

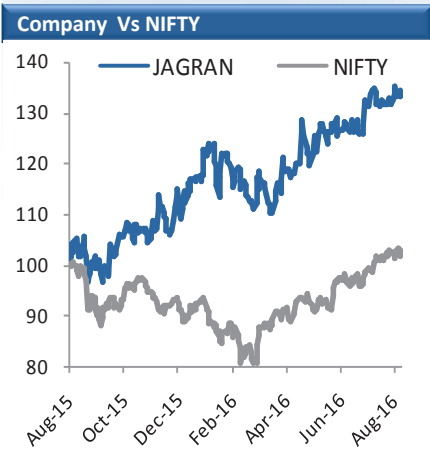
JAGRAN

Company Update	
CMP	184
Target Price	205
Previous Target Price	187
Upside	11%
Change from Previous	10%

Market Data	
BSE Code	532705
NSE Symbol	JAGRAN
52wk Range H/L	190/110
Mkt Capital (Rs Cr)	6111
Av. Volume(,000)	136
Nifty	8575

Stock Performance			
	1M	3M	12M
Absolute	0.1	9.0	30.2
Rel.to Nifty	-2.9	0.0	30.1

Share Holding Pattern-%			
	1QFY17	4QFY16	3QFY16
Promoters	60.8	60.8	60.8
Public	39.2	39.2	39.2
Others	--	--	--
Total	100.0	100.0	100.0



The company has reported consolidated numbers better than our expectation. Consolidated revenue grew by 17% YoY to Rs 558 cr led by growth in ad revenue of 21% YoY. Circulation revenue for this quarter grew by 6% YoY to Rs107 cr from Rs 100 cr. Jagran's radio business grew by 23% YoY in terms of sales and reported profit of Rs 7cr in 1QFY17. Other publications have also performed strongly with 7% sales growth and 10% PAT growth YoY. Jagran's management is confident on better growth going forward. According to management second half for the company will be much better than first half due to better monsoon, seventh pay commission payout and elections in UP. In this quarter, company's other publications and radio business has done nicely and expected to do much better going forwards. Margin is expected to remain in this range as management has given stable outlook for news print prices. **Considering coming UP election, strong management guidance, improving profitability of Midday& Nai Duniya and stable margin, we are bullish on this stock. We recommend 'BUY' with a target price of Rs 205.**

1QFY17 result Update (Standalone)

Jagran's sales grew by 9% YoY to Rs 473 cr led by ad revenue growth of 9% YoY. Circulation revenue at Rs 100 cr in 1QFY17, up by 6.2% YoY from Rs 94.48 cr. EBITDA grew by 6% YoY to Rs 130cr. Gross margin for this quarter declined by 19 bps YoY to 65.7%. EBITDA margin declined by 72 bps YoY to 27.5% due to higher COGS(19 bps YoY) and Other expenses(83 bps YoY).PAT for this quarter grew by 5%YoY to Rs 74 cr.

JAGRAN's 1QFY17 result concall highlight

- The company has witnessed growth in radio business better than expectation. The company has revised its earlier growth guidance of 15% to 16-17% for FY17. This can further improve as new channels come into play.
- For radio business: All sector performed well except e-commerce. 20% improvement in inventory utilization in smaller towns for Radio City.
- MPCG market: Revenue growth is below than expectation. Expects Q2,Q3 and Q4 will be much better.
- Nai Duniya: Advertisement grew by 5% YoY for Nai Duniya. This quarter the company has reported profit as against the loss in 1QFY16. For Nai Duniya growth in circulation will continue going forwards.
- Current year management's focus will be on digital and radio business.
- Second half will be better than first half due to seventh pay commission pay out and good monsoon.
- Newsprint price will remain stable going forwards.
- Growth from Bihar is more than 11-12%.
- Capex: Radio: 26-27Cr for FY17 out of this already invested Rs6-7 cr in

Rs,Cr

Financials	2012	2013	2014	2015	2016
Sales	1356	1522	1703	1770	2107
EBITDA	296	286	366	451	590
Net Profit	178	255	226	308	445
EPS	6	8	7	9	14
ROE	24%	27%	24%	27%	28%

(Source: Company/Eastwind)

Quarterly Result, expectation &

P/L Items	Q2FY16 Actual	Q2FY16 Estimated
Net sales_operation	520	514
Other Income	-1	14
Total Sales	519	528
COGS	155	165
Employee Benefit Expenses	82	78
Other Expenses	136	127
Adv. & Sales Promotion		
Total Expenses	373	369
EBITDA	147	145
Depreciation and	29	23
EBIT	118	121
Interest	8	13
PROFIT BEFORE TAX	109	123
Extra Ordinary	15	
Tax	33	39
Tax % to PBT	30%	32%
PROFIT AFTER TAX	91	84
EBIDTA %	28.3%	28.2%
PAT %	17.6%	16.2%

Reason for variations

Due to strong performance of radio and print business.

