

Sector : Pipes	MAN Industries (India) Ltd (MIL)
CMP : Rs. 209	Rating : BUY

The line pipe people

- The discovery of huge gas reserves on the eastern coast of India would necessitate the laying of cross country pipelines as the demand centers are mainly located in the northern, western and southern regions. Investments exceeding Rs 325 billion is likely to be committed in setting up the National Gas Grid.
- MIL is expanding its HSAW (*Helically submerged arc welded*) pipe capacity by 200,000 mtpa at its Anjar facility. The enhanced availability of the cheaper HSAW pipes would enable MIL to bid for GAIL's pipeline projects which have commenced accepting the cheaper HSAW technology.
- Newer discoveries of natural gas reserves & oil fields coupled with the aggressive expansion of refineries all over the world are boosting the global demand for line pipes. Over 246,000 kms of pipeline projects is likely to be executed during the next 5-7 years.
- MIL is exploring options to set up manufacturing base in USA in joint venture with one of the leading US SAW Pipe manufacturer. The overseas plant is expected to help MIL get a firmer footprint in the highly lucrative US markets apart from catering to the requirements of the booming hydrocarbon sector throughout the world.

Valuations

We expect MIL to close FY 2006-07 with a net turnover of Rs 11.1 bn and register profits and EPS of Rs 552 mn and Rs 21 respectively. Going forward, MIL is likely to grow at a 40% CAGR over the next two years and clock turnover of Rs 16.1bn and Rs 21.7 bn for FY2007-08 and 2008-09 respectively. Net profits for the corresponding periods are expected to be Rs 923mn & Rs 1,235mn.

At the current market price of Rs 209, MIL trades at 8X FY08E and 6X FY09E earnings. EV/EBIDTA of 3.5X FY08E and 2.4 X FY09E makes the stock an attractive pick for long term returns. We recommend a BUY on the stock with a 12-month target price of Rs 300.

SBICAP Securities Limited

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(For Private circulation only)

June 14, 2007

Initiating Coverage

(Rs. mn)

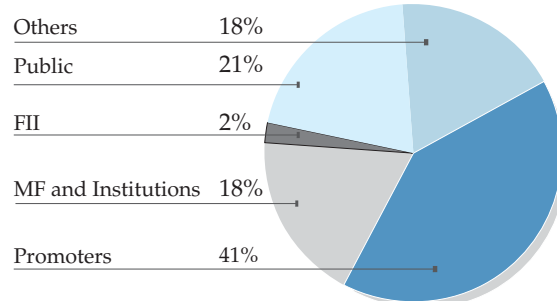
Key Financials*	FY06	FY07	FY08E	FY09E
Net Sales	7,994	11,108	16,100	21,715
Growth (%)	-	39.0	44.9	34.9
EBITDA	235	578	1205	1795
EBITDA Margin (%)	2.9	5.2	7.5	8.3
Adjusted PAT	351	552	923	1235
Growth (%)	-	57.2	67.2	33.8
Net Profit Margin (%)	4.0	4.6	5.4	5.5
EPS (based on adj. PAT)	13.0	21.0	27.0	36.0
Book Value per share	103	121	173	203
Return on Equity (%)	12.7	17.2	15.5	17.6

Key Ratios(x)	FY06	FY07	FY08E	FY09E
P/E	15.9	10.1	7.8	5.8
P/BV	2.0	1.7	1.2	1.0
EV/EBITDA	6.9	5.6	3.5	2.4
EV/Sales	0.8	0.7	0.5	0.3

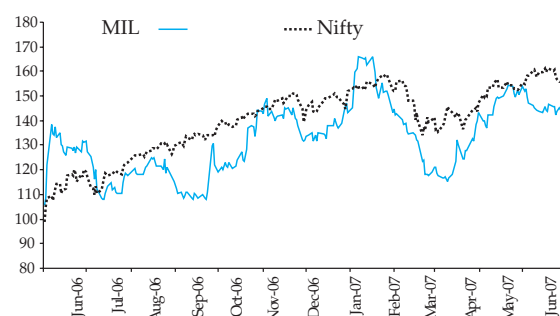
Key Data

Face Value (Rs.)	10
Shares Outstanding(mn)	26.6
Market Cap (Rs. bn/US\$ mn)	7.2/177
52 Week High/Low (Rs.)	255/150
Nifty	4,113
Reuters code	MIND.NS
Bloomberg Code	MAN.IN
*Year End	March

