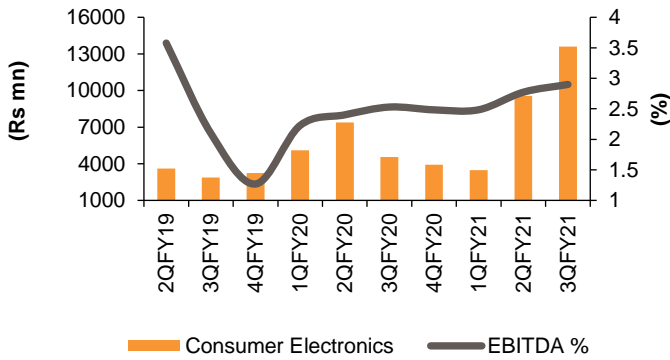
Source: Company, Emkay Research

Exhibit 2: Gross margin pressure offset in part by operating leverage



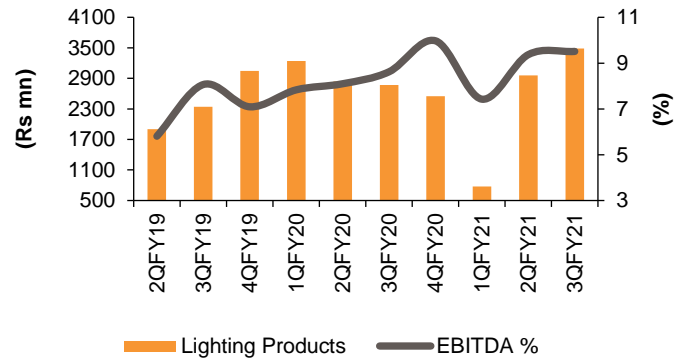
Source: Company, Emkay Research

Exhibit 3: Consumer Electronics revenue takes a leap



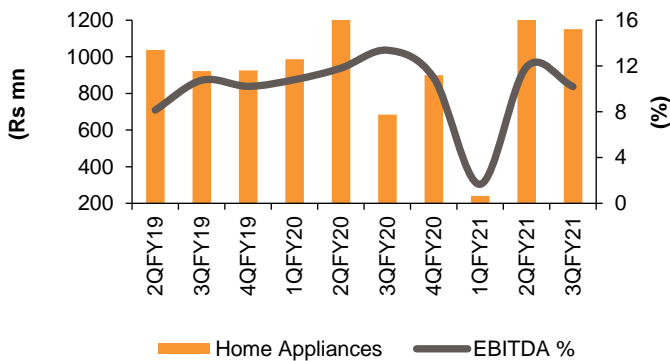
Source: Company, Emkay Research

Exhibit 4: Lighting products showing strong margin resilience



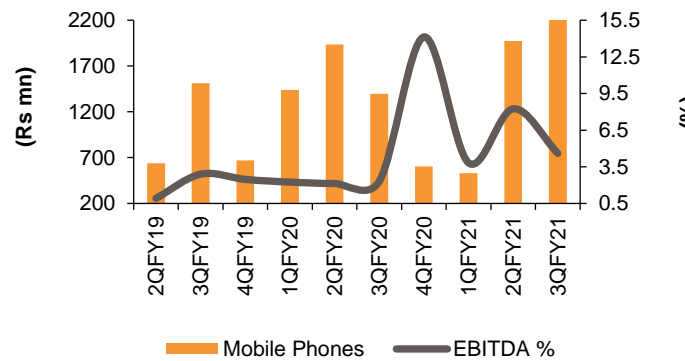
Source: Company, Emkay Research

Exhibit 5: Home Appliances face major RM cost pressure



Source: Company, Emkay Research

Exhibit 6: Mobile+EMS revenue backed by STB and medical equipment



Source: Company, Emkay Research

Other highlights

- Consumer Electronics' strong performance was driven equally by robust volume uptake stemming from new customer additions and superior mix, amid a shift from 32" to 43" screen sizes, which in turn led to an increase in realizations.
- The Lighting segment saw an 89bps yoy margin expansion on product mix, better productivity and higher proportion of ODM.
- In Q3FY21, the Home Appliances business saw a sharp contraction in margins (10.2%; -318bps yoy) due to commodity inflation. This is expected to remain in Q4 as well. Given the strong order book, the company is further expanding capacity in semi-automatic WMs to 1.6mn units from 1.2mn currently. Meanwhile, the fully automatic WM plant is ready for trials, which are set to happen in Feb/Mar'21.
- Demand for the Security Systems business has seen an impressive recovery and the company has a strong order book for it. As a result, it intends to expand capacity in this segment as well.
- Gross margin contracted 324bps yoy to 9.6%. The dip in EBITDA margin was contained at a decline of 58bps yoy/85bps qoq, with the margin standing at 4.6%, mainly due to higher operating leverage. Contribution from low margin TV segment increased to 39% vs 22% in Q3FY20, which also restricted margin expansion.
- The cash conversion cycle was maintained qoq: 1 day as of Q3FY21 vs. 0 days in Q2FY21 and -4 days as of FY20.

Exhibit 7: Working Capital maintained sequentially

Particulars	FY17	FY18	FY19	FY20	1QFY21	2QFY21	3QFY21
