INSTITUTIONAL RESEARCH

HSIE Results Daily

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Result reviews

- **Dabur:** Dabur's Q1 performance was inspiring with a beat in revenue, volume and EBITDA. Revenue growth was at 32% YoY (HSIE 22%), 2-year CAGR at 7%. Domestic revenue/volume growth were at 35/34% YoY, 2-year CAGR at 12/10% vs. Britannia's 12/13%, Nestle's 8/6%, Marico's 7/2%, Colgate's 4/0%, Emami's 3/2% and HUL's 2/0%. Dabur's healthcare/HPC/F&B grew 30/26/80% YoY (vs. +29/-15/-34% in Q1FY21 and +23/+33/+28% in Q4FY21). The international business saw continued recovery, growing 29% YoY. EBITDA growth was at 33% YoY (HSIE 23%), while EBITDA margin was in line at 21%. We remain positive on Dabur's ability to deliver strong revenue growth, led by its positioning as a natural and trusted brand along with its power brands strategy. We maintain our EPS estimates. We increase our target multiple to 50x P/E (45x earlier) on Jun-23E to factor in its consistent outperformance vs peers and result-oriented renewed strategies. Our target price is INR 625. Maintain ADD.

- **Godrej Properties:** Godrej Properties Ltd (GPL) reported an operationally weak Q1FY22 with presales volume of 0.8msf (-69.3%/-81.5% YoY/QoQ) and value of INR 4.9bn (-67.5%/-81.1% YoY/QoQ). Despite the weak performance, we expect GPL to register presales growth in FY22, given (1) near normalisation of sales momentum in June/July-21, (2) robust launch pipeline (13.3 msf), (3) strong balance sheet with surplus cash of ~INR 35bn, and (4) well recognised brand positioning. We roll forward our valuation to Jun-23, and increase our target price to INR 1,500/sh (earlier INR 1,323/sh) to account for surplus cash (INR 35bn) deployment in new land acquisitions. However, given punchy valuations, we reiterate REDUCE, as all the positives seem fairly priced in.

- **Alkyl Amines**: We maintain SELL on Alkyl Amines with a price target of INR 3,200 (WACC 10%, terminal growth 5%). The stock is currently trading at 55.6x FY23E EPS. We believe that the current valuation already factors in positives from the potential volume growth, post doubling of the acetonitrile plant capacity, and ~40% additional capacities of the aliphatic amines plant. The rising raw material prices are looking as a dampener and can put pressure on the margins in FY22. EBITDA/APAT were 5/1% below our estimates, owing to higher-than-expected raw material costs, offset by lower-than-expected depreciation, higher-than-expected other income, and a lower-than-expected tax outgo.

- **Kajaria Ceramics:** We maintain our BUY rating on Kajaria Ceramics (KJC) with an unchanged target price of INR 1,130/share (19 Jun'23E consolidated EBITDA). We continue to like KJC for its superior margin in the tiles segment (function of its robust distribution and cost controls) and its fast expansion in its bathware and ply businesses. In Q1FY22, KJC's consolidated revenue/EBITDA/APAT fell by 41/58/66% QoQ to INR 5.62/0.80/0.43bn respectively (with the lockdown impacting consolidated revenue). Its QoQ margin compression is much lower vs peers. With demand recovering June onwards, tiles prices have increased by ~3% in July, boosting cost pass-through and, hence, margin should rebound. KJC's upcoming capacities will continue to support its market share, strengthening its leadership position in the domestic market.

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- **Orient Cement:** We maintain our BUY rating on Orient Cement with a revised target price of INR 187/share (7.5x Jun'23E consolidated EBITDA). In line with the performances of its peers in the south, Orient reported strong margin expansion during Q1FY22. Solid pricing gains across the south and west regions offset the impact of 26% QoQ volume decline and rising fuel, diesel and packing costs. Thus, unitary EBITDA expanded 25% QoQ to INR 1368/MT (Orient's best-ever margin) and moderated the profit decline. In Q1FY22, its revenue/EBITDA/APAT declined 17/8/10% QoQ to INR 6.91/1.86/0.9bn respectively. We continue to like the company due to a healthy demand outlook, its comfortable balance sheet, and its 3mn MT expansion plan.