Shareholding pattern(%) March '07



Relative Price Performance



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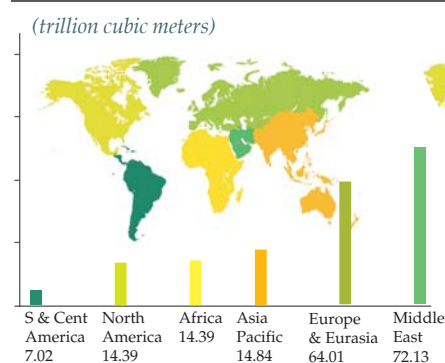
Industry Overview

Global Scenario

Massive investments in pipeline infrastructure required to exploit newer oil & gas finds across the world

Globally the SAW (Submerged Arc Welded) pipe industry is expected to witness tremendous growth on the back of newer discoveries of natural gas reserves and oil fields coupled with the expansion of refineries all over the world. Industry estimates indicate that pipeline projects exceeding 246,000 kms have been identified for the next 5-7 years, of which over 100,000 kms is expected to come up in the Middle East and Asia. The USA oil and gas grid offers a huge opportunity for SAW pipe manufacturers as a substantial portion of the total 200,000 Kms pipeline networks is up for replacement in the next few years.

Proved Gas Reserves



Source: BP Statistical Review of world energy 2006.

Natural Gas Trade Movements

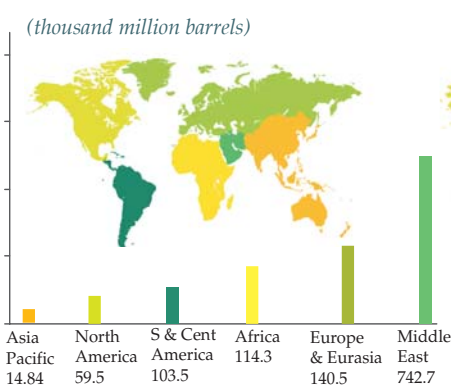


Source: BP Statistical Review of world energy 2006.

Pipeline transport is the most economical method to carry large quantities of oil & gas over land.

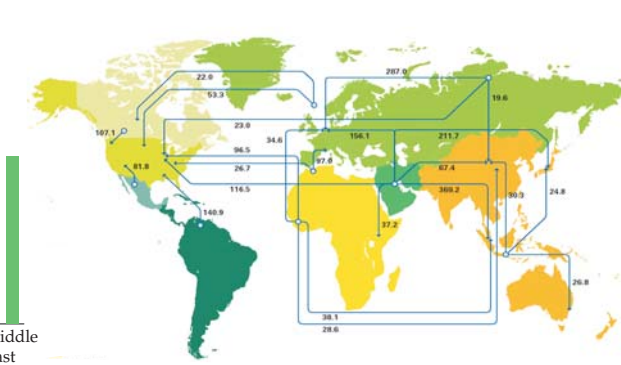
Major proportion of the incremental oil & gas supplies is likely to be gobbled up by Asia, particularly India and China

Proved Oil Reserves



Source: BP Statistical Review of world energy 2006.

Oil Trade Movements

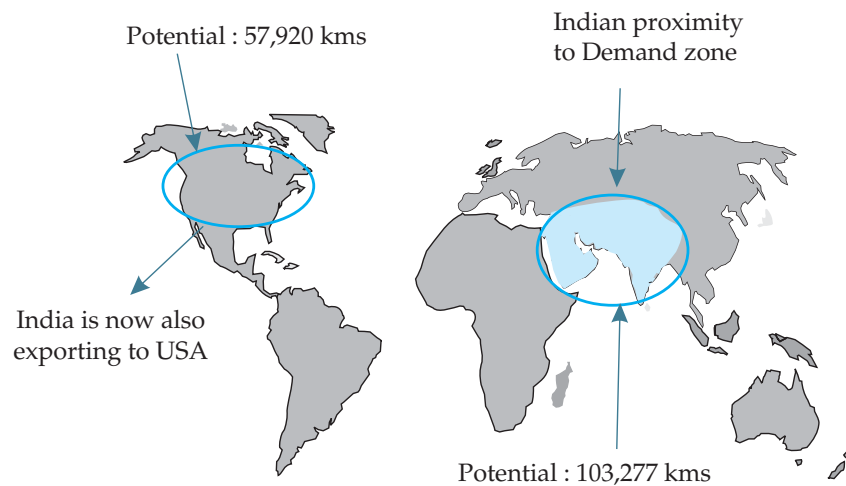


Source: BP Statistical Review of world energy 2006.

