

Week Gone

- ⇒ In the week ended on Friday, 08 July 2022, the Sensex advanced 1573.91 points or 2.97% to settle at 54,481.84. The Nifty 50 index gained 468.55 points or 2.97% to settle at 16,220.60.
- ⇒ The BSE Mid-Cap index rose 3.64% to settle at 22,655.57.
- ⇒ The BSE Small-Cap index gained 3.36% to settle at 25,640.81.

Week Ahead

- ⇒ India's Inflation based on wholesale price index (WPI) for June will be unveiled on 14 July 2022
- ⇒ US will announce Inflation rate and Core Inflation rate for June on 13 July 2022
- ⇒ China will announce Inflation rate for June on 09 July, 2022.

Technical Overview

Index opened the week with wide gap down, but as the week progressed index recovered its gains and remained strong for most session of the week and ended the week around the weeks high above 16200. Going ahead index has key resistance around 16400, sustenance above the same will open the way for 16700-16880. Whereas, on the downside immediate support is visible around 15930-15680-15300.



Source: Falcon, BP Equities Research

Weekly Wealth

DOMESTIC INDICES

Index	08-Jul-22	01-Jul-22	Weekly % Chg
Nifty 50	16,220.6	15,752.05	3.0
Nifty Next 50	38,374.7	36,901.20	4.0
Nifty 100	16,424.0	15,925.95	3.1
Nifty 500	13,828.3	13,394.45	3.2
NIFTY MIDCAP 100	27,649.1	26,587.30	4.0
S&P BSE SENSEX	54,481.8	52,907.93	3.0
S&P BSE 100	16,530.6	16,014.96	3.2
S&P BSE 200	7,037.2	6,815.97	3.2
S&P BSE 500	22,028.1	21,340.25	3.2
S&P BSE MidCap	22,655.6	21,858.93	3.6
S&P BSE SmallCap	25,640.8	24,807.74	3.4

WORLD INDICES

Index	08-Jul-22	01-Jul-22	Weekly % Chg
Nikkei Index	26,517.2	25,935.6	2.2
Hang Seng Index	21,725.8	21,859.8	-0.6
Kospi Index	2,350.6	2,305.4	2.0
Shanghai SE Composite	3,356.1	3,387.6	-0.9
Strait Times Index	3,131.3	3,095.6	1.2
Dow Jones	31,221.9	31,097.3	0.4
NASDAQ	11,494.6	11,127.8	3.3
FTSE	7,167.3	7,168.7	0.0

FOREX

Currency	08-Jul-22	01-Jul-22	Weekly % Chg
US\$ (Rs.)	79.1	79.0	0.1
GBP (Rs.)	94.9	96.1	-1.2
Euro (Rs.)	80.4	82.7	-2.8
Yen (Rs.) 100 Units	58.2	58.2	0.0

NIFTY TOP GAINERS (WEEKLY)

Scrip	08-Jul-22	01-Jul-22	Weekly % Chg
Titan Co	2144.4	1946.2	10.2%
Hindustan Unilever	2496.9	2282.4	9.4%
ICICI Bank	755.7	703.9	7.4%
Larsen & Toubro	1687.5	1572.2	7.3%
UPL	690.3	643.5	7.3%

FII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
08-Jul-22	6,319.9	6,429.2	-109.3
07-Jul-22	5,847.9	6,773.1	-925.2
06-Jul-22	7,355.8	7,685.9	-330.1
05-Jul-22	6,675.6	5,379.8	1,295.8
04-Jul-22	3,981.3	6,130.8	-2,149.6
<u>MTD</u>	30,180.4	32,398.8	-2,218.4

NIFTY TOP LOSERS (WEEKLY)

Scrip	08-Jul-22	01-Jul-22	Weekly % Chg
ONGC	121.5	131.05	-7.3%
Indian Oil Corp.	72.7	74.55	-2.5%
Indiabulls Housing	94.2	95.9	-1.8%
TCS	3265.45	3315.1	-1.5%
Cipla	935.45	949.3	-1.5%

