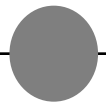


September 2019



AMBIT
Acumen at work

Ambit Coffee Can Portfolio



Investment framework focussing on **Quality**

- Companies with robust capital allocation track record and high quality of financial metrics
- Companies that meet our high benchmarks on accounting and corporate governance
- While the objective is to generate returns, the even bigger goal is to best manage drawdowns

Process-Driven Approach

- Highly qualified team of MBA's, CA's & CFA's with deep-dive equity research experience & specializations across various sectors.
- A 5-member highly experienced & distinguished Investment Committee in place to review all investment decisions.
- Full-fledged support of Ambit Group with over 400+ experienced employees spread across investment banking, institutional equities, equity capital markets, private equity, private wealth, NBFC, among others.

Our various **Offerings** spread across the market spectrum



Good & Clean Portfolio
(Mid-Cap Focussed)

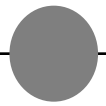


Coffee Can Portfolio
(Large-Cap Focussed)



Emerging Giants: G&C Small Cap
(Small-Cap Focussed)

Coffee Can Portfolio Philosophy



Consistent track record

Companies having excellent financial track record of revenue growth and earnings for over 10-20 years.



Market Leaders in B2C sectors

Most companies in our portfolio dominate their markets and possess unassailable competitive advantages in their core industries.



Low/Negligible Churn

Coffee Can Portfolio is a highly concentrated portfolio with 10-15 stocks and intended churn of less than 1 stock per year on average. This allows the portfolio to benefit from **"Power of Compounding"**.

Coffee Can portfolio



Long Term Wealth Creation

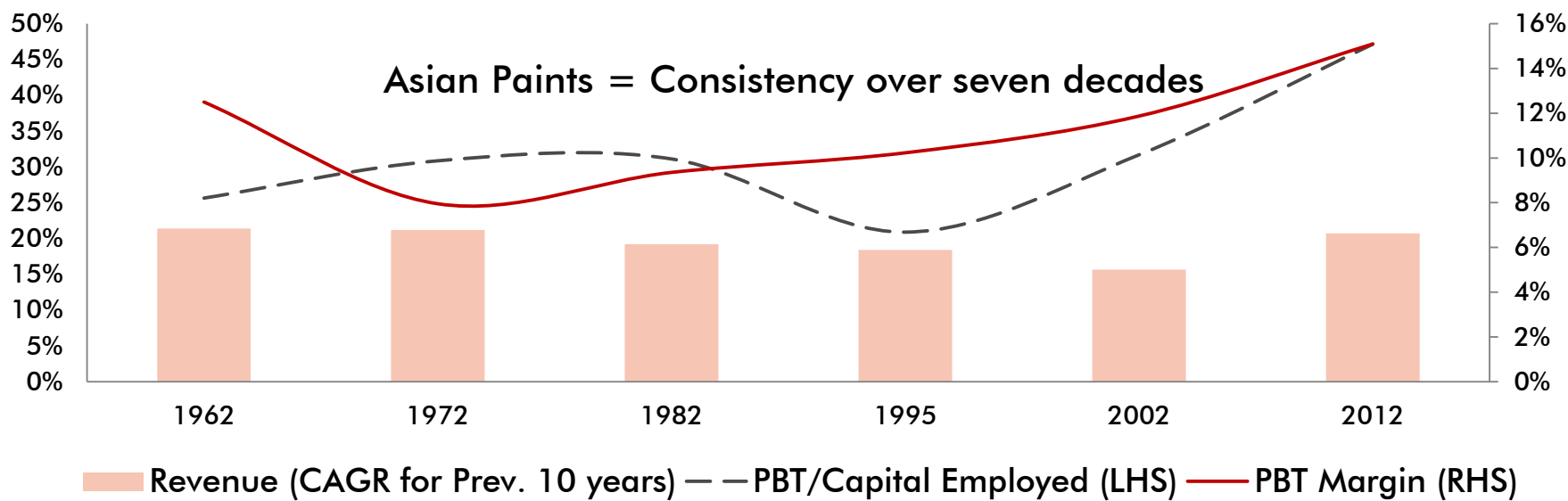
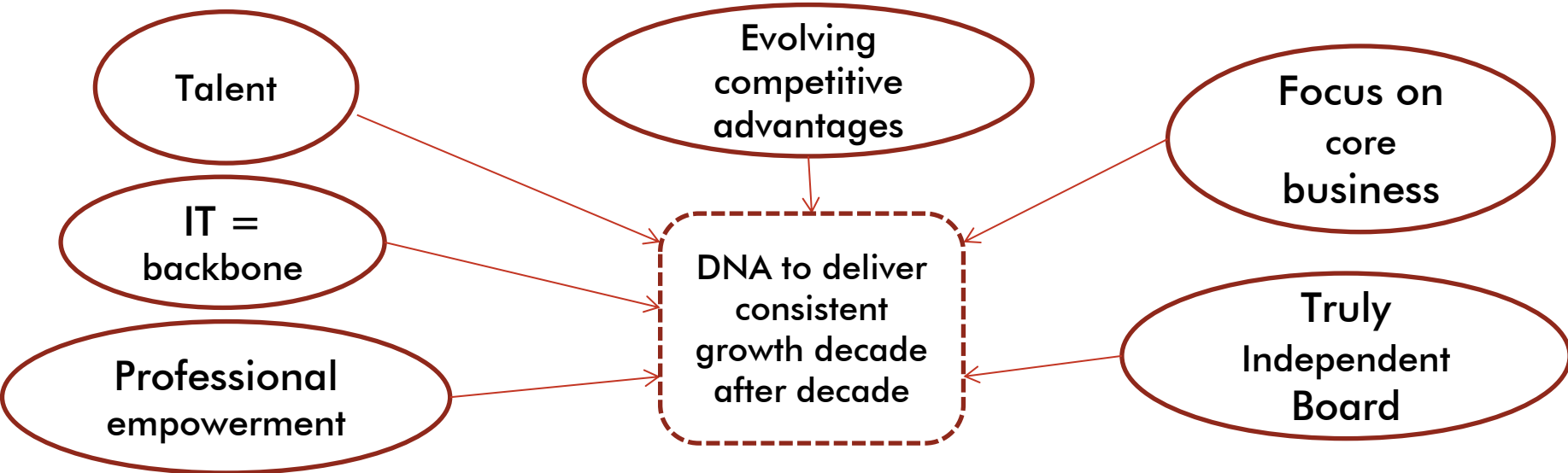
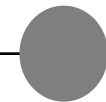
Coffee Can Portfolio intends to provide 20-25% CAGR returns over long term holding periods with volatility of portfolio similar to Govt. bonds (holding period > 3 years).



