# Astral Poly Technik Ltd.

**We initiate coverage on Astral Poly with FY12 end target price of Rs 230 per share which implies 26% upside from the current level. We believe that the current market price does not fully factor in almost 100% capacity expansion planned by the end of FY12, strong demand of PVC/CPVC pipes and fittings resulting from incremental growth in real estate and infrastructure industries and from the gradual replacement of GI pipes by the PVC/CPVC substitutes.**

**The strong domestic distributers/dealers network, technical and raw material tie ups with leading foreign players, expansion plans in Africa via the JV, exports links to neighboring countries like Bangladesh, Sri Lanka & Nepal and an undisputed leading position in domestic CPVC market (almost 60% share) warrants revenue and net income CAGR of 38% and 37% respectively over the 3 year period FY10E-FY13E.**

### Restricted access to a key raw material – a major entry barrier

Astral has exclusive license from Lubrizol - a US based company - and imports a key raw material i.e. compounded CPVC resins from the later. As per our interaction with the management, Lubrizol is unlikely to give license to manufacture CPVC products in India to further players.

### Capacity to almost double in next two Years

Demand of CPVC based pipes and fittings likely to remain strong as they offer significant advantages like light weight, corrosion resistance, easy installation, longer life span and around 20% cost savings over the traditional GI pipes. The company is aggressively ramping up capacity to address the growing demand. From 4000 TPA in 2006, the current capacity is around 30867 TPA i.e. 7 times higher and is expected to reach 60,000 TPA by end FY12.

### New products for wider applications & deeper penetration

Astral is an innovative player in the industry and launches new products on regular interval for wider applications and deeper penetration in the pipes & fittings industry. The company has already launched manholes / inspection chambers in the Q1FY11 and is at an advance stage of launching CPVC based fire sprinklers. Currently Astral will be the only company with the capabilities to manufacture CPVC based fire sprinklers which have an estimated market size of around Rs 700 Cr.

### Increasing geographical reach

Astral Technologies, a JV in Kenya in which Astral holds H”32% stake - is expected to commence production in November 2010 with an initial capacity of 6000 TPA.

**CMP : 182**
**TARGET PRICE : 230**
**BUY**

### KEY DATA

| | |
|---|---|
| Sector | Construction |
| Market Cap (INR bn) | 4.1 |
| Market Cap (USD mn) | 91.2 |
| O/S Shares (mn) | 22.5 |
| Free Float (mn) | 8.1 |
| 52-wk HI/LO (INR) | Rs 69 - Rs 194 |
| Avg 12m Vol ('000) | 20.00 |
| Bloomberg | ASTRA IN |
| Reuters | ASPT.BO |

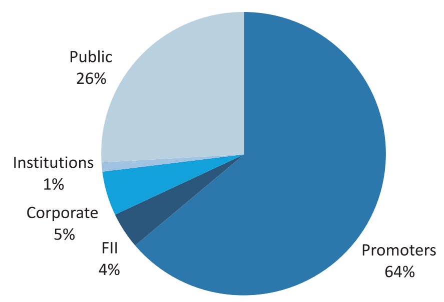
*Sources:- Company, Anagram research*

### Returns (%)

| | 1 m | 3m | 6m | 12m |
|---|---|---|---|---|
| Astral | 4 | 50 | 83 | 152 |
| Relative | 4 | 37 | 65 | 119 |

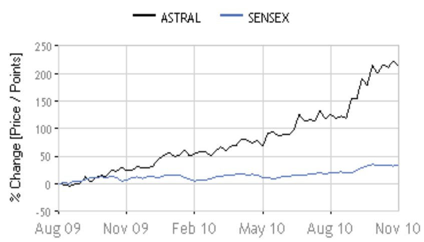
*Sources:- Company, Anagram research*

### SHAREHOLDING PATTERN (%)




*Sources:- Company, Anagram research*

### PRICE PERFORMANCE




*Source: Capitaline*

**Analyst : Abhishek Patel**
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## Valuation

We like Astral Poly owing to 1) its undisputed 'market leader' status in CPVC pipes & fittings 2) expansion plans of almost doubling the capacity by FY12 end 3) restricted competition (in CPVC) due to limited access to a key raw material 4) strong product recognition due to approvals from the likes of NSF, BIS and ISI 5) solid distributors and dealers network across India and 6) massive demand of CPVC / PVC pipes in the country going forward from replacement (of GI pipes) and incremental market.

