

Ocean Dial Virtual Conference: A look under the HOOD*

Thank you to everyone who attended Ocean Dial's virtual conference. Brief meeting notes on each session can be accessed in the links below.

Session 1 | Ridham Desai

Morgan Stanley's India Strategist gave an outlook on growth, the resumption of a capex cycle and earnings recovery, the data on COVID-19, Government policy, currency stability, and the merits of direct India exposure versus a broader EM fund. [Click here to download notes...](#)

Session 2 | Dixon Technologies (US\$1.3bn m'cap)

The electronics manufacturer gave an overview of the competitive landscape vis-à-vis China, contract-wins from global brands such as Samsung, the growth opportunity in India, its transition from solely an outsourced manufacturer to an outsourced designer as well, and the company's high ROIC (30% hurdle rate)/low working capital business model. [Click here to download notes...](#)

Session 3 | Gujarat Gas (US\$2.9bn m'cap)

The energy distributor discussed its growth trajectory following the National Green Tribunal's big push to clean up 100 industrial zones through a switch from coal to natural gas as well as a similar drive in public transportation. Lower capex requirements and high barriers to entry gives management confidence in volumes expanding to 10% CAGR over five years, allowing operating leverage to deliver over 20% ROIC and higher margins. [Click here to download notes...](#)

Session 4 | Westlife Development (US\$835m m'cap)

The McDonalds franchisee gave an overview of its outlet roll-out plans (320 to 400 by FY23) in an environment of shifting eating habits. Digitalisation and a renewed focus on hygiene are accelerating spending on branded restaurants away from unorganised street vendors. Management also discussed the support and knowledge sharing they receive from McDonalds Corp, customisation for Indian culture, and the company's profitability inflection point as 12-14% volume growth and 8-10% same store sales growth drives capacity utilisation to allow EBITDA margins to expand from 11% to 15%. [Click here to download notes...](#)

Session 5 | Neuland Laboratories (US\$209m m'cap)

The manufacturer of Active Pharmaceutical Ingredients discussed how increasing complexity in their products and changing global trade dynamics are acting as tailwinds. After a difficult period, the company's offering of higher profitability custom research services is ramping up, which will help dilute the high fixed costs of their 300-person-strong R&D centre and see the

company become a 20% EBITDA margin player. [Click here to download notes...](#)

Session 6 | India's Digital & Tech Opportunity

Karan Sharma, co-Head of Avendus Capital's digital & tech practice presented on the flood of FDI into the sector, the start-up scene, and how digital penetration leaves India well-positioned as it hits the \$2,500 GDP/capita inflection point that enables Indians to ramp-up their discretionary spending. Tridib Pathak, portfolio adviser for the Gateway to India Fund discussed with him how certain publicly listed companies have used technology to capture value for investors, what role the Indian equity market plays, and how to value tech companies as fundamental stock pickers. [Click here to download notes...](#)

Please note that all the sessions are off-the-record and these write-ups are for informational purposes only.

*The House of Ocean Dial (HOOD) is the team's investible universe of 135 companies