

Week Gone

- ⇒ In the week ended on Thursday, 17 March 2022, the S&P BSE Sensex rose 2,313.63 points or 4.16% to settle at 57,863.93. The Nifty 50 index gained 656.60 points or 3.95% to settle at 17,287.05.
- ⇒ The BSE Mid-Cap index added 514.66 or 2.21% to settle at 23,824.61.
- ⇒ The BSE Small-Cap index rose 564.89 points or 2.08% to settle at 27,706.32.

Week Ahead

- ⇒ Local stocks are likely to remain volatile amid the ongoing Russia-Ukraine crisis.
- ⇒ Developments in the Budget session of Parliament will be closely watched, The second part of the Budget session of the Parliament resumed on 14 March 2022.
- ⇒ Overseas, China will announce the Loan Prime Rate for 1 year and 5 years on 21 March.

Technical Overview

Index opened the week on a flat note but remained strong throughout the week ending the week near weekly higher with decent gains. Going ahead index has an immediate hurdle present around 17350, sustenance above the same will open the way for 17600-17800. Whereas on the other hand support is seen around 17030-16900-16600.



Source: Falcon, BP Equities Research

Weekly Wealth

DOMESTIC INDICES

Index	17-Mar-22	11-Mar-22	Weekly % Chg
Nifty 50	17,287.1	16,630.5	3.9
Nifty Next 50	41,059.0	40,087.1	2.4
Nifty 100	17,505.4	16,877.7	3.7
Nifty 500	14,721.7	14,237.2	3.4
NIFTY MIDCAP 100	28,977.9	28,210.4	2.7
S&P BSE SENSEX	57,863.9	55,550.3	4.2
S&P BSE 100	17,531.7	16,892.4	3.8
S&P BSE 200	7,451.3	7,195.0	3.6
S&P BSE 500	23,395.0	22,624.5	3.4
S&P BSE MidCap	23,824.6	23,310.0	2.2
S&P BSE SmallCap	27,706.3	27,141.4	2.1

WORLD INDICES

Index	17-Mar-22	11-Mar-22	Weekly % Chg
Nikkei Index	26,827.4	25,162.7	-3.2
Hang Seng Index	21,412.4	20,553.7	-6.2
Kospi Index	2,707.0	2,661.2	-1.9
Shanghai SE Composite	3,251.1	3,309.7	-4.0
Strait Times Index	3,330.6	3,249.6	0.7
Dow Jones	34,754.9	33,264.4	-1.0
NASDAQ	13,893.8	13,004.6	-2.3
FTSE	7,404.7	7,155.6	2.4

FOREX

Currency	17-Mar-22	11-Mar-22	Weekly % Chg
US\$ (Rs.)	76.1	76.4	-0.4
GBP (Rs.)	100.2	100.1	0.1
Euro (Rs.)	84.0	84.0	0.0
Yen (Rs.) 100 Units	63.8	65.0	-1.8

NIFTY TOP GAINERS (WEEKLY)

Scrip	17-Mar-22	11-Mar-22	Weekly % Chg
Titan Co	2703.0	2467.8	9.5%
HDFC	2415.3	2238.0	7.9%
Indiabulls Housing	161.1	149.5	7.8%
Asian Paints	3136.6	2912.8	7.7%
Mahindra & Mahindra	794.4	738.9	7.5%

FII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
17-Mar-22	25,393.2	22,593.0	2,800.1
16-Mar-22	9,098.1	8,786.1	312.0
15-Mar-22	10,225.3	11,475.0	-1,249.7
14-Mar-22	8,151.6	8,328.1	-176.5
11-Mar-22	6,250.9	8,514.8	-2,263.9
<u>MTD</u>	59,119.1	59,697.2	-578.0

NIFTY TOP LOSERS (WEEKLY)

Scrip	17-Mar-22	11-Mar-22	Weekly % Chg
Hindalco	576.8	593.8	-2.9%
ONGC	170.3	174.4	-2.3%
Coal India	176.6	179.0	-1.3%
Tata Steel	1303.5	1308.7	-0.4%
NTPC	132.9	133.0	0.0%

