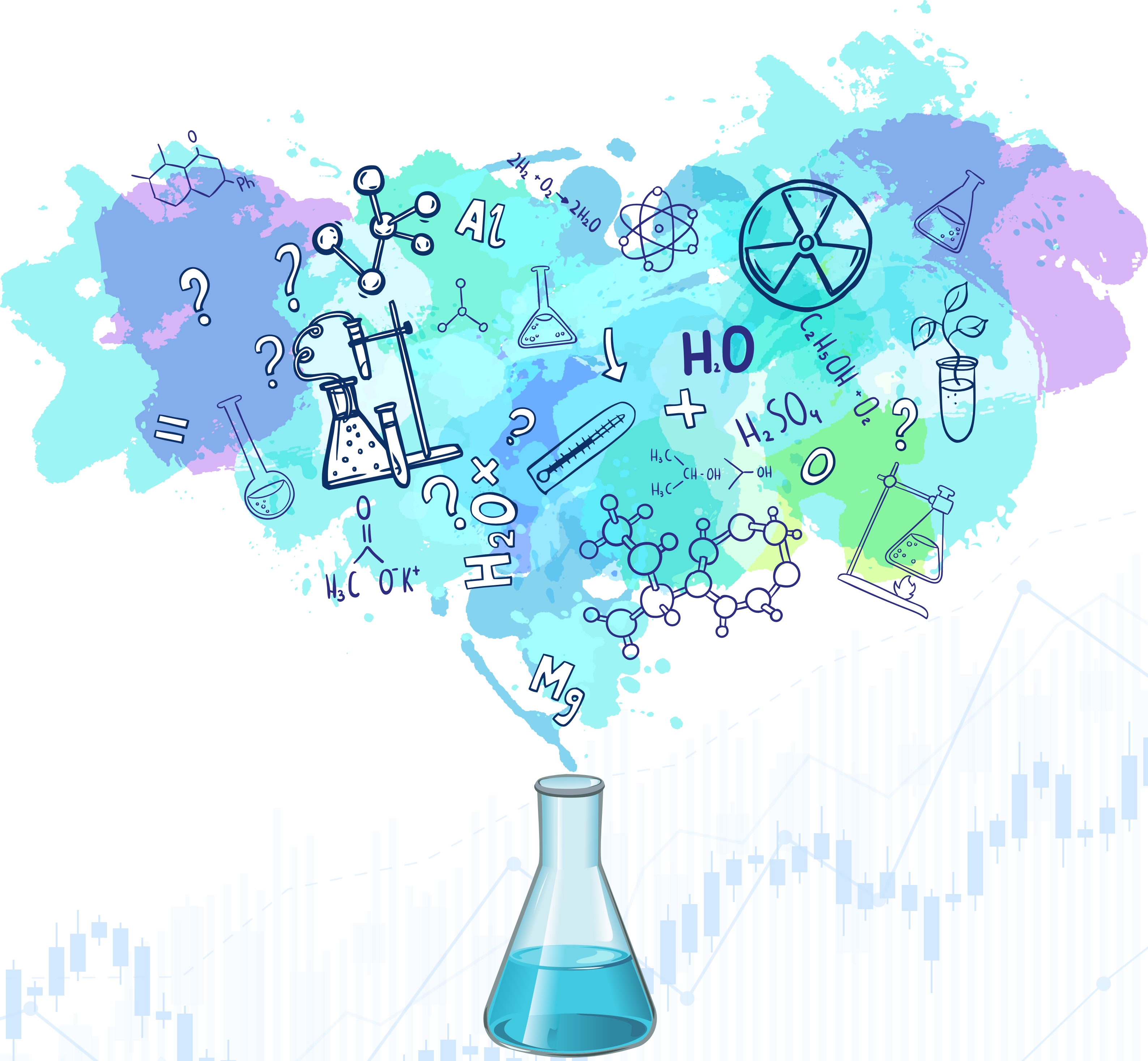

SPECIALITY CHEMICALS

The Indian Speciality Chemical Industry set to reap in multiple market share gains over next years both globally and domestically.

24TH FEBRUARY 2020

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Indian Chemical Industry: A Brief Overview

India is the sixth-largest producer of chemicals in the world, and the chemicals & petrochemicals sector has one of the largest shares in the country's total GDP. The chemical industry in India is highly diversified and includes more than 80,000 commercial products. As per the report from FICCI, the total annual output stood at US$163B in FY18, accounting for 3.4% of the global chemical industry. India generated major chemicals and petrochemicals of 27,847MT during 2018-19, an increase of 4.15% over 2017-18. Similarly, Alkali chemicals, with an approximately 69% share in the total production, has the highest contribution in the chemical industry. Further, the production of polymers accounts for around 61% of the total production of basic major petrochemicals.

In India, the per capita consumption of chemical products is low (one-tenth of the global average). The demand for chemical products is expected to grow over the next decade, driven by increased population, increase in disposable income, and a gradual shift towards middle-class society. The petrochemical demand is expected to grow at a CAGR of 7.5% from FY 2019-23, with polymer demand growing at 8%. The agrochemicals market in India is expected to reach $3.7B by FY22 and $4.7B by FY25 with a CAGR of 8%. India ranks fourteenth in terms of export and eighth in terms of import of chemicals (excluding pharmaceuticals products) globally. Further, exports account for nearly one-fourth and imports represent over a quarter of the annual consumption of chemicals.

India Chemicals – Production, export, import and consumption trend

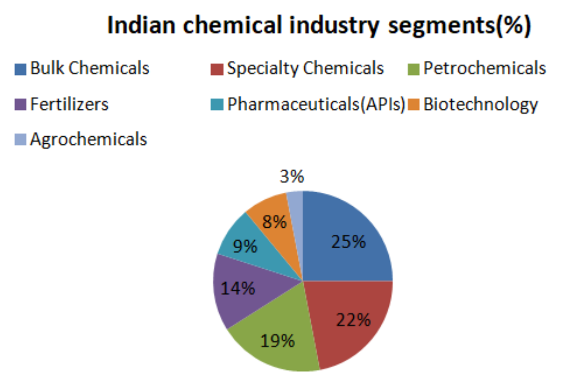
US$B	FY13	FY14	FY15	FY16	FY17
Export of all chemicals	38	41	41	41	41
Import of Chemicals	48	47	51	49	46
Consumption of Chemicals	143	137	156	154	166
Total Output	133	131	146	146	161

Source: Ministry of Chemicals and Petrochemicals

The chemical industry is divided into five major segments

Bulk Chemicals: These are groups of chemicals that are generated on a large scale, which further break down into organic, inorganic and alkali chemicals.

Petrochemicals and Polymers: These chemicals are derivative of several chemical compounds such as hydrocarbons, which are derived from crude oil or natural gas.



Source: FICCI

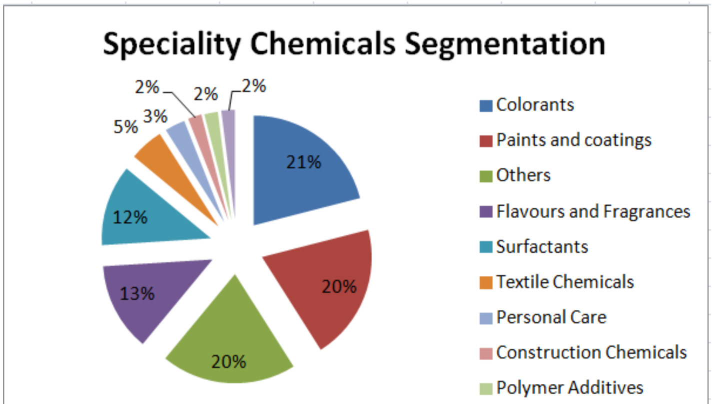
Fertilizsers: These provide nutrients for plant growth. These also can break down into organic/inorganic and natural/synthetic. Further, these can be broadly divided into phosphate, potassium, nitrogenous.

Speciality Chemicals: These are derivatives of basic chemicals that are manufactured for specific end-use solutions. The characteristics of these chemicals include high value, high R&D, and low volume. The details of these chemicals are elaborated in the next section.

Agrochemicals: These chemicals are used for the protection of crops against insects and pests covered under the category. These include fungicides, herbicides, and insecticides, among others. These chemicals have an application in irrigation water, seeds, soils, and crops.

Speciality Chemicals

These chemicals are characterized by relatively high-value low-volume chemicals and targeted at specific end-user performance-enhancing applications. These broadly cover polymer additives, personal care ingredients, water treatment chemicals, construction chemicals, paints and coatings, colorants, among others.



Source: FICCI

The consensus gowth rate of chemical speciality segments

Products	Consensus Growth Rate
Polymer additives	8%
Textile Chemicals	10.5%
Paints and Coatings	11%
Surfactants	11.5%
Construction Chemicals	15%
Personal care ingredients	13%
Flavours	10%
Fragrance	14%
Water Chemicals	14%
Colourants- Dyes and Pigments	9

Speciality chemicals contribute to 22% of the chemical industry with a market size of US$ 35.9B as per the FICCI specialty chemicals report. The demand for specialty chemicals is estimated to grow at a CAGR of 12%-–14% CAGR from FY19-22. The incremental demand is majorly driven by investments in end-user industries like personal care, food-beverage, textiles, and packaging.

Speciality chemicals delivers solutions to customer applications, which are based on knowledge and generates higher returns as compared to basic chemicals.

Differentiation	Base/commodity chemicals	Specialty chemicals
Product variety	Standardized products	Customized products
Base for differentiation	Pricing	R&D capability, quality consistency
Market structure	large number of players	Fewer players
Switching cost	Low (customers prefer low cost suppliers because of standardized products)	Moderate(switching supplier is difficult on account of long approval process)
Core growth driver	Cost leadership	Innovation driven by high R&D
Economy of scale	Benefit is significant due to standardized products	Benefit is limited due to the higher number of low volume products

Competitive Advantage of Specialty Chemicals Sectors in India

China's derailed chemical industry growth is positive for India

The domestic chemical industry is gradually slowing down on accountas a result of China's muted economic growth, of china which remained the in a growth overhang. China's GDP is estimated to grow at 6-–6.5% as compared towith 8-–10% recorded during the period ofbetween 2009- and 201818. The key factors that accounted for a downturn in the chemical industry are discussed as follows

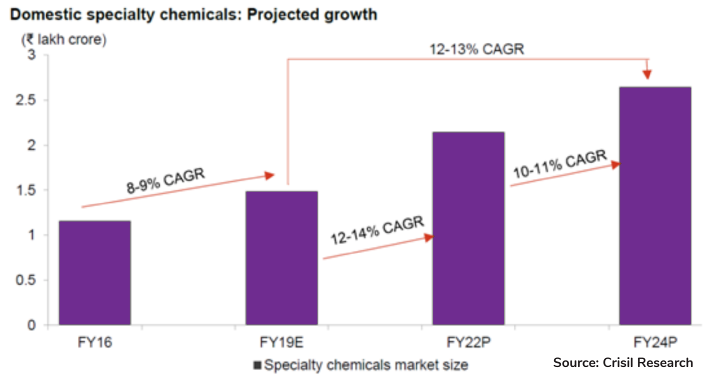
- The challenging global scenario such as muted global growth along with the U.S.-China trade war holds a prominent key in subdued production growth in China.
- China's government has made the environmental protection norms more stringent from January 2015. In 2017, as per the Crisil research report, an estimated 40% of the chemical manufacturing units were closed temporarily for safety inspections. Further, more than 80,000 manufacturing units were penalized for breaching emission limits.
- The Chinese government has made it compulsory to build effluent treatment plants and levied a green tax on the chemicals industry to keep pollution at bay. This is likely to hit the margin on account of a scaled-up cost of production, driven by capital expenses incurred towards building these plants and increased cost of compliance.
- Companies have to reduce their overall capacity due to government restrictions on emissions. As per the report from MC-chemicals, there is a shortage in the production of Maleic anhydride due to restrictions on emissions against the backdrop of only 50–60% utilization of the theoretical capacity.
- The Chinese government has made it mandatory for all small- to mid-size chemical companies to shift their operation to dedicated special chemical parks, far away from habitat by the end of 2020. Further, all the largest plants must relocate by 2025.

Aggressive capex to drive next leg of growth

The specialty chemical companies have started accelerating their capex plan, driven by strong growth visibility and emerging opportunities. The aggregate capex at specialty chemical space is expected to reach Rs 61.7B over FY19-21E, which is likely to be 60% higher compared with Rs 37.7B over FY16-18.