Future pipeline projects (Breakdown per region)

Region	No. of Projects	Total Length			Average Length	
		Kms	Miles	(%)	Kms	Miles
North America	189	57,920	36,017	23	306	191
Latin America	39	34,278	21,305	14	879	546
Europe	62	33,822	21,024	14	546	339
Africa	28	11,610	7,216	5	415	258
Middle East	92	21,541	13,393	9	234	146
Asia	90	81,736	50,790	33	908	564
Australia	11	5,566	3,459	2	506	314
Total	511	246,473	153,204		482	300

Source: May 2007 Data Update - Simdex

India well position in demand zone

Source: Simdex, SBICAP research

Middle East is a high demand area for line pipes, with no significant local manufacturing and the demand has been traditionally met by European and Japanese pipe manufacturers. Indian pipe manufacturers with close proximity to the Middle East stand to benefit from the increasing demand in this region as a result of their lower production costs and freight rates.

Indian Scenario

The prospects for higher domestic gas production has brightened post the recent discoveries in the Krishna Godavari (KG) and the Mahanadi Basins by various independent private players and public private Joint Ventures. Reliance Industries Ltd's (RIL) KG Block have a 2P reserves of 23 trillion cubic feet (tcf) with an upside of 12 tcf. RIL-Niko consortium's Mahanadi block has gas reserves of almost 5.5 tcf. ONGC and Gujarat Gas Petronet are also amongst the list of other players who have struck gas on the eastern coast of India.

Substantial portion of the old pipeline network in USA is up for replacement.

Middle East - Oil & Gas supplies never seem to slow down

~ 100,000 kms of pipeline projects are to be executed in Middle East & Asia.

Indian pipe manufacturers well positioned in the demand zone - close proximity to the Middle East.

India also joins the league - finds huge gas reserves on the eastern coast.

Natural Gas - the future engine of growth for the Indian economy.

India is poised to emerge as the most promising energy market for investments into the supply and consumption of natural gas .

Going forward, we expect the demand for natural gas to explode and the increased supplies of gas through new discoveries and LNG terminals are expected to be mainly absorbed by the power and the fertilizer sectors. With the supply and demand side swelling together, we do not foresee underutilization of gas capacities.

The network of oil and gas in India is at an early stage of development. The share of pipeline transportation in India is only 25% as against 59% in USA and 75% in developed countries thereby revealing the wide gap that needs to be bridged in order to meet the sustained energy demand of oil and gas through cross country pipe lines.

The monetization of the additional gas reserves found in the KG and the Mahanadi Basins by 2008-11 would necessitate the development of infrastructural facilities such as laying additional pipelines, thereby providing huge opportunities for the growth of the domestic Saw Pipe industry. Going forward, investments over Rs 325 bn would be needed to set up pipelines for transportation of natural gas across the country.

Proposed Pipelines: Estimated Volumes & Investments

	Length (kms)	Volume (mmscmd)	Investment (Rs Bn)
RIL (Sub - Total)		105	198
Goa - Hyderabad	652	10	22
Kakinada - Hyderabad	469 (Trunk) 278 (Spur)	20	20
Hyderabad - Uran - Ahemdabad	941 (Trunk)	35	55
Karnataka - Maharashtra - Gujarat	244 (Spur)		
Chennai - Tuticorin Pipeline	670	10	25
Chennai - Bangalore - Mangalore Pipeline	660	10	24
Kakinada - Basudebpur - Haldia Gas Pipeline (KBHPL)	1100	20	52
GAIL (Sub - Total)		74	127
Dabhol - Panvel Pipeline	165.78	12	13.26
Dadri - Bawana - Nangal		10	30
Dahej - Uran (Trunk Line)	386 (Trunk) 112 (Spur)	12	18.31
Kakinda - Chennai		20	25
Jagdishpur - Haldia	876	20	40
Kochi - Kanjirkod - Bangalor/Mangalore	876	10	22.5
Chainsa - Gurgoan - Jhajjar - Hissar Pipelines		10	15
Total		179	325

Kochi - Mangalore and Chainsa - Hissar Pipeline estimated details have not been included in the projections as they do not fall under the mid term time frame.

Considering the indicative cost of laying pipelines it is expected that Rs 325 billion worth of Investments would be pumped into pipeline infrastructure development over the next 3-4 years.

Source: Crisil Research

Rs 325 billion are estimated to be spent for constructing the National Gas Grid.