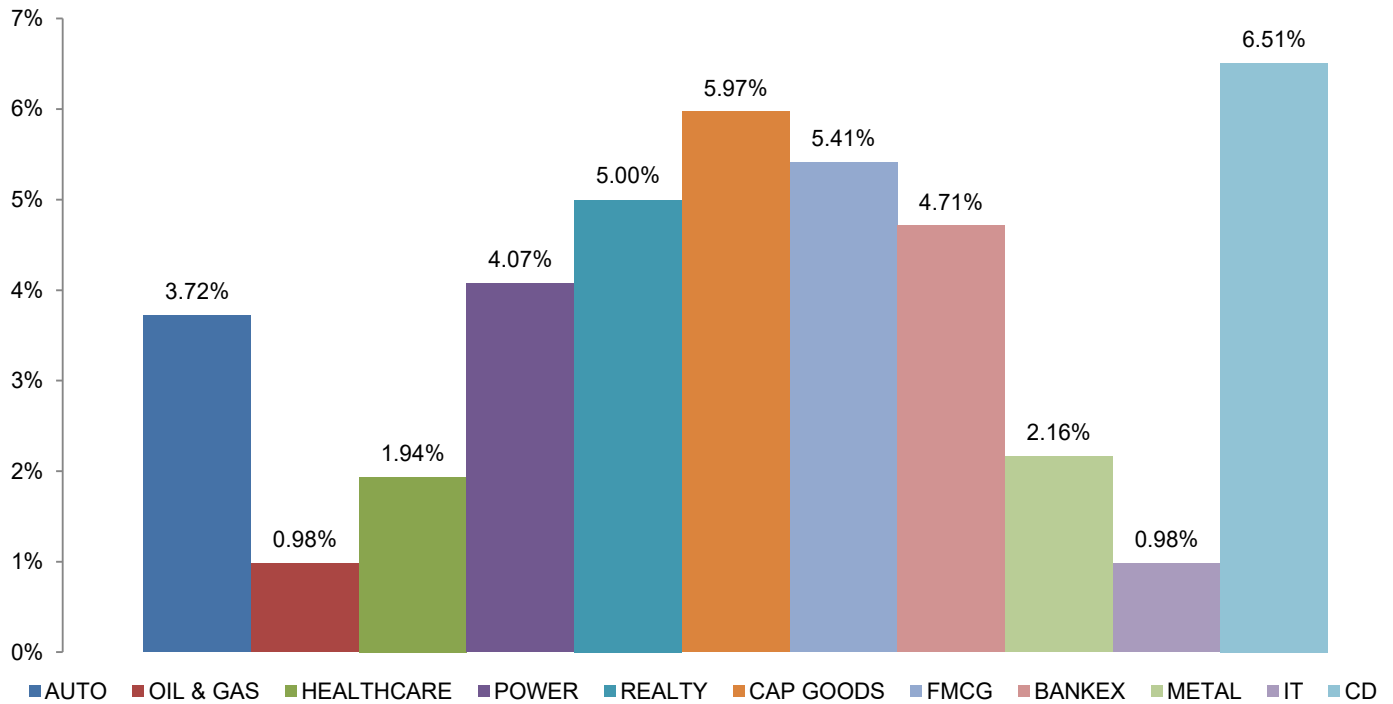
DII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
08-Jul-22	5,321.6	5,287.0	34.6
07-Jul-22	6,974.1	5,993.5	980.6
06-Jul-22	7,751.4	6,287.1	1,464.3
05-Jul-22	5,191.1	5,448.6	-257.6
04-Jul-22	6,461.1	4,772.8	1,688.4
<u>MTD</u>	31,699.4	27,789.0	3,910.3

Weekly Wealth

BSE WEEKLY SECTORAL PERFORMANCE



Source: BSE, BP Equities Research

TOP OPEN INTEREST GAINERS (WEEKLY)

SCRIP NAME	08/07/22 Share Price (Rs.)	01/07/22 Share Price (Rs.)	Weekly % Chg	08/07/22 Open Interest	01/07/22 Open Interest	Weekly % Chg
SBICARD	853.95	775.4	-9.2	5503200	7175200	30.4
CHAMBLFERT	299.05	272.5	-8.9	3529500	4402500	24.7
COFORGE	3589.2	3501.35	-2.4	429450	525900	22.5
HDFCAMC	1959.5	1839.35	-6.1	2626500	3027600	15.3
GODREJCP	851.9	784.3	-7.9	7478000	8568000	14.6