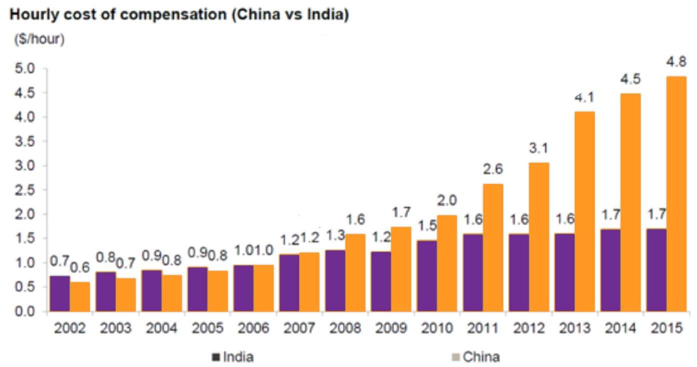
The capex plan of leading companies in the specialty chemicals industry

Companies	Capex Plan Overview
Aarti Industries benzene intermediaries, pharmaceuticals, surfactants	The total planned capex for FY20 stands at Rs 10-12B, with Rs 5.1B already incurred in H1 FY20. The capex planned for FY21 stands at Rs 5–7B. The ongoing project includes acid re-concentration plant, capex for long-term contract at Dahej, API and pharma intermediate debottlenecking, and expansion at Vapi and Tarapur, and a specialty chemical complex along with chlorination plant at Jhagadia in Gujarat.
Atul Aromatics, Bulk Chemicals & Intermediates, Colours, Crop protection, API, Polymers performance materials	Currently, new projects under standalone business that are in pipeline stand at Rs ~4.5B which is expected to generate sales revenue of about Rs 8.5B and are estimated to be completed by H2FY21. Further, across subsidiaries and JV, a total capex of Rs 3.7B is planned. Also, the caustic-chlorine project worth ~Rs 5B has received the board's approval.
Deepak Nitrite Standalone business segments and phenylacetone derivatives in Deepak Phenolics	The company has given capex guidance of Rs 2.5B in the standalone business, which will be utilized in capacity expansion and debottlenecking projects. The recent acquisition of industrial land worth ~125 acres at Dahej, Gujarat stands at Rs 990M. Further, capex in Deepak Phenolics (DPL) of Rs1.5B includes phenol-acetone derivatives, energy saving and efficiency improvements projects.
Navin Fluorine Fluorochemicals	The company has made announcements of Rs 4.5B over the coming 3-4 years at Dahej, Gujarat, for its fluorochemical business. Further, the new CRAMS unit at Dewas has attracted Rs 1.15B investments, which initiated commercial production from January 2020.
SRF Refrigerants, Fluoro Specialties and Technical Textiles, packaging Films	The company has planned capex of ~Rs 11B in FY20 and Rs 7–8B in FY21. The company has received board's approval for capex of US$50M for setting up a new 45ktpa BOPP film line in Thailand and capex of Rs 4.24B to set up an integrated PTFE (polytetrafluoroethylene) plant.
Sudarshan Chemicals Pigments	The company has planned to execute a capex of Rs 3–3.25B in FY20, of which Rs 2.5B is already incurred till FY19. Overall, the company has capex plan of Rs 10B over FY18-23 towards production of new high-performance pigments, backward integration of various input chemicals and improved infrastructure.
Alkyl Amines Amine Derivatives, Fine Chemicals	The company has given capex guidance Rs 0.8–0.9B in FY20 and Rs1–2B in FY21 towards amine derivatives and chemicals.
PI Industries Agrochemicals	The company has given capex guidance of Rs 4–4.5B for FY20 (already incurred in Rs 3.5B in 1HFY20) and Rs 3B for FY21.
Vinati Organics Butyl Phenol, ATBS	The company has budgeted Rs 1.1B towards expansion of ATBS capacity to 40 Kktpa from 26 Kktpa. Further, Rs2.4B capex towards Butyl Phenol with capacity of 35ktpa, completed in September 2019, and the commercial production is expected to start in 4QFY20.



Availability of skilled labour on lower cost

India poses the competitive advantage of having skilled labor at a lower cost. This leads to comparatively lower operating expenses and other cost items compared with its global peers, including China. In China, the labor cost has been consistently witnessing an uptrend. The average labor cost in China over 2005-2015, has clocked a CAGR of nearly 19–20% as compared with a CAGR of 4–5% in India. In fact, over the last five years, this cost has more than doubled compared with India, making manufacturing somewhat cost-effective in India.



Source: ILO and CRISIL

Availability of Raw Materials

Companies like IOC, BPCL, BPCL, and Reliance are leading resources of basic raw materials, which support the organic value chain. On the other side, India has sufficient availability of inorganic basic chemicals such as caustic soda, chlorine, and soda ash, among others. Further, India has a geographical advantage because of its proximity to the Middle East and southeast Asia where basic petrochemicals can be imported at a competitive cost.

Government's policy push

The government has initiated actions like mandating BIS-like certification for imported chemicals to prevent dumping of cheap and substandard chemicals into the country.

The government has allowed 100% FDI under the automatic route in the chemicals sector, excluding certain hazardous chemicals.

The Indian government has prepared a draft National Chemical Policy with a vision of increasing the share of the chemical sector to 6% in GDP within 10 years, driven by several imperatives essential for the growth of the sector. It has proposed various amendments in the existing legislation such as it suggests the MSIHC Rules should be merged with those of the Chemical Accidents (Emergency Planning, Preparedness, and Response) Rules to streamline the legislation. This would result in more effective implementation and safer handling of hazardous chemicals throughout the country.

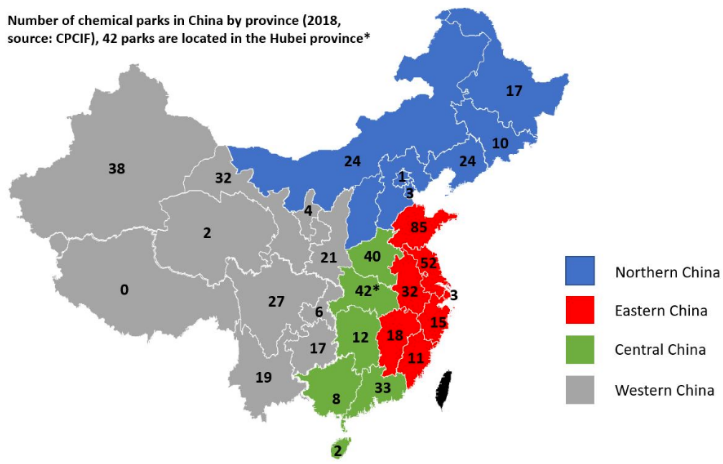
Differentiated business model and strong entry barriers to act as key tailwind for growth

The specialty chemical companies enjoy the strong entry barriers in the form of vendor acquisition, lengthy and complex product approval/registration process, customer loyalty, among others. The strong entry barriers help specialty chemical companies to ensure sustainable growth. Further, a distinguished and resilient business model is a unique growth driver for specialty chemical companies. Companies such as Galaxy Surfactants, Fine Organics, among others, catering to user industries like FMCG, HPC, and food ingredients because of their differentiated business model enjoy strong entry barriers and a higher level of product customization.

Supply chain disruption in China due to the outbreak of coronavirus to augur well for Indian companies

The ongoing supply disruption in China started in the aftermath of anti-pollution measures that the country took in the last four to five years. Recently, the supply chain disruption further worsened due to the outbreak of coronavirus (COVID-19) in China. The latest outbreak is far worse than earlier outbreaks as the death toll has already surpassed the levels seen during the outbreak of SARS and MERS. As of February 20, 2,127 deaths have been reported of the 75,752 cases, with a fatality rate of around 2.7%.

Coming to its effect on the chemical industry, about 42 chemical parks are located in the Hubei province, which is near the epicenter of COVID-19. Also, Wuhan, a city in the Hubei province, is a key transport link between the four cardinal parts of China.



India's specialty chemical companies that have a diverse and quality product portfolio can get higher orders from Europe and the U.S. These companies can take advantage of capex incurred over the last few years and operate at maximum utilization to cater to the surge in demand. Also, the cost of specialty chemicals can go higher due to the supply shortage from China. This will lead to higher margins for Indian firms.

Company	Leadership position
Aarti Industries	Worldwide, 75% of the portfolio is ranked in the range of first to the fourth position. It is ranked third in Chlorination, fourth in nitration, and second in ammonolysis and hydrogenation, respectively.
SRF	Occupies more than 50% market share in the domestic refrigerant market.
Vinati Organics	IBB business represents 65% of global markets, ATBS represents 55%, and the IB business represents 70%.
Sudarshan Chemicals	The company is ranked fourth worldwide in pigment manufacturing.

Stocks of Interest

Deepak Nitrite

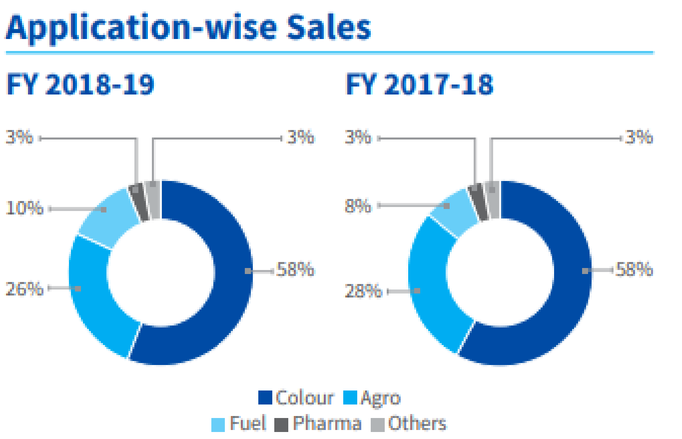
CMP: 467.75 (AS ON February 24, 2020 EOD)

Deepak Nitrite is one of the country's fastest-growing chemical intermediate companies. It is ranked among Fortune Next 500 and recognized among the top 25 wealth creators by Fortune Magazine, India.

It caters to the pharmaceutical, agrochemical, plastics, textiles, dyes and pigments paper, and home and personal care segments in India and overseas. The company has five manufacturing plants.

Double-digit growth in the Basic Chemicals (BC) segment amid a challenging macro environment:

The BC segment's revenue stood at INR 236 crores in Q2 FY20 as against INR 202 crores in Q2 FY19, thereby registering 17% y/y growth. In Q3 FY20 also, revenue in the segment grew 15% y/y. On the volume front, the higher realizations after the company leveraged its cost leadership position in serving the demand for its products.

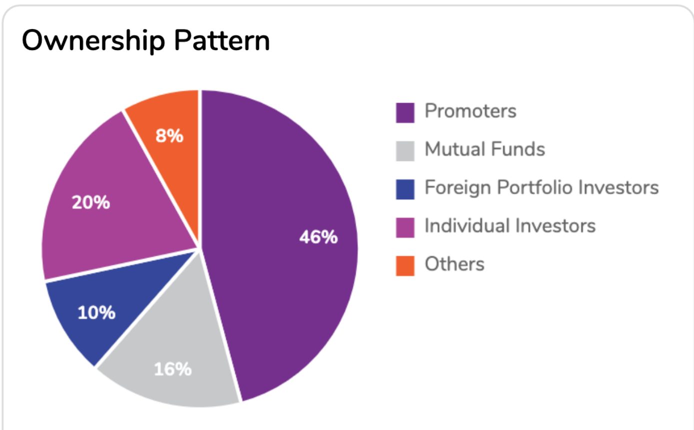


SOURCE: Company Presentation

Performance Products (PP) segment continued its outstanding performance:

The PP segment delivered a superb in Q2 and Q3 FY20. Revenue growth of 119% y/y and 77% y/y in Q2 and Q3 FY20, respectively. This segment covers newer, high-performance products in optical brightening agents (OBA), which has gained customer satisfaction.

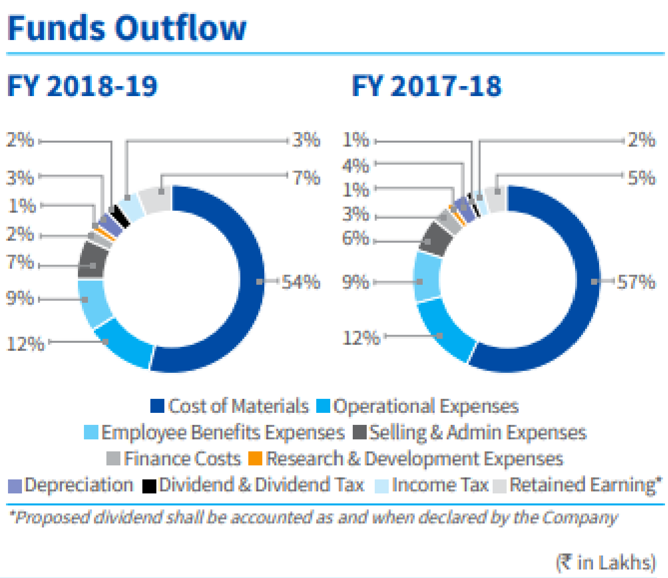
In OBA, the company is focusing on doing business with quality customers rather than improving capacity utilization, which will, in turn, increase customer retention.



This helped the company in maximizing realizations keeping utilization in the range of 50–60%. Further, DSDA (di-amino stilbene disulphate acid) prices are expected to remain the same in the future as per management. The significant performance in this segment has generated free cash flows for the company, which is essential for future growth.

Good progress on plans to launch acetone downstream products by FY20 end:

The company's plan of entering the downstream product of Isopropanol (IPA) is progressing well, and production is expected to commence from the next financial year. IPA will be made from acetone and lead to around 25–30% consumption of acetone. The company is expecting a total capex of INR 60–65 crores for the product. Margins for the product are expected to be around 20–24%.