Receivables days Outstanding (A)	41	38	81	41	57	58	44
Inventory Days Outstanding (B)	41	41	50	43	45	28	26
Payables days outstanding (C)	80	81	124	88	93	86	68
Cash Conversion Cycle/Working Capital Days (A+B-C)	1.9	-2.1	7.0	-4	9	0	1
ROCE (%)*	37.8%	34.9%	27.3%	33.0%	26.1%	26.9%	31.7%
ROE (%)**	30.6%	23.8%	18.3%	26.2%	20.8%	20.7%	23.8%

Source: Company, Emkay Research

Exhibit 8: Actual vs. Estimates (Q3FY21)

(Rs mn)	Actual	Estimate (Emkay)	Consensus estimate (Bloomberg)	% variation		Comment
				Emkay	Consensus	
Revenue	21,828	17,109	15,442	28%	41%	Revenue beat led by strong Consumer Electronics performance and mobile+EMS
EBITDA	1,005	835	781	20%	29%	
EBITDA Margin	4.6%	4.9%	5.1%	-28 bps	-45 bps	Better operating leverage helped negate commodity inflation
PAT	616	504	455	22%	35%	

Source: Emkay Research

Exhibit 18: Quarterly Financials

Rs mn	Q3FY20	Q4FY20	1QFY21	2QFY21	3QFY21	YoY (%)	QoQ (%)	9MFY21	9MFY20	YoY (%)
Total Sales	9,938	8,574	5,169	16,387	21,828	119.6	33.2	43,385	35,427	22.5
Raw Material	8666	7222	4550	14447	19740	127.8	36.6	38,737	31,380	23.4
as % of sales	87.2	84.2	88.0	88.2	90.4			89.3	88.6	
Employee Cost	272	308	198	359	377	38.7	5.0	933	871	7.1
as % of sales	2.7	3.6	3.8	2.2	1.7			2.2	2.5	
Other operating expenses	486	485	253	688	706	45.3	2.7	1,646	1,504	9.5
as % of sales	4.9	5.7	4.9	4.2	3.2			3.8	4.2	
Total Expenditure	9423	8015	5001	15494	20823	121.0	34.4	41317	33755	22.4
EBITDA	515	559	169	894	1005	95.0	12.4	2,068	1,672	23.7
Depreciation	98.4	109.1	92.5	109.2	112.5	14.3	3.0	314	256	22.6
EBIT	417	450	76	785	892	114.1	13.7	1,754	1,416	23.9
Other Income	18	0	2	3	1	(92.3)	(44.0)	6	52	(88.5)
Interest	81	77	57	69	77	(4.3)	11.6	203	273	(25.5)
PBT	355	373	22	718	817	130.3	13.7	1,557	1,195	30.3
Tax	92	97	6	195	201	119.3	3.3	401	266	50.9
PAT	263	276	16	524	616	134.2	17.6	1,156	929	24.4
Margins (%)						(bps)	(bps)			(bps)
Gross Margin	12.8	15.8	12.0	11.8	9.6	(324)	(228)	10.7	11.4	(71)
EBIDTA	5.2	6.5	3.3	5.5	4.6	(58)	(85)	4.8	4.7	5
EBIT	4.2	5.2	1.5	4.8	4.1	(11)	(70)	4.0	4.0	5
EBT	3.6	4.3	0.4	4.4	3.7	17	(64)	3.6	3.4	21
PAT	2.6	3.2	0.3	3.2	2.8	18	(37)	2.7	2.6	4
Effective Tax rate	25.8	26.0	25.9	27.1	24.6	(124)	(249)	25.8	22.2	352