*We are revising our estimates upwards and our DCF based FY12 end price target of the stock now stands at Rs 230 which implies 26% return.*

We had recommended a BUY rating on the stock in our research report dated 21st Jan 2010 at Rs 182 (Rs 91 - adjusted for stock split from RS 10 FV to Rs 5 FV) with a target price of Rs 280 (Rs 140 adjusted for split). The stock has doubled since then and currently trades at Rs 190 (FV Rs 5).

We are revising our estimates upwards and our DCF based FY12 end price target of the stock now stands at Rs 230 which implies 26% return. At the target price, the stock will be trading at 9.6 times FY12E earnings.

| Y/E March (Rs. Crs.) | 2009 | 2010 | 2011E | 2012E | 2013E |
|---|---|---|---|---|---|
| Revenue | 193.0 | 291.0 | 406.7 | 566.0 | 761.8 |
| YoY% | 42.1 | 50.8 | 39.8 | 39.2 | 34.6 |
| EBIDTA | 29.4 | 42.8 | 58.6 | 84.9 | 108.3 |
| EBIDTA (%) | 15.2 | 14.7 | 14.4 | 15.0 | 14.2 |
| PAT | 14.2 | 27.8 | 36.3 | 54.0 | 72.4 |
| YoY% | -16.9 | 95.7 | 30.7 | 48.7 | 34.1 |
| Fully DEPS | 6.3 | 12.4 | 16.2 | 24.0 | 32.2 |
| ROE (%) | 16.4 | 26.3 | 27.0 | 30.8 | 31.1 |
| RoCE (%) | 17.7 | 26.5 | 27.5 | 32.5 | 34.8 |
| P/E | 28.9 | 14.8 | 11.3 | 7.6 | 5.7 |
| EV/EBIDTA | 15.2 | 10.4 | 7.4 | 5.1 | 3.7 |

** EPS for prior years adjusted for stock split from Rs 10 to Rs 5*
*Sources:- Company, Anagram research*

# Investment Arguments

### Restricted access to a key raw material – a major entry barrier

Astral has exclusive licensing from Lubrizol for manufacturing CPVC products in India (using compounded CPVC resins which is patented by the later)and remains by far the largest player in the CPVC pipes and fittings market. While there is couple of other players in the country having tie-ups with Lubrizol, they have license for just one product compared to 4 of Astral and they also lag when it comes to consumer reach as Astral has more than 4000 dealers and 350 distributers across the country. Thus restricted access to key raw material required to manufacture CPVC based pipes and strong network in the country acts as a barrier to entry and limits the competition.

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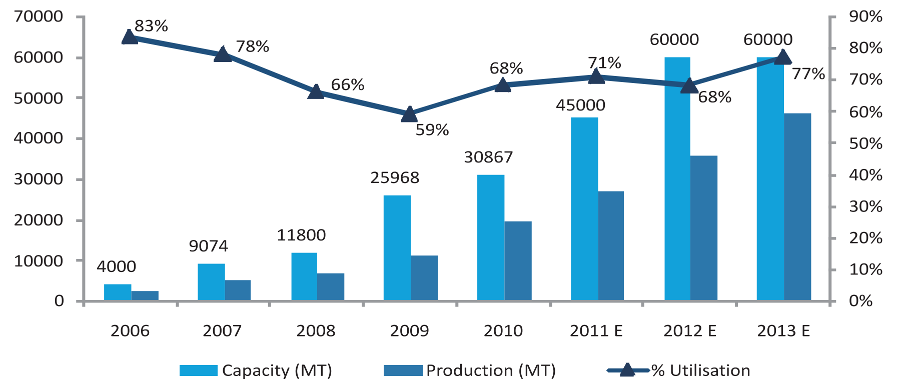
### Capacity to Almost double in Next Two Years