Dabur

Outperformance continues; strategies playing out

Dabur's Q1 performance was inspiring with a beat in revenue, volume and EBITDA. Revenue growth was at 32% YoY (HSIE 22%), 2-year CAGR at 7%. Domestic revenue/volume growth were at 35/34% YoY, 2-year CAGR at 12/10% vs. Britannia's 12/13%, Nestle's 8/6%, Marico's 7/2%, Colgate's 4/0%, Emami's 3/2% and HUL's 2/0%. Dabur's healthcare/HPC/F&B grew 30/26/80% YoY (vs. +29/-15/-34% in Q1FY21 and +23/+33/+28% in Q4FY21). The international business saw continued recovery, growing 29% YoY. EBITDA growth was at 33% YoY (HSIE 23%), while EBITDA margin was in line at 21%. We remain positive on Dabur's ability to deliver strong revenue growth, led by its positioning as a natural and trusted brand along with its power brands strategy. We maintain our EPS estimates. We increase our target multiple to 50x P/E (45x earlier) on Jun-23E to factor in its consistent outperformance vs peers and result-oriented renewed strategies. Our target price is INR 625. Maintain ADD.

- **Healthcare/oral care/hair care outperform:** Net revenue grew by 32% YoY (-13% in Q1FY21 and +25% in Q4FY21), ahead of our expectation of 22% YoY growth. Domestic business grew by 36% YoY with 34% YoY volume growth. Despite a heavy base, health supplements/digestives/OTC/ethical were up 25/16/52/51% YoY. In HPC, oral care/hair oils/shampoo/home care/skin and salon saw growth of 21/38/41/31/-5%. Food saw 18% YoY growth, while beverages was up 85% on a low base and in the peak season. Dabur saw strong market share gains in oral care, hair oils, home care, Chyawanprash and juices. International revenue grew by 29% YoY with 34% YoY cc growth.
- **Maintains EBITDA margin in high inflation:** GM contracted by 131/64bps YoY/QoQ (-10bps in Q1FY21 and -35bps in Q4FY21) to 48%. It was impacted by steep raw material inflation and restricted price hikes (~3%). Employee/ A&P/other expenses grew by 15/29/34% YoY. Dabur, through its cost savings initiatives, saved INR 250-270mn in Q1FY22. EBITDA margin expanded 10bps YoY (+91bps in Q1FY21 and +5bps in Q4FY21) to 21.1% (in line with HSIE). EBITDA grew by 33% YoY (HSIE 23%). PBT grew by 34% YoY while PAT grew by 28% YoY on increase in tax rate.
- **Call takeaways:** (1) Urban will see higher growth vs. rural in FY22 (due to the low base), but rural will continue to outpace urban in the medium term. (2) The company has introduced real juice SKUs at INR 10/20 for the rural market, which is seeing good traction. (3) The company has experienced high inflation and taken 3% price hike. (4) No plans to take a price hike in Q2, but may take in Q3 if inflationary pressure continues. (5) Capex of INR 5.5bn over the next three years for the Indore plant. (6) International business will deliver double-digit growth in a stable environment. (7) It expects A&P spend at 9% of sales in the next 2-3 years. (8) It doubled its e-commerce sales, which now contribute towards 8% of domestic sales.

