

February 13, 2018

Transport Corporation (TRACOR) ₹ 290

All-round performance; re-rating imminent...

- Consolidated revenues grew 25% YoY (up 7% QoQ) to ₹ 555.3 crore (I-direct estimate: ₹ 507.8 crore). Supply chain and shipping were key growth drivers during the quarter with YoY growth of 26%, 66% (QoQ 1%, 14%) to ₹ 236.4 crore, ₹ 66.1 crore (I-direct estimate: ₹ 225 crore, ₹ 54 crore), respectively. Moreover, freight segment grew 16% YoY to ₹ 258.6 crore (I-direct estimate: ₹ 205.4 crore)
- Lower operating cost & other expenses (as percentage of revenues) enabled a 120 bps expansion in EBITDA margin to 9.5% (down 14 bps QoQ). Resultant EBITDA grew 43% YoY (up 5% QoQ) to ₹ 52.6 crore
- Other income for a third consecutive quarter was higher at ₹ 7.9 crore vs. ₹ 6.8 crore in Q3FY17. However, this was partly offset by increased interest & depreciation expenses by 16% each. Resultant PAT grew 65% YoY (up 9% QoQ) to ₹ 27.9 crore (I-direct estimate: ₹ 22.5 crore)

Varied industries, multi-modal business model provide edge over peers

TCI maintained its consistent growth trajectory through its service segments like large scale warehousing, multimodal (rail + road + coastal) solutions to high growth/value services industries like retail, auto and pharmaceutical. Managing ~14500 vehicles/day (owned & contracted) on road, TCI claims to move ~2.5% of India's GDP by value, which positions it as the largest integrated player in the organised logistics industry. Leveraging its domain knowledge of length and breath of India, TCI manages an infrastructure network of 1400 company owned offices, 9000 trucks, trailers, reefer vehicles and a branch network of over 1,100 company-owned offices. Apart from surface logistics, TCI-Concor JV provides regular piecemeal container movements and full rake movements on dedicated routes. Moreover, TCI manages five ships (37360 DWT) providing dedicated coastal shipping services across the eastern and the western coast. Although these businesses operate as individual entities and have mandated key result areas (KRAs), they create synergy offering customised, cost optimised logistics services to a wide range of domestic and international clients.

Oneness to provide quality earnings, performance warrants re-rating!

TCI's freight segment continues to exhibit a sustained recovery with growth of 10% for 9MFY18 to ₹ 732.7 crore compared to ₹ 663.3 crore in 9MFY17. Moreover, the segment posted highest EBIT margins (since FY12) with expansion of 112 bps YoY to 3.2%. The business now contributes 46% of the overall business (9MFY18) vs. 50% in 9MFY17. However, supply chain and seaways continue to capture higher pie of the consolidated revenues which now contributes 42% and 11% of the 9MFY18 consolidated revenues (vs. 41% and 9% for 9MFY17). As the contribution from high margin business increases the 9MFY18 core EBITDA margins expanded 50 bps to 9.4% vs. 8.9% in 9MFY17. We expect sustained recovery in EBITDA margins to 10.5% by FY20E enabling an EBITDA growth of 24% CAGR over FY17-20E to ₹ 307 crore. To leverage the benefits from GST, TCI has been assisting and setting up big warehouses for some client's region wise that could be followed by a hub-and-spoke model. With multi-modal capabilities we believe TCI has developed strong moat around its business thereby delivering sustainable growth rates. TCI remains undervalued compared to its peers, providing us comfort. We have a **BUY** rating maintaining our target price of ₹ 330.

Rating matrix	
Rating	Buy
Target	₹ 330
Target Period	12 months
Potential Upside	14%

What's changed?	
Target	Changed from ₹ 335 to ₹ 330
EPS FY18E	Unchanged
EPS FY19E	Unchanged
EPS FY20E	Introduced at ₹ 24.7
Rating	Unchanged

Quarterly performance					
	Q3FY18	Q3FY17	YoY (%)	Q2FY18	QoQ (%)
Revenue	555.3	446.1	24.5	520.3	6.7
EBITDA	52.6	36.9	42.5	50.1	5.1
EBITDA (%)	9.5	8.3	120 bps	9.6	-14 bps
PAT	27.9	16.9	65.1	25.5	9.3

