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Elin Electronics Limited



About Company

Recommendation: Subscribe

Incorporated in 1982, **Elin Electronics Ltd (ELIN)** is the leading manufacturer of end to end products solutions for major brands of lighting, fans, and small/ kitchen appliances in India. They are one of the largest manufacturer and seller for fractional horsepower motors in their own brand name “Elin”. It serves under both original equipment manufacturer (OEM) and original design manufacturer (ODM) business models. Elin also manufactures medical diagnostic cartridges for use in diagnostic devices, and plastic moulded and sheet metal parts and components, largely for customers in the auto ancillary and consumer durables sectors. Elin has 3 manufacturing facilities which are strategically located in Ghaziabad (Uttar Pradesh), Baddi (Himachal Pradesh) and Verna (Goa).

Price Band	: Rs 234 to 247/- per share
Bid Lot size	: 60 Shares
Issue size	: Rs 475 Cr
Face Value	: Rs 5/-
Min App Amount	: Rs 14820/- at upper band
Issue Period	: 20 th December to 22 nd December 2022
Indicative credit of equity shares	: 29-12-2022
Indicative listing date	: 30-12-2022

Important Note: All retail applications compulsory in UPI mode*. Currently IPO through UPI Mechanism in Retail Category is available only on BHIM App. Application made using third party UPI Id Or ASBA Bank A/c are liable to be rejected.

Msearch View & Recommendation: We see Elin as a well-placed company with its wide array of products and services in consumer appliances and electronic goods segments. We also believe that their market penetration together with expansion plans for manufacturing facilities and backward integration into manufacturing, will enable them to be well-positioned to capture the growing demand. We consider the company's strength lies in long customer retention capabilities which are due to their one-stop-shop facilities and consistently maintaining high standards of the manufacturing quality products. On valuations parse at upper price band(Rs 247/-), the issue is asking for a market cap of Rs 1227 Cr and based onFY23 annualized, P/E stands at 29x which seems the issue is fully priced. In terms of revenue, Elin is the smallest player among the three, Dixon & Amber enterprises. The only concerns for investors seem to be low promoter holding post issue, and high client concentration. Hence, considering the above rationales in line with the company's growth story, we recommended investors to “**SUBSCRIBE**” for **long term as well as decent listing gains**.



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BASIC FINANCIAL DETAILS				
Particulars Rs (in Cr)	2020	2021	2022	Sept'30 2022 (06)
Equity Share Capital	6.81	6.81	20.42	20.42
Reserves as stated	220.95	255.45	282.65	299.73
Net worth as stated	227.75	262.25	303.07	320.15
Revenue from Operations	785.58	862.38	1093.75	604.46
Revenue Growth (%)	-	9.78%	26.83%	-
EBITDA as stated	56.24	69.00	79.93	43.36
Profit Before Tax	35.11	47.49	52.87	27.58
Net Profit for the period	27.49	34.86	39.15	20.67
EPS (Rs)	6.73	8.53	9.59	5.06
RONW%	12.07%	13.29%	12.92%	6.46%
NAV (Rs)	55.77	64.21	74.21	78.39

Data as on 31st March 2022

Source: Company RHP

COMPARISON WITH LISTED INDUSTRY PEERS Rs (in Cr)								
Companies	Mcap (in Cr)	FV	Revenue from operation FY 2022 (in Cr)	EPS	NAV	P/E	P/Bv	RoNW
Elin Electronics Ltd	1227	5	1094.67	9.59	74.21	29.69	4.05	12.92%
Dixon Technologies (India) Ltd	24120	2	4537.50	32.00	168.06	140.44	23.72	19.08%
Amber Enterprises India Ltd	6574	10	2036.00	32.41	526.17	62.82	4.22	6.28%

Data as on 31st March 2022, Mcap: Cline, P/E, P/BV calculated as on 31st March 2022



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Msearch's Recommendation (Absolute Performance) Buy: > 20% within the next 12 Months

Accumulate: 5% to 20% within the next 12 Months Sell : < -20% within the next 12 Months

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