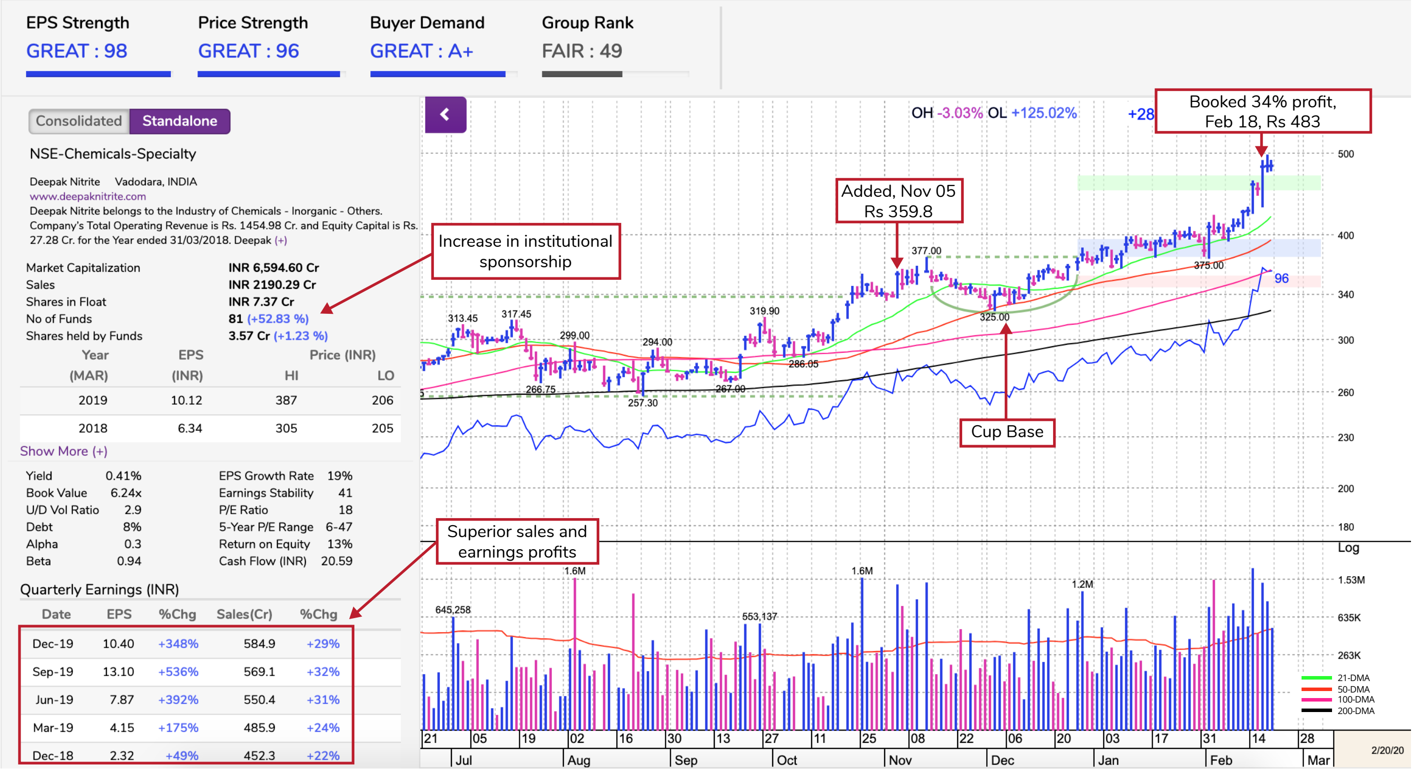
SOURCE: Company Presentation

Looking ahead:

The company expects all three Strategic Business Units (SBU) to keep increasing its growth momentum over the near term due to product rationalizations, extensions, and planned capacity expansions. As per management, while BC and PP segments will be able to maintain their growth momentum, the Fine and Speciality Chemicals (FSC) segment is expected to improve performance led by capacity augmentation and new product launches.

Deepak Key Stats	FY 2018	FY 2019	FY 2020 (E)	FY 2020 (E)
Revenue	16,107	26,752	42,882	44,011
Growth % y/y	19	66	60	3
EBITDA	2,019	4,181	10,124	8,846
Margin %	13	16	24	20
PAT	800	1,763	5,943	4,986
EPS in INR	6	13	44	37
Cash and Equivalents	699	230	-	-
Total Debt	9,865	11,865	-	-
Cash from Operations	11,395	(188)	-	-
Free Cash Flow	(4,827)	(2,743)	1,888	4,294

In INR Million BLOOMBERG ESTIMATES



O'Neil Methodology and Technical Viewpoint:

Currently, the stock is extended from its ideal buy range.

It has done very well in recent times, thus its RS rating is at 96.

Consistently, it has reported triple-digit growth in its earnings and double-digit growth in sales in the recent four quarters. Hence, its EPS strength is at 98.

Funds invested in the company have increased 52% to 81.

The buyer demand for the stock is at A+, indicating higher demand for the stock.

Deepak	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Revenue	432	452	485	550	569	584
Revenue growth % y/y	-	-	-	-	32%	29%
EBITDA	68	66	113	184	213	213
EBITDA Margin %	15.9	14.6	23.3	33.6	37.4	36.5
PAT	28	31.6	59.2	107	178	141
PAT growth % y/y	-	-	-	-	536%	346%
EPS (In INR)	2.06	2.32	4.34	7.84	13.1	10.4

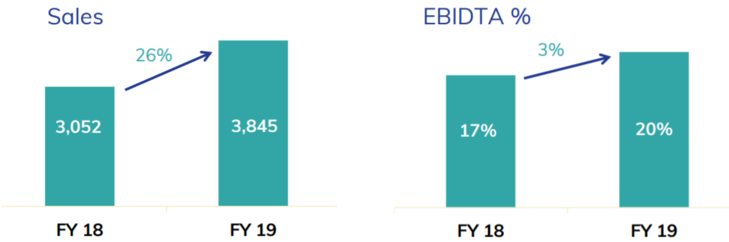
In INR Crore

Atul

CMP: 4,988.80 (AS ON February 24, 2020 EOD)

Atul is one of the largest integrated chemical companies of India. The company produces chemicals mainly for six different industries: polymers, aeromatic, bulk chemical and intermediates, pharma and intermediates, crop protection, and colors. It has plants in Valsad (Gujarat) and Thane (Maharashtra).

In the last five years, on average, the company spent Rs 193 crore per year in capex. The amount was invested for expansion, debottlenecking, and sustenance projects. This could help the company generate more revenue and with improved efficiency, margins could improve. The improvement is already visible in the last 4-5 quarter results.

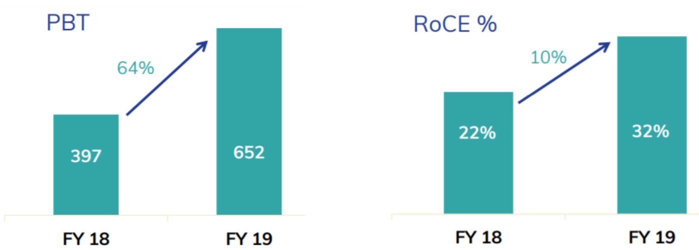


SOURCE: Company Presentation

Also, additional capex will be done over coming years. Projects worth Rs 400 crore are underway to double the capacity of p-cresol, its flagship product. In addition, the company is also expanding its colors segment. Management expects to add Rs 250 crore in revenue in the near term.

A caustic-chlorine project of Rs 500 crore is also approved by Atul's board of directors. This will help the company supply chlorine for expansion in phosgene product line. The in-house raw material will lead to improvement in margins.

The ongoing capex at subsidiary company, Atul Bioscience, is expected to be completed by end of FY20. It has potential to add ~Rs 150 crore to revenue in the next few quarters.

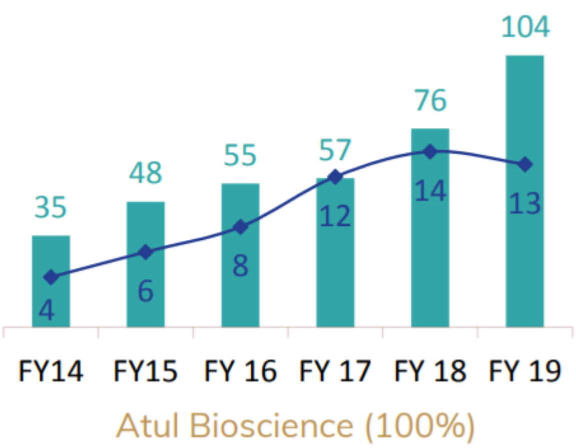


SOURCE: Company Presentation

The crop protection business of the company contributes more than 20% to the revenue. Above-average monsoon and government initiatives to increase minimum support price will help the company improve its business in H2 FY20.

In the last two years, due to environmental compliance issues in China, India's chemical industry has been one of the beneficiaries. Atul being the leading player will benefit from it.

Strong performance of subsidaries



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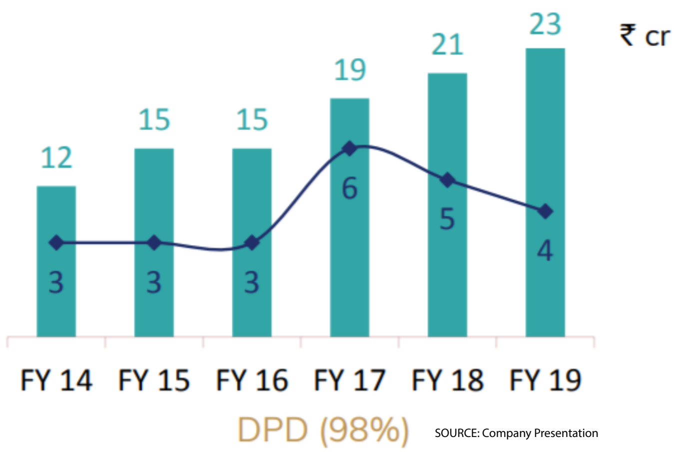
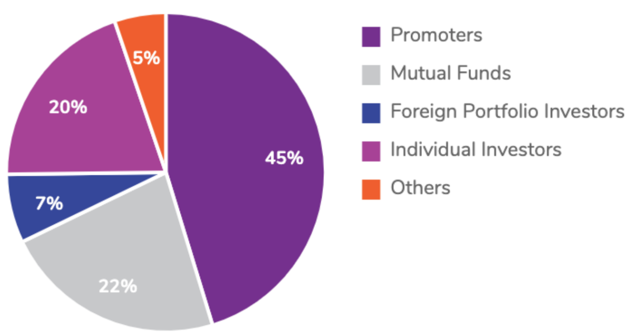


SOURCE: Company Presentation

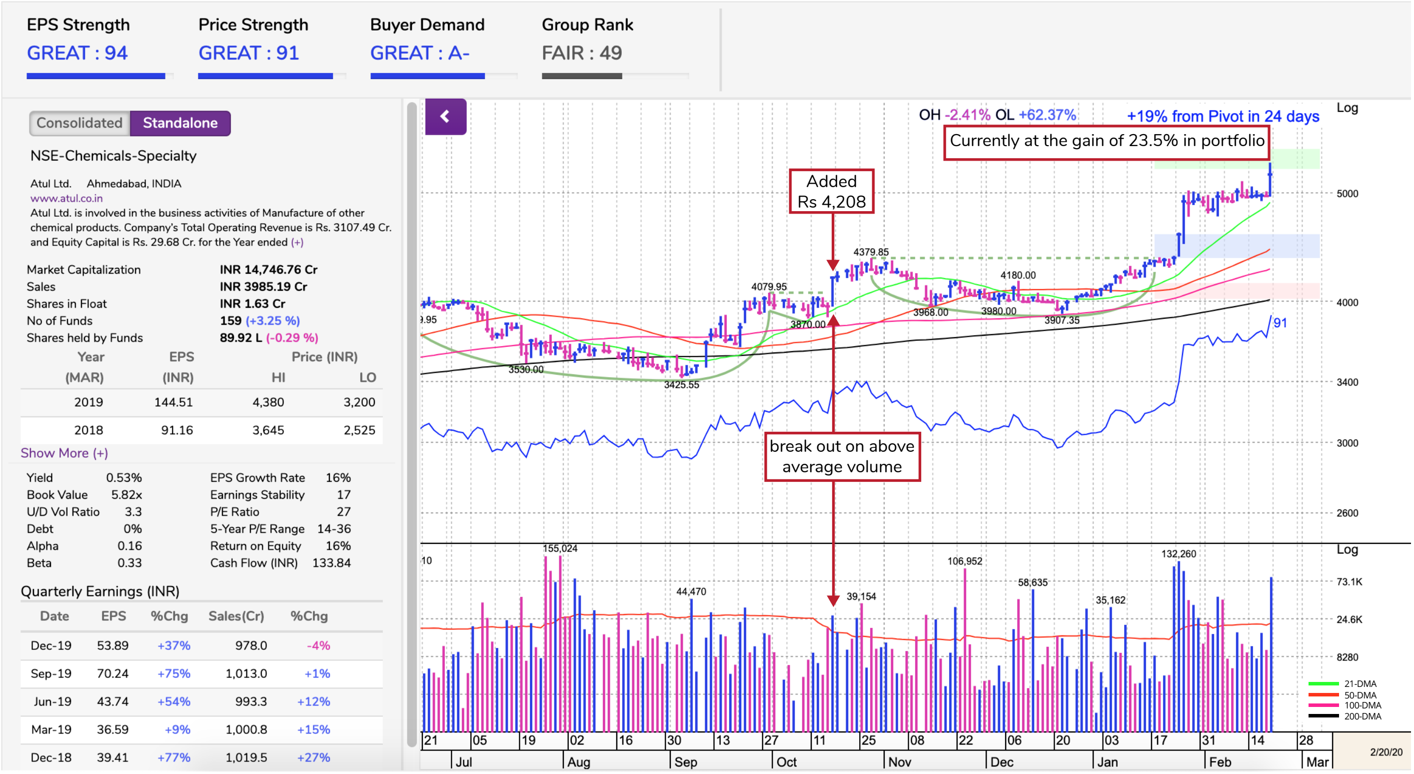
Ownership Pattern



Atul Key Stats	FY 2018	FY 2019	FY 2020 (E)	FY 2020 (E)
Revenue	32,402	40,378	42,792	48,821
Growth % y/y	14	25	6	14
EBITDA	5,051	7,668	9,321	10,412
Margin %	16	19	22	21
PAT	2,762	4,360	6,512	7,007
EPS in INR	93	147	220	236
Cash and Equivalents	531	2,633	-	-
Total Debt	159	524	-	-
Cash from Operations	3,570	-	-	-
Free Cash Flow	2,140	-	2,553	1,716

In INR Million

BLOOMBERG ESTIMATES



O'Neil Methodology and Technical Viewpoint:

After breaking out from the cup-with-handle base pattern in October, the stock has formed a cup base pattern. It broke out of cup base in January and has given around 20% gain since then.