Quarterly/Annual Financial summary

YE Mar (INR mn)	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	FY21	FY22E	FY23E	FY24E
Net Sales	26,115	19,800	31.9	23,368	11.8	95,617	108,431	119,232	132,317
EBITDA	5,520	4,166	32.5	4,425	24.8	20,027	23,161	26,274	29,605
APAT	4,373	3,418	28.0	3,778	15.8	16,934	19,185	21,516	24,426
Diluted EPS (INR)	2.5	1.9	28.0	2.1	15.8	9.6	10.9	12.2	13.8
P/E (x)						64.1	56.6	50.4	44.4
EV / EBITDA (x)						52.2	44.9	39.3	34.6
RoCE (%)						44.3	51.3	55.2	61.9

Source: HSIE Research

ADD

CMP *(as on 3 Aug 2021)*	Rs 614
Target Price	Rs 625
NIFTY	16,131

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	Rs 566	Rs 625
EPS %	FY22E	FY23E
	0%	0%

KEY STOCK DATA	
Bloomberg code	DABUR IN
No. of Shares (mn)	1,768
MCap (Rs bn) / ($ mn)	1,086/14,619
6m avg traded value (Rs mn)	1,505
52 Week high / low	Rs 62/471

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	13.2	17.1	20.3
Relative (%)	1.7	10.7	(22.5)

SHAREHOLDING PATTERN (%)

	Mar-21	Jun-21
Promoters	67.87	67.36
FIs & Local MFs	5.34	4.66
FPIs	19.77	20.59
Public & Others	7.51	7.39
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Godrej Properties

Positives priced in

Godrej Properties Ltd (GPL) reported an operationally weak Q1FY22 with presales volume of 0.8msf (-69.3%/-81.5% YoY/QoQ) and value of INR 4.9bn (-67.5%/-81.1% YoY/QoQ). Despite the weak performance, we expect GPL to register presales growth in FY22, given (1) near normalisation of sales momentum in June/July-21, (2) robust launch pipeline (13.3 msf), (3) strong balance sheet with surplus cash of ~INR 35bn, and (4) well recognised brand positioning. We roll forward our valuation to Jun-23, and increase our target price to INR 1,500/sh (earlier INR 1,323/sh) to account for surplus cash (INR 35bn) deployment in new land acquisitions. However, given punchy valuations, we reiterate REDUCE, as all the positives seem fairly priced in.

- **Q1FY22 financial highlights:** Revenue: INR 862mn (+19%/-80% YoY/QoQ, 43% miss). EBITDA: INR (635) mn (INR (535)/ (1,541) mn in Q1FY21/Q4FY21, vs INR (776) mn est.). RPAT/APAT: INR 170mn (INR (202)/371 mn Q1FY21/Q4FY21), vs an estimated loss of INR 73mn. Presales in June-21 have picked up and were around INR 3.3bn (contributing 66% to Q1FY22 sales); July-21 saw further recovery with presales of ~INR 5bn.
- **Weak presales; new vision for Mumbai; focus on top cities to continue:** The presales value for the quarter came in at INR 4.9bn (-67.5/-81% YoY/QoQ) and volume stood at 0.8msf (-69x/-81.5% YoY/QoQ). For FY22, the GPL expects to surpass FY21 presales (INR 67bn), given a robust launch pipeline of 13.3msf. Collections for the quarter stood at INR 12bn (INR 4.5bn YoY). Laying higher growth emphasis on the MMR market, GPL has rejigged its management team with a new CEO at the helm. A good chunk of surplus growth capital will get deployed in Mumbai. The Worli project approval is expected to be sorted out before the Bandra project. Also, GPL is in advanced talks for some redevelopment projects in the city.
- **Major traction in land banking to pan out over the next two years:** GPL will deploy surplus funds over the next 24 months for purchasing land parcels as it expects land costs to tighten after two years. It is targeting to achieve an RoE of around 20% in the long term. New launches, projects completions, and higher share of owned projects will drive revenue and profitability.