Do not "TIME" the market

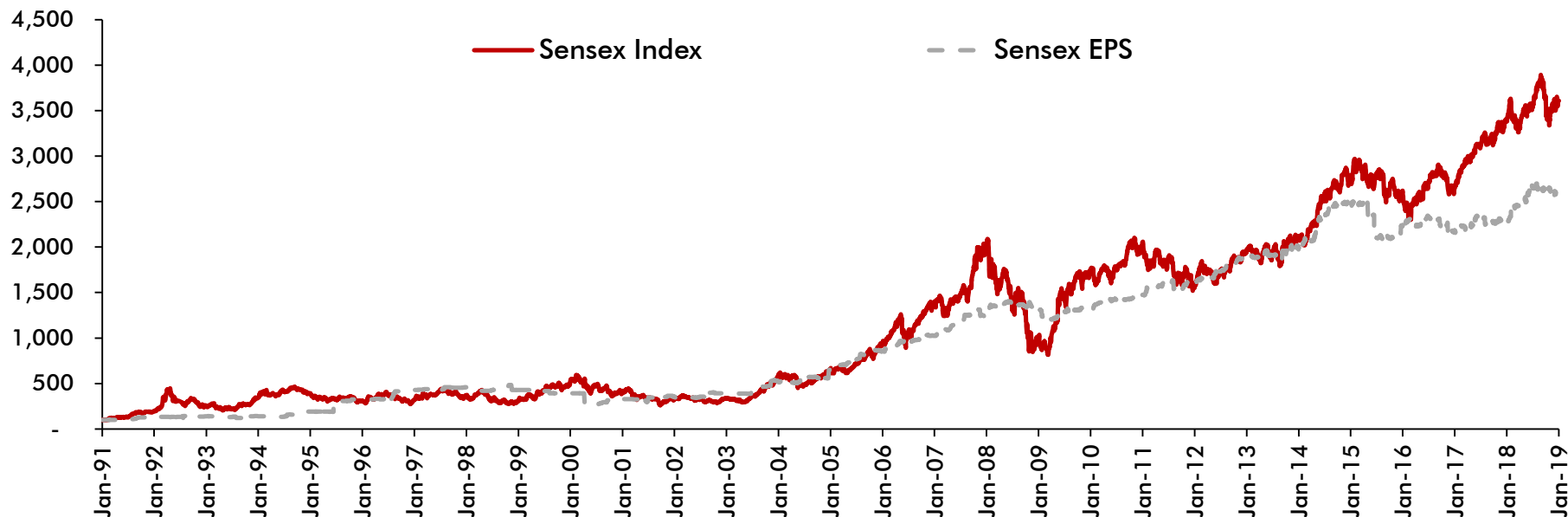
Do not attempt to time the market on the basis of speculation surrounding oil price, exchange rates, politics or other non-fundamental factors.

Coffee Can approach seeks a unique DNA in companies



Source: Company, Ambit Capital

Earnings growth is the biggest driver of share prices...



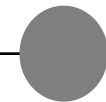
Source: BSE, Ambit Capital
Sensex Price and EPS are based to 100 on Jan 1991

Page Industries	Mkt Cap (Rs cr)	Trailing EPS	Trailing P/E (x)
Apr-08	545	21	23
Apr-18	26,827	296	81
CAGR	48%	31%	12%

Source: Ambit Capital

Earnings contributed to ~80% of the share price growth

'Timing' = Futile when earnings are consistent + strong



Total Shareholder Returns = **Earnings Growth** × **Change in P/E**

Scenarios
Starting P/E (x) - trailing
Ending P/E (x) - trailing
Number of years
EPS CAGR
Price CAGR

A
55
40
10
25%
21%

B
55
30
10
25%
18%

C
55
40
3
25%
12%

D
55
30
3
25%
2%

To Put it simply – We're Answering two obvious questions

“Which company’s stock should I buy?”

Type 1:

Volatile earnings
(could be due to
external or
internal factors)

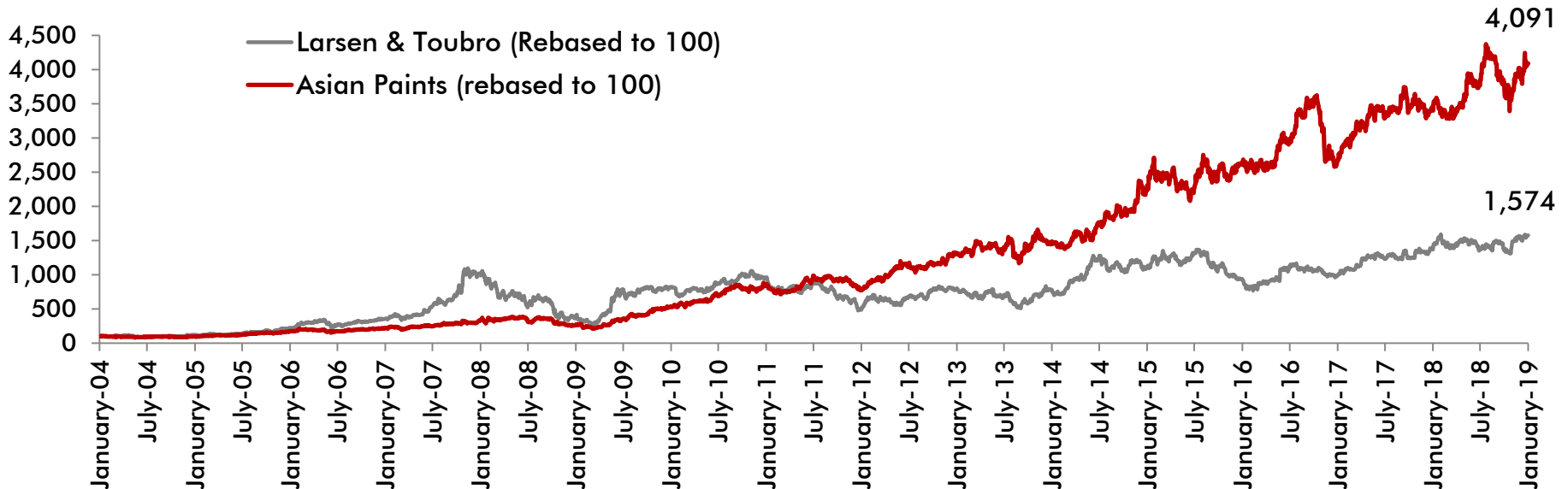
Type 2:
Consistent
earnings

“For how long should I hold this stock?”

