

June 13, 2016

₹ 285

Transport Corporation (TRACOR)

Recovery visible; de-merger to create value...

- Revenues in Q4FY16 grew 6.5% YoY (up 9% QoQ) to ₹ 602 crore (I-direct estimate ₹ 577 crore). Traction was witnessed across all segments. Freight business, with the largest contribution, grew 7% YoY. Subsequent contributors like the XPS and supply chain division annually grew 7% and 5%, respectively. Seaways (albeit low contribution to total revenue) grew 8% YoY. EBITDA for the quarter sequentially grew 20% (up 13% YoY) to ₹ 53 crore (I-direct estimate ₹ 48 crore). Encouraging revenue growth coupled with a decline in other operating expenses resulted in margin expansion. The growth was partially tapered by a 12% increase in employee expenses. EBITDA margins for the quarter expanded 80 bps YoY (up 54 bps QoQ) to 8.8% (highest since FY09)
- Higher depreciation coupled with increased finance costs led PAT growth of 12% YoY to ₹ 24 crore vs. estimated ₹ 23 crore
- For FY16, consolidated revenues grew 4% YoY to ₹ 2521 crore, EBITDA grew slightly by 2% at ₹ 197 crore. PAT was at ₹ 82 crore

Successful transition from transport to integrated logistics player

TCI has successfully transformed its business model over the years to focus on high-margin businesses like supply chain, express cargo, shipping. Revenue contribution from high-volume low-margin freight business has come down from 72.5% in FY02 to 37% in FY16. Also, as majority of the capex has been allocated to these businesses, management is clearly focusing on scaling up the same. We expect revenue contribution from freight to further reduce to 32% by FY18E.

De-merger of XPS division to create value...

On February 1, bourses have issued a "No objection certificate" (NOC) with respect to the demerger of TCI's XPS division. As a result, this would lead to an issue of one equity share (FV ₹ 2) to shareholders of TCI Ltd for every two equity shares (FV ₹ 2) held. Post demerger, TCI Express would cease to remain a wholly owned subsidiary company of TCI Ltd. With this demerger, the management wants to focus on fast growing TCI Express business, engaged in express cargo, logistics, etc. The business also supports B2B requirement of E-commerce companies and has higher margins. We believe the de-merger, which is expected to take place in Q1FY17, would provide higher value unlocking to investors.

Supply chain, warehousing provide new shores

TCI's presence in supply chain and warehousing (SCS) services provide another leg to mitigate the slowing freight business. The SCS industry is expected to grow at 20-25% annually. TCI with ~10 mn sq ft leased and 1 million sq ft own warehousing capacity is one of the foremost players. Also, nearly 1100 owned vessels (including 38 reefer vessels) contribute ~30% to total TCI's revenue. The segment derives 75% of its business from the auto sector followed by consumer products and healthcare sectors. Given the current visible revival in the economy, the division is expected to grow at a CAGR of 16% in FY16-20E.

Supply chain, express segment at valuation forefront

TCI has been able to prudently reduce its focus on the traditional and low margin freight segment and increase the contribution from the high margin express and supply chain division. Moreover, the demerger would enable TCI to focus on its residual business and achieve greater synergies. We continue to value TCI on an SOTP basis and arrive at a target price of ₹ 320 with a **BUY** recommendation on the stock.

Rating matrix		
Rating	:	Buy
Target	:	₹ 320
Target Period	:	12 months
Potential Upside	:	12%

What's changed?	
Target	Changed from ₹ 280 to ₹ 320
EPS FY17E	Changed from ₹ 13.2 to ₹ 12.2
EPS FY18E	Changed from ₹ 13.2 to ₹ 15.0
Rating	Unchanged

Quarterly performance					
	Q4FY16	Q4FY15	YoY (%)	Q3FY16	QoQ (%)
Revenue	602.1	565.6	6.5	551.5	9.2
EBITDA	53.0	46.7	13.4	44.1	20.0
EBITDA (%)	8.8	8.3	54 bps	8.0	80 bps
PAT	24.1	21.5	12.2	18.9	27.7

Key financials				
₹ Crore	FY15	FY16	FY17E	FY18E
Net Sales	2,417	2,521	2,634	2,843
EBITDA	193.1	196.8	214.7	251.6
Net Profit	81.6	82.0	92.4	114.0
EPS	10.8	10.8	12.2	15.0

