

## BGR Energy Systems

### Performance Highlights

(₹ cr)	3QFY12	3QFY11	% chg (yoy)	2QFY12	% chg (qoq)
<b>Revenue</b>	<b>803.7</b>	<b>1,257</b>	<b>(36.1)</b>	<b>771.5</b>	<b>4.2</b>
EBITDA	131.3	147.2	(10.8)	110.2	19.2
EBITDA margin (%)	16.3	11.7	463	14.3	205.5
<b>Reported PAT</b>	<b>54.7</b>	<b>87.6</b>	<b>(37.5)</b>	<b>51.4</b>	<b>6.6</b>

Source: Company, Angel Research

BGR Energy's (BGR) results were disappointing for 3QFY2012, as expected. The company's top line for the quarter declined on account of a high base, leading to downbeat earnings growth. Amidst execution concerns, management has guided revenue of ~₹3,400cr for FY2012E, which is in a stark contrast to the earlier guidance of ₹4,800cr and well below our conservative estimates of ₹4,196cr. Hence, we revise downwards our FY2012E/FY2013E revenue estimates by 20.3%/7.6% and earnings estimates by 18.0%/18.9%. The stock continues to remain range-bound – opaque visibility on new orders remains an overhang, thus capping any upside to the stock. **We remain Neutral on the stock.**

**Execution decelerates as expected, positive surprise on margins:** The company's top line declined by 36.1% yoy to ₹803.7cr (₹1,257cr), which was lower by 10.8% compared to our (below street) expectation of ₹901.1cr. On the EBITDA front, the company's margin reported a sharp expansion of 463bp yoy to 16.3%, (est. 12%), which can mainly be attributed to higher proportion of revenue from the BoP vertical. Interest cost jumped by 175% yoy/53% qoq to ₹46.2cr, mainly due to high working capital borrowings. Subdued top-line growth and high interest cost resulted in PAT declining by 37.5% yoy to ₹54.7cr (₹87.6cr).

**Outlook and valuation:** BGR's working capital has seen severe deterioration over the past few quarters (from 74 days in FY2010 to 225 days in 1HFY2012), mainly due to high receivables. Amid issues impairing the power sector, credit availability may harden for SEBs, as banks have already chosen to remain risk-averse. Hence, in our view, tight liquidity is likely to transmit negatively on BGR's books. Along with this, the BTG venture is expected to stretch its balance sheet – we expect the leverage to rise from 1.3x in 1HFY2012 to 2.4x in FY2013. At the CMP, the stock is trading at PE multiple of 8.6x FY2013E EPS, which we believe is reasonable amidst structural issues (slowdown of order inflow in the BTG space and high leverage) faced by the company. **Hence, we maintain our Neutral view on the stock.**

#### Key financials (Consolidated)

Y/E March (₹ cr)	FY2010	FY2011	FY2012E	FY2013E
<b>Net sales</b>	<b>3,073</b>	<b>4,750</b>	<b>3,346</b>	<b>4,170</b>
% chg	59.2	54.5	(29.6)	24.6
<b>Net profit</b>	<b>201</b>	<b>323</b>	<b>213</b>	<b>196</b>
% chg	74.4	60.5	(34.0)	(8.1)
EBITDA (%)	11.2	11.3	14.3	11.5
<b>EPS (₹)</b>	<b>28.0</b>	<b>44.8</b>	<b>29.6</b>	<b>27.2</b>
P/E (x)	8.4	5.2	7.9	8.6
P/BV (x)	2.4	1.8	1.6	1.4
RoE (%)	31.7	39.0	21.0	17.3
RoCE (%)	22.1	24.0	13.4	10.1
EV/Sales (x)	0.5	0.4	1.2	1.1
EV/EBITDA (x)	4.6	3.8	8.5	9.6

Source: Company, Angel Research

## NEUTRAL

CMP	₹234
Target Price	-

Investment Period	-
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#### Stock Info

Sector	Capital Goods
Market Cap (₹ cr)	1,690
Beta	1.6
52 Week High / Low	588/173
Avg. Daily Volume	683,417
Face Value (₹)	10
BSE Sensex	17,622
Nifty	5,335
Reuters Code	BGRE.BO
Bloomberg Code	BGRL@IN

