Twitter Thread by Keval Ashar



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Indian Investing Conclave Day 1 @IIC_2020

:Route Mobile
:Philip Carbon Black
:Borosil Ltd
:Arvind Ltd
:Hawkins Cooker
:Repco Homes
:Shaily Engineering Plastics

Route Mobile @ravidharamshi77

Investment Hypothesis in CPaaS companies

:Crossed the technology adoption chasm
:Huge addressable opportunity - Industry growth estimates 30-50%
:Profitable Unit Economics, Cash Generating, Incremental Cost Low

CPaaS growing at 40%

40% CPaaS Growth Driving Expanding Market Opportunity			
Figures in $ mn			
Worldwide CPaaS Voice & SMS Revenue	**2019**	**2022**	**19-22 CAGR**
Voice	2002	5651	41%
Data (Sms Notifications)	1394	3479	36%
Video	799	2385	44%
Other (security, flow builder, etc)	362	890	35%
Total	**4556**	**12405**	**40%**

Route Mobile

:Applications served by route mobile - Facebook, Instagram, Whatsapp, Google Pay to name a few
:Route mobile platform used for : 2 factor authentication, Notification for customer engagement across portfolio of apps



Route Mobile Key points

:Scaled upto 1200cr of revenue from internal accruals
:Huge runway for growth
:Multi geography and Omni-Channel presence
:Cash available for M&A
:Scope of margin improvement
:Demonstrated ability to move up the value scale

Philips Carbon Black @sarkaraniruddha

:Indias largest carbon black manufacturer
:Where is carbon black used, Tyre Rubber(73%), Non Tyre Rubber (20%), Non Rubber Speciality Carbon (7%)

Industry Size & Capacity Addition
1.3 Million Tonnes capacity and PCB has 43% market share

(mtpa)	Installed capacity	Effective capacity	Capacity actually produced	Capacity utilisation (%)
FY20	571,000	470,000	407,887	86.8
FY19	571,000	448,749	410,798	91.5
FY18	488,000	420,120	399,904	95.2
FY17	472,000	406,808	383,316	94.2

Additional greenfield capacity expansion of 150,000 tpa is planned in South India which would take up the capacity to 753,000 tonnes (including 32000 tonnes of Specialty Carbon Black)

- Has been adding capacities at its 4 plants in Mundra & Palej in Gujarat, Durgapur in West Bengal and Kochi in Kerala.
- All these are located with easy access to raw materials and international customers owing to proximity to ports
- Also makes logistics cost low as it's a large volume product
- Easy grid connectivity for sale of Surplus power

Speciality Carbon : Joker in the Pack

:Launched 40 grades of speciality carbon
:FY 16 Sales : 4825 MT, FY 20 Sales : 19,378 MT
:Diversified Application : Consumer appliances, Packaging Industry, Food Packaging, Agriculture Pipes, Construction Pipes, Construction pipes

Innovation & Customer needs

:Company has spent 40cr over the last 3 years on R&D
:Company having almost all tyre companies in India as their customers
:Almost all major tyre companies to increase capacities over next 2-3 years

Borosil Ltd - Hitesh K (Aksa Capital)

Segments
:Glass & Microwave (Market Size 5.5 Bn, Growth 10%)
:Storageware (Market Size 7Bn, Growth 15%)
:Opalware (Market Sie 6Bn, Growth 15-20%)
:Kitchen Appliance (Market Size 90 Bn, Growth 10%)
:Cookware (Market Size 40 Bn, Growth 20%)

Scientific Segment : Huge Growth Scope

:Acquired Klasspack to leverage its reach with pharma companies & expand its glass expertise into everyday consumables
:Total Addressable Market Size : 10,000 cr

Borosil Vs Glassco (Laboratoryware)

	Borosil - Scientific				Glassco		
(Rs. Million)	**FY17**	**FY18**	**FY19**	**FY20**	**FY17**	**FY18**	**FY19**
Revenues	1,366	1,489	1,544	1,611	619	714	905
yoy%		*9%*	*4%*	*4%*		*15%*	*27%*
Gross Profit	1,094	1,193	1,078	1,146	375	483	598
Gross Margins %	*80.1%*	*80.1%*	*69.8%*	*71.1%*	*60.6%*	*67.7%*	*66.1%*
EBITDA	370	418	366	373	156	195	238
EBITDA %	*27.1%*	*28.1%*	*23.7%*	*23.1%*	*25.1%*	*27.3%*	*26.3%*
Total Capital	968	1,240	1,163	894	404	594	750
ROCE	*28%*	*32%*	*26%*	*30%*	*31%*	*32%*	*30%*
Revenues:							
Domestic	1,274	1,396	1,421	1,477			299
Exports	92	93	123	134			606