Valuation summary				
	FY15	FY16E	FY17E	FY18E
P/E (x)	22.2	26.4	23.5	19.0
EV/EBITDA (x)	10.6	12.5	11.4	9.6
P / BV (x)	2.9	3.1	2.9	2.6
RONW (%)	13.1	11.9	12.5	13.7
ROCE (%)	20.3	17.6	18.6	20.7

Stock data	
Particular	Amount
Market Cap. (₹ cr)	2175
Totak Debt (FY16) (₹ Crore)	356.7
Cash and Investment (FY16) (₹ Crore)	55.8
EV (₹ Crore)	2,475.9
52 week H/L	348 / 198
Equity Capital (₹ Crore)	15.2
Face Value (₹)	2.0

Price performance				
	1M	3M	6M	12M
Patel Integrated	-1.1	25.6	-26.1	-8.2
Blue Dart Exp.	-8.7	-3.9	-23.7	-15.3
Gati	8.9	28.9	-20.1	-32.1
Transport Corp.	3.1	25.9	-12.8	15.5

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Variance analysis

	Q4FY16	Q4FY16E	Q4FY15	YoY (%)	Q3FY16	QoQ (%)	Comments
Revenue	602.1	577.0	565.6	6.5	551.5	9.2	Revenue growth remained subdued on the back of lower revenues across all segments. Higher revenues in seaways offset the weakness
Operating Expenses	472.8	453.0	443.9	6.5	434.2	8.9	
Employee Expenses	37.1	38.2	33.3	11.5	39.2	-5.4	
Administrative & Oth Expenses	39.2	37.5	41.7	-6.1	33.9	15.4	
Total Expense	549.1	528.7	518.8	5.8	507.3	8.2	
EBITDA	53.0	48.3	46.7	13.4	44.1	20.0	
EBITDA Margin (%)	8.8	8.4	8.3	54 bps	8.0	80 bps	Margins expanded on the back of increased contribution from high margin business
Depreciation	15.4	12.8	13.3	16.2	12.8	20.2	
Interest	7.3	7.0	6.9	6.2	7.1	3.8	
Other Income	2.1	2.5	3.5	-41.8	-0.1	-4,220.0	
Exceptional Gain/Loss	0.0	0.0	0.2	0.0	0.0	0.0	
PBT	32.3	31.0	30.1	7.3	24.2	33.4	
Total Tax	8.2	7.8	8.5	0.0	5.3	0.0	
PAT	24.1	23.3	21.5	12.2	18.9	27.7	Lower other income tapered PAT growth

Key Metrics	Q4FY16	Q4FY15	YoY	Q3FY16	QoQ	
Freight Division	224.7	204.2	10.0	203.4	10.5	Segment recovered during the quarter
XPS Division	180.5	177.4	1.7	166.8	8.2	
Supply Chain Solutions	165.3	160.7	2.8	150.5	9.8	
Seaways	37.0	35.9	2.9	35.3	4.8	Ship revenues continue to remain subdued

Source: Company, ICICIdirect.com Research

Change in estimates

(₹ Crore)	FY17E				FY18E			Comments
	FY16	Old	New	% Change	Old	New	% Change	
Revenue	2,521.4	2,711.0	2,634.1	-2.8	3,016.8	2,842.5	-5.8	Revised growth estimates due to soft guidance provided by the management
EBITDA	196.8	230.4	214.7	-6.8	256.4	251.6	-1.9	
EBITDA Margin (%)	7.8	8.5	8.2	-35 bps	8.5	8.9	35 bps	Margins to remain sticky
PAT	82.0	106.3	92.4	-13.1	124.7	114.0	-8.5	
EPS (₹)	10.8	14.0	12.2	-13.1	16.4	15.0	-8.5	

Source: Company, ICICIdirect.com Research

Assumptions

	Current				Earlier		Comments
	FY15	FY16	FY17E	FY18E	FY17E	FY18E	
Freight (% of revenues)	37	37	35	33	35	33	Freight segment contribution to come down as focus shifts to SCS & express segments
YoY revenue growth (%)	-1	-1	5	7	5	5	
Supply Chain ((% of revenues)	28	28	28	29	29	30	
YoY revenue growth (%)	-12	-12	14	18	15	15	
XPS (% of revenues)	30	30	30	31	31	32	XPS division growth to be driven by growth in Indian e-commerce industry
YoY revenue growth (%)	10	10	15	18	15	15	