Consolidated Financial Summary

YE March (Rs mn)	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	FY21	FY22E	FY23E	FY24E
Net Sales	862	723	19	4,326	(80)	7,649	15,504	20,536	19,501
EBITDA	329	(535)	(161)	(1,541)	(121)	-3,336	1,666	6,010	6,098
APAT	170	(202)	(184)	371	(54)	393	4,984	8,861	9,636
Diluted EPS (Rs)	0.6	(0.7)	(184.1)	1.3	(54.2)	1.4	17.9	31.9	34.7
P/E (x)						1,172.7	92.5	52.0	47.9
EV / EBITDA (x)						(138.6)	280.8	78.0	73.6
RoE (%)						0.6	5.8	9.6	9.5

Source: Company, HSIE Research

Estimate Change Summary

Consolidated	FY22E			FY23E		
(Rs mn)	New	Old	% Change	New	Old	% Change
Revenues	15,504	15,222	2	20,536	19,627	5
EBITDA	1,666	1,664	0	6,010	6,194	(3)
EBITDA margin (%)	10.7	10.9	(18)	29.3	31.6	(229)
APAT	4,984	4,930	1.1	8,861	8,806	0.6

Source: Company, HSIE Research

REDUCE

CMP *(as on Aug 3, 2021)*	Rs 1,323
Target Price	Rs 1,500
NIFTY	16,130

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	Rs 1,323	Rs 1,500
EPS cha. (%)	FY22	FY23
	1.1	0.6

KEY STOCK DATA	
Bloomberg code	GPL IN
No. of Shares (mn)	278
MCap (Rs bn) / ($ mn)	461/6,210
6m avg traded value (Rs mn)	1,331
52 Week high / low	Rs 1,698/820

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	26.7	19.5	80
Relative (%)	15.2	13.1	37.2

SHAREHOLDING PATTERN (%)	Mar-21	Jun-21
Promoters	58.44	58.43
FIs & Local MFs	5.21	5.14
FPIs	27.89	28.07
Public & Others	8.46	8.36
Pledged Shares	-	-

Source : BSE

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Alkyl Amines

High raw material prices affect margins

We maintain SELL on Alkyl Amines with a price target of INR 3,200 (WACC 10%, terminal growth 5%). The stock is currently trading at 55.6x FY23E EPS. We believe that the current valuation already factors in positives from the potential volume growth, post doubling of the acetonitrile plant capacity, and ~40% additional capacities of the aliphatic amines plant. The rising raw material prices are looking as a dampener and can put pressure on the margins in FY22. EBITDA/APAT were 5/1% below our estimates, owing to higher-than-expected raw material costs, offset by lower-than-expected depreciation, higher-than-expected other income, and a lower-than-expected tax outgo.

- **Financial performance**: Sales grew 3/60% QoQ/YoY to INR 3.9bn. Q1 witnessed a volume degrowth of 2-5% sequentially, whereas realisation grew by 5-6%. Gross margin fell significantly to 48.9% (-808/-699bps QoQ/YoY) in Q1 as raw material prices of key inputs such as acetic acid, methanol and ammonia soared in the quarter. EBITDA margin came in at 28.3% (-664/-331bps QoQ/YoY) and witnessed a fall mainly due to the trickle-down effect of a lower gross margin.
- **Call takeaways**: (1) Capex guidance for FY22/23 is INR 2.0/2.5bn. Apart from this, the company is looking for a land parcel of 100-150 acres for its future expansion plans. (2) The acetonitrile expansion project is on track and is expected to finish mechanical completion in Sep-21. The plant will be commissioned in Q3FY22, and will ramp up in Q4FY22. (3) Preliminary work on the aliphatic amines expansion project has been completed. (4) The company is carrying out a brownfield expansion for DMA HCL and is increasing its capacity from 25ktpa to 30ktpa. This capacity should come onstream in Oct'21. (5) There was a planned shutdown of plants in April which also affected sales volumes in Q1FY22.
- **Change in estimates:** We raise our FY22 EPS estimate by 4.9% to INR 65.1 per share to factor in increased realisations across products, offset by higher raw material costs in FY22.