#### Shareholding Pattern (%)

Promoters	81.1
MF / Banks / Indian Fls	4.9
FII / NRIs / OCBs	3.7
Indian Public / Others	10.3

Abs. (%)	3m	1yr	3yr
Sensex	0.3	(2.3)	89.5
BGR	(31.5)	(56.8)	62.6

#### Shailesh Kanani

+91 22 3935 7800 Ext: 6829  
 shailesh.kanani@angelbroking.com

#### Hemang Thaker

+91 22 3935 7800 Ext: 6817  
 hemang.thaker@angelbroking.com

**Exhibit 1: Quarterly performance (Standalone)**

(₹ cr)	3QFY12	3QFY11	% chg (yoy)	2QFY12	% chg (qoq)	9MFY12	9MFY11	% chg (yoy)
<b>Net Sales</b>	<b>802.3</b>	<b>1,251</b>	<b>(35.9)</b>	<b>770.6</b>	<b>4.1</b>	<b>2,304</b>	<b>3,290</b>	<b>(30.0)</b>
Other operating income	1.4	5.8		0.9		5.3	8.9	
<b>Total income</b>	<b>803.7</b>	<b>1,257</b>	<b>(36.1)</b>	<b>771.5</b>	<b>4.2</b>	<b>2,309.4</b>	<b>3,299</b>	<b>(30.0)</b>
Stock adjustments	0.2	(3.2)		-		0.1	(4.9)	
Raw Material	587.4	1,013.3	(42.0)	582.4	0.9	1,746	2,679	(34.8)
(% of total income)	73.1	80.4	(7.3)	75.5		75.6	81.2	
Employee Cost	48.2	41.5	16.1	41.8	15.1	124.1	107.8	15.1
(% of total income)	6.0	3.3		5.4		5.4	3.3	
Other Expenses	36.7	58.1	(36.9)	37.1	(1.1)	101.9	133.7	(23.8)
(% of total income)	4.6	4.6		4.8		4.4	4.1	
<b>Total Expenditure</b>	<b>672.4</b>	<b>1,110</b>	<b>(39.4)</b>	<b>661.3</b>	<b>1.7</b>	<b>1,972</b>	<b>2,916</b>	<b>(32.4)</b>
<b>EBITDA</b>	<b>131.3</b>	<b>147.2</b>	<b>(10.8)</b>	<b>110.2</b>	<b>19.2</b>	<b>337.6</b>	<b>383.3</b>	<b>(11.9)</b>
(EBITDA %)	16.3	11.7		14.3	14.4	14.6	11.6	
Interest	46.2	16.8	175.4	30.2	52.9	94.3	42.2	123.6
Depreciation	4.1	3.4	20.4	4.0	3.0	11.9	9.8	21.3
Other Income	-	1.7		-		-	7	
<b>PBT</b>	<b>81.0</b>	<b>128.7</b>	<b>(37.0)</b>	<b>76.1</b>	<b>6.5</b>	<b>231.4</b>	<b>338.2</b>	<b>(31.6)</b>
(% of total income)	10.1	10.2		9.9		10.0	10.3	
Total Tax	26.3	41.1	(36.1)	24.7	6.4	75.1	112.3	(33.2)
(% of PBT)	32.5	32.0		32.5		32.4	33.2	
<b>PAT</b>	<b>54.7</b>	<b>87.6</b>	<b>(37.5)</b>	<b>51.4</b>	<b>6.6</b>	<b>156.3</b>	<b>225.9</b>	<b>(30.8)</b>
(% of total income)	6.8	7.0		6.7		6.8	6.8	
<b>EPS (₹)</b>	<b>7.6</b>	<b>12.1</b>		<b>7.1</b>	<b>6.6</b>	<b>21.7</b>	<b>31.3</b>	