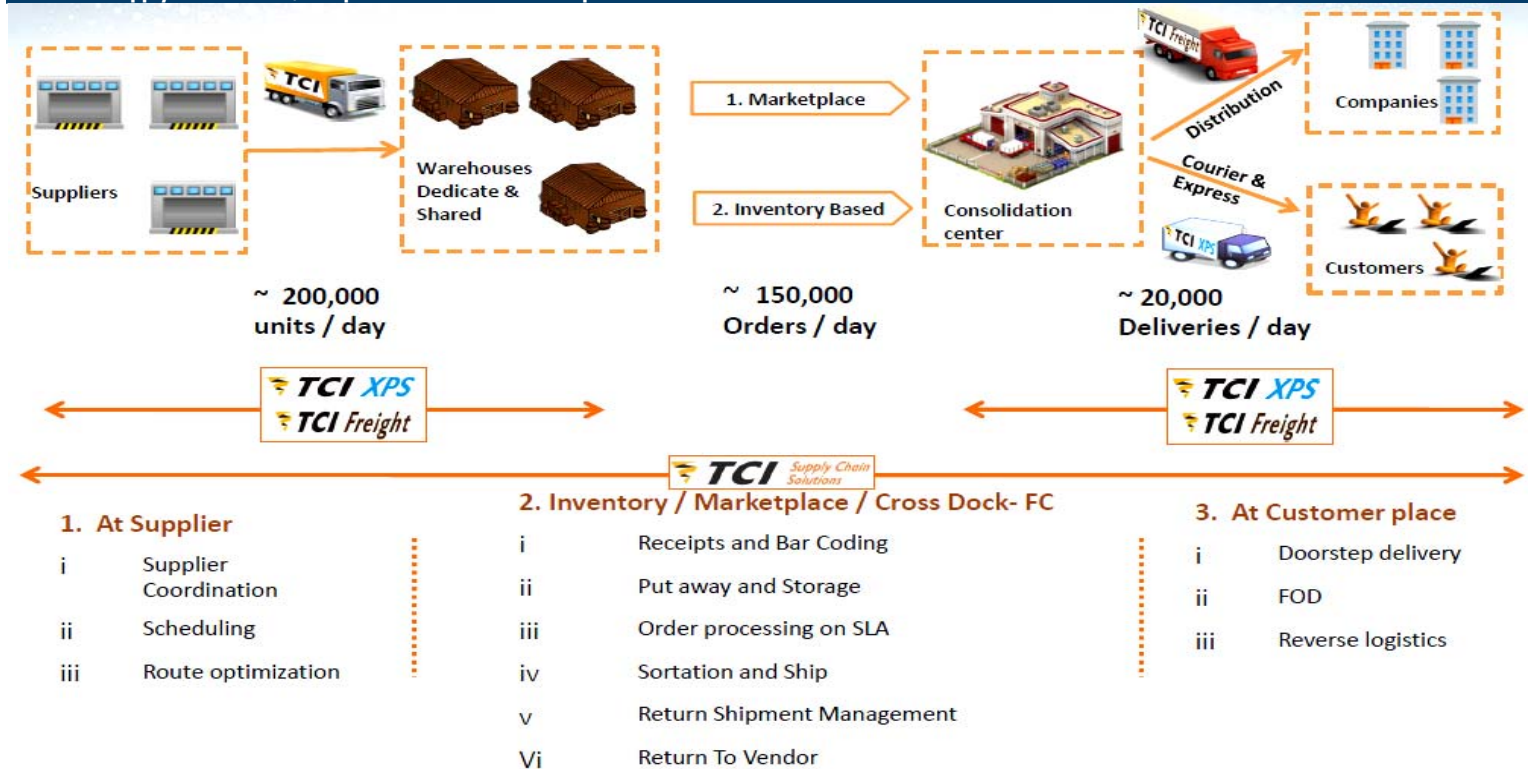
Source: Company, ICICIdirect.com Research

Company Analysis

Integrated logistics player; edge over peers

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 1,400 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 11 mn sq ft. Additionally, the company 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 1: Supply chain model; TCI present across all touch points....



