

### Stocks Rising from Feb-April 2023 Bottom; 1QFY24E Onwards Base to Help - Buy

4QFY23 saw weak volumes across logistics names, as global recessionary trends are hurting trade volumes. However, QoQ volumes are showing stabilising trends. Margins were relatively resilient and have leverage surprise potential on volume recovery. We believe 2023 should see Dedicated Freight Corridor (DFC) traffic rise for rail players and continuing GST driven organised players' share gain in road. Concor, Delhivery, TCI Express are our top picks.

**4QFY22 saw the volume slowdown begin:** Volume is the primary driver of share price performance for the logistics sector in India. Margins have moved in line with volumes as the competitive intensity in ports, roads and rail logistics has been broadly stable, barring a couple of quarters. Russia-Ukraine war began in February 2022 and impacted global trade. Global GDP growth is expected to recover in 2024 to 2.5%+ after a dip in 2023 to 1.8-2% (CY22 2.9%), which should possibly see volumes bottoming in next couple of quarters.

**DFC – Rewari-Dadri stretch commissioning should drive road to rail shift:** Rewari-Dadri, final 127 km stretch of 1,400+km, that will link Gujarat ports to the hinterland has been commissioned in the last two months. Full-fledged commissioning post trial runs is in progress. EXIM cargo shift to rail needed this as it will mean end to end rail connectivity for cargo vs needing rail and then road for end connectivity. This should drive FY24E double-digit volume growth for Concor and Gateway.

**Concor – still down 10% YTD (vs Nifty +2% YTD), privatisation not in price:** We believe 19% volume and 33% profit CAGR for Concor driven by DFC in FY23-25E should drive upside. Near-term trigger of divestment is on the backburner and any progress here will be a complete positive surprise.

**TCI Express – niche B2B-PTL play:** Trucking fleet relationships, customer relationships, historical land bank for setting up sorting centres are the drivers of its high ROEs and margin management even in an inflationary environment. We believe 31% EPS CAGR in FY23-25E, 25%+ ROE in an industry set for high growth for organised players could see the stock re-rate further as the company consistently delivers.

**Delhivery – management delivery on toned down expectations to drive upside:** 2HFY23 results surprised positively with lower losses. We believe current price factors in less than 10% express parcel growth in the next 3-5 years vs 30%+ levels seen in the past. Delivery on the toned down expectations should be enough for the stock to move materially higher in 2023.

#### Exhibit 1 - Valuation summary

Company	Mkt. Cap. (USD mn)	Reco	CMP			P/E (x)				P/B (x)			
			(Rs)	Target Price (Rs/shr)	Upside (%)	FY22	FY23	FY24E	FY25E	FY22	FY23	FY24E	FY25E
Adani Port	19,588	Buy	740	855	16	26.6	18.7	19.0	15.4	4.1	3.5	3.0	2.6
Concor	5,085	Buy	666	825	24	34.8	34.7	27.0	19.6	3.8	3.6	3.4	3.1
Pipavav	666	Hold	110	102	(7)	27.1	16.6	14.6	12.7	2.6	2.6	2.5	2.4
Gateway	432	Buy	69	95	38	15.4	14.4	10.9	8.4	2.1	2.0	1.8	1.6
Delhivery	2,832	Buy	352	570	62	-27.7	-25.5	-25.5	-35.7	3.8	2.8	3.4	3.6
TCI Express	787	Buy	1,633	2,500	53	48.7	44.9	34.5	26.1	11.7	10.5	8.4	6.6

Source: Jefferies estimates, Company

#### KEY STOCKS FEATURED INCLUDE:

TICKER	RATING	PRICE TARGET
ADSEZ IN	BUY	INR855
CCRI IN	BUY	INR825
GRFL IN	BUY	INR95
GPPV IN	HOLD	INR102
DELHIVER IN	BUY	INR570

#### KEY CHANGES INCLUDE:

TICKER	RATING	PRICE TARGET
ADSEZ IN	BUY	↑ INR855 (INR800)
GRFL IN	BUY	↑ INR95 (INR90)
GPPV IN	HOLD	↑ INR102 (INR100)

#### Recent Research :

[Concor: DFC to Partly Offset EXIM Weakness](#)

[Delhivery: Jefferies India Forum 2023: Takeaways](#)

