

BUY

TP: Rs 330 | ▲ 32%

**TRANSPORT CORP OF
INDIA**

| Logistics

| 04 February 2021

A lot to like

Transport Corp's (TRPC) Q3FY21 print beat estimates on all fronts. Consolidated revenue rose 14% YoY to Rs 8.1bn (est. Rs 7.4bn), boosted by 24% growth in SCS revenue. EBITDA/adj. PAT jumped 23%/55% YoY. We expect TRPC's growth to accelerate in coming quarters supported by recovery in key-client industry verticals (auto, bulk goods), rising LTL volumes and a benign base. The improving outlook prompts us to raise FY21/FY22/FY23 EBITDA estimates by 13%/5%/5%. On rollover, our Mar'22 TP rises to Rs 330 (vs. Rs 300). BUY.

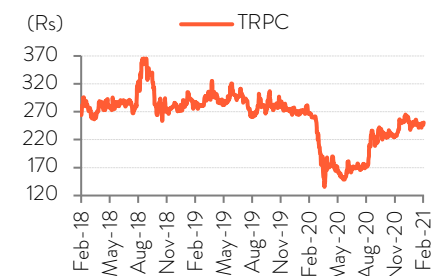
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SCS segment rebounds: TRPC's supply chain segment grew at a strong 24% YoY led by a cyclical recovery in the key auto vertical (~80% of segment revenue). Steady client addition in the FMCG and e-commerce verticals over past quarters also lent a fillip to growth. Sustained momentum in the TCI-Concor JV (+62%/+64% YoY in Q3/9M) spurred an 11% YoY uptick in consolidated freight revenue, though traction in road freight (standalone) was relatively muted at 2%. Seaways growth eased to 4.9% YoY vs. 9% in Q2 due to limited capacity as one ship was in dry dock.

| | |
|------------------|----------------|
| Ticker/Price | TRPC IN/Rs 250 |
| Market cap | US\$ 262.8mn |
| Shares o/s | 77mn |
| 3M ADV | US\$ 0.1mn |
| 52wk high/low | Rs 280/Rs 122 |
| Promoter/FPI/DII | 67%/2%/12% |

Source: NSE

EBITDA margin at multi-quarter high: Higher gross margins (+20bps YoY), coupled with lower staff costs (-80bps) saw EBITDA margin scale up to 9.9% (+70bps), the highest in seven quarters. SCS/freight EBIT margins expanded 122bps/77bps YoY to 6.7%/4.2%. Seaways EBIT margin fell 24bps to 22.6%.

STOCK PERFORMANCE

Source: NSE

Tailwinds converging: We expect TRPC to be a prime beneficiary of the ongoing economic recovery owing to its unmatched multi-modal capabilities. A cyclical upturn in the key auto vertical augurs well for the SCS segment, whereas a rising share of LTL and gradual uptick in freight availability should boost the freight segment. An improving balance sheet – net debt has declined to Rs 2.5bn from Rs 3.4bn in FY20 – is another positive.

KEY FINANCIALS

| Y/E 31 Mar | FY19A | FY20A | FY21E | FY22E | FY23E |
|-------------------------|--------|--------|--------|--------|--------|
| Total revenue (Rs mn) | 27,536 | 27,178 | 27,320 | 31,705 | 35,383 |
| EBITDA (Rs mn) | 2,495 | 2,405 | 2,508 | 3,030 | 3,507 |
| Adj. net profit (Rs mn) | 1,460 | 1,531 | 1,408 | 1,692 | 1,978 |
| Adj. EPS (Rs) | 19.0 | 19.9 | 18.3 | 22.0 | 25.7 |
| Adj. EPS growth (%) | 17.7 | 4.6 | (8.0) | 20.2 | 16.9 |
| Adj. ROAE (%) | 17.7 | 16.0 | 12.9 | 13.8 | 14.4 |
| Adj. P/E (x) | 13.2 | 12.6 | 13.7 | 11.4 | 9.7 |
| EV/EBITDA (x) | 9.3 | 9.8 | 9.3 | 7.6 | 6.5 |

Source: Company, BOBCAPS Research

BOB Capital Markets Ltd is a wholly owned subsidiary of Bank of Baroda

Important disclosures, including any required research certifications, are provided at the end of this report.