TOP OPEN INTEREST LOSERS (WEEKLY)

SCRIP NAME	08/07/22 Share Price (Rs.)	01/07/22 Share Price (Rs.)	Weekly % Chg	08/07/22 Open Interest	01/07/22 Open Interest	Weekly % Chg
TORNTPHARM	1470.85	2918.8	98.4	1886000	922250	-51.1
ABB	2564.15	2274.65	-11.3	794000	472250	-40.5
INDIAMART	3912.6	3829.9	-2.1	302100	204450	-32.3
CUMMINSIND	1115.7	1022.7	-8.3	2110200	1515000	-28.2
SRF	2180.25	2169.1	-0.5	4416375	3238125	-26.7

Company Background

Acrysil Limited was founded in 1987. Promoted by the Parekh family, Acrysil Limited a part of Acrysil Group is leading at the forefront in the Household Appliances industry. The Company ranks among the top 4 global players in the manufacturing and marketing of Composite Quartz Kitchen Sinks which are Granite based Sinks. The company has a technical collaboration with the German entity, Schock & Co., a leading decorative moldings company worldwide. It has a diverse range of offerings from Quartz kitchen sinks, stainless steel kitchen sinks, faucets, and food waste disposers to built-in kitchen appliances such as chimneys, cooktops, and wine chillers, among others. The Company offers exceptional service through its brands 'Carysil' and 'Sternhagen' which have had a strong brand recall from their end-users over the years. Acrysil Ltd. is the only Manufacturer of Quartz sinks In India & Asia with Schock Technology, Germany. The Company is focused on its vision to be the world's most innovative Kitchen Sink Company and sustain profitable growth.

Investment Rationale

Huge Market Potential for the Household Appliances

Globally only 4 players are producing Quartz Sinks. 90- 95% of the industry makes use of Stainless Steel and only 5-10% make use of Quartz Sinks. International demand which has been driven by changes in the preferences of the people has led to increasing in demand for the Quartz Kitchen Sinks. Demand in the domestic market has increased due to lower interest rates on home loans, government incentives, and consumer preferences. With the pickup in the real estate segment in India along with consumer preference for both aesthetic kitchen products, the company expects the sales to go up moving forward. Due to this, the company has increased the manufacturing capacity of quartz kitchen sinks from 700,000 units to 840,000 units per annum in FY22. Also, With the sharp increase in steel prices, the price differentiation has narrowed between quartz and steel globally and has seen a significant shift towards Quartz Sinks. Acrysil Ltd is undertaking two CAPEX plans of 160,000 and 200,000 units of Quartz kitchen sink which are expected to be completed by Q1 FY23 and Q2 FY23 respectively which will be funded through a mix of debt and internal accruals. The Company has entered into a strategic partnership with IKEA for supplying quartz kitchen sinks for their global requirement. Also, it has been associated with GROHE, Germany to supply stainless steel kitchen sinks.

Strong demand from both domestic and international markets.

Acrysil Ltd. has reported top-line growth of 56% for FY22 and expects to continue the momentum of growth of 30% to 40% with their initiatives of ceramic kitchen sinks, faucets, and built-in appliances. Also, despite certain challenges in terms of high freight costs and increased raw material prices, it was able to maintain EBITDA margins in the 20%+ range. The Company has focused on increasing penetration in domestic markets by increasing marketing and promotion activities. The domestic business has increased by 53.0% YoY for FY22 contributing 20% of the revenue on account of aggressive brand promotions done during the year. Exports business has increased by 61.4% YoY for FY22 contributing 80% of the revenue. The Company has been able to increase its domestic presence from 5% in FY12 to 20% in FY22 by strengthening its "Carysil" brand. Through the acquisition of 100% shares of Tickford Orange Limited (TOL) & consequently 100% shares of Sylmar Technology Limited (STL - is a subsidiary of TOL Ltd.) Acrysil Ltd. expects a 40% increase in Export sales. Also, the contract with IKEA to supply kitchen sinks for their global requirement is expected to double in FY23.