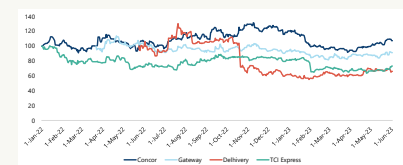
[Logistics: Base Effect Should Begin to Benefit 1QFY24 Onwards - Buy](#)

[Adani Ports : Solid Port Asset; Valuation sensitivities](#)

[Pipavav : Good Quarter, but Concession Extension the Key](#)

[2023 Logistics Outlook : Sector to Shine](#)

#### Exhibit 2 - Stocks tend to bottom out before volume recovery



Source: Bloomberg, Jefferies estimates

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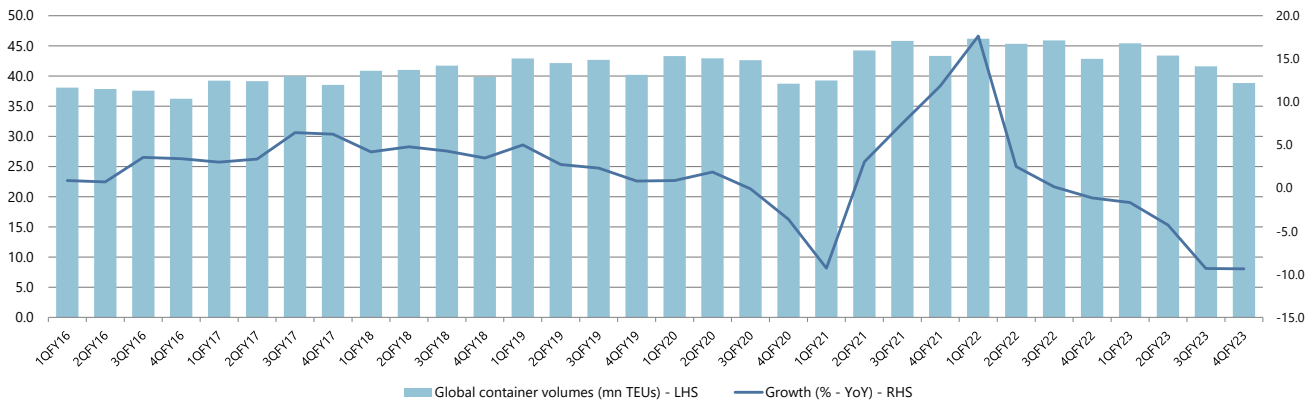
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## Summary of Changes

Company	Rating	Price <sup>A</sup>	Price Target	EPS Estimates			P/E		
				2022	2023	2024	2022	2023	2024
<b>Adani Ports and SEZ</b> ADSEZ IN	BUY	INR732.30	INR855 ↑ +7%	INR27.80	INR39.50 ↑ +16%	INR39.00 ↓ -1%	26.3x	18.5x	18.8x
<i>Previous</i>			INR800	INR27.80	INR34.10	INR39.40			
<b>Concor</b> CCRI IN	BUY	INR659.65	INR825	INR19.10	INR19.20	INR24.70	34.5x	34.4x	26.7x
<b>Gateway</b> GRFL IN	BUY	INR65.95	INR95 ↑ +6%	INR4.50	INR4.80 ↑ +17%	INR6.30 ↑ +3%	14.7x	13.7x	10.5x
<i>Previous</i>			INR90	INR4.50	INR4.10	INR6.10			
<b>Pipavav</b> GPPV IN	HOLD	INR110.35	INR102 ↑ +2%	INR4.10	INR6.60 ↓ -3%	INR7.50 ↓ -4%	26.9x	16.7x	14.7x
<i>Previous</i>			INR100	INR4.10	INR6.80	INR7.80			
<b>Delhivery</b> DELHIVER IN	BUY	INR355.10	INR570	INR(12.70)	INR(13.80)	INR(9.90)	NM	NM	NM
<b>TCIE</b> TCIEXP IN	BUY	INR1,620.20	INR2,500 ↑ +5%	INR33.50	INR36.40 <1%	INR47.30 ↓ -7%	48.4x	44.5x	34.3x
<i>Previous</i>			INR2,370	INR33.50	INR36.70	INR50.80			