FIG 1 – QUARTERLY PERFORMANCE – CONSOLIDATED

| Y/E Mar (Rs mn) | Q3FY21 | Q3FY20 | YoY (%) | Q2FY21 | QoQ (%) | 9MFY21 | 9MFY20 | YoY (%) |
|---|--------------|--------------|-------------|--------------|-------------|---------------|---------------|---------------|
| Total revenues | 8,071 | 7,063 | 14.3 | 6,969 | 15.8 | 19,097 | 20,501 | (6.8) |
| Operating expenses | 6,602 | 5,792 | 14.0 | 5,763 | 14.6 | 15,677 | 16,737 | (6.3) |
| % of sales | 81.8 | 82.0 | (21bps) | 82.7 | (89bps) | 82.1 | 81.6 | 45bps |
| Employee expenses | 373 | 382 | (2.4) | 341 | 9.4 | 1,015 | 1,152 | (11.9) |
| % of sales | 4.6 | 5.4 | (79bps) | 4.9 | (27bps) | 5.3 | 5.6 | (30bps) |
| Other expenses | 299 | 240 | 24.3 | 243 | 23.1 | 679 | 792 | (14.3) |
| % of sales | 3.7 | 3.4 | 30bps | 3.5 | 22bps | 3.6 | 3.9 | (31bps) |
| Total expenditure | 7,274 | 6,415 | 13.4 | 6,346 | 14.6 | 17,371 | 18,681 | (7.0) |
| EBITDA | 797 | 648 | 23.0 | 622 | 28.0 | 1,726 | 1,820 | (5.2) |
| EBITDA margin (%) | 9.9 | 9.2 | 70bps | 8.9 | 94bps | 9.0 | 8.9 | 16bps |
| Depreciation | 233 | 215 | 8.3 | 209 | 11.4 | 648 | 617 | 4.9 |
| EBIT | 564 | 433 | 30.2 | 414 | 36.4 | 1,078 | 1,202 | (10.3) |
| Interest expenses | 63 | 89 | (29.2) | 69 | (8.4) | 206 | 259 | (20.3) |
| Other income | 46 | 57 | (19.9) | 66 | (30.0) | 142 | 134 | 6.3 |
| PBT | 547 | 401 | 36.3 | 410 | 33.4 | 1,014 | 1,077 | (5.9) |
| PBT margin (%) | 6.8 | 5.7 | 109bps | 5.9 | 89bps | 5.3 | 5.3 | 6bps |
| Share of profit/(loss) from JV | 52 | 19 | 173.2 | 47 | 11.6 | 97 | 194 | (50.0) |
| PBT - after share of profit/(loss) from JV | 599 | 420 | 42.5 | 457 | 31.1 | 1,111 | 1,272 | (12.6) |
| Extraordinary income/(expense) | (104) | - | NM | - | NM | (104) | (99) | NM |
| Tax rate | 65 | 77 | (15.0) | 84 | (22.3) | 158 | 102 | 54.2 |
| Tax rate (%) – total | 10.9 | 18.2 | (736bps) | 18.4 | (749bps) | 15.5 | 9.5 | 606bps |
| Reported PAT | 429 | 344 | 24.9 | 373 | 15.2 | 849 | 1,071 | (20.7) |
| Adjustment | 104 | - | NM | - | NM | 104 | 99 | 5.6 |
| Adjusted PAT | 534 | 344 | 55.3 | 373 | 43.2 | 953 | 1,169 | (18.5) |
| Adjusted PAT margin (%) | 6.6 | 4.9 | 175bps | 5.3 | 126bps | 5.0 | 5.7 | (71bps) |
| Adjusted EPS | 7.0 | 4.5 | 55.3 | 4.9 | 43.2 | 12.4 | 15.3 | (18.5) |

