

Dec 27, 2013

Just Dial Ltd.

BSE Code: 535648

NSE Code: JUSTDIAL

Reuters Code:

JUST.NS

Bloomberg Code: JUST:IN

Just Dial Ltd. (JDL) incorporated in 1996 is an India-based search engine company. The Company provides users of its Just Dial search service with information and user reviews from the Company's database of local businesses, products and services across India. The Company's search service is available to users through multiple platforms, which include Internet, mobile Internet, telephone (voice) and text (SMS), which is accessible 24 hours a day, 7 days a week with multi-lingual support. The Company's technology platform is designed to enable its tele-sales executives and Investor Relations Officer (IROs) to connect to potential advertisers and users seeking information.

Investor's Rationale

Posted decent growth in topline of 28.6% YoY driven by increased PC and mobile internet usage – JDL, which provide online business directory registered a modest growth in topline by 28.6% at ₹1,126.6 mn for the second quarter ended September 30, 2013 as against ₹876.3mn during the same period of previous fiscal. JDL received approximately 122.6 mn visits (both from PCs and mobiles) in Q2 FY14 compared with 90.3 mn in Q2 FY13, representing a 36% growth year on year. Internet platform (both PC and mobile) contributed 68% of total usage in Q2 this year, compared to 61% in the same quarter in the previous year.

EBITDA margin expanded 307bps YoY – The EBITDA of the company grew 42.6% at ₹352.3 mn against ₹247.1 mn reported a year earlier, on better performance across the segments. Internet business reported at 58.5 mn up by 28%, Mobile internet business reported at 24.3 mn up by 168% and voice search request were at 39.8 mn up by 13%. In line with this, margins also expanded by 307bps YoY at 31.3% against 28.2% primarily due to optimum utilization of available resources and bringing down the cost by infrastructure sharing.

Bottom-line grew by 98% YoY on higher sales – JDL, registered a decent growth in bottom-line by 98% at ₹286.6 mn owing to better operational performance. Thus, NPM expanded by 743bps YoY at 23.6% against 16.2%.

Focused towards augmenting growth – JDL has forayed into transaction-enabled services and is in the process of launching several new products. The company expects to maintain guidance of improving margins by 150-200 basis points this year.

Market Data

Rating	BUY
CMP (₹)	1380
Target Price	1650
Stop Loss	1230
Duration	Short-term
52-week High-Low (₹)	1439/581
Rise from 52WL (%)	136
Correction from 52WH (%)	4.8
Beta	0.47
1 year Average Volume (mn)	0.41
Stock Return (%)	3M- 62.8 6M- 120 1Y- 128.3
Market Cap (₹bn)	96.19
Book Value (₹)	60.75

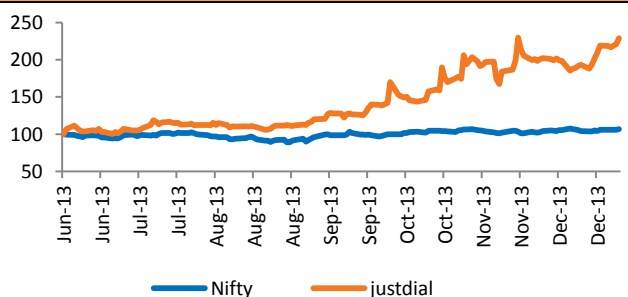
Shareholding Pattern

	Sep'13	Jun'13	Chg
Promoters (%)	33.05	33.13	(0.08)
FII (%)	21.85	18.77	3.08
DII (%)	6.43	6.57	(0.14)
Public & Others (%)	38.67	41.53	(2.86)

Quarterly Performance

(₹Mn)	Q2 FY'14	Q2 FY'13	Q1 FY'14	YoY Change(%)	QoQ Change (%)
Sales	1,126.6	876.3	1,045.6	28.6	7.7
Op. exp	774.3	629.2	683.2	23.1	13.3
EBITDA	352.3	247.1	362.4	42.6	(2.8)
OPM (%)	31.3	28.2	34.7	307bps	(339bps)
Net profit	286.6	144.8	280.3	97.9	2.2
NPM (%)	23.6	16.2	25.1	743bps	(143bps)
EPS (₹)	1.5	1.4	1.9	3.5	-22.2

One Year Price Chart





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