

Dixon Technology Ltd

Dixon Technologies (India) is primarily engaged in the manufacturing of electronics as its core business activity. The Company designs consumer electronics like LED lamps, mobile phones, televisions etc. The company has shown excellent performance in the past with 22.2% CAGR in sales and a 35.6% CAGR in profits.

During 9MFY20 also the company posted 67% revenue growth and was successful in translating this growth to the profit level also. While EBITDA grew by 69%, PAT jumped by 98%. This was primarily aided by strong top line along with increase in other income.

On the financial health front, the company's balance sheet looks strong with just 0.3x debt over equity. Currently, the stock trades at 44x of its earnings and delivers 18.2% RoE. This valuation is however, lower than its peers. Hence, recommend BUY on the stock.

BUY
CMP ₹4,487

Stock Info

Sector	Consumer Durables
Market Cap (₹ cr)	5,192
Beta	0.9
52 Week High / Low	4895/1560
Avg. Daily Volume	6,784
Face Value (₹)	10
BSE Sensex	41,258
Nifty	11,980
Reuters Code	DIXO BO
Bloomberg Code	DIXON IN

Shareholding Pattern (%)

Promoters	37.9
MF / Banks / Indian FIs	20.7
FII / NRIs / OCBs	10.9
Indian Public / Others	30.5

Abs. (%)	3m	1yr	3yr
Sensex	2.4	15.0	27.3
DIXON	37.3	105.6	55.7

Jaikishan Parmar

022 – 3935 7600 Ext: 6810

jaikishan.parmar@angelbroking.com

Research Team Tel: 022 - 39357600

E-mail: research@angelbroking.com

Website: www.angelbroking.com

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Disclosure of Interest Statement
Dixon Technologies

1. Financial interest of research analyst or Angel or his Associate or his relative	No
2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives	No
3. Served as an officer, director or employee of the company covered under Research	No
4. Broking relationship with company covered under Research	No

Ratings (Based on expected returns over 12 months investment period):

Buy (> 15%)

 Accumulate (5% to 15%)
 Reduce (-5% to -15%)

 Neutral (-5 to 5%)
 Sell (< -15)