



JTEKT INDIA LIMITED

APRIL 2024

WHY IT IS A BUY:

- Healthy long term growth as Operating Profit has grown by an annual rate 37.09%
- Company has a low Debt to Equity ratio at 0.01 times.
- With ROE of 10.6, it has a Fair valuation with a 6.1 Prices to Book Value: The stock is trading at a discount compared to its average historical valuations. Over the past year, while the stock has generated a return of 77.78%, its profits have risen by 17.1%: the PEG ration of the company is 4.6.
- Stock is technically in a BULLISH stance: Weekly chart Ascending Triangle breakout.
- Market beating performance in long term as well as neat term: Along with generating 77.8% returns in the last 1 year, the stock has outperformed BSE 500 in the last 3 years.

Investors Returns (3 years)

Period	6M	1Y	2Y	3Y
Stock (%)	24.64%	78.27%	142.35%	114.02%
Sector (%)	23.69%	23.69%	81.72%	105.21%
Sensex (%)	12.65%	25.71%	25.10%	48.22%



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GROWTH

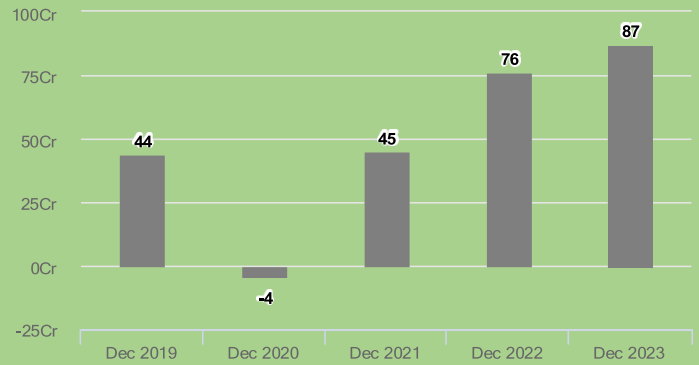
HEALTHY LONG TERM GROWTH AS OPERATING PROFIT HAS GROWN BY AN ANNUAL RATE 37.09%

Net Profit of 7.4%

Poor Growth in Net Sales of 6.0% CAGR

Company has experienced an increase in Net Sales in each of the past 3 consecutive years.

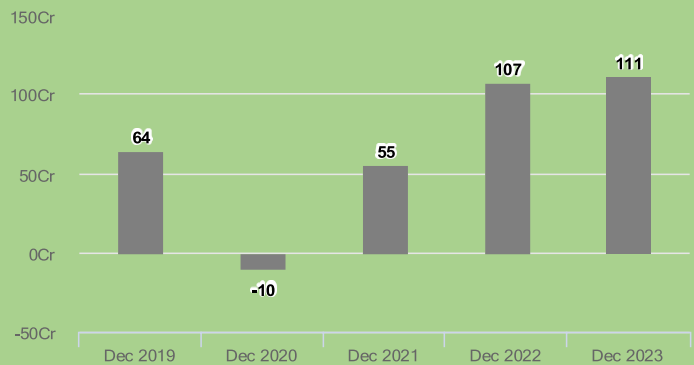
Company's Net Sales growth has increased in each of the past 3 consecutive years.



High Growth in Operating Profit of 2.0% CAGR

Company has experienced an increase in its Operating Profit in each of the past 3 consecutive years.

Company's Operating Profit growth has increased in each of the past 3 consecutive years.

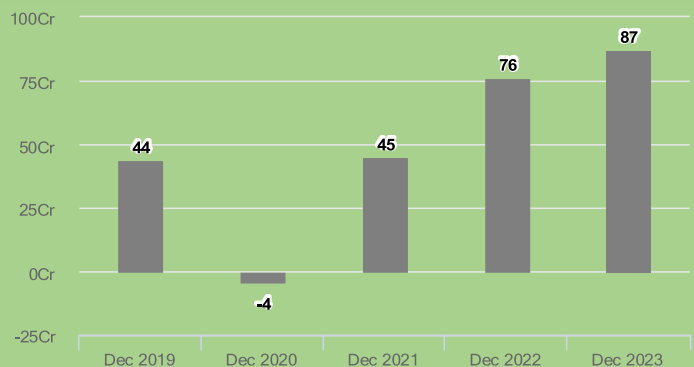


Net Profit of 7.4% CAGR

Company has experienced an increase in its Net Profit in each of the past 3 consecutive years.