Due to deployment of funds to radio business.

Due to inclusion of Radio City's employee cost.

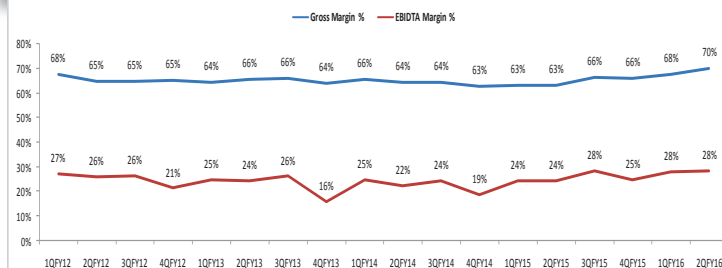
Due to inclusion of Radio City's other expenses cost.

Due to sale of treasury shares.

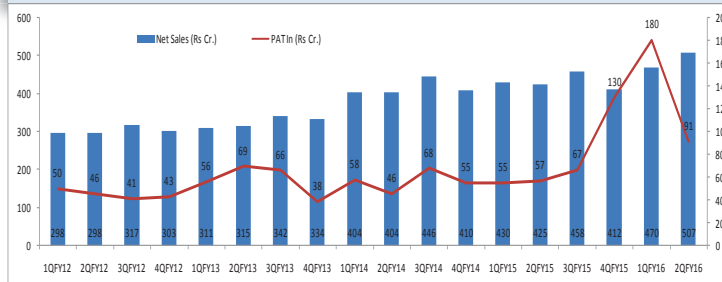
We expect 69.6% gross margin and 21.1% EBITDA margin for FY16E.

We expect 18% sales growth and 43% PAT growth for FY16E.

Gross and EBITDA margin(%)



Sales and PAT(Cr.)



Financials Snap Shot

INCOME STATEMENT					RATIOS				
	FY13	FY14	FY15	FY16E		FY13	FY14	FY15	FY16E
Revenue	1522	1703	1770	2084	EPS	7.7	6.9	9.4	13.5
Other Income	129	63	28	12	Book Value	28.1	29.4	34.7	44.1
Total Revenue	1650	1765	1798	2096	DPS	3.9	3.4	3.4	4.1
COGS	544	609	626	633	Payout	50%	49%	36%	30%
GPM(%)	64%	64%	65%	70%	Valuation(x)				
Other Expenses	465	488	430	540	P/E	12.1	18.0	13.6	11.3
EBITDA	286	366	451	588	Price / Book Value	3.3	4.2	3.7	3.5
EBITDA Margin (%)	19%	22%	25%	28%	Dividend Yield (%)	4.2%	2.7%	2.6%	2.7%
Depreciation	126	79	104	99	Profitability Ratios				
EBIT	160	288	347	489	RoE	27%	24%	27%	31%
Interest	31	35	37	37	RoCE	13%	23%	26%	28%
PBT	258	316	338	464	Turnover Ratios				
Tax	0	79	110	140	Asset Turnover (x)	0.8	0.9	0.8	0.9
Tax Rate (%)	0%	25%	33%	30%	Debtors (No. of Days)	77	73	75	75
Reported PAT	255	226	308	441	Inventory (No. of Days)	56	60	54	56
Dividend Paid	129	112	110	134	Creditors (No. of Days)	25	27	23	23
No. of Shares	33	33	33	33	Net Debt/Equity (x)	0.3	0.3	0.2	0.2

