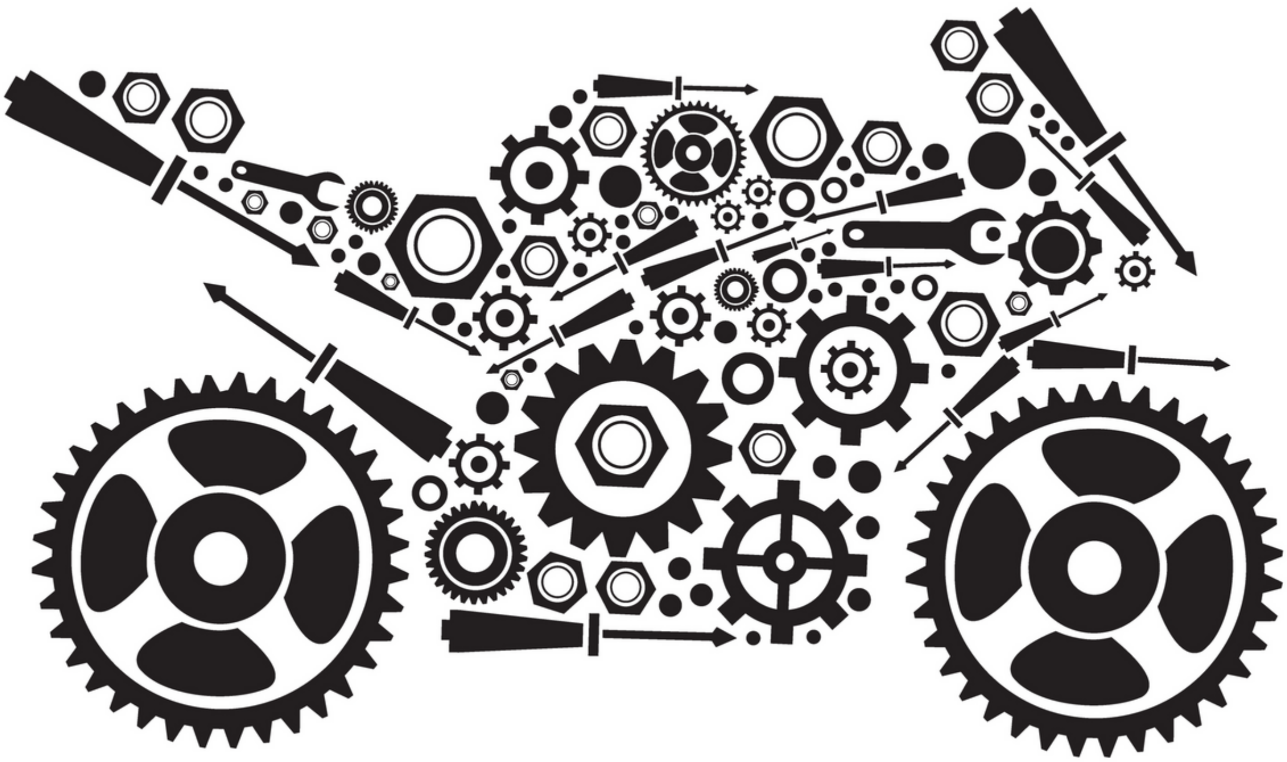
JM FINANCIAL

SUPRAJIT ENGINEERING

2W recovery improves earnings visibility



Faster-than-expected 2W recovery; 70%+ market share of 2W OEMs

Restructuring efforts at international subsidiaries to aid margins

Maintain BUY with TP of INR 190, implying 22% upside

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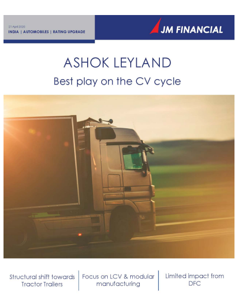
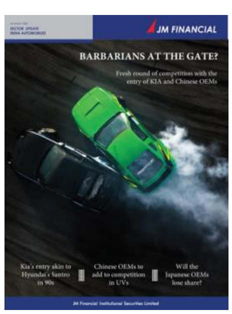
Suprajit Engineering (SEL), incorporated in 1985, is currently the largest manufacturer of automotive cables and halogen bulbs in India. Promoted by Mr. Ajith Rai, SEL has carved a dominant leadership position with high market share across major domestic OEMs. The acquisitions of Phoenix Lamps in 2015 (largest domestic automotive halogen manufacturer) and Wescon in 2016 (US-based supplier of non-automotive cables) led to product diversification and global expansion. The company has 18 manufacturing facilities across India and 3 plants overseas.

RECENT REPORTS



ASHOK LEYLAND
COMPANY UPDATE



INDIA AUTOS
SECTOR UPDATE

INDIA AUTOS
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INDIA AUTOS
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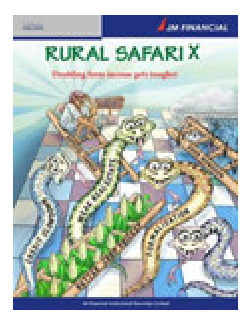

RURAL SAFARI X

Suprajit Engineering

2W recovery improves earnings visibility

Suprajit Engineering (SEL) is a leading manufacturer of mechanical control cables and halogen bulbs with a 70%+ market share in domestic OEMs and sizeable presence in the after-market. From a single product (cables) and customer (TVS) in 1985, the company has diversified into several products, customers and geographies led by organic and inorganic opportunities. In the past 5 years, it has made two large acquisitions - Phoenix Lamps (halogen bulbs) and Wescon (US-based supplier of non-automotive cables) - which contribute c.40% to revenue. This should drive growth globally. Performance at the restructured international subsidiaries will be a monitorable.

While near-term demand remains uncertain, long-term profitability would be driven by **a)** faster-than-expected recovery in 2W sales, **b)** completion of restructuring at international subsidiaries, **c)** exposure to the replacement market and **d)** new business on vendor consolidation by global OEMs. Strong cash flows and minimal capex requirement would further strengthen its robust balance sheet.

We re-instate our FY22 target PE of 20x (18% discount to 5-yr avg.) to arrive at our fair value of INR 190/share, implying c.22% upside from the CMP. We maintain BUY.

Technological obsolescence of halogen bulb and mechanical cables in the long term, prolonged disruption due to multiple lockdowns, continued underperformance at restructured international subsidiaries and currency movement are the key risks to our call.

Strong recovery in 2W sales and aftermarket to drive revenue: Leadership position in domestic 2W OEMs (70%+ market share and 37% revenue exposure) ideally places SEL to benefit from the faster-than-expected 2W recovery. Normalised activity in the aftermarket (23% of revenue) after the lockdown lends support. Global OEM focus on vendor consolidation and de-risking exposure to a single country (China) could aid new business wins for the EU cable business. Potential to expand market share in the EU bulb aftermarket and US non-automotive cables augurs well for long-term growth.

Low costs vs. peers with minimal R&D requirement: SEL has well-established technology in halogen bulbs, while R&D does not play a key role in the cost-conscious cables market. Multiple plant locations, large-scale operations and efficient cost control provides a competitive edge over MNC peers.

Restructuring at international subsidiary to aid margin expansion; steady cash flows and robust balance sheet: Strong sustainable margins for the automotive cable business and margin recovery for the international subsidiary (driven by restructuring efforts in FY20) augur well for SEL's earnings trajectory. Strong operating cash flows, low working capital requirements and minimal capex are likely to support its robust balance sheet (expect net cash by FY22).

Strong earnings visibility; maintain BUY: Faster-than-expected recovery in domestic 2Ws, new growth avenues from the export market, low operating costs and robust cash flow generation should drive earnings growth and return ratios. We expect a sharp earnings recovery in FY22 – YoY EBITDA/PAT growth of 53%/93% for FY22. We re-instate our FY22 target PE of 20x (18% discount to 5-yr avg.) to arrive at our fair value of INR 190/share, implying c.22% upside from the CMP. We maintain BUY.

Recommendation and Price Target	
Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	190
Upside/(Downside)	22.1%
Previous Price Target	165
Change	15.2%

Key Data – SEL IN	
Current Market Price	INR156
Market cap (bn)	INR21.8/US$0.3
Free Float	41%
Shares in issue (mn)	139.9
Diluted share (mn)	139.9
3-mon avg daily val (mn)	INR58.4/US$0.8
52-week range	220/99
Sensex/Nifty	37,419/11,022
INR/US	74.9

Price Performance			
%	1M	6M	12M
Absolute	10.2	-24.3	-21.7
Relative*	2.3	-16.0	-19.8

*To the BSE Sensex

Financial Summary (INR mn)

Y/E March	FY18A	FY19A	FY20A	FY21E	FY22E
Sales	14,311	15,899	15,628	13,245	16,692
Sales growth (%)	19.0	11.1	-1.7	-15.2	26.0
EBITDA	2,365	2,328	2,187	1,560	2,382
EBITDA (%)	16.5	14.6	14.0	11.8	14.3
Adjusted net profit	1,385	1,338	1,314	695	1,342
Diluted EPS (INR)	9.9	9.6	9.4	5.0	9.6
Diluted EPS Growth (%)	20.2	-3.4	-1.8	-47.1	93.0
ROIC (%)	17.3	14.2	15.0	8.4	15.1
ROE (%)	23.5	18.7	16.1	7.9	14.0
PE (x)	15.7	16.3	16.6	31.3	16.2
Price/Book Value (x)	3.3	2.8	2.5	2.4	2.1
EV/EBITDA (x)	10.0	10.0	10.3	14.2	8.8
Dividend Yield (%)	0.9	1.0	1.1	1.0	1.0

Source: Company data, JM Financial. Note: Valuations as of 20/Jul/2020

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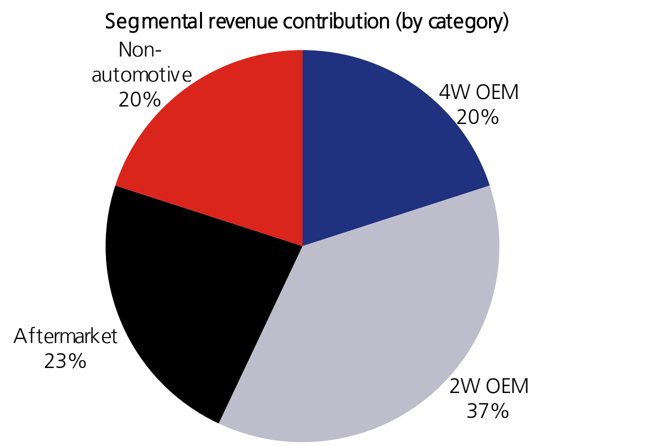
Focus charts

Exhibit 1. Suprajit is present in three segments of component supplies – automotive cables, halogen bulbs and non-auto cables

Segment	% of consol. Rev.	FY20 revenue	Manufacturing facilities	Capacities	Entity (% stake)	Key operations	Remarks
1) Automotive cable	60%	INR 9.4bn	15 (India) including Export Oriented Unit for non-automotive and 1 (UK)	300mn cables per yr (incl. capacity for non-automotive)	Suprajit Engineering (standlone)	All domestic facilities and operations	Largely grown organically
					Suprajit Automotive Limited SAL (100%)	EOU facility for automotive	c.55% of sales to SEU and rest to others as SAL is EOU
					Suprajit Europe - SEU (100%)	Tech Centre in Tamworth, UK	CTP Gills Cables acquired in FY07
					SEK (100%)	Owned Warehouse in Koper, Slovenia	Established in FY20 to offset Brexit impact
2) Phoenix lamps	20%	INR 3.1bn	3 (India)	87mn bulbs per year + newly acquired Osram Chennai facility with 27mn bulbs per year	Merged with Suprajit Engineering	Standalone entity -all domestic facilities and operations	Acquired in May'15 and merged in Aug'17
					Luxlite (100%)	Marketing arm in Luxembourg	Upscaled as main marketing center in FY20
					Trifa (100%)	Marketing arm in Germany	Downsized in FY20 as part of restructuring
3) Non-automotive cable (SENA)	20%	INR 3.1bn	1 (USA) & 1 (Mexico)	32mn cables per year	Wescon Controls (100%)	Non-automotive cable in US	Acquired in Sep'16. Leading player inout door power equipment cable in US

