

## Week Gone

- ⇒ In the week ended on Friday, 02 December 2022, the Sensex gained 574.86 points or 0.92% to settle at 62,868.50. The Nifty 50 index advanced 183.35 points or 0.99% to settle at 18,696.10. The two benchmarks hit all-time highs on Thursday.
- ⇒ The BSE Mid-Cap index rose 2.84% to settle at 26,321.65.
- ⇒ The BSE Small-Cap index gained 2.43% to settle at 29,911.79

## Week Ahead

- ⇒ RBI is going to present its bi-monthly monetary policy on 7 December 2022.
- ⇒ China will announce the inflation rate data for November on 9 December 2022.
- ⇒ Euro Zone GDP data for Q3 will be declared on 7 December 2022. US Initial Jobless Claims Data will be announced on 8 December 2022.

## Technical Overview

Nifty opened on a positive note for the week and saw incremental gains until Thursday's trading session marking a new life-high at 18887 tracking broader markets. The selling pressure intensified on Friday and ended the week above the 18600 mark which is an immediate and crucial support. The market breadth has begun to improve over the last 3 months. Overall the index showcases strength in the trend, however, a brief consolidation can be on the cards before it continues its upside spree. The support for the week comes near 18670 – 18550 – 18350 whereas resistance is near 18780 – 18900 – 18950.



Source: Falcon, BP Equities Research

## Weekly Wealth

### DOMESTIC INDICES

Index	02-Dec-22	25-Nov-22	Weekly % Chg
Nifty 50	18,696.1	18,512.8	1.0
Nifty Next 50	43,920.5	42,835.4	2.5
Nifty 100	18,870.3	18,652.1	1.2
Nifty 500	15,963.5	15,727.3	1.5
NIFTY MIDCAP 100	32,566.9	31,587.7	3.1
S&P BSE SENSEX	62,868.5	62,293.6	0.9
S&P BSE 100	19,042.6	18,820.9	1.2
S&P BSE 200	8,114.9	8,001.5	1.4
S&P BSE 500	25,429.0	25,054.4	1.5
S&P BSE MidCap	26,321.7	25,595.6	2.8
S&P BSE SmallCap	29,911.8	29,201.7	2.4

### WORLD INDICES

Index	02-Dec-22	25-Nov-22	Weekly % Chg
Nikkei Index	27,777.9	28,283.0	-1.8
Hang Seng Index	18,675.4	17,573.6	6.3
Kospi Index	2,434.3	2,437.9	-0.1
Shanghai SE Composite	3,156.1	3,101.7	1.8
Strait Times Index	3,259.1	3,244.6	0.4
Dow Jones	34,429.9	34,347.0	0.2
NASDAQ	11,461.5	11,226.4	2.1
FTSE	7,556.2	7,486.7	0.9

### FOREX

Currency	02-Dec-22	25-Nov-22	Weekly % Chg
US\$ (Rs.)	81.4	81.7	-0.4
GBP (Rs.)	100.1	98.9	1.2
Euro (Rs.)	85.7	85.1	0.7
Yen (Rs.) 100 Units	60.4	58.7	2.8

### NIFTY TOP GAINERS (WEEKLY)

Scrip	02-Dec-22	25-Nov-22	Weekly % Chg
Britannia Inds	4432.9	4183.7	6.0%
Tata Steel	112	106.2	5.5%
Ultratech Cement	7237.05	6874	5.3%
BPCL	341.1	324.45	5.1%
Indian Oil Corp	77	73.35	5.0%

### FII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
02-Dec-22	10,621.2	5,175.6	5,445.6
01-Dec-22	7,873.2	9,439.1	-1,565.9
30-Nov-22	39,665.8	30,655.4	9,010.4
29-Nov-22	6,600.3	5,358.8	1,241.6
28-Nov-22	7,780.3	6,844.4	935.9
<u>MTD</u>	72,540.8	57,473.2	15,067.6