It has done well in recent times, outperforming the majority of stocks. RS rating is at 91.

It has consistently reported double-digit growth in its earnings in the recent three quarters. EPS strength is at 94.

The number of funds invested in the stock has improved 3% to 159 funds. However, shares held by them remained almost constant.

Atul	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Revenue	1007	1019	1008	993	1013	978
Revenue growth % y/y	-	-	-	-	1%	-4%
EBITDA	190	211	192	216	213	231
EBITDA Margin %	18.9	20.7	19.3	21.8	21.1	23.7
PAT	119	116	108	129	208	159
PAT growth % y/y	-	-	-	-	75%	37%
EPS (In INR)	69.9	77.1	8.6	54.1	75	36

In INR Crore

Sudarshan Chemicals

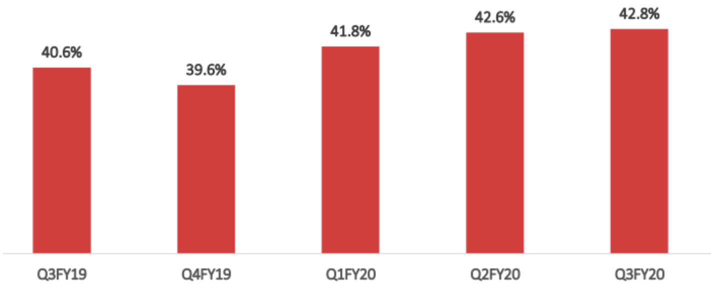
CMP: 452.35 (AS ON February 24, 2020 EOD)

The company is the fourth-largest pigment manufacturing company globally and the largest domestically with ~35% market share. It generates nearly half of revenue from the international market. The company has a diversified product portfolio, with its presence across organic, inorganic, and effect pigments. The company has more than 400 products under brands like Sudaperm, Sudafast, Sudacolor, Sumida, and Sumicos.

Leadership position in the pigments industry with a strong global presence

The company is the market leader and the largest pigment producer in India, with a market share of ~35%. Despite strong competition from global giants such as Lanxes, Clariant, etc., the company is the fourth-largest pigment manufacturer in the world. It has a strong global presence and exports products to 85+ countries with 50+ sales members.

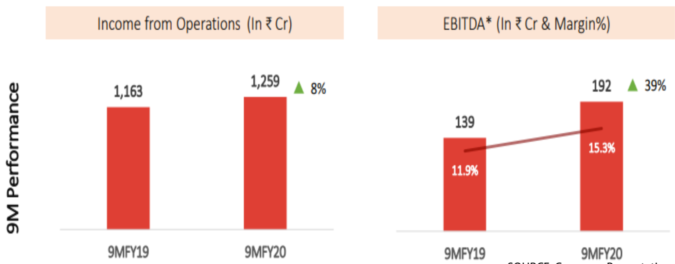
Gross margin pigment business



SOURCE: Company Presentation

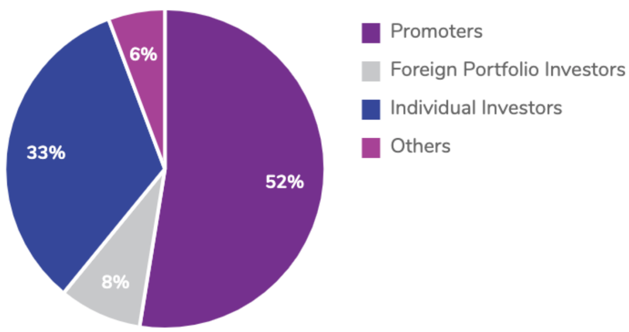
Commissioning of HPP plants to aid in top-line growth

The company recently launched a high-performance yellow pigment, which has a market of about Rs 250 crore. The company is the only second serious player globally to launch this product. Further, management is planning to launch one more high-performance organic pigment in Q4 FY20 and one large molecule in Q1 FY21.



SOURCE: Company Presentation

Ownership Pattern



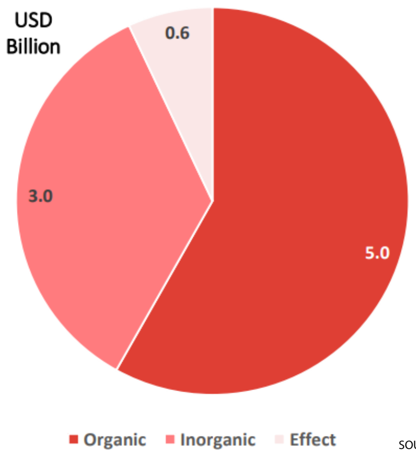
Aggressive capex investment to boost growth

The company has made aggressive capex investments of Rs 800-1,000 crore in the last 10 years and is expected to keep up the investments in the future as well. Management has shown confidence in making a capex investment of Rs 325 crore by the end of FY20.

Robust financial performance

The company has maintained an EBITDA margin above 15% over the last four quarters, driven by a focus on cost optimization. EBITDA margins advanced to 16% in H1FY20 from 14% in the year-ago period. Further, gross margins in last few quarters are higher than 40% (41.6% in Q3 FY20). The net debt-equity ratio is kept at 0.6 in FY19 as well as H1 FY20, while the current ratio has witnessed a marginal increase to 1.5 in H1FY20 as compared to 1.4 in FY19.

Global Colour Pigment Market* - Relevant to Sudarshan



SOURCE: Company Presentation

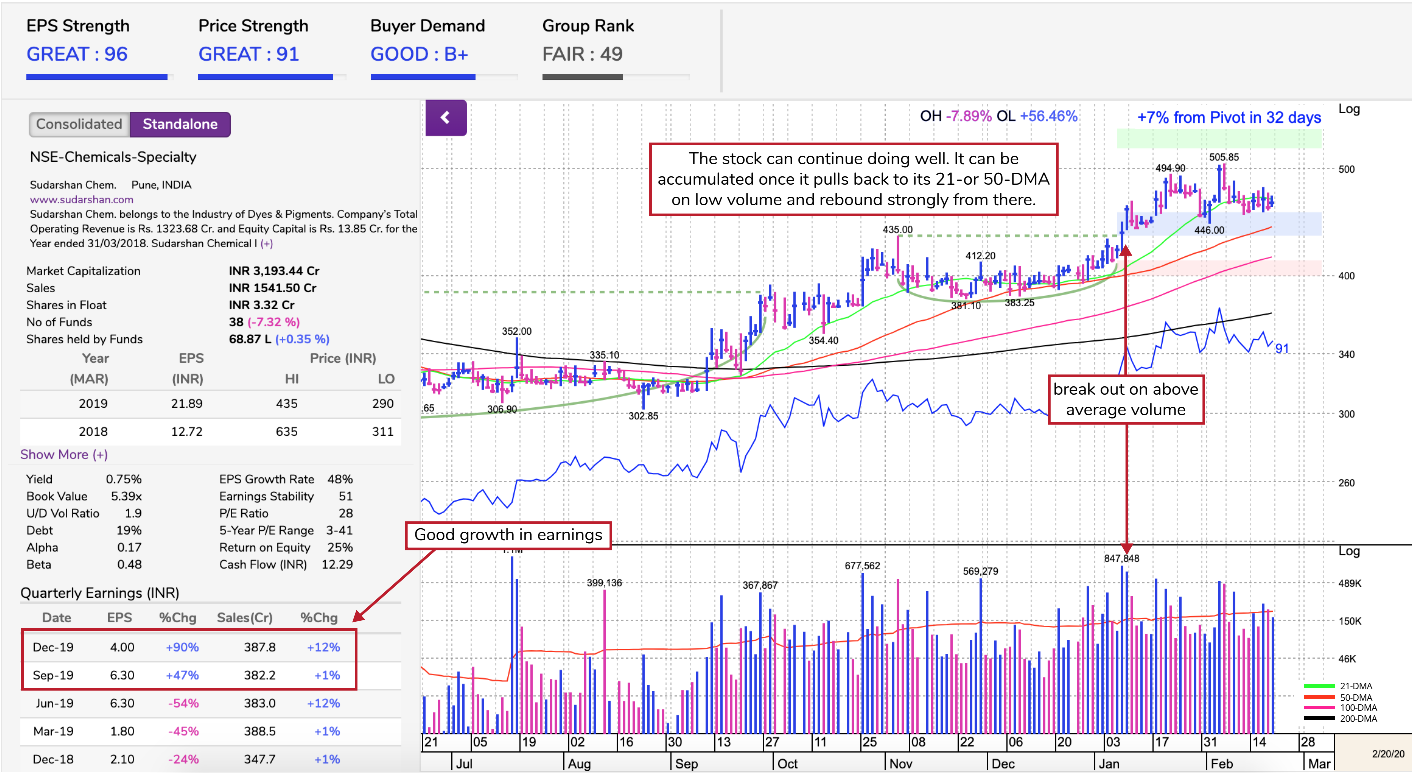
Looking ahead

As per consensus, the global colour pigment is estimated to have a market of about $10B, opening market opportunities of about $ 8.6B (as per the company's annual report) for the company. Furthermore, the global organic pigment market is expected to clock about 3% CAGR over the next 5 years. The company, being the market leader, is in a good position to leverage these opportunities and expand its market share for its portfolios.

Sudarshan Key Stats	FY 2018	FY 2019	FY 2020 (E)	FY 2020 (E)
Revenue	13,055	14,531	16,708	19,232
Growth % y/y	5	11	15	15
EBITDA	1,873	2,108	2,634	3,185
Margin %	14	15	16	17
PAT	783	1,397	1,494	1,610
EPS in INR	11	20	22	23
Cash and Equivalents	67	48	-	-
Total Debt	4,309	3,670	-	-
Cash from Operations	1,255	593	-	-
Free Cash Flow	383	(422)	(670)	(429)

In INR Million

BLOOMBERG ESTIMATES



O'Neil Methodology and Technical Viewpoint:

The stock has broken out of its cup base on above average volume. Currently, it is slightly above its buy range.

In the recent two quarters, its earnings grew in double-digits. Hence, it has EPS strength of 96.

The stock has a pretty good support at its 50-DMA.

It has a good RS rating of 91 and the buyer demand of B+.

The number of funds invested in the company decreased 7% to 38 funds.

Sudarshan	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Revenue	370	333	388	383	382	380
Revenue growth % y/y	-	-	-	-	3%	14%
EBITDA	56	29	59	60	62	62
EBITDA Margin %	15.2	8.8	15.3	15.7	16.3	14.5
PAT	29.6	13.1	13.8	44.5	43.4	27.4
PAT growth % y/y	-	-	-	-	47%	109%
EPS (In INR)	4.2	1.9	2	6.4	6.3	4

In INR Crore

Pi Industries

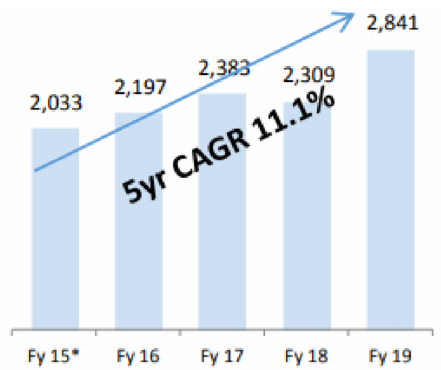
CMP: 1,543.05 (AS ON February 24, 2020 EOD)

PI Industries works on a unique business model across the Agchem value chain from R&D to distribution, providing innovative solutions by partnering with the best. It has a pan-India distribution network of 10,000+ channel partners.

Recently developed positive momentum in the agriculture sector to act as a tailwind:

The agriculture sector has been positive for the last couple of months, driven by better prospects of the rabi season and an increase in firm crop output prices. Early indications of the standing rabi crop augur well for the agriculture gross value added (GVA) in 2020-2021. The market price of rice and wheat has increased to Rs 3,000 and Rs 2,500, respectively, in November 2019 from Rs 2,700 and Rs 2,200 in the year-ago period. Furthermore, the storage of water in the majority of water bodies lies at a comfortable level this year. The overall storage position in the country is better than the same period last year, according to the report from the Central Water Commission (CWC).

Total Revenue (In crore INR)



SOURCE: Company Presentation

Company's new product offerings have been instrumental in driving the growth trajectory:

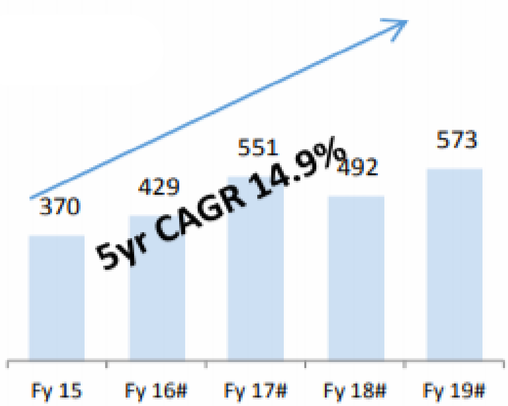
Recently, the company has launched 'Awkira,' a new generation herbicide to help find better solutions for Indian farmers to deal with resistant weeds. This is working well with certain resistant weeds in the Northern part of the country.

New acquisition to aid in non-organic growth through the addition of manufacturing capacities:

The company has completed the acquisition of Isagro Asia, which deals in contract manufacturing, local distribution, and exports of agrochemicals.

This will increase the additional manufacturing capacity of the company, and that, in turn, will help cater to the growing demand of global customers. It will also provide synergy benefits of adjacent manufacturing sites while de-risking the supply chain of few products. Further, the company can strengthen its market position by leveraging the distribution channel and product portfolio of Isagro Asia.