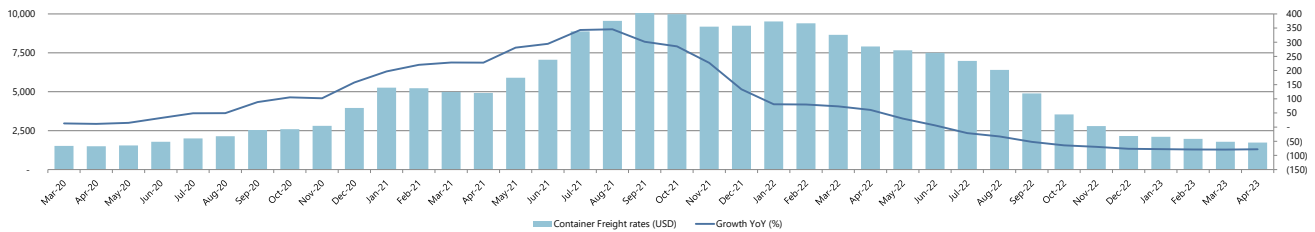
<sup>A</sup>Prior trading day's closing price unless otherwise noted.

**Exhibit 3 - Global container volumes remain soft amid global slowdown**



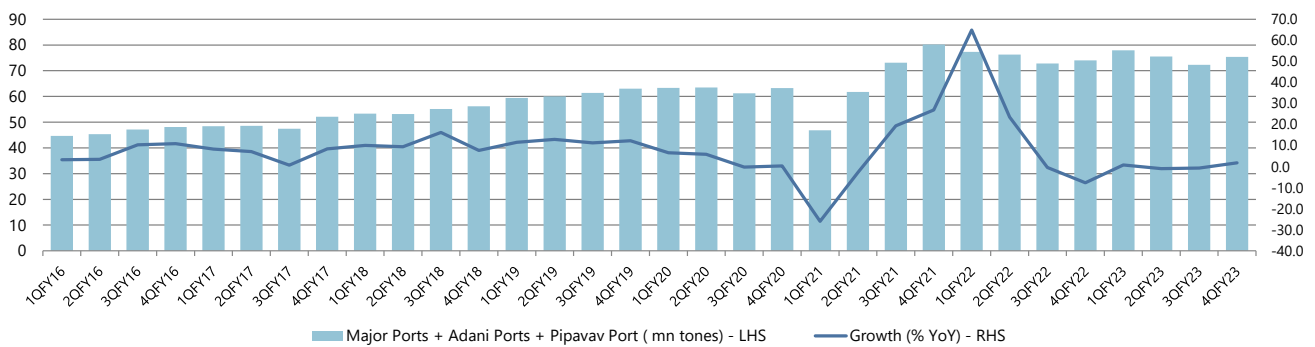
Source: Bloomberg, Jefferies

**Exhibit 4 - Global container freight rates back to near pre covid levels**



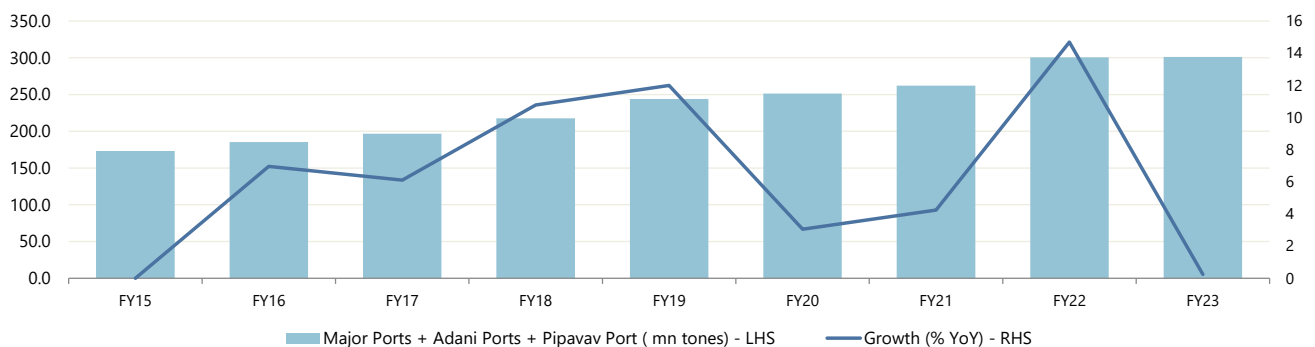
Source: Bloomberg, Jefferies

**Exhibit 5 - India container port volumes up 2% YoY and 4% QoQ in 4QFY23 post the slowdown which began in 4QFY22 ...**



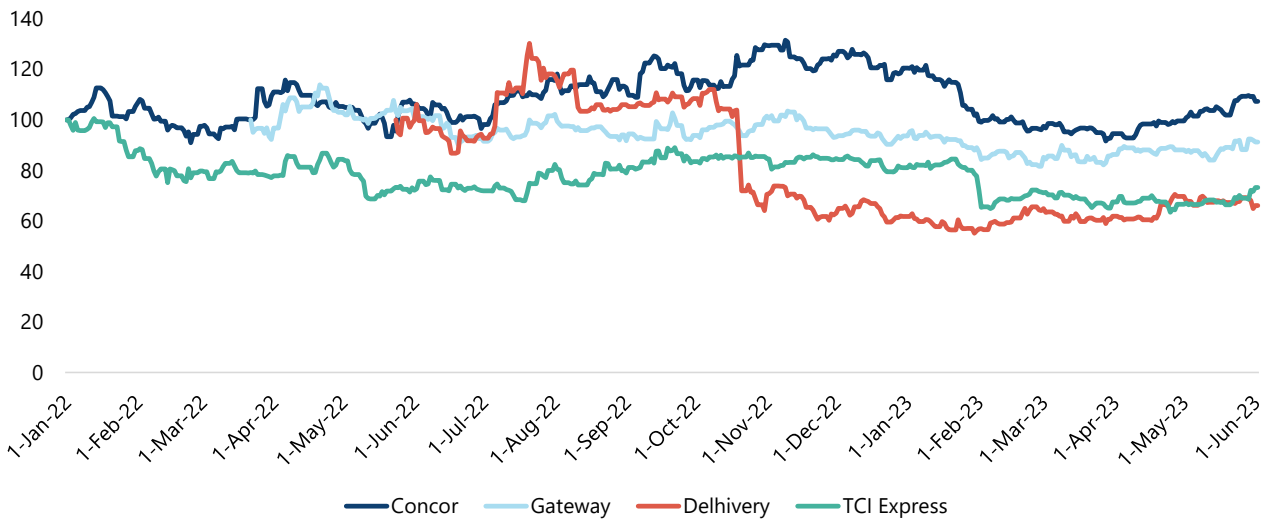