Type 1:
Time it well

Type 2:

Forever (as long
as its competitive
strengths
sustain)



Source: Company, Ambit Capital

“I Know the future”

Option 1

- Forecast earnings and events

“History will repeat itself in future”

Option 2(a)

- Run a historical filter-based Coffee Can annual portfolio

“I only understand the DNA which will take care of the future”

Option 2(b)

- ‘Ambit’s Coffee Can PMS’ type of in-depth research

Our investment approach

Coverage universe = 31 stocks with 10-20 years of historical track record of consistency (for at least 90% of the 10-20 years historical period)

Consistently > 10% YoY revenue growth

Consistently > 15% ROCE

Our competitive advantage = Deep understanding of organizational DNA

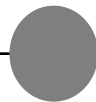
Will the firm sustain CONSISTENCY of growth in future (more than a decade)?

Marry valuations with longevity

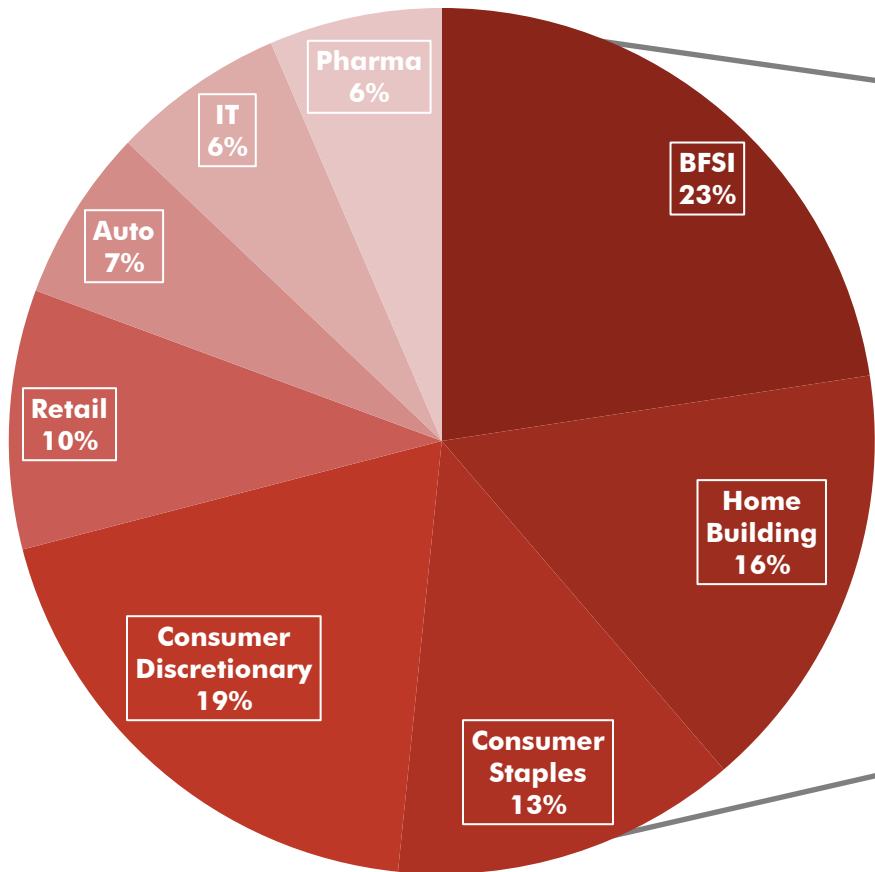
Portfolio composition = Concentrated portfolio of 10-15 stocks

Monitor earnings potential of companies in portfolio

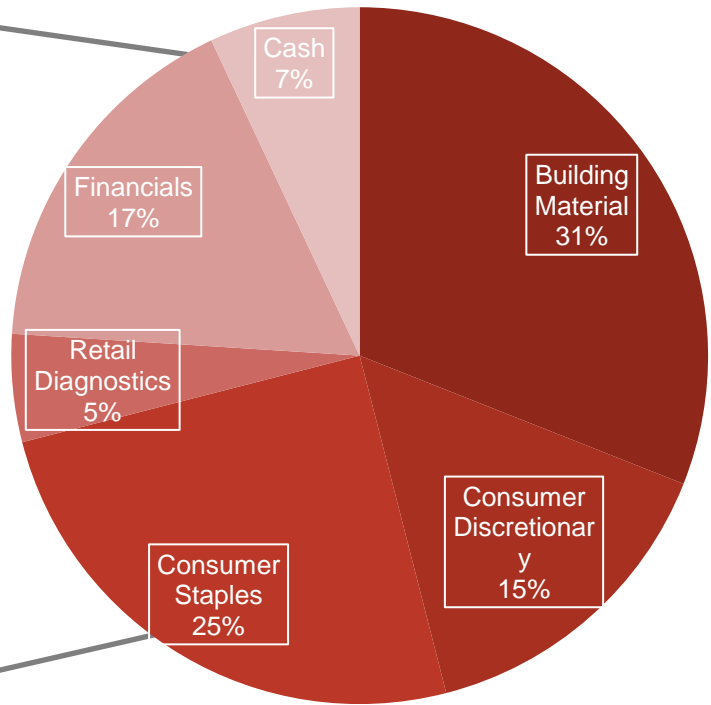
Churn (if required) = <1 stock per year on average