Indian Pipe manufacturers better placed than their global peers.
 - Lower conversion cost
 - Lower Freight cost.

Cost of conversion for Indian pipe manufacturers is ~ USD 50/ MT v/s USD 90-110/MT for the foreign manufacturer.

The Indian Advantage

In comparison to importing pipes from Europe and Japan, pipes can be manufactured in India at a lower cost. Even considering Zero import duty, Indian pipe manufacturers have a significant cost advantage over their global peers on account of the lower conversion costs and the high import freight on pipes. Indian pipe manufacturers can exploit the above cost advantages to not only stem the import of pipes but can also break into the overseas market in a big way.

Local Manufacturing v/s Import of Pipes

(in USD/MT)	Indian Mfgr	Foreign Mfgr
Plate	900	900
Freight on plate	40	20
Import Duty	0	0
Conversion cost	55	100
Freight on pipe	--	80
Total	995	1100
Cost Advantage	105	

Source: Company

Export advantage to Indian Manufacturers

(in USD/MT)	Indian Mfgr	Foreign Mfgr
Plate	900	900
Freight on plate	40	20
Import Duty *	0	0
Conversion cost	55	100
Freight on pipe **	40	80
Total	1035	1100
Comparative Cost advantage on Exports	65	

Source: Company

* Calculations based on exports to Middle East.

** Freight on Pipes

India to Middle East USD 40/MT

Europe / Japan to Middle East USD 80/MT

One of India's leading manufacturer and worldwide exporter of large diameter carbon steel LSAW & HSAW line pipes.

Decade of experience in making line pipes.

Has the mandatory API accreditation.

Marquee client base.

Order Book ~ 2X FY 07E sales

Major thrust on exports.

Company Background

MIL is one of India's leading manufacturers and worldwide exporter of large diameter Carbon Steel LSAW (Longitudinal Submerged Arc Welded) and HSAW (Helically Submerged Arc Welded) Line Pipes which is predominantly used in various high pressure transmission applications for Gas, Crude Oil, Petrochemical Products and Potable Water.

LSAW pipe products are primarily used in oil & natural gas transportation and in high temperature & pressure applications in refineries and petrochemical units whereas HSAW pipes are used in the transportation of water, natural gas and crude & refined petroleum products under low pressure conditions.

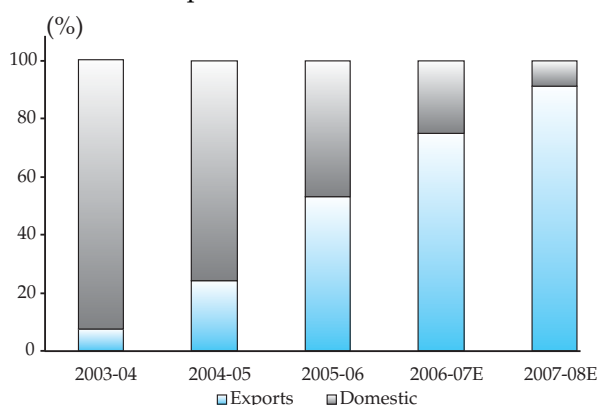
MIL, part of The Man Group was promoted by Mr. Ramesh Chandra Mansukhani and Mr. Jagdish Chandra Mansukhani in 1989. Incorporated as an Aluminum Extrusion Unit at Pithampur, in Madhya Pradesh, MIL subsequently diversified into the business of LSAW Line pipes in 1995. The HSAW Line Pipe Mill and the External/Internal coating facilities were commissioned during 1999 and 2001 respectively within the same premises making the plant capable of rendering all services under one roof. MIL subsequently expanded its capacity in FY 2005 by setting up another plant in Anjar, Gujarat which enjoys excise holiday for 5 years and sales tax holiday for 11 years.

MIL's facilities also hold internationally accepted quality standards laid down by the American Petroleum Institute (API) which is a mandatory requirement for the production of high pressure line pipes for hydrocarbon applications.

MIL's domestic clients include ONGC, HPCL, BPCL, RPL, L&T, GAIL, Punj Llyod and many others. Globally, MIL has supplied SAW pipes to some of the major players in the oil and gas industry such as SCOP (Iran), NIOEC and NIGC (Iran), QP (Qatar), KNPC and KOC (Kuwait), Midcontinent Express Pipeline LLC (USA) among others.

Surging Order Book to propel revenue growth.