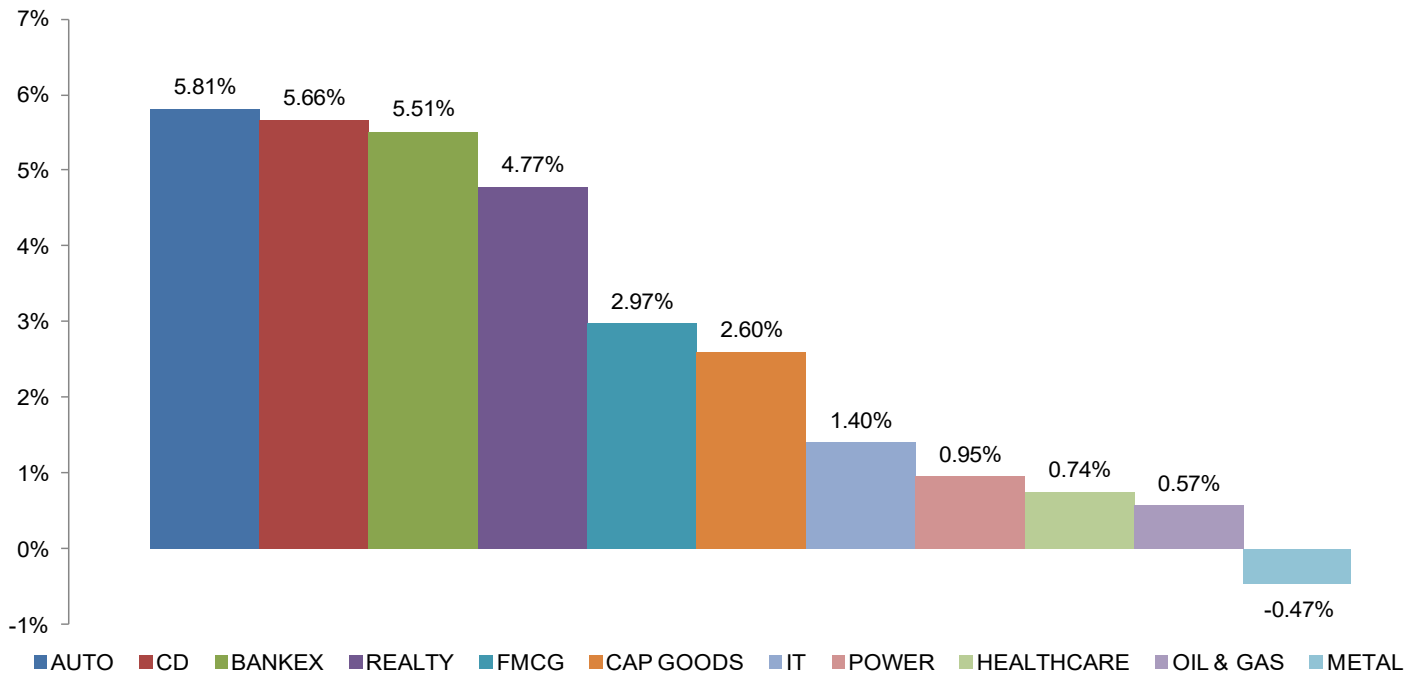
DII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
17-Mar-22	7,756.0	8,434.5	-678.4
16-Mar-22	5,206.8	4,434.3	772.5
15-Mar-22	6,957.1	6,858.8	98.3
14-Mar-22	6,385.7	5,287.0	1,098.6
11-Mar-22	6,786.3	5,099.5	1,686.9
<u>MTD</u>	33,091.9	30,114.1	2,977.8

Weekly Wealth

BSE WEEKLY SECTORAL PERFORMANCE



Source: BSE, BP Equities Research

TOP OPEN INTEREST GAINERS (WEEKLY)

SCRIP NAME	Share Price (Rs.)		Weekly % Chg	Open Interest		Weekly % Chg
	11/03/22	17/03/22		11/03/22	17/03/22	
WHIRLPOOL	1579.9	1653.1	4.6	601250	905500	50.6
DALBHARAT	1434.8	1463.6	2.0	579250	828500	43.0
GUJGASLTD	512.4	506.8	-1.1	2810000	3576250	27.3
PFIZER	4495.6	4405.8	-2.0	98125	123000	25.4
UBL	1433.6	1488.4	3.8	1008700	1250550	24.0

TOP OPEN INTEREST LOSERS (WEEKLY)

SCRIP NAME	Share Price (Rs.)		Weekly % Chg	Open Interest		Weekly % Chg
	11/03/22	17/03/22		11/03/22	17/03/22	
BALRAMCHIN	489.7	480.2	-1.9	8798400	6236800	-29.1
COFORGE	4312.9	4412.8	2.3	1692200	1251900	-26.0
ESCORTS	1686.9	1750.5	3.8	2967250	2261600	-23.8
PERSISTENT	4368.4	4458.5	2.1	402150	306600	-23.8
SHREECEM	22438.3	24169.8	7.7	281000	217475	-22.6

Company Background

Inox Leisure Limited (ILL) was incorporated in 1999 and is a part of renowned conglomerate "INOX" group, which has a presence across industrial gases, engineering plastics refrigerants chemicals, cryogenic engineering, renewable energy and entertainment sectors. INOX has set a benchmark in luxury, services, and technology in the cinema exhibition industry by offering a premium, enriching entertainment experience. ILL set up its first multiplex in Pune, Maharashtra in 2002 and today, it is India's second-largest screen multiplex operator. The company operates 66 screens with an aggregate seating capacity of 1.51 lakh spread across 158 properties in 70 cities all over India.