Source: Company, ICICIdirect.com Research

Capex spending in higher margin businesses to aid overall margins

As the demand environment improves, we expect margins to improve across segments for TCI. Moreover, we expect TCI to increase focus on higher margin businesses like XPS and supply chain solution. As a result, the revenue contribution of these businesses is expected to increase from ~56% in FY2014 to ~62% in FY17E, with the company having aggressive expansion plans in these businesses (₹ 500 crore capex).

Exhibit 2: Capex planned for high margin business...

Capital expenditure (₹ crore)	Actual FY07 to FY14)	2014-15 Actual	2015-16 Proposed
Hub Centers & Small warehouses	218.6	41.6	166.8
Wind power	9	0	0
Ships & Containers	73.9	77.6	2.2
Trucks & Cars	220	20.7	80
Others (W/H Equip., IT etc.)	64.5	12.6	26
Total	586	152.5	275

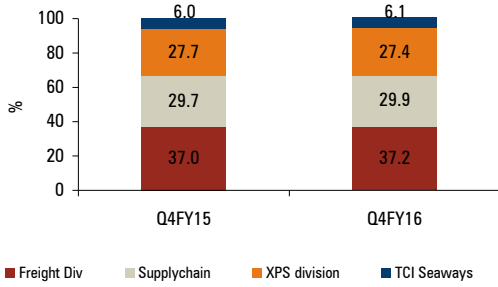
Source: Company, ICICIdirect.com Research

Freight segment decline compensated by growth in supply chain-express division, stable seaways segment

Freight segment revenue grew at a CAGR of ~3% in FY10-16 whereas the express and supply chain posted a CAGR of ~12% and 20%, respectively, over the same period. With the addition of new ships, revenues from seaways also increased at a CAGR 17% in FY10-16. The decline in the freight segment has been compensated to an extent by the supply chain and express divisions with revenue contribution from SCS increasing from 17% in FY10 to 28% to FY16. Also, for the express segment, the revenue contribution increased from 26% in FY10 to 30% in FY16. On the EBIT margin front, freight segment margins declined from ~4% in FY10 to 2% in FY16. The SCS and XPS margins remained sticky in FY10-16. Given the revival in the economy, higher utilisation levels would tend to marginally improve. In addition to the same, XPS and supply chain margins are also expected to inch up given the higher proportion of value added services to increase steadily. SCS and express segments would bring in better margins thereby marginally improving the consolidated margins over the long term.

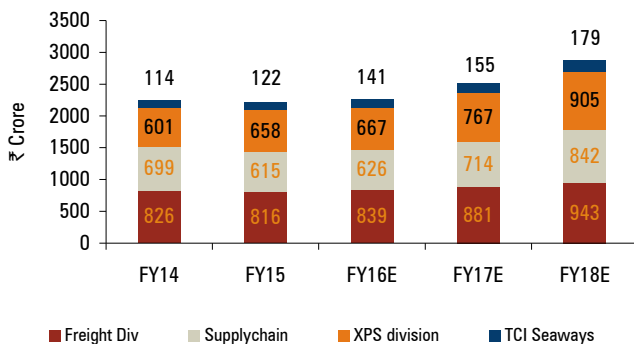
With one ship on West Coast and three ships on East Coast, TCI maintains its Port Blair-Chennai-Vishakhapatnam route monopoly. Further, it intends to add another ship in FY16. The shipping segment revenue contribution to TCI improved from ~4% in FY10 to 6% in FY16 along with EBIT margin for the division improving from 13% in FY11 to 19% in FY16.

Exhibit 3: Segmental revenue break-up



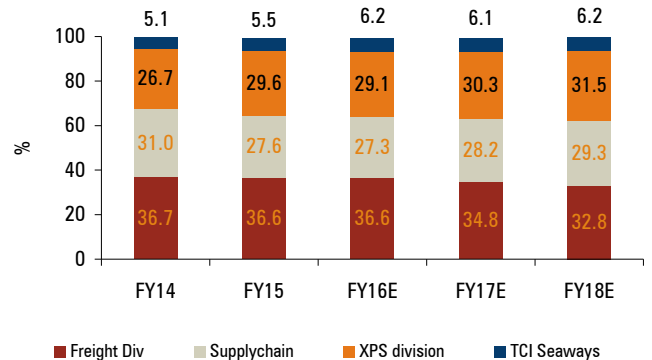
Source: Company, ICICIdirect.com Research

Exhibit 4: Segmental revenue break-up



Source: Company, ICICIdirect.com Research

Exhibit 5: Segmental revenue contribution



Source: Company, ICICIdirect.com Research

Sailing in a tough environment, recovery awaited...