MIL has recently bagged orders worth Rs 10 billions (USD 225 millions) from USA based Midcontinent Express Pipeline LLC to be executed in a year's time. With this order, MIL's total order book currently stands at around Rs 22 billion, the export content of which is roughly around 90%. The Midcontinent order is a significant indicator of the potentially large market for pipes in USA. Going forward, MIL's expanding order book is expected to propel revenue growth and the widening geographic footprint in project implementation (*viz., Asia, Middle East and USA*) serves as a reference point for further accretion to the order-book.



Region Wise Order Book

Region	(Rs in mn)
Nigeria & West Asia	6,000
India - RIL	1,000
India - Others	1,000
Iran	4,000
USA	10,000
Total	22,000

Timely capacity expansions to seize growth opportunities.

Existing Capacities

Locations	LSAW (MTPA)	HSAW (MTPA)	Total (MTPA)	Colour Coating (sq.mtrs p.a)
Pithampur,MP	135,000	--	135,000	2,400,000
Anjar,Gujrat	200,000	90,000	290,000	3,000,000
Total	335,000	90,000	425,000	5,400,000
Production (FY2005-06)			173,913	
Capacity Utilisation			41%	

Source: Company

Capacity Expansion (At Anjar, Gujarat)

Completion Date	LSAW (MTPA)	HSAW (MTPA)	Total (MTPA)
Jun-07	--	100,000	100,000
Sep-07	--	100,000	100,000
Total	--	200,000	200,000

Source: Company

Capacity Post Expansion

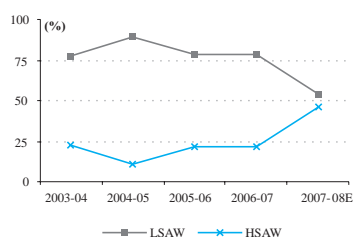
Locations	LSAW (MTPA)	HSAW (MTPA)	Total (MTPA)	Colour Coating (sq.mtrs p.a)
Pithampur,MP	135,000	--	135,000	2,400,000
Anjar,Gujrat	200,000	290,000	490,000	3,000,000
Total	335,000	290,000	625,000	5,400,000

Source: Company

Well timed capacity expansion to exploit the emerging opportunities.

Sales potential in excess of Rs 30 bn.

Product mix shifting in favor of the cheaper HSAW process.



MIL is in advanced stages of adding two more production lines of about 100,000 mtpa each at its Anjar complex. The first line is expected to be operational by June 2007, while the second line is likely to be operational by September 2007. Post commissioning of the two lines, MIL's total installed capacity would increase from the present 425,000 tpa to 625,000 tpa and would have the potential to generate approximately Rs 30 billion in annual sales.

The entire 200,000 mtpa expansion is happening in the HSAW pipe mill. HSAW pipes are comparatively cheaper than LSAW pipes primarily due to the usage of HR coils as compared to steel plates which go into the manufacturing of LSAW pipes. As the HSAW pipes can replace a majority of the LSAW applications, the cost differential between HSAW and LSAW pipes of approx USD 250-300 per tonne makes HSAW the cheaper alternative to LSAW pipes. Higher HSAW capacities would enable MIL to bid for Gail's pipeline projects which have recently commenced accepting the cheaper HSAW technology.

With the commissioning of the expanded capacities, MIL would be able to meet the additional demand and bid for newer projects that is expected to emerge both in the domestic and the international markets. Moreover the higher capacity utilization at its Anjar facility would enable MIL to substantially reduce the logistic cost due to its proximity to the ports of Mundra and Kandla. We expect the benefits from the above capacity expansions to flow from FY 2008-09.

Exploring options to set up manufacturing facilities in USA.

Eyeing Global footprint

The USA oil and gas grid offers a huge opportunity for SAW pipe manufacturers as a substantial portion of the total 200,000 Kms pipeline networks is up for replacement in the next few years. MIL is exploring options to set up manufacturing base in USA in joint venture with one of the leading US SAW Pipe manufacturer. The overseas plant is expected to help MIL get a firmer footprint in the highly lucrative US markets apart from catering to the requirements of the booming hydrocarbon sector throughout the world.

Apart from releasing substantial amount of working capital funds tied up in export inventories, the overseas plant would also enable MIL to command premium margins, cut freight costs and derive significant cost savings on account of the reduced learning curve leading to improved productivity.

