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**TRANSPORT CORP OF  
INDIA**

| Logistics

| 04 June 2020

**Difficult Q4; growth recovery a few quarters away**

Transport Corp's (TRPC) Q4FY20 consolidated revenue/EBITDA declined 10%/26% YoY, in line with our estimates. Movement restrictions imposed in late-March had a ~Rs 1bn impact on the Q4 topline, per management, and are likely to exact a heavier toll in Q1FY21. Notwithstanding near-term hurdles, we expect TRPC to benefit from (1) the shift towards alternate modes of transport (rail, shipping), (2) its unparalleled multi-modal capabilities, and (3) rising logistics outsourcing. We lower our TP to Rs 240 (vs. Rs 255) as we prune FY21-FY22 EPS 5-6%.

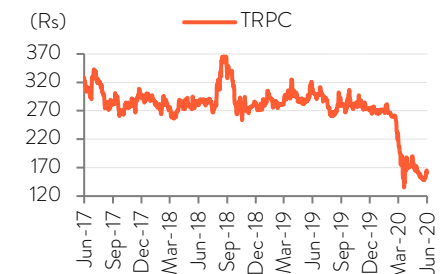
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**Pain across segments:** Freight/SCS/seaways revenue fell 2%/21%/4% YoY in Q4. Amid tough externalities, freight was relatively resilient as the topline drop was lower than peers (TCI Express: -10%). Plummeting volumes of the key auto vertical (~80% of topline) marred the SCS segment. Despite adding a ship in Q3 (28,500dwt), seaways revenue declined due to lower freight availability and pricing pressure owing to stiff competition on the west coast.

Ticker/Price	TRPC IN/Rs 161
Market cap	US\$ 162.7mn
Shares o/s	77mn
3M ADV	US\$ 0.1mn
52wk high/low	Rs 315/Rs 122
Promoter/FPI/DII	67%/2%/9%

Source: NSE

**Margin contraction:** EBITDA margin contracted 180bps YoY to 8.8% as operating expenses (+100bps YoY) and staff costs (+160bps) increased as a percentage of sales. Rising LTL share cushioned the EBIT margin drop in the freight segment (-50bps YoY). Seaways margin plummeted 550bps YoY as fuel costs rose 10-15% under the IMO 2020 regime. SCS margin contracted 270bps YoY to 5%, a multi-year low, due to lower absorption of fixed costs following a topline plunge.

**STOCK PERFORMANCE**

Source: NSE

**Near-term headwinds:** TRPC's Q1FY21 print is also likely to be marred by the lockdown-induced slowdown. Breakeven requires ~50% of the Q1FY20 topline which looks difficult even if TRPC achieves its targeted 15%/30%/60% activity in Apr/May/Jun. We expect growth recovery to begin in H2FY21 followed by a strong revival in FY22 (revenue/EBITDA growth of 18%/30%).

**KEY FINANCIALS**

Y/E 31 Mar	FY18A	FY19A	FY20P	FY21E	FY22E
Total revenue (Rs mn)	23,499	27,536	27,178	25,117	29,545
EBITDA (Rs mn)	2,165	2,495	2,405	2,070	2,693
Adj. net profit (Rs mn)	1,238	1,460	1,531	958	1,401
Adj. EPS (Rs)	16.2	19.0	19.9	12.5	18.2
Adj. EPS growth (%)	52.4	17.7	4.6	(37.4)	46.3
Adj. ROAE (%)	17.6	17.7	16.0	9.0	12.0
Adj. P/E (x)	9.9	8.4	8.1	12.9	8.8
EV/EBITDA (x)	7.2	6.5	6.9	7.9	5.9