Key financials				
₹ Crore	FY17	FY18E	FY19E	FY20E
Net Sales	1,943	2,229	2,558	2,941
EBITDA	162.0	199.5	254.5	307.4
Net Profit	81.7	102.0	145.9	189.2
EPS	10.7	13.3	19.0	24.7

Valuation summary				
	FY17	FY18E	FY19E	FY20E
P/E (x)	33.8	26.4	17.7	13.4
EV/EBITDA (x)	17.1	11.3	8.7	7.0
P / BV (x)	3.4	2.8	2.6	2.2
RONW (%)	12.6	14.0	18.5	20.2
ROCE (%)	10.7	13.6	18.0	20.4

Stock data	
Particular	Amount
Market Cap. (₹ cr)	2145
Total Debt (FY17) (₹ Crore)	379.5
Cash and Investment (FY17) (₹ Crore)	18.7
EV (₹ Crore)	2,505.6
52 week H/L	183 / 350
Equity Capital (₹ Crore)	15.3
Face Value (₹)	2.0

Price performance				
	1M	3M	6M	12M
Blue Dart Exp.	(2.8)	12.0	11.5	6.3
Gati	(17.3)	(1.8)	(0.6)	(4.4)
Transport Corp.	(8.0)	(2.4)	(5.6)	45.3
VRL Logistics	0.4	11.2	25.5	39.7

Research Analyst	
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Variance analysis

	Q3FY18	Q3FY18E	Q3FY17	YoY (%)	Q2FY18	QoQ (%)	Comments
Revenue	555.3	507.8	446.1	24.5	520.3	6.7	Robust growth across business segments
Operating Expenses	450.1	405.2	362.3	24.2	417.5	7.8	
Employee Expenses	29.5	29.9	25.3	17.0	29.6	-0.2	
Administrative & Oth Expenses	23.1	23.6	21.6	7.0	23.2	-0.3	
Total Expense	502.7	458.8	409.2	22.9	470.3	6.9	
EBITDA	52.6	49.1	36.9	42.5	50.1	5.1	
EBITDA Margin (%)	9.5	9.7	8.3	120 bps	9.6	-14 bps	
Depreciation	17.6	17.5	15.2	15.8	17.5	0.8	
Interest	7.9	7.3	6.8	16.4	7.4	6.8	
Other Income	7.2	3.8	5.8	23.9	7.1	1.4	Higher on account of dividend income received JV
Exceptional Gain/Loss	0.0	0.0	0.0	0.0	0.0	0.0	
PBT	34.3	28.1	20.7	65.5	32.3	6.3	
Total Tax	6.4	5.6	3.8	67.3	6.7	-5.1	Lower tax expenses on account of shipping business
PAT	27.9	22.5	16.9	65.1	25.5	9.3	PAT growth remains robust

Key Metrics	Q3FY18	Q3FY17	YoY	Q2FY18	QoQ	
Freight Division	258.6	223.7	15.6	230.5	12.2	
Supply Chain Solutions	236.4	187.6	26.0	233.9	1.1	
Seaways	66.1	39.8	66.0	57.9	14.1	Addition of a ship resulting in steep growth

Source: Company, ICICIdirect.com Research

Change in estimates

(₹ Crore)	FY18E				FY19E			FY20E	
	FY17	Old	New	% Change	Old	New	% Change	Introduced	Comments
Revenue	1,942.5	2,228.6	2,228.6	0.0	2,557.8	2,557.8	0.0	2,941.2	Maintain our growth estimates
EBITDA	162.0	199.5	199.5	0.0	254.5	254.5	0.0	307.4	
EBITDA Margin (%)	8.3	9.0	9.0	0 bps	9.9	10.0	0 bps	10.5	Maintain our margin estimates
PAT	81.3	102.0	102.0	0.0	145.9	145.9	0.0	189.2	
EPS (₹)	12.7	13.3	13.3	0.0	19.0	19.0	0.0	24.7	