Source: Company, Angel Research

**Exhibit 2: Actual vs. estimates**

(₹ cr)	Actual	Estimates	Var (%)
<b>Revenue</b>	<b>803.7</b>	<b>901.1</b>	<b>(10.8)</b>
EBITDA	131.3	108.1	21.4
Interest	46.2	35.0	31.9
Tax	26.3	22.7	15.7
<b>PAT</b>	<b>54.7</b>	<b>47.2</b>	<b>16.0</b>

Source: Company, Angel Research

**Revenue growth tapers...**

During the quarter, the company's top line declined sharply by 36.1% yoy to ₹803.7cr (₹1,257cr). On the segmental front, the downside in revenue came from the construction and EPC side, which declined by 38.8% yoy to ₹727.1cr (₹1,188cr). Payment delays from clients partly restrained the project execution, as cited by management. In contrast, the capital goods segment posted decent 19% yoy growth to ₹75.2cr (₹63.2cr).

Amidst execution concerns, management has guided revenue of ~₹3,400cr for FY2012E, which is in a stark contrast to the earlier guidance of ₹4,800cr and well below our conservative estimates of ₹4,196cr. Hence, we revise downwards our FY2012E/FY2013E revenue estimates by 20.3%/7.6% and earnings estimates by 18.0%/18.9%.

**Exhibit 3: Revenue coming off sharply in recent quarters as expected**


Source: Company, Angel Research

**Exhibit 4: Segment-wise performance (Standalone)**

Y/E March (₹ cr)	3QFY12	3QFY11	% chg (yoy)	2QFY12	% chg (qoq)	9MFY12	9MFY11	% chg (yoy)
<b>Revenue</b>								
Capital goods	75.2	63.2	19.0	91.5	(17.8)	224.9	144.7	55.4
Const. and EPC contracts	727.1	1,188	(38.8)	679.1	7.1	2,079	3,145	(33.9)
<b>Total revenue</b>	<b>802.3</b>	<b>1,251</b>	<b>(35.9)</b>	<b>770.6</b>	<b>4.1</b>	<b>2,304</b>	<b>3,290</b>	<b>(30.0)</b>
<b>EBIT (excl. net unallocable inc.)</b>								
Capital goods	9.2	5.0	82.6	18.2		29.8	9.3	220.2
Const. and EPC contracts	118.1	138.8	(14.9)	88.0		296.0	364.2	(18.7)
<b>Total EBIT</b>	<b>127.2</b>	<b>143.8</b>	<b>(11.5)</b>	<b>106.2</b>		<b>325.7</b>	<b>373.5</b>	<b>(12.8)</b>
<b>Revenue mix (%)</b>								
Capital goods	9.4	5.1		11.9		9.8	4.4	
Const. and EPC contracts	90.6	94.9		88.1		90.2	95.6	
<b>EBIT margin (%)</b>								
Capital goods	12.2	7.9		19.9		13.2	6.4	
Const. and EPC contracts	16.2	11.7		13.0		14.2	11.6	
<b>Total</b>	<b>15.9</b>	<b>11.5</b>		<b>13.8</b>		<b>14.1</b>	<b>11.4</b>	

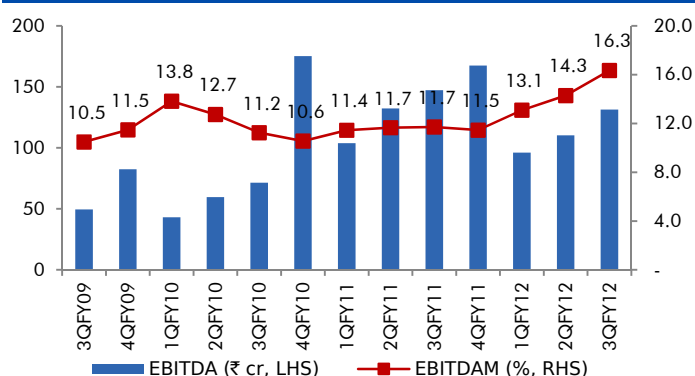
Source: Company, Angel Research

**Impressive EBITDAM, driven by the BoP segment:** For 3QFY2012, the company's EBITDAM expanded sharply by 463bp yoy to 16.3%, highest ever in any quarter. Margin expansion was mainly on account of higher contribution of the high-margin BoP and capital goods segments. Revenue mix in terms of EPC/BoP for the quarter stood at 38% for EPC and 62% for BoP.