Source: Emkay Research

Exhibit 19: Quarterly segmental financials

Rs mn	Q3FY20	Q4FY20	1QFY21	2QFY21	3QFY21	YoY (%)	QoQ (%)	9MFY21	9MFY20	YoY (%)
Consumer Electronics	4,543	3,930	3,473	9,569	13,598	199.4	42.1	26,640	17,022	56.5
Lighting Products	2,767	2,548	777	2,957	3,486	26.0	17.9	7,220	8,849	(18.4)
Home Appliances	684	900	241	1,454	1,152	68.4	(20.8)	2,846	3,063	(7.1)
Mobile Phones	1,395	603	531	1,974	2,992	114.4	51.6	5,496	4,766	15.3
Reverse Logistics	46	47	14	36	45	(3.5)	22.5	95	109	(12.6)
Security Systems	503	546	134	397	555	10.4	39.8	1,086	1,618	(32.9)
Total Sales	9,938	8,574	5,170	16,387	21,828	119.6	33.2	43,385	35,427	22.5

EBITDA

Consumer Electronics	115	98	86	265	394	243.2	48.6	746	406	83.8
Lighting Products	239	254	58	277	332	39.0	19.6	666	722	(7.8)
Home Appliances	92	99	4	173	118	28.4	(32.2)	295	363	(18.7)
Mobile Phones	32	85	20	163	138	327.6	(15.4)	321	106	203.2
Reverse Logistics	16	4	0	4	5	(71.1)	24.3	9	22	(60.5)
Security Systems	22	19	0	12	20	(12.6)	66.7	31	53	(41.1)
Total EBITDA	515	559	169	894	1005	95.1	12.5	2,068	1,672	23.7

EBITDA Margins (%)

						(bps)	(bps)				(bps)
Consumer Electronics	2.5	2.5	2.5	2.8	2.9	37	13	2.8	2.4	42	
Lighting Products	8.6	10.0	7.4	9.4	9.5	89	14	9.2	8.2	106	
Home Appliances	13.4	11.0	1.7	11.9	10.2	(318)	(171)	10.4	11.8	(148)	
Mobile Phones	2.3	14.1	3.8	8.2	4.6	230	(364)	5.8	2.2	362	
Reverse Logistics	34.4	9.2	2.9	10.2	10.3	(2,410)	15	9.2	20.2	(1,108)	
Security Systems	4.4	3.5	0.1	2.9	3.5	(92)	57	2.9	3.3	(40)	
Total EBITDA	5.2	6.5	3.3	5.5	4.6	(58)	(85)	4.8	4.7	5	

Source: Emkay Research, Company

Exhibit 20: Change in estimates

Particulars	FY21E			FY22E			FY23E		
	Old	New	% Change	Old	New	% Change	Old	New	% Change
Revenue	58,977	65,314	10.7%	1,15,621	1,28,534	11.2%	1,46,848	1,61,805	10.2%
EBITDA	2,810	3,098	10.2%	5,372	5,695	6.0%	6,657	7,103	6.7%
EBITDA Margin %	4.8	4.7	-2 bps	4.6	4.4	-22 bps	4.5	4.4	-14 bps
PAT	1589	1787	12.4%	3394	3537	4.2%	4363	4627	6.0%
EPS (Rs)	137.4	154.4	12.4%	293.4	305.7	4.2%	377.1	399.9	6.0%

Rs mn	FY21E			FY22E			FY23		
	Old	New	% Change	Old	New	% Change	Old	New	% Change
Revenue segments									
Lighting	9819	11179	13.9%	12316	14393	16.9%	14433	16888	17.0%
Consumer Electronics	29554	38093	28.9%	40614	50043	23.2%	46660	57493	23.2%
Washing Machine	4128	4206	1.9%	5779	6099	5.5%	7223	7624	5.5%
Mobiles	8005	8083	1.0%	14157	14853	4.9%	15498	16336	5.4%
Mobile- PLI	5000	1500	-70.0%	40000	40000	0.0%	60000	60000	0.0%
Reverse Logistics	168	168	0.0%	171	171	0.0%	191	191	0.0%
Security Systems	2303	2084	-9.5%	2584	2975	15.2%	2842	3273	15.2%
Total	58977	65314	10.7%	115621	128534	11.2%	146848	161805	10.2%

