

Just Dial

REDUCE

CMP Rs729

Target Rs836

Upside 14%

Result Highlights

- ✓ Reported revenue of Rs 1,757mn (up 3.6% QoQ, down 25.2% YoY) slightly below expectation.
- ✓ EBITDA was also below expectation as it declined by 9.5% QoQ (down 53.6% YoY). EBITDA margin declined by 283 bps QoQ (down 1199 bps YoY) to 19.7%.
- ✓ EBITDA margin decline in the quarter was led by 5.3% QoQ increase in employee cost and 19% QoQ increase in other operating expenses. Steep YoY decline in margin was due to negative operating leverage on account of 25% YoY decline in revenue
- ✓ Adjusted PAT declined by 33% QoQ (down 56% YoY) to Rs 336 mn, also impacted due to decline in other income by 52% QoQ.
- ✓ Cash and equivalent increased to 15.7 bn from Rs 15.1 bn in Q3FY21.
- ✓ Overall listing growth moderated to 0.8% QoQ (compared to +0.7% QoQ in Q3FY21 and +1.4% QoQ in Q2FY21) to 30.4 mn listings in the quarter.
- ✓ Total traffic (unique visitors) declined by 2.6% QoQ to 129.1 mn, led by rising competition and the adverse impact of lockdown restrictions.
- ✓ Paid campaigns grew by moderate 0.8% QoQ to 457.4k

Our view: Overall, performance was weak as SMEs has been severely impacted due to lockdown restrictions and addition in paid subscriptions is expected to be modest going ahead. Improvement in margin is challenging due to higher contribution from T2-T3 cities where realizations are lower. A lot depends on how the B2B segment shapes up. Trades at PE ratio of 14.5x on FY23 earnings. Maintain REDUCE.

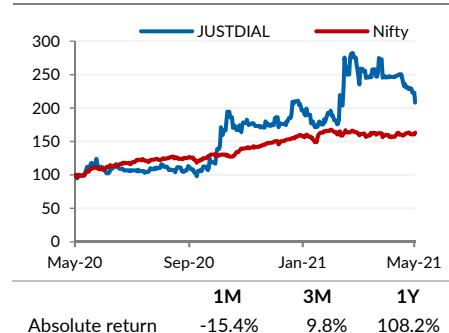
Exhibit 1: Result table

Particulars (Rs mn)	Q4FY21	Q4FY20	yoy %	Q3FY21	qoq %
Sales	1,757	2,350	(25.2)	1,695	3.6
EBITDA	345	744	(53.6)	382	(9.5)
EBITDA %	19.7	31.7	-1199 bps	22.5	-284 bps
Depreciation	94	127	(25.6)	105	(10.1)
EBIT	251	617	(59.3)	277	(9.2)
EBIT Margin %	14.3	26.3	-1197 bps	16.3	-202 bps
Other income	156	381	(59.2)	304	(48.7)
Interest cost	18	23	(23.4)	16	9.3
PBT	389	975	(60.1)	564	(31.0)
Tax	54	215	(75.1)	65	(17.6)
Reported PAT	336	761	(55.9)	499	(32.8)
Adj PAT	336	761	(55.9)	499	(32.8)
NPM (%)	19.1	32.4	-1327 bps	29.5	-1035 bps
EPS	5.4	12.3	(55.9)	8.1	(32.8)

Stock data (as on May 17, 2021)

Nifty	14,923
52 Week h/l (Rs)	1048 / 326
Market cap (Rs/USD mn)	45126 / 616
Outstanding Shares	62
6m Avg t/o (Rs mn):	1,546
Div yield (%):	NA
Bloomberg code:	JUST IN
NSE code:	JUSTDIAL

Stock performance



Shareholding pattern (As of Mar'21 end)