On the EBITDA front, the company's margin reported a sharp expansion of 463bp yoy to 16.3%, (est. 12%), which can be mainly attributed to higher proportion of revenue from the BoP vertical. As per management, BoP orders executed embedded a price variation clause (in contrast with earlier fixed priced orders), which enabled greater leverage on the operating front. However, we are not convinced by the same and the reason for such high margins remains a mystery for us.

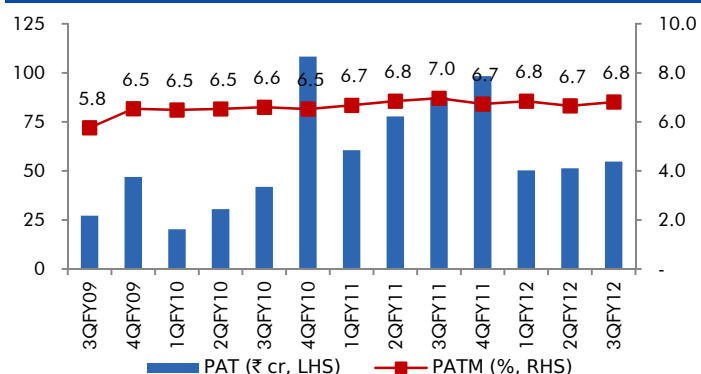
Interest cost jumped by 175% yoy/53% qoq to ₹46.2cr, mainly due to high working capital borrowings. Subdued top-line growth and high interest cost resulted in PAT declining by 37.5% yoy to ₹54.7cr (₹87.6cr).

**Exhibit 5: Surprise jump in EBITDAM**



Source: Company, Angel Research

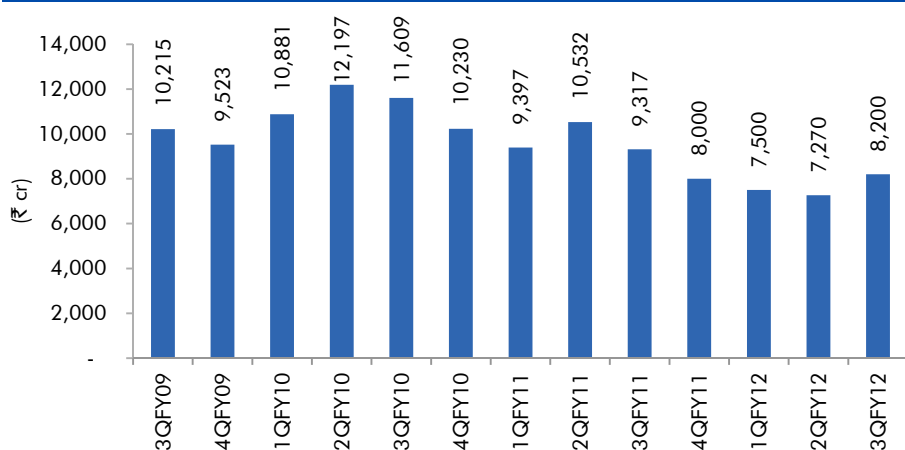
**Exhibit 6: PAT impacted by high interest cost and top-line decline**



Source: Company, Angel Research

**Order book:** The company secured one single order worth ₹1,700cr, thus taking its order book tally to ~₹8,200cr, as of 3QFY2012. The order backlog mainly consists of EPC/BoP power projects. Management indicated that NTPC bulk order (four TG sets worth ₹3,000cr) is likely to get booked in 4QFY2012. **Delays in acquiring land for project sites have led to deferral in awarding these orders.** In addition, management cited an encouraging order pipeline worth 6,000MW comprising three EPC projects from SEBs. On the long pending RRVUNL order, MoEF has recently issued clearance, suggesting speedy finalization on this order. However, we remain cautious on this order, as further delay in awarding cannot be ruled out, in our view.