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)	Q4FY20	Q4FY19	YoY (%)	Q3FY20	QoQ (%)	FY20	FY19	YoY (%)
<b>Total revenues</b>	<b>6,678</b>	<b>7,427</b>	<b>(10.1)</b>	<b>7,063</b>	<b>(5.5)</b>	<b>27,178</b>	<b>27,537</b>	<b>(1.3)</b>
Operating expenses	5,406	5,939	(9.0)	5,792	(6.7)	22,143	22,515	(1.7)
% of sales	81.0	80.0	99bps	82.0	(105bps)	81.5	81.8	(29bps)
Employee expenses	420	350	20.3	382	10.0	1,572	1,402	12.2
% of sales	6.3	4.7	159bps	5.4	88bps	5.8	5.1	69bps
Other expenses	266	352	(24.5)	240	10.6	1,058	1,124	(5.9)
% of sales	4.0	4.7	(76bps)	3.4	58bps	3.9	4.1	(19bps)
Total expenditure	6,092	6,640	(8.3)	6,415	(5.0)	24,773	25,041	(1.1)
<b>EBITDA</b>	<b>586</b>	<b>787</b>	<b>(25.6)</b>	<b>648</b>	<b>(9.7)</b>	<b>2,405</b>	<b>2,495</b>	<b>(3.6)</b>
EBITDA margin (%)	8.8	10.6	(182bps)	9.2	(41bps)	8.9	9.1	(21bps)
Depreciation	208	202	2.8	215	(3.4)	825	774	6.5
<b>EBIT</b>	<b>378</b>	<b>585</b>	<b>(35.3)</b>	<b>433</b>	<b>(12.8)</b>	<b>1,580</b>	<b>1,721</b>	<b>(8.2)</b>
Interest expenses	85	96	(12.0)	89	(5.5)	343	374	(8.2)
Other income	68	50	34.3	57	18.2	201	195	3.1
<b>PBT</b>	<b>361</b>	<b>539</b>	<b>(33.0)</b>	<b>401</b>	<b>(10.0)</b>	<b>1,438</b>	<b>1,542</b>	<b>(6.7)</b>
PBT margin (%)	5.4	7.3	(185bps)	5.7	(27bps)	5.3	5.6	(31bps)
Share of profit/(loss) from JV	57	54	6.3	19	200.5	252	251	0.2
<b>PBT - after share of profit/(loss) from JV</b>	<b>418</b>	<b>593</b>	<b>(29.4)</b>	<b>420</b>	<b>(0.5)</b>	<b>1,690</b>	<b>1,793</b>	<b>(5.8)</b>
Extraordinary income/(expense)	-	7	(100.0)	-	NM	(99)	-	NM
Tax rate	57	102	(44.4)	77	(25.8)	159	347	(54.1)
Tax rate (%) – total	13.6	17.3	(367bps)	18.2	(465bps)	11.1	22.5	(1142bps)
<b>Reported PAT</b>	<b>362</b>	<b>497</b>	<b>(27.3)</b>	<b>344</b>	<b>5.2</b>	<b>1,432</b>	<b>1,453</b>	<b>(1.5)</b>
Adjustment	-	7	(100.0)	-	NM	(99)	-	NM
<b>Adjusted PAT</b>	<b>362</b>	<b>491</b>	<b>(26.3)</b>	<b>344</b>	<b>5.2</b>	<b>1,531</b>	<b>1,446</b>	<b>5.8</b>
Adjusted PAT margin (%)	5.4	6.6	(119bps)	4.9	55bps	5.6	5.3	38bps
<b>Adjusted EPS</b>	<b>4.7</b>	<b>6.4</b>	<b>(26.3)</b>	<b>4.5</b>	<b>5.2</b>	<b>20.0</b>	<b>18.9</b>	<b>5.8</b>

Source: Company, BOBCAPS Research

**FIG 2 – SEGMENTAL PERFORMANCE – CONSOLIDATED**

Y/E Mar (Rs mn)	Q4FY20	Q4FY19	YoY (%)	Q3FY20	QoQ (%)	FY20	FY19	YoY (%)
<b>Freight segment</b>								
Revenue	3,671	3,736	(1.8)	3,746	(2.0)	10,681	10,252	4.2
EBIT	121	143	(15.1)	129	(5.5)	320	282	13.7
EBIT margin	3.3	3.8	(52bps)	3.4	(12bps)	3.0	2.7	25bps
<b>Supply chain management segment</b>								
Revenue	2,142	2,706	(20.8)	2,431	(11.9)	7,348	7,535	(2.5)
EBIT	107	208	(48.9)	132	(19.3)	458	502	(8.8)
EBIT margin	5.0	7.7	(273bps)	5.4	(46bps)	6.2	6.7	(43bps)
<b>Seaways segment</b>								
Revenue	1,046	1,088	(3.9)	989	5.7	2,632	2,506	5.0
EBIT	225	294	(23.5)	226	(0.6)	1,291	441	192.9
EBIT margin	21.5	27.0	(552bps)	22.9	(136bps)	49.1	17.6	3,146bps