Source: Company, BOBCAPS Research

FIG 2 – SEGMENTAL PERFORMANCE – CONSOLIDATED

| Y/E Mar (Rs mn) | Q3FY21 | Q3FY20 | YoY (%) | Q2FY21 | QoQ (%) | 9MFY21 | 9MFY20 | YoY (%) |
|--|--------|--------|---------|--------|---------|--------|--------|----------|
| Freight segment | | | | | | | | |
| Revenue | 4,149 | 3,740 | 10.9 | 3,572 | 16.2 | 10,026 | 10,725 | (6.5) |
| EBIT | 173 | 128 | 36.0 | 119 | 46.3 | 332 | 320 | 3.7 |
| EBIT margin | 4.2 | 3.4 | 77bps | 3.3 | 86bps | 3.3 | 3.0 | 33bps |
| Supply chain management segment | | | | | | | | |
| Revenue | 3,011 | 2,431 | 23.9 | 2,541 | 18.5 | 6,670 | 7,348 | (9.2) |
| EBIT | 200 | 132 | 51.7 | 166 | 20.4 | 398 | 459 | (13.2) |
| EBIT margin | 6.7 | 5.4 | 122bps | 6.5 | 10bps | 6.0 | 6.2 | (27bps) |
| Seaways segment | | | | | | | | |
| Revenue | 1,038 | 989 | 4.9 | 932 | 11.3 | 2,652 | 2,632 | 0.8 |
| EBIT | 235 | 226 | 3.8 | 155 | 52.0 | 430 | 528 | (18.6) |
| EBIT margin | 22.6 | 22.9 | (24bps) | 16.6 | 607bps | 16.2 | 20.1 | (385bps) |

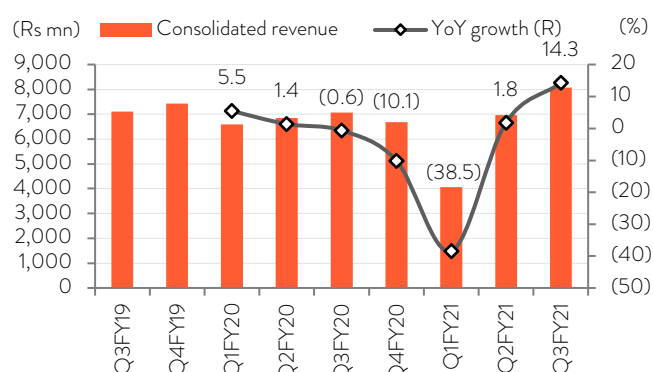
Source: Company, BOBCAPS Research

FIG 3 – QUARTERLY PERFORMANCE – STANDALONE

| Y/E Mar (Rs mn) | Q3FY21 | Q3FY20 | YoY (%) | Q2FY21 | QoQ (%) | 9MFY21 | 9MFY20 | YoY (%) |
|--------------------------------|--------------|--------------|-------------|--------------|-------------|---------------|---------------|---------------|
| Total revenues | 7,152 | 6,473 | 10.5 | 6,122 | 16.8 | 16,554 | 18,877 | (12.3) |
| Operating expenses | 5,760 | 5,241 | 9.9 | 4,976 | 15.8 | 13,323 | 15,245 | (12.6) |
| % of sales | 80.5 | 81.0 | (43bps) | 81.3 | (74bps) | 80.5 | 80.8 | (28bps) |
| Employee expenses | 359 | 370 | (3.0) | 329 | 9.2 | 977 | 1,116 | (12.5) |
| % of sales | 5.0 | 5.7 | (70bps) | 5.4 | (35bps) | 5.9 | 5.9 | (1bps) |
| Other expenses | 278 | 235 | 18.7 | 227 | 22.6 | 631 | 760 | (17.0) |
| % of sales | 3.9 | 3.6 | 27bps | 3.7 | 18bps | 3.8 | 4.0 | (22bps) |
| Total expenditure | 6,398 | 5,846 | 9.4 | 5,532 | 15.6 | 14,931 | 17,122 | (12.8) |
| EBITDA | 754 | 627 | 20.3 | 590 | 27.8 | 1,623 | 1,755 | (7.5) |
| EBITDA margin (%) | 10.5 | 9.7 | 86bps | 9.6 | 91bps | 9.8 | 9.3 | 51bps |
| Depreciation | 220 | 204 | 7.9 | 198 | 11.3 | 613 | 580 | 5.8 |
| EBIT | 534 | 423 | 26.3 | 392 | 36.2 | 1,010 | 1,175 | (14.1) |
| Interest expenses | 58 | 84 | (31.0) | 64 | (8.6) | 192 | 244 | (21.4) |
| Other income | 86 | 58 | 50.3 | 71 | 22.0 | 246 | 216 | 13.8 |
| PBT | 562 | 396 | 41.9 | 399 | 40.8 | 1,064 | 1,148 | (7.3) |
| PBT margin (%) | 7.9 | 6.1 | 174bps | 6.5 | 134bps | 6.4 | 6.1 | 35bps |
| Extraordinary income/(expense) | (104) | - | NM | - | NM | (104) | (99) | NM |
| Tax rate | 58 | 75 | (23.2) | 79 | (27.5) | 141 | 97 | 44.8 |
| Tax rate (%) – total | 10.2 | 18.9 | (868bps) | 19.9 | (963bps) | 13.2 | 8.5 | 476bps |
| Reported PAT | 401 | 321 | 24.6 | 320 | 25.2 | 819 | 951 | (13.9) |
| Adjustment | 104 | - | NM | - | NM | 104 | 99 | (100.0) |
| Adjusted PAT | 505 | 321 | 57.1 | 320 | 57.7 | 923 | 1,050 | (12.1) |
| Adjusted PAT margin (%) | 7.1 | 5.0 | 209bps | 5.2 | 183bps | 5.6 | 5.6 | 1bps |
| Adjusted EPS | 6.6 | 4.2 | 57.1 | 4.2 | 57.7 | 12.1 | 13.7 | (12.1) |