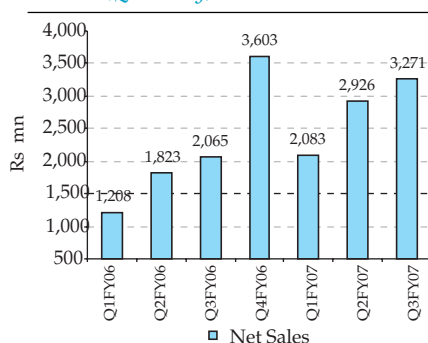
FCCB issue to fund organic and inorganic growth.

MIL's ambition to expand organically and explore inorganic opportunities abroad would be funded by the recent USD 50 million FCCB issue. MIL intends to use USD 20 million for expansion of its existing manufacturing facilities in India, while the balance funds (approx USD 30 million) has been earmarked for the USA Joint Venture, possible acquisitions and such other purposes. The FCCB's with a tenor of five years and one day are convertible into equity shares at a price of Rs 287 per share. Post conversion, MIL's equity capital is expected to increase from the present Rs 266 million to 345 million.

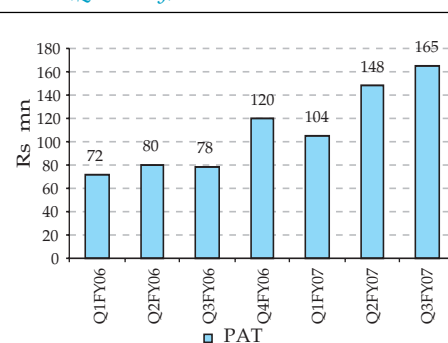
FCCB's to fund expansions and inorganic forays.

Financials

Sales (Quarterly)

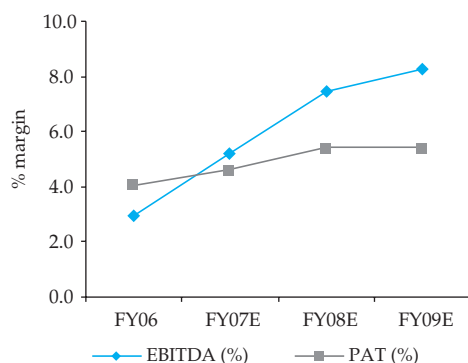


PAT (Quarterly)



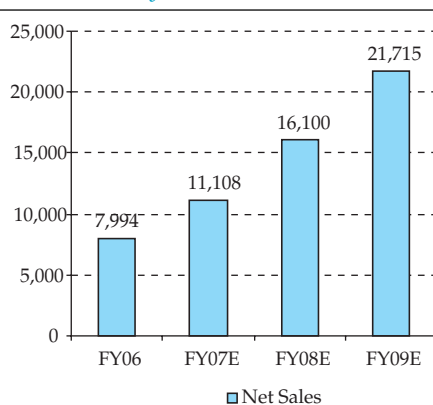
Source: Company, SBICAP Research

Improving EBITDA, PAT Margins



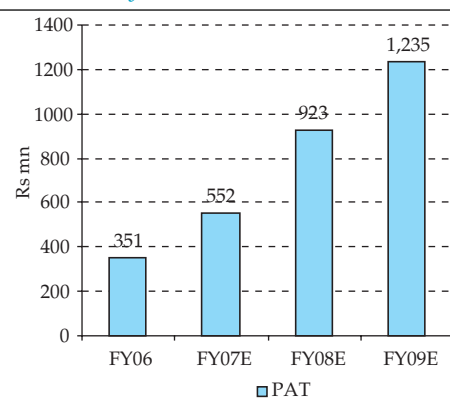
Source: Company, SBICAP Research

Sales (Yearly)



Source: Company, SBICAP Research

PAT (Yearly)



Key Positives

SAW Pipes - the cheapest alternative to transport oil and gas

As compared to rail and roadways, pipeline transport is the most economical way to transport large quantities of oil and gas as it has higher capacities and lower cost per unit. (Rs1.3/Km per ton as against Rs2.2 /Km per tone by rail and Rs3.02/ Km per ton by roads)

Opportunities abound in the emerging domestic markets

The monetization of the additional gas reserves found in the KG and the Mahanadi Basins by 2008-11 would necessitate the development of infrastructural facilities such as laying additional pipelines, thereby providing huge opportunities for the growth of the domestic Saw Pipe industry.

Upsurge in global demand

Globally the SAW pipe industry is expected to witness tremendous growth on the back of newer discoveries of natural gas reserves and oil fields coupled with the expansion of refineries all over the world. Industry estimates indicate that pipeline projects exceeding 246,000 kms have been identified for the next 5-7 years, of which over 100,000 kms is expected to come up in the Middle East and Asia.

