



# Pick of the week

## Just Dial

Recommendation: **ADD**

Current Price: **₹704**

Potential Upside: **43.5%**

Dated: **29<sup>th</sup> Nov 2021**

Time Period: **12 Month**

Target Price: **₹1010**

### Why invest?

- We expect Just dial to invest in new products and improvement of its existing offerings.
- Just Dials collections & deferred revenue up 14% & 20% yoy respectively, indicating recovery in next quarters.
- JUST's unique visitors improved 14.5% yoy to 15 crore visitors in Q2FY22.
- Rs.2165 crore was infused via preferential allotment by Reliance Retail Ventures (RRVL) in Q2FY22. RRVL has acquired ~67% stake in the company after buying stake from promoter and open offer.
- Strategic outlook. (1) JUST management wants to move the company from only a search destination to a deeper engagement led enabling transaction platform. (2) It will put in place the dedicated teams for each of the categories like JDMart, JDXpert. (3) Tech and content related investments. JUST already has 340-350 engineers. It will beef this team up. It has already hired more in technology, product, marketing, content.
- Retain ADD with a fair value of Rs1,010 based on September 2023E P/E of 23x.