

April 15, 2019

Company	Sector	CMP	Recommendation	Target	Potential Upside
Just Dial Ltd.	Miscellaneous	609	BUY	675	11%

Key Stock Data	
BSE Script Code	JUSTDIAL
NSE Script Code	JUSTDIAL
No. of shares	6.74
FV (Rs.)	10
MCAP (Rs.)	3,944
MCAP (\$)	57 Crs
52 Week High	Rs. 677
52 week Low	Rs. 358
Time Frame	6 months

Just Dial Ltd (JUST) is one of the leading local search engines in India. It provides users with information and user reviews from its database of local businesses, products and services across India. Its search service is available to users through multiple platforms like Internet, mobile Internet, telephone (voice) and text (SMS). JUSTDIAL is a well known and established brand on the Internet and through its easy to remember phone numbers (88888 88888 and 6999 9999) and user friendly mobile phone interface, it attained significant mind share with users for their local search needs.

Investments Rationale

1. Strong 3QFY19 Standalone Numbers

JUSTDIAL continuous to report stellar set of quarterly numbers whereby sales grew by 15% Y-o-Y and 3% Q-o-Q to Rs. 227 Crs in 3QFY19 as against Rs. 197 Crs in 3QFY18 on a Bottom-line jump of whopping 100% on a yearly basis to Rs. 57 Crs in 3QFY19 as against Rs. 28 Crs in 3QFY18.

2. Strong growth in traffic continues

Overall traffic increased by 24.8% Y-o-Y and 2.3% Q-o-Q to 13 Crs, Mobile traffic increase by a faster 43.1% Y-o-Y and 4.8% Q-o-Q with mobile now constituting 78.5% of overall traffic. Within mobile traffic, mobile website constitutes 90% of total with the remaining traffic coming through the app.

Outlook & Valuations

Since growth in unique leads served to paid customers is significantly higher than the increase in price per paid campaign, Return on Investments on ad spends for paid customers is increasing significantly, which should help drive superior pricing. We feel the demand will be back as seen in increased traffic, in the mobile segment ,supported by attractive valuations. JUSTDIAL is trading at attractive valuations of 20.20x FY20E PE and we would like to allot PE multiple of 22.5x to arrive at a target price of Rs. 675.

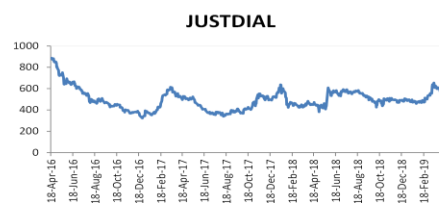
Key Financial

Particulars	FY16 A	FY17 A	FY18 A	Amt in Crs	
				FY19 E	FY20 E
Total Revenue	691	719	782	887	1011
EBITDA	229	197	230	240	252
PAT	141	121	143	169	202
EPS	20.13	17.46	20.97	24.99	30
PE	30.35	34.99	29.13	24.44	20.37

Source : BSE Website and company research

Shareholding Pattern	
Promoters	33.89%
DII's	9.78%
FII's	41.74%
Others	15%

3 years Price Chart



Source: All above data from BSE Website and Capital Line

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Analyst Stock Rating	
Ratings	Expected absolute returns over 6 months
BUY	>10%
HOLD	5-10%
SELL	<5%

Note: Our target price is within 6 months perspective. Returns stated in the rating scale are our internal benchmark.

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