**Exhibit 7: Order book growth under threat...**



Source: Company, Angel Research

## Outlook and valuation

BGR's working capital has seen severe deterioration in the past few quarters (from 74 days in FY2010 to 225 days in 1HFY2012), mainly due to high receivables. Amid issues impairing the power sector, credit availability may harden for SEBs, as banks have already chosen to remain risk-averse. Hence, in our view, tight liquidity is likely to transmit negatively on BGR's books. Along with this, the BTG venture is expected to stretch its balance sheet – we expect the leverage to rise from 1.3x in 1HFY2012 to 2.4x in FY2013.

At the CMP, the stock is trading at PE multiple of 8.6x FY2013E EPS, which we believe is reasonable amidst structural issues (slowdown of order inflow in BTG space and high leverage) faced by the company. Hence, we maintain our Neutral view on the stock.

**Change in estimates:** Amidst execution concerns, management has guided revenue of ~₹3,400cr for FY2012E, which is in a stark contrast to the earlier guidance of ₹4,800cr and well below our conservative estimates of ₹4,196cr. Hence, we revise downwards our FY2012E/FY2013E revenue estimates by 20.3%/7.6% and earnings estimates by 18.0%/18.9%. In addition, we have factored in EBITDAM expansion of 183bp for FY2012E (given the consistent uptick since past three quarter of FY2012E).

### Exhibit 8: Actual vs. Estimates

(₹ cr)	FY2012E			FY2013E		
	Earlier estimates	Revised estimates	Var. (%)	Earlier estimates	Revised estimates	Var. (%)
Revenue	4,196	3,346	(20.3)	4,513	4,170	(7.6)
EBITDA	525	480	(8.6)	520	481	(7.4)
EBITDA (%)	12.5	14.3	183bp	11.5	11.5	-
PAT	260	213	(18.0)	242	196	(18.9)
EPS (₹)	36.0	29.6	(17.9)	33.6	27.2	(19.1)
Order inflows	5,773	5,237	(9.3)	6,350	5,760	(9.3)
Order backlog	9,546	9,807	2.7	11,383	11,398	0.1

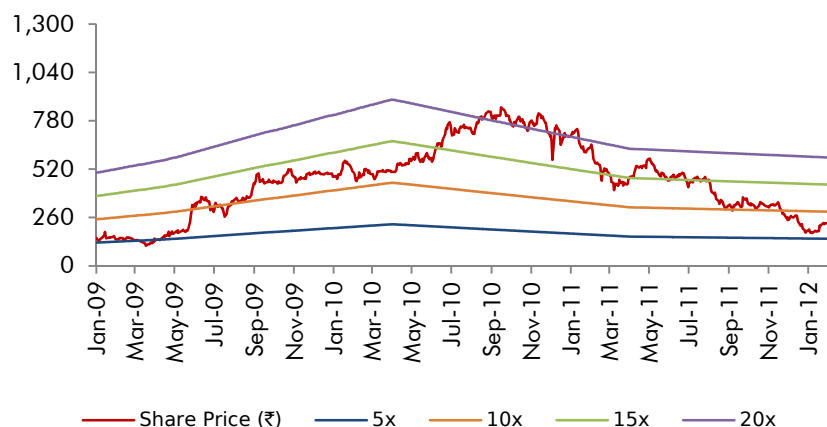
Source: Company, Angel Research

### Exhibit 9: Angel EPS forecast vs. consensus

Y/E March	Angel forecast	Bloomberg consensus	Var. (%)
FY2012E	29.6	29.9	(1.1)
FY2013E	27.2	32.0	(15.1)