*Sources:- Company, Anagram research*

From just 4000 tonn per annum capacity in FY06, the current capacity of Astral stands more than 7 times at 30,867 tonn per annum. Over the same period, due to solid demand from the user industries, the production has increased 8 times. Considering the fact that real estate and infrastructure industries are poised for a solid growth over the next few years coupled with the demand resulting from the shift to CPVC/PVC pipes from the current GI pipes, the company further plans to increase its capacity to 45,000 TPA by the end of FY11 and to 60,000 TPA by the end of FY12. While the current phase of expansion is coming at the existing plant locations, the next phase (from 45000 TPA to 60000 TPA) of capacity expansion will be coming at two new locations i.e. Hosur in Tamilnadu and Dholka in Gujarat. At both the places land acquisition has been completed and currently the company is in process of converting the land for industrial purpose. This however does not include the 6000 TPA initial capacity of the JV in Africa which is to commence production in the current fiscal.

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### New products for wider applications & deeper penetration

As a part of its strategy to launch new products with specific application meeting various user requirements, the company has plans to launch 2 products in FY11. In the first quarter of the year the company has already launched manholes/ Inspection Chambers for which response so far is very encouraging. The other product is Blazemaster – fire sprinklers system. Blazemaster is a brand of Lubrizol and Astral has license manufacture the product in India. Currently Astral is the only company in the country which is capable of manufacturing CPVC based fire sprinkler system which has an estimated Rs 700 Cr pa market.

## Increasing Geographical Reach

While Astral has been exporting products to neighboring countries like Bangladesh, Sri Lanka and Nepal already, during FY10 it has increased its stake in Astral Technologies (Kenya) from 26% earlier to ~32% by making an additional investment of Rs71.01 lacs. The JV has placed orders for machines and expects to start productions there in November 2010. Having manufacturing facilities in Kenya will enable the company to benefit from increasing PVC/CPVC pipes' demand in the region. Currently Astral exports pipes and various fitings from India to Kenya which results in higher cost owing to import duty and logistic costs. Once the manufacturing facility (initially 6000 TPA) comes on stream, the company should witness robust growth from East African markets as it will be able price its products competitively.

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## Strongest product recognition among all domestic peers

Astral is the only company in the country whose CPVC products are approved by NSF – a US based organization which is the world leader in standards development, product certification and risk management for public health and safety for 65 years. This approval helps Astral market its products not only in India but will also have an impact in Africa where it is planning to augment a 6000 TPA capacity soon.

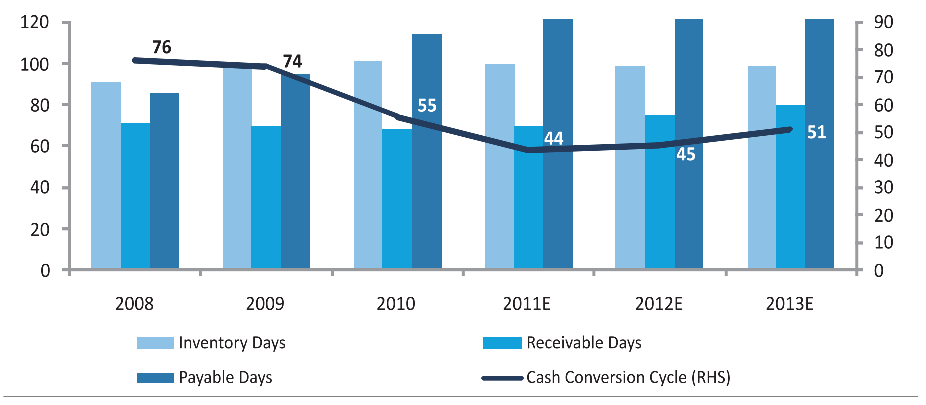
*Astral is the only company in the country whose CPVC products are approved by NSF.*

Astral recently received ISI approval for its CPVC products in the country. This will help it bag orders from government departments as they normally are biased towards products with ISI mark. Apart from this, according to the management, the ISI approval will also help Astral penetrate further in rural India where ISI mark is quite influencing.