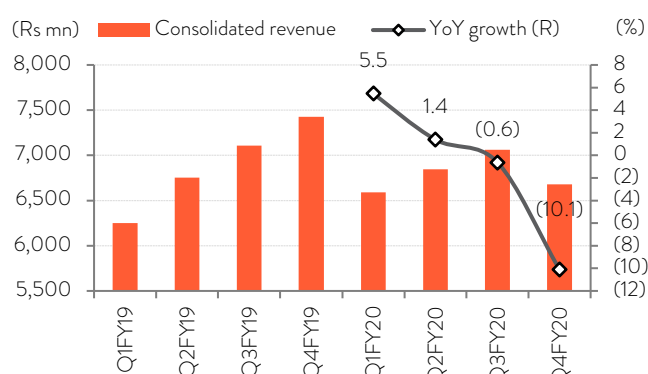
Source: Company, BOBCAPS Research

**FIG 3 – QUARTERLY PERFORMANCE – STANDALONE**

Y/E Mar (Rs mn)	Q4FY20	Q4FY19	YoY (%)	Q3FY20	QoQ (%)	FY20	FY19	YoY (%)
<b>Total revenues</b>	<b>6,257</b>	<b>6,918</b>	<b>(9.6)</b>	<b>6,473</b>	<b>(3.3)</b>	<b>25,134</b>	<b>25,567</b>	<b>(1.7)</b>
Operating expenses	5,025	5,475	(8.2)	5,241	(4.1)	20,270	20,695	(2.1)
% of sales	80.3	79.1	116bps	81.0	(66bps)	80.6	80.9	(29bps)
Employee expenses	408	338	20.5	370	10.0	1,524	1,358	12.2
% of sales	6.5	4.9	162bps	5.7	79bps	6.1	5.3	75bps
Other expenses	245	334	(26.7)	235	4.3	1,005	1,088	(7.6)
% of sales	3.9	4.8	(91bps)	3.6	29bps	4.0	4.3	(26bps)
Total expenditure	5,677	6,148	(7.7)	5,846	(2.9)	22,799	23,141	(1.5)
<b>EBITDA</b>	<b>580</b>	<b>771</b>	<b>(24.8)</b>	<b>627</b>	<b>(7.5)</b>	<b>2,335</b>	<b>2,426</b>	<b>(3.8)</b>
EBITDA margin (%)	9.3	11.1	(187bps)	9.7	(42bps)	9.3	9.5	(20bps)
Depreciation	197	189	4.1	204	(3.6)	777	752	3.3
<b>EBIT</b>	<b>383</b>	<b>582</b>	<b>(34.2)</b>	<b>423</b>	<b>(9.4)</b>	<b>1,558</b>	<b>1,674</b>	<b>(6.9)</b>
Interest expenses	80	91	(12.0)	84	(5.3)	324	356	(9.1)
Other income	67	46	45.7	58	15.8	283	285	(0.7)
<b>PBT</b>	<b>370</b>	<b>537</b>	<b>(31.1)</b>	<b>396</b>	<b>(6.6)</b>	<b>1,517</b>	<b>1,603</b>	<b>(5.3)</b>
PBT margin (%)	5.9	7.8	(185bps)	6.1	(21bps)	6.0	6.3	(23bps)
Extraordinary income/(expense)	-	-	NM	-	NM	(99)	-	NM
Tax rate	57	101	(43.3)	75	(23.6)	155	326	(52.7)
Tax rate (%) – total	15.5	18.8	(331bps)	18.9	(345bps)	10.2	20.4	(1,018bps)
<b>Reported PAT</b>	<b>313</b>	<b>436</b>	<b>(28.3)</b>	<b>321</b>	<b>(2.6)</b>	<b>1,264</b>	<b>1,276</b>	<b>(1.0)</b>
Adjustment	-	-	NM	-	NM	(99)	-	NM
<b>Adjusted PAT</b>	<b>313</b>	<b>436</b>	<b>(28.3)</b>	<b>321</b>	<b>(2.6)</b>	<b>1,363</b>	<b>1,276</b>	<b>6.8</b>
Adjusted PAT margin (%)	5.0	6.3	(131bps)	5.0	4bps	5.4	5.0	43bps
<b>Adjusted EPS</b>	<b>4.1</b>	<b>5.7</b>	<b>(28.3)</b>	<b>4.2</b>	<b>(2.6)</b>	<b>17.8</b>	<b>16.7</b>	<b>6.8</b>

