

**Simplex Infrastructures Limited.**

COMPANY SNAPSHOT					
CMP	Initiation Price	Target	Potential Upside	Recommendation	MCap (Rsbn)
Rs495	Rs540	Rs700	41%	BUY	Rs24.4

**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 for the quarter was almost flat at Rs12460mn as compared to Rs12635mn in the same quarter last year
- The Ebitda margins clocked improvement at 13.6% as compared to 12.7% in the comparative quarter
- The net profits clocked growth of 55.7% at Rs278mn as against Rs178mn majorly due to the lower taxes during the quarter
- The EPS stood at Rs5.61
- On the segmental front, the construction segment was flat at Rs12269mn as compared to Rs12433mn in the comparative quarter.
- The fresh order inflow was Rs19310mn and for the H1FY18 it stands at Rs33370mn. The order book as of Sept 2017 stands at Rs173010mn in addition to the L1 of Rs13570mn.

**Financials (Standalone):**

Result Update (Q2FY2018)									
Q1FY18 Result (Rs mn)	Sept-17	Sept-16	y-o-y	Jun-17	q-o-q	FY16	FY17	y-o-y	FY18E
Total Income	12460	12635	(1.4%)	15,119	(17.6%)	58,116	56,075	(3.5%)	61,683
EBITDA	1696	1598	6.1%	1,728	(1.9%)	5,662	6,887	21.6%	7,710
Other Income	294	289	1.9%	247	19.2%	970	891	(8.1%)	808
Interest	1176	1094	-	1,132	3.8%	4,293	4,454	3.8%	4,349
Depreciation	470	499	(5.8%)	479	(1.8%)	1,375	1,978	43.9%	2,014
Tax	66	116	(42.8%)	77	(13.5%)	301	143	(52.5%)	647
Net Profit	278	178	55.7%	287	(3.2%)	663	1,203	81.4%	1,508

**Outlook and Recommendations:**

The company has reported flat numbers on the sales front, but there has been improvement at the operational end with expansion in margins. The order book also stands strong for the remaining part of the year. Taking the positives from the company, we maintain a BUY on the stock with a target price of Rs700 over a 12 months horizon.

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