Source: Emkay Research

Con-call highlights

Consumer Electronics (TVs): Improved sales mix and backward integration (PCBA) led to better margins yoy. The order book remains strong and as stated earlier, Dixon is expanding capacity to 5.5mn units which will be completed by Q2FY22E. ***In FY21, the company will be able to achieve 3mn units and the target is to grow at 25% in FY22E.***

- PCBA capacity was expanded to 1.8mn from 1.1mn and is now on track to further expansion to 2.8mn.
- The company is strengthening R&D capabilities and has developed new solutions for both analogue and Smart TVs.
- As the product mix has tilted toward higher screen sizes, average realization increased to Rs14,000-15,000 in the last two quarters from Rs9,000-10,000 earlier. About 75% (85% last year) of revenues came from Samsung and Xiaomi. This is expected to decline to 65% in the future. For Samsung, 0.5mn units will be manufactured in FY21E, while the FY22E order book stands at 07mn units.

Lighting: The company is further expanding capacity: Battens from 2mn per month to 3mn units in Phase I and eventually to 4mn units. In down-lighters, the capacity will be expanded to 1.2mn units vs. 600,000 units per month currently. It has also set up a 5mn unit capacity for decorative bulbs. The company is setting-up another facility which will be operational by Q2FY22E.

- The margin expansion was driven by product mix, improved productivity and a higher proportion of ODM. Dixon has developed in-house solutions for Smart lighting products.

Home Appliance: Margins are likely to be under pressure in Q4 due to commodity price inflation. The order book for Q4 is very strong. The company is further expanding capacity for Semi-Automatic WMs to 1.6mn per annum from 1.2mn units currently.

- The fully-automatic WM plant is ready and trials will start in end-Feb-March period.

Mobile and EMS: While the commercial production for Nokia has started, for Motorola audits are ongoing, with the production expected to start from March. ***The company will have 20mn units smartphone capacity by next fiscal. The order book from Motorola will cover a large portion of revenues to meet the upper revenue ceiling of the PLI scheme and the majority of it will be exported.***

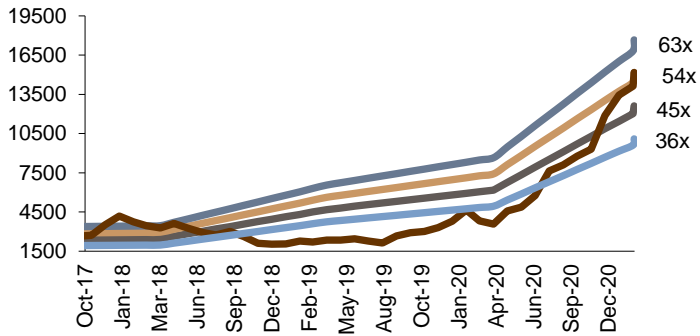
- By year-3, Dixon will have 15-20% of Motorola's global shipments and that would be shifting from China.
- The company is exploring backward-integration with chargers, batteries and other related components.
- **STBs:** 0.9mn STBs were manufactured in Q3 and Dixon has an order book of 0.3-0.4 units per month for the upcoming quarters.
- **Wearables:** The Indian market size for wearable products stands at Rs50bn as of now.

Security segment: Demand has recovered and the company has a strong order book. It is expanding capacity in this segment as well.

Capex: FY21 capex will be Rs1.5-1.6bn and the run-rate will be the same for FY22E too.