Source: Company, Angel Research

**Exhibit 10: One-year forward P/E band**



Source: Company, Angel Research

**Exhibit 11: Peer comparison**

Company	Reco.	CMP (₹)	Tgt. price (₹)	Upside/ Downside (%)	P/BV(x)		P/E(x)		FY2011-13E		RoCE (%)		RoE (%)	
					FY12E	FY13E	FY12E	FY13E	EPS	CAGR	FY12E	FY13E	FY12E	FY13E
ABB*	Sell	865	427	(50.6)	7.2	6.3	97.4	48.6	144.2	11.4	20.2	7.6	13.9	
BHEL	Neutral	260	-	-	2.5	2.2	9.1	11.0	(2.4)	39.5	26.5	30.6	21.1	
<b>BGR Energy</b>	<b>Neutral</b>	<b>234</b>	<b>-</b>	<b>-</b>	<b>1.6</b>	<b>1.4</b>	<b>7.9</b>	<b>8.6</b>	<b>(22.1)</b>	<b>13.4</b>	<b>10.1</b>	<b>21.0</b>	<b>17.3</b>	
Crompton Greaves	Accum.	143	152	6.4	2.6	2.3	21.6	13.2	(13.3)	13.7	19.5	12.5	17.3	
Jyoti Structures	Neutral	53	-	-	0.7	0.6	4.4	4.8	(5.3)	21.7	18.2	15.8	12.7	
KEC International	Neutral	63	-	-	1.5	1.3	9.5	6.5	10.4	17.0	19.0	23.9	27.6	
Thermax	Reduce	487	456	(6.4)	3.5	3.0	13.8	16.0	(2.6)	33.3	24.3	28.5	20.5	

Source: Company, Angel Research; Note: \*December year ending

**Profit & loss account (Consolidated)**

Y/E March (₹ cr)	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
<b>Operating income</b>	<b>1,521</b>	<b>1,930</b>	<b>3,073</b>	<b>4,750</b>	<b>3,346</b>	<b>4,170</b>
% chg	93.3	27.0	59.2	54.5	(29.6)	24.6
<b>Total Expenditure</b>	<b>1,365</b>	<b>1,721</b>	<b>2,729</b>	<b>4,214</b>	<b>2,866</b>	<b>3,689</b>
Raw Materials	1,108	1,352	2,187	3,446	2,347	3,042
Mfg costs	142	172	236	406	288	342
Personnel Costs	45	74	126	145	100	125
Other Costs	70	123	180	217	130	179
<b>EBITDA</b>	<b>155</b>	<b>209</b>	<b>344</b>	<b>536</b>	<b>480</b>	<b>481</b>
% chg	75.7	34.5	64.8	55.8	(10.5)	0.3
(% of Net Sales)	10.2	10.8	11.2	11.3	14.3	11.5
Depreciation & Amortisation	6	8	10	17	16	22
<b>EBIT</b>	<b>150</b>	<b>201</b>	<b>334</b>	<b>519</b>	<b>463</b>	<b>459</b>
% chg	88.3	34.4	65.8	55.4	(10.7)	(0.9)
(% of Net Sales)	9.9	10.4	10.9	10.9	13.9	11.0
Interest & other Charges	27	58	54	60	150	173
Other Income	7	32	25	22	10	11
(% of PBT)	5.1	18.1	8.2	4.6	3.1	3.7
Recurring PBT	130	175	305	481	323	297
% chg	109.4	35.2	74.2	57.6	(32.8)	(8.1)
Extraordinary Expense/(Inc.)	-	-	-	-	-	-
<b>PBT (reported)</b>	<b>130</b>	<b>175</b>	<b>305</b>	<b>481</b>	<b>323</b>	<b>297</b>
Tax	41	60	104	158	110	101
(% of PBT)	31.7	34.0	34.0	32.8	32.5	32.5
<b>PAT (reported)</b>	<b>88</b>	<b>116</b>	<b>201</b>	<b>323</b>	<b>213</b>	<b>196</b>
Add: Share of earnings of asso.	-	-	-	-	-	-
Less: Minority interest (MI)	1	-	-	-	-	-
Prior period items	-	-	-	-	-	-
<b>PAT after MI (reported)</b>	<b>87</b>	<b>115</b>	<b>201</b>	<b>323</b>	<b>213</b>	<b>196</b>
<b>ADJ. PAT</b>	<b>87</b>	<b>115</b>	<b>201</b>	<b>323</b>	<b>213</b>	<b>196</b>
% chg	110.8	32.2	74.4	60.5	(34.0)	(8.1)
(% of Net Sales)	5.7	6.0	6.6	6.8	6.4	4.7
<b>Basic EPS (₹)</b>	<b>12.1</b>	<b>16.0</b>	<b>28.0</b>	<b>44.8</b>	<b>29.6</b>	<b>27.2</b>
<b>Fully Diluted EPS (₹)</b>	<b>12.1</b>	<b>16.0</b>	<b>28.0</b>	<b>44.8</b>	<b>29.6</b>	<b>27.2</b>
% chg	(68.4)	32.2	74.4	60.1	(34.0)	(8.1)