EBITDA



SOURCE: Company Presentation

Stellar performance from exports business to keep growth momentum intact:

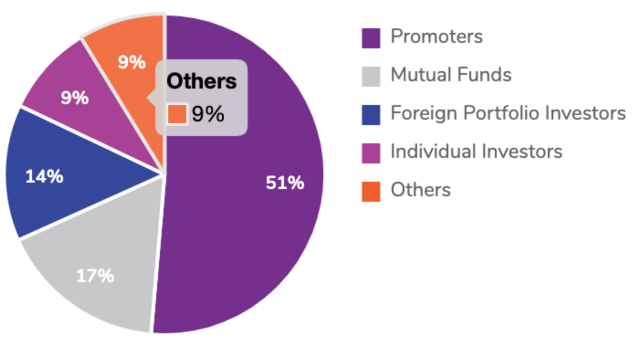
The company posted a noteworthy 52% improvement in exports, ascending to Rs 639 crore from Rs. 419 crore. Further, the company witnessed a decent increase in inquiries from its innovative partners. Also, the prevailing challenging conditions in China have helped in boosting the inquiries. The company is also expecting commercialization of two to three molecules on account of enhanced requirements for commercializing new generation molecules.

Looking Ahead:

Management is expecting the company to keep the growth momentum intact and deliver more than 20% growth this fiscal year, driven by very good exports and healthy order book positions. Further, management reiterated consistent and predictable growth over the next two years.

Management is estimating 50bps-100bps improvement in the margin. Also, the current order book position of the company stands at $1.4 billion and has entailed a capex of Rs. 347 crore in FY20 to date. The company would be spending close to Rs. 450 crore for the full-year FY20.

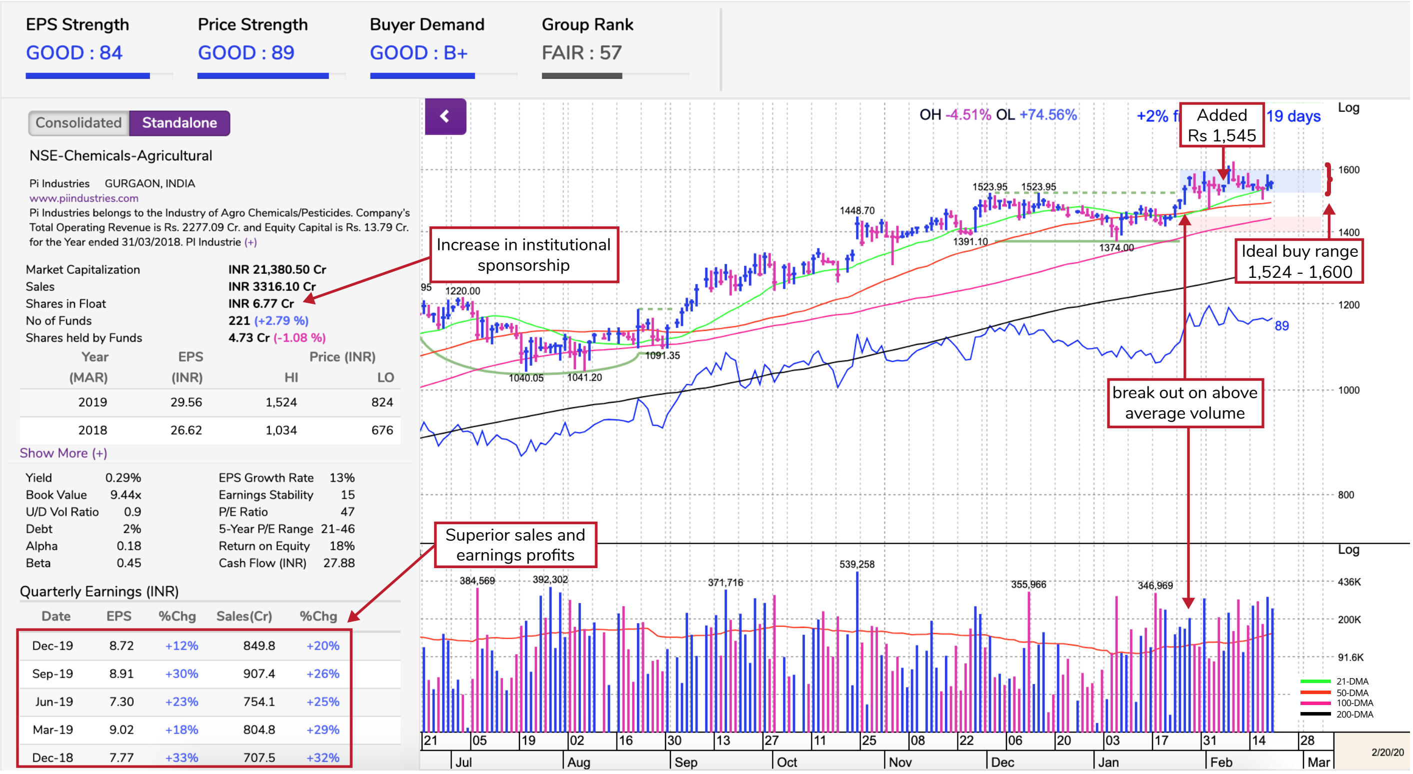
Ownership Pattern



PI Key Stats	FY 2018	FY 2019	FY 2020 (E)	FY 2020 (E)
Revenue	22,771	28,409	28,409	43,962
Growth % y/y	1	25	25	27
EBITDA	4,940	5,886	5,886	9,535
Margin %	22	21	21	22
PAT	3,679	4,187	4,187	6,466
EPS in INR	27	30	30	47
Cash and Equivalents	2,850	1,973	1,973	-
Total Debt	463	99	99	-
Cash from Operations	3,407	4,052	4,052	-
Free Cash Flow	1,710	367	367	2,012

In INR Million

BLOOMBERG ESTIMATES



O'Neil Methodology and Technical Viewpoint:

The stock broke out of a flat base on above average volume on January 27. It has traded in its buy range since then.

It has a strong RS Rating of 89, with an upward trending RS line. EPS Strength of 84.

It has been reporting double-digit sales and earnings growth for six consecutive quarters.

The number of fund holdings has witnessed a meaningful growth of 2.8% in the recent quarter, indicating good institutional sponsorship.

PI Ind	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Revenue	723	707	804	754	907	849
Revenue growth % y/y	-	-	-	-	25%	20%
EBITDA	134	163	171	151	192	186
EBITDA Margin %	18.6	23.2	21.4	20.1	21.1	21.8
PAT	94	107	124	100	122	120
PAT growth % y/y	-	-	-	-	30%	12%
EPS (In INR)	6.8	7.8	9	7.3	8.9	8.7

In INR Crore

SRF

CMP: 4,062.10 (AS ON February 24, 2020 EOD)

SRF is a chemical-based business entity with a diverse portfolio. It is mainly engaged in the manufacturing of industrial and specialty intermediates. The company operates through the following segments: Technical textile business (nylon tyre cord fabrics, belting fabrics, coated, chemicals business, packaging film business, and others.

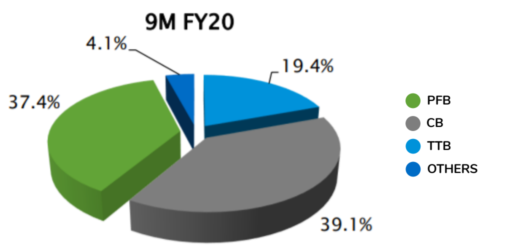
No impact of coronavirus on import of raw materials

Management does not see any challenges in sourcing key raw materials like fluorspar due to the current coronavirus situation in China. The company can easily procure raw materials from South Africa and Russia.

Higher growth potential in specialty chemicals

SRF has a good market presence in agri intermediates category. Management maintained its growth guidance of more than 40% growth in specialty chemicals for FY20. During Q3 FY20, the company announced additional capex of Rs 65 crore to debottleneck HFC capacity at Dahej and Rs 238 crore to set up a series of dedicated facilities to produce intermediates catering to the agro-chemicals segment.

Revenue Share



SOURCE: Company Presentation

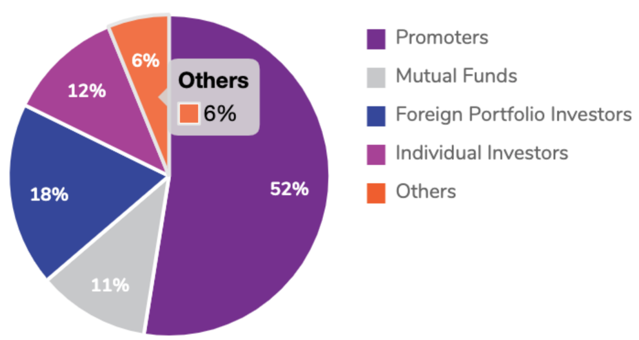
Key Financial Ratios

Particulars	FY13	FY14	FY15	FY16	FY17	FY18	FY19
EBITDA Margin	17.59%	13.59%	20.43%	22.13%	21.42%	17.69%	18.82%
PAT Margin	6.69%	4.04%	8.78%	9.51%	10.87%	8.38%	8.51%
Net Debt to Equity	0.71	1.01	0.99	0.73	0.67	0.82	0.83
Net Debt to EBITDA	2.06	3.78	2.82	1.96	2.07	3.00	2.42
Asset Turnover	0.82	0.73	0.77	0.70	0.68	0.66	0.76
Debtors Turnover	7.44	5.81	7.43	8.79	7.21	8.10	7.33

SOURCE: Company Presentation

Consolidated figures

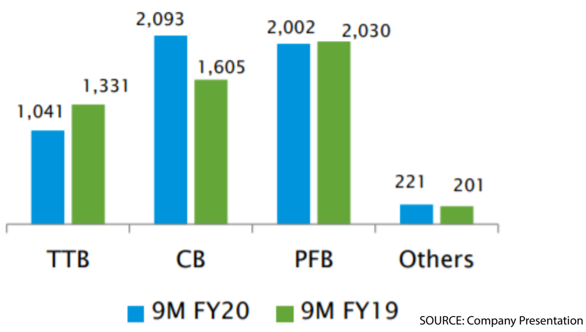
Ownership Pattern



Largest refrigerant manufacturer in India

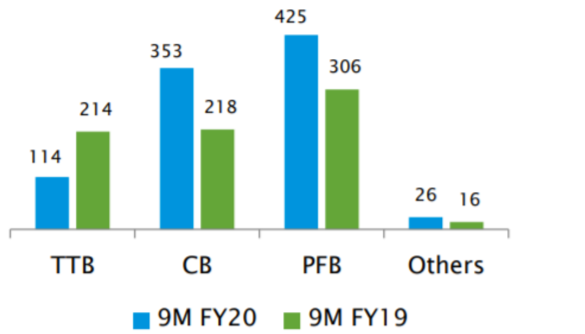
SRF is among the few players globally with a fully backward integrated production process of refrigerant gases. The company has a wide portfolio of gases and value-added products. It continues to maintain a dominant position with the largest market share in refrigerants market in India. It is also focusing on increasing the penetration of FLORON brand of refrigerants in the overseas markets.

Revenue in crore



SOURCE: Company Presentation

EBIT in crore



CB** – Chemicals Business; **PFB** – Packaging Films Business; **TTB** – Technical Textiles Business; **Others

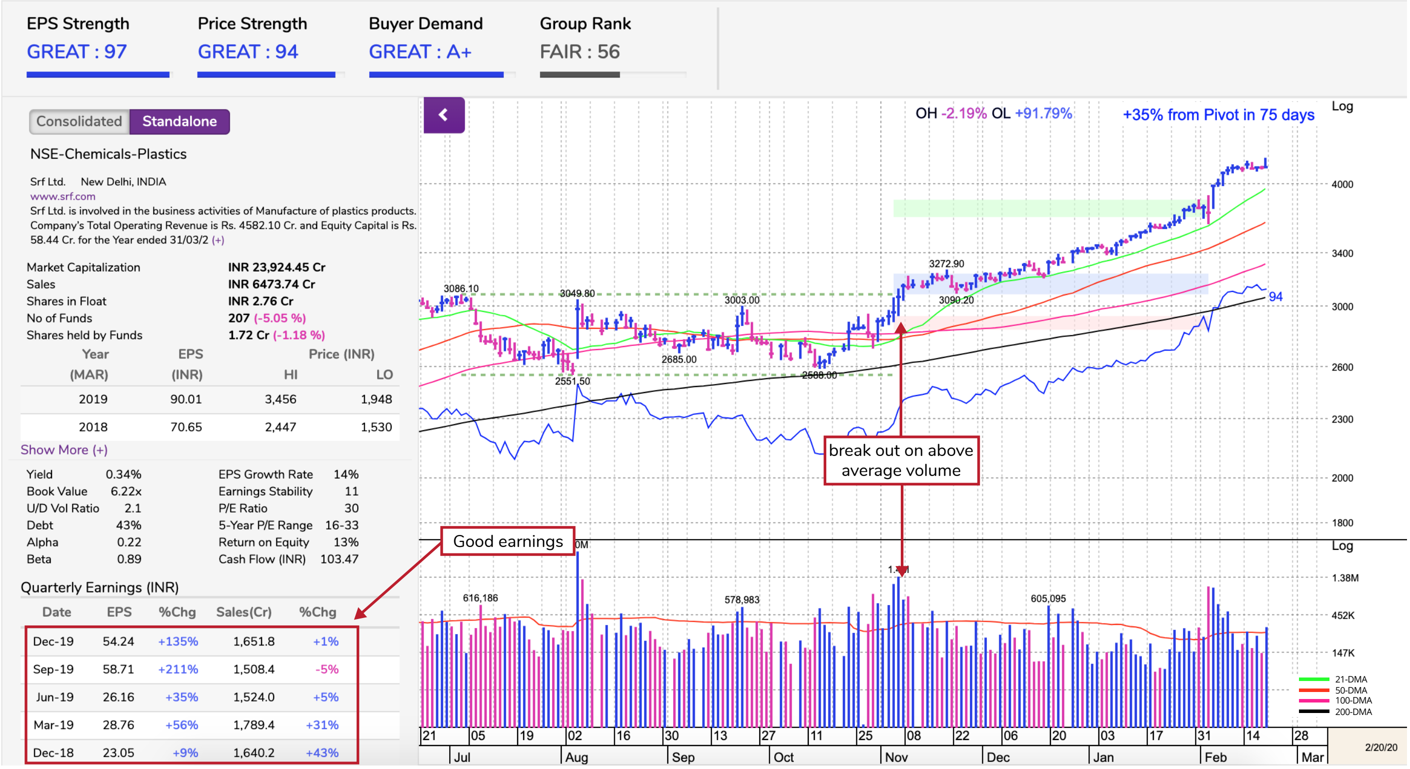
SOURCE: Company Presentation

Margins Improving despite margin pressure in refrigerator gases business

EBITDA margins have improved to ~20% in 9M FY20 from ~18% in 9M FY19. This has helped the company grow bottom line despite weak top-line growth. Consensus expects EBITDA margin to be around 21% in Q4 FY20, mainly due to higher margins and growth in specialty chemical business and superior product portfolio with more than 70% revenue from value-added products in the packaging film business.