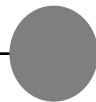
31 Stock Coverage Universe



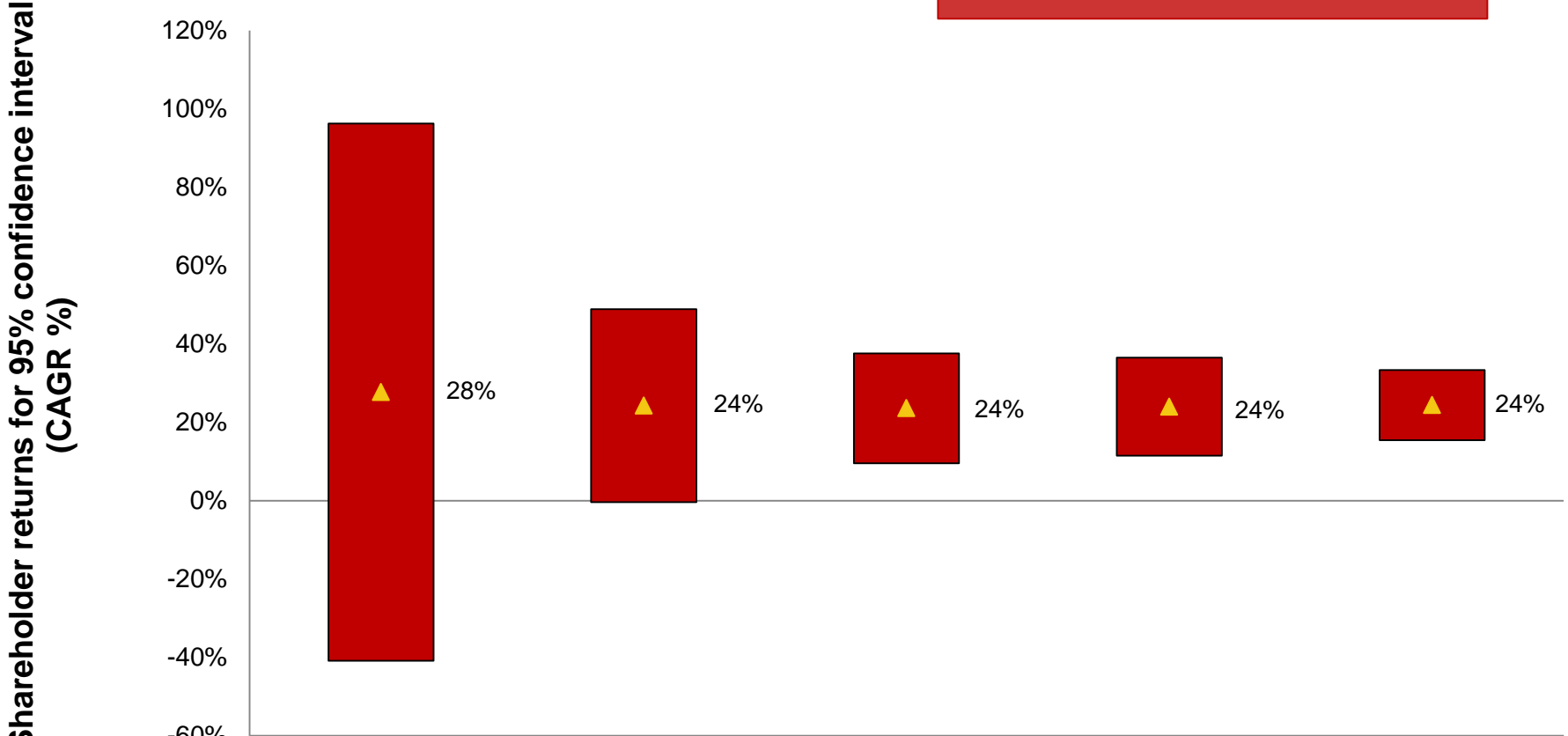
11 Stock Portfolio



CCP: Capital protection for 3 yrs or longer holding period



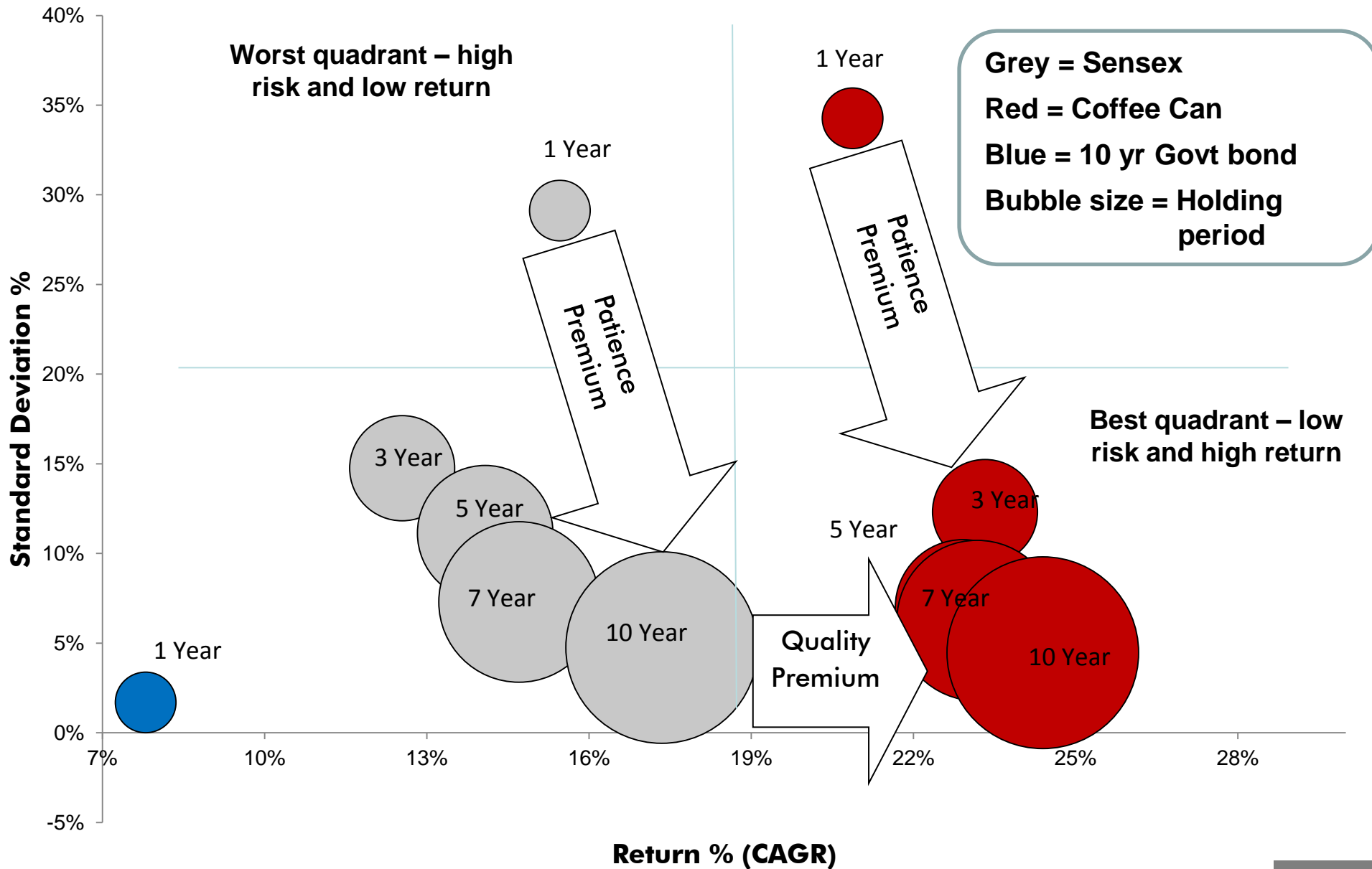
95% Confidence Interval



	1 Year	3 Year	5 Year	7 Year	10 Year
Upper Bound of 95%	96%	49%	38%	36%	33%
Median	21%	23%	23%	23%	24%
▲ Mean	28%	24%	24%	24%	24%
Lower Bound of 95%	-41%	0%	10%	11%	15%

Source: Ambit Capital

Risk-Return profile – CCP vs Sensex vs Govt. Bond



Coffee Can Stocks' resilience vs Sensex

Sensex

NEGATIVE RETURNS				POSITIVE RETURNS			
							FY98
							FY05
							FY07
						FY08	FY94
			FY97		FY11		FY00
		FY95	FY99		FY14		FY04
FY93		FY03	FY02	FY96	FY17		FY06
FY09	FY01	FY12	FY16	FY13	FY18	FY15	FY10
Less than -30%	-20% to -30%	-10% to -20%	0% to -10%	0% to +10%	+10% to +20%	+20% to +30%	More than +30%

Stock 1 (HDFC Bank)

NEGATIVE RETURNS				POSITIVE RETURNS			
							FY97
							FY98
							FY00
							FY04
							FY05
							FY06
							FY08
							FY10