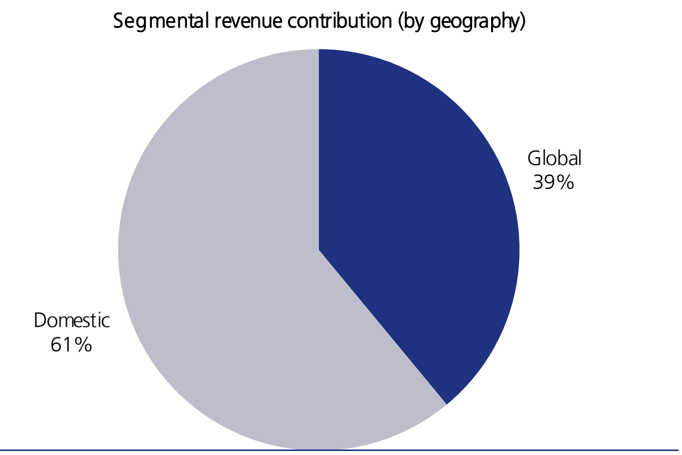
Source: Company, JM Financial

Exhibit 2. Well diversified revenue across segments



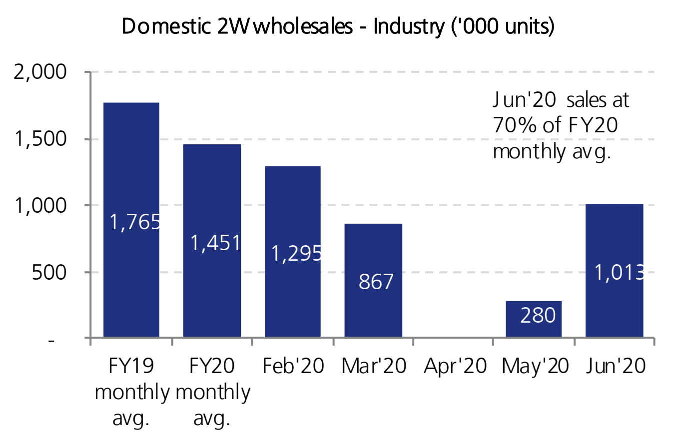
Source: Company, JM Financial

Exhibit 3. Expansion in global market driven by acquisitions



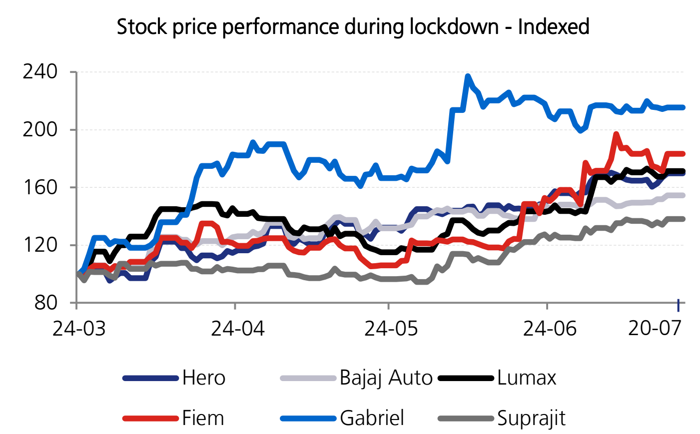
Source: Company, JM Financial

Exhibit 4. Faster than expected recovery in 2W wholesales



Source: SIAM, JM Financial

Exhibit 5. SEL stock price recovery lower vs. 2W exposed companies



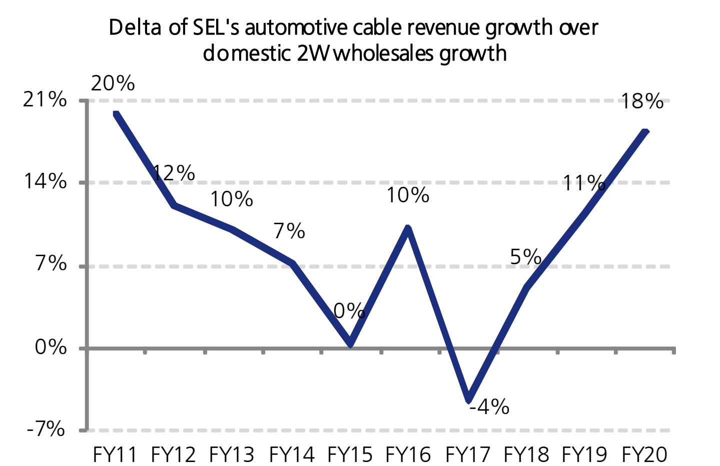
Source: Bloomberg, JM Financial

Exhibit 6. High market share of 2W OEMs acts as entry barrier for competition

	Sub Segment Rev. share	Market share	Key clients	Key competitor
Automotive cable	100%			
Domestic OEM	68%			
2W (75% of domestic OEM)		**70%+**	TVS (100%), Bajaj Auto (80-90%), Honda (60-70%), Hero (80-90%), RE	Hi-lex, Acey, Remsosns
4W (25% of domestic OEM)		25-30%	M&M, Tata Motors and all other major 4Ws	Hi-lex, Acey, Remsons
Domestic after market (mostly 2W)	15%	30%+	Own distribution and OEM white label	Remsons, Delhi based suppliers
Export OEM (mostly 4W)	13%	NA	BMW, VM, Renualt, Ford	Chinese players
Speedo meter & others	4%	NA		
Phoenix Lamps	100%			
Domestic OEM	30%	**80%-2W, 50%-PV, 75% CVs**	Almost all OEMs, Lumax, Minda	Osram and Phillips
Domestic after market	15%	70%	Own distribution and OEM white label	Unorganised players
Export after-market	55%	NA	Bosch, Osram, own distribution	Osram, Phillips and Chinese players
SENA	100%			
Outdoor Power equipment & others	100%	10%+	MTD, Toro, Husqvarna, Honda	

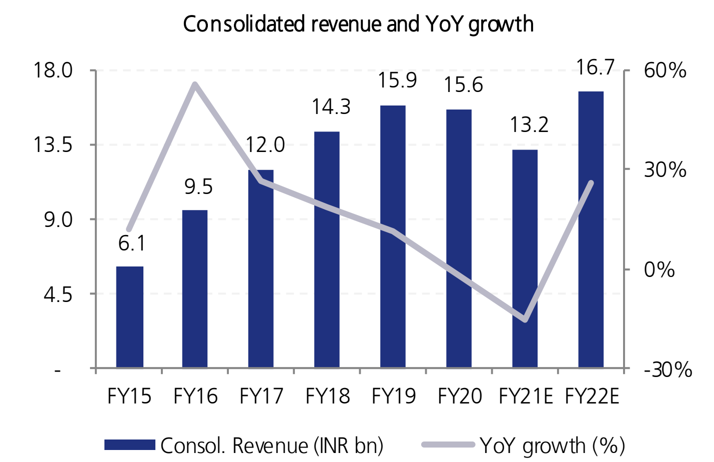
Source: Company, JM Financial

Exhibit 7. Automotive cable revenue growth consistently ahead of domestic 2W wholesales



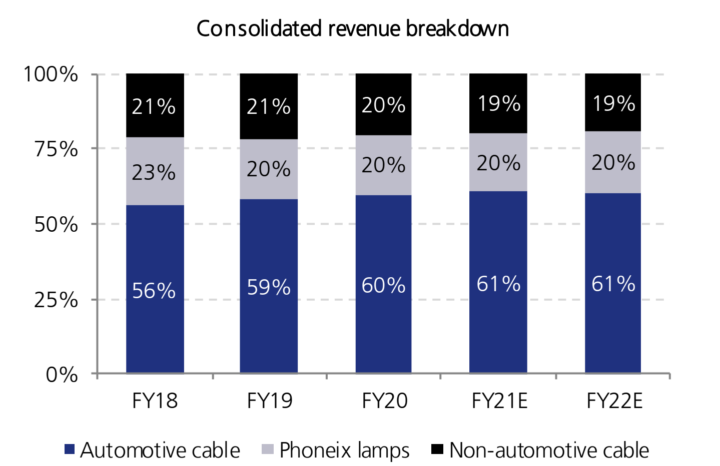
Source: Company, JM Financial

Exhibit 8. Sharp revenue recovery of 26% YoY expected in FY22, in-line with recovery in 2W industry wholesale



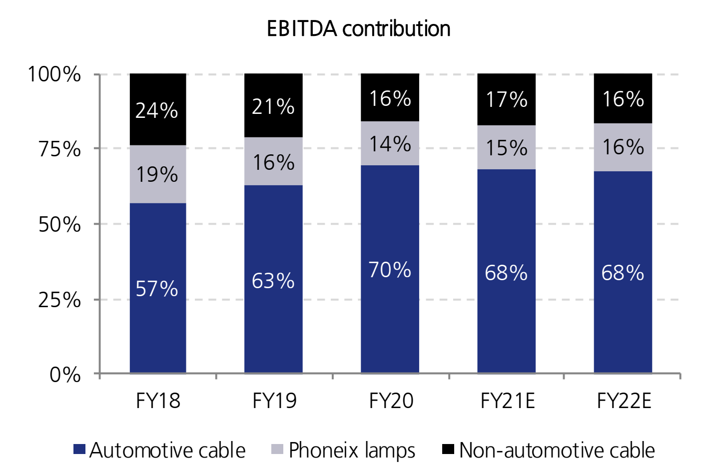
Source: Company, JM Financial

Exhibit 9. Automotive cable division constitutes 60% of revenue



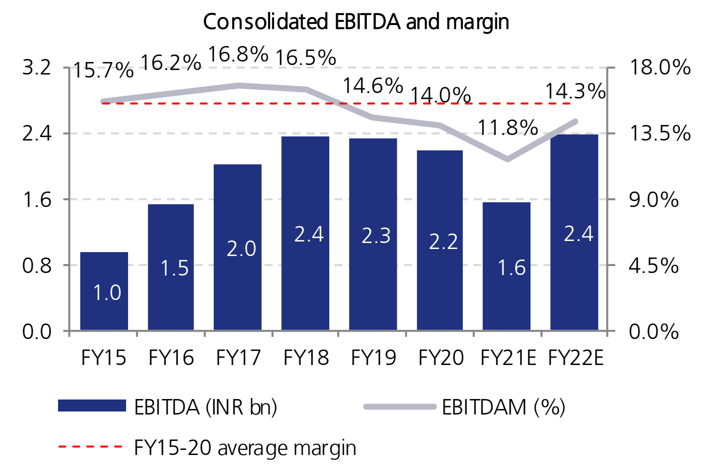
Source: Company, JM Financial

Exhibit 10. Automotive business remains the key margin driver



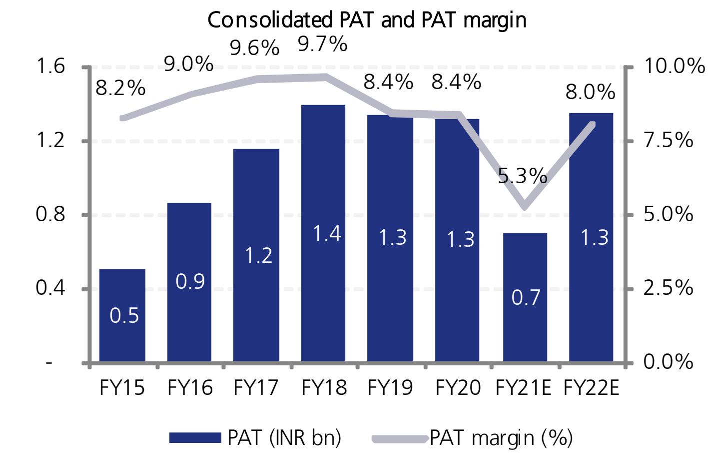
Source: Company, JM Financial

Exhibit 11. Moderate margin recovery built-in in FY22 (lower than past 5-yr avg. of 15.6%); faster recovery in intl. subsidiary can surprise positively