Note:
Nos are calculated by consolidating the nos of erstwhile Vyline, with scientificware segment disclosures, and proportionately splitting the corporate overheads, while knocking-off intercompany transactions

Borosil Vs Competitors

	Revenues			EBITDA				3-Yr Avg.						Rs. Million		FY20 Earnings	
	Rs. Mn.	CAGR		Rs. Mn.	3-Yr Avg	CAGR											
Brands	FY20	5-Yr	3-Yr	FY20	%	5-Yr	3-Yr	A&P Exp %	RoCE	Debtor	Inven.	Payab.	CC	Mkt Cap	EV	P/E	EV/EBITDA
Borosil	6,359	30%	18%	1,019	15.3%	40%	25%	10%	12.5%	65	115	98	82	18,323	18,430	34.9	18.1
TTK Prestige	20,730	9%	7%	2,552	13.1%	11%	6%	7%	12.5%	49	138	62	124	80,835	77,853	43.6	30.5
Hawkins	6,739	6%	10%	1,039	13.8%	15%	12%	5%	35.0%	34	116	60	89	27,147	27,118	37.5	26.1
La Opala	2,700	4%	5%	1,045	40.5%	10%	5%	1%	11.5%	58	300	76	282	26,296	23,788	31.2	22.8
Butterfly	6,787	5%	19%	401	6.4%	-1%	-	9%	4.8%	69	134	74	129	7,706	7,924	193.7	19.7
Pigeon	6,409	6%	9%	327	2.6%	0%	-	3%	5.4%	46	83	113	16	-	-	-	-
Philips	10,420	7%	4%	1,001	7.7%	26%	11%	3%	9.1%	57	89	111	35	-	-	-	-
Panasonic	2,764	8%	14%	92	4.2%	6%	4%	7%	6.2%	41	52	72	22	-	-	-	-
Milton	14,579	20%	18%	2,310	17.6%	26%	14%	6%	35.0%	58	66	37	87	-	-	-	-
Preethi	6,873	18%	13%	842	11.9%	19%	26%	5%	3.0%	12	35	48	(1)	-	-	-	-
Wonderchef	2,027	39%	30%	10	0.8%	4%	33%	-	0.0%	129	99	34	195	-	-	-	-

As of December 8, 2020

Note: Bajaj Electricals is excluded because it includes the EPC business that will distort the metrics

Borosil Ltd Investment Thesis

:Leveraging on strong brand equity
:Protected its leadership in glassware segment
:Consistently expanding its products outside glassware
:Pharma Packaging is set for substantial growth

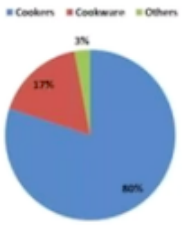
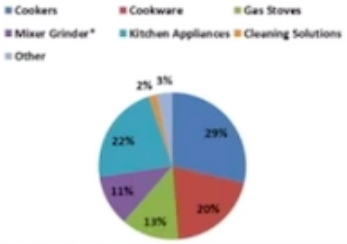
Hawkins @GreenEdgeWealth

Size of Opportunity
:Kitchenware market size : 15000 cr
:Hawkins addressable market size : 2500 cr, growing at 6%

Entry Barriers
:Duopoly market in cooker
:High supply chain costs
:New entrant to fight on pricing with higher costs and working capital

Long term demand drivers
:Introduction of LPG (Ujjwala Yojana)
:Nuclearization of families
:New product launches

Hawkins Vs TTK Prestige

	Hawkins	TTK Prestige
Revenues (FY20) (INR crs)	674	2073
Revenue mix (FY20)		
10 yrs Revenue CAGR	9%	15%
Products	Cookers, cookware	Cookers, cookware, kitchen appliances, cleaning solutions
Market size (INR crs)	4,500	15,000+

Arvind Ltd

Business Segment

:Textiles - Denim, woven, voiles
:Technical Textile - Advanced Material Division
:Waste water treatment (Through Arvind Envisol)
:Suitings, Shirting etc.