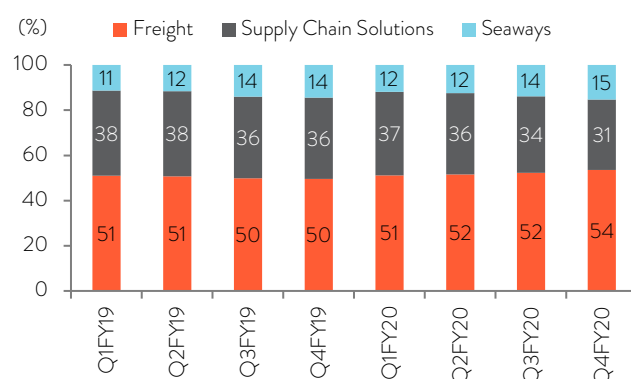
Source: Company, BOBCAPS Research

**FIG 4 – CONSOL REVENUE DECLINED 10% YOY**



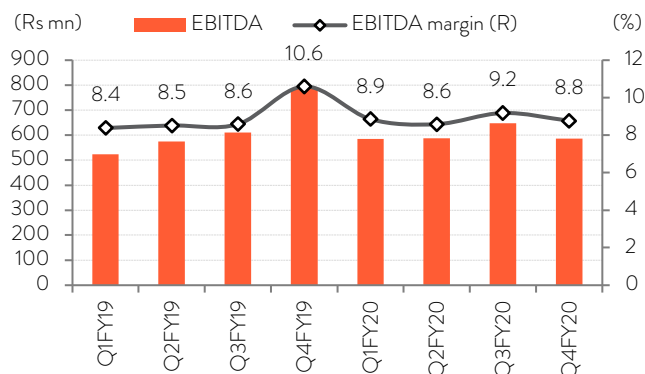
Source: Company, BOBCAPS Research

**FIG 5 – REVENUE SHARE OF FREIGHT INCREASED AT THE EXPENSE OF SCS SEGMENT**



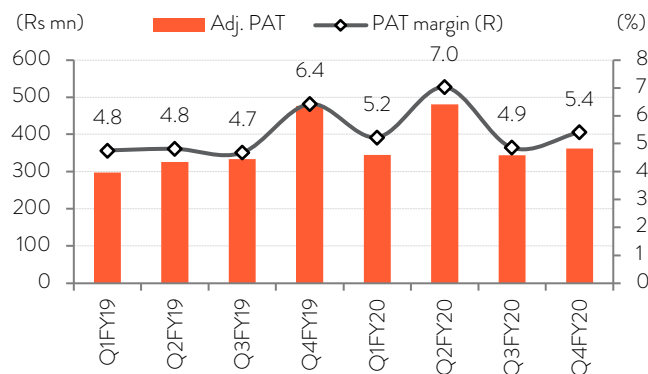
Source: Company, BOBCAPS Research

**FIG 6 – EBITDA MARGIN CONTRACTED BY 180BPS TO 8.8%**



Source: Company, BOBCAPS Research

**FIG 7 – CONSOLIDATED ADJ. PAT (AFTER JV PROFIT SHARE) DECLINED 26% YOY**



Source: Company, BOBCAPS Research

**FIG 8 – CAPEX PLAN AND FUNDING PATTERN**

(Rs mn)	FY19	FY20	FY21E
<b>Capex details</b>			
Hub centers and small warehouses	463	115	450
Ships	199	509	-
Containers	382	187	-
Trucks and other vehicles	417	243	475
Others (IT, wind energy, WH equipment)	54	25	75
<b>Total</b>	<b>1,515</b>	<b>1,079</b>	<b>1,000</b>
<b>Funding pattern</b>			
Debt	964	440	475
Equity	-	-	-
Internal accrual	551	639	525
<b>Total</b>	<b>1,515</b>	<b>1,079</b>	<b>1,000</b>