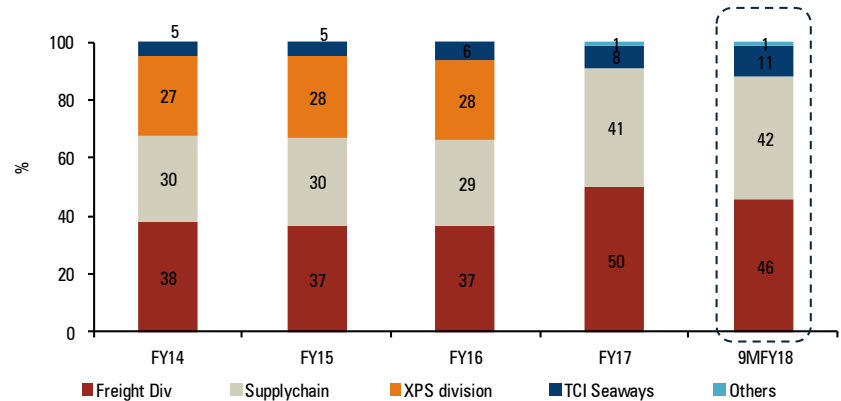
Source: Company, ICICIdirect.com Research

Company Analysis

High margins SCS overtaking freight business...

The de-merger of TCI's express division has resulted in freight business to become the biggest contributor of overall revenues. Revenues for the freight division have grown at a CAGR of 3% in FY10-16. However, due to a consolidated entity, the management was unable to focus on the business leading to lower growth rate. Post de-merger of its express division, revenues of for freight division posted growth of 10% YoY to ₹ 733 crore compared to ₹ 663 crore in 9MFY17. However, for 9MFY18, growth supply chain (SCS) business grew 21% YoY to ₹ 669 crore compared to ₹ 554 crore in 9MFY17. The contribution to total earnings from SCS was at 42.2% compared to 41.5% in 9MFY17. Shipping also upped its contribution to 11% of the overall earnings (vs. 9% earlier) with revenue growth of 55% to ₹ 182 crore compared to ₹ 118 crore. Contribution from low margin freight business has declined from 50% to 46% with EBIT contribution of mere 23%. Enhanced contribution from high margins business (SCS) would lead PAT growth to outstrip revenue growth. Over FY17-20E, we expect topline growth of 15% CAGR to ₹ 2941 crore in FY20E compared to ₹ 1942 crore in FY17.

Exhibit 1: Freight biggest contributor to revenues...



Source: Company, ICICIdirect.com Research

Indian logistics sector on cusp of change; multi-modal theme remains key

The logistics sector is expected to witness a turnaround led by rollout of GST, revival in domestic macro, exponential growth in e-commerce, higher infrastructure spending in roads projects, fast tracking of Dedicated Freight Corridor (DFC) and initiatives like Make in India. Further, the Centre has identified 35 clusters, which account for half of total freight movement for building logistics parks to improve the existing transportation and warehousing scenario in the country. The proposed multimodal logistics parks would reduce transportation cost by 10% for industries in the 35 clusters, thereby enabling freight movement on higher sized trucks and rail. Increased freight movement on higher sized trucks and rail will result in reduction in freight vehicles.

Multimodal transport refers to the seamless transport of cargo from one point to another via more than one mode of transport. Multimodal logistics can be viewed as "the chain that interconnects different links or modes of transport – air, sea, and land into one complete process that ensures an efficient and cost-effective door-to-door movement of cargo under the responsibility of a single transport operator, known as a multimodal transport operator (MTO). The government's new initiative, which includes Dedicated Freight Corridor (DFC), Sagarmala and Bharatmala would further benefit.

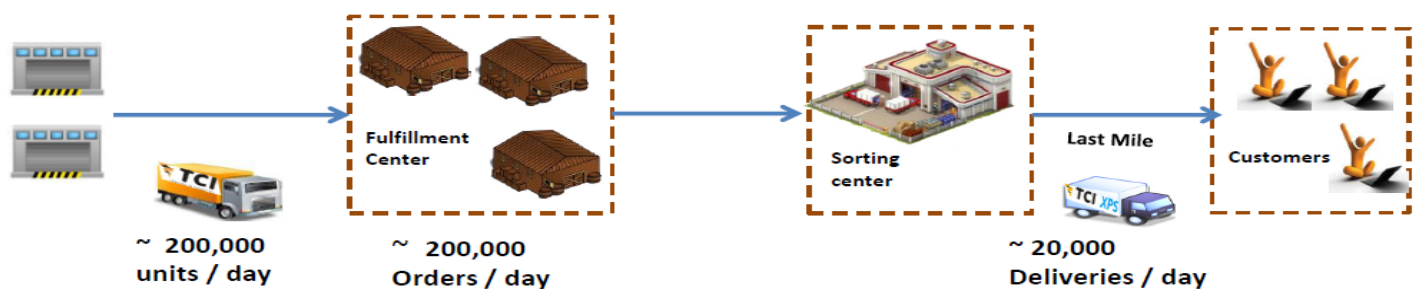
GST to bring in higher efficiencies, improve profitability...