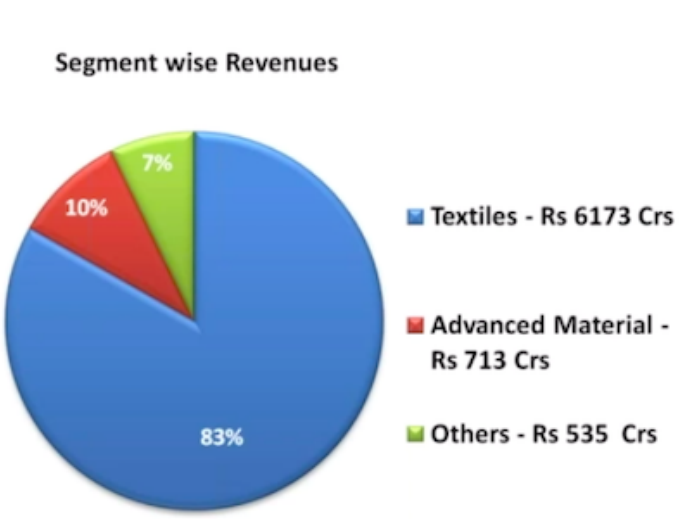
Advanced materials Division (AMD)

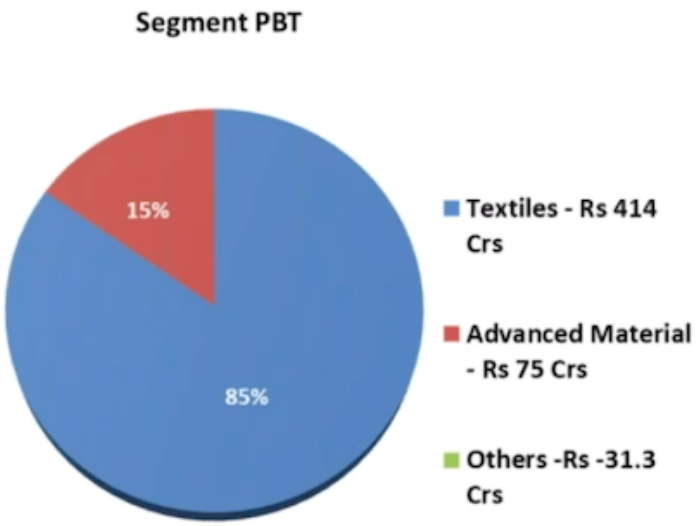
:Demand for advance material growing at 10% CAGR
:Exports constitutes of 50% of total AM revenue
:Targeting to reach sales of 2500 cr in AMD by FY24/25
:Huge potential to generate valuable IP and has great domestic and export growth potential

Growth Drivers
:Domestically textile is expected to grow at 8-10% over next 5 years
:Rapid shift to branded apparels in India
:Possible textile orders from clients moving out of china