Over the last few years, the company has been unable to achieve its growth targets. Given the strategic shift from traditional freight loading to contemporary logistics, the revenue growth remained sub-10% in FY12-16. The subdued environment has resulted in a rollback of earlier capex plan of ₹ 275 crore for FY16 to ₹ 150 crore. The company has guided a capex of ₹ 235 crore in FY17. Accounting to the demerger, the XPS division would include a capex of ₹ 55 crore. However, the remaining capex would pertain to other divisions. Furthermore, to come out of turbulent times, TCI has been focusing on the quality of earnings by at least managing margins at current levels and tackling receivables.

Outlook and Valuation

TCI's freight division, together with the express and supply chain form nearly 90% of revenue. However, in terms of business, the express and supply chain is highly earnings accretive vis-à-vis the freight segment, which continues to be the largest revenue contributor (37% in FY16). Going ahead, as the company plans to balance its exposure to these three segments equally, we believe operating margins would marginally improve. Consequently, we value TCI on an SOTP basis to provide a more focused approach to its evolving business.

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 ₹ 0.7 in FY16. However, going ahead, with a recovery in trade scenario and higher focus on the LTL business, we expect utilisation and realisation levels to improve. Consequently, EPS are expected to improve to ₹ 1.9 in FY18E. We continue to value this business at a PE of 5x FY18E EPS with a fair value of ₹ 9/share.

As the freight segment is not significantly EPS accretive, the focus is more towards value adding segments such as SCS and express segment whose earnings have shown healthy CAGR of 20% and 11%, respectively, in FY10-16. Going ahead, we expect earnings to remain strong in these segments and grow at a CAGR of 16% in FY16-18E. Hence, we incorporate an EPS from the SCS and express divisions at ₹ 8.5 (₹ 4 FY16) and ₹ 10.7 (₹ 5 in FY16), respectively, in FY18E. We ascribe a P/E multiple of 18x for express, 10x to supply chain, to arrive at a fair price of ₹ 85/share, ₹ 193/share, respectively, for these divisions.

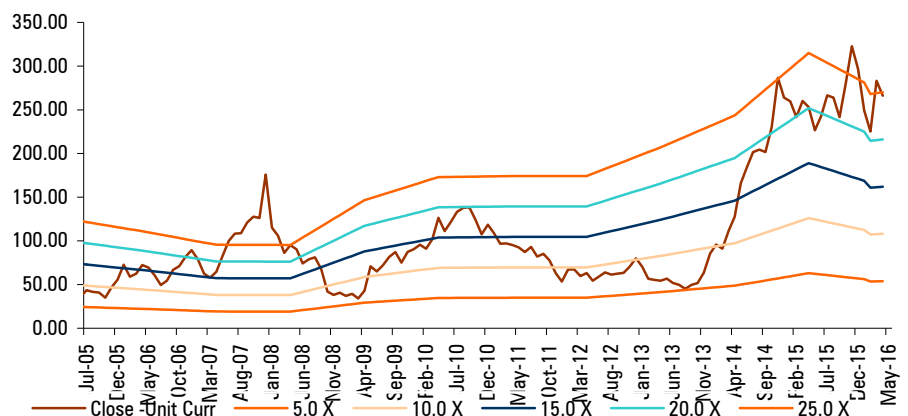
TCI's seaway has shown earnings CAGR of 17% in FY10-16 as the revenue contribution increased from 4.2% to 6% during the same period. Addition of new ships propelled growth in the segment. Going ahead, we expect EPS for TCI seaways to be ₹ 4.8 in FY18E (₹ 2.4 in FY16). As a result, we assign a P/E multiple of 7x FY18 EPS to arrive at fair price of ₹ 34 for the segment. Subsequently, on an SOTP basis, we arrive at a target price of ₹ 320 and have a **BUY** recommendation on the stock.