The Indian logistics industry is plagued by multiple levels of state and central taxes. The product is prone to double taxation as taxes already paid on inputs are not adjusted on calculation of taxes on the final product. Further complications are in the form of interstate transactions that are taxed separately, for which no input tax credit is available. GST would simplify these complications and benefit consumers, producers and the government. More than 140 markets have implemented GST in some form or the other. With numerous benefits at both firm/consumer and economy level, GST is expected to add over 1% to the GDP. Implementation of GST will lead to a simplified tax structure with a majority of taxes pooled under one uniform rate, thereby bringing more efficient tax administration and reduction in tax leakages.

Due to multiple taxation, firms had resorted to setting up multiple warehouses in different states. This was adding to firm's costs, as they were unable to take advantage of economies of scale from using larger but fewer warehouses. Implementation of GST will overhaul and compress the entire transportation setup. It is estimated that under the GST system, tax will be levied on stock transfers and full credit will be given to inter-state transactions. The outcome of the same will enable the manufacturer to plan the warehousing and decisions on the basis of operational and logistics efficiency. The current supply chain arrangements would be realigned making certain proximity to manufacturing locale or consumption markets, resulting in diverse hub and spoke models. Post GST, demand for warehousing is expected to grow at an annual rate of 9% from current 918 mn sq ft to 1440 mn sq ft.

TCI is one of the largest integrated players with an approximate market share of 15% in the organised logistics industry. With a fleet of nearly 9000 trucks, trailers, reefer vehicles and a branch network of over 1,100 company-owned offices, TCI services ~18000 pin codes in India. Furthermore, the company provides warehousing and e-fulfilment services with an approximate warehousing capacity of 10.5 mn sq ft. In addition to the same, TCI also manages coastal shipping with an owned fleet of four ships. Given the variety of services and multi-modal capabilities, TCI manages to maintain cost efficiencies and competitive positioning compared to other players in the logistics market.

Exhibit 2: Supply chain model; TCI present across all touch points....



1. At Supplier

- i Supplier Coordination
- ii Scheduling
- iii Route optimization

2. Fulfilment Center

- i Receipts Cubiscan, Put away
- ii Order, Pick, Pack,
- iii Sort and Ship
- iv C Returns/ RTO
- v Return To Vendor

3. Sorting Center

- i Cubiscan
- ii Sort and Ship
- iii C Returns/ RTO

Source: Company, ICICIdirect.com Research

Outlook and Valuation

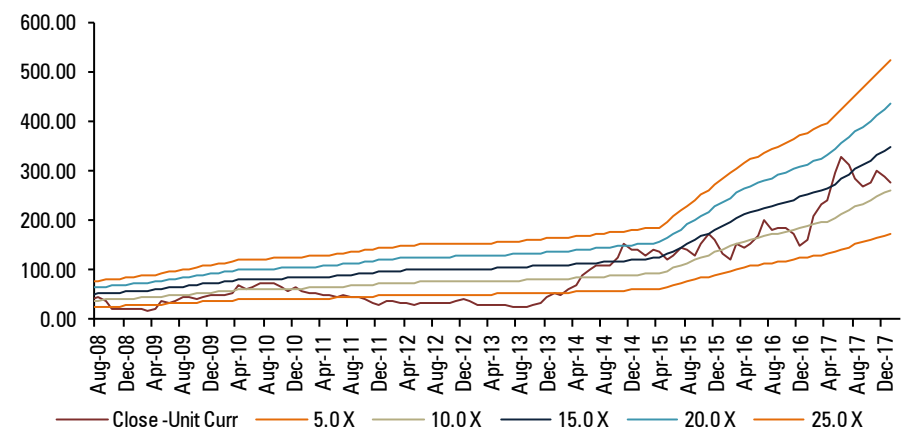
TCI's freight division forms nearly 46% of overall revenues. However, in terms of profitability supply chain and seaways being high margins contributes ~78% of the total profitability.