Source: Eastwind/Company

Source: Eastwind/Company

BALANCE SHEET					CASH FLOW STATEMENT				
	FY13	FY14	FY15	FY16E		FY13	FY14	FY15	FY16E
Share Capital	63	62	63	63	OP/(Loss) before Tax	255	306	418	581
Reserves	869	899	1071	1378	Depreciation	125	89	104	99
Net Worth	932	962	1134	1441	Direct Taxes Paid	50	62	70	140
Long term Debt	310	293	195	305	Operating profit before tax	321	405	559	716
Short term Debt	152	173	353	152	CF from Op. Activity	202	331	439	449
Deferred Tax	71	85	72	72	Capital expenditure on fixed assets	-101	-90	-55	-442
Total Capital Employed	1243	1254	1329	1746	CF from Inv. Activity	-164	-170	-441	-441
Net Fixed Assets	909	905	845	1188	Interest Paid	-22	-28	-29	-37
Capital WIP	131	114	72	72	Divd Paid (incl Tax)	-129	-112	-110	-134
Debtors	319	343	364	428	CF from Fin. Activity	-31	-188	17	-171
Cash & Bank Balances	52	33	493	238	Inc/(Dec) in Cash	7	-28	15	-163
Trade payables	105	127	113	134	Add: Opening Balance	45	52	24	493
Total Provisions	87	124	150	150	Closing Balance	52	24	39	330
Net Current Assets	364	441	557	416					
Total Assets	1802	1926	2255	2425					

Source: Eastwind/Company

Source: Eastwind/Company

LUPIN LTD

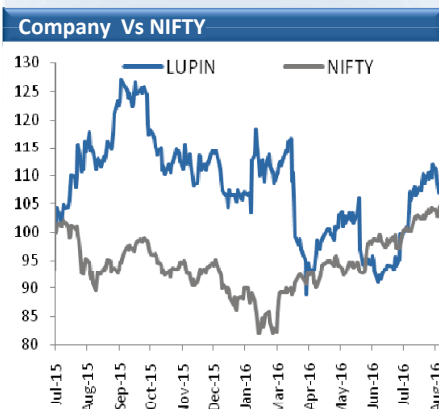
10th August 2016

Company Update	
CMP	1610.5
Target Price	1800
Previous Target Price	2250
Upside	12%
Change from Previous	-20%

Market Data	
BSE Code	500257
NSE Symbol	LUPIN
52wk Range H/L	2129/1280
Mkt Capital (Rs Cr)	72667
Av. Volume(,000)	73.63
Nifty	8711.4

Stock Performance			
	1M	3M	12M
Absolute	1.2	0.8	4.1
Rel.to Nifty	-1.0	-0.9	0.6

Share Holding Pattern-%			
	1QFY17	4QFY17	3QFY16
Promoters	46.76	46.76	46.76
Public	53.34	53.34	53.34
Others			
Total	100	100.0	100.0



Lupin has come up with Gavis Integration to market multiple products in the market. The Company expects to launch 25-30 products in FY17 out of which 15 would be from Gavis and 15 from Lupin. Lupin is diversifying its product portfolio by adding two branded products Methergine (Gynecology) and Ethylphenidate injectable (Pediatric ADHD) in Lupin's US branded portfolio. The company expects double digit growth in the revenue from its Indian Business. It has launched 3 products in the US market during this quarter (1QFY17). Presently it has 123 products in the US generics market. On the other hand, the company is optimistic of getting new product approvals despite challenges in Goa. Due to Strong pipeline of products in US, consistent product launches, increasing penetration in Japan we recommend 'BUY' for this stock with a target price of Rs.1800

Results Highlights

- Net Sales for the quarter grew by 40.0% to Rs. 43,13.6 Cr., as compared to Rs. 30,80.9 Cr. in Q1FY2016. Net Sales in Q1 FY2017 grew by 5.7% sequentially as compared to Rs. 40,82.3 Cr. in Q4 FY2016
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) for the quarter was 32.2% of net sales and grew by 54.4% to Rs. 13,907 m. as compared to Rs. 9,00.5 Cr. in Q1 FY2016. EBITDA in Q1 FY2017 grew by 3.8% sequentially as compared to Rs. 13,39 Cr in Q4 FY2016
- Net profits for the quarter grew by 55.1% to Rs. 8,82 Cr. as compared to Rs. 5,68 Cr in Q1 FY2016. Net profits in Q1 FY2017 grew by 17.9% sequentially as compared to Rs. 7,479 m. in Q4 FY2016
- Investment in Research for the quarter was Rs. 4,99.4 Cr., 11.6% of net sales
- US formulation sales increased by 78.9% to USD 322 m. in Q1 FY2017, as compared to Q1 FY2016
- Japan sales increased by 30.9% to Rs. 4,23 Cr. in Q1 FY2017, as compared to Q1 FY2016
- Capital Expenditure for the quarter was Rs. 5,63 Cr

	Rs,Cr				
Financials	2012	2013	2014	2015	2016
Sales	7097	9669	11403	13010	14396
EBITDA	1445	2270	3003	3620	3753
Net Profit	888	1340	1870	2444	2271
EPS	19	29	41	53	51
P/E	27.3	21.4	22.8	37.6	39.8

(Source: Company/Eastwind)