Revenue Segment

Sources of Revenue



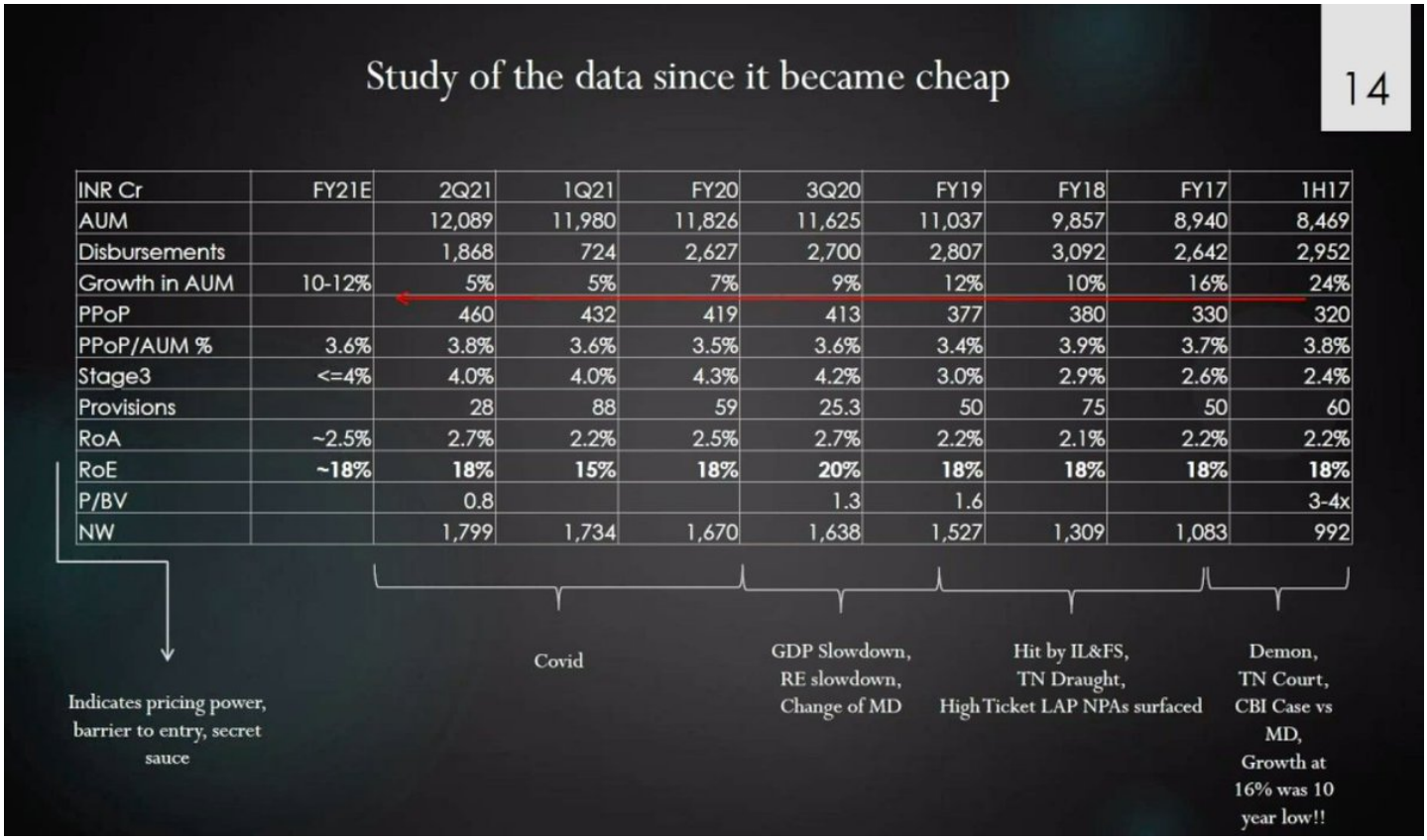


Repco Homes @MaximalCapital

Lending nature
:Affordable HFC (12 l ticket size)
:50% are non salaried
:Lending rates in double digit
:Location : Small towns and outskirts

Investment Rationale
:Best in class RoE player with PSU valuations
:Available at extremely cheap valuations
:New CEO is focused on minting balance between risks and growth

Valuation Study



INR Cr	FY21E	2Q21	1Q21	FY20	3Q20	FY19	FY18	FY17	1H17
AUM		12,089	11,980	11,826	11,625	11,037	9,857	8,940	8,469
Disbursements		1,868	724	2,627	2,700	2,807	3,092	2,642	2,952
Growth in AUM	10-12%	5%	5%	7%	9%	12%	10%	16%	24%
PPoP		460	432	419	413	377	380	330	320
PPoP/AUM %	3.6%	3.8%	3.6%	3.5%	3.6%	3.4%	3.9%	3.7%	3.8%
Stage3	<=4%	4.0%	4.0%	4.3%	4.2%	3.0%	2.9%	2.6%	2.4%
Provisions		28	88	59	25.3	50	75	50	60
RoA	~2.5%	2.7%	2.2%	2.5%	2.7%	2.2%	2.1%	2.2%	2.2%
RoE	**~18%**	**18%**	**15%**	**18%**	**20%**	**18%**	**18%**	**18%**	**18%**
P/BV		0.8			1.3	1.6			3-4x
NW		1,799	1,734	1,670	1,638	1,527	1,309	1,083	992

Shaily Engineering Plastics Ltd.

Investment Rationale
:China +1 opportunity for growth on new verticals
:Introduction of new products - Complex polymers, Steel Furniture, Mixed Material
:Company seeking new growth areas with higher margin
:Pharma Packaging, Pharma Device

Revenue can grow substantially over next 3-4 years
:Pharma devices division can grow 2-3 x FY20
:Toys could be as big as their home furnishing segment over the next few years
:Signed 2of3 largest toy companies globally who are sourcing usd 4bn from china