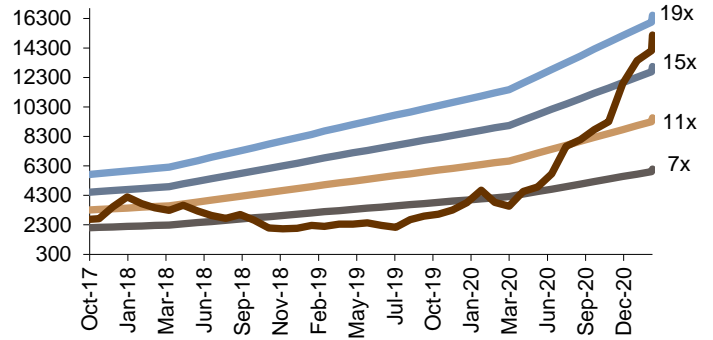
Valuation charts

Exhibit 9: sP/E band



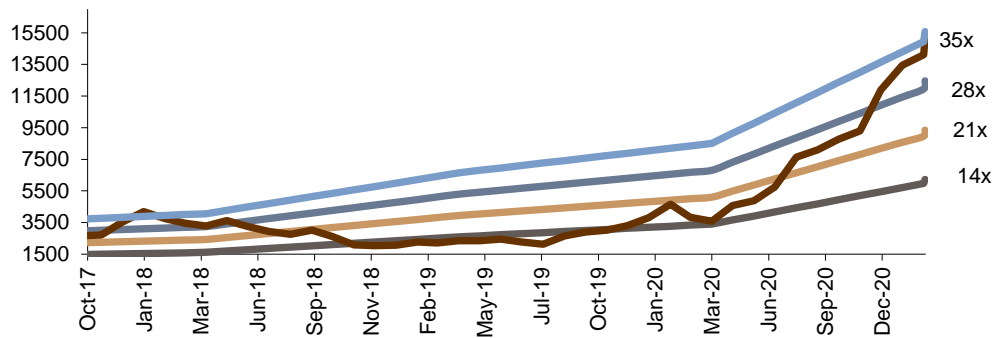
Source: Company, Emkay Research

Exhibit 10: P/B band



Source: Company, Emkay Research

Exhibit 11: EV/EBITDA band



Source: Company, Emkay Research

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	29,844	44,001	65,314	1,28,534	1,61,805
Expenditure	28,496	41,771	62,216	1,22,839	1,54,702
EBITDA	1,349	2,231	3,098	5,695	7,103
Depreciation	217	365	457	658	823
EBIT	1,132	1,865	2,641	5,037	6,281
Other Income	56	52	30	64	67
Interest expenses	250	350	283	373	165
PBT	938	1,568	2,388	4,727	6,183
Tax	305	363	601	1,190	1,556
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	634	1,205	1,787	3,537	4,627
Adjusted PAT	634	1,205	1,787	3,537	4,627

Balance Sheet

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	113	116	116	116	116
Reserves & surplus	3,669	5,298	7,061	10,576	15,172
Net worth	3,782	5,413	7,177	10,691	15,288
Minority Interest	0	0	0	0	0
Loan Funds	1,412	867	567	1,067	367
Net deferred tax liability	144	148	148	148	148
Total Liabilities	5,338	6,428	7,891	11,906	15,802
Net block	2,409	3,239	4,278	5,434	6,427
Investment	76	0	0	0	0
Current Assets	12,235	13,635	19,657	36,079	46,528
Cash & bank balance	144	957	662	704	2,050
Other Current Assets	1,222	2,277	3,383	5,705	7,129
Current liabilities & Provision	9,570	10,542	16,139	29,703	37,248
Net current assets	2,665	3,093	3,518	6,376	9,280
Misc. exp	0	0	0	0	0
Total Assets	5,338	6,428	7,891	11,906	15,802

Cash Flow

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
PBT (Ex-Other income) (NI+Dep)	882	1,516	2,358	4,664	6,115
Other Non-Cash items	0	0	0	0	0
Chg in working cap	(969)	388	(720)	(2,815)	(1,559)
Operating Cashflow	(31)	2,373	2,272	2,071	4,390
Capital expenditure	(864)	(1,103)	(1,495)	(1,815)	(1,815)
Free Cash Flow	(894)	1,271	776	256	2,575
Investments	35	76	0	0	0
Other Investing Cash Flow	134	(18)	0	0	0
Investing Cashflow	(638)	(993)	(1,465)	(1,751)	(1,748)
Equity Capital Raised	0	2	0	0	0
Loans Taken / (Repaid)	966	(546)	(300)	500	(700)
Dividend paid (incl tax)	(27)	(83)	(23)	(23)	(30)
Other Financing Cash Flow	124	552	462	281	302
Financing Cashflow	813	(424)	(145)	385	(593)
Net chg in cash	144	957	662	704	2,050
Opening cash position	127	144	957	662	704
Closing cash position	144	957	662	704	2,050