## Various benefits at Himachal Pradesh Plant

The company's HP plant where it manufactures fittings, enjoys lower tax rate for 10 years (30% concession ie Astral pays 3-4% tax only), excise holidays for 10 years, CST of just 1% instead of 2% for 10 years and around 25% cheaper power cost. The company has enjoyed all these benefits for 5 years already and will continue to receive the same for next 5 years until FY15.

## Low gearing; thanks to low working capital requirement




*Astral has enjoyed all these benefits for 5 years already and will continue to receive the same for next 5 years until FY15.*

*Sources:- Company, Anagram research*

Astral has historically maintained stringent working capital cycle especially in the CPVC business. The company gets around 120 days credit from the supplier i.e. Lubrizol for the raw materials. It gives around 45 days credit to its distributors. The conversion time from raw material to pipes/fitting is just around an hour so the inventory days are mainly a function of transit period. Whatsoever working capital the company requires is mainly to fund its PVC business.

Our conversation with the management suggests that in FY11E, the company plans to reduce inventory levels significantly, albeit, by offering discounts etc. Thus lean working capital structure results in better return ratios and lower total debt requirement.

### Demand of PVC/CPVC products to remain strong in the foreseeable future

PVC/CPVC based products offer many advantages over the traditional metal / GI (galvanized Iron) pipes. CPVC pipes don't corrode over time which is a major concern with the GI pipes. Also, due to lighter weight, it's much easier to transport and install CPVC pipes. CPVC pipes also offer cost benefits as at present they are 20% cheaper than the GI pipes and have a longer life span of around 35 years. The strength of these CPVC pipes easily make them better substitutes of GI pipes for many residential and industrial applications.

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Due to all these, there is a growing demand (between 15% - 20% pa) for these products from the new residential, commercial and industrial projects. Apart from this, incremental demand also comes from the replacement of GI pipes installed in the existing projects.

## Industry Scenario

The Indian Pipe Industry is mainly divided among three categories i.e. Steel pipes, Cement pipes and PVC (and other derivatives of PVC) pipes. Pipes are essential for transporting fluids like oil, water, gas and liquid waste. According to some reports, Oil & Gas sector is a major driver of demand of pipes and accounts for almost 50% of the total pipes demand followed by construction sector at 30% and remaining 20% demand comes from government programmes.

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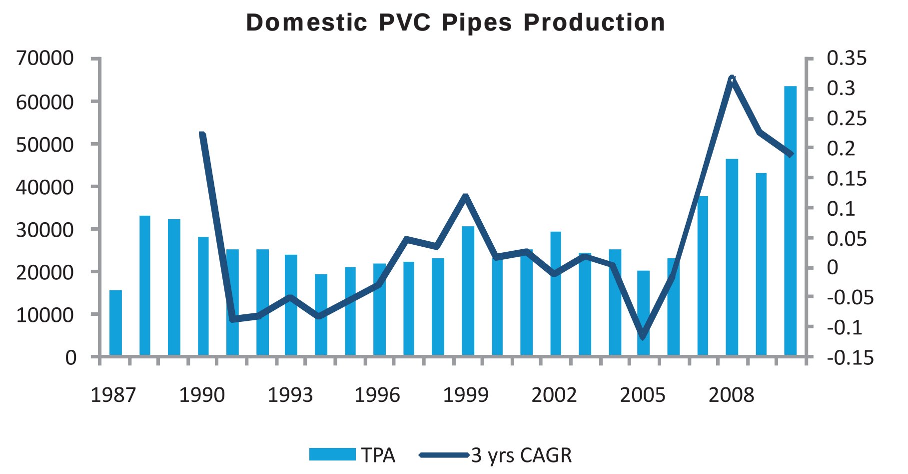
Demand of PVC/CPVC pipes is expected to remain strong owing to increasing population and urbanization which results in massive need for drinking water supply and sanitation. The government of India's focus on irrigation to increase the agricultural productivity also drives demand of pipes. Increasing applicability of PVC pipes for different purposes also results in incremental demand.

PVC/CPVC pipes are also increasingly used in the real estate sector. Over the next few years, it is expected that there will be a shortage of more than 25 million housing units which should further spurt the demand of PVC pipes.




