

NMDC LTD BUY-BACK 09/01/2019

INDUSTRY - Mining
BSE Code - 526371
NSE Code - NMDC
NIFTY - 10,855.15

Company Data

CMP(Rs.) 91.25

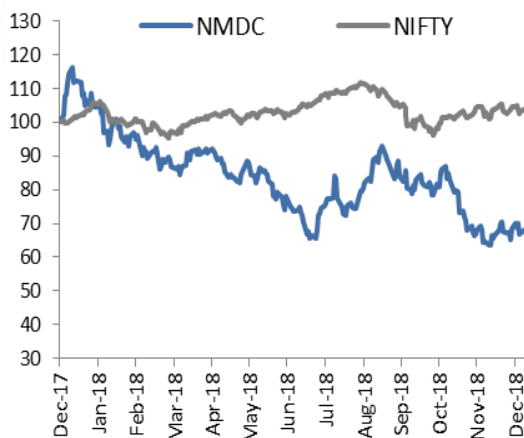
52wk Range H/L 162.70/88.60
Mkt Capital (Rs Cr) 28,917.96
Av. Volume (,000) 625.56

Shareholding pattern %

	3QFY19	2QFY19	1QFY19
Promoters	72.43	72.43	72.43
Public	27.57	27.57	27.57
Total	100.0	100.0	100.0

Stock Performance %

	1Mn	3Mn	1Yr
Absolute	1.9	-11.6	-38.6
Rel.to Nifty	0.1	2.1	1.7



BUYBACK DETAILS

Board Meeting Date	08-Jan-19
Buy Back Size	102040815 Equity Shares (3.23% of total outstanding share capital)
Buy Back Size (Amount in Rs.)	1000 crs
Buy Back Price/Share in Rs.	98
Buy Back Route	Tender Route

Reservation for Retail Shareholders	15%
No of shares reserved for Retail Shareholders	15306122
Retail Share Holders	103246320

View & Valuation

- We assume that around 20% shareholders in retail segment shall tender their shares and hence acceptance ratio can come to around 74%. This generates an expected return of 3.9% assuming post buyback price to be Rs 88, valuing 5.5x FY20e EV/EBITDA.
- We recommend investors to participate in Buyback offer.

Target Case Scenario

No. of shares tendered (20% of total retail shares)	20649264	Reserved for Retail	15306122
CMP (Rs)	91.25	Acceptance Ratio	74.00%
Buy-Back Price (Rs)	98	Potential Upside	3.9%

TABLE SHOWING EXPECTED RETURN POTENTIAL IN DIFFERENT SCENARIOS

Scenario	Shares tendered as a % to total retail shareholders	Calculated Acceptance Ratio	Expected Market Price post Buy-Back	Expected Return to Investors (Tax Adjusted)
1	20%	74%	104	7.7%
2	25%	59%	104	8.6%
3	65%	23%	104	10.6%
4	100%	15%	104	11.0%
5	20%	74%	95	5.6%
6	25%	59%	95	5.2%
7	35%	23%	95	4.1%
8	100%	15%	95	3.9%
9	20%	74%	88	3.9%
10	25%	59%	88	2.5%
11	35%	23%	88	-1.1%
12	100%	15%	88	-1.9%

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Analyst's ownership of the stocks mentioned in the Report	NIL
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