

Ratings Monitor

One Report – to monitor stocks and identify triggers to re-evaluate ratings

SUN TV NETWORK (SUNTV)

Current Market Price	Potential Returns	Fair Value (FV)
Rs.430	25.6%	Rs.540

Date: 17th June, 2022

Previous Rating: Reduce

Current Rating: Buy

Change: Upgrade

Ratings Rationale

- Core TV business on stable footing; IPL team's profit to increase to Rs270-300 cr.
- Capital allocations concerns can ease if company increases dividend payout
- Sun TV (flagship channel) has gained viewership from Zee Tamil over past 3-4 quarters.
- Underlying cash generation remains solid (FCF/PAT > 85%).
- We upgrade SUNTV to BUY from REDUCE and revise Fair Value to Rs540.

Valuation

Rate BUY on the stock with revised FV of Rs540 based on sum of the parts basis(SOTP).

Read Full Report

Note: The performance horizon is 12 months unless specified.

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