Source: Company, BOBCAPS Research

## Earnings call takeaways

- Nationwide lockdown measures have severely disrupted the supply chain process across the country. TRPC has lost sales potential of Rs 1bn in Q4FY20 due to this disruption during the last few days of March.
- The company has set internal targets to achieve 10-15% of normal monthly business activity in April, 25-30% in May, and 50-60% in June. It expects cash breakeven at 50% of the base quarter's revenue.

## Freight segment

- Despite a gradual easing of restrictions, only 35-40% of trucks are operational across the country due to a shortage of drivers and labour as well as anaemic demand.
- Rail movement has been relatively better at 50-60% of normal levels, though there is a shortage of containers and crews.
- LTL (less-than-truckload) currently accounts for ~33% of total freight revenue. Management foresees growth hurdles for the segment as SME clients are facing business challenges; hence LTL share may reduce to ~30% in FY21.
- Freight rates in some industries and regions have gone up disproportionately. However, management expects rates to stabilise once supply improves, as demand remains anaemic.
- Market share gain is possible in freight as smaller players lose out. However, TRPC will not pursue margin- and working capital-dilutive opportunities.

## Supply chain solutions (SCS) segment

- Warehousing activity for e-commerce and FMCG is operational, with other industries gradually starting up.
- The auto vertical forms 75-80% of the SCS topline and is further segregated into mobility (two-wheelers, passenger vehicles), commercial vehicles, and agri-equipment. The company expects the last vertical to be relatively resilient in the near term.
- Management sees opportunities in the e-commerce, FMCG, food processing, cold chain and agri equipment spaces in the near term.
- E-commerce companies now expect demand to surpass Jan-Feb levels and TRPC has geared up accordingly.

### Seaways segment

- In seaways, pricing on the western coast of India is under pressure due to heightened competition. Operating expenses have also increased due to higher fuel costs under the IMO 2020 regime – fuel costs which form 40-45% of total costs for the business increased by 10-15% after the regulations were put in place. The decline in crude prices has provided some respite.
- Some incumbents, however, have partially halted operations of late owing to the dual impact of lower volumes and higher operating costs.
- TRPC has acquired new customers in the seaways segment. However, this has not compensated for the loss of volumes from existing customers – tiles manufacturers from Morbi for example.
- Seaways is currently operating at ~40% of normal business activity. Breakeven in the business requires two-thirds of base quarter revenue.

### Others

- Receivables collection has been robust. Working capital utilisation limits have gone down to ~45% currently vs. ~73% in the end of March.
- TRPC has guided for capex of Rs 1bn in FY21.

## Valuation methodology

Though the Q4FY20 operating performance was largely in line with our estimates, we trim our FY21-FY22 revenue/EBITDA estimates by 4%/6% each, factoring in the lockdown extensions since [our last report](#). We 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, we slightly lower our Mar'21 target price to Rs 240 from Rs 255, set at unchanged FY22E EBITDA multiples of 6x/8x/7x for the freight/SCS/seaways segments. Maintain BUY.

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 and increasing logistics outsourcing trends in its 3PL/SCS segment. The stock is trading at an attractive 9x FY22E EPS. We maintain our positive stance on the company as we remain optimistic on the long-term business prospects, though macro slowdown remains a near-term headwind.