Source: Indian Ports Association, Company, Jefferies

**Exhibit 6 - ... while remained flat in FY23**



Source: Indian Ports Association, Company, Jefferies

Exhibit 7 - Stocks tend to bottom out before volume recovery



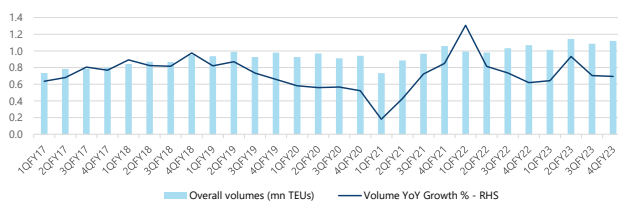
Source: Bloomberg, Jefferies estimates

Exhibit 8 - Adani Ports stock bottomed in Feb'23 and has been on an uptrend as group funding issues are seeing clarity



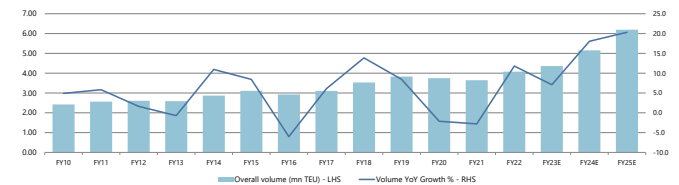
Source: Bloomberg, Jefferies

Exhibit 9 - Concor: 4QFY23 volume growth of 5% YoY was led by domestic while EXIM was muted at 2% YoY growth ...