As we segregate the earnings of each division, we find freight segment earnings continuing to decline amid a worsening economic scenario and lower utilisation levels. The freight segment EPS declined from ₹ 2.3 in FY11 to ₹ 1.7 in FY17. However, going ahead, with a recovery in trade scenario and higher focus on the LTL business, we expect utilisation and realisation levels to improve. Furthermore, passage of GST would enable a moderate recovery in the company's freight business. We roll over our estimates to FY20 and expect revenues for freight division to improve at a CAGR of 10% over FY17-20E. Improvement in utilisation levels coupled with efficiencies of GST would result in profitability grow faster than revenues. Subsequently, we expect freight division to report an EPS of ₹ 3.6 in FY20E. Growth rates appear optically higher due to lower base impact however as GST would bring in improved efficiencies in the division, we assign a PE to 10x (vs. 15x FY19E) FY20E EPS arriving at a fair value of ₹ 37/share (vs. ₹ 48/share earlier) for this business.

Post de-merger, the SCS segment now contributes 42% of the remaining business. Supply chain provides inbound/outbound logistics solutions from conceptualisation designing network to implementation across all sectors like auto, retail, telecom, electricals, pharmaceuticals, FMCG and cold chain. The auto sector currently contributes ~75% of its total revenues. Given the boom in auto sector, supply chain revenues grew at 20% CAGR in FY10-17. However, we believe the same will grow at 20% CAGR in FY17-20E. With better synergies flowing in the business due to consolidation of warehouses, the margins of this business are expected to improve 150-200 bps. Consequently, EPS from SCS is expected at ₹ 9.8 in FY20E. We assign P/E multiple to 23x (vs. 25x FY19E) for supply chain, to arrive at a fair price of ₹ 225/share.

TCI's seaways post de-merger contributes 12% to the overall business. Addition of new ships and extending the services to new routes would continue to drive growth in the segment. Going ahead, we expect EPS for TCI seaways at ₹ 6.9 in FY20E. Shipping division plays a crucial role for goods transported to a distance of more than 1000 km. Moreover, there is government emphasis on coastal shipping and cost synergies provided in the multi-modal offering. However, due to its cyclical nature, we assign a P/E multiple of 10x (vs. 15x FY19E) FY20 EPS to arrive at a fair value of ₹ 69 for the segment. Subsequently, on an SOTP basis, we arrive at a target price of ₹ 330 with a **BUY** recommendation on the stock.