Financial Summary

INR mn	Q1FY22	Q4FY21	QoQ (%)	Q1FY21	YoY (%)	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	3,918	3,821	2.5	2,452	59.8	9,929	12,424	15,041	17,963	20,193
EBITDA	1,107	1,334	(17.0)	774	43.1	2,590	4,291	4,739	5,627	6,281
APAT	785	926	(15.2)	528	48.8	1,798	2,953	3,325	3,930	4,381
AEPS (INR)	15.4	18.1	(15.2)	10.3	48.8	35.2	57.8	65.1	76.9	85.8
P/E (x)						121.4	73.9	65.7	55.6	49.8
EV/EBITDA(x)						84.4	50.6	45.6	38.2	33.7
RoE (%)						47.8	44.4	36.2	33.0	29.1

Source: Company, HSIE Research

Change in estimates

Y/E Mar	FY22E Old	FY22E New	% Ch	FY23E Old	FY23E New	% Ch
EBITDA (INR mn)	4,533	4,739	4.5	5,606	5,627	0.4
Adj. EPS (INR/sh)	62.1	65.1	4.9	76.6	76.9	0.4

Source: Company, HSIE Research

SELL

CMP *(as on 03 Aug 2021)*	INR 4,275
Target Price	INR 3,200
NIFTY	16,131

KEY CHANGES	OLD	NEW
Rating	SELL	SELL
Price Target	INR 3,170	INR 3,200
EPS %	FY22E +4.9%	FY23E +0.4%

KEY STOCK DATA	
Bloomberg code	AACL IN
No. of Shares (mn)	51
MCap (INR bn) / ($ mn)	218/2,941
6m avg traded value (INR mn)	573
52 Week high / low	INR 4,749/894

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	26.8	113.0	364.9
Relative (%)	15.2	106.7	322.1

SHAREHOLDING PATTERN (%)	Mar-21	Jun-21
Promoters	74.13	74.09
FIs & Local MFs	2.00	1.11
FPIs	0.90	1.03
Public & Others	22.97	23.77
Pledged Shares	0.00	0.00

Source : BSE

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Kajaria Ceramics

Cost controls cushion margin hit

We maintain our BUY rating on Kajaria Ceramics (KJC) with an unchanged target price of INR 1,130/share (19 Jun'23E consolidated EBITDA). We continue to like KJC for its superior margin in the tiles segment (function of its robust distribution and cost controls) and its fast expansion in its bathware and ply businesses. In Q1FY22, KJC's consolidated revenue/EBITDA/APAT fell by 41/58/66% QoQ to INR 5.62/0.80/0.43bn respectively (with the lockdown impacting consolidated revenue). Its QoQ margin compression is much lower vs peers. With demand recovering June onwards, tiles prices have increased by ~3% in July, boosting cost pass-through and, hence, margin should rebound. KJC's upcoming capacities will continue to support its market share, strengthening its leadership position in the domestic market.

- **FY22Q1 performance:** KJC's tiles/non-tiles revenue fell 40/51% QoQ, hit hard by the lockdown in Q1. Gas prices also rose ~10% QoQ, thereby further hitting profits. However, it managed to restrict the EBITDA margin (at 14.3%) contraction to ~6pp QoQ through its agile fixed cost controls. Its margin contraction is much lower than that of some of the smaller peers who reported ~10-15pp QoQ compression. Demand is on an upswing June onwards. KJC guided that its utilisation has firmed up to 95% in July against 75% in Q1, owing to healthy demand. It has also taken price hikes across both tiles (+3% in July) and bathware (+10% in May) to pass on the gas price and brass price inflation respectively.
- **Con call takeaways**: KJC expects its tiles revenue to grow ~18-19% in FY22E, owing to strong distribution and market penetration. On a low base, it is targeting 50/100% jump in its bathware/ply segments. Its ongoing Capex of INR 2.5bn will increase its tiles capacity by 17% by early FY23E, bolstering its volume growth and market share gain. Over the next three years, KJC expects to expand its tiles market share in India to 15%+ from 12% currently. Continued buoyancy in export markets and elevated gas prices in the Morbi cluster will reduce competitive pressures for national players in domestic markets. We maintain our earnings estimates and target price.