*Sources:- Company, Anagram research*

According to a latest research done by CARE Research, the demand of PVC and Cement pipes is likely to increase at a CAGR of 12-14% over the next five years.

The per capita consumption of plastics in India which stood at 6kg in 2009, is expected to be around 12 kg by end FY11. As per some estimates, by FY12, India is expected to be the third largest consumer market for plastic goods with consumption of 12.5 million tons per annum after US (38.9 mTPA) and China (38.8 mTPA)

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## Company Profile

Astral Polytechnik Ltd is a leading PVC (polyvinyl chloride) and CPVC (chlorinated polyvinyl chloride) manufacturer in the country for more than a decade. The company has production facilities in Gujarat and Himachal Pradesh where it produces pipes and fitting respectively.

*It's the first licensee of Lubrizol (USA) for manufacturing CPVC pipes and fittings in India and also has JV (14% stake) for technical collaboration with Speciality Process LLC of US.*

It's the first licensee of Lubrizol (USA) for manufacturing CPVC pipes and fittings in India and also has JV (14% stake) for technical collaboration with Speciality Process LLC of US. Astral has license to manufacture the branded products of Lubrizol like 'Corzan', 'Blazemaster', 'Bendabale' and 'FlowGuard' of which for the first two products, no other company in the country has license of production where as for the later 2 products there are only a couple of other players with Lubrizol Licensing.

## Key Management Profile

### Mr. K. R. Shenoy, Chairman

Mr. K. R. Shenoy (67) is M.Sc.(Statistics) from Mumbai University. He served in various positions and retired as an Executive Director of Corporation Bank in 1997. He was also the Chairman & CEO of the Lakshmi Vilas Bank Limited, Karur, Tamil Nadu till 2002. Presently he is a Director of an NGO in Banglore and a member of Executive Committee of Bhartiya Vidya Bhavan, Manglore. He possess experience of 37 years in the Banking Sector.

### Mr. Sandeep P. Engineer, Managing Director

Mr. Sandeep P. Engineer (49) is a Chemical Engineer by qualification. In the year 1992, he promoted Kairav Chemicals Private Limited, a pharmaceutical venture for the manufacture of bulk drugs. Inspired by the success of this venture, he diversified into the business of plastic-pipe industry by collaborating with Specialty Process LLC, for introduction of CPVC in the Indian markets, thereby revolutionizing the Indian plastic-pipe industry by replacing the conventional metallic system with polymers products. Under his guidance, the Company has witnessed a steady growth over the years.

### Mr. Hiranand Savlani, CFO

Mr. Hiranand Savlani (42) is Chartered Accountant, Company Secretary, ICWA and a Law graduate by qualification , He was rank holder and Gold Medalist in CA.  In 2003 he joined the company on full time basis and eventually took over responsibility of accounts and finance department. In his career spanning over 18 years he was associated with KALPATARU POWER, Major Brands India having International Brands like MANGO (MNG), NINEWEST, ALDO, PROMOD etc  among other prominent organizations. His experience and dedication has made him an invaluable part of the Company.

| Product Name | Plastic Type | Type of Application | Features |
|---|---|---|---|
| Flowguard | CPVC | Hot & Cold Water Distribution System | Approved by BMC and CPWD, Corrosion resistant, Lower bacterial growth, tough & rigid material |
| Corzan | CPVC | Industrial Piping System | Internal & external corrosion resistance, chemical resistant, ability to withstand tough industrial environment, low thermal conductivity, better UV resistance |
| Aquarius | uPVC | Cold water, Outer Loop Lines | Lead free i.e. non toxic, high strength to weight ratio, easy to install |
| Under ground | PVC | Drain & Sewer System | Economical, storng impact resistant, wide range of under ground drainage, sewer |
| Aquatek | ABS material | Genral Plumbing Solutions | Tough, resilient, good whether resistance, non toxic and taint free |
| Blaze Master | CPVC | Fire Sprinklers | Superior hydraulics, easily connected to other sprinkler piping system, approved for more applications than any other non metalic system in the market |
| Ultradrain | PVC | Soil Waste & Rain Water | High Chemical & Corrosion resistant, High flow rates - no choking |
| Flowguard Bendable | CPVC /Aluminum | Potable Water | Easy to install, corossion resistant plumbing system under slab, excellent combination of flexibility and rigidity, extra toughness provided by aluminium layer in the middle between two CPVC layers |
| Foamcore | uPVC | DWV & Underground Systems | Multilayer. PVC-FOAM PVC-PVC where middle layer gives strength, noise free |

