

ITD Cementation India Limited

| COMPANY SNAPSHOT | | | | | |
|------------------|------------------|--------|------------------|----------------|-------------|
| CMP | Initiation Price | Target | Potential Upside | Recommendation | MCap (Rsbn) |
| Rs115 | Rs158 | Rs225 | 96% | BUY | Rs19.7 |

About the Company:

ITD Cementation India Limited (ITDCem) is one of the leading players in the engineering, procurement and construction (EPC) area of the infrastructure and construction industry. It can be easily marked as a civil engineering company engaged in construction. The company has a very strong execution track record which is largely supported by the strong parentage. The company serves its clients in the field / sector of marine, highway/bridge/flyover, speciality works, industrial / building, Mass Rapid Transit Systems (MRTS) and hydro projects. The company is ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007 certified.

Results Declared:

- The net sales for the quarter under review came in at Rs6,204mn as compared to Rs4,730mn, growth of 31.2%
- EBITDA margins came in at 12.6% as compared to 13.2% in the same quarter last year.
- The net profit grew by 41% to Rs274mn from Rs193mn.
- EPS for the quarter ending September 2018 stood at Rs1.6

Some of the recent orders bagged by the company include: orders valued over Rs8,450mn for works related to(21-9-2018):

- Upgrading of passenger terminal building and Airside facilities at Tiruchirapalli (Trichy) International Airport by Airports Authority of India.
- Development of Refit Jetty and Allied facilities at Port Blair by The Ministry of Shipping, Government of India for Andaman Lakshadweep Harbour Works.

Orders valued over Rs10,660mn from Airports Authority of India, Vizhinjam Port, Visakhapatnam Port, Mumbai Metro and Rail Vikas Nigam(23-10-2018)- The works will include:

- Construction of new integrated passenger terminal building and associated facilities at Pune Airport for Airports Authority of India.
- Construction of breakwater for Vizhinjam Port, Thiruvananthapuram, Kerala for Adani.
- Improving capacity utilisation of OR-I & OR-II berths for Visakhapatnam Port Trust.
- Design, construction, manufacturing, supply, installation, testing and commissioning of Ballastless track work in main line for Line-7 Corridor i.e. Andheri (East) to Dahisar (East) of Mumbai Metro Rail Project for Mumbai Metropolitan Region Development Authority.

Financials:

| Result Update (Q3CY2018) | | | | | | | | | |
|--------------------------|---------|---------|-------|---------|---------|--------|--------|-------|--------|
| Q3CY18 Result (Rs mn) | Sept-18 | Sept-17 | y-o-y | June-18 | q-o-q | 9MCY18 | 9MCY17 | y-o-y | CY18E |
| Total Income | 6,204 | 4,730 | 31.2% | 6,529 | (5.0%) | 19,280 | 14,856 | 29.8% | 23,757 |
| EBITDA | 781 | 622 | 25.6% | 862 | (9.4%) | 2,255 | 1,929 | 16.9% | 3,207 |
| Other Income | 61 | 42 | 47.3% | 57 | 7.4% | 203 | 202 | 0.6% | 352 |
| Interest | 244 | 226 | 7.9% | 223 | 9.6% | 697 | 657 | 6.1% | 989 |
| Depreciation | 159 | 139 | 14.4% | 185 | (13.9%) | 492 | 413 | 19.1% | 726 |
| Exceptional Items | 0 | 0 | - | (40) | - | 0 | 0 | - | 0 |
| Tax | 161 | 105 | 53.3% | 183 | (11.6%) | 388 | 361 | 7.4% | 553 |
| Net Profit | 274 | 193 | 41.8% | 289 | (5.4%) | 846 | 553 | 53.2% | 1,291 |

Outlook and Recommendations:

The company has reported good set of numbers for the quarter under review. Also with respect to the 9MCY18 the performance has been on track except for the slight dip in operating margins. We continue to maintain our target price of Rs225 with a perspective of 12 months perspective.

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