Investment Rationale

Strong recovery in operational performance

In FY20, ILL had a healthy operating margin of 18% as compared to FY19 which was 19%, despite operations being shut in the latter half of March 2020. While the operating performance was impacted in FY21 and H1FY22, H2FY22 has witnessed a huge turnaround. In Q3FY22, ILL achieved the highest ever quarterly-average ticket price of INR 226 and quarterly spending of INR 97. The increase in spending is driven by higher volumes, better strike rate and expansion of the food menu. In Q3FY22, their revenues have been INR 301 Cr, EBITDA has been INR 54Cr and PAT has been INR 17Cr. Despite Covid restrictions and revenue gaps, ILL achieved 89% of Q3FY21 Revenues (Net box Office + Net food & beverages spending) in Q3FY22, which keeps us positive on the company's ability to generate better operational performance in the coming quarters.

Healthy financial risk profile with pan India footprint

ILL enjoys healthy financial flexibility and its financial risk profile is supported by its strong ability to raise funds from capital markets. Gearing and net debt to EBITDA ratio was healthy at 0.14 times and 0.3 times, respectively, as on March 31, 2020, while interest coverage ratio remained strong above 30 times in FY20. Despite the cash losses due to the pandemic in FY21, the company turned net-debt free. Coming to ILL's footprint, up-to Q3FY22, ILL has added 41 screens, the highest in the industry. They intend on adding 17 screens with an additional Capex of INR 10 cr, making them well-established all over India. In Q3FY22, the footfalls were at 94 lakh, which is a massive jump compared to the footfalls in Q3FY21, which were a mere 5 lakh.

Valuation Outlook

Inox Leisure Ltd (ILL) is an Indian movie theatre chain with an established market position in the film exhibition business, healthy operating efficiency, strong financial risk profile and high financial flexibility. Over the last two years, due to the COVID related restrictions, ILL undertook steps to reduce cost and augment liquidity. Coming to the current scenario with covid relaxations in place, cinema halls across the nation have opened up. Further, there is an increase in footfalls and with big movie releases lined up, there is an immense scope of improvements in revenues, and the same has already been witnessed in Q3FY22. On the valuation front, we valued the company based on 28x of FY24e earnings and arrived at a target price of INR 510 (23% upside from CMP) with a 12 months investment horizon.

Stock Rating

BUY	HOLD	SELL
> 15%	-5% to 15%	< -5%

Sector Outlook

Positive

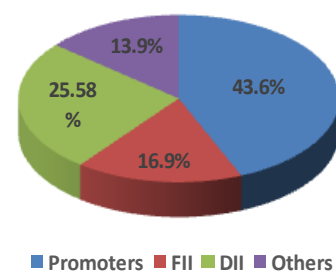
Stock

CMP (INR)	415
Target Price (INR)	510
NSE Symbol	INOXLEISUR
BSE Code	532706
Bloomberg	INOL IN
Reuters	INOL.BO
Nifty	17,287
52WeekH/L(INR)	466/244
O/s Shares (Mn)	122
Market Cap (INR bn)	50
Face Value (INR)	10

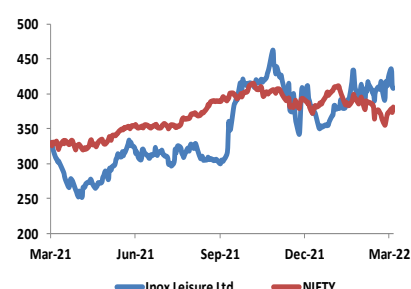
Average volume

3 months	5,97,410
6 months	9,07,260
1 year	7,26,200

Share Holding Pattern (%)



Relative Price Chart



Weekly Wealth

Key Financials

YE March (Rs. millions)	FY19	FY20	FY21	FY22E	FY23E	FY24E
Revenue	16,922	18,974	1,059	4,665	22,384	26,144
Revenue Growth (Y-o-Y)	25.5%	12.1%	(94.4%)	340.4%	379.8%	16.8%
EBIDTA	3,083	5,968	-1,722	1,110	7,319	8,863
EBIDTA Growth (Y-o-Y)	48.7%	93.6%	(128.9%)	164.5%	559.2%	21.1%
Net Profit	1,335	150	-3,377	-3,140	1,298	2,222
Net Profit Growth (Y-o-Y)	16.5%	(88.8%)	(2350.3%)	7.0%	141.3%	71.2%
Diluted EPS	10.9	1.2	(27.7)	(25.7)	10.6	18.2
Diluted EPS Growth (Y-o-Y)	16.5%	(88.8%)	(2350.3%)	7.0%	141.3%	71.2%

Key Ratios

EBIDTA margin (%)	18.2%	31.5%	-162.6%	23.8%	32.7%	33.9%
NPM (%)	7.9%	0.8%	-318.7%	-67.3%	5.8%	8.5%
RoE (%)	13.9%	2.4%	-53.3%	-98.4%	29.7%	34.4%
RoCE (%)	28.7%	17.3%	-5.0%	3.5%	22.3%	25.4%

Valuation Ratios

P/E (x)	37.9x	337.4x	-15.0x	-16.1x	39.0x	22.8x
EV/EBITDA	16.7x	13.1x	-45.5x	70.1x	10.7x	8.8x
P/BV (x)	5.3x	8.1x	8.0x	15.9x	11.6x	7.8x
Market Cap. / Sales (x)	3.0x	2.7x	47.8x	10.9x	2.3x	1.9x

Source: Company, BP Equities Research



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Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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