*Sources:- Company, Anagram research*

## Valuations

We like Astral Poly owing to 1) its undisputed 'market leader' status in CPVC pipes & fittings 2) expansion plans of almost doubling the capacity by FY12 end 3) restricted competition (in CPVC) due to limited access to a key raw material 4) strong product recognition due to approvals from the likes of NSF, BIS and ISI 5) solid distributors and dealers network across India and 6) massive demand of CPVC / PVC pipes in the country going forward from replacement (of GI pipes) and incremental market.

*Massive demand of CPVC / PVC pipes in the country going forward from replacement (of GI pipes) and incremental market.*

We had recommended a BUY rating on the stock in our research report dated 21st Jan 2010 at Rs 182 (Rs 91 - adjusted for stock split from RS 10 FV to Rs 5 FV) with a target price of Rs 280 (Rs 140 adjusted for split). The stock has doubled since then and currently trades at Rs 190 (FV Rs 5).

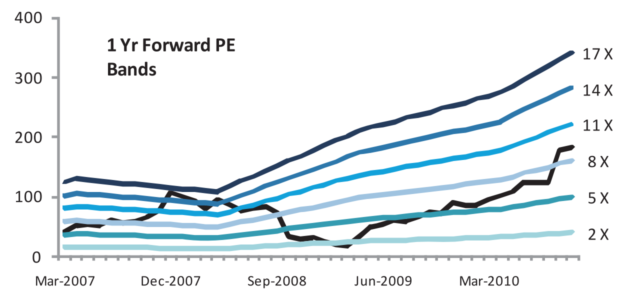
Our revised DCF based FY12 end target price of Rs 230 incorporates 5 years explicit forecast period, 28% CAGR in the top line during the explicit period, 3 % terminal growth and WACC of 12.2%.

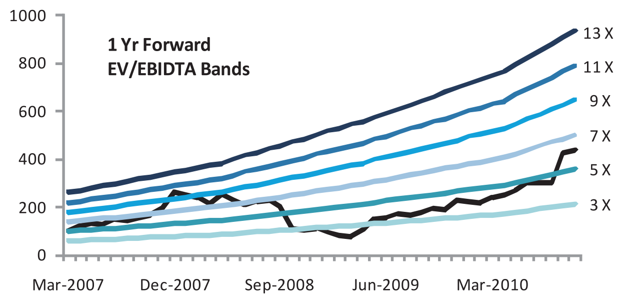
| Sensitivity of the DCF Valuation | | Terminal Growth Rate | | | | |
|---|---|---|---|---|---|---|
| | | 2.0% | 2.5% | 3.0% | 3.5% | 4.0% |
| Cost of Equity | 10.2% | 293 | 305 | 318 | 334 | 352 |
| | 11.2% | 251 | 259 | 269 | 279 | 292 |
| | 12.2% | 218 | 224 | 230 | 238 | 246 |
| | 13.2% | 191 | 195 | 200 | 205 | 211 |
| | 14.2% | 168 | 171 | 175 | 179 | 183 |