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY19	FY20	FY21E	FY22E	FY23E
EBITDA Margin	4.5	5.1	4.7	4.4	4.4
EBIT Margin	3.8	4.2	4.0	3.9	3.9
Effective Tax Rate	32.5	23.1	25.2	25.2	25.2
Net Margin	2.1	2.7	2.7	2.8	2.9
ROCE	26.5	32.6	37.3	51.5	45.8
ROE	18.3	26.2	28.4	39.6	35.6
RoIC	27.7	36.2	42.2	55.2	50.7

Per Share Data (Rs)	FY19	FY20	FY21E	FY22E	FY23E
EPS	54.8	104.1	154.4	305.7	399.9
CEPS	73.5	135.7	193.9	362.6	471.0
BVPS	326.9	467.9	620.3	924.0	1,321.3
DPS	2.0	6.0	2.0	2.0	2.6

Valuations (x)	FY19	FY20	FY21E	FY22E	FY23E
PER	286.6	150.7	101.6	51.3	39.3
P/CEPS	213.6	115.7	80.9	43.3	33.3
P/BV	48.0	33.5	25.3	17.0	11.9
EV / Sales	6.1	4.1	2.8	1.4	1.1
EV / EBITDA	135.5	81.4	58.6	32.0	25.3
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Gearing Ratio (x)	FY19	FY20	FY21E	FY22E	FY23E
Net Debt/ Equity	0.3	0.0	0.0	0.0	(0.1)
Net Debt/EBIDTA	0.9	0.0	0.0	0.1	(0.2)
Working Cap Cycle (days)	30.8	17.7	16.0	16.1	16.3

Growth (%)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	5.0	47.4	48.4	96.8	25.9
EBITDA	19.7	65.4	38.9	83.8	24.7
EBIT	16.1	64.8	41.6	90.7	24.7
PAT	4.0	90.2	48.3	98.0	30.8

Quarterly (Rs mn)	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21
Revenue	9,938	8,574	5,169	16,387	21,828
EBITDA	515	559	169	894	1,005
EBITDA Margin (%)	5.2	6.5	3.3	5.5	4.6
PAT	263	276	16	524	616
EPS (Rs)	22.7	23.8	1.4	45.3	53.2

Source: Company, Emkay Research

Shareholding Pattern (%)	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
Promoters	37.9	36.2	36.1	36.0	35.1
FIs	10.9	10.8	12.3	16.2	20.3
DIs	20.7	23.0	21.9	17.5	15.2
Public and Others	30.5	30.1	29.7	30.2	29.4

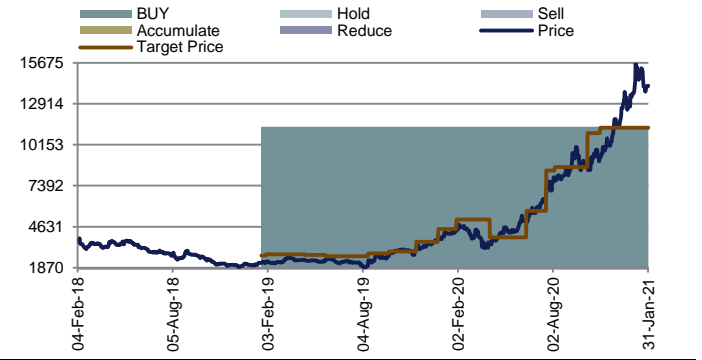
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
31-Oct-20	9,299	11,310	12m	Buy	Naval Seth
07-Oct-20	8,716	10,937	12m	Buy	Naval Seth
05-Aug-20	7,868	8,663	12m	Buy	Naval Seth
20-Jul-20	6,831	8,420	12m	Buy	Naval Seth
12-Jun-20	4,976	5,705	12m	Buy	Naval Seth
07-Apr-20	3,755	3,908	12m	Buy	Naval Seth
03-Apr-20	3,429	3,908	12m	Buy	Naval Seth
16-Mar-20	3,886	5,111	12m	Buy	Naval Seth
05-Mar-20	4,101	5,111	12m	Buy	Naval Seth
13-Feb-20	4,693	5,111	12m	Buy	Naval Seth
30-Jan-20	4,499	5,111	12m	Buy	Naval Seth
26-Dec-19	3,912	4,475	12m	Buy	Naval Seth
28-Nov-19	3,339	3,605	12m	Buy	Naval Seth
19-Nov-19	3,232	3,605	12m	Buy	Naval Seth
14-Nov-19	3,263	3,605	12m	Buy	Naval Seth
23-Sep-19	2,877	2,963	12m	Buy	Naval Seth
11-Sep-19	2,603	2,834	12m	Buy	Naval Seth
14-Aug-19	2,351	2,834	12m	Buy	Naval Seth
13-Jun-19	2,259	2,637	12m	Buy	Naval Seth
25-May-19	2,427	2,637	12m	Buy	Naval Seth
20-May-19	2,346	2,718	12m	Buy	Naval Seth
23-Apr-19	2,318	2,718	12m	Buy	Naval Seth
15-Apr-19	2,353	2,718	12m	Buy	Naval Seth
08-Apr-19	2,385	2,776	12m	Buy	Naval Seth
14-Mar-19	2,537	2,776	12m	Buy	Naval Seth
31-Jan-19	2,269	2,776	12m	Buy	Naval Seth
21-Jan-19	2,180	2,683	12m	Buy	Naval Seth