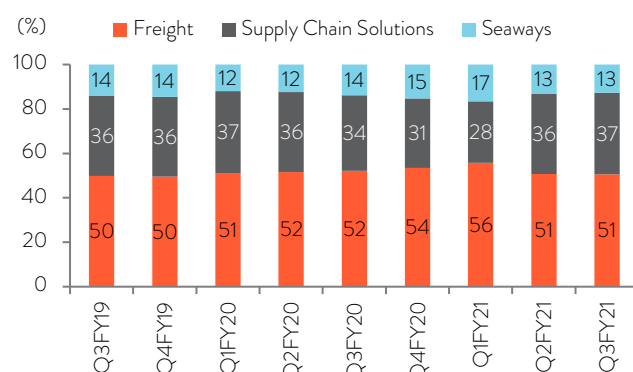
Source: Company, BOBCAPS Research

FIG 4 – CONSOLIDATED REVENUE GREW 14.3% YOY



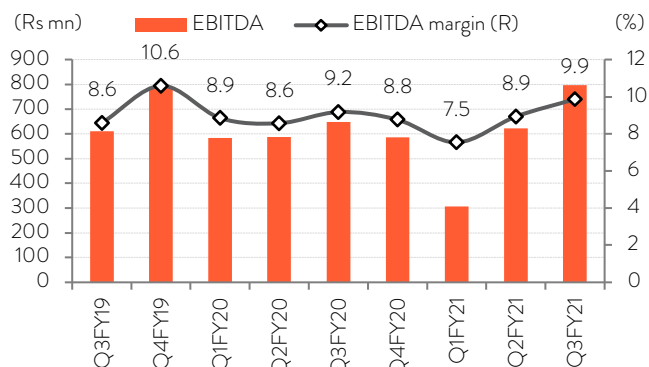
Source: Company, BOBCAPS Research

FIG 5 – SCS SEGMENT REGAINED REVENUE SHARE



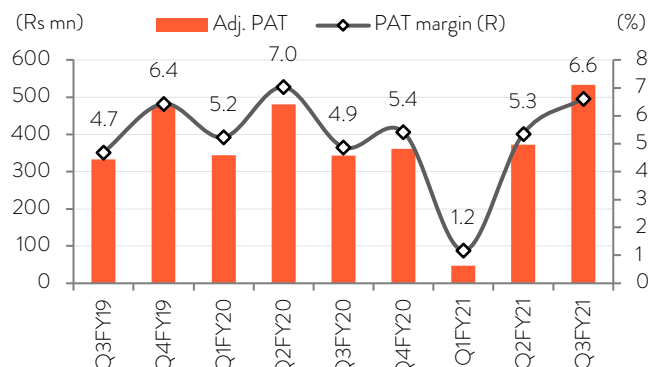
Source: Company, BOBCAPS Research

FIG 6 – CONSOLIDATED EBITDA MARGIN EXPANDED BY 70BPS YOY TO 9.9%



Source: Company, BOBCAPS Research

FIG 7 – ADJ. PAT LEAPED 55% YOY



Source: Company, BOBCAPS Research

FIG 8 – CAPEX PLAN AND FUNDING PATTERN

| (Rs mn) | FY20A | 9MFY21A | FY21E |
|---|--------------|------------|--------------|
| Capex details | | | |
| Hub centres and small warehouses | 152 | 407 | 445 |
| Ships | 509 | - | 400 |
| Containers | 187 | 246 | 280 |
| Trucks and other vehicles | 241 | 213 | 340 |
| Others (IT, wind energy, warehousing equipment) | 25 | 4 | 35 |
| Total | 1,114 | 870 | 1,500 |
| Funding pattern | | | |
| Debt | 440 | - | 700 |
| Equity | - | - | - |
| Internal accruals | 674 | - | 800 |
| Total | 1,114 | - | 1,500 |

Source: Company, BOBCAPS Research

Valuation methodology

Baking in the Q3FY21 outperformance and improving demand outlook across key industries of auto, e-commerce, bulk goods, we raise our EBITDA estimates for FY21/ FY22/FY23 by 13%/5%/5% and PAT estimates by 27%/9%/7%. We continue to value TRPC using the SOTP method, ascribing an EV/EBITDA multiple for the core business segments and P/E multiple for its 