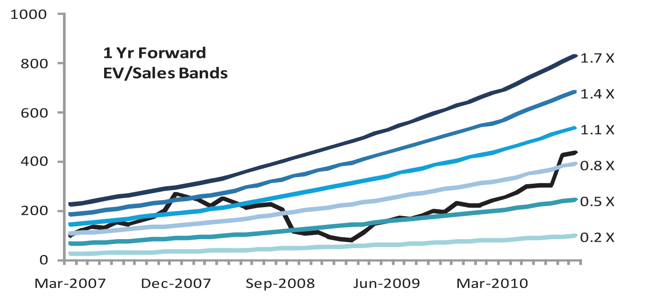
*Sources:- Company, Anagram research*

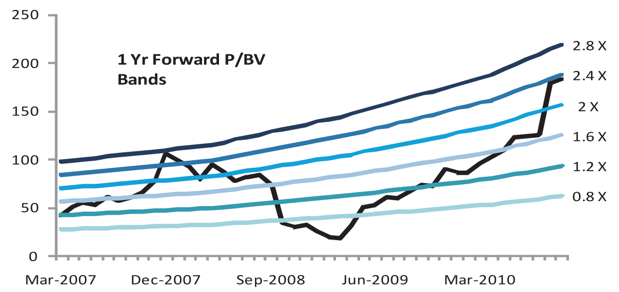
At the target price the stock will be trading at 9.6 times FY12E earnings. This valuation based on FY12E looks attractive and justified by the higher growth prospects of the company (38% and 37% CAGR in the top line and bottom line over FY10-FY13).

## Key One Year Forward Valuation Bands




*Sources:- Company, Anagram research*

# Investment Risks

### Dependence on Lubrizol for raw materials

Astral fulfills its entire need of a key raw material for manufacturing CPVC pipes - compounded CPVC resins - from Lubrizol. Apart from Astral, there are a couple of other companies which have license from Lubrizol to manufacture CPVC based pipes in the country. In future, if such license is given to other players, it may result in increased competition for CPVC based pipes & fittings and thus lower margins.

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### Rupee Depreciation risk

Hence the company is importing CPVC resins from Lubrizol for manufacturing CPVC based pipes & fitting (65% of the sales), margins at operating levels may get adversely affected if rupee depreciates significantly.

# Company Financials Snapshot

### Profit and loss (Rs Cr.)

| | 2010 | 2011E | 2012E | 2013E |
|---|---|---|---|---|
| **Net Revenues** | **291.0** | **406.7** | **566.0** | **761.8** |
| Growth % | 50.8 | 39.8 | 39.2 | 34.6 |
| COGS | 214.5 | 300.9 | 418.2 | 569.5 |
| Gross Profit | 76.5 | 105.8 | 147.8 | 192.2 |
| Growth % | 44.8 | 38.3 | 39.7 | 30.1 |
| SG&A Expenses | 33.7 | 47.2 | 62.8 | 83.9 |
| **Core EBITDA** | **42.8** | **58.6** | **84.9** | **108.3** |
| Growth % | 45.4 | 37.0 | 44.9 | 27.5 |
| Other Income | 4.3 | 0.6 | 0.7 | 0.9 |
| EBITDA | 47.0 | 59.2 | 85.7 | 109.2 |
| Depreciation | 8.6 | 10.4 | 12.3 | 13.6 |
| **EBIT** | **38.4** | **48.8** | **73.4** | **95.6** |
| Growth % | 78.2 | 26.9 | 50.4 | 30.2 |
| Interest Exp | 4.8 | 4.5 | 5.0 | 3.9 |
| EBT | 33.6 | 44.3 | 68.3 | 91.7 |
| Tax | 5.8 | 8.0 | 14.4 | 19.2 |
| | | | | |
| **Net Profit** | **27.8** | **36.3** | **54.0** | **72.4** |
| Growth % | 95.7 | 30.7 | 48.7 | 34.1 |

### Balance Sheet (Rs Cr.)

| | 2010 | 2011E | 2012E | 2013E |
|---|---|---|---|---|
| Cash and Equi. | 3.8 | 23.7 | 28.6 | 38.0 |
| Receivables | 67.4 | 88.6 | 144.1 | 189.9 |
| Inventories | 69.7 | 94.7 | 131.8 | 177.4 |
| Loans and Advances | 25.9 | 25.9 | 25.9 | 25.9 |
| Investments | 0.1 | 1.6 | 3.1 | 3.1 |
| Gross Fixed Assets | 111.2 | 136.2 | 156.2 | 167.6 |
| Net Fixed Assets | 87.8 | 102.4 | 110.2 | 108.0 |
| CWIP | 6.2 | 6.2 | 6.2 | 6.2 |
| **Application of Funds** | **260.9** | **343.0** | **449.7** | **548.4** |
| | | | | |
| | | | | |
| Accounts Payable | 83.0 | 124.8 | 170.6 | 229.6 |
| Other Current Liabilities | 0.4 | 0.8 | 1.0 | 1.3 |
| Provisions | 17.3 | 19.3 | 21.0 | 22.7 |
| Deffered Tax Liabilities | 1.7 | 1.7 | 1.7 | 1.7 |
| Loan Funds | 40.4 | 45.4 | 55.4 | 27.4 |
| Reserves and Surplus | 106.9 | 139.8 | 188.8 | 254.6 |
| Equity Capital | 11.2 | 11.2 | 11.2 | 11.2 |
| **Sources of Funds** | **260.9** | **343.0** | **449.7** | **548.4** |