### NIFTY TOP LOSERS (WEEKLY)

Scrip	02-Dec-22	25-Nov-22	Weekly % Chg
Eicher Motors	3331.85	3414.1	-2.4%
Maruti Suzuki	8815.85	9091.5	-3.0%
Coal India	226.6	231.4	-2.1%
Bajaj Finance	6675.75	6747.5	-1.1%
ITC	337.15	340.3	-0.9%

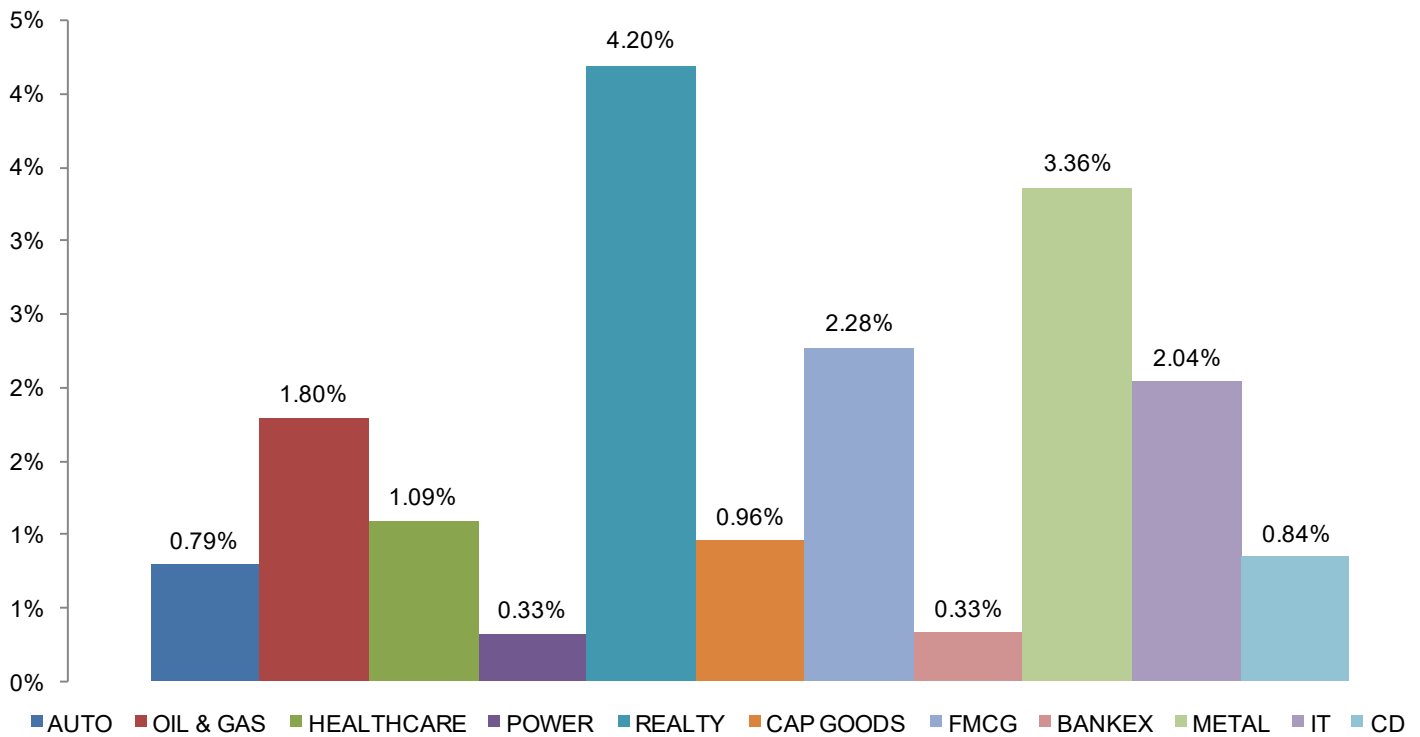
### DII - ACTIVITY

(INR. Cr.)

