

ITD Cementation India Limited

COMPANY SNAPSHOT					
CMP	Initiation Price	Target	Potential Upside	Recommendation	MCap (Rsbn)
Rs142	Rs158	Rs225	58%	BUY	Rs22.1

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:

- On consolidated basis, the net sales for the quarter under review came in at Rs6,529mn as compared to Rs4,892mn, growth of 33.5%
- The Ebitda margins came in at 13.2% as compared to 11.2% in the same quarter last year.
- The net profit for the quarter under review (including share of profit of joint venture) came in at Rs289mn as compared to Rs207mn in the same quarter last year.
- The EPS for the quarter is Rs1.7 as compared to Rs1.3 in the corresponding quarter last year.
- With regard to the 6MCY18 performance, except for the drop in margins in y-o-y comparison there has been decent growth across the topline and net profit levels.
- The company has an order book of Rs9000cr of which almost 51% is towards Metro rail

Financials (Consolidated):

Result Update (Q2CY18)								
Q2CY18 Result (Rs mn)	June-18	June-17	y-o-y	Mar-17	q-o-q	6MCY18	6MCY17	y-o-y
Total Income	6,529	4,892	33.5%	6,547	(0.3%)	13,076	10,126	29.1%
EBITDA	862	546	57.9%	611	41.0%	1,474	1,307	12.8%
Other Income	57	86	(33.6%)	85	(32.8%)	142	160	(11.5%)
Interest	223	223	-	231	(3.5%)	453	431	5.1%
Depreciation	185	133	38.7%	147	25.7%	332	273	21.6%
Share of profit/(Loss) of joint ventures	(40)	20	-	9	-	(31)	(147)	(79.3%)
Tax	183	89	105.0%	44	316.0%	226	256	(11.4%)
Net Profit	289	207	39.6%	284	1.9%	573	360	59.2%

Outlook and Recommendations:

The company has reported good set of numbers for the quarter under review. Also with respect to the 6MCY18 the performance has been on track except for the slight dip in operating margins. We continue with our Buy recommendation on the stock with a target price of Rs225 over a 12 months perspective.

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