						FY07	FY15
				FY99	FY02	FY12	FY11
				FY03	FY16	FY14	FY13
<< -30%	-20% to -30%	-10% to -20%	0% to -10%	0% to +10%	+10% to +20%	+20% to +30%	>> +30%

Sensex returns evenly spread

Stock 2 (Berger Paints)

NEGATIVE RETURNS				POSITIVE RETURNS			
							FY94
							FY95
							FY98
							FY99
							FY00
							FY04
							FY05
							FY06
							FY10
							FY11
FY93			FY03		FY12		FY13
FY96		FY01	FY08	FY97	FY14		FY15
FY07		FY02	FY09	FY18	FY16		FY17
<< -30%	-20% to -30%	-10% to -20%	0% to -10%	0% to +10%	+10% to +20%	+20% to +30%	>> +30%

Stock 3 (Asian Paints)

NEGATIVE RETURNS				POSITIVE RETURNS			
							FY94
							FY00
							FY02
							FY04
						FY95	FY06
					FY93	FY96	FY05
					FY03	FY98	FY11
					FY16	FY07	FY12
			FY97		FY18	FY14	FY17
FY09			FY99	FY01	FY18	FY14	FY17
<< -30%	-20% to -30%	-10% to -20%	0% to -10%	0% to +10%	+10% to +20%	+20% to +30%	>> +30%

RHS skew of CCP histograms

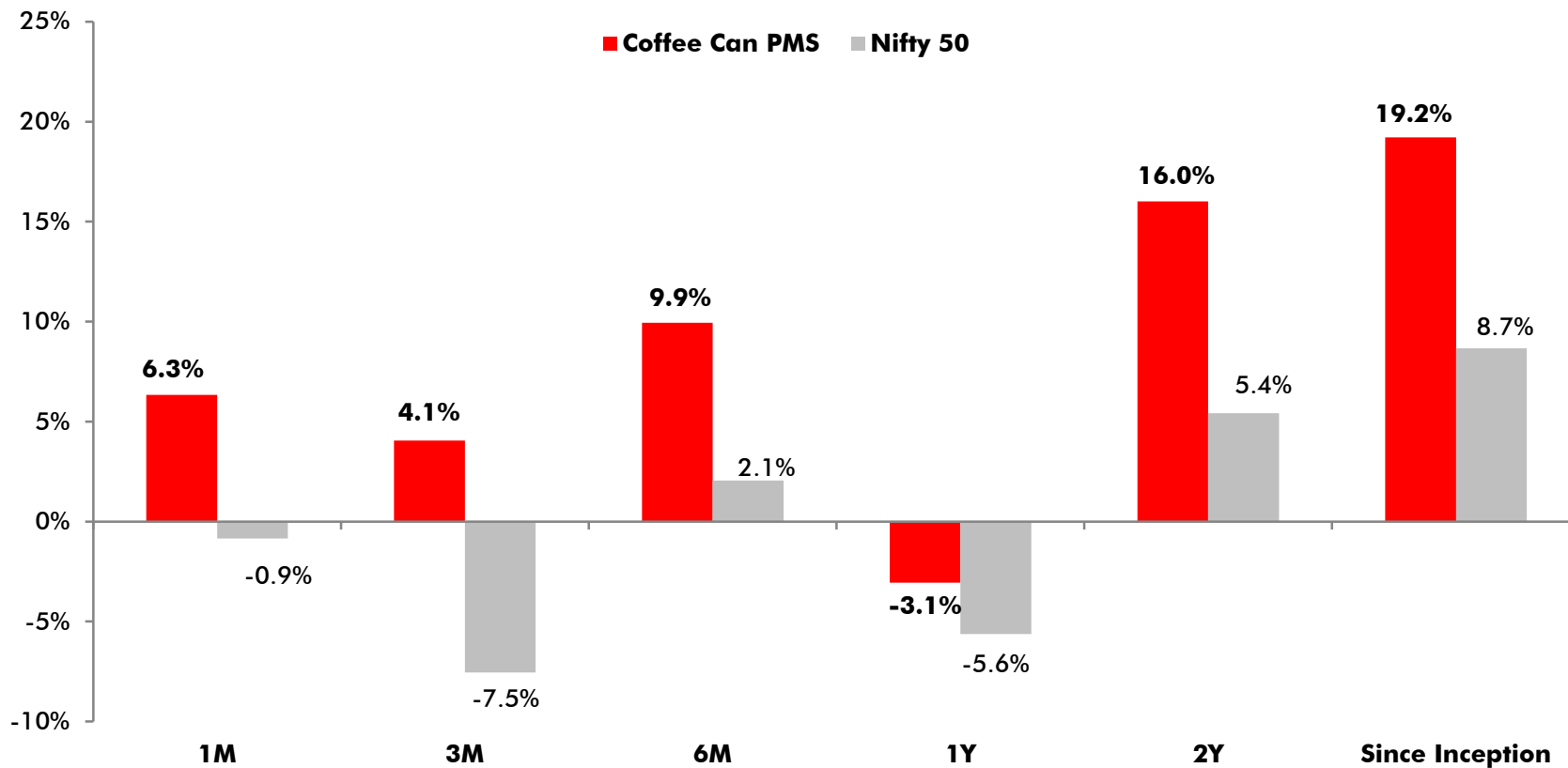
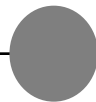
More greens than reds