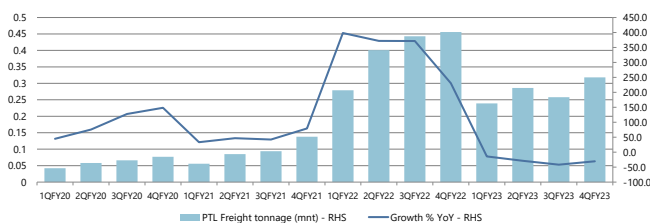
Source: Company data

Exhibit 10 - ... DFC linked 19% volume CAGR in FY23-25E to drive upside in medium term



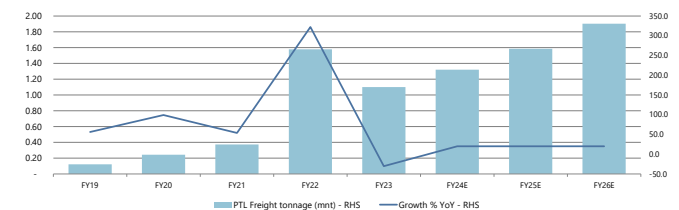
Source: Company, Jefferies estimates

Exhibit 11 - Delhivery : PTL volumes recovered and grew 23% QoQ while declined 30% YoY in 4QFY23 ...



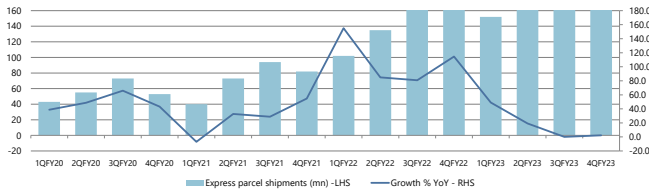
Source: Company, Jefferies

Exhibit 12 - ... we expect PTL volumes growth on the back of market share gains from unorganised players



