

**Simplex Infrastructures Limited.**

COMPANY SNAPSHOT					
CMP	Initiation Price	Target	Potential Upside	Recommendation	MCap (Rsbn)
Rs484	Rs540	Rs700	45%	BUY	Rs23.9

**About the Company:**

Simplex Infrastructures Ltd (Simplex) is a diversified company established in 1924, executing projects in several sectors like Transport, Energy & Power, Mining, Buildings, Marine, Real Estate etc. It is one of the leading construction players in India for nearly 90 years, executing projects with consistent quality assurance, cost control and adherence to milestones in a safe environment as per the customer requirements. Simplex has been closely associated with the country's infrastructure with over 2,900 completed projects spanning across almost the entire gamut of construction industry. The diverse clientele ranges from statutory bodies to national and state governments to domestic and international conglomerates. The management of the company has Mr. A.D Mundhra as the Vice-Chairman and Mr. Rajiv Mundhra as the Whole Time Director.

**Results Declared:**

- The net sales grew by 6.3% for the quarter at Rs16,482mn as compared to Rs15,501mn in the same quarter last year
- The Ebitda margins dropped to 9.6% from 13.2% in the comparative quarter
- The net profit dropped by 56.1% to Rs294mn from Rs668mn
- For the full year, the net sales grew by 2.8% with 12% Ebitda margins. The net profits stood at Rs1170mn, drop of 2.8%
- On the segmental front for the quarter, the construction segment grew by 6% while the Others segment grew by 7%.
- The EPS for the quarter stood at Rs5.93 while for the year is Rs23.6.
- In order to meet its growth requirements, the company has raised Rs4bn by way of QIP and Rs500mn by way of allotment of share warrants to promoters.
- FY18 saw a cumulative order inflow of Rs7,666cr and ended with the order book backlog of Rs18,622cr.

**Financials (Standalone):**

Result Update (Q4&FY2018)								
Q4&FY18 Result (Rs mn)	Mar-18	Mar-17	y-o-y	Dec-17	q-o-q	FY18	FY17	y-o-y
Total Income	16,482	15,501	6.3%	13,601	21.2%	57,662	56,075	2.8%
EBITDA	1,587	2,051	(22.6%)	1,785	(11.1%)	6,689	6,887	(2.9%)
Other Income	498	57	779.9%	217	129.2%	1363	891	53.0%
Interest	1253	1129	11.0%	1147	9.2%	4,709	4,454	5.7%
Depreciation	432	486	(11.2%)	454	(4.9%)	1,834	1,978	(7.3%)
Tax	106	(176)	(160.5%)	90	18.2%	340	143	137.6%
Net Profit	294	668	(56.1%)	311	(5.6%)	1,170	1,203	(2.8%)

**Outlook and Recommendations:**

The company has reported numbers below expectations for the quarter as well as the year ended March 2018. However, we believe that the company is a strong contender in its business domain. We maintain a BUY on the stock with a target price of Rs700 over a 12 months horizon.

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