### Cash Flow Statement (Rs Cr.)

| | 2010 | 2011E | 2012E | 2013E |
|---|---|---|---|---|
| EBT Before Extraord Items | 33.7 | 44.3 | 68.3 | 91.7 |
| Depreciation | 8.6 | 10.4 | 12.3 | 13.6 |
| Other Adjustments | 0.5 | 4.0 | 4.3 | 3.0 |
| Changes in WC | (12.5) | (3.9) | (46.6) | (32.1) |
| Tax Paid | (5.2) | (8.0) | (14.4) | (19.2) |
| **Cashflow from Operat.** | **25.2** | **46.7** | **24.0** | **56.9** |
| | | | | |
| Capital Expenditure | (17.9) | (25.0) | (20.0) | (11.4) |
| Investments | (0.0) | (1.5) | (1.5) | 0.0 |
| Interest/Dividend & Other | 0.4 | 0.6 | 0.7 | 0.9 |
| **Cashflow from Invest** | **(17.4)** | **(25.9)** | **(20.8)** | **(10.5)** |
| | | | | |
| Proceeds from Borrowings | 1.2 | 5.0 | 10.0 | (28.0) |
| Issue of Shares, QIP | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest/Divid paid & Other | (7.5) | (5.8) | (8.4) | (8.9) |
| **Cashflow from Financing** | **(6.2)** | **(0.8)** | **1.6** | **(36.9)** |
| | | | | |
| **Net Change in Cash** | **1.5** | **20.0** | **4.8** | **9.5** |

*Sources:- Company, Anagram research*

### Financial Ratios

| | 2010 | 2011E | 2012E | 2013E |
|---|---|---|---|---|
| **Profitability** | | | | |
| Core EBITDA margins | 14.7 | 14.4 | 15.0 | 14.2 |
| Net Profit Margins | 9.5 | 8.9 | 9.5 | 9.5 |
| **Return** | | | | |
| ROE | 26.3 | 27.0 | 30.8 | 31.1 |
| ROCE | 26.5 | 27.5 | 32.5 | 34.8 |
| **Liquidity and Gearing** | | | | |
| Cash Conversion Cycle | 55.5 | 43.7 | 45.0 | 50.9 |
| Current Ratio | 2.0 | 1.9 | 1.9 | 1.9 |
| Debt/Equity | 0.3 | 0.3 | 0.3 | 0.1 |
| Interest Cover | 7.9 | 10.8 | 14.6 | 24.3 |
| **Per Share** | | | | |
| FD-EPS* | 12.4 | 16.2 | 24.0 | 32.2 |
| Operating CashflowPS | 11.2 | 20.8 | 10.7 | 25.3 |
| BVPS | 52.6 | 67.2 | 89.0 | 118.3 |
| **Valuation** | | | | |
| Price/Earning | 14.8 | 11.3 | 7.6 | 5.7 |
| Price/BV | 3.5 | 2.7 | 2.1 | 1.5 |

** EPS for prior years adjusted for stock split from Rs 10 to Rs 5*

## Disclaimer



## For Further Details

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### RATING INTERPRETATION :

**BUY** Expected to appreciate more than 20% over a 12-month period
**Accumulate** Expected to appreciate up to 20% over a 12-month period
**Neutral** Expected to remain in a narrow range
**SELL** Expected to depreciate more than 10% over a 12-month period

**Anagram Stock Broking Limited**
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