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q1 FY22	Q1 FY21	YoY (%)	Q4 FY21	QoQ (%)	FY20	FY21	FY22E	FY23E	FY24E
Tiles sales (MSM)	15.3	7.7	99.2	25.4	(39.9)	78.1	75.4	87.2	107.1	121.0
NSR (Rs/Kg)	368	362	1.6	375	(1.9)	334	336	342	350	353
Tiles Revenue	5,193	2,577	101.5	8,659	(40.0)	26,049	25,328	29,851	37,452	42,744
Others Revenue	423	199	113.1	867	(51.1)	2,032	2,482	3,831	4,677	5,716
Net Sales	13,256	9,115	*45.4*	14,243	*(6.9)*	28,080	27,809	33,682	42,129	48,460
EBITDA	2,582	1,726	*49.6*	3,131	*(17.5)*	4,159	5,088	6,408	8,878	10,004
EBITDAM (%)	*14.3*	*(2.7)*		*20.0*		*14.8*	*18.3*	*19.0*	*21.1*	*20.6*
APAT	1,313	489	*168.3*	2,286	*(42.6)*	2,553	3,081	3,653	5,050	5,696
Diluted EPS (Rs)	11.2	4.2	*168.3*	16.2	*(31.2)*	16.0	19.4	23.0	31.7	35.8
EV / EBITDA (x)						39.3	31.7	25.1	18.0	15.8
P/E (x)						64.1	53.1	44.8	32.4	28.7
RoE (%)						*14.9*	*16.6*	*17.9*	*22.1*	*21.9*

Source: Company, HSIE Research, Others revenues include bathware and ply

BUY

CMP *(as on 3 Aug 2021)*	**INR 1,028**
Target Price	**INR 1,130**
NIFTY	**16,131**

KEY CHANGES	**OLD**	**NEW**
Rating	Buy	Buy
Price Target	INR 1,130	INR 1,130
EBITDA revision %	FY22E -	FY23E -

KEY STOCK DATA	
Bloomberg code	KJC IN
No. of Shares (mn)	159
MCap (INR bn) / ($ mn)	164/2,202
6m avg traded value (INR mn)	249
52 Week high / low	INR 816/243

STOCK PERFORMANCE (%)	**3M**	**6M**	**12M**
Absolute (%)	11.1	18.5	149.7
Relative (%)	(0.4)	12.2	106.9

SHAREHOLDING PATTERN (%)	**Mar-21**	**Jun-21**
Promoters	47.54	47.54
FIs & Local MFs	14.46	14.89
FPIs	25.25	25.09
Public & Others	12.75	12.48
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Orient Cement

On a strong footing

We maintain our BUY rating on Orient Cement with a revised target price of INR 187/share (7.5x Jun'23E consolidated EBITDA). In line with the performances of its peers in the south, Orient reported strong margin expansion during Q1FY22. Solid pricing gains across the south and west regions offset the impact of 26% QoQ volume decline and rising fuel, diesel and packing costs. Thus, unitary EBITDA expanded 25% QoQ to INR 1368/MT (Orient's best-ever margin) and moderated the profit decline. In Q1FY22, its revenue/EBITDA/APAT declined 17/8/10% QoQ to INR 6.91/1.86/0.9bn respectively. We continue to like the company due to a healthy demand outlook, its comfortable balance sheet, and its 3mn MT expansion plan.

- **All-time high margin in Q1FY22:** While volume fell 26% QoQ during the lockdown, robust pricing gain (+13% QoQ) buoyed unitary EBITDA to an all-time high of INR 1,368/MT. ORCMNT increased the share of blended cement sales (70% vs ~55% in FY20). In its key markets, the share of its premium cement sales has increased to 15-18% of its trade sales (from ~8% in FY20). Orient has also stocked up domestic coal inventory ahead of the price increase, thereby moderating fuel inflation impact Q2 onwards. Amid no major ongoing Capex currently, Orient reduced debt by 15% in H1FY22.
- **Outlook**: Orient expects to deliver 6mn MT sales in FY22E despite the lockdown impact in Q1. The ongoing grinding debottlenecking will increase its capacity by 0.5mn MT in FY22. In FY23, it will start work to expand capacity by 3mn MT (~1/2mn MT grinding/clinker at Devapur and 2mn MT SGU in Maharashtra) to be completed by FY24E (entailing Capex of INR 16bn). In FY23, it expects to commission a WHRS plant in Karnataka. As major Capex will start in FY23, we estimate its net debt/EBITDA to remain under 2.5x, as ORCMNT's capacity increases to 11.5x by FY25E. Factoring in healthy demand and pricing, we raise our EBITDA estimates for FY22/23/24E by 9/3/6% respectively. We remain positive on the company's outlook and maintain our BUY rating with a revised target price of INR 187/sh (7.5x its Jun'23E EBITDA).