49% stake in the Transystem JV. Post estimate revision and valuation rollover, we have a revised Mar'22 target price of Rs 330 from Rs 300, set at unchanged FY23E EBITDA multiples of 6x/8x/7x for the freight/SCS/seaways segments.

We continue to like TRPC for its multimodal capability – road, coastal shipping, and rail (through the JV with Container Corp), strong positioning across business segments and robust clientele. The company should also benefit from rising LTL share within the freight segment, cyclical recovery in the key auto vertical (~80% of revenue) and increasing logistics outsourcing trends in its 3PL/SCS segment. The stock is trading at attractive valuations of 11x/9.7x FY22E/FY23E EPS. We remain optimistic on long-term business prospects and reiterate BUY.

FIG 9 – REVISED ESTIMATES – CONSOLIDATED

| (Rs mn) | FY21E | | | FY22E | | | FY23E | | |
|-------------------|--------|--------|------------|--------|--------|------------|--------|--------|------------|
| | Old | New | Change (%) | Old | New | Change (%) | Old | New | Change (%) |
| Revenues | 25,758 | 27,320 | 6.1 | 30,339 | 31,705 | 4.5 | 33,845 | 35,383 | 4.5 |
| EBITDA | 2,219 | 2,508 | 13.1 | 2,891 | 3,030 | 4.8 | 3,346 | 3,507 | 4.8 |
| EBITDA margin (%) | 8.6 | 9.2 | 57bps | 9.5 | 9.6 | 3bps | 9.9 | 9.9 | 2bps |
| PAT | 1,107 | 1,408 | 27.2 | 1,553 | 1,692 | 9.0 | 1,842 | 1,978 | 7.4 |
| PAT margin (%) | 4.3 | 5.2 | 86bps | 5.1 | 5.3 | 22bps | 5.4 | 5.6 | 15bps |