Date	Purchases	Sales	Net
02-Dec-22	5,887.9	5,175.6	712.3
01-Dec-22	9,539.5	6,874.6	2,665.0
30-Nov-22	6,841.3	10,897.7	-4,056.4
29-Nov-22	5,682.2	6,426.7	-744.4
28-Nov-22	6,377.5	6,289.6	87.9
<u>MTD</u>	34,328.6	35,664.1	-1,335.6

# Weekly Wealth

## BSE WEEKLY SECTORAL PERFORMANCE



Source: BSE, BP Equities Research

## TOP OPEN INTEREST GAINERS (WEEKLY)

SCRIP NAME	02/12/22	25/11/22	Weekly % Chg	02/12/22	25/11/22	Weekly % Chg
	Share Price (Rs.)			Open Interest		
UBL	1749.65	1671.4	4.7	1183600	751600	57.5
TVSMOTOR	1049.3	1039.5	0.9	7291900	4778900	52.6
SRTRANSFIN	1286	1259.75	2.1	5725200	4053000	41.3
BAJAJFINSV	1655.55	1649.8	0.3	8812000	6457500	36.5
LAURUSLABS	426.9	459.95	-7.2	8426700	6305400	33.6

## TOP OPEN INTEREST LOSERS (WEEKLY)

SCRIP NAME	02/12/22	25/11/22	Weekly % Chg	02/12/22	25/11/22	Weekly % Chg
	Share Price (Rs.)			Open Interest		
BHEL	91.5	82.75	10.6	95434500	126913500	-24.8
CUMMINSIND	1439.1	1391.45	3.4	1496400	1951200	-23.3
LTTS	4296.2	3844.6	11.7	827800	1073000	-22.9
AXISBANK	908.5	893.95	1.6	39205200	46483200	-15.7
BSOFT	334.25	296	12.9	8112000	9521200	-14.8

### Company Background

Headquartered in Coimbatore, Tamil Nadu, Lotus Eye Hospital and Institute Ltd. is a chain of eye specialty hospitals, primarily focused on Southern India. The company was incorporated in 1997 by its late founder Dr. S.K. Sundaramoorthy, a well-renowned eye surgeon with vast experience in ophthalmology. The hospital offers a comprehensive range of ophthalmic services including refractive, oculoplasty, glaucoma, cornea, and retina treatments for patients. Currently, the company operates seven eye care centers spread across Tamil Nadu and Kerala. The company has five centers in Tamil Nadu focusing on Coimbatore (two centres), Salem, Tirupur, and Mettupalayam, while two centers in Kerala located in Kochi and Mulanthuruthy.

### Investment Rationale

#### Diverse ophthalmology offering under one roof positions the company to gain traction going forward

The company has presence in niche sub-segments of eye care including modern cataract surgery [Bladeless Laser Cataract Surgery], advanced LASIK procedures including Bladeless Lasik, ICL procedures, all varieties of corneal transplants, medical and surgical retinal services, state-of-the-art contact lens clinic, orbital & oculoplasty department, glaucoma care, neuro-ophthalmology and Uvea clinics. To aid its advance treatment, the hospital has a team of five hundred plus qualified staff and to date, they have performed over ten lakhs procedures and one crore plus eye screening tests. As of March 30, 2022, the hospital's total number of surgeries performed increased around 7% from a year ago period and stood at 8,076, reflecting growing confidence of the general public in the company's eye care services. Moreover, the company is working on strengthening its brand recall through innovative digital promotion efforts. The high pedigree of the team of doctors, modern eye-care equipments along with good treatment experience at the correct cost cements the company's position as a well-established and growing eye hospital chain in India.

#### Strong growth expectations in the vision care industry to provide further tailwinds to the business

According to market estimates, the global vision care market size is expected to grow at a CAGR of 5.6% during 2018-26 period to reach USD 192.85 billion in 2026 on account of increasing awareness about ocular diseases in emerging nations. Moreover, according to the World Health Organization, 51% of the world's blindness is caused by cataract which is a growing ailment in both developed and developing economies. Additionally, an uptrend in diabetes and hypertension across the globe is likely to fuel demand for vision care and create further opportunities for Lotus Eye Hospital.

