

**Vesuvius India Limited**

| COMPANY SNAPSHOT |                  |        |                  |                |             |
|------------------|------------------|--------|------------------|----------------|-------------|
| *CMP             | Initiation Price | Target | Potential Upside | Recommendation | MCap (Rsbn) |
| Rs1049           | Rs1165           | Rs1165 | 11%              | BUY            | 21.3        |

\*as on 26th Feb, 2021

**About the Company:**

Vesuvius India Ltd. (VIL), incorporated in 1991, is a subsidiary of Vesuvius Group Ltd., UK, which holds a 55.6% stake in the company. It provides refractory products and services for the construction and maintenance of industrial equipment and processes. It is mainly engaged in manufacturing refractories primarily for the steel-manufacturing units using the continuous casting process. The company caters to different industries such as iron and steel plant, CFBC and other boilers, aluminium calciner, aluminium melting and holding furnaces, DRI plants and iron pellet plants.

**Results Declared:**

- The net sales for the quarter came in at Rs2,345mn as compared to Rs2,123mn in the same quarter last year, growth of 10.4%
- The EBITDA margins came in at 10.7% as compared to 8.5% in the same quarter last year
- The net profit grew by 32.8% to Rs162mn as against Rs122mn in the comparative quarter
- The EPS for the quarter stood at Rs8.0

**Financials:**

| Result Update (Q4&CY20) |        |        |        |         |         |       |       |         |
|-------------------------|--------|--------|--------|---------|---------|-------|-------|---------|
| Q4&CY20 Result (Rs mn)  | Dec-20 | Dec-19 | y-o-y  | Sept-20 | q-o-q   | CY20  | CY19  | y-o-y   |
| Total Revenue           | 2,345  | 2,123  | 10.4%  | 2,281   | 2.8%    | 7,915 | 8,870 | (10.8%) |
| EBITDA                  | 250    | 180    | 38.6%  | 305     | (18.0%) | 768   | 1,207 | (36.4%) |
| Other Income            | 43     | 47     | (7.5%) | 63      | (31.9%) | 210   | 292   | (28.2%) |
| Interest                | -      | -      | -      | -       | -       | -     | -     | -       |
| Depreciation            | 71     | 62     | 14.9%  | 62      | 14.4%   | 262   | 266   | (1.2%)  |
| Exceptional Items       | -      | -      | -      | -       | -       | -     | -     | -       |
| Tax                     | 60     | 43     | 39.3%  | 79      | (24.6%) | 185   | 379   | (51.1%) |
| Net Profit              | 162    | 122    | 32.8%  | 227     | (28.5%) | 531   | 855   | (38.0%) |

**Outlook and Recommendations:**

The company has reported decent results for the quarter under reference. There was improvement seen on the operational front from the last quarter itself which has further improved in the quarter under reference. For the full year, it was not that great as the performance was hit by lockdown and zero out on demand. However, things have started getting back to normal levels and with gradual improvement in the economy alongwith the infra push being announced in the latest budget should aid well for the company in times to come. We maintain a cautious view on our Buy call with a target price of Rs1165 over a 12 months horizon

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