Source: Company, BOBCAPS Research

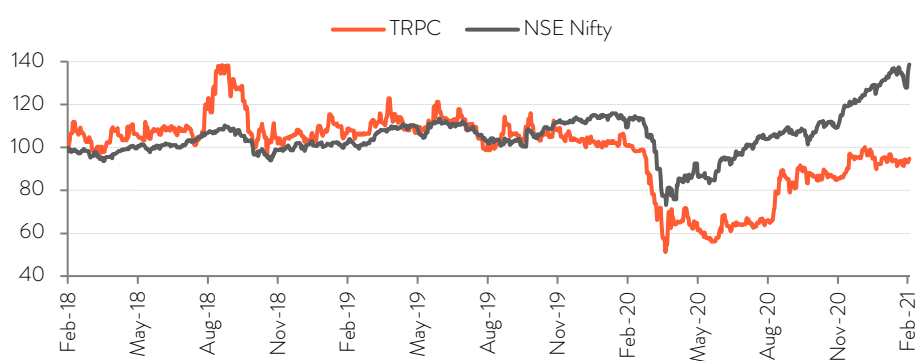
FIG 10 – VALUATION ASSUMPTIONS

| Segment-wise valuation | (Rs mn) |
|---|---------------|
| Freight segment | |
| FY23E EBITDA | 798 |
| EV/EBITDA multiple applied (x) | 6.0 |
| Total EV for the segment | 4,786 |
| Supply chain segment | |
| FY23E EBITDA | 1,437 |
| EV/EBITDA multiple applied (x) | 8.0 |
| Total EV for the segment | 11,498 |
| Seaways segment | |
| FY23E EBITDA | 1,389 |
| EV/EBITDA multiple applied (x) | 7.0 |
| Total EV for the segment | 9,722 |
| Total EV of the consolidated business (ex. JV) | 26,007 |
| Net debt | 2,955 |
| Equity value of the consolidated business (ex. JV) | 23,052 |

| Segment-wise valuation | (Rs mn) |
|------------------------------------|------------|
| FY23E PAT of Transystem Logistics | 487 |
| P/E multiple applied (x) | 10.0 |
| Fair value of Transystem Logistics | 4,870 |
| Share of TRPC (%) | 49 |
| Valuation attributed to TRPC | 2,386 |
| Total equity value including JV | 25,438 |
| No. of shares (mn) | 76.9 |
| Mar'22 Target price | 330 |

Source: Company, BOBCAPS Research

FIG 11 – RELATIVE STOCK PERFORMANCE



Source: NSE

Key risks

Downside risks to our estimates include:

- any delay in economic recovery,
- any impediment to the auto industry’s cyclical upturn, and
- inability to pass on higher freight rates to clients, which could exert downward pressure on operating margin.

FINANCIALS

Income Statement

| Y/E 31 Mar (Rs mn) | FY19A | FY20A | FY21E | FY22E | FY23E |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| Total revenue | 27,536 | 27,178 | 27,320 | 31,705 | 35,383 |
| EBITDA | 2,495 | 2,405 | 2,508 | 3,030 | 3,507 |
| Depreciation | 774 | 825 | 898 | 1,017 | 1,117 |
| EBIT | 1,721 | 1,580 | 1,610 | 2,013 | 2,390 |
| Net interest income/(expenses) | (374) | (343) | (275) | (264) | (241) |
| Other income/(expenses) | 195 | 201 | 193 | 176 | 190 |
| Exceptional items | 0 | 0 | 0 | 0 | 0 |
| EBT | 1,542 | 1,438 | 1,528 | 1,925 | 2,339 |
| Income taxes | (333) | (159) | (309) | (450) | (599) |
| Extraordinary items | (7) | (99) | (104) | 0 | 0 |
| Min. int./Inc. from associates | 251 | 252 | 189 | 217 | 239 |
| Reported net profit | 1,453 | 1,432 | 1,304 | 1,692 | 1,978 |
| Adjustments | 7 | 99 | 104 | 0 | 0 |
| Adjusted net profit | 1,460 | 1,531 | 1,408 | 1,692 | 1,978 |

Balance Sheet

| Y/E 31 Mar (Rs mn) | FY19A | FY20A | FY21E | FY22E | FY23E |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Accounts payables | 674 | 639 | 649 | 752 | 837 |
| Other current liabilities | 1,336 | 1,259 | 1,647 | 1,911 | 1,939 |
| Provisions | 65 | 102 | 103 | 119 | 133 |
| Debt funds | 4,722 | 4,236 | 4,236 | 3,886 | 3,536 |
| Other liabilities | 0 | 0 | 0 | 0 | 0 |
| Equity capital | 153 | 154 | 154 | 154 | 154 |
| Reserves & surplus | 8,819 | 10,142 | 11,458 | 12,896 | 14,479 |
| Shareholders' fund | 8,972 | 10,296 | 11,611 | 13,050 | 14,633 |
| Total liabilities and equities | 15,770 | 16,531 | 18,245 | 19,718 | 21,077 |
| Cash and cash eq. | 155 | 259 | 274 | 475 | 581 |
| Accounts receivables | 5,151 | 4,873 | 5,614 | 6,515 | 7,270 |
| Inventories | 53 | 66 | 66 | 87 | 97 |
| Other current assets | 1,583 | 1,877 | 2,144 | 2,196 | 2,451 |
| Investments | 1,168 | 1,354 | 1,354 | 1,354 | 1,354 |
| Net fixed assets | 7,263 | 7,479 | 8,296 | 8,530 | 8,663 |
| CWIP | 40 | 216 | 0 | 0 | 0 |
| Intangible assets | 5 | 5 | 5 | 5 | 5 |
| Deferred tax assets, net | (390) | (302) | (302) | (302) | (302) |
| Other assets | 741 | 706 | 795 | 859 | 959 |
| Total assets | 15,770 | 16,531 | 18,245 | 19,718 | 21,077 |