**Balance sheet (Consolidated)**

Y/E March (₹ cr)	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
<b>SOURCES OF FUNDS</b>						
Equity Share Capital	72	72	72	72	72	72
Preference Capital	-	-	-	-	-	-
Reserves & Surplus	402	492	634	880	1,009	1,120
<b>Shareholders' Funds</b>	<b>474</b>	<b>564</b>	<b>706</b>	<b>952</b>	<b>1,081</b>	<b>1,193</b>
Minority Interest	3	3	3	52	52	52
Total Loans	503	709	807	1,337	2,837	3,237
Deferred Tax Liability	36	75	155	308	308	308
<b>Total Liabilities</b>	<b>1,015</b>	<b>1,350</b>	<b>1,672</b>	<b>2,649</b>	<b>4,278</b>	<b>4,790</b>
<b>APPLICATION OF FUNDS</b>						
Gross Block	73	125	182	251	776	2,613
Less: Acc. Depreciation	21	27	37	53	69	92
Net Block	53	98	145	198	706	2,522
Capital Work-in-Progress	1	5	10	86	86	85
Goodwill	1	1	1	1	1	1
<b>Investments</b>	<b>151</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>101</b>	<b>351</b>
Deferred Tax Asset	-	-	-	-	-	-
<b>Current Assets</b>	<b>1,333</b>	<b>2,569</b>	<b>3,644</b>	<b>5,115</b>	<b>5,589</b>	<b>4,547</b>
Cash	307	615	902	1,045	516	380
Loans & Advances	266	643	727	840	1,010	908
Inventories	15	14	16	41	71	78
Debtors	736	1,279	1,980	3,158	3,951	3,142
Others	9	18	18	32	40	40
Current liabilities	484	1,233	1,896	2,397	1,887	2,396
<b>Net Current Assets</b>	<b>809</b>	<b>1,246</b>	<b>1,515</b>	<b>2,364</b>	<b>3,384</b>	<b>1,832</b>
Mis. Exp. not written off	-	-	-	-	-	-
<b>Total Assets</b>	<b>1,015</b>	<b>1,350</b>	<b>1,672</b>	<b>2,649</b>	<b>4,278</b>	<b>4,790</b>

**Cash flow statement (Consolidated)**

Y/E March (₹ cr)	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
<b>Profit before tax</b>	<b>130</b>	<b>175</b>	<b>305</b>	<b>481</b>	<b>323</b>	<b>297</b>
Depreciation	6	8	10	17	16	22
(Inc)/Dec in WC	(213)	(129)	18	(706)	(1,549)	1,416
Less: Other income	(7)	(32)	(25)	(22)	(10)	(11)
Direct taxes paid	(41)	(60)	(104)	(158)	(110)	(101)
<b>Cash Flow from Operations</b>	<b>(126)</b>	<b>(38)</b>	<b>205</b>	<b>(388)</b>	<b>(1,329)</b>	<b>1,623</b>
(Inc.)/Dec.in Fixed Assets	(36)	(62)	(65)	(147)	(525)	(1,837)
(Inc.)/Dec. in Investments	(151)	151	-	-	(100)	(250)
Other income	7	32	25	22	10	11
<b>Cash Flow from Investing</b>	<b>(180)</b>	<b>121</b>	<b>(40)</b>	<b>(125)</b>	<b>(615)</b>	<b>(2,076)</b>
Issue of Equity	61	-	-	0.2	-	-
Inc./{Dec.) in loans	256	206	98	530	1,500	400
Dividend Paid (Incl. Tax)	17	25	59	84	84	84
Others	219	44	83	210	-	-
<b>Cash Flow from Financing</b>	<b>301</b>	<b>181</b>	<b>39</b>	<b>446</b>	<b>1,416</b>	<b>316</b>
Inc./{Dec.) in Cash	214	308	287	143	(529)	(137)
<b>Opening Cash balances</b>	<b>93</b>	<b>307</b>	<b>615</b>	<b>902</b>	<b>1045</b>	<b>516</b>
<b>Closing Cash balances</b>	<b>307</b>	<b>615</b>	<b>902</b>	<b>1,045</b>	<b>516</b>	<b>380</b>