Promoter	35.6%
FII+DII	47.5%
Others	16.9%

Financial Summary

(Rs mn)	FY21	FY22E	FY23E
Net Revenue	6,752	8,305	9,384
YoY Growth	-29.2%	23.0%	13.0%
EBIDTA	1,549	2,624	3,125
YoY Growth	-43.3%	69.5%	19.1%
PAT	2,142	2,733	3,112
YoY Growth	-21.4%	27.6%	13.9%
ROE	15.4%	16.7%	16.1%
EPS	35	44	50
P/E	21.0	16.5	14.5
BV	242	287	337
P/BV	3.0	2.5	2.2

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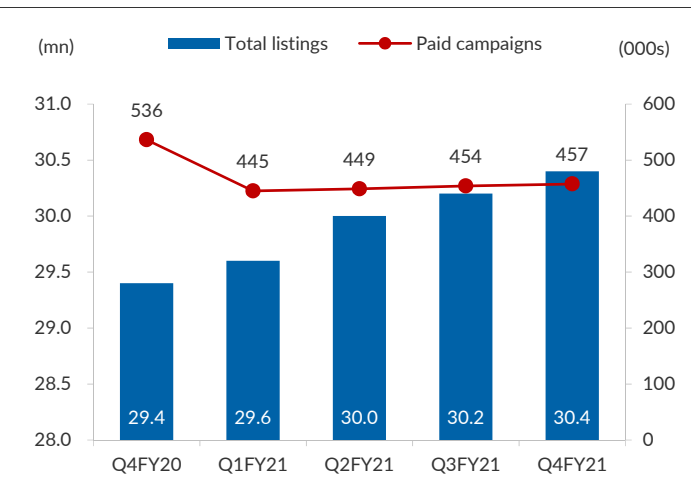
CON-CALL HIGHLIGHTS

- ✓ T2-T3 cities currently account for 33% of revenue and ~54% to the number of paid campaigns, with rising traffic share
- ✓ Collection in Q4FY21 was around 85% of precovid level. With the second wave, the traffic to the portal has been impacted by 10%.
- ✓ 30% of revenue comes from Monthly plan (least impacted from lockdown); while remaining 70% of revenue comes from Annual plans with upfront payment (more adversely impacted)
- ✓ Will take a decision about capital allocation policy in August 2021 (including possible share buyback)
- ✓ Organic traffic is around 7-8% above precovid organic traffic. Would be launching JD cash campaign to boost traffic to JD app.
- ✓ Higher dependency on B2C services led to >25% negative impact on FY21 revenue due to covid19 led lockdown as movements were restricted.
- ✓ Total marketing budget for the year is Rs 120-Rs 130 crore. For JD mart, the focus is on increasing awareness and that was done through IPL campaign. Out of its 30mn listings on B2C platform, around 7-8mn are B2B in nature.

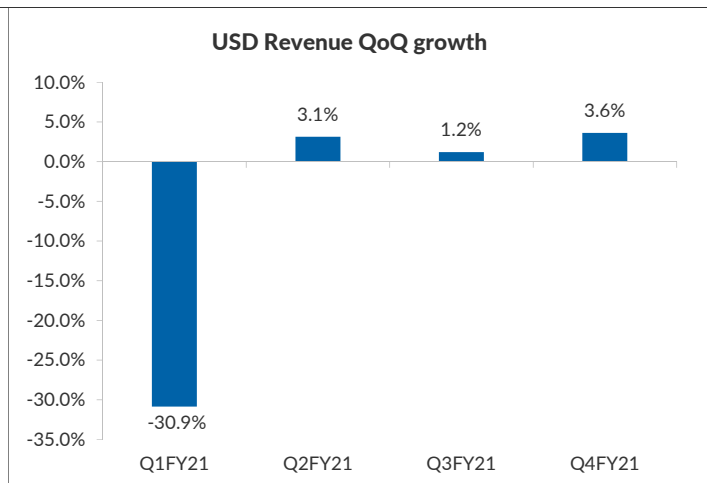
CHARTS

Exhibit 2: Sequential growth in paid campaigns remain weak

Exhibit 3: Slow recovery since Q1FY21



Source: Company, YES Sec – Research



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