### Valuation and Outlook

Lotus Eye Hospital and Institute Ltd.'s strength lies in its ability to always adapt to changing times and invest in the most modern equipment. Despite the COVID disruptions, the company employed most of its capital expenditure to shift its Tirupur branch to a new place equipped with more advanced technology and state-of-the-art facilities. However, the company is in a highly competitive industry which remains a key concern for the business. On the valuation front, we value the company at a P/E of 55x based on its FY22 earnings to arrive at a target price of INR 109 which is an upside of 20% from the current levels.

### Stock Rating

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

### Sector Outlook

Positive

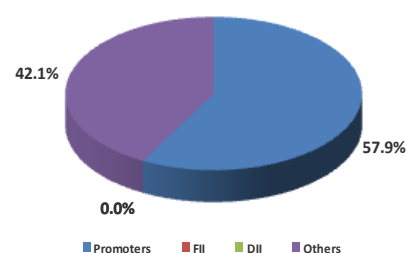
### Stock

CMP (INR)	91
Target Price (INR)	109
NSE Symbol	LOTUSEYE
BSE Code	532998
Bloomberg	LOTEYE IN
Reuters	LOTS.BO

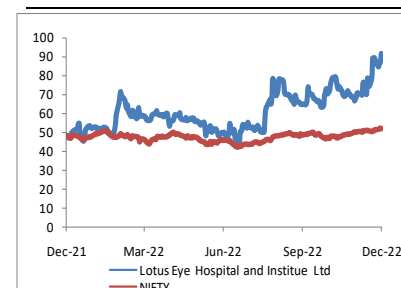
### Key Data

Nifty	18696
52WeekH/L(INR)	95/42
O/s Shares (Mn)	20.8
Market Cap (INR bn)	1.9
Face Value (INR)	1
<b>Average volume</b>	
3 months	72,770
6 months	70,400
1 year	51,100

### Share Holding Pattern (%)



### Relative Price Chart



## Weekly Wealth

Key Financials					
YE March (Rs. millions)	FY18	FY19	FY20	FY21	FY22
<b>Revenue</b>	<b>380</b>	<b>384</b>	<b>406</b>	<b>324</b>	<b>389</b>
<i>Revenue Growth (Y-o-Y)</i>		1.1%	5.5%	(20.2%)	20.2%
<b>EBIDTA</b>	<b>43</b>	<b>32</b>	<b>40</b>	<b>36</b>	<b>59</b>
<i>EBIDTA Growth (Y-o-Y)</i>		(25.9%)	23.5%	(8.7%)	63.2%
<b>Net Profit</b>	<b>17</b>	<b>7</b>	<b>11</b>	<b>16</b>	<b>30</b>
<i>Net Profit Growth (Y-o-Y)</i>		(59.5%)	50.4%	47.3%	90.3%
<b>Diluted EPS</b>	<b>0.8</b>	<b>0.3</b>	<b>0.5</b>	<b>0.8</b>	<b>1.4</b>
<i>Diluted EPS Growth (Y-o-Y)</i>		(59.5%)	50.4%	47.3%	90.3%
Key Ratios					
<b>EBIDTA margin (%)</b>	<b>11.4%</b>	<b>8.4%</b>	<b>9.8%</b>	<b>11.2%</b>	<b>15.2%</b>
<b>NPM (%)</b>	4.6%	1.8%	2.6%	4.8%	7.7%
<b>RoE (%)</b>	<b>3.4%</b>	<b>1.4%</b>	<b>2.1%</b>	<b>3.0%</b>	<b>5.5%</b>
<b>RoCE (%)</b>	8.6%	6.4%	7.8%	6.9%	10.9%
Valuation Ratios					
<b>P/E (x)</b>	<b>108.4x</b>	<b>267.3x</b>	<b>177.8x</b>	<b>120.7x</b>	<b>63.4x</b>
<b>EV/EBITDA</b>	42.6x	57.9x	45.8x	49.3x	30.4x
<b>P/BV (x)</b>	<b>3.7x</b>	<b>3.8x</b>	<b>3.7x</b>	<b>3.6x</b>	<b>3.5x</b>
<b>Market Cap. / Sales (x)</b>	5.0x	4.9x	4.7x	5.8x	4.9x

Source: Company, BP Equities Research



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Disclaimer Appendix

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

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