Lower conversion costs driving India's manufacturing competitiveness

Indian pipe manufacturers have a significant cost advantage over their global peers on account of lower conversion costs and can exploit it to not only stem the import of pipes but can also break into the lucrative overseas market in a big way.

Product Mix increasingly shifting to the cheaper HSAW Pipes

MIL would be expanding its HSAW pipe mill by 200,000 mtpa by Sept 2007. Higher proportion of the cheaper HSAW pipes would enable MIL to bid for Gail's pipeline projects which have commenced accepting the cheaper HSAW technology.

Significant Entry barriers

Since oil and gas transportation under high pressure is hazardous, oil companies approve vendors only after stringent quality assessment and audit procedures which can take around 2-3 years. Some approvals require performance track record and cannot be initiated till requisite quantity of pipes are supplied.

Key concerns

Volatility in raw material prices

Pipe manufacturers generally operate on a 10-11% EBIDTA margins and the key raw materials (*HR coils / Steel plates*) constitute a major proportion of the total cost. Hence any adverse movements in the prices of HR Coils and Steel plates have the potential to shave off a considerable portion of the operating profits. To overcome the price volatility, pipe manufacturers immediately book a major portion of their raw materials requirements at the time of obtaining orders and stagger the delivery schedule by entering into back to back contracts with their suppliers.

Rupee appreciation to hit margins

The rising rupee is a cause of concern as exports would constitute ~ 90% of MIL's current order book of Rs 22 billion. However we do not expect significant margin erosions as MIL enjoys a natural hedge on account of the import content in exports as the company would be importing 75% of its raw material requirements.

Entry of Foreign Players.

The lucrative markets of the Middle East and the huge potential for line pipes in India may attract the European and Japanese pipe manufacturers to set up manufacturing facilities locally. Even though the foreign players may negate the comparative advantage of the Indian pipe manufacturers and reduce their chances of obtaining export orders, we believe that the global markets for line pipes is sizeable enough to accommodate competition. In the domestic markets, foreign pipe manufacturers setting up operations in India would also need to go through the mandatory accreditation procedures and obtain GAIL's approvals. We believe the accreditations and approvals are likely to take around 2 / 3 years and hence do not foresee any immediate threat to the Indian pipe manufacturers.

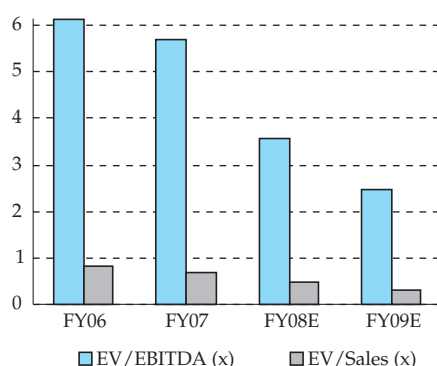
Valuations

The boom in oil and gas industry has resulted in skyrocketing demand for pipelines and Indian pipe manufacturers now account for almost a quarter of the world's SAW pipe production. As MIL is an established player in the Middle East, we expect the company to garner sizeable share of the potentially huge Middle East markets.

We expect MIL to close FY 2006-07 with a net turnover of Rs 11.1 bn and register profits and EPS of Rs 552 mn and Rs 21 respectively. Going forward, MIL is likely to grow at a 40% CAGR over the next two years and clock turnover of Rs 16.1 bn and Rs 21.71 bn for FY 2007-08 and 2008-09 respectively. Net profits for the corresponding periods are expected to be Rs 923 mn & Rs 1,235 mn.

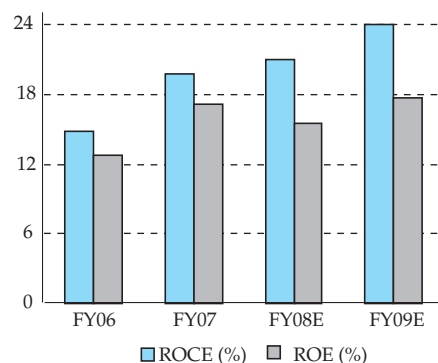
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EV/EBITDA & EV/Sales