**Key Ratios**

Y/E March	FY2008	FY2009	FY2010	FY2011	FY2012E	FY2013E
<b>Valuation Ratio (x)</b>						
P/E (on FDEPS)	19.3	14.6	8.4	5.2	7.9	8.6
P/CEPS	18.2	13.7	8.0	5.0	7.4	7.7
P/BV	3.6	3.0	2.4	1.8	1.6	1.4
Dividend yield (%)	0.9	1.3	3.0	4.3	4.3	4.3
EV/Sales	1.1	0.9	0.5	0.4	1.2	1.1
EV/EBITDA	11.2	8.5	4.6	3.8	8.5	9.6
EV / Total Assets	1.7	1.3	1.0	0.8	0.9	1.0
OB/Sales	2.1	4.9	3.3	1.7	2.9	2.7
<b>Per Share Data (₹)</b>						
EPS (Basic)	12.1	16.0	28.0	44.8	29.6	27.2
EPS (fully diluted)	12.1	16.0	28.0	44.8	29.6	27.2
Cash EPS	12.9	17.1	29.4	47.2	31.8	30.2
DPS	2.0	3.0	7.0	10.0	10.0	10.0
Book Value	65.8	78.3	98.1	131.9	149.8	165.3
<b>DuPont Analysis(%)</b>						
EBIT margin	9.9	10.4	10.9	10.9	13.9	11.0
Tax retention ratio (%)	68.3	66.0	66.0	67.2	67.5	67.5
Asset turnover (x)	3.8	3.0	4.1	4.0	1.3	1.1
RoIC (Pre-tax)	37.8	31.2	44.4	43.8	17.6	11.9
RoIC (Post-tax)	25.8	20.6	29.3	29.4	11.9	8.0
Cost of Debt (Post Tax)	4.9	6.3	4.7	3.8	4.9	3.8
Leverage (x)	0.6	0.3	0.0	0.1	1.3	2.3
Operating ROE	38.9	24.6	29.3	32.5	20.9	17.6
<b>Returns (%)</b>						
RoCE (Pre-tax)	22.3	17.0	22.1	24.0	13.4	10.1
Angel RoIC (Pre-tax)	38.0	31.4	44.9	45.6	18.2	12.2
RoE	31.4	22.3	31.7	39.0	21.0	17.3
<b>Turnover ratios (x)</b>						
Asset Turnover (Gross Block)	22.4	19.6	20.1	22.0	6.5	2.5
Inventory / Sales (days)	5	3	2	2	6	7
Receivables (days)	133	190	194	197	388	310
Payables (days)	100	182	209	186	273	212
WC cycle (ex-cash) (days)	95	107	74	74	228	189
<b>Solvency ratios (x)</b>						
Net debt to Equity	0.4	0.2	(0.1)	0.3	2.1	2.4
Net debt to EBITDA	1.3	0.4	(0.3)	0.5	4.8	5.9
Interest Coverage	5.6	3.5	6.2	8.6	3.1	2.7

Research Team Tel: 022 – 3935 7800

E-mail: research@angelbroking.com

Website: www.angelbroking.com

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### Disclosure of Interest Statement

### BGR Energy Systems

1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹ 1 lakh for Angel, its Group companies and Directors.

### Ratings (Returns):

Buy (&gt; 15%)

Reduce (-5% to 15%)

Accumulate (5% to 15%)

Sell (&lt; -15%)

Neutral (-5 to 5%)