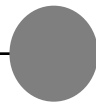
Stock delivered positive returns while Sensex was negative

Stock delivered negative returns while Sensex was positive

Ambit's Coffee Can Performance – PMS (as on August'19)



*Inception Date = 06-Mar-17; All returns are net of fees and expenses **Returns for 1-Month,3-Months,6-Months, 9-Months & 12-Months are absolute returns
Note: Returns prior to Apr'19 are returns of all the Pool accounts excluding non-aligned portfolio, and returns post Apr'19 is based on TWRR returns of all the pool accounts.

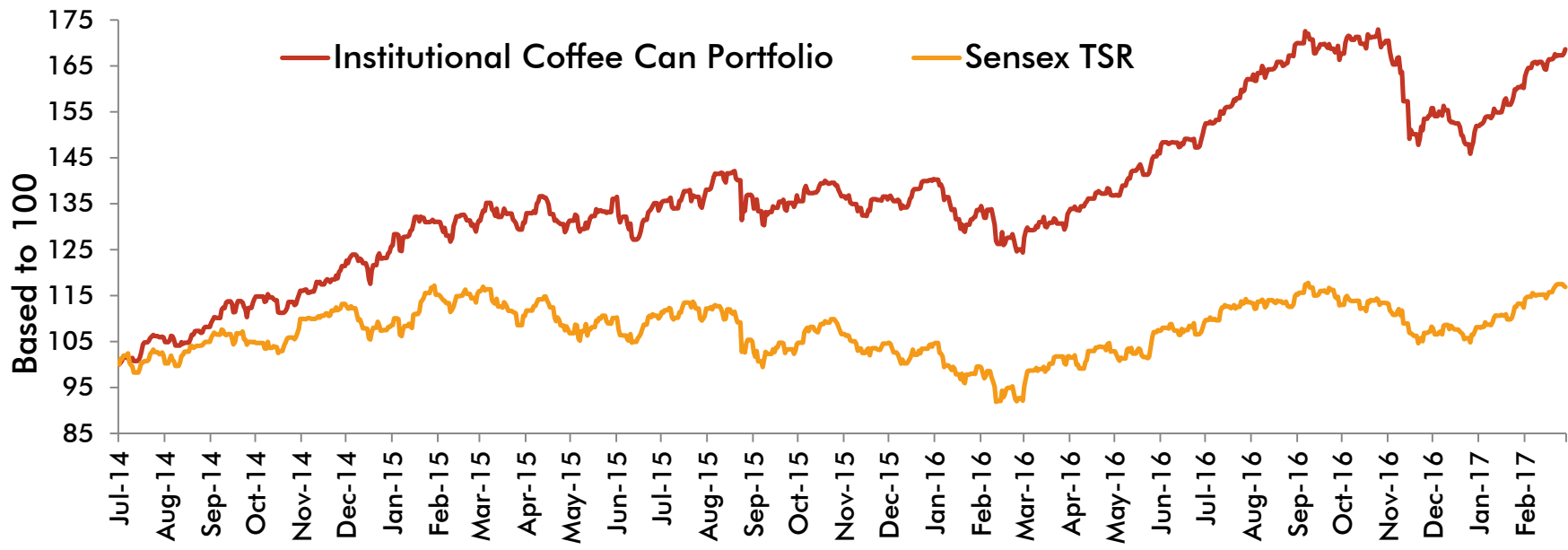


Ambit's Coffee Can Performance - Institutional (from July'14)

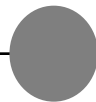
Annual Return

Start Date	CC Portfolio Return %	Sensex TSR *** %
Jul-14	34.3%	10.5%
Jul-15	12.0%	-2.1%
Jul-16*	10.6%	6.5%
CAGR since inception**	21.6%	6.0%

* Return for period starting July 2016 is absolute return till Feb 2017
 ** Return from inception till Feb 2017
 *** TSR = Total Shareholder Return which assumes that dividends received are reinvested