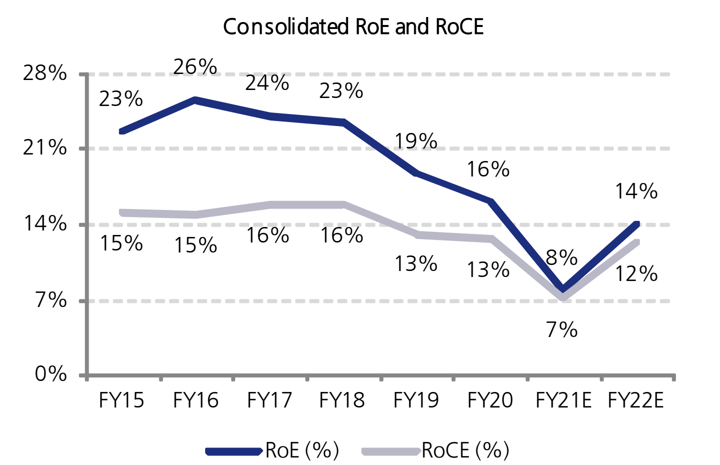
Source: Company, JM Financial

Exhibit 12. Healthy PAT margin of 8%+ over the past few years to continue going forward



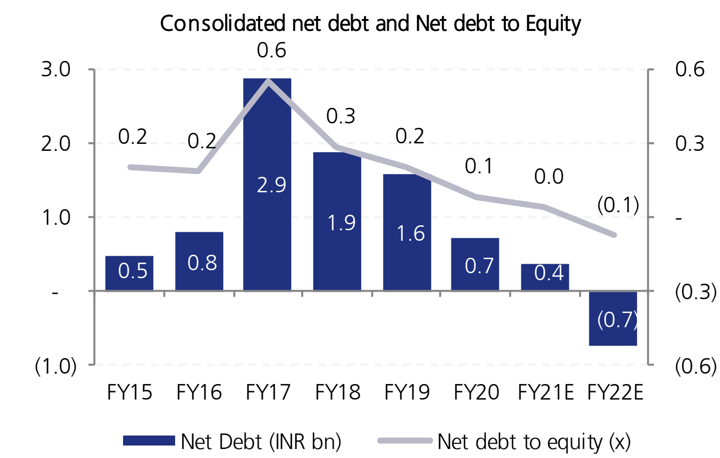
Source: Company, JM Financial

Exhibit 13. Near term return ratios impacted by low earnings due to Covid disruption; normalisation expected as capacities ramp-up



Source: Company, JM Financial

Exhibit 14. Stable earnings, minimal capex to further strengthen balance sheet; expect net cash by FY22



Source: Company, JM Financial

Exhibit 15. Target price; maintain BUY

	FY22E
FY22E EPS (INR)	9.6
P/E multiple	20
Fair value (INR/share)	**190**

Source: JM Financial

Exhibit 16. Limited downside to fair value

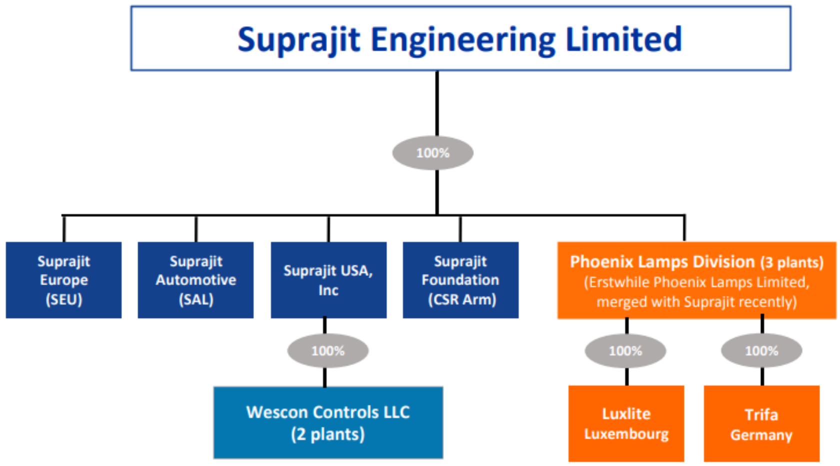
	Pessimistic	Current	Optimistic
Domestic 2W industry CAGR (FY20-22E) (%)	-5%	0%	5%
Consolidated rev. CAGR (FY20-22E) (%)	-2.0%	3.3%	8.4%
Consolidated revenue (INR mn)	15,023	16,692	18,362
Consolidated EBITDA (INR mn)	2,076	2,382	2,737
margin (%) (INR mn)	13.8%	14.3%	14.9%
Consolidated adj. PAT (INR mn)	1,110	1,342	1,612
EPS (INR mn)	7.9	9.6	11.5
Multiple (x)	18	20	20
Fair value (INR/sh)	143	190	230

Source: JM Financial

Leading manufacturer of mechanical cables and halogen bulbs

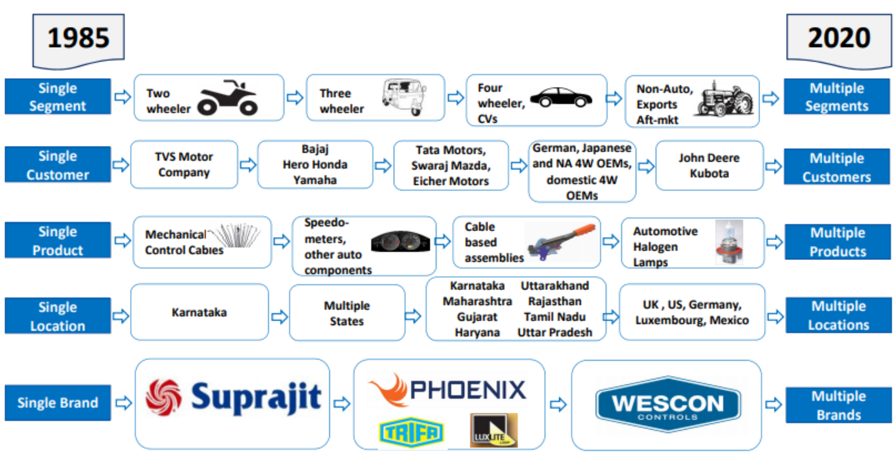
- Company profile: Suprajit Engineering (Suprajit/SEL), incorporated in 1985, is currently the largest manufacturer of automotive cables and halogen bulbs in India. Promoted by Mr. Ajith Rai, Suprajit has carved a dominant leadership position with a high market share across major OEMs. The company diversified inorganically with back-to-back acquisitions of Phoenix Lamps in 2015 (largest domestic automotive halogen manufacturer) and Wescon in 2016 (US-based supplier of non-automotive cables). A strong foothold in the domestic OEM space (70%/25%+ market share of 2W/PV OEMs), coupled with significant exposure to the after-market and inorganic expansion led to 21% revenue CAGR over FY15-20. The company has 18 manufacturing facilities across India and 3 overseas plants, close to customers. Its high market share provides scale benefits, leading to a strong EBITDA margin of 14%+ along with a cost-competitive advantage over peers.

Exhibit 17. SEL – Group structure



Source: Company, JM Financial

Exhibit 18. Diversification in various parameters over the years



Source: Company, JM Financial

In 1985, SEL started as a single product (mechanical cables) to a single client (TVS). Over the years, the company has de-risked the business by diversifying into various products, customers and geographies

- Well-diversified revenue mix; revenue growth outperforms domestic 2W growth: The cables division has a total capacity of 300 million per year, including 32 million in overseas capacity for non-automotive cables. The halogen lamps capacity was recently increased from 87 million per year to 110 million, with the acquisition of Osram's facility in Chennai. SEL has a well-diversified revenue mix, with automotive cables contributing 60%, while the lamps division and non-automotive cables contribute c.20% each. In terms of segment, 2W OEMs contribute 37% of revenue, driven by 70%+ market share across key OEMs in India, while 4W OEMs contribute 20%. Aftermarket sales of 23% support consistent revenue growth. The remaining 20% comprises non-automotive cables. Domestic revenue accounts for c.60% of overall revenues, while international revenue primarily comes from Europe and the US. Since FY11, the company has consistently outperformed the volume growth in domestic 2Ws. Segmental details in the following sections.

Exhibit 19. Suprajit is present in three segments of component supplies – automotive cables, halogen bulbs and non-auto cables

Segment	% of consol. Rev.	FY20 revenue	Manufacturing facilities	Capacities	Entity (% stake)	Key operations	Remarks
1) Automotive cable	60%	INR 9.4bn	15 (India) including Export Oriented Unit for non-automotive and 1 (UK)	300mn cables per yr (incl. capacity for non-automotive)	Suprajit Engineering (standlone)	All domestic facilities and operations	Largely grown organically
					Suprajit Automotive Limited SAL (100%)	EOU facility for automotive	c.55% of sales to SEU and rest to others as SAL is EOU
					Suprajit Europe - SEU (100%)	Tech Centre in Tamworth, UK	CTP Gills Cables acquired in FY07
					SEK (100%)	Owned Warehouse in Koper, Slovenia	Established in FY20 to offset Brexit impact
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					Luxlite (100%)	Marketing arm in Luxembourg	Upscaled as main marketing center in FY20
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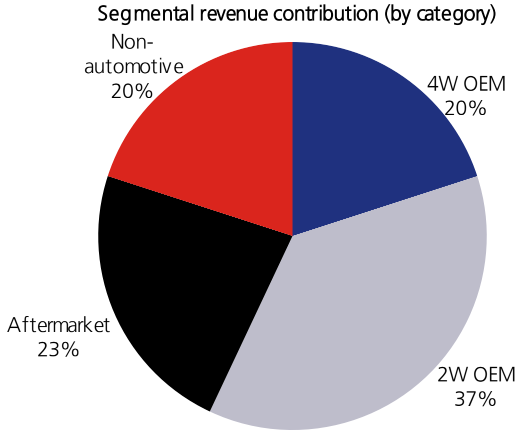
3) Non-automotive cable (SENA)	20%	INR 3.1bn	1 (USA) & 1 (Mexico)	32mn cables per year	Wescon Controls (100%)	Non-automotive cable in US	Acquired in Sep'16. Leading player inout door power equipment cable in US

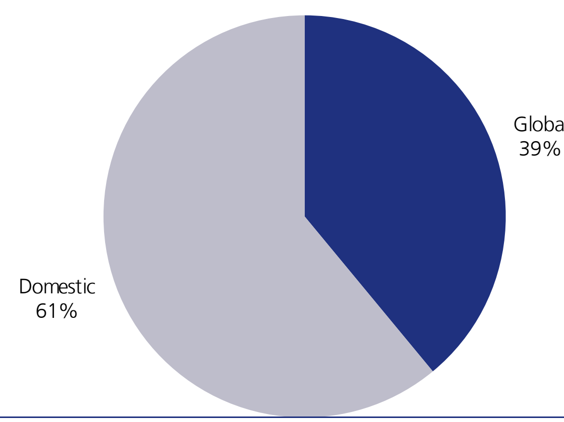
Source: Company, JM Financial

Exhibit 20. Well-diversified revenue across segments



Source: Company, JM Financial

Exhibit 21. Expansion in global market driven by acquisitions



Source: Company, JM Financial

- **Growth supported by acquisitions within means:** Acquisitions have been a part of the company's core strategy for growth. The acquisition of Shah Concabs (2002) and Pricol Speedo Cable (2014) strengthened the company's core cable business and helped it diversify into 4W cables. The acquisition of CTP Gills Cables, Phoenix Lamps and Wescon led to product and geographical diversification. The recent acquisition of the Osram's Chennai facility has provided benefits such as a) proximity to customers in South India (existing plants in Noida) and b) elimination of competition (SEL is currently the only large halogen bulb manufacturer in India). Phoenix and Wescon were acquired at reasonable valuations.

