

Simplex Infrastructures Limited

COMPANY SNAPSHOT					
CMP	Initiation Price	Target	Potential Upside	Recommendation	MCap (Rsbn)
Rs160	Rs540	Rs300	87%	BUY	Rs7.9

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 for the quarter reported a drop of 4.5% to Rs15,747mn as compared to Rs16,482mn in the same quarter last year
- The EBITDA margins for the quarter under review stood at 11.6%
- The net profit grew by 14.5% to Rs336mn as against Rs296mn in the comparative quarter
- The EPS stands at Rs5.9
- For the full year, the company has clocked revenue growth of 4.8% and ended the year with net profit growth of 4.8%.
- The company has recommended dividend on equity shares of Re0.50 per share of face value Rs2 each for FY19
- FY19 saw a cumulative order inflow of Rs3,194cr and ended with the Order book backlog of Rs16,020cr in addition to L1 of Rs923cr.
- On the segmental front, the construction space de-grew by 6% while the Others grew by 99%

Financials:

Result Update (Q4&FY2019)								
Q4&FY19 Result (Rs mn)	Mar-19	Mar-18	y-o-y	Dec-18	q-o-q	FY19	FY18	y-o-y
Total Revenue	15,747	16,482	(4.5%)	14,034	12.2%	60,415	57,662	4.8%
EBITDA	1,834	1,390	32.0%	1,789	2.5%	7,103	6,496	9.3%
Other Income	376	605	(37.8%)	240	56.6%	1,119	1,363	(17.9%)
Interest	1231	1162	5.9%	1135	8.5%	4,708	4,516	4.3%
Depreciation	381	432	(11.7%)	407	(6.4%)	1,677	1,834	(8.6%)
Exceptional Items	-	-	-	-	-	-	-	-
Tax	262	106	146.0%	125	110.0%	611	340	79.9%
Net Profit	336	294	14.5%	363	(7.3%)	1226	1170	4.8%

Outlook and Recommendations:

The results for the quarter as well as the year are as per our expectations. The company stands a good order backlog for the year ahead giving a comfort to the earnings of FY20. We continue with our Buy call on the stock and target price of Rs300 over a 12 months horizon.

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