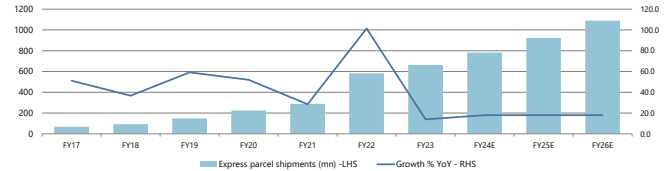
Source: Company, Jefferies estimates

**Exhibit 13 - Delivery: B2C volumes were flat YoY in 4QFY23 ...**



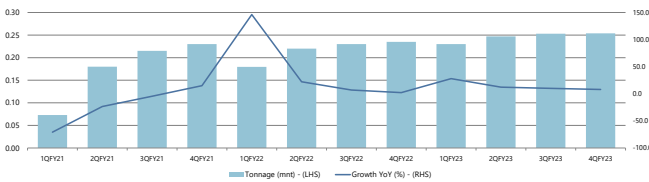
Source: Company, Jefferies

**Exhibit 14 - ... our estimates factor 15%+ medium-term CAGR in B2C shipments for Delivery**



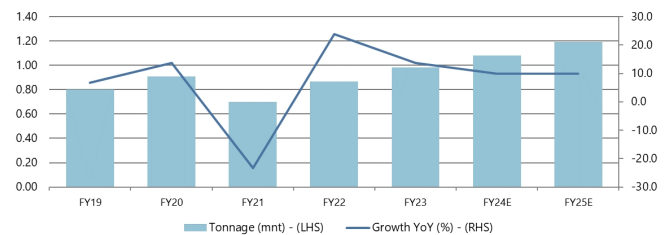
Source: Company, Jefferies estimates

**Exhibit 15 - TCI Express : 4QFY23 volume grew 8% YoY driven by higher capacity utilisation ..**

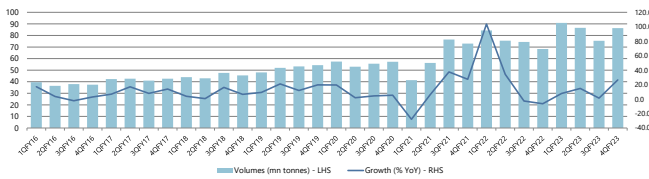


Source: Company, Jefferies

**Exhibit 16 - ... while share gain from unorganised players should drive volume growth ahead**

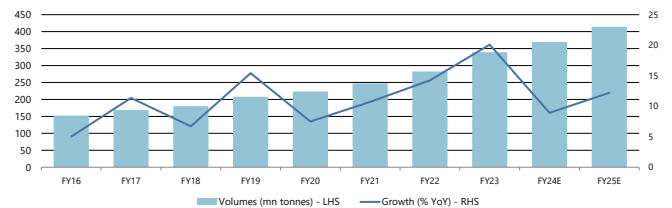


**Exhibit 17 - Adani Ports: 4QFY23 volume up 26%YoY driven by coal, minerals and container cargo**



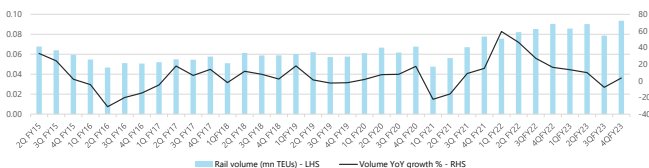
Source: Jefferies, company data

**Exhibit 18 - ... our estimates factor 415 mnt volume in FY25, 11% FY23-25E CAGR**



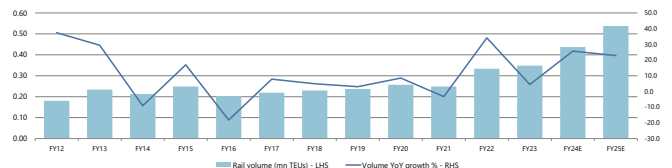
Source: Company data, Jefferies estimates

**Exhibit 19 - Gateway: Rail volumes grew by 3% YoY in 4QFY23 after 8% YoY decline in 3QFY23 ...**



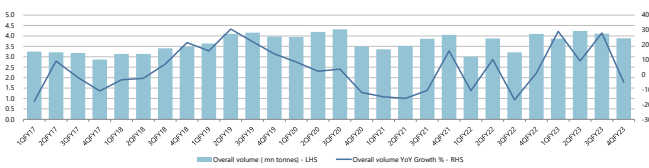
Source: Jefferies estimates, company

**Exhibit 20 - ... our 24% volume CAGR in FY23-25E is a key driver of profit growth and linked to the DFC showing a marked traffic shift from road to rail**



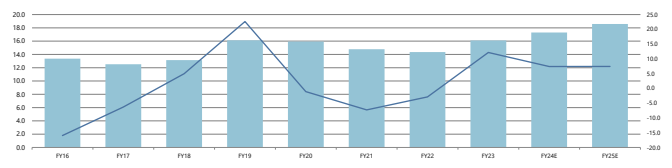
Source: Company, Jefferies estimates

**Exhibit 21 - Pipavav : 4QFY23 volumes declined 5% YoY due to weak bulk volumes, partially offset by container growth of 22% YoY ...**



Source: Jefferies, company data

**Exhibit 22 - ... our estimates factor 7% volume CAGR in FY23-25E considering stiff competition from Mundra**



Source: Jefferies estimates, company data

## Exhibit 23 - Concor: Income statement

Rs mn	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Income from operations</b>	<b>65,098</b>	<b>64,590</b>	<b>63,850</b>	<b>75,945</b>	<b>81,034</b>	<b>94,832</b>	<b>118,612</b>
Terminal and Other Service Charges	45,175	42,768	45,261	51,023	55,745	64,494	79,151
as a % of sales	69	66	71	67	69	68	67
Personnel expenses	3,368	3,135	3,578	4,078	4,274	4,487	4,936
as a % of sales	5	5	6	5	5	5	4
Administrative and other expenses	2,477	2,294	2,655	2,188	2,595	2,924	4,135
as a % of sales	4	4	4	3	3	3	3
Total Expenditure	51,019	48,197	51,493	57,289	62,613	71,905	88,222
<b>EBITDA</b>	<b>14,079</b>	<b>16,393</b>	<b>12,356</b>	<b>18,655</b>	<b>18,421</b>	<b>22,927</b>	<b>30,389</b>
Other non-operational income	3,342	2,797	2,855	2,631	3,240	3,600	4,200
Interest income/expense	7	361	340	546	570	500	500
Depreciation & amortisation	4,246	5,130	5,219	5,298	5,541	5,984	6,463
Miscellaneous exp. Written off	0	0	0	0	0	0	0
Extraordinary income/expense	3,721	-8,460	-2,861	-1,372	-13	0	0
<b>PBT</b>	<b>16,889</b>	<b>5,240</b>	<b>6,791</b>	<b>14,070</b>	<b>15,537</b>	<b>20,043</b>	<b>27,627</b>
Tax	4,735	1,482	1,758	3,447	3,847	5,011	6,907
Tax rate%	28	28	26	24	25	25	25
<b>PAT (Reported)</b>	<b>12,154</b>	<b>3,758</b>	<b>5,033</b>	<b>10,623</b>	<b>11,691</b>	<b>15,032</b>	<b>20,720</b>
<b>PAT (Adjusted)</b>	<b>9,476</b>	<b>9,825</b>	<b>7,154</b>	<b>11,659</b>	<b>11,700</b>	<b>15,032</b>	<b>20,720</b>