Exhibit 4: P/E

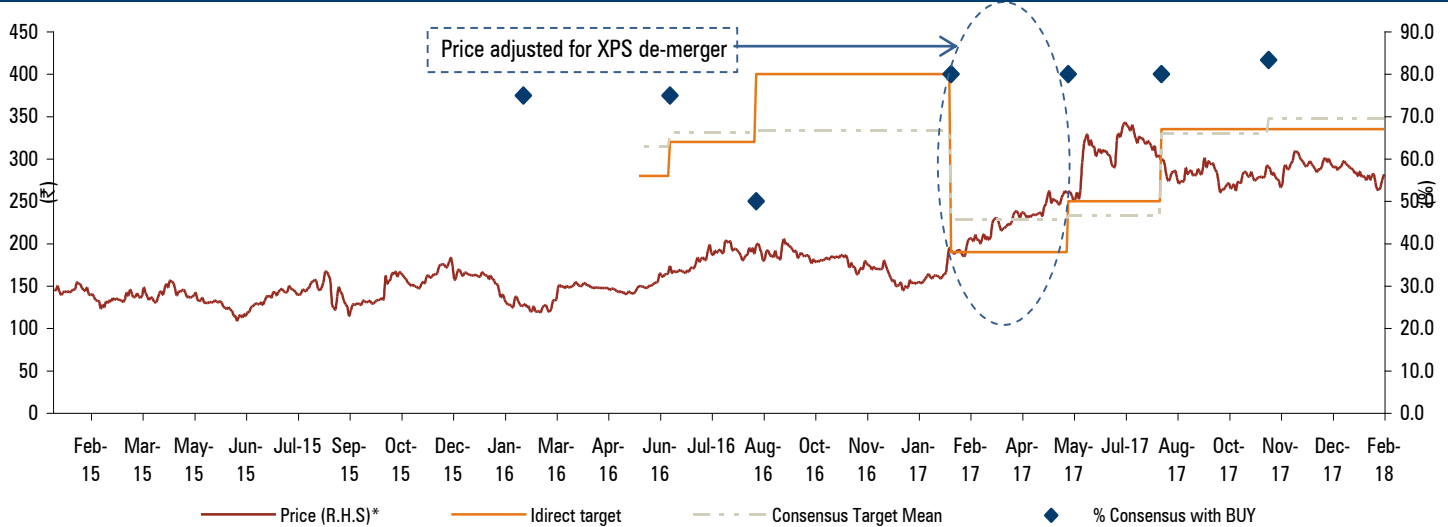


Source: Company, ICICIdirect.com Research

Valuation			
Segment	FY20E EPS (₹)	P/E(x)	Fair Price(₹)
Freight	3.6	10	36
Supply Chain	9.8	23	225
Seaways	6.9	10	69
SOTP			330

Source: Company, ICICIdirect.com Research

Recommendation history vs. Consensus estimate



Source: Bloomberg, Company, ICICIdirect.com Research, * price adjusted for de-merger of Express division

Key events

Date	Event
Aug-08	TCI plans to enter real estate and have pan-India presence
Jan-09	Net profit rises 149% for Q3FY09
Oct-10	Demerger of real estate & warehousing division TCI Developers Ltd
Jun-11	TCI scouts for buys in supply chain business
Jul-11	TCI enters into JV with Concor to provide ocean freight carrier service under the company named Infinite Logistics Solution
May-13	TCI records 24% growth in net profit YoY
Jan-14	Radhakrishna Damani picks up 3.6% stake in TCI
May-14	Strong results (48% YoY growth in net profit) for March 2014 propel further investor interest in the stock
Oct-15	Announces de-merger of express business
Jan-16	Reports Q3FY16 results. Earnings remain muted. EBITDA margins at 8%. Management guidance of 0-5% growth in FY16
May-16	Reports Q4FY16 results. De-merger of XPS expected in August. EBITDA margins stood at 8.8%. Guidance for double digit revenue & PAT growth in FY17

Source: Company, ICICIdirect.com Research

Top 10 Shareholders

Rank	Investor Name	Latest Filing Date	%O/S	Position (m)	Change (m)
1	Bhoruka Finance Corporation of India, Ltd.	31-Dec-17	0.21	15.9	0.0
2	Bhoruka International Pvt. Ltd.	31-Dec-17	0.14	10.6	0.0
3	TCI Group	31-Dec-17	0.08	6.4	0.0
4	Agarwal (Dharmpal P.)	31-Dec-17	0.08	5.8	0.0
5	Canara Robeco Asset Management Company Ltd.	31-Dec-17	0.03	2.4	0.4
6	Agarwal (Chander)	31-Dec-17	0.03	2.1	0.0
7	Agarwal (Dharmpal) HUF	31-Dec-17	0.03	2.0	0.0
8	Arcee Holding, Ltd.	31-Dec-17	0.03	2.0	0.0
9	Agarwal (Vineet)	31-Dec-17	0.03	2.0	0.0
10	Agarwal (Priyanka)	31-Dec-17	0.03	1.9	0.0

Source: Reuters, ICICIdirect.com Research

Shareholding Pattern

(in %)	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
Promoter	66.1	66.1	66.1	66.1	66.1
FII	7.6	7.9	5.4	2.3	2.1
DII	6.2	6.0	8.9	8.9	9.2
Others	20.1	20.1	19.7	22.7	22.5

Recent Activity

BUYS			Sell		
Investor Name	Value	Shares	Investor Name	Value	Shares
Bang (Sangeet Nirmal)	3.94	0.87	HDFC Asset Management Co., Ltd.	-0.13	-0.03
Canara Robeco Asset Management Company Ltd.	1.70	0.37	Dimensional Fund Advisors, L.P.	-0.09	-0.02
IDBI Asset Management Limited	0.05	0.01	Mellon Capital Management Corporation	-0.03	-0.01
Sundaram Asset Management Company Limited	0.05	0.01	Sethi (Jasjit Singh)	0.00	0.00
			Gupta (Naveen)	0.00	0.00