Source: Company, BOBCAPS Research

Cash Flows

| Y/E 31 Mar (Rs mn) | FY19A | FY20A | FY21E | FY22E | FY23E |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Net income + Depreciation | 2,234 | 2,356 | 2,306 | 2,709 | 3,095 |
| Interest expenses | 374 | 343 | 275 | 264 | 241 |
| Non-cash adjustments | (55) | (88) | 0 | 0 | 0 |
| Changes in working capital | (940) | (69) | (699) | (654) | (994) |
| Other operating cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from operations | 1,613 | 2,542 | 1,882 | 2,319 | 2,343 |
| Capital expenditures | (1,261) | (1,216) | (1,500) | (1,250) | (1,250) |
| Change in investments | (124) | (185) | 0 | 0 | 0 |
| Other investing cash flows | 0 | 0 | 0 | 0 | 0 |
| Cash flow from investing | (1,386) | (1,401) | (1,500) | (1,250) | (1,250) |
| Equities issued/Others | 0 | 0 | 0 | 0 | 0 |
| Debt raised/repaid | 312 | (487) | 0 | (350) | (350) |
| Interest expenses | (374) | (343) | (275) | (264) | (241) |
| Dividends paid | (138) | (201) | (92) | (254) | (396) |
| Other financing cash flows | (14) | (6) | 0 | 0 | 0 |
| Cash flow from financing | (214) | (1,037) | (368) | (868) | (987) |
| Changes in cash and cash eq. | 13 | 104 | 14 | 201 | 106 |
| Closing cash and cash eq. | 155 | 259 | 274 | 475 | 581 |

Per Share

| Y/E 31 Mar (Rs) | FY19A | FY20A | FY21E | FY22E | FY23E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS | 19.0 | 18.6 | 17.0 | 22.0 | 25.7 |
| Adjusted EPS | 19.0 | 19.9 | 18.3 | 22.0 | 25.7 |
| Dividend per share | 1.8 | 2.0 | 1.2 | 3.3 | 5.1 |
| Book value per share | 116.4 | 133.2 | 150.4 | 169.1 | 189.7 |

Valuations Ratios

| Y/E 31 Mar (x) | FY19A | FY20A | FY21E | FY22E | FY23E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales | 0.8 | 0.9 | 0.9 | 0.7 | 0.6 |
| EV/EBITDA | 9.3 | 9.8 | 9.3 | 7.6 | 6.5 |
| Adjusted P/E | 13.2 | 12.6 | 13.7 | 11.4 | 9.7 |
| P/BV | 2.2 | 1.9 | 1.7 | 1.5 | 1.3 |

DuPont Analysis

| Y/E 31 Mar (%) | FY19A | FY20A | FY21E | FY22E | FY23E |
|---------------------------------|-------|-------|-------|-------|-------|
| Tax burden (Net profit/PBT) | 94.7 | 106.4 | 92.1 | 87.9 | 84.6 |
| Interest burden (PBT/EBIT) | 89.6 | 91.0 | 94.9 | 95.6 | 97.8 |
| EBIT margin (EBIT/Revenue) | 6.2 | 5.8 | 5.9 | 6.4 | 6.8 |
| Asset turnover (Revenue/Avg TA) | 2.1 | 1.9 | 1.8 | 1.9 | 2.0 |
| Leverage (Avg TA/Avg Equity) | 1.6 | 1.5 | 1.4 | 1.4 | 1.3 |
| Adjusted ROAE | 17.7 | 16.0 | 12.9 | 13.8 | 14.4 |