Exhibit 22. Details of past acquisitions

Target	Year	Stake acquired (%)	Amount	Product	Region
Shah Concabs	Jan'02	100%	NA	4W cable	India
CTP Gills Cables (now SEU)	Apr'06	100%	GBP 1.7mn	Auto cable	UK
Pricol speedo cable business	Sep'14	Asset purchase	INR 51.5mn	Speedo cable (4W)	India
Phoenix Lamps	Jun'15	61.9%	INR 1.5bn	Halogen bulb	EU, India
Wescon	Sep'16	100%	INR 2.7bn	Non-auto cable	US
Phoenix lamps	Sep'17	38.1%	8.5mn shares	Halogen bulb	EU, India
Osram Chennai facility	Oct'19	Asset purchase	NA	Halogen bulb	India

Source: Company, JM Financial

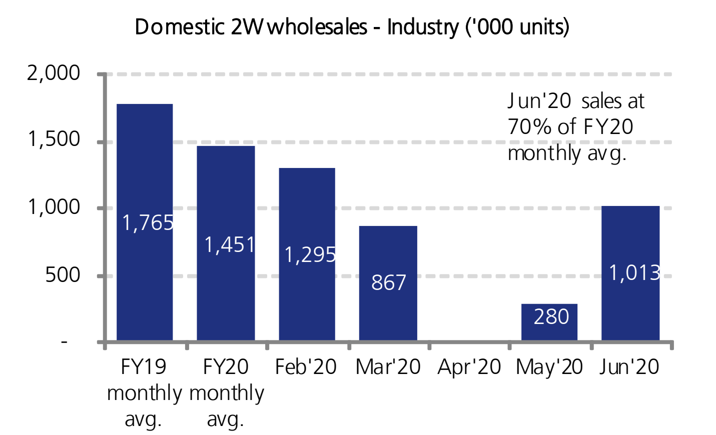
Investment thesis

- **Faster-than-expected 2W recovery; high existing market share - an entry barrier for competition:** Domestic 2W OEMs have seen a faster-than-expected recovery after the Covid-related lockdown was lifted/eased, with current bookings already at pre-Covid levels. We expect strong rural sentiments to further support 2W wholesales. c.40% of SEL's revenue comes from domestic 2W OEMs. SEL should be the key beneficiary of the revival of the 2W segment owing to its 70%+ market share in cables and bulbs. The company has also recently added capacity in cables (50 million) and bulbs (27 million), which is sufficient to cater to any uptick in demand. High market share and long-standing relationships with OEMs act as entry barriers for competitors. In the long term, we expect stable revenue contribution from this high-margin (15%+) segment, driven by 7-8% growth in 2W production.

Reaches 90% of pre-Covid sales, signals positive sentiments and revival of consumer demand

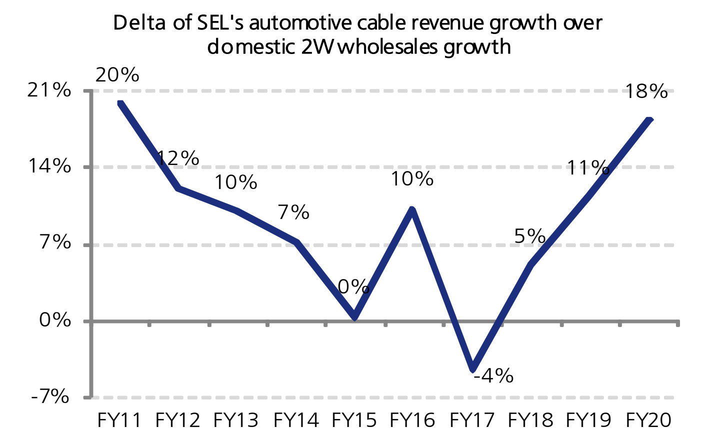
– Press Release, Hero MotoCorp

Exhibit 23. Robust recovery in 2W wholesales – June sales at 70% of FY20 monthly avg.



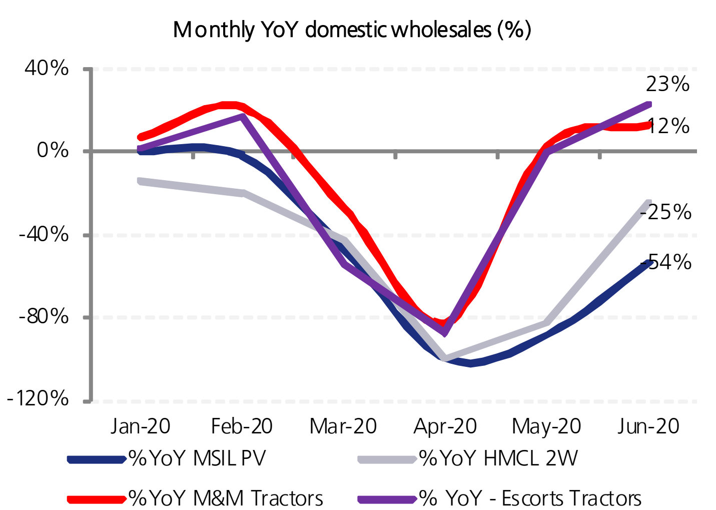
Source: SIAM, JM Financial

Exhibit 24. Automotive cable revenue growth consistently ahead of domestic 2W wholesales



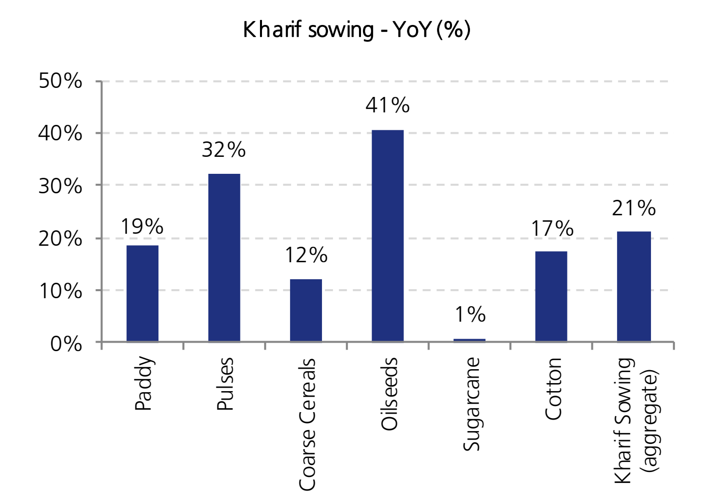
Source: SIAM, JM Financial

Exhibit 25. Stronger recovery in rural exposed segments



Source: Company; JM Financial

Exhibit 26. Karif sowing up 21% YoY; strong rural sentiment



Source: Ministry of Agriculture; JM Financial

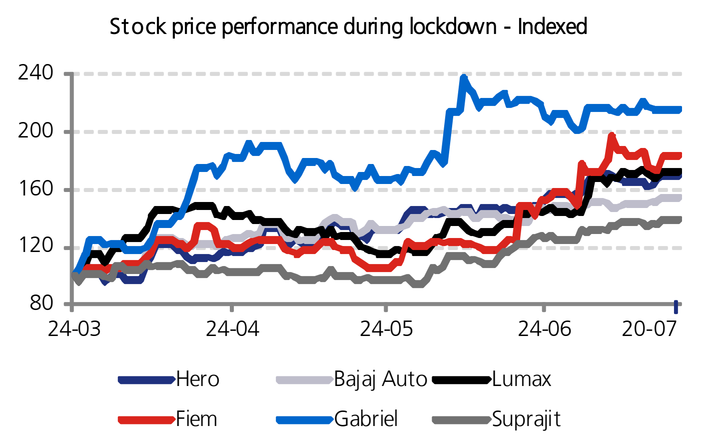
- **Low cost supplier:** SEL has significant cost advantage driven by **a)** multiple plant locations across India leading to proximity to customers and **b)** large scale operations leading to scale benefit. Low costs make SEL a preferred suppliers among the cost-conscious 2W OEMs. Well-established technology in halogen bulbs and low technological requirements in mechanical cables requires low R&D spends. Even at Wescon, separate plants (Mexico and USA) provide lower logistic cost benefits.

- **Consistently high margins in automotive cables; restructuring at international subsidiaries to drive margin expansion:** The automotive cables division has historically been a high-margin business (15%+). After a dip in FY21 due to the Covid-related disruption, we expect long-term margins to be back at sustainable 15%+ levels. Phoenix and SENA divisions registered significant margin declines in FY20 driven by underperformance at international subsidiaries. SEL has spent c.INR 200mn towards restructuring of these entities through measures such as **a)** facility transformation, **b)** warehouse consolidation, **c)** employee rightsizing and **d)** inventory provisions. We expect the restructuring benefits to drive margin expansion at the consolidated level.

- **Healthy cash flow to support robust balance sheet:** SEL has a robust balance sheet with low leverage of 0.1x net debt/Equity as at 31Mar'20. Stable earnings momentum and limited capex should further lend support to a robust balance sheet. We expect the company to generate FCF of INR 0.8bn and INR 1.5bn in FY21 and FY22, respectively and become debt free by FY22 provided it does not undertake any more acquisitions.

- **Stock price recovery lags behind 2W exposed peers; limited downside to fair value:** In terms of stock price recovery, SEL has lagged behind vs. its 2W exposed peers and 2W OEMs' stock performance. Consolidated revenue and cables division revenue has consistently outperformed the yearly domestic 2W wholesale growth. Our current assumptions are based on the assumption that domestic 2W wholesales in FY22 will recover to FY20 levels. While, in an optimistic case of 5% CAGR for 2W wholesales, our fair value has significant upside, in a pessimistic case of 5% decline of 2W wholesales, there is a limited down side to the fair value from CMP.

Exhibit 27. SEL stock price recovery lower vs. 2W exposed companies



Source: Bloomberg, JM Financial

Exhibit 28. Limited down side to fair value

	Pessimistic	Current	Optimistic
Domestic 2W industry CAGR (FY20-22E) (%)	-5%	0%	5%
Consolidated rev. CAGR (FY20-22E) (%)	-2.0%	3.3%	8.4%
Consolidated revenue (INR mn)	15,023	16,692	18,362
Consolidated EBITDA (INR mn)	2,076	2,382	2,737
margin (%) (INR mn)	13.8%	14.3%	14.9%
Consolidated adj. PAT (INR mn)	1,110	1,342	1,612
EPS (INR mn)	7.9	9.6	11.5
Multiple (x)	18	20	20
Fair value (INR/sh)	**143**	**190**	**230**

Source: JM Financial

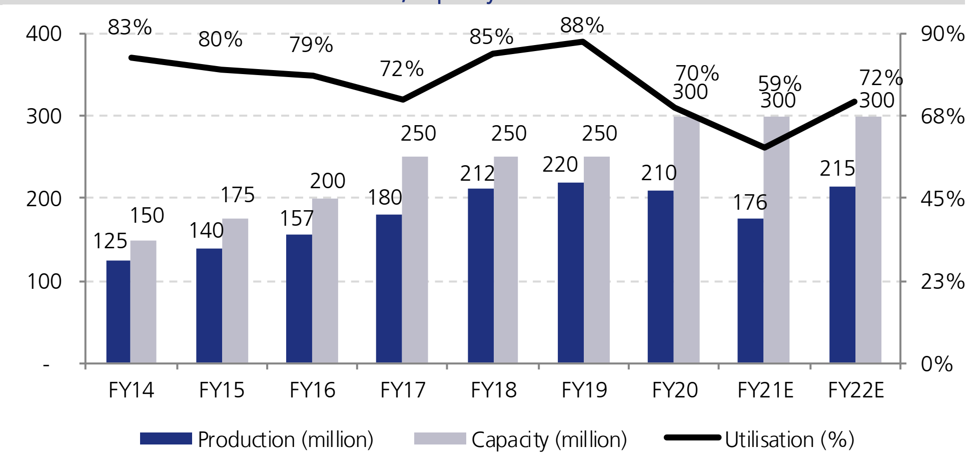
- **Supplies to PVs and export market offers significant growth opportunities:** In the domestic market, SEL has the opportunity to penetrate further in the 4W OEMs segment as this currently holds only a 25-30% share. The company is also focusing on global PV OEMs to win new orders. Low share in the EU after-market and expansion in other geographies offer significant growth opportunities for the company. Vendor consolidation by global OEMs and de-risking component supplies from a single country (China) may also help SEL win new business. Low leverage may also allow the company to capitalise on acquisition opportunities in a Covid-disrupted market.