Company's Net Profit growth has increased in each of the past 3 consecutive years.

Net Profit has seen a high growth of 14.47% over previous period.





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QUARTERLY RESULTS

	Sep 23	Jun 23	QoQ	Sep 22	YoY	Comments
Total Operating income	584	478	22.3%	571	2.3%	QoQ and YoY increase
Total Expenditure (Excl Depreciation)	524	443	18.2%	513	2.1%	QoQ and YoY increase
Operating Profit (PBDIT) excl Other Income	60	34	75.6%	58	3.6%	QoQ and YoY increase
Other Income	2	4	-38.7%	2	3.8%	
Operating Profit (PBDIT)	62	38	64.8%	60	3.6%	QoQ and YoY increase
Interest	1	1	-6.9%	1	-2.4%	QoQ and YoY decrease
Exceptional Items	0	7	-100%	0	0%	
Depreciation	20	19	3.1%	18	10.3%	QoQ and YoY increase
Profit Before Tax	42	25	66.7%	41	0.9%	QoQ and YoY increase
Tax	11	6	81.7%	11	2.8%	QoQ and YoY increase
Provisions and contingencies	0	0	0%	0	0%	
Net Profit	30	19	61.6%	30	0.2%	QoQ and YoY increase
Share in Profit of Associates	0	0	0%	0	0%	
Minority Interest	3	2	94.4%	2	35.5%	High Growth in previous quarter and same quarter last year
Other related items	0	0	0%	0	0%	
Consolidated Net Profit	27	17	58.5%	28	-2.7%	

MARGINS:

	Dec 23	Sep 23	Jun 23	Mar 22	Dec 22	Avg. (4Qtrs)	Comments
OPM	10.3%	7.2%	9.5%	8.1%	10.2%	8.8%	Higher than average (4 Qtrs) – Promising
GPM	10.5%	9.2%	9.7%	8.3%	10.3%	9.4%	Higher than average (4 Qtrs) – Promising
NPM	5.2%	3.9%	4.9%	3.3%	5.3%	4.3%	In line with average (4 Qtrs)



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ANNUAL RESULTS:

NET SALES - YOY GROWTH IN YEAR ENDED MAR 2023 IS 28.65% VS 19.19% IN MAR 2022

Consolidated Net Profit: YoY Growth in year ended Mar 2023 is 120.46% vs 214.66% in Mar 2022

Operating Profit (PBDIT) excl Other Income: YoY Growth in year ended Mar 2023 is 46.70% vs 23.96% in Mar 2022

Interest: YoY Growth in year ended Mar 2023 is 27.08% vs -20.97% in Mar 2022

Operating Profit Margin (Excl OI): YoY Growth in year ended Mar 2023 has improved from Mar 2022

	Mar 23	Mar 22	Change (%)
Net Sales	2,043.93	1,588.80	28.65%
Operating Profit(PBDIT)excl Other Income	186.81	127.34	46.70%
Interest	4.74	3.73	27.08%
Exceptional Items	-3.26	-6.78	51.92%
Consolidated NetProfit	81.37	36.91	120.46%
Operating Profit Margin(Excl OI)	9.14	8.01	1.13%

BALANCE SHEET AND CASH FLOW ANALYSIS:

	Mar 23	Mar 22	Change%
Borrowings	57.71	66.99	-13.85%
Other Long Term Liabilities	4.05	4.00	1.25%
Fixed Assets	500.24	488.66	2.37%
Investments	5.43	6.78	-19.91%
Current Assets	544.69	484.49	12.43%

Other Long Term Liabilities: YoY Growth in year ended Mar 2023 is 1.25% vs 3.90% in Mar 2022

Fixed Assets: YoY Growth in year ended Mar 2023 is 2.37% vs 12.59% in Mar 2022

Investments: YoY Growth in year ended Mar 2023 is -19.91% vs in Mar 2022

Current Assets: YoY Growth in year ended Mar2023 is 12.43% vs 1.36% in Mar 2022



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TECHNICAL ANALYSIS:



The above weekly chart of prices are consolidating with the higher lows with the similar highs formed an “**Ascending Triangle**” which is the continuation pattern. Prices breached the trend line resistance and closed well above the same suggesting the bullishness. The RSI 14 period is trading at 68 levels which has the potential and we expect the prices to trade higher in the coming months.

Sources:

www.nseindia.com www.bseindia.com www.moneycontrol.com
www.screener.in www.in.tradingview.com

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