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Ratio Analysis

| Y/E 31 Mar | FY19A | FY20A | FY21E | FY22E | FY23E |
|--|-------|-------|-------|-------|-------|
| YoY growth (%) | | | | | |
| Revenue | 17.2 | (1.3) | 0.5 | 16.0 | 11.6 |
| EBITDA | 15.3 | (3.6) | 4.3 | 20.8 | 15.7 |
| Adjusted EPS | 17.7 | 4.6 | (8.0) | 20.2 | 16.9 |
| Profitability & Return ratios (%) | | | | | |
| EBITDA margin | 9.1 | 8.8 | 9.2 | 9.6 | 9.9 |
| EBIT margin | 6.2 | 5.8 | 5.9 | 6.4 | 6.8 |
| Adjusted profit margin | 5.3 | 5.6 | 5.2 | 5.3 | 5.6 |
| Adjusted ROAE | 17.7 | 16.0 | 12.9 | 13.8 | 14.4 |
| ROCE | 12.9 | 10.9 | 10.4 | 12.1 | 13.4 |
| Working capital days (days) | | | | | |
| Receivables | 68 | 65 | 75 | 75 | 75 |
| Inventory | 1 | 1 | 1 | 1 | 1 |
| Payables | 10 | 9 | 10 | 10 | 10 |
| Ratios (x) | | | | | |
| Gross asset turnover | 3.2 | 2.8 | 2.4 | 2.5 | 2.5 |
| Current ratio | 3.3 | 3.5 | 3.4 | 3.3 | 3.6 |
| Net interest coverage ratio | 4.6 | 4.6 | 5.8 | 7.6 | 9.9 |
| Adjusted debt/equity | 0.5 | 0.4 | 0.3 | 0.3 | 0.2 |

Source: Company, BOBCAPS Research

Disclaimer

Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

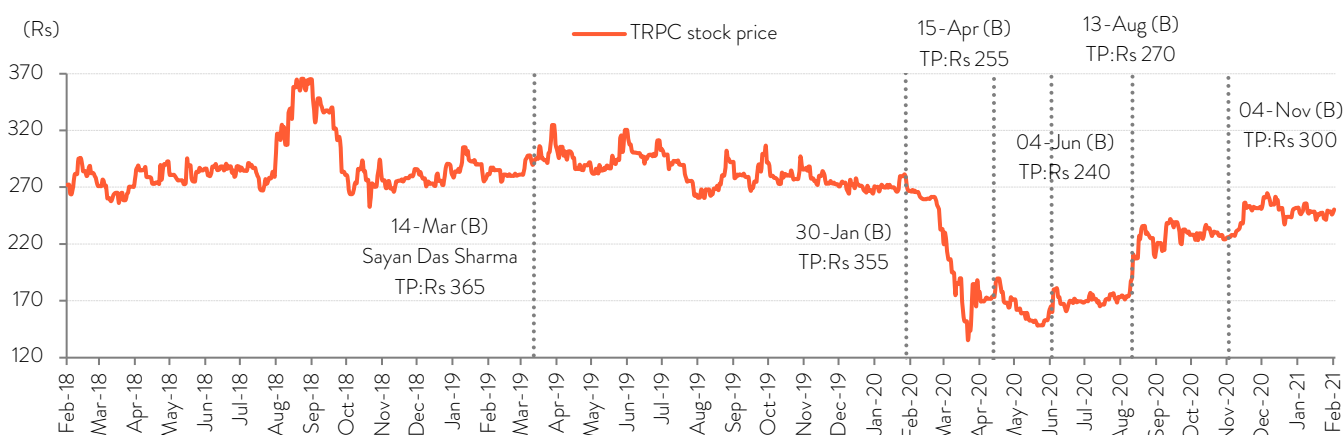
ADD – Expected return from >+5% to +15%

REDUCE – Expected return from -5% to +5%

SELL – Expected return <-5%

Note: Recommendation structure changed with effect from 1 January 2018 (Hold rating discontinued and replaced by Add / Reduce)

RATINGS AND TARGET PRICE (3-YEAR HISTORY): TRANSPORT CORP OF INDIA (TRPC IN)



B – Buy, A – Add, R – Reduce, S – Sell

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