Automotive mechanical control cables division (60% of revenue)

- **High automotive cable market share among 2W OEMs; further penetration in 4W OEM the key:** Suprajit started operations in 1985, supplying automotive mechanical control cables to TVS. Despite diversification into other segments, automotive cables still contributes to 60% of revenue. SEL has a strong market share of 70%+ with domestic 2W OEMs, 100% with TVS and 80%+ with Bajaj and Hero. The company also has strong presence in the 4W OEMs market with a 25-30% share. SEL has high penetration with M&M but its penetration is lower for Maruti and Hyundai due to their preference towards Japanese and Korean suppliers such as Hi-Lex and Infac, respectively. The company also has a 30%+ share in the domestic after-market with competition from Remsons and Delhi-based suppliers. With the acquisition of CTP Gills Cables, the company also expanded supplies to European OEMs. In FY20, the company expanded its cables capacity by 50 million to 300 million per year with capex of c.INR 1bn. This could be expanded further to 325 million with minimal capex and de-bottlenecking.

Recent capacity addition amid muted demand has led to lower utilisations

Exhibit 29. Cables division - Production, capacity and utilisation



Source: Company, JM Financial

Exhibit 30. Revenue bifurcation of automotive cable division

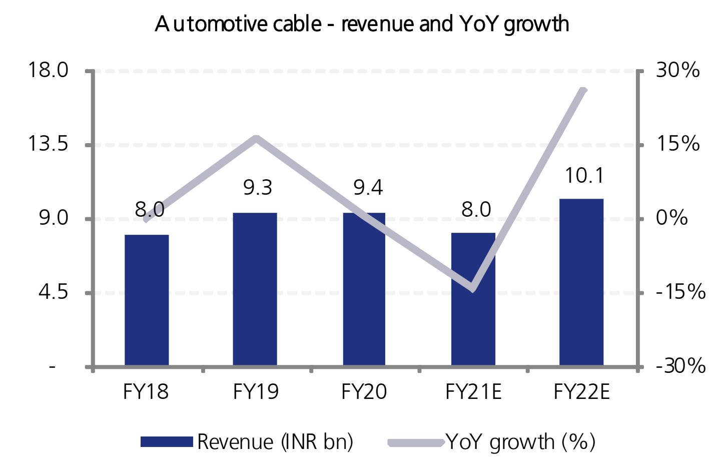
	Segment Revenue share	Market share	Key clients	Key competitor
Domestic OEM	68%			
2W (75% of domestic OEM)		70%+	TVS (100%), Bajaj Auto (80-90%), Honda (60-70%), Hero (80-90%), RE	Hi-lex, Acey, Remsons
4W (25% of domestic OEM)		25-30%	M&M, Tata Motors and all other major 4Ws	Hi-lex, Acey, Remons
Domestic after market (mostly 2W)	15%	30%+	Own distribution and OEM white label	Remons, Delhi based suppliers
Export OEM (mostly 4W)	13%	NA	BMW, VM, Renualt, Ford	Chinese players
Speedo meter & others	4%	NA		
Total	**100%**			

Source: Company, JM Financial

- **Automotive cable business revenue dominated by supply to domestic OEMs:** Revenue from the automotive cable business posted a low c.5% CAGR over FY18-20, driven by a 5% decline in domestic 2W production but offset by an increase in content (due to CBS) and strong after-market sales. We expect revenue to post a c.3% CAGR over FY20-22E as we expect 2W production to recover to FY20 levels in FY22.
  - **Domestic OEM business to increase in line with wholesales:** Domestic OEMs contribute c.70% to automotive cable division revenue. Of this, 2Ws contribute c.75%. The remaining c.25% comes from 4Ws (presence across all 4W OEMs). Considering SEL's high market share, we expect long-term growth in this segment, in line with the growth in OEMs' vehicle production (2W: 6-7%; 4W: 8-10%).

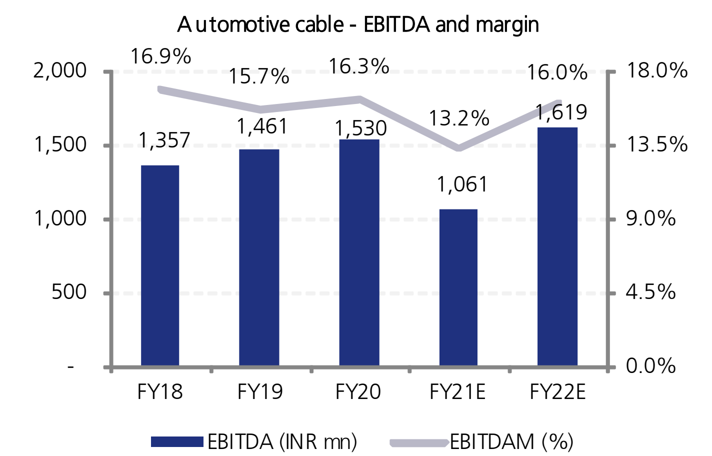
- **Unorganised players dominate domestic after-market:** c.15% of cable revenue comes from the domestic after-market. SEL operates in the domestic after-market via 2 channels. **a)** OEM after-market sales and **b)** its own distribution. However, this segment is dominated by unorganised players. We believe **a)** high-quality products by organised players, **b)** reduced price differential after GST and **c)** OEMs' increasing focus on the after-market augurs well for the segment's long-term growth. Revenue from the after-market lends robust support when OEMs underperform.
- **Export OEMs a lucrative opportunity:** Automotive cables are primarily exported to Europe. Export revenue contributes to c.13% of cable revenue. BMW, VM, etc. are customers for the export OEM segment for cables with a double-digit wallet share. SEL is getting larger business and enquiries as OEMs look for vendor consolidation and de-risk reliance on a single country (China). While the domestic market has limited growth opportunities, the export market is significantly large and provides a significant growth opportunity. New order wins would be the key for long-term growth in this segment. Additionally, the company has a strong exports pipeline.

Exhibit 31. Revenue expected to post a 2.3% CAGR over FY20-22E



Source: Company, JM Financial

Exhibit 32. Automotive cables division has been the margin driver



Source: Company, JM Financial

Exhibit 33. Indicative list of products in 2W

Source: Company, JM Financial

Exhibit 34. Indicative list of products in 4W

Source: Company, JM Financial

- **Consistent high-margin performance by automotive cables segment:** The automotive cables business has historically been a high-margin business and has consistently delivered 15%+ EBITDA margins. We expect FY21 EBITDA to drop to 13.2% (from 16.2% in FY20) driven by Covid-19 related disruption and lower volumes. However, we expect the margin to normalise in FY22E as volumes are restored to pre-Covid levels. In FY20, SEL opened a new warehouse in Slovenia to offset the Brexit impact. The company has also right-sized the UK warehouse, which is expected to drive long-term profitability in exports.

- **Lowest overhead and staff costs among peers and long-standing relationships with 2W OEMs act as entry barriers:** Suprajit has a cost advantage vs. peers in India's price sensitive market, driven by a) decentralised plants with proximity to customers, b) economies of scale due to its large scale of operations and c) low R&D spends (technology does not play a key role in mechanical cables). It has significantly lower overhead costs vs. peers, which provides a cost competitive advantage. The low cost also makes the company a preferred automotive supplier for the cost conscious 2W OEMs in India.

Exhibit 35. SEL's cable division is cost competitive vs. peers

	Suprajit	Hi-Lex	Remsons	Acey
Revenue	100.0%	100.0%	100.0%	100.0%
RM cost	62.3%	61.0%	61.5%	70.0%
Staff cost	12.9%	17.8%	18.0%	16.0%
Other cost	7.7%	14.0%	17.1%	8.9%
EBITDA margin	**17.1%**	**7.1%**	**3.5%**	**5.1%**

Source: Capitaline, Company, JM Financial; Note: 5yr avg (FY15-FY19) of India standalone entity

Phoenix Lamps division – halogen headlamps (20% of revenue)

- **The only large halogen head lamp manufacturer in India:** Phoenix Lamps was already the largest automotive halogen bulb manufacturer in India (3x the size of the 2nd largest competitor). After the acquisition of Osram's Chennai facility (23 million capacity), Phoenix is the only large manufacturer of halogen head lamps in India with total capacity of 110 million bulbs per annum. The large-scale operations give scale benefits to SEL. Phoenix has well-established technology in the manufacture of lamps and hence R&D requirements are low. However, MNCs such as Osram and Phillips continue investing in future technologies such as LED.

- **Lamps division revenue dominated by export after-market:** Revenue from Phoenix declined, posting a 1% CARC over FY18-20, driven by underperformance in the Europe export business. We expect muted revenue growth (2.5% CAGR) over FY20-22E as we believe the Covid-led disruption would defer the benefits of restructuring at its EU subsidiary to FY23. However, additional volumes from the newly-acquired Osram facilities could spring a positive surprise.
  - **Domestic OEM business to increase in line with wholesales:** Domestic OEMs contribute c.30% to the Phoenix Lamp division revenue. Phoenix too has a high market share among OEMs (80% for 2Ws, 50% for PVs and 75% for CVs). Like cables, we expect long-term growth in this segment, in line with growth in OEM wholesales (2W: 6-7%; 4W: 8-10%).
  - **Domestic after-market dominated by unorganised players:** Like the cables division, Phoenix is present in the domestic after-market via 2 channels: a) OEM aftermarket sales and b) its own distribution. This segment too is dominated by unorganised players. We believe a) increasing preference towards original parts and b) increasing focus of OEMs in the after-market augurs well for the segment's long-term growth. Osram is the key customer of the Chennai facility (acquired in Oct'19) and SEL has already started meeting its volume demand.
  - **Export aftermarket – a big opportunity:** c.55% of the Phoenix division's revenue comes from the export after-market, primarily in Europe. These markets are served through subsidiaries Trifa (Germany) and Luxlite (Luxembourg). The company has recently consolidated operations by closing the warehouse at Trifa and right-sizing employees. Major operations will be run through Luxlite. SEL currently has a low market share in the EU after-market, which can provide sizable revenue growth potential with market-share gains. There is also significant potential to expand into a) the non-EU export market and b) export OEMs. SEL has also started supplying to Osram Europe through its Noida-based EOU unit.