### FIG 9 – REVISED ESTIMATES – CONSOLIDATED

(Rs mn)	FY21E			FY22E		
	Old	New	Change (%)	Old	New	Change (%)
Revenues	26,227	25,117	(4.2)	30,672	29,545	(3.7)
EBITDA	2,197	2,070	(5.8)	2,873	2,693	(6.3)
EBITDA margin (%)	8.4	8.2	(14bps)	9.4	9.1	(25bps)
PAT	1,005	958	(4.7)	1,493	1,401	(6.2)
PAT margin (%)	3.8	3.8	(2bps)	4.9	4.7	(13bps)

Source: Company, BOBCAPS Research

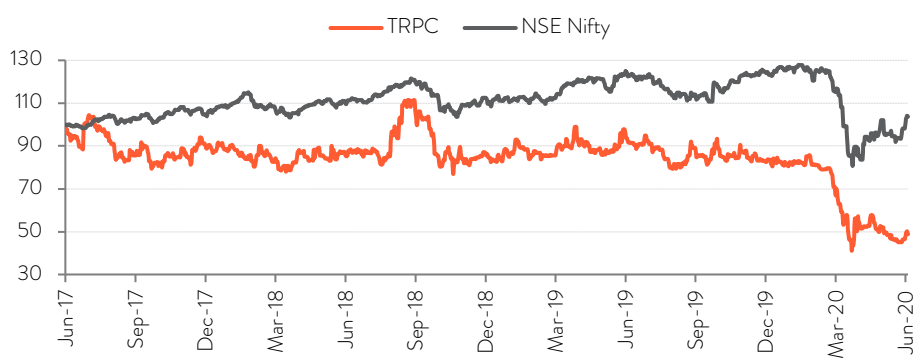
### FIG 10 – VALUATION ASSUMPTIONS

Segment-wise valuation	(Rs mn)
<b>Freight segment</b>	
FY22E EBITDA	617
EV/EBITDA multiple applied (x)	6.0
<b>Total EV for the segment</b>	<b>3,700</b>
<b>Supply chain segment</b>	
FY22E EBITDA	1,028
EV/EBITDA multiple applied (x)	8.0
<b>Total EV for the segment</b>	<b>8,221</b>
<b>Seaways segment</b>	
FY22E EBITDA	1,131
EV/EBITDA multiple applied (x)	7.0
<b>Total EV for the segment</b>	<b>7,919</b>
<b>Total EV of the consolidated business (ex. JV)</b>	<b>19,840</b>
Net debt	3,840
<b>Equity value of the consolidated business (ex. JV)</b>	<b>16,000</b>

Segment-wise valuation	(Rs mn)
FY22E PAT of Transystem Logistics	531
P/E multiple applied (x)	10
Fair value of Transystem Logistics	5,312
Share of TRPC (%)	49%
Valuation attributed to TRPC	2,603
Total equity value including JV	18,603
No. of shares (mn)	76.9
<b>Target price</b>	<b>240</b>

Source: Company, BOBCAPS Research

**FIG 11 – RELATIVE STOCK PERFORMANCE**



Source: NSE

### Key risks

Downside risks to our estimates include:

- continuing spread of the pandemic and a prolonged adverse impact on the economy,
- rising competitive intensity adversely impacting seaways volumes and/or realisations, and
- prolonged slowdown in the auto industry – a key end-user vertical for the seaways segment.



## FINANCIALS

### Income Statement

Y/E 31 Mar (Rs mn)	FY18A	FY19A	FY20P	FY21E	FY22E
<b>Total revenue</b>	<b>23,499</b>	<b>27,536</b>	<b>27,178</b>	<b>25,117</b>	<b>29,545</b>
EBITDA	2,165	2,495	2,405	2,070	2,693
Depreciation	687	774	825	933	1,044
EBIT	1,478	1,721	1,580	1,137	1,649
Net interest income/(expenses)	(322)	(374)	(343)	(311)	(309)
Other income/(expenses)	144	195	201	160	173
Exceptional items	0	0	0	0	0
EBT	1,301	1,542	1,438	986	1,513
Income taxes	(287)	(333)	(159)	(255)	(372)
Extraordinary items	0	(7)	(99)	0	0
Min. int./Inc. from associates	224	251	252	226	260
<b>Reported net profit</b>	<b>1,238</b>	<b>1,453</b>	<b>1,432</b>	<b>958</b>	<b>1,401</b>
Adjustments	0	7	99	0	0
<b>Adjusted net profit</b>	<b>1,238</b>	<b>1,460</b>	<b>1,531</b>	<b>958</b>	<b>1,401</b>