SRF Key Stats	FY 2018	FY 2019	FY 2020 (E)	FY 2020 (E)
Revenue	55,890	76,926	78,491	88,699
Growth % y/y	16	38	(2)	18
EBITDA	9,145	13,586	15,280	18,601
Margin %	16	18	20	21
PAT	4,658	6,430	8,529	9,787
EPS in INR	81	112	150	170
Cash and Equivalents	2,184	2,993	-	-
Total Debt	27,580	32,887	-	-
Cash from Operations	5,528	6,760	-	-
Free Cash Flow	(7,472)	(3,803)	3,086	4,498

In INR Million BLOOMBERG ESTIMATES



O'Neil Methodology and Technical Viewpoint:

The stock broke out of its flat base on above average volume in November and has run over 35% since then.

It has done relatively well compared with the market, hence, an RS rating of 94. The buyer demand is at A+.

Even though the company's sales stayed more or less flat, its earnings grew in triple digits in the recent two quarters. EPS rating is at 97.

There's a 5% decline in the number of funds invested in the company to 207 funds.

SRF	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Revenue	1881	1907	2072	1828	1737	1807
Revenue growth % y/y	-	-	-	-	-8%	-5%
EBITDA	332	331	382	365	331	390
EBITDA Margin %	17.7	17.4	18.7	20	19	21.6
PAT	151	166	191	185	201	345
PAT growth % y/y	-	-	-	-	33%	108%
EPS (In INR)	26.3	28.8	33.2	32.2	34.9	60.1

In INR Crore

Vinati Organics

CMP: 1,015.40 (AS ON February 24, 2020 EOD)

Vinati Organics Ltd. is engaged in the manufacturing of organic & inorganic chemical compounds and specialty organic intermediaries such as isobutyl benzene (IBB) and ATBS among others.

The company operates through two manufacturing facilities in Maharashtra. Plant 1 (established 1989, Raigad, Maharashtra) produces IBB (the world's largest producer) and NBB. Plant 2 (established in 2002) produces ATBS (the world's largest producer) and NaTBS, TBA, IB, HP, MTBE, and DAAM.

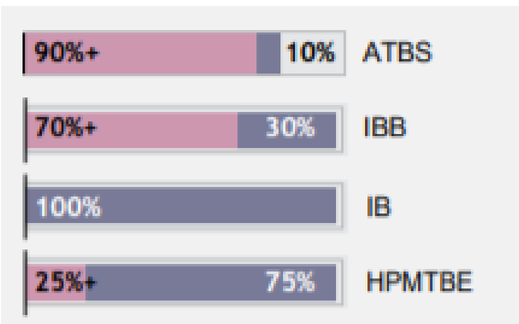
Key points:

- 2-acrylamido 2-methylpropane sulfonic acid (ATBS): The company recorded strong growth in the ATBS segment in the previous quarter (share in sales rose from 50% to 60% in Q2). After the company's key competitor Lubrizol announced its exit from the segment, Vinati Organics is set to absorb the entire market share (15–20%) of its rival in the segment. As a result, management revised the expansion plan of ATBS to add a capacity of 14,000TPA instead of 4,000TPA by FY21

- Due to a slowdown in the ATBS end-user market, management reduced its volume growth guidance for FY21-22E to flat 8–10% from 10%–15%. ATBS contributed 55% to the top-line in Q3. It is operating at its full capacity of 26KTPA. The proposed brownfield expansion of 14KTPA has been pushed forward to March 2020 due to slowing demand.

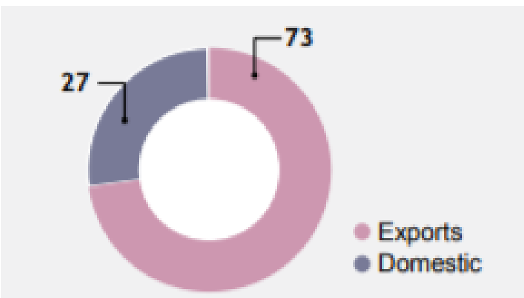
- Isobutyl Benzene (IBB): The company's key IBB client (BASF) is engaged in capacity expansion, which will result in higher demand for IBB in the coming quarters. However, volume for IBB took an impact of 40–50% because of the temporary shutdown at BASF due to expansion plans.

International - Domestic Sales Ratio



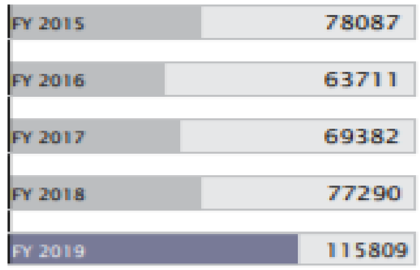
SOURCE: Company Presentation

Overall Revenue mix



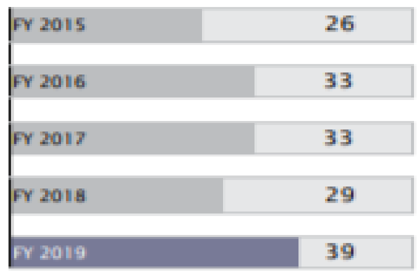
SOURCE: Company Presentation

Revenue (In lakhs)



SOURCE: Company Presentation

EBITDA Margin(%)

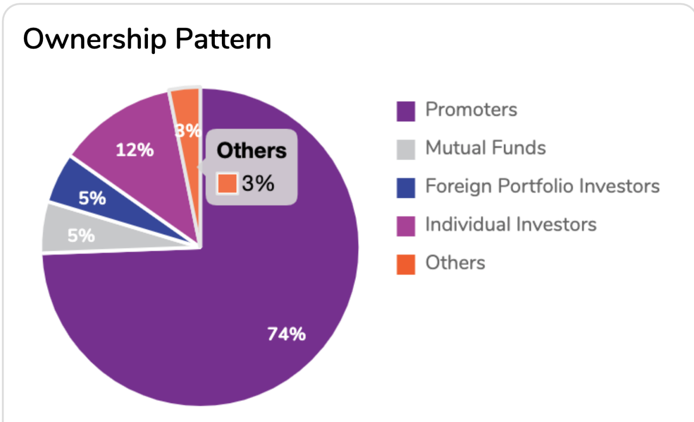


SOURCE: Company Presentation

Industry Dynamics

- ATBS copolymers are used in oil fields and are set for better growth prospects with the revival in crude oil prices.

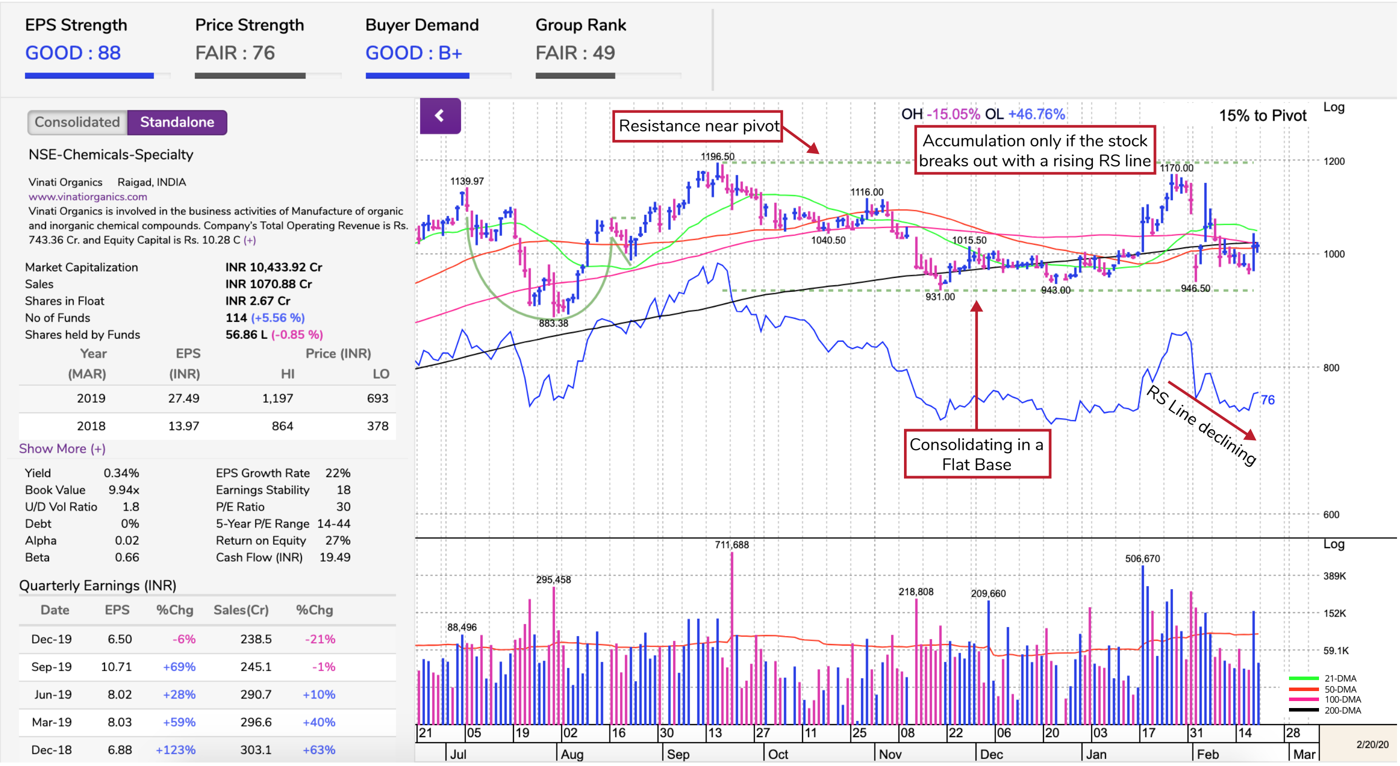
- The overall growth in specialty chemical consumption is about to plateau, except for emerging markets. Hence, the key remains innovation, sustainability, and competitiveness.



Vinati Key Stats	FY 2018	FY 2019	FY 2020 (E)	FY 2020 (E)
Revenue	7,287	11,076	11,153	13,810
Growth % y/y	16	52	1	24
EBITDA	1,994	4,039	4,349	5,066
Margin %	27	37	39	37
PAT	1,453	2,830	3,325	3,781
EPS in INR	14	28	33	38
Cash and Equivalents	1,369	1,002	-	-
Total Debt	152	37	-	-
Cash from Operations	1,448	2,059	-	-
Free Cash Flow	681	(2)	2,112	3,149

In INR Million

BLOOMBERG ESTIMATES



O'Neil Methodology and Technical Viewpoint:

The stock is currently forming a flat base. It has resistance near its pivot (Rs 1,196).

RS rating is at 76 and the line has been declining.

Apart from the December quarter results, it had done well, thus has a good EPS strength of 88.

Number of funds invested in the stock has also gone up 5.6% to 114 funds.

Currently, its 50-DMA is below 200-DMA. For a growth stock, the short-term moving average should be above the long-term moving average.

Vinati	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Revenue	248	303	296	290	245	238
Revenue growth % y/y	-	-	-	-	-1%	-21%
EBITDA	91	106	120	120	100	83
EBITDA Margin %	36.6	35.1	40.4	41.3	40.7	34.8
PAT	65	70	82	82	110	66
PAT growth % y/y	-	-	-	-	69%	-6%
EPS (In INR)	6.3	6.9	8	8	10.7	6.5

In INR Crore

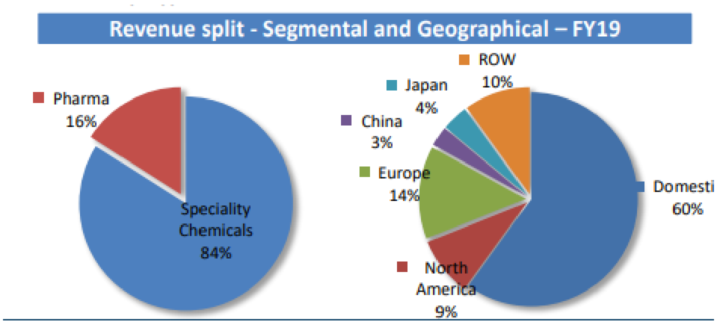
Aarti Industries

CMP: 1,022.45 (AS ON February 24, 2020 EOD)

Aarti Industries is the world's lowest cost producer of benzene-based specialty chemicals. In addition to specialty chemicals, it manufactures chemicals for pharmaceutical, home and personal care products. Aarti Industries has a broad portfolio that consists of more than 200 products. Moreover, it ranks among the global top four players in 75% of its product portfolio. It provides specialty chemicals and intermediates for pharmaceuticals, agrochemicals, polymers, pigments, printing inks, dyes, fuel additives, aromatics, and surfactants to more than 600 domestic clients and 400 overseas clients spread across 60 countries.