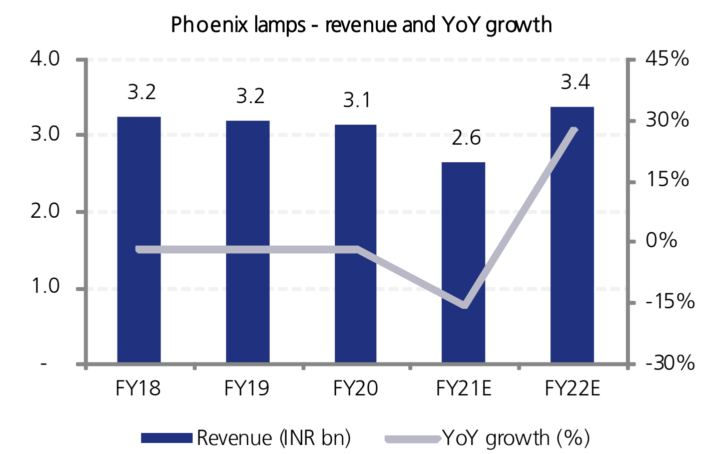
- **Current low margin impacted by EU underperformance; restructuring in FY20 to aid margin expansion:** Phoenix's EBITDA margin has been declining over the past two years driven by underperformance at the EU operations. FY20 was severely impacted (-290bps YoY) by warehouse consolidation, one-time employee settlements, inventory provisions, etc. We believe with the restructuring at the EU operations, margins are likely to get back to 13%+ levels once volumes stabilise.

Exhibit 36. Revenue bifurcation of Phoenix Lamps division

	Segment Revenue share	Market share	Key clients	Key competitors
Domestic OEM	30%	80%-2W, 50%-PV, 75% CVs	Almost all OEMs, Lumax, Minda	Osram and Phillips
Domestic after market	15%	70%	Own distribution and OEM white label	Unorganised players
Export after-market	55%	NA	Bosch, Osram, own distribution	Osram, Phillips and Chinese players

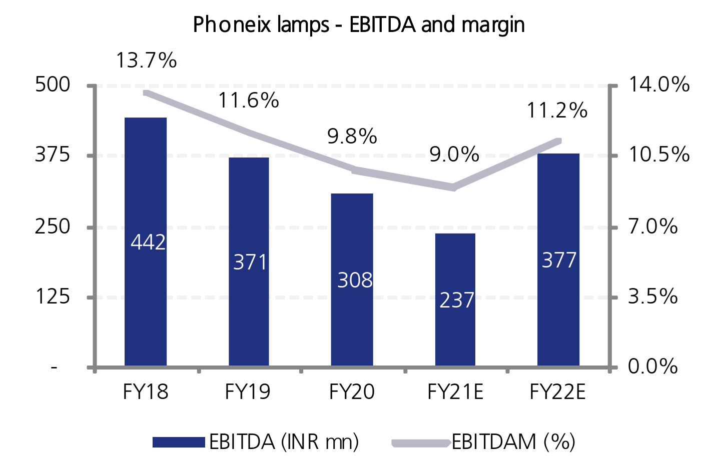
Source: Company, JM Financial

Exhibit 37. Revenue expected to post a 2.3% CAGR over FY20-22E



Source: Company, JM Financial

Exhibit 38. Margin expansion to be driven by restructuring at EU operations



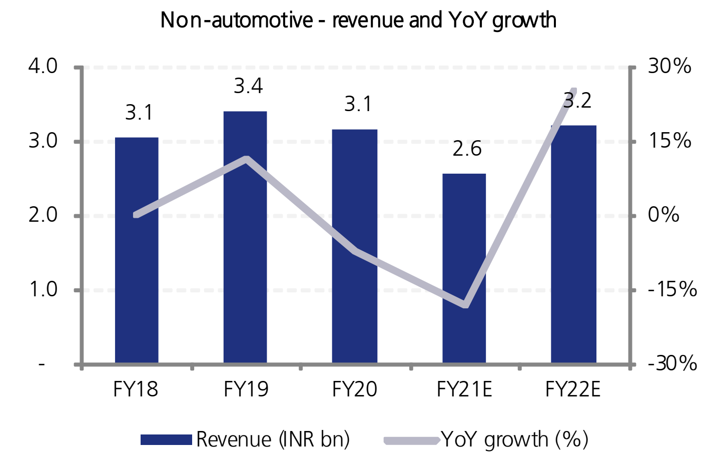
Source: Company, JM Financial

Suprajit Engineering Non-Automotive Division - SENA (20% of revenue)

- **Leading player in US outdoor power equipment control cables; significant growth potential in non-OPE segment:** SENA includes the operations of Wescon (US entity) and one facility in India. Wescon has one facility each in Kansas, USA and Juarez, Mexico with a total capacity of 32 million cables per year. Wescon is a leading supplier to outdoor power equipment manufacturers (OPEs), which includes lawn mowers, trimmers & edgers, snow throwers, etc. OPE's key customers are MTD, Toro, Husqvarna, Honda. 70%+ revenue comes from the OPE segment while there is a sizable potential to expand into agriculture, construction, powersports vehicles and motorcycle markets. Wescon has remained small in these segments as these were not the focus of the previous owners.

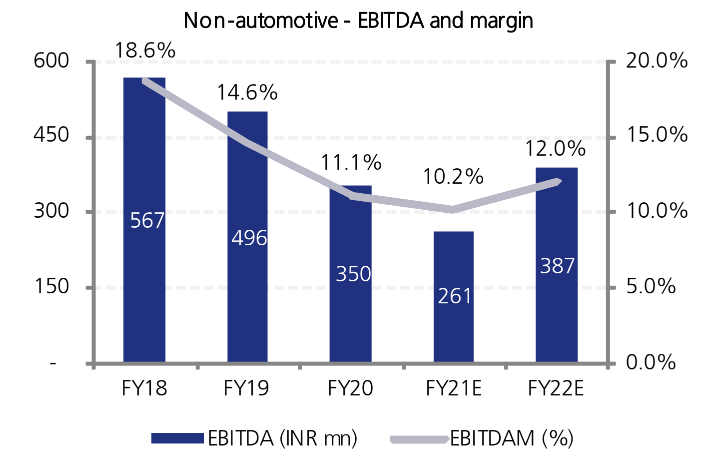
- **Realisation of restructuring benefits to drive future profitability:** Revenue growth at SENA has remained muted (1% CAGR over FY18-20) due to leadership issues at Wescon. SEL has changed the management at Wescon and assigned a team of four from India to act as a catalyst for a turnaround. The company has also restructured costs in FY20 for facility transformation, changes in inventory reserve policies and write-off of obsolete inventory. We expect the revenue to remain muted over FY20-22E driven by Covid-related disruption. We expect margins to recover to 12% in FY22 driven by restructuring efforts. However, once the full benefits of restructuring are realised with normalised production, we expect sustainable margins at 13-15% over the long term.

Exhibit 39. Revenue expected to remain flat over FY20-22E



Source: Company, JM Financial

Exhibit 40. Significant decline in margins driven by leadership issues



Source: Company, JM Financial

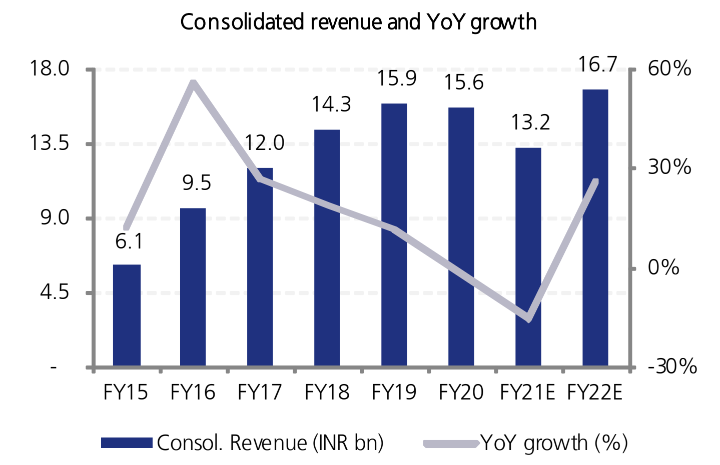
Exhibit 41. 10%+ market share in US non-automotive cables

Source: Company, JM Financial

Financial analysis

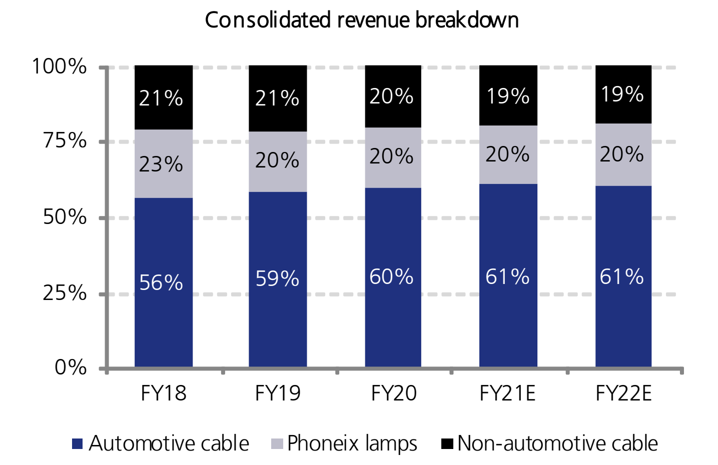
- **Muted revenue growth over FY18-20 driven by underperformance at international subsidiaries; FY22 revenue to marginally outpace FY20 levels:** Consolidated revenue posted a c.33% CAGR over FY15-18 driven by the acquisition of Phoenix Lamps and Wescon, which now contribute c.40% to revenue. However, revenue growth over FY18-20 was muted (4.5% CAGR) owing to **a)** a 5% decline in production of 2Ws by domestic OEMs, **b)** a 2% CAGR decline at Phoenix due to muted overseas performance and **c)** leadership issues at Wescon. The decline was offset by robust support from after-market operations. We expect revenue to drop 15% YoY in FY21 on Covid-related disruptions. However, we expect FY22 revenue to rise 26% YoY, recovering to FY20 levels, driven by **a)** faster-than-expected recovery in domestic 2W wholesales, **b)** incremental contribution from the restructured international subsidiaries and **c)** support from after-market operations. In the long term, a high market share in the relatively small Indian OEMs and after-market segments restricts growth opportunities domestically. However, a significantly large market and lower market share internationally provides long-term growth opportunities.