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY18A	FY19A	FY20P	FY21E	FY22E
Accounts payables	597	674	639	537	630
Other current liabilities	805	1,336	1,759	1,514	1,781
Provisions	55	65	102	94	111
Debt funds	4,411	4,722	3,736	4,036	3,686
Other liabilities	0	0	0	0	0
Equity capital	153	153	154	154	154
Reserves & surplus	7,511	8,819	10,142	10,947	12,158
Shareholders' fund	7,664	8,972	10,296	11,100	12,312
<b>Total liabilities and equities</b>	<b>13,533</b>	<b>15,770</b>	<b>16,531</b>	<b>17,281</b>	<b>18,520</b>
Cash and cash eq.	142	155	259	195	347
Accounts receivables	4,249	5,151	4,873	5,505	6,071
Inventories	33	53	66	61	81
Other current assets	1,198	1,583	1,877	1,971	2,047
Investments	1,044	1,168	1,354	1,354	1,354
Net fixed assets	6,252	7,263	7,479	7,762	8,118
CWIP	563	40	216	0	0
Intangible assets	6	5	5	5	5
Deferred tax assets, net	(445)	(390)	(302)	(302)	(302)
Other assets	491	741	706	731	801
<b>Total assets</b>	<b>13,533</b>	<b>15,770</b>	<b>16,531</b>	<b>17,281</b>	<b>18,520</b>

Source: Company, BOBCAPS Research

### Cash Flows

Y/E 31 Mar (Rs mn)	FY18A	FY19A	FY20P	FY21E	FY22E
Net income + Depreciation	1,925	2,234	2,356	1,891	2,445
Interest expenses	322	374	343	311	309
Non-cash adjustments	50	(55)	(88)	0	0
Changes in working capital	(832)	(940)	431	(1,101)	(354)
Other operating cash flows	0	0	0	0	0
<b>Cash flow from operations</b>	<b>1,465</b>	<b>1,613</b>	<b>3,042</b>	<b>1,100</b>	<b>2,400</b>
Capital expenditures	(1,523)	(1,261)	(1,216)	(1,000)	(1,400)
Change in investments	(177)	(124)	(185)	0	0
Other investing cash flows	0	0	0	0	0
<b>Cash flow from investing</b>	<b>(1,700)</b>	<b>(1,386)</b>	<b>(1,401)</b>	<b>(1,000)</b>	<b>(1,400)</b>
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	595	312	(987)	300	(350)
Interest expenses	(322)	(374)	(343)	(311)	(309)
Dividends paid	(123)	(138)	(201)	(153)	(189)
Other financing cash flows	40	(14)	(6)	0	0
<b>Cash flow from financing</b>	<b>191</b>	<b>(214)</b>	<b>(1,537)</b>	<b>(164)</b>	<b>(848)</b>
<b>Changes in cash and cash eq.</b>	<b>(44)</b>	<b>13</b>	<b>104</b>	<b>(64)</b>	<b>152</b>
<b>Closing cash and cash eq.</b>	<b>142</b>	<b>155</b>	<b>259</b>	<b>195</b>	<b>347</b>

### Per Share

Y/E 31 Mar (Rs)	FY18A	FY19A	FY20P	FY21E	FY22E
Reported EPS	16.2	19.0	18.6	12.5	18.2
Adjusted EPS	16.2	19.0	19.9	12.5	18.2
Dividend per share	1.6	1.8	2.0	2.0	2.5
Book value per share	99.5	116.4	133.2	143.7	159.5

### Valuations Ratios

Y/E 31 Mar (x)	FY18A	FY19A	FY20P	FY21E	FY22E
EV/Sales	0.7	0.6	0.6	0.6	0.5
EV/EBITDA	7.2	6.5	6.9	7.9	5.9
Adjusted P/E	9.9	8.4	8.1	12.9	8.8
P/BV	1.6	1.4	1.2	1.1	1.0