Valuation and Outlook

Acrysil Ltd., through its brands "Carysil" and "Sternhagen" has been able to be among the top 4 global players in the manufacturing and marketing of Composite Quartz Kitchen Sinks. Consumer preferences for superior, innovative products matching their kitchen have driven demand and led to exponential growth in both the international and domestic markets. The acquisition of Sylmar Technology Limited to help it strengthen its presence and market share in the UK and open up new sales channels and cross-selling opportunities for the company. Robust demand from international markets and tie-ups with large retail houses such as IKEA and GROHE, GERMANY shall help the company grow its exports. The company, through its wholly-owned subsidiary of Acrysil Ceramictech Limited, to foray into the manufacturing and selling of Hi-Tech Ceramic kitchen sinks and bath products which is a specialized category like the quartz kitchen sink, which shall elaborate sales channel for ceramic kitchen sinks and bath products. On the valuation front, we value the company based on 18x of FY24e earnings and arrived at a target price of INR 759 (24% 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)	611
Target Price (INR)	759
NSE Symbol	ACRYSIL
BSE Code	520491
Bloomberg	ACRY IN
Reuters	ACRI.BO

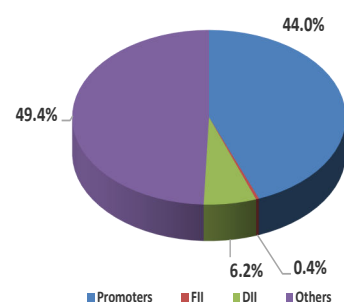
Key Data

Nifty	16,221
52WeekH/L(INR)	935/471
O/s Shares (Mn)	27
Market Cap (INR bn)	16
Face Value (INR)	2

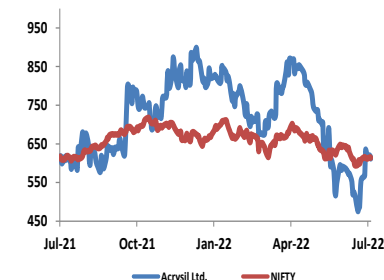
Average volume

3 months	1,584
6 months	1,295
1 year	1,287

Share Holding Pattern (%)



Relative Price Chart



Weekly Wealth

Key Financials						
YE March (INR. Mn)	FY19	FY20	FY21	FY22	FY23E	FY24E
Revenue	2,516.0	2,762.3	3,097.2	4,839.0	6,540.0	8,060.0
<i>Revenue Growth (Y-o-Y)</i>	28.1%	9.8%	12.1%	56.2%	35.2%	23.2%
EBIDTA	423.9	476.1	668.9	1,033.2	1,360.3	1,708.7
<i>EBIDTA Growth (Y-o-Y)</i>	57.0%	12.3%	40.5%	54.5%	31.7%	25.6%
Net Profit	172.5	220.8	391.2	647.6	843.7	1,128.4
<i>Net Profit Growth (Y-o-Y)</i>	44.3%	28.0%	77.2%	65.5%	30.3%	33.8%
Diluted EPS	6.4	8.2	14.6	24.2	31.5	42.2
<i>Diluted EPS Growth (Y-o-Y)</i>	44.3%	28.0%	77.2%	65.5%	30.3%	33.8%
Key Ratios						
EBIDTA margin (%)	16.8%	17.2%	21.6%	21.4%	20.8%	21.2%
NPM (%)	6.9%	8.0%	12.6%	13.4%	12.9%	14.0%
RoE (%)	12.6%	13.8%	20.2%	25.2%	25.2%	25.6%
RoCE (%)	19.2%	19.1%	23.2%	26.2%	27.1%	28.1%
Valuation Ratios						
P/E (x)	94.8x	74.1x	41.8x	25.3x	19.4x	14.5x
EV/EBITDA	40.3x	35.8x	25.6x	17.0x	13.2x	10.5x
P/BV (x)	12.0x	10.2x	8.4x	6.4x	4.9x	3.7x
Market Cap. / Sales (x)	6.5x	5.9x	5.3x	3.4x	2.5x	2.0x

Source: Company, BP Equities Research



Research Desk

Tel: +91 22 61596406

Institutional Sales Desk

Tel: +91 22 61596403/04/05

Disclaimer Appendix

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

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

General Disclaimer

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice. BP EQUITIES Pvt. Ltd or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Corporate Office:

4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:

24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001
BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591
BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392