Exhibit 42. Sharp revenue recovery of 26% YoY expected in FY22, in-line with recovery in 2W industry wholesale



Source: Company, JM Financial

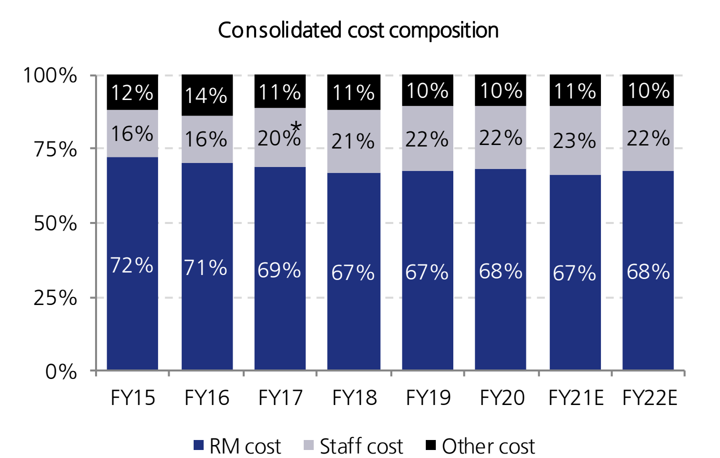
Exhibit 43. Automotive cables division constitutes 60% of revenue



Source: Company, JM Financial

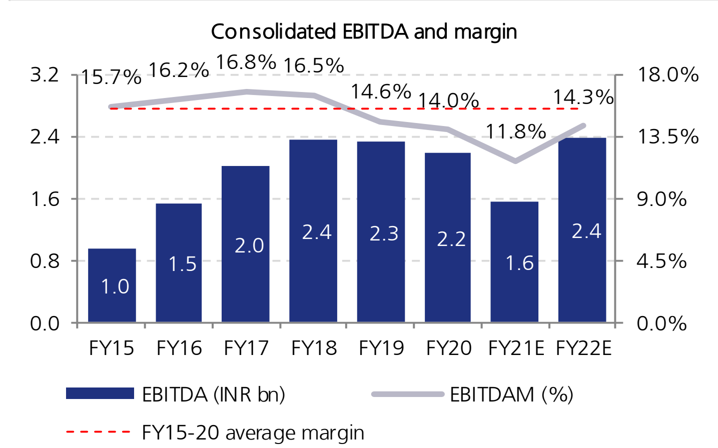
- **Raw materials constitute 2/3rd of total costs; business turnaround to support margin expansion:** Raw materials (RMs) constitute a major part of total costs (67%+). In cables, steel constitutes 50% of total RM costs while other key raw materials are brass, plastic and rubber. In halogen lamps, the key raw materials are glass and tungsten. The share of employee costs in total costs increased from FY17, driven by the acquisition of the US subsidiary (Wescon), which had higher employee costs. Consolidated EBITDA has been declining since FY19 on underperformance by international operations at Phoenix Lamps and Wescon but the automotive cables business has continued its robust performance with 16%+ EBITDA. The company spent INR 200mn in FY20 for the restructuring of operations at Phoenix Lamps and Wescon. The FY21 margin guidance is 10-14% driven by Covid-related disruption. However, the FY22 margin is expected to be supported by the turnaround in the restructured businesses. We have built-in a moderate margin expansion in FY22 to 14.3% (lower than past 5yr avg. of 15.6%) as we expect the full benefit of restructuring to come in FY23.
- **Management guidance for FY21:** The management expects FY21 revenue to be in the range of 65-85% of normal levels: a) 1QFY21: 20%, b) 2QFY21: 40-50% and, c) 2HFY21: 70-100%. SEL has lowered the guidance for FY21 consol. EBITDA margin from 14-16% earlier to 10-14% driven by lower volumes due to Covid-19. The company is focusing on reducing discretionary spending and have reduced staff salary in the range of 5-40%. The company has also downsized capex plans restricting it to maintenance capex for FY21.

Exhibit 44. RMs constitute 67%+ of total cost



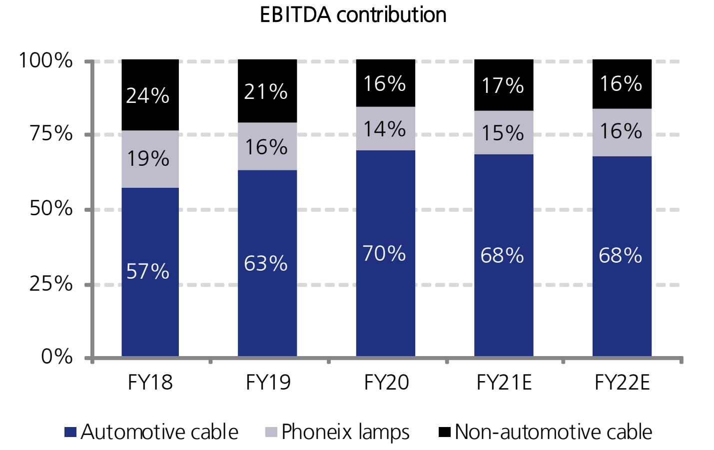
Source: Company, JM Financial; Note: * employee cost as % increased due to acquisition of Wescon

Exhibit 45. Moderate margin recovery built-in in FY22 (lower than past 5-yr avg. of 15.6%); faster recovery in intl. subsidiary can surprise positively



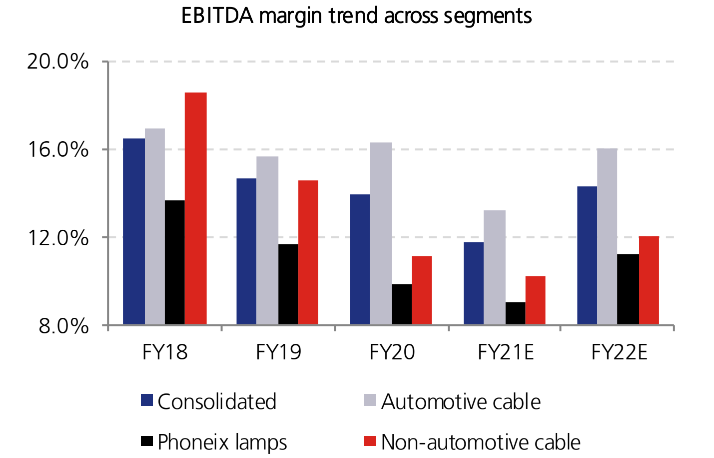
Source: Company, JM Financial

Exhibit 46. Automotive business remains the key margin driver



Source: Company, JM Financial

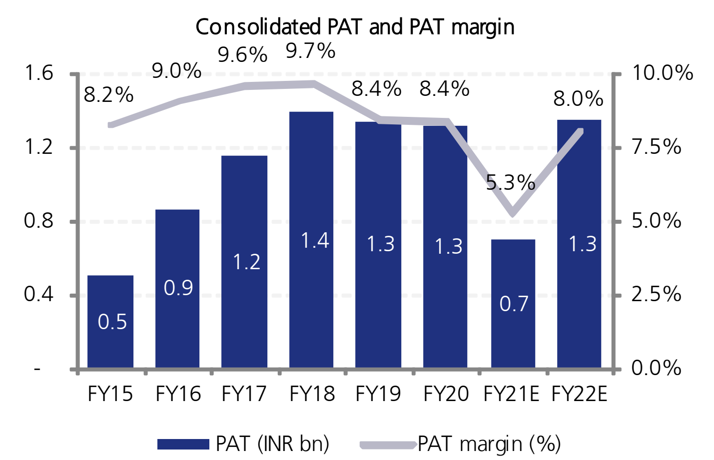
Exhibit 47. Margin recovery expected across segments in FY22



Source: Company, JM Financial

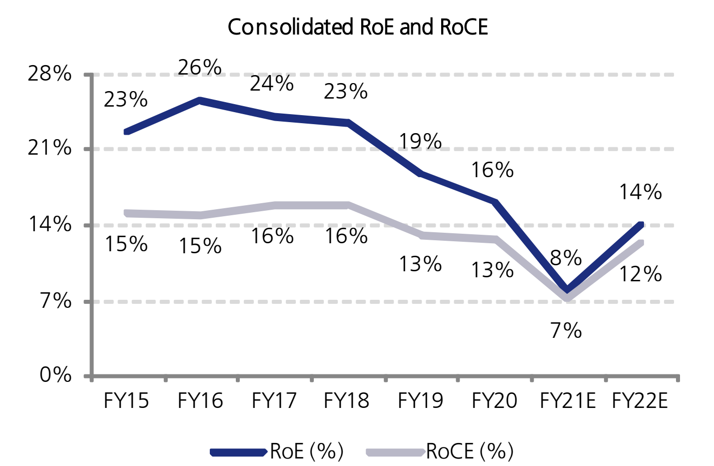
- **Healthy PAT margin of 8%+; return ratios expected to normalise as new capacities ramp up:** The company has maintained a healthy PAT margin of 8%+ over the past few years. FY21 PAT margin is expected to be adversely impacted by Covid-related disruption, while we expect margin to recover to 8% levels in FY22E. Return ratios have been declining over the past two years (RoE from 23% in FY18 to 16% in FY20) driven by **a)** underperformance at international subsidiaries and **b)** recent capacity expansion amid lower volumes. However, we expect the return ratios to bounce back to original levels as performance improves at international subsidiaries and utilisation improves at new facilities. Low capex requirement should keep leverage in check.

Exhibit 48. Healthy PAT margin of 8%+ over the past few years to continue going forward



Source: Company, JM Financial

Exhibit 49. Near term return ratios impacted by low earnings due to Covid disruption; normalisation expected as capacities ramp-up



Source: Company, JM Financial

Valuation

- **Strong recovery in 2W, new growth avenues from export market to drive earnings; Maintain BUY:** Despite a similar return profile to other large auto ancillary companies, SEL trades at 16% discount to the FY22E avg. P/E for peers (19x). Robust growth from automotive cables, led by faster-than-expected recovery in domestic 2Ws, new growth avenues from exports, low operating costs, robust cash flow generation coupled with a strong balance sheet are likely to drive earnings growth. We expect earnings to recover sharply in FY22 – YoY EBITDA/PAT growth of 53%/93% for FY22. We re-instate our FY22 target PE of 20x (18% discount to 5-yr avg.) to arrive at our fair value of INR190/share implying upside of c.22% from CMP. Maintain BUY.

FY22 PE of 20x is 18% discount to 5-yr avg.

Exhibit 50. Target price; maintain BUY

	FY22E
FY22E EPS (INR)	9.6
P/E multiple	20
Fair value (INR/share)	**190**

Source: JM Financial

Fair value as per DCF with moderate revenue CAGR of 6% over FY20-30E and 3% terminal growth rate is INR 195/sh, implying FY22PE of 20.5x.

Exhibit 51. DCF based fair value for SEL to support valuations (INR mn)

	FY21E	FY22E	FY23E	FY24E	FY25E	…FY30E
Revenues	13,245	16,692	20,064	21,723	23,045	29,980
Growth (%)	-15%	26%	20%	8%	6%	5%
EBITDA	1,560	2,382	2,979	3,335	3,553	4,639
EBITDA margin (%)	11.8	14.3	14.8	15.4	15.4	15.5
Less: Dep. / amor.	(630)	(694)	(743)	(777)	(802)	(1,006)
EBIT	**930**	**1,688**	**2,236**	**2,558**	**2,751**	**3,633**
Less: Tax	223	405	537	614	660	872
NOPAT	**707**	**1,283**	**1,700**	**1,944**	**2,091**	**2,761**
Add: Dep. / amor.	630	694	743	777	802	1,006
Less: Capex	399	400	600	100	394	441
Change in working capital	(398)	(331)	(739)	(376)	(286)	(310)
Free cash flow	**540**	**1,246**	**1,104**	**2,245**	**2,212**	**3,016**
Discount Factor	1.00	0.90	0.81	0.73	0.66	0.39
Discounted cash flow	**540**	**1,123**	**897**	**1,643**	**1,459**	**1,183**

Valuation	(INR mn)
PV of FCFF	12,170
PV of Terminal value	15,308
Consolidated Enterprise Value	**27,478**
Less: Net debt	375
Equity Value	**27,103**
Number of shares (mn)	140
Fair value per share (INR/share)	195
WACC (%)	11%
Terminal growth rate (%)	3.0%

Source: JM Financial

Exhibit 52. 1-yr forward PE chart for Suprajit Engineering Limited (SEL)

Source: Bloomberg, Company, JM Financial

Exhibit 53. Comparative valuation

Companies	Mkt. Cap.	PE		EPS CAGR	EV/EBITDA		P/B		ROE	
	(INR bn)	FY21E	FY22E	FY20-22E	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Motherson Sumi Systems	298	31.6	14.4	33%	8.8	6.2	2.6	2.3	8%	17%
Bosch	391	37.6	28.8	6%	29.6	22.3	3.7	3.4	10%	12%
Bharat Forge	178	66.2	22.2	37%	23.5	11.6	3.3	3.4	5%	15%
Endurance Technologies	124	30.0	20.5	3%	12.6	9.8	3.8	3.3	13%	16%
Minda Industries	80	44.6	25.9	41%	15.0	10.7	4.0	3.6	9%	14%
Varroc Engineering	27	NA	14.7	NA	7.4	4.2	0.9	0.9	-7%	6%
Suprajit Engineering	22	31.3	16.2	1%	13.6	8.8	2.4	2.1	8%	14%
Minda Corp	16	14.6	9.7	NA	8.1	6.0	1.3	1.2	9%	12%
Lumax Industries	12	23.0	17.2	40%	10.1	8.7	2.6	2.5	11%	15%