### DuPont Analysis

Y/E 31 Mar (%)	FY18A	FY19A	FY20P	FY21E	FY22E
Tax burden (Net profit/PBT)	95.2	94.7	106.4	97.1	92.6
Interest burden (PBT/EBIT)	88.0	89.6	91.0	86.7	91.8
EBIT margin (EBIT/Revenue)	6.3	6.2	5.8	4.5	5.6
Asset turnover (Revenue/Avg TA)	2.0	2.1	1.9	1.7	1.9
Leverage (Avg TA/Avg Equity)	1.7	1.6	1.5	1.4	1.4
Adjusted ROAE	17.6	17.7	16.0	9.0	12.0

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

**Ratio Analysis**

Y/E 31 Mar	FY18A	FY19A	FY20P	FY21E	FY22E
<b>YoY growth (%)</b>					
Revenue	21.0	17.2	(1.3)	(7.6)	17.6
EBITDA	33.6	15.3	(3.6)	(13.9)	30.1
Adjusted EPS	52.4	17.7	4.6	(37.4)	46.3
<b>Profitability &amp; Return ratios (%)</b>					
EBITDA margin	9.2	9.1	8.9	8.2	9.1
EBIT margin	6.3	6.2	5.8	4.5	5.6
Adjusted profit margin	5.3	5.3	5.6	3.8	4.7
Adjusted ROAE	17.6	17.7	16.0	9.0	12.0
ROCE	12.7	12.9	11.1	7.6	10.4
<b>Working capital days (days)</b>					
Receivables	66	68	65	80	75
Inventory	1	1	1	1	1
Payables	10	10	9	9	9
<b>Ratios (x)</b>					
Gross asset turnover	3.4	3.2	2.8	2.3	2.4
Current ratio	3.9	3.3	2.8	3.6	3.4
Net interest coverage ratio	4.6	4.6	4.6	3.7	5.3
Adjusted debt/equity	0.6	0.5	0.3	0.3	0.3

Source: Company, BOBCAPS Research

## Disclaimer

### Recommendations and Absolute returns (%) over 12 months

**BUY** – Expected return >+15%

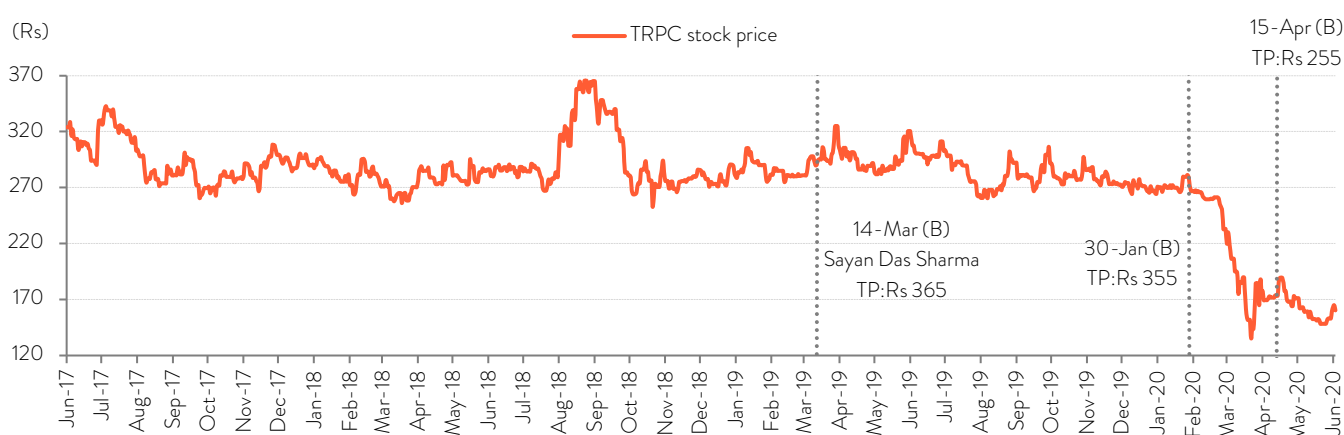
**ADD** – Expected return from >+5% to +15%

**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)

### HISTORICAL RATINGS AND TARGET PRICE: TRANSPORT CORP OF INDIA (TRPC IN)



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

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