

CMP: Rs 1650

Rating: NA

Target: NA

Stock Info

NSE	WHIRLPOOL
Bloomberg	WHIRL IN
Sector	Consumer Durable
Face Value (Rs)	10
Equity Capital (Rs Mn)	1269
Market Cap (Rs Mn)	209,258
52w H/L (Rs)	1859 /1263

Shareholding Pattern

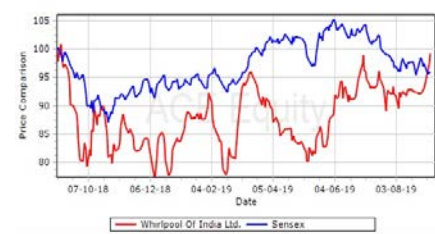
	%
(As on June, 2019)	
Promoters	75.0
DII	9.0
FII	4.9
Public & Others	11.1

Source: NSE, Arihant Research

Stock Performance (%)	3m	6m	12m
WHIRLPOOL	7.9	6.8	-1.0
SENSEX	-8.6	0.6	-3.6

Source: ACE Equity, Arihant Research

WHIRLPOOL v/s SENSEX



Source: ACE Equity, Arihant Research

Whirlpool of India Limited (WIL) is a part of the world's renowned Whirlpool Group of Companies. Whirlpool Corporation, the Ultimate Holding Company is the world's leading manufacturer of home appliances. The company owns three state-of-the-art manufacturing facilities at Faridabad, Puducherry and Pune.

In this edition of Annual Report Insights, we have analyzed Whirlpool of India (WIL).

Key Extracts from Annual Report:

- With expectation of rise in per capita GDP of India from \$1,983 in 2012 to \$3,274 in 2023, the consumer spending is likely to increase.
- E-commerce platforms continue to grow at a faster pace. They are becoming a fast discovery platform for products for consumers and one of the key influencers in the consumer decision.
- The Company operates only in one segment of White Goods. Refrigerator (Direct Cool/Frost-free), Washer and Air conditioner constitute 60%, 22% and 6% respectively of the revenue from operations.
- The long-term growth opportunity in the Indian market continues to attract new players to the durables industry.
- The board has a capex plan of Rs 590 cr for the next five years. It is for enhancing capacity at Faridabad & Puducherry plant and modernization of Double Door Frost Free line at Pune factory.
- Government's expectation to step up impetus for scaling up local manufacturing, industry is expecting to see more global player to set up a local footprint for both products as well as components in the coming months.
- Overall, the Company's export business was under pressure. The Company continues to focus on the SAARC markets and expecting with this initiative and structural changes the export business will be on a growth trajectory. Company has already started seeing impressive results, in Nepal, where last year the business grew by 40%.
- Company has JV with Elica PB India Pvt Ltd with 49% shareholding. Elica PB India is in the business of manufacturing and selling kitchen equipment.

Performance of the company:

- Consolidated revenue increased by 8% to Rs 53,976 mn in FY19, primarily led by its Indian operation. Revenue from Indian operation rose by 9% to Rs 50,340 mn. EBITDA margin expanded by 66bps YoY to 11.9% in FY19.
- Profit growth of the company remained healthy at 17% to Rs 4,097 mn in FY19 whereas PATM stood at 7.6% as compared to 7% on YoY basis.
- Whirlpool is a Debt-free company.
- Company has strong free cash flow. Its FCF grew from Rs 2,974 mn to Rs 3,288 mn.
- Company's total investments grew by 44% in FY19 to Rs 6,590 mn. It has made huge investment in debt securities of its subsidiary & holding company.

Peer Group Comparison

Company	CMP	Mcap (Mn)	EBITDA M%	ROCE%	ROE%	D/E (x)	TTM PE (x)
Bajaj Electricals	380	38,839	6.1	16.8	15.8	1.5	24.8
Whirlpool	1650	209,332	11.9	32.3	21.1	0.0	51.1
Voltas	638	210,823	11.2	18.0	14.1	0.1	43.1
Godrej CP	624	636,951	21.7	22.8	34.6	0.5	27.2

Income Statement

Particulars (in mn)	FY18	FY19
Net Sales	48319	53977
EXPENDITURE :		
Increase/Decrease in Stock	944	-598
Raw Material Consumed	28835	34343
Power & Fuel Cost	314	372
Employee Cost	4553	4931
Other Manufacturing Expenses	2094	2243
Administration Expenses	1600	1565
Selling Expenses	3668	3962
Miscellaneous Expenses	712	738
Total Expenditure	42719	47555
Operating Profit (Excl OI)	5600	6422
Other Income	867	1047
Operating Profit	6467	7469
Interest	44	91
PBDT	6423	7378
Depreciation	1015	1113
Profit Before Exceptional Items	5408	6265
Profit Before Tax	5408	6265
Provision for Tax	1902	2194
Profit After Tax	3507	4071

Key Ratios

DESCRIPTION	Mar-18	Mar-19
Operational & Financial Ratios		
EPS (Rs)	27.64	32.30
Book Value (Rs)	138.48	165.60
Margin Ratios		
EBITDAM (%)	10.64	11.34
EBITM (%)	8.97	9.65
PATM (%)	5.77	6.18
Performance Ratios		
ROA (%)	10.97	11.84
ROE (%)	19.96	21.10
ROCE (%)	30.35	32.25
Inventory Turnover(x)	7.50	7.76
Debtors Turnover(x)	25.30	26.57
Sales/Working Capital (x)	6.89	6.01
Efficiency Ratios		
Receivable days	14.43	13.74
Inventory Days	48.64	47.06
Payable days	103.85	92.77
Total Debt/Equity(x)	0.00	0.00
Current Ratio(x)	1.70	1.80
Quick Ratio(x)	1.06	1.15
Interest Cover(x)	124.19	69.92

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Stock Rating Scale**Absolute Return**

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research**Analyst****Contact****Website****Email Id****Registration No.**

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