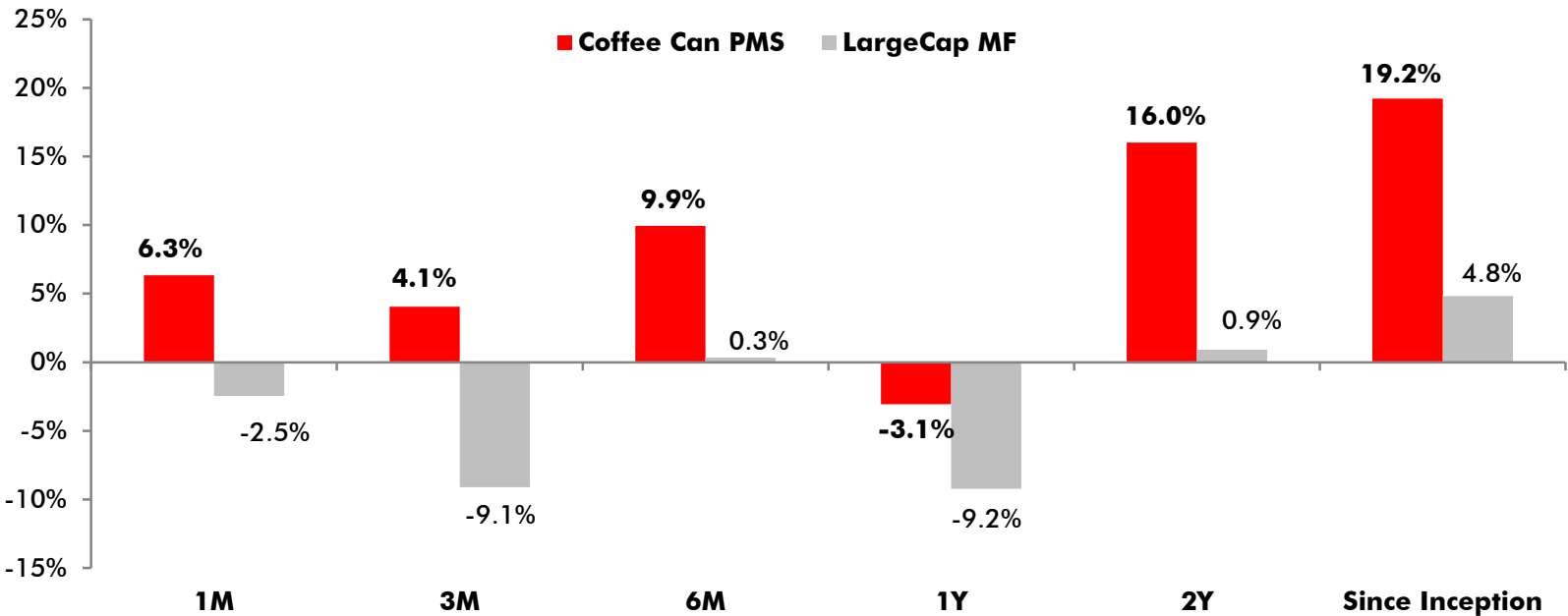


*From July 2014 to Feb 2017



Ambit's Coffee Can PMS vs Large Cap MF (as on August'19)

Investment	At Inception 6 Mar 2017	As on August'19
Coffee Can PMS**	25 Lacs	38.7 Lacs
Large Cap MF***	25 Lacs	28.1 Lacs
NIFTY 50	25 Lacs	30.7 Lacs



*Inception Date = 06-Mar-17; All Returns (except CAGR since inception) are absolute returns
 **Coffee Can PMS returns net of all fees & expenses
 ***Large Cap mutual fund returns calculated based on average returns of Top 6 large cap MF (AMFI Website).

Asset Management Team



SUSHANT BHANSALI
CEO – Asset Management

- Sushant Bhansali is the CEO of Asset Management business and a member of Ambit's Executive Committee. He has been with the firm for more than 11 years with a total industry experience of 18 years.
- Prior to this, he was heading the Principal Investment business where he cut his teeth investing in listed equities from Ambit's Balance Sheet. During the six year period the team delivered superlative returns investing primarily in small and mid cap listed Indian companies surpassing benchmark returns by a mile. The team followed a highly concentrated portfolio strategy investing in high conviction ideas on an opportunistic basis.
- Sushant began his career at Ambit with the Group CEOs office where he spent close to five years working on various transactions advising clients on M&A and capital raise. He also participated in development of various new business verticals, hiring teams, joint ventures, leadership initiatives and maiden private equity capital raise for the firm. Before joining Ambit he worked with global firms such as MSCI Inc and PricewaterhouseCoopers for close to six years.
- Sushant is a rank holder qualified Chartered Accountant and a PGD in Business Management from Indian School of Business(ISB).



SIDDHARTHA RASTOGI
Managing Director – Asset Management

- Siddhartha Rastogi is Managing Director with AMBIT Asset Management. He has 2 decades of Financial Services experience and last ~10 years with Ambit. Siddhartha was the founding member of IIFL Wealth & prior to that was Branch Head of HSBC Peddar Road Branch, biggest Wealth Branch in the Country. Siddhartha has also worked with Citibank & UTI bank in Wealth Management & merchant banking roles.
- He is an Honors Graduate in Commerce from Delhi University, Company Secretary (Intermediate) and Post Graduate in Finance & strategy from Narsee Monjee Management Institute, Mumbai.

Ambit Asset Management



AISHVARYA DADHEECH, CFA
Fund Manger – Asset Management

- With over 12 years of experience in Indian equities, Aishvarya has been managing Ambit Group's proprietary book for the last 2 years. He has a rich experience of fund management under Good & Clean Framework
- Prior to that he was with Reliance Life Insurance as Equity Fund manager managing their investments for almost 7 years. Being in Insurance his outlook was always long term and embedded with quality. There he had consistently outperformed the benchmark index and achieved internal targets. Prior to that he was with Crisil as a Equity and Credit Research Analyst for over 3 years
- He is a qualified Chartered Accountant (India, 2009) and MBA Finance. Aishvarya is also a CFA charter holder from CFA Institute, USA. He holds a bachelor degree in Accounting (Honors) from St. Xavier's College, Kolkata



MANISH JAIN
Fund Manager - Asset Management

- Manish over 15 years of experience in deep dive equity research
- He has worked with Nomura for 10 years as lead analyst covering FMCG, electrical durable & retail Sectors. He was amongst the best performing analyst in the research team with consistently strong votes from ADIA, Capital World (Ranked No 1 for four years in running), Capital International (for strong corporate access), FIL, FMR, Wellington, William Blair, Mirae, UBS, Morgan Stanley, TIAA CREF, Putnam, GSAM, Allianz, Alliance Bernstein, Lion Global, ICICI MF, ICICI Life, SBI MF, Birla MF, DSP, Franklin Templeton, amongst others
- He holds an MBA in Finance