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Consumer Durables



Analyst: Naval Seth

Contact Details

naval.seth@emkayglobal.com
+91 22 66242414

Sector

Consumer Durables, Media & Entertainment, SMID and Telecom

Analyst bio

Naval holds an MBA in Finance and has more than 12 years of experience in equity research. His team currently covers 19 stocks spread across three different sectors.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
Consumer Durables	0.98	0.98	0%	0	100.00
Amber Enterprises	0.00	0.00	NA	0	0.00
Blue Star	0.00	0.00	NA	0	0.00
Crompton Greaves CE	0.24	0.26	6%	2	26.50
Dixon Technologies	0.00	0.02	NA	2	1.99
Havells India	0.33	0.32	-5%	-2	32.41
KEI Industries*	0.00	0.00	NA	0	0.00
Polycab India*	0.03	0.03	5%	0	3.03
V-Guard Industries	0.00	0.00	NA	0	0.00
Voltas	0.27	0.26	-5%	-1	26.16
Whirlpool Of India	0.10	0.10	-5%	-1	9.90
Cash	0.00	0.00	NA	0	0.00

Source: Emkay Research

* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

Sector portfolio NAV

	Base					Latest
	1-Apr-19	3-Feb-20	3-Aug-20	2-Nov-20	1-Jan-21	1-Feb-21
EAP - Consumer Durables	100.0	107.8	98.5	119.4	145.4	162.5
BSE200 Neutral Weighted Portfolio (ETF)	100.0	101.8	91.0	110.5	133.2	148.8

*Performance measurement base date 1st April 2019

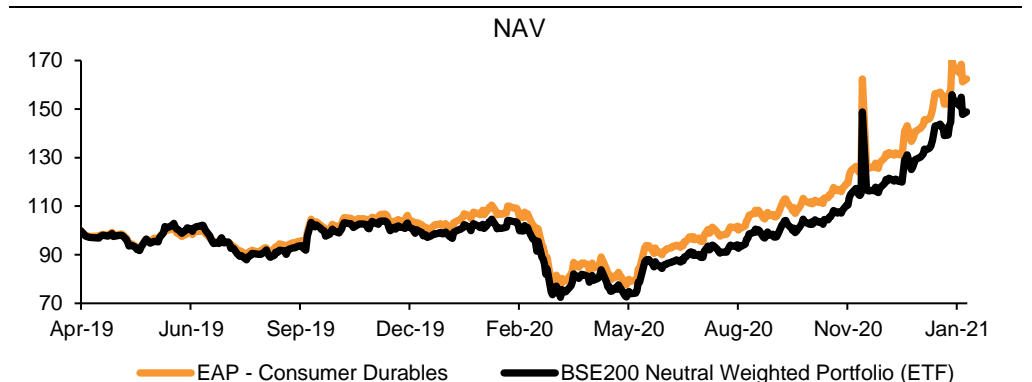
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Consumer Durables	11.7%	36.1%	65.0%	50.7%
BSE200 Neutral Weighted Portfolio (ETF)	11.7%	34.7%	63.5%	46.1%

Source: Emkay Research

NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 03 Feb 2021 03:16:57 (SGT)

Dissemination Date: 03 Feb 2021 03:17:57 (SGT)

Sources for all charts and tables are Emkay Research unless otherwise specified.

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Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com