Source: Reuters, ICICIdirect.com Research

Financial summary

Profit and loss statement		₹ Crore			
(Year-end March)	FY17	FY18E	FY19E	FY20E	
Revenue	1,942.5	2,228.6	2,557.8	2,941.2	
Growth (%)	12.5	14.7	14.8	15.0	
Operating expense	1581.92	1793.99	2033.43	2323.54	
Manpower Cost	106.78	118.11	135.56	155.88	
Admin & other expense	91.8	117.0	134.3	154.4	
Total Expense	1,780.5	2,029.1	2,303.3	2,633.8	
EBITDA	162.0	199.5	254.5	307.4	
Growth (%)	25.2	23.1	27.6	20.8	
Depreciation	59.2	66.6	70.4	75.3	
EBIT	102.8	132.9	184.1	232.0	
Interest	30.1	29.7	28.8	28.8	
Other Income	12.2	17.0	23.8	33.4	
PBT	84.9	120.3	179.2	236.7	
Growth (%)	41.5	41.6	49.0	32.1	
Tax	19.1	36.1	53.7	71.0	
Reported PAT	65.8	84.2	125.4	165.7	
Growth (%)	47.5	27.9	49.0	32.1	
Minority Interest	15.5	17.8	20.4	23.5	
Reported PAT	81.3	102.0	145.9	189.2	

Source: Company, ICICIdirect.com Research;

Balance sheet		₹ Crore			
(Year-end March)	FY17	FY18E	FY19E	FY20E	
Source of Funds					
Equity Capital	15.3	15.3	15.3	15.3	
Preference capital	0.0	0.0	0.0	0.0	
Reserves & Surplus	631.2	714.1	774.2	920.1	
Shareholder's Fund	646.6	729.4	789.5	935.5	
Loan Funds	379.5	329.5	319.5	319.5	
Deferred Tax Liability	39.5	39.5	39.5	39.5	
Minority Interest	4.3	4.3	4.3	4.3	
Source of Funds	1069.8	1102.6	1152.7	1298.7	
Application of Funds					
Gross Block	642.3	769.5	846.8	923.9	
Less: Acc. Depreciation	100.6	167.1	237.6	312.9	
Net Block	541.7	602.2	609.0	610.8	
Capital WIP	56.8	59.7	62.6	65.8	
Total Fixed Assets	598.5	661.8	671.7	676.6	
Goodwill on consolidation	0.0	0.0	0.0	0.0	
Non-Current Investments	156.1	130.4	127.6	124.9	
Inventories	2.5	2.4	2.8	3.2	
Debtor	358.4	366.3	385.4	483.5	
Cash	18.7	30.4	46.1	103.4	
Loan & Advance, Other CA	93.3	103.8	119.1	137.0	
Total Current assets	472.9	503.0	553.4	727.1	
Current Liabilities	152.3	183.2	189.2	217.6	
Provisions	5.3	9.2	10.5	12.1	
Total CL and Provisions	157.6	192.3	199.7	229.7	
Net Working Capital	315.4	310.7	353.7	497.4	
Application of Funds	1,069.8	1,102.6	1,152.7	1,298.7	

Source: Company, ICICIdirect.com Research

Cash flow statement		₹ Crore			
(Year-end March)	FY17	FY18E	FY19E	FY20E	
Profit after Tax	65.8	84.2	125.4	165.7	
Add: Depreciation	59.2	66.6	70.4	75.3	
Add: Others	0.0	0.0	0.0	0.0	
Cash Profit	174.2	216.5	278.3	340.7	
Increase/(Decrease) in CL	45.1	-15.3	-42.6	29.9	
(Increase)/Decrease in CA	-43.1	-4.4	-21.2	-100.6	
CF from Operating Activities	157.1	160.7	160.7	199.1	
Purchase of Fixed Assets	-103.2	-130.1	-80.3	-80.2	
(Inc)/Dec in Investments	-15.6	25.8	2.8	2.6	
Others	-100.9	5.1	-57.6	-57.6	
CF from Investing Activities	-219.7	-99.2	-135.1	-135.2	
Inc/(Dec) in Loan Funds	64.9	-50.0	-10.0	0.0	
Inc/(Dec) in Sh. Cap. & Res.	5.9	0.0	0.0	0.0	
Others	0.0	0.0	0.0	0.0	
CF from financing activities	70.7	-50.0	-10.0	0.0	
Change in cash Eq.	8.1	11.5	15.6	63.9	
Op. Cash and cash Eq.	10.5	18.7	30.2	45.8	
Cl. Cash and cash Eq.	18.7	30.4	46.0	109.9	