Source: Bloomberg, JM Financial; Note: Valuation as on 20 Jul'20

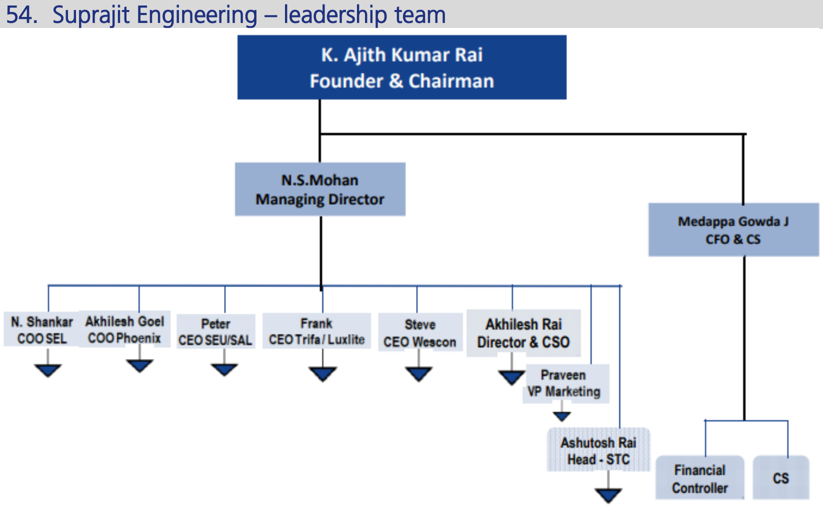
Key risks

- Technological disruption - threat from LEDs: LED bulbs are gaining prominence due to **a)** declining prices, **b)** higher luminosity, **c)** styling quotient and **d)** longer life. LED penetration is expected to increase (currently at c.10% in India). In the absence of an established LED technology at SEL, increasing penetration has the potential to shrink growth in the addressable market of halogen bulbs. However, we see limited impact over the next few years as **a)** LEDs are 10x costlier than halogen, **b)** 2W OEMs are keen to keep costs low and **c)** there is a sustained after-market driven by already-installed halogens.
- Technological disruption - threat from sensors: There is a possibility of sensors replacing cables. Such sensors are currently used in luxury/high-end cars. However, we expect a limited threat from sensors as a) they are several times more expensive and b) each sensor requires a motor increasing the weight of the vehicle.
- Prolonged disruption due to Covid-19: Revenues have been significantly impacted over the past 4-5 months due to Covid-related lockdowns in India and other parts of the world. Although we have seen a strong recovery in 2Ws and after-market sales during the unlock phase, another rounds of multiple lockdowns may again lead to a halt/reduction in operations, adversely impacting the company's profitability.
- Continued underperformance at international subsidiaries: Performance at international subsidiaries over the past 2 years has been sub-optimal due to high operational costs, leadership issues, etc. SEL has spent INR 200mn for restructuring at these subsidiaries and expects margins to recover by FY22. Failure to realise the benefits of restructuring and continued sub-optimal profitability are also key risk.
- Adverse currency movement: c.40% of SEL's revenue comes from outside India, primarily the EU and US. Any adverse movement in the exchange rate may impact profitability. The company partly has a natural hedge as costs at the international subsidiary are also in the same foreign currency. The company also hedges 50-60% of its exposure on a rolling basis.

Management details

- Mr. Ajith Kumar Rai is the Founder & Chairman of Suprajit Engineering. His key role is to oversee the overall group strategy and engagements with key clients.
- Two out of his three sons are actively involved in the operations of the company – 1) Mr. Akhilesh Rai has been with the company for c.10 years and is currently Director and Group Chief Strategy Officer, 2) Mr. Ashutosh Rai is the Head, Suprajit Tech Center.
- Mr. N.S. Mohan (MD & CEO) joined SEL in Dec'13 as President and was promoted to CEO in Feb'17. He played a key role in acquiring Phoenix Lamps and Wescon.
- Mr. Medappa Gowda is the CFO and CS at SEL.

Exhibit 54. Suprajit Engineering – leadership team



Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY18A	FY19A	FY20A	FY21E	FY22E
Net Sales	14,311	15,899	15,628	13,245	16,692
Sales Growth	19.0%	11.1%	-1.7%	-15.2%	26.0%
Other Operating Income	0	0	0	0	0
Total Revenue	**14,311**	**15,899**	**15,628**	**13,245**	**16,692**
Cost of Goods Sold/Op. Exp	8,007	9,148	9,151	7,791	9,706
Personnel Cost	2,568	3,037	2,927	2,665	3,140
Other Expenses	1,371	1,386	1,364	1,229	1,464
EBITDA	**2,365**	**2,328**	**2,187**	**1,560**	**2,382**
EBITDA Margin	16.5%	14.6%	14.0%	11.8%	14.3%
EBITDA Growth	17.1%	-1.6%	-6.0%	-28.7%	52.7%
Depn. & Amort.	372	410	581	630	694
EBIT	1,993	1,918	1,606	930	1,688
Other Income	212	380	224	201	242
Finance Cost	271	246	227	216	164
PBT before Excep. & Forex	1,934	2,052	1,603	915	1,766
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	1,934	2,052	1,603	915	1,766
Taxes	549	714	289	220	424
Extraordinary Inc./Loss(-)	0	0	274	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	1,385	1,338	1,588	695	1,342
Adjusted Net Profit	**1,385**	**1,338**	**1,314**	**695**	**1,342**
Net Margin	9.7%	8.4%	8.4%	5.3%	8.0%
Diluted Share Cap. (mn)	139.9	139.9	139.9	139.9	139.9
Diluted EPS (INR)	**9.9**	**9.6**	**9.4**	**5.0**	**9.6**
Diluted EPS Growth	20.2%	-3.4%	-1.8%	-47.1%	93.0%
Total Dividend + Tax	235	249	289	217	217
Dividend Per Share (INR)	1.4	1.6	1.8	1.6	1.6

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY18A	FY19A	FY20A	FY21E	FY22E
Shareholders' Fund	6,549	7,751	8,538	9,016	10,142
Share Capital	140	140	140	140	140
Reserves & Surplus	6,409	7,611	8,398	8,876	10,002
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	3,454	3,621	3,216	2,966	1,716
Def. Tax Liab. / Assets (-)	661	723	575	575	575
Total - Equity & Liab.	**10,664**	**12,095**	**12,329**	**12,557**	**12,433**
Net Fixed Assets	5,473	5,805	6,286	6,055	5,761
Gross Fixed Assets	4,715	5,157	6,383	6,883	7,283
Intangible Assets	1,358	1,418	1,375	1,375	1,375
Less: Depn. & Amort.	632	1,042	1,623	2,253	2,947
Capital WIP	33	272	152	51	51
Investments	1,304	1,720	2,763	3,563	3,363
Current Assets	6,226	6,918	6,708	5,966	6,587
Inventories	2,365	2,710	2,762	2,722	2,973
Sundry Debtors	2,890	2,916	2,750	2,722	2,973
Cash & Bank Balances	324	471	636	-82	-12
Loans & Advances	640	706	443	487	536
Other Current Assets	8	115	118	118	118
Current Liab. & Prov.	2,339	2,348	3,429	3,027	3,278
Current Liabilities	1,887	1,783	2,185	1,859	2,039
Provisions & Others	453	565	1,244	1,168	1,239
Net Current Assets	3,887	4,570	3,280	2,939	3,309
Total – Assets	**10,664**	**12,095**	**12,329**	**12,557**	**12,433**

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY18A	FY19A	FY20A	FY21E	FY22E
Profit before Tax	1,934	2,052	1,603	915	1,766
Depn. & Amort.	372	410	581	630	694
Net Interest Exp. / Inc. (-)	271	246	227	216	164
Inc (-) / Dec in WCap.	-1,686	-765	1,088	-1,177	-100
Others	0	0	274	0	0
Taxes Paid	-549	-714	-289	-220	-424
Operating Cash Flow	**343**	**1,228**	**3,484**	**365**	**2,100**
Capex	-257	-742	-1,063	-399	-400
Free Cash Flow	86	486	2,422	-34	1,700
Inc (-) / Dec in Investments	-3	-109	-734	0	0
Others	-271	-246	-227	-216	-164
Investing Cash Flow	**-531**	**-1,097**	**-2,024**	**-616**	**-564**
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-235	-249	-289	-217	-217
Inc / Dec (-) in Loans	159	167	-404	-250	-1,250
Others	364	98	-603	0	0
Financing Cash Flow	**288**	**16**	**-1,296**	**-467**	**-1,467**
Inc / Dec (-) in Cash	**100**	**148**	**165**	**-717**	**70**
Opening Cash Balance	224	324	471	636	-82
Closing Cash Balance	324	471	636	-82	-12

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY18A	FY19A	FY20A	FY21E	FY22E
Net Margin	9.7%	8.4%	8.4%	5.3%	8.0%
Asset Turnover (x)	1.4	1.4	1.3	1.1	1.3
Leverage Factor (x)	1.7	1.6	1.5	1.4	1.3
RoE	23.5%	18.7%	16.1%	7.9%	14.0%

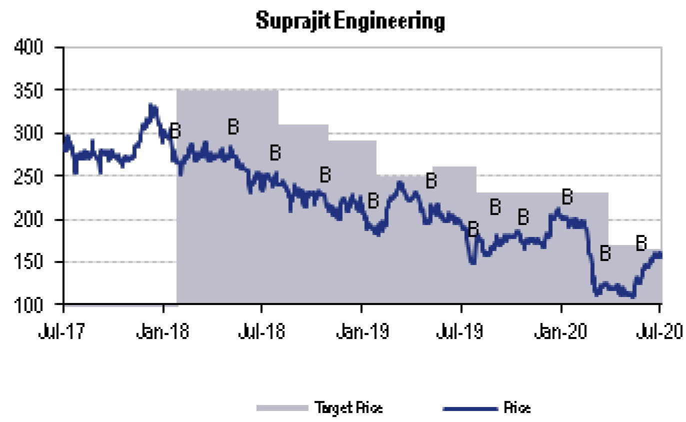
Key Ratios					
Y/E March	FY18A	FY19A	FY20A	FY21E	FY22E
BV/Share (INR)	46.8	55.4	61.0	64.5	72.5
ROIC	17.3%	14.2%	15.0%	8.4%	15.1%
ROE	23.5%	18.7%	16.1%	7.9%	14.0%
Net Debt/Equity (x)	0.3	0.2	0.1	0.0	-0.1
P/E (x)	15.7	16.3	16.6	31.3	16.2
P/B (x)	3.3	2.8	2.5	2.4	2.1
EV/EBITDA (x)	10.0	10.0	10.3	14.2	8.8
EV/Sales (x)	1.7	1.5	1.4	1.7	1.3
Debtor days	74	67	64	75	65
Inventory days	60	62	65	75	65
Creditor days	56	47	58	57	51

Source: Company, JM Financial

History of Earnings Estimate and Target Price

Date	Recommendation	Target Price	% Chg.
14-Feb-18	Buy	350	
30-May-18	Buy	350	0.0
16-Aug-18	Buy	310	-11.4
15-Nov-18	Buy	290	-6.5
12-Feb-19	Buy	250	-13.8
29-May-19	Buy	260	4.0
14-Aug-19	Buy	230	-11.5
23-Sep-19	Buy	230	0.0
14-Nov-19	Buy	230	0.0
3-Feb-20	Buy	230	0.0
13-Apr-20	Buy	170	-26.1
16-Jun-20	Buy	165	-2.9

Recommendation History



APPENDIX I

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