Source: Company, SBICAP Research

ROCE & RoE



Source: Company, SBICAP Research

Financial Statements

Income Statement (Rs mn)				
Y/E 31st March	FY06	FY07E	FY08E	FY09E
Net Sales	7,994	1,1108	16,100	21,715
Growth (%)	-	39.0	44.9	34.9
Increase/decrease in stock	605.2	600.0	700.0	800.0
EXPENDITURE				
Cost of material	7,152	9,710	1,3900	18,580
Employment cost	187	220	270	300
Manufacturing & other exp.	359	400.0	525.0	700
Admin. & other exp.	152.5	200.0	240.0	290
Selling & dist. exp.	513.0	600.0	660.0	850
Total expense	8,364	11,130	15,595	20,720
EBITDA	235	578	1205	1795
EBITDA margins(%)	2.9	5.2	7.5	8.3
Total other Income	705	792	900	935
Depreciation	156	260	340	470
Total Interest	268	250	350	350
PBT	513	860	1415	1910
Taxes	163	308	492	675
Effective tax rate (%)	31.7	35.8	34.8	35.3
PAT	351	552	923	1235
PAT margins(%)	4.0	4.6	5.4	5.5

Cash Flow Statement (Rs mn)				
Y/E 31st March	FY06	FY07E	FY08E	FY09E
Cash from operations				
Profit before tax & extraordinary activities	513	860	1415	1910
Add: Dep. & other amor. Exp.	126	480	570	593
Cash flow from operations	639	1340	1985	2503
Net change in working capital, tax, interest	(1331)	(1139)	(1129)	(764)
Net cash from operations	(684)	201	856	1740
Cash from investing				
Capital Expenditure	(431)	(1089)	(430)	(500)
Sale/Purchase of investments	299	0	0	0
Net cash from investing	(132)	(1089)	(430)	(500)
Cash from financing				
Issue of shares	67	(0)	79	0
Share premium	1451	0	1921	0
Interest paid	(268)	(250)	(350)	(350)
Dividends paid	(39)	(55)	(93)	(161)
Debt change	881	(85)	0	0
Net cash from financing	2093	(390)	1557	(511)
Net chg-cash, cashequivalents	1276	(1277)	1983	729

Balance Sheet (Rs mn)				
Y/E 31st March	FY06	FY07E	FY08E	FY09E
Liabilities				
Equity share capital	266	266	345	345
Share premium	1519	1519	3440	3440
Other reserves	967	1425	2187	3220
Total Reserves and Surplus	2486	2944	5627	6660
Total shareholders' funds	2752	3210	5972	7005
Book value (Rs)	103	121	173	203
Total loans	2510	2425	2425	2425
Deferred Tax Balance	262	437	707	907
Total Liabilities	5523	6072	9104	10338
Assets				
Gross Block	3061	4061	4561	5061
Depreciation	607	867	1,207	1,677
Net fixed assets	2,454	3,194	3,354	3,384
Capital WIP	11	100	30	30
Total non-current assets	2465	3294	3384	3414
Total Investments	3	3	3	3
CURRENT ASSETS				
Inventories	1154	1700	2400	3006
Sundry debtors	1006	1600	2373	2800
Cash & bank balances	1567	290	2273	3002
Loans and Advances	1230	1637	1905	2307
Total current assets	4957	5227	8951	11115
Total current liabilities	1853	2315	3000	3835
Total provisions	48	137	234	358
NET CURRENT ASSETS	3056	2775	5717	6922
Total Assets	5523	6072	9104	10338

Ratio				
Y/E 31st March	FY06	FY07E	FY08E	FY09E
Growth				
Net Sales (%)	-	39.0	44.9	34.9
EBITDA (%)	-	146.2	108.5	49.0
Valuations				
P/E (x)	15.9	10.1	7.8	5.8
Price/BV (x)	2.0	1.7	1.2	1.0
EV/EBITDA (x)	6.9	5.6	3.5	2.4
EV/Sales (x)	0.8	0.7	0.5	0.3
Profitability				
EBITDA margin (%)	2.9	5.2	7.5	8.3
Net profit margin (%)	4.0	4.6	5.4	5.5
RoE(%)	12.7	17.2	15.5	17.6
RoCE(%)	14.9	19.7	21.0	24.0

Source: Company, SBICAP Research

Key to investment Ratings: Guide to the expected return relative to market over the next 12 months. 1=Buy (expected to outperform the market by 15 or more percentage points); 2=Outperform (expected to outperform the market by 5-15 percentage points); 3=Marketperform (expected to perform in line with the market); 4=Underperform (expected to underperform the market) by 5-15 percentage points); 5=Sell (expected to underperform the market by 15 or more percentage points)

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