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# Buy Linde India; target of Rs 566: Dalmia Securities

Dalmia Securities is bullish on Linde India has recommended buy rating on the stock with a target price of Rs 566 in its research report dated September 21, 2017.



## Dalmia Securities's research report on [Linde India](#)

Linde India Limited (Linde India), formerly BOC India Limited, is engaged in the industrial gases business. Linde India is a part of Linde group which operates in more than 100 countries worldwide and offer diversified portfolio of products and services. Linde India is leader in the industrial gases business in India providing a one-stop solution to all businesses for gas supply and related equipment and services. As on June 2017, order book of project engineering division stood at INR 597.4 cr.

## Outlook

Linde India is one of the key beneficiaries with increasing government initiatives towards developing India's manufacturing sector, coupled with rapid industrialization; demand for industrial gases is anticipated to grow at a robust pace over the next five years. With the merger of Linde AG and Praxair, both would dominate globally & Indian in industrial gases market. We expect sales and EBITDA to grow at a CAGR of ~13.3% and 15.5% respectively, in CY15-CY18E. Linde is currently trading at an EV/EBITDA of 12x in CY17E and 11x CY18E. With the anticipated improvement in financial performance, we assign an EV/EBITDA multiple of 12x (5 year average EV/EBITDA of 16.7) in CY18E and arrive at a target price of INR 566, indicating a potential upside of 43%. We initiated with a BUY rating.

*For all recommendations report, [click here](#)*

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