

**Aksh Optifibre Limited**

COMPANY SNAPSHOT					
CMP	Initiation Price	Target	Potential Upside	Recommendation	MCap (Rsbn)
Rs32	Rs15	Rs45	42%	BUY	Rs5.2

**About the Company:**

Established in 1986, Aksh Optifibre Limited (Aksh) is almost a three-decade old company which is involved in manufacturing of Optical Fibre and Optical Fibre Cables (OFC). Aksh is one of largest manufacturer of optical fibre and optical fibre cables in India. Apart from this, the company is one of largest producers of FRP rods with an annual capacity of 3 million km of FRP. The Company manufactures a wide array of Optical Fiber Cables which include single mode and multimode cables, duct cables, armoured FTTH (for aerial installations and fibre to home cables, indoor and outdoor cables and special application cables (which are hybrid in nature, all purpose and ceramic armoured cables). It has two manufacturing plants located at Bhiwadi, Rajasthan which focus on fibre and optical fibre cables and one plant at Reengus, Rajasthan which focuses on FRP rods.

**Results Declared:**

- The net sales for the quarter grew by 20.7% to Rs1392mn as against Rs1154mn in the same quarter last year
- The Ebitda margins came in healthy at 21.8% majorly due to the expenses remaining at similar levels as compared to the previous quarter
- The net profit came in at Rs130mn from Rs22mn, a huge jump of 493.7%. this is the highest ever quarterly profitability achieved by the company
- The EPS for the quarter stands at Rs0.80
- In the quarter gone by, Company has successfully commissioned its Silvassa and Mauritius's OFC capacity. With this company's total OFC production capacity now stands at 10.7Mn FKM. Construction work at company's Dubai Optical fibre manufacturing facility is going on seamlessly and it is expected to start the commercial production by January 2019. Company's FRP production facility in China is expected to start the commercial production in September 2018. On the Ophthalmic Lens front, company is slowly and gradually making efforts and paving its way deeper to establish its brand in the Indian Lens market.

**Financials (Standalone):**

Result Update (Q1FY2019)								
Q1FY19 Result (Rs mn)	June-18	June-17	y-o-y	Mar-17	q-o-q	FY18	FY17	y-o-y
Total Income	1392	1154	20.7%	1693	(17.8%)	5894	4780	23.3%
EBITDA	304	108	182.2%	250	21.5%	699	496	41.0%
Other Income	16	11	43.2%	14	14.5%	45	56	(19.9%)
Interest	57	36	56.1%	60	(5.7%)	179	134	33.6%
Depreciation	62	48	29.4%	59	5.0%	212	196	8.4%
Exceptional items	0.0	(0.1)	-	7	(99.5%)	5	1	-
Tax	70	12	466.9%	48	46.6%	120	86	39.1%
Net Profit	130	22	493.7%	90	45.3%	228	137	66.2%

**Outlook and Recommendations:**

There has been good improvement in the margins as well as the profitability of the quarter. The company has reported good set of numbers for the quarter under review. We continue with our Buy recommendation on the stock with a target price of Rs45 over a 12 months perspective.

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