Overview

- Founded in 1997 as a boutique M&A Advisory firm, added various offerings over two decades to become a full service India focused Investment Bank
- Deep coverage of large and mid-cap Indian Corporates and key India focused Global Corporates
- Strong corporate governance with clear demarcation between ownership, governance and management. Owned largely by employees
- Stable experienced team of 450+ employees
- Statutory Auditors: Deloitte Haskins & Sells
- Global presence with offices in Mumbai, Delhi, Bangalore, London, New York and Singapore

Global Partnerships



Strategic business alliance for mergers and acquisitions advisory services in Indo-Japan corridor



Strategic partnership with Qinvest offers a broad range of expertise to deliver high value service, seamlessly covering client needs across Middle East, Turkey, South and South East Asia, and Africa

Business Verticals

ASSET MANAGEMENT

- Portfolio Management Services

CORPORATE FINANCE

- Mergers & Acquisitions (M&A) and Divestures
- Alternative Capital Raising
- Equity Capital Markets (ECM)

INSTITUTIONAL EQUITIES

- Differentiated research/Bespoke strategies
- Derivatives and Technical analysis
- Block Trading

PRINCIPAL INVESTMENT

- Investing in high potential value discovery stories
- Small-Cap and Mid-Cap Public Companies

PRIVATE WEALTH

- Proprietary Investment Products
- Open Architecture Model
- Asset Allocation, Tax and Estate Planning

SME FINANCE

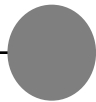
- Small Business Loans
- Loans against Properties

STRUCTURED FINANCE

- Lending Solutions
- Loan Syndication

Appendix

Alpha of Large Cap Equity Mutual Funds is diminishing

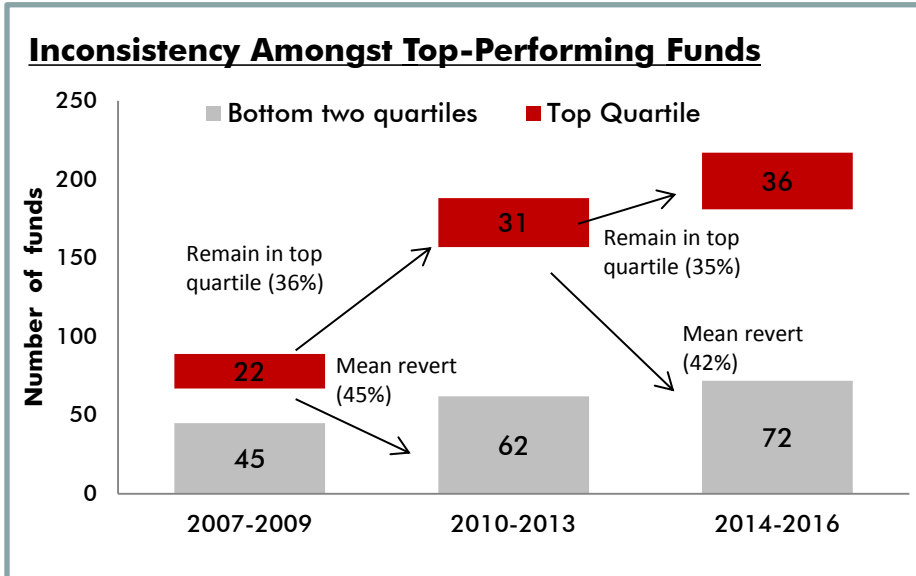


Large Cap MFs : Pre 2010 (Jan'91 to Dec'09)

	Rolling One year		Rolling Ten year	
	Equity MFs	BSE 100	Equity MFs	BSE 100
	Avg. Returns (%)	21.8	15.3	17.4
Std. Dev. (%)	46	37	7	5

Large Cap MFs : Post 2010 (Jan'10 to Feb'17)

	Rolling One year		Rolling Ten year	
	Equity MFs	BSE 100	Equity MFs	BSE 100
	Avg. Returns (%)	16.6	13.4	15.8
Std. Dev. (%)	23	23	3	4



- Alpha of MFs for 1-year-rolling has shrunk from 6.5% (pre 2010) to 3.2% (post 2010)
- Alpha of MFs for 10-year-rolling has shrunk from 4.1% (pre 2010) to 0% (post 2010)
- Half of the top performing mutual funds mean revert every 3 years

Source: MFI Explorer, Ambit Capital

Examples: Earnings contribute to the bulk of TSR

FY 94-97	Starting P/E	Ending P/E	EPS CAGR	Share Price CAGR
ASIAN PAINTS	38	20	29%	5%
ITC LTD	40	25	19%	2%
PIDILITE INDUSTRIES	20	13	23%	5%
NESTLE	64	37	15%	-4%
Average	41	24	22%	2%
Sensex	47	13	47%	-4%

FY 94-04	Starting P/E	Ending P/E	EPS CAGR	Share Price CAGR
ASIAN PAINTS	38	20	19%	12%
ITC LTD	40	16	23%	12%
PIDILITE INDUSTRIES	20	12	21%	15%
NESTLE	64	25	22%	11%
Average	41	18	21%	13%
Sensex	47	19	14%	4%

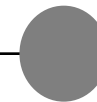
FY 99-09	Starting P/E	Ending P/E	EPS CAGR	Share Price CAGR
ASIAN PAINTS	13	19	18%	22%
ITC LTD	38	21	18%	11%
PIDILITE INDUSTRIES	15	19	12%	15%
NESTLE	51	26	18%	10%
Average	29	21	16%	13%
Sensex	15	14	11%	10%

Page Inds	Share price (Rs)	Mkt Cap (Rs cr)	Trailing EPS	Trailing P/E (x)
Apr-08	489	545	21	23
Apr-18	24,030	26,827	296	81
CAGR	48%	48%	31%	12%

Earnings contributed to ~80% of the share price growth

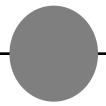
Source: Company, Ambit Capital

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