Coronavirus outbreak in China can benefit the company

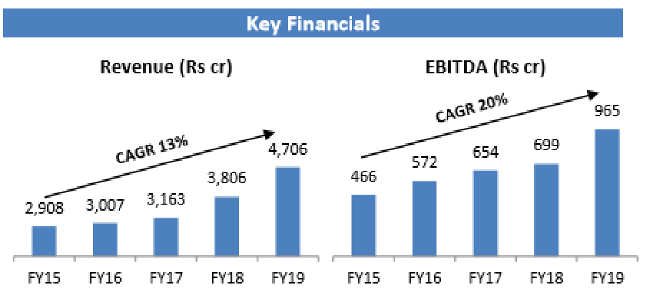
According to management, the company does not have significant imports from China in its specialty chemicals segment. The company is receiving more inquiries from a few leading global players for its products. Consequences of the coronavirus's impact on Chinese chemical manufacturers can benefit Aarti's specialty chemical business.



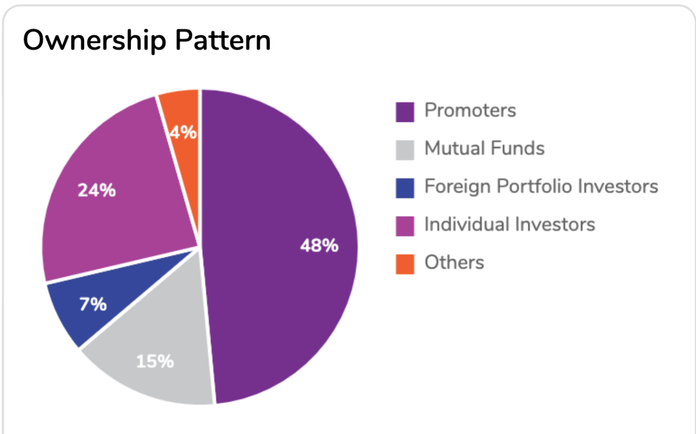
SOURCE: Company Presentation

Multi-year Deals in Speciality Chemical

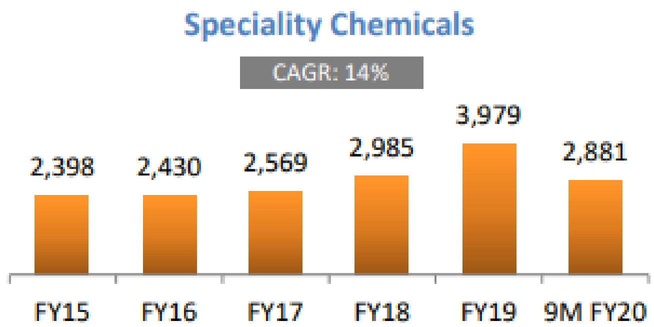
In June 2017, the Company signed one multi-year deal with a global agriculture company to supply agrochemical intermediaries, spread over a 10-year period. It expects to commence supplies from FY 2020, which would generate revenue of Rs 4,000 crore over the said period. The Company will be investing about Rs 400 crore in the project.



SOURCE: Company Presentation



Besides, in December 2017, it signed another multi-year supply contract worth Rs 10,000 crore with a global chemical conglomerate. The project enables the Company to enter a new chemistry range (first of its kind in India), and for which it will be setting up a large-scale manufacturing facility. The client will be paying $42 million as an advance amount (will be adjusted against future sales), thereby helping Aarti Industries to maintain higher ROCE for the project.



SOURCE: Company Presentation

Higher capex on track to improve top-line growth

The company has spent Rs 8.3B in 9MFY20 and expects a total capex of Rs 12B in FY20. Capex is mainly directed towards two projects in Dahej, specialty chemicals chlorination complex in Jhagadia. Management expects both contract manufacturing capacities to be commissioned by 4QFY20. Management has identified 15-20 products in newer chemistries like photo-chlorination and oxidation, which will help in import substitution. The management is expecting higher double-digit volume growth in FY21.

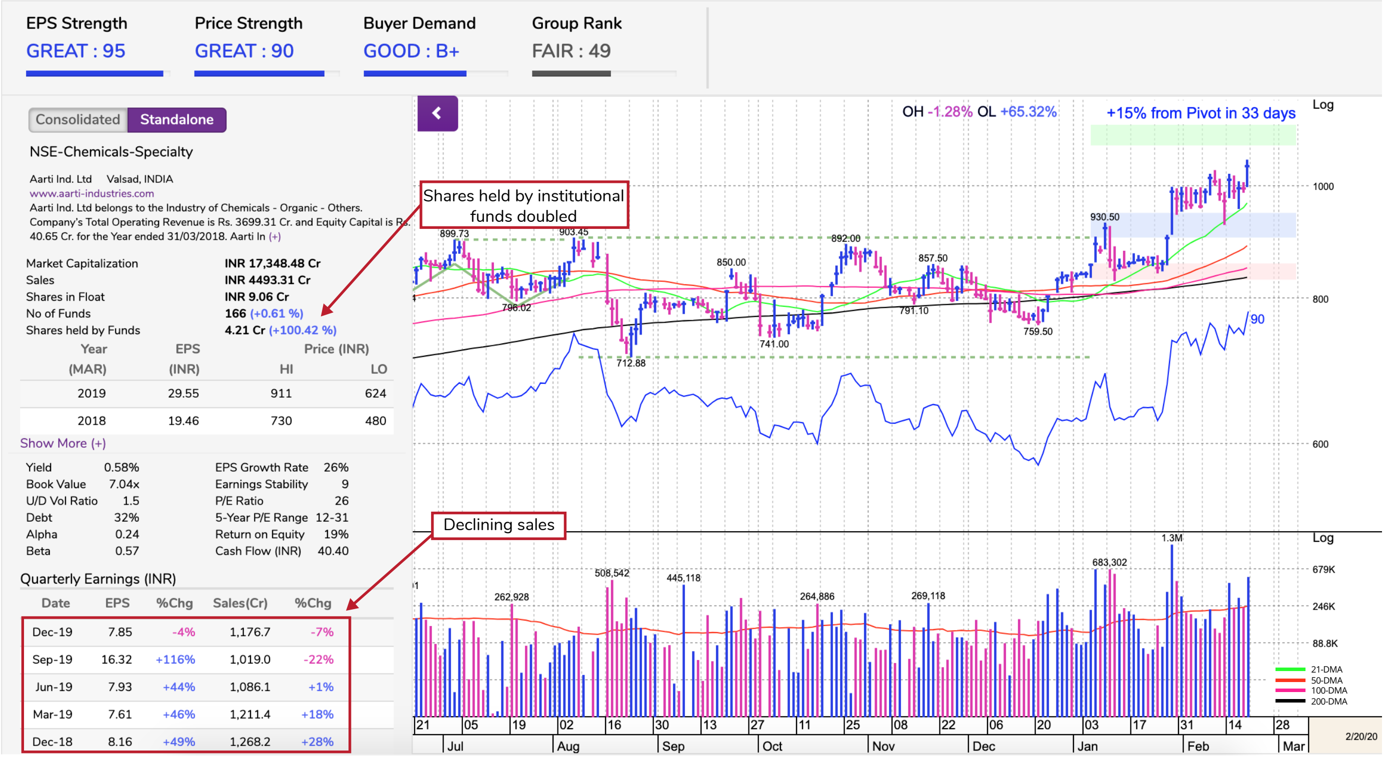
Strong Traction in Pharmaceutical Business

According to management, Pharma margins improved on the back of an improved product mix and low costs of raw materials. It is expected that pharma margins will remain above 20% over the next year.

AARTI Key Stats	FY 2018	FY 2019	FY 2020 (E)	FY 2020 (E)
Revenue	37,593	46,595	46,290	56,027
Growth % y/y	21	24	(1)	21
EBITDA	6,914	9,630	10,168	12,431
Margin %	18	21	22	22
PAT	3,285	4,905	5,610	6,944
EPS in INR	20	28	32	40
Cash and Equivalents	257	3,058	-	-
Total Debt	20,830	24,011	-	-
Cash from Operations	2,036	5,537	-	-
Free Cash Flow	(4,112)	(2,399)	(1,523)	1,599

In INR Million

BLOOMBERG ESTIMATES



O'Neil Methodology and Technical Viewpoint:

The stock recently broke out of its flat base and is currently trading above its ideal buy range.

It has done relatively well versus the market, thus an RS rating of 90.

Apart from the December quarter results, it had done well, thus has a good EPS strength of 95.

Number of funds invested in the company has been flat at 166 funds. However, the number of shares held by these funds has doubled.

Aarti	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Revenue	1299	1268	860	1086	1019	1176
Revenue growth % y/y					-22%	-7%
EBITDA	242	246	239	236	238	242
EBITDA Margin %	18.6	19.5	27.8	21.8	23.4	20.6
PAT	123	132	135	137	142	136
PAT growth % y/y					15%	3%
EPS (In INR)	7.56	8.16	6.58	7.89	8.18	7.85

In INR Crore

Navin Fluorine Intl.

CMP: 1,211.95 (AS ON February 24, 2020 EOD)

The company is one of the largest integrated specialty fluorochemical companies in India. It has over 50 years of expertise in handling fluorine, with a strong global clientele base, which includes global innovators. In 2014, it had formed a JV with Piramal Enterprises to develop, manufacture, and sell specialty fluorochemicals with a focus on healthcare applications. The company's key business verticals include refrigerant gases, inorganic fluorides, specialty chemicals, and CRAMS.

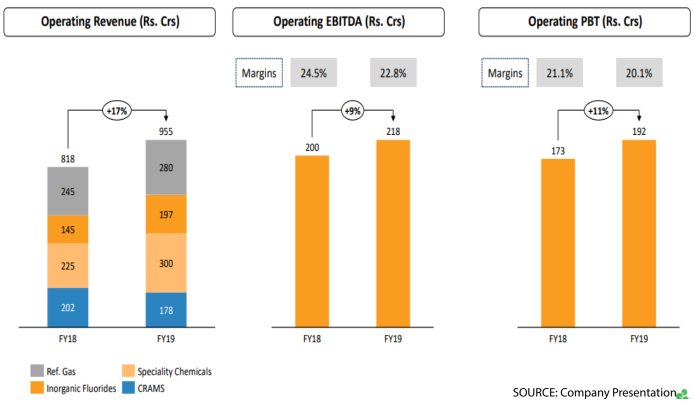
In-house R&D, strong manufacturing and fluorination capabilities remain key strengths

The company is a pioneer in the manufacture of refrigerant gases in India with over 45 years of experience in handling fluorine. It also has manufacturing units for its refrigerant and inorganic fluorides businesses. In Surat, the company has built a specialty chemicals manufacturing plant spread over 135 acres. It recently built a cGMP compliant pilot plant in Dewas for CRAMS, which is now fully operational.

The company's state-of-the-art R&D center (Navin Research Innovation Centre) at Surat has also received DSIR approval. This center supports product addition and process efficiency in all business units. The acquisition of Manchester Organics has further strengthened its R&D process.

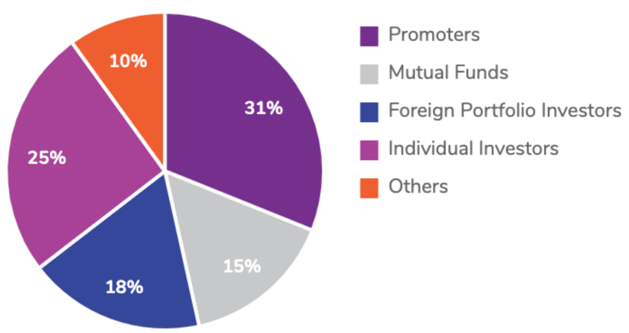
Robust financial performance to drive profitability

In the last two financial years, the company has maintained ROCE above 30%. For FY19, its consolidated adjusted ROCE was at 34.7% versus 36.2% reported in FY18. Further, the company has an excellent track record of dividend payout over the last ten years. The company has paid a special dividend of 600%/75%/150% on FV of Rs 10/10/2 in FY12/FY17/FY18, respectively.



SOURCE: Company Presentation

Ownership Pattern

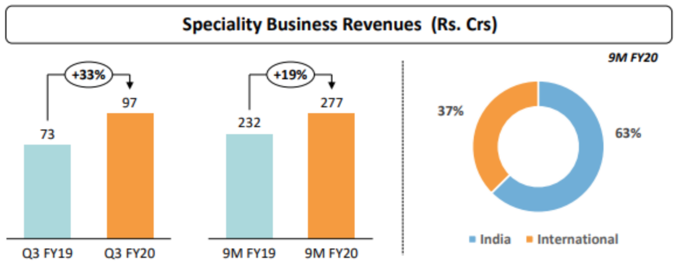


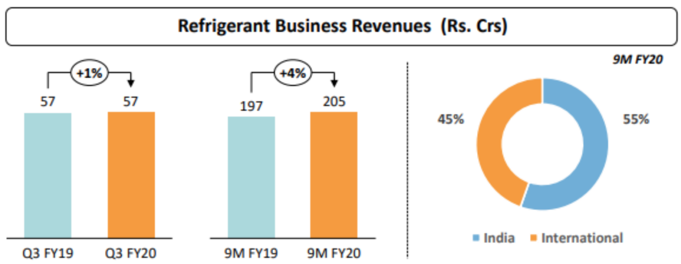
Stellar performance across verticals backed by strong pipeline and positive outlook keep growth momentum intact

- Its specialty chemical business witnessed a double-digit revenue growth of 33% to Rs 97 crore in Q3 FY20, from Rs 73 crore a year ago. The strong performance was witnessed across domestic as well as exports markets, backed by higher volume. Further, growth momentum is expected to remain intact on account of a robust project pipeline in Life Science & Crop Science and product portfolio expansion, along with deeper penetration into existing users.