Source: Company, ICICIdirect.com Research

Key ratios		₹ Crore			
(Year-end March)	FY17	FY18E	FY19E	FY20E	
Per share data (₹)					
Book Value	84.4	95.2	103.1	122.1	
Cash per share	2.4	4.0	6.0	13.5	
EPS	10.6	13.3	19.0	24.7	
Cash EPS	16.3	19.7	25.6	31.4	
DPS	1.0	1.0	1.0	1.0	
Profitability & Operating Ratios					
EBITDA Margin (%)	8.3	9.0	10.0	10.5	
PAT Margin (%)	3.4	3.8	4.9	5.6	
Fixed Asset Turnover (x)	3.2	3.4	3.8	4.3	
Inventory Turnover (Days)	0.5	0.4	0.4	0.4	
Debtor (Days)	67.4	60.0	55.0	60.0	
Current Liabilities (Days)	29.6	31.5	28.5	28.5	
Return Ratios (%)					
RoE	12.6	14.0	18.5	20.2	
RoCE	10.7	13.6	18.0	20.4	
RoIC	11.1	14.1	18.9	21.9	
Valuation Ratios (x)					
PE	33.8	26.4	17.7	13.4	
Price to Book Value	3.4	3.0	2.8	2.4	
EV/EBITDA	15.3	12.1	9.4	7.6	
EV/Sales	1.3	1.1	0.9	0.8	
Leverage & Solvency Ratios					
Debt to equity (x)	0.6	0.5	0.4	0.3	
Interest Coverage (x)	3.4	4.5	6.4	8.1	
Debt to EBITDA (x)	2.3	1.7	1.3	1.0	
Current Ratio	3.0	2.6	2.8	3.2	
Quick ratio	3.0	2.6	2.8	3.2	

Source: Company, ICICIdirect.com Research

ICICIdirect.com coverage universe (Logistics)

Sector / Company	CMP		Rating	M Cap (₹ Cr)	EPS (₹)				P/E (x)				EV/EBITDA (x)				RoCE (%)				RoE (%)			
	(₹)	TP(₹)			FY17	FY18E	FY19E	FY20E	FY17	FY18E	FY19E	FY20E	FY17	FY18E	FY19E	FY20E	FY17	FY18E	FY19E	FY20E	FY17	FY18E	FY19E	FY20E
Container Corporation	1,320	1,560	BUY	32,658	62.6	51.4	65.6	80.4	34.1	37.6	29.1	22.9	23.0	20.1	16.8	13.5	9.8	11.5	12.5	14.3	9.4	9.9	11.9	13.7
Transport Corp. of India	290	330	BUY	1,948	10.6	13.3	19.0	24.7	33.8	26.4	17.7	13.4	31.0	21.8	15.2	11.7	10.7	13.6	18.0	20.4	12.6	14.0	18.5	20.2
BlueDart	4,570	5,120	BUY	10,953	60.9	60.0	74.6	93.7	74.3	75.4	60.6	48.3	31.6	28.6	24.8	20.9	32.2	29.5	31.0	33.9	32.6	25.1	27.5	30.0
Gati Ltd.	115	135	BUY	1,244	3.3	4.9	3.4	4.2	34.4	23.5	34.3	27.1	12.9	17.3	13.2	9.9	9.5	8.0	9.9	12.6	5.2	8.8	5.6	6.6
Gujarat Pipavav	146	145	HOLD	6,671	5.8	5.7	7.1	8.1	23.1	23.8	19.1	16.7	10.3	9.6	7.7	6.4	14.0	14.0	16.4	18.4	11.5	11.9	13.6	14.1
TCI Express	490	660	BUY	1,743	10.6	14.0	17.4	21.9	42.8	32.6	26.1	20.8	26.1	21.3	15.8	12.5	35.1	34.9	36.9	36.7	28.8	29.6	28.4	27.0

Source: Company, ICICIdirect.com Research

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Sell: -10% or more;



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