Exhibit 6: Valuation

Segment	FY18E EPS (₹)	P/E(x)	Fair Price(₹)
Freight	1.9	5	9.4
Supply Chain	8.5	10	84.5
Express	10.7	18	192.6
Seaways	4.8	7	33.6
SOTP			320

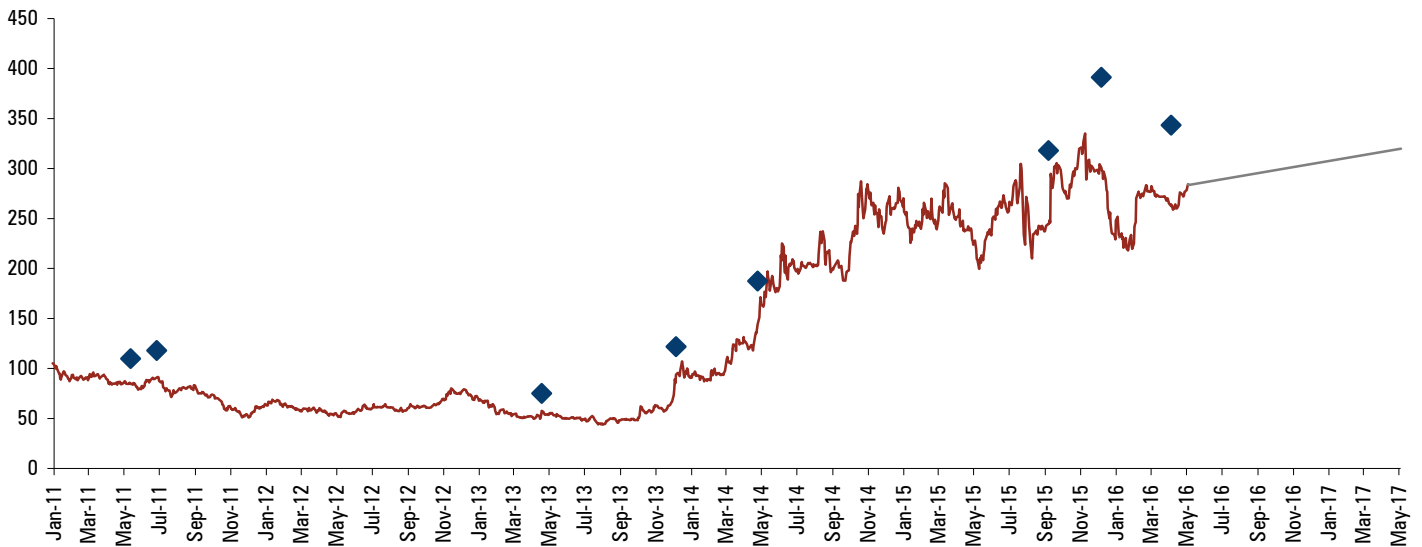
Source: Company, ICICIdirect.com Research

Exhibit 7: PE chart



Source: Company, ICICIdirect.com Research

Company snapshot



Source: Bloomberg, Company, ICICIdirect.com Research

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	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Bhoruka Finance Corporation of India, Ltd.	31-Mar-16	0.21	15.9	0.0
2	Bhoruka International Pvt. Ltd.	31-Mar-16	0.14	10.6	0.0
3	TCI Group	31-Mar-16	0.08	6.4	-0.3
4	Agarwal (D P)	31-Mar-16	0.07	5.0	-0.8
5	Agarwal (Dharpal)	31-Mar-16	0.04	2.9	0.8
6	IDFC Asset Management Company Private Limit	31-Mar-16	0.04	2.8	0.0
7	Agarwal (Chander)	31-Mar-16	0.03	2.1	0.0
8	Arcee Holding, Ltd.	31-Mar-16	0.03	2.0	0.0
9	Agarwal (Vineet)	31-Mar-16	0.03	2.0	0.0
10	Agarwal (Priyanka)	31-Mar-16	0.03	1.9	0.0

Source: Reuters, ICICIdirect.com Research

Shareholding Pattern

(in %)	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Promoter	66.9	66.9	66.5	66.5	66.5
FII	2.5	2.8	2.9	2.4	2.5
DII	10.9	10.4	11.6	11.5	12.3
Others	19.7	20.0	19.1	19.6	18.7

Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
Agarwal (Dharpal)	3.52	0.83	Agarwal (D P)	-3.52	-0.83
Canara Robeco Asset Management Company Ltd.	0.11	0.03	TCI Group	-1.33	-0.31
Sharma (Sharad)	0.06	0.02	Sharma (Phool Chand)	-0.10	-0.03
Sharma (Aditya Vikram)	0.04	0.01	Sethi (Jasjit Singh)	-0.04	-0.01
Principal PNB Asset Management Company Ltd.	0.03	0.01	Kanagala (Rajkiran Jayaram)	-0.02	-0.01

Source: Reuters, ICICIdirect.com Research

Financial summary

Profit and loss statement		₹ Crore				
(Year-end March)	FY14	FY15	FY16	FY17E	FY18E	
Revenue	2,226.5	2,416.7	2,521.4	2,634.1	2,842.5	
Growth (%)	4.5	8.5	4.3	4.5	7.9	
Operating expense	1806.96	1947.74	2010.52	2107.27	2266.93	
Manpower Cost	117.19	130.45	154.46	144.88	150.65	
Admin & other expense	134.3	145.4	159.7	167.3	173.4	
Total Expense	2,058.5	2,223.6	2,324.7	2,419.4	2,591.0	
EBITDA	168.0	193.1	196.8	214.7	251.6	
Growth (%)	-3.3	15.0	1.9	9.1	17.2	
Depreciation	46.8	54.5	59.0	60.1	63.1	
EBIT	121.2	138.6	137.8	154.5	188.5	
Interest	31.1	33.3	29.5	34.1	37.9	
Other Income	9.2	9.1	7.7	8.8	12.4	
PBT	99.3	114.4	116.0	129.2	162.9	
Growth (%)	-1.8	15.2	1.4	11.4	26.1	
Tax	27.5	32.6	34.0	36.8	48.9	
Reported PAT	71.6	81.6	82.0	92.4	114.0	

Source: Company, ICICIdirect.com Research

Cash flow statement		₹ Crore				
(Year-end March)	FY14	FY15	FY16E	FY17E	FY18E	
Profit after Tax	71.9	82.0	82.0	92.4	114.0	
Add: Depreciation	46.8	54.5	59.0	60.1	63.1	
Add: Others	0.0	0.0	0.0	0.0	0.0	
Cash Profit	177.3	202.4	204.4	223.5	263.9	
Increase/(Decrease) in CL	2.7	-24.0	67.0	-6.8	14.8	
(Increase)/Decrease in CA	17.1	-68.9	-35.8	-14.7	-44.8	
CF from Operating Activities	169.7	76.9	201.6	165.2	185.1	
Purchase of Fixed Assets	-54.8	-115.8	-114.3	-73.7	-100.3	
(Inc)/Dec in Investments	-28.8	12.5	-1.3	-0.8	-0.9	
Others	-70.2	-30.3	-145.5	-74.3	-51.8	
CF from Investing Activities	-153.8	-133.6	-261.2	-148.8	-153.0	
Inc/(Dec) in Loan Funds	-19.8	-5.9	73.1	22.5	0.0	
Inc/(Dec) in Sh. Cap. & Res.	0.8	61.9	0.1	0.0	0.0	
Others	0.0	0.0	0.0	0.0	0.0	
CF from financing activities	-19.0	56.0	73.2	22.5	0.0	
Change in cash Eq.	-3.1	-0.7	13.6	39.0	32.2	
Op. Cash and cash Eq.	46.0	42.9	42.2	55.8	94.8	
Cl. Cash and cash Eq.	42.9	42.2	55.8	94.8	126.9	