Quarterly/annual financial summary

YE Mar (INR mn)	Q1 FY22	Q1 FY21	*YoY (%)*	Q4 FY21	*QoQ (%)*	FY20	FY21	FY22E	FY23E	FY24E
Sales Vol (mn MT)	1.4	0.8	*66.0*	1.9	*(26.4)*	5.8	5.1	5.9	6.4	7.0
NSR (INR/MT)	5,076	5,004	*1.4*	4,495	*12.9*	4,171	4,602	4,740	4,645	4,692
Opex (INR/MT)	3,708	3,806	*(2.6)*	3,400	*9.0*	3,512	3,512	3,754	3,749	3,799
EBITDA(INR/MT)	1,368	1,198	*14.2*	1,095	*25.0*	659	1,090	987	896	893
Net Sales	6,909	4,104	*68.4*	8,316	*(16.9)*	24,218	23,241	28,008	29,918	32,634
EBITDA	1,862	982	*89.5*	2,025	*(8.1)*	3,829	5,507	5,829	5,772	6,213
APAT	895	256	*249.1*	999	*(10.4)*	866	2,142	2,468	2,535	2,907
AEPS (INR)	4.4	1.3	*249.1*	4.9	*(10.4)*	4.2	10.5	12.0	12.4	14.2
EV/EBITDA (x)						6.8	3.8	6.6	7.4	7.6
EV/MT (INR bn)						3.28	2.44	4.51	5.01	5.57
P/E (x)						16.5	6.7	13.9	13.5	11.8
RoE (%)						*8.0*	*17.7*	*17.5*	*15.7*	*15.7*

Source: Company, HSIE Research

BUY

CMP *(as on 3 Aug 2021)*	**INR 167**
Target Price	**INR 187**
NIFTY	**16,131**

KEY CHANGES	**OLD**	**NEW**
Rating	Buy	Buy
Price Target	INR 187	INR 178
EBITDA revision %	FY22E *9.4*	FY23E *3.3*

KEY STOCK DATA	
Bloomberg code	ORCMNT IN
No. of Shares (mn)	205
MCap (INR bn) / ($ mn)	34/461
6m avg traded value (INR mn)	154
52 Week high / low	INR 172/56

STOCK PERFORMANCE (%)	**3M**	**6M**	**12M**
Absolute (%)	49.8	82.6	163.8
Relative (%)	38.3	76.3	121.0

SHAREHOLDING PATTERN (%)	**Mar-21**	**Jun-21**
Promoters	37.37	37.37
FIs & Local MFs	24.08	20.64
FPIs	2.09	4.43
Public & Others	36.46	37.56
Pledged Shares	5.25	5.25

Source : BSE

Pledged shares as % of total shares

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Rating Criteria

BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Varun Lohchab	Dabur India	PGDM	NO
Naveen Trivedi	Dabur India	MBA	NO
Saras Singh	Dabur India	PGDM	NO
Parikshit Kandpal	Godrej Properties	CFA	NO
Chintan Parikh	Godrej Properties	MBA	NO
Manoj Rawat	Godrej Properties	MBA	NO
Harshad Katkar	Alkyl Amines	MBA	NO
Nilesh Ghuge	Alkyl Amines	MMS	NO
Rachael Alva	Alkyl Amines	CA	NO
Rutvi Chokshi	Alkyl Amines	CA	NO
Rajesh Ravi	Kajaria, Orient Cement	PGPM	NO

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