- The long-term outlook for its CRAMS business is positive on the backdrop of new projects signed up for CGMP3, which are expected to start contributing in the coming quarters. Further, a strong pipeline from European majors is expected to aid top-line growth.

- In the legacy business of refrigerant gases, overall profitability has scaled up due to better pricing power, lower cost, and strong demand from the non-emissive sector.



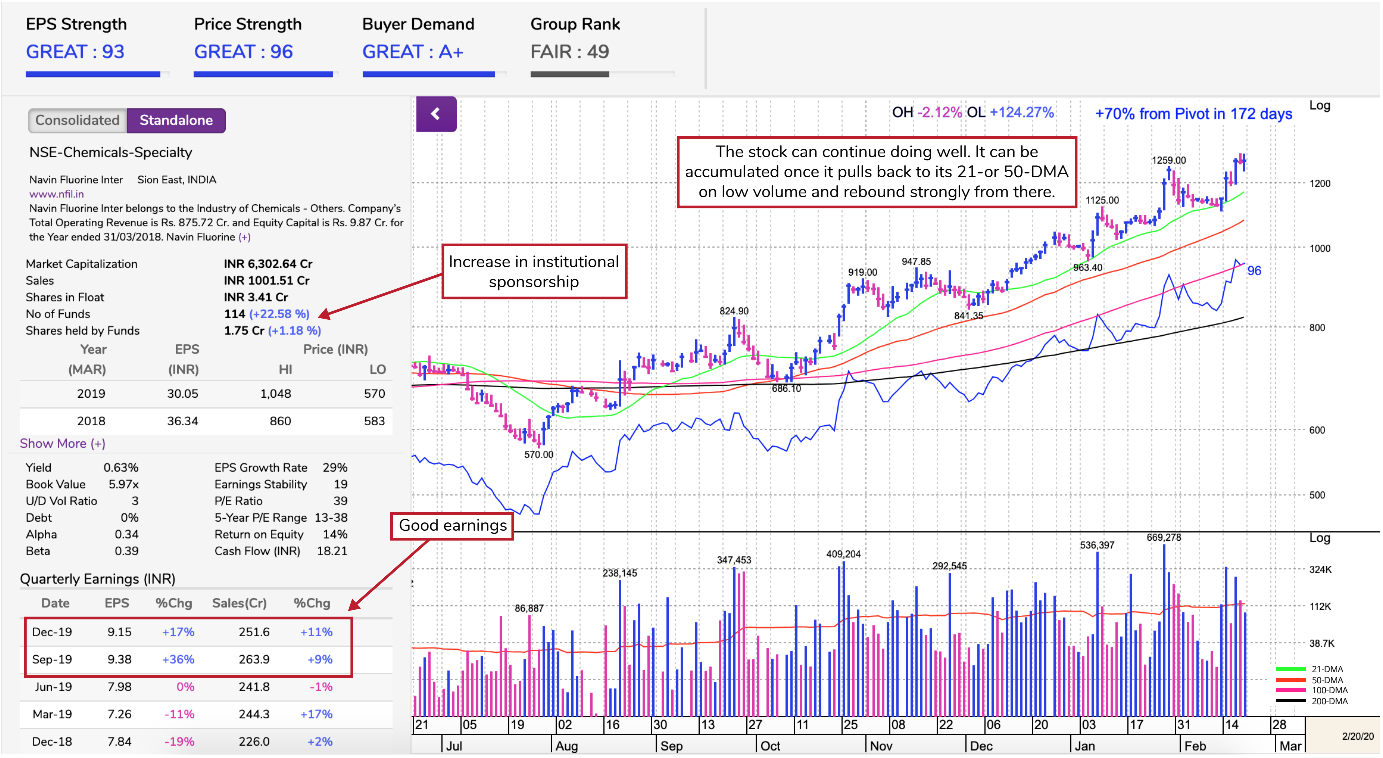


SOURCE: Company Presentation

Navin Key Stats	FY 2018	FY 2019	FY 2020 (E)	FY 2020 (E)
Revenue	9,072	9,877	10,816	12,672
Growth % y/y	23	9	10	17
EBITDA	2,205	2,190	2,663	3,220
Margin %	24	22	25	25
PAT	1,421	1,469	1,877	2,335
EPS in INR	29	30	38	47
Cash and Equivalents	2,441	2,210	-	-
Total Debt	126	41	-	-
Cash from Operations	1,731	907	-	-
Free Cash Flow	1,243	231	40	460

In INR Million

BLOOMBERG ESTIMATES



O'Neil Methodology and Technical Viewpoint:

It has not formed any base pattern on the daily chart. However, it formed an ascending base pattern on a weekly basis.

RS rating is at 96 due to its outperformance.

The number of funds in the stock has increased 23% to 114 funds.

The recent two quarters have been good for the company. EPS rating is at 93, and the buyer demand is at A+.

Navin	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Revenue	241	226	244	241	263	251
Revenue growth % y/y					9%	11%
EBITDA	50	52	52	60	67	65
EBITDA Margin %	20.8	23.2	21.4	25.1	25.5	25.9
PAT	34.2	38.7	35.9	39.4	46.3	45.2
PAT growth % y/y					35%	17%
EPS (In INR)	6.9	7.8	7.2	7.9	9.3	9.1

In INR Crore

Alkyl Amines Chemicals

CMP: 1,656.45 (AS ON February 24, 2020 EOD)

Alkyl Amines supplies amines and amine-based chemicals, globally, to the agrochemical, pharmaceutical, rubber chemical & water treatment industries, among others. The company is the sole manufacturer of ethylene-amines in India, with a significant stake in Di-amines and Chemicals Ltd.

Pharma and agrochemical sector drives the growth

The company mainly caters to the pharma and agrochemical sectors. These two contribute ~65% toward revenue. So, the company's growth mainly depends on the growth of these two sectors.

The company is hopeful that the pharma market will remain aggressive and has overcome its problems, which were there 2 years ago, and the agrochemical sector will repeat its last year's performance due to good monsoons.

Volume in methylamines can grow with a CAGR of higher than 20%

In terms of producing methylamines, Alkyl Amines is one of the three major players in the market. The company is expecting volume in methylamines would at least grow with a CAGR of 20% for the next 2 years.

Further, there is more headroom for expansion in methylamines as the company has received an environmental clearance of 45,000 TPA, while the current capacity is at 30,000 TPA.

Aggressive capex plans

The company is aggressively looking for expansion and has a capex plan of Rs 100 crore in FY20 and Rs 150 crore in FY21. For the current year, the company is targeting debottlenecking, and for the next year, it will deploy more capital on the amines space. Moreover, the company is adding one-two derivative products that were previously outsourced, but currently, the company is planning to produce in-house.

Strong Fundamentals

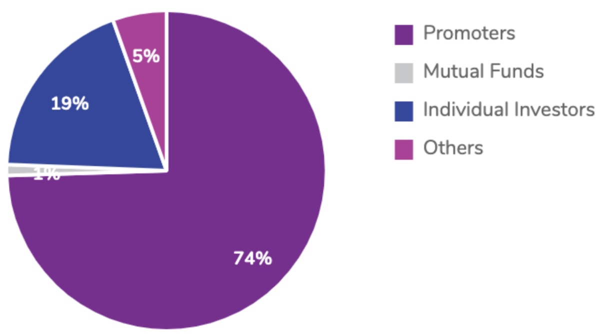
The company's gross revenue has been growing at a decent pace over the last nine years, both domestically and internationally. It has clocked a CAGR of 18% in domestic and 17% internationally. The ROCE over the defined period has clocked 16%+ and RONW at 13%+.

Looking ahead:

Overall, the company has given volume growth guidance of 10–15% in the future. As per management, the total market is expected to grow at 7–8% and the other competitors are reaching their peak capacities. Thus, the company is well-positioned to leverage these opportunities to grow at 15% when the market is expected to grow at 7%.

The company has maintained an 80% capacity utilization rate on an average basis. Management is confident in increasing its capacity by 30–40% over the next 3 years.

Ownership Pattern



Alkyl Key Stats	FY 2017	FY 2018	FY 2019	
Revenue	5,006	616	6,464	
Growth % y/y	4	23	37	
EBITDA	937	1,162	1,630	
Margin %	18	19	19	
PAT	515	650	850	
EPS in INR	25	32	42	
Cash and Equivalents	29	32	201	
Total Debt	1,003	1,509	1,296	
Cash from Operations	561	940	1,301	
Free Cash Flow	(98)	(416)	607	

In INR Million

BLOOMBERG ESTIMATES

Alkyl amine	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20	Q3 FY20
Revenue	218	212	237	266	234	256
Revenue growth % y/y					7%	21%
EBITDA	49	38	38	59	57	72
EBITDA Margin %	22.6	18.1	16.2	22.2	24.6	28.2
PAT	26.4	22.1	17.5	35	53.8	77
PAT growth % y/y					104%	248%
EPS (In INR)	12.9	10.8	8.5	17.1	26.3	37.6

In INR Crore

EPS Strength	Price Strength	Buyer Demand	Group Rank
GREAT : 97	GREAT : 98	GREAT : A+	FAIR : 49

Consolidated | Standalone

NSE-Chemicals-Specialty

Alkyl Amines Che   Navi Mumbai, INDIA
www.alkylamines.com
Alkyl Amines Che is involved in the business activities of Manufacture of organic and inorganic chemical compounds. Company's Total Operating Revenue is Rs. 616.17 Cr. and Equity Capital is Rs. 10.21 (+)

Market Capitalization	INR 3,244.90 Cr
Sales	INR 995.56 Cr
Shares in Float	INR 53.02 L
No of Funds	19 (+35.71 %)
Shares held by Funds	3.12 L (+40.95 %)

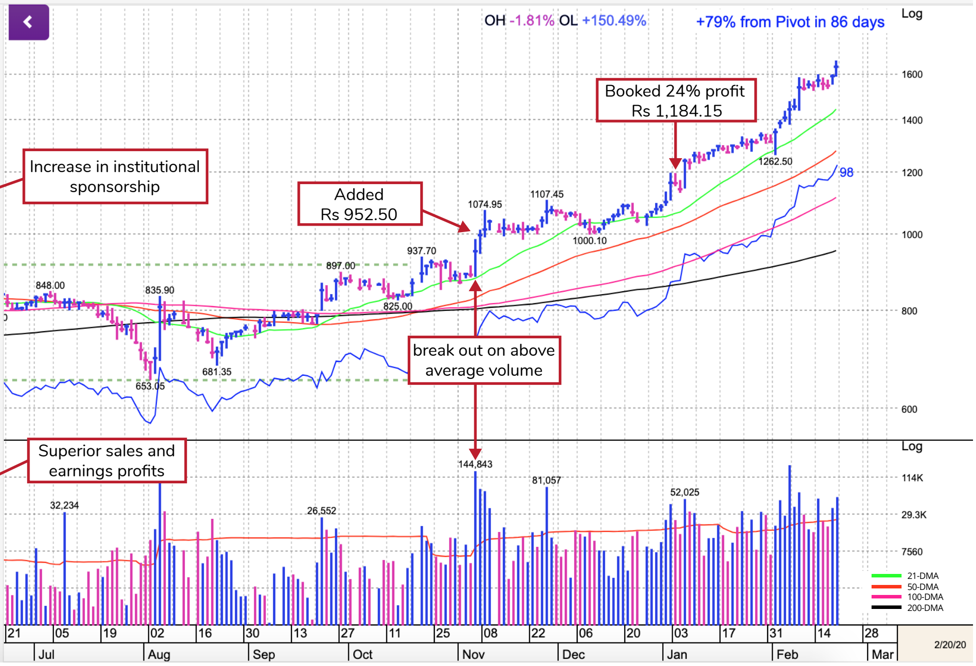
Year (MAR)	EPS (INR)	Price (INR) HI	LO
2019	41.06	1,107	653
2018	31.52	814	535

Show More (+)

Yield	1.1%	EPS Growth Rate	19%
Book Value	9.15x	Earnings Stability	15
U/D Vol Ratio	2.8	P/E Ratio	26
Debt	22%	5-Year P/E Range	10-26
Alpha	0.33	Return on Equity	23%
Beta	0.93	Cash Flow (INR)	70.23

Quarterly Earnings (INR)

Date	EPS	%Chg	Sales(Cr)	%Chg
Dec-19	37.79	+249%	256.9	+21%
Sep-19	26.42	+104%	235.0	+8%
Jun-19	17.21	+99%	266.2	+49%
Mar-19	8.61	-25%	237.5	+36%
Dec-18	10.84	+47%	212.7	+39%



O'Neil Methodology and Technical Viewpoint:

The stock broke out of its flat base on above average volume in October and has run over 80% since then.

It has done relatively well compared with the market, hence, an RS rating of 98.

It has reported triple-digit growth in its earnings in the recent three quarters. EPS rating is at 97.

Number of funds invested in the stock has increased 35% to 19 funds. Also, the number of shares held by them has increased nearly 50%.

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Disclosure of Interest Statement	Companies where there is interest
Analyst ownership of the stock	No

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