Source: Company, ICICIdirect.com Research

Balance sheet		₹ Crore				
(Year-end March)	FY14	FY15	FY16E	FY17E	FY18E	
Source of Funds						
Equity Capital	14.6	15.1	15.2	15.2	15.2	
Preference capital	0.0	0.0	0.0	0.0	0.0	
Reserves & Surplus	476.4	605.6	675.8	725.4	819.9	
Shareholder's Fund	491.0	620.7	691.0	740.6	835.1	
Loan Funds	41.8	77.8	100.6	100.6	100.6	
Deferred Tax Liability	33.2	29.3	35.4	35.4	35.4	
Minority Interest	3.1	3.5	4.1	3.9	3.9	
Source of Funds	569.0	731.3	831.0	880.4	974.9	
Application of Funds						
Gross Block	693.0	820.4	918.4	990.9	1,090.0	
Less: Acc. Depreciation	261.6	299.1	340.9	401.1	464.1	
Net Block	431.4	521.3	622.5	610.1	644.1	
Capital WIP	18.3	6.8	23.1	24.3	25.5	
Total Fixed Assets	449.7	528.1	645.7	634.4	669.6	
Goodwill on consolidation	0.2	0.2	0.2	0.2	0.2	
Non-Current Investments	61.2	50.6	49.3	50.1	50.9	
Inventories	1.7	2.3	2.0	2.9	3.1	
Debtor	380.0	434.6	453.6	454.7	490.6	
Cash	42.9	42.2	55.8	94.8	126.9	
Loan & Advance, Other CA	65.2	79.7	97.6	109.7	118.4	
Total Current assets	489.7	558.8	609.0	662.0	739.1	
Current Liabilities	389.0	347.0	418.4	430.2	442.2	
Provisions	42.8	59.1	54.7	36.1	38.9	
Total CL and Provisions	431.9	406.1	473.1	466.3	481.2	
Net Working Capital	57.9	152.6	135.9	195.7	257.9	
Application of Funds	569.0	731.3	831.0	880.4	974.9	

Source: Company, ICICIdirect.com Research

Key ratios		FY14	FY15	FY16E	FY17E	FY18E
Per share data (₹)						
Book Value		67.3	82.0	90.9	97.4	109.8
Cash per share		5.9	5.6	7.3	12.5	16.7
EPS		9.8	10.8	10.8	12.2	15.0
Cash EPS		16.2	18.0	18.5	20.1	23.3
DPS		1.1	1.3	0.9	1.0	1.0
Profitability & Operating Ratios						
EBITDA Margin (%)		7.5	8.0	7.8	8.2	8.9
PAT Margin (%)		3.2	3.4	3.3	3.5	4.0
Fixed Asset Turnover (x)		5.0	4.6	3.9	4.2	4.2
Inventory Turnover (Days)		0.3	0.3	0.3	0.4	0.4
Debtor (Days)		62.3	65.6	65.7	63.0	63.0
Current Liabilities (Days)		70.8	61.3	68.5	64.6	61.8
Return Ratios (%)						
RoE		14.6	13.1	11.9	12.5	13.7
RoCE		22.7	19.8	17.4	18.4	20.1
RoIC		13.1	11.7	10.5	11.3	12.3
Valuation Ratios (x)						
PE		24.3	22.2	26.4	23.5	19.0
Price to Book Value		1.4	1.1	1.0	1.0	0.8
EV/EBITDA		11.8	10.6	12.5	11.4	9.6
EV/Sales		0.9	0.8	1.0	0.9	0.9
Leverage & Solvency Ratios						
Debt to equity (x)		0.6	0.5	0.5	0.5	0.5
Interest Coverage (x)		3.9	4.2	4.7	4.5	5.0
Debt to EBITDA (x)		1.7	1.5	1.8	1.8	1.5
Current Ratio		1.1	1.4	1.3	1.4	1.5
Quick ratio		1.1	1.4	1.3	1.4	1.5

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(₹)			FY15	FY16E	FY17E	FY15	FY16E	FY17E	FY15	FY16E	FY17E	FY15	FY16E	FY17E	FY15	FY16E	FY17E
Transport Corp (TRACOR)	285	320	BUY	2,175	10.8	10.8	12.2	22.2	26.4	23.5	10.6	12.5	11.4	20.3	17.6	18.6	13.1	11.9	12.5
BlueDart	5,725	7,300	BUY	14,700	51.6	53.5	81.2	131.8	112.1	70.0	92.2	64.3	35.5	22.5	28.0	38.0	19.1	42.7	45.0
Gati Ltd.	107	150	BUY	960	4.2	5.2	6.3	31.9	25.8	21.1	12.4	10.0	8.2	11.6	13.4	15.2	6.6	7.8	9.0
Gujarat Pipavav (GPPL)	154	190	BUY	7,300	8.0	4.9	4.6	55.0	19.1	32.7	41.3	14.3	19.2	11.4	22.8	13.4	13.7	21.6	11.7

Source: Company, ICICIdirect.com Research

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