Source: Company data, Jefferies estimates

## Exhibit 24 - Concor: Balance sheet

Rs mn	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Share Capital	3,047	3,047	3,047	3,047	3,047	3,047	3,047
Reserves & surplus	100,632	97,601	98,991	104,727	109,403	116,819	128,095
<b>Networth</b>	<b>103,679</b>	<b>100,647</b>	<b>102,037</b>	<b>107,773</b>	<b>112,450</b>	<b>119,865</b>	<b>131,141</b>
Preference capital	0	0	0	0	0	0	0
<b>Total loan funds</b>	<b>7,007</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Amt. recd. Und. Long term infra	0	0	0	0	0	0	0
Deferred tax	1,616	-145	-543	-906	-799	-799	-799
<b>Sources of funds</b>	<b>112,301</b>	<b>100,502</b>	<b>101,495</b>	<b>106,867</b>	<b>111,650</b>	<b>119,066</b>	<b>130,342</b>
Fixed assets	56,885	70,197	78,004	83,987	90,604	96,604	102,604
Less: Depreciation/amortisation	14,939	20,503	24,986	30,079	35,620	41,604	48,067
CWIP	11,810	17,964	17,224	17,535	17,535	17,535	17,535
<b>Net block</b>	<b>53,757</b>	<b>67,657</b>	<b>70,242</b>	<b>71,443</b>	<b>72,518</b>	<b>72,534</b>	<b>72,071</b>
Investments	14,029	14,441	14,952	14,356	14,488	14,988	15,488
Liquid Investments	6,749	6,749	6,749	6,134	6,134	6,134	6,134
<b>Current Assets</b>	<b>58,282</b>	<b>33,424</b>	<b>36,209</b>	<b>41,313</b>	<b>45,063</b>	<b>53,875</b>	<b>70,713</b>
Inventories	233	261	239	307	372	260	325
Sundry debtors	884	1,591	1,555	1,761	2,131	2,598	3,250
Cash & bank balance	1,704	21,686	24,732	28,879	30,479	36,553	49,760
Loans and advances	12,709	5,851	5,822	6,115	7,830	9,787	12,234
Other current assets	42,753	4,036	3,861	4,252	4,252	4,677	5,145
<b>Current liabilities &amp; provisions</b>	<b>13,767</b>	<b>15,020</b>	<b>19,908</b>	<b>20,244</b>	<b>20,419</b>	<b>22,331</b>	<b>27,931</b>
Advances from customers	1,382	1,467	1,819	1,822	1,822	2,845	3,558
Other Liabilities	12,385	13,554	18,089	18,422	18,598	19,486	24,372
Provision for tax	0	0	0	0	0	0	0
Provision for dividend	0	0	0	0	0	0	0
Net current assets	44,515	18,404	16,301	21,069	24,644	31,544	42,782
Miscellaneous Expenditure	0	0	0	0	0	0	0
Intangibles	0	0	0	0	0	0	0
<b>Application of funds</b>	<b>112,301</b>	<b>100,502</b>	<b>101,495</b>	<b>106,867</b>	<b>111,650</b>	<b>119,066</b>	<b>130,342</b>

Source: Jefferies estimates, company data

## Exhibit 25 - Delivery: Income Statement

Rs mn	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Income from operations</b>	<b>16,539</b>	<b>27,806</b>	<b>44,499</b>	<b>72,410</b>	<b>72,250</b>	<b>89,054</b>	<b>111,142</b>	<b>139,120</b>
Freight, handling and servicing cost	12,507	21,838	33,704	54,271	56,695	67,227	83,442	103,928
as a % of sales less traded	76	79	76	75	78	75	75	75
Personnel expenses	3,446	4,909	7,080	13,614	14,000	14,280	14,566	14,857
as a % of sales less traded	21	18	16	19	19	16	13	11
Administrative and other expenses	1,964	2,722	4,209	5,751	6,058	7,954	9,211	10,722
as a % of sales less traded	12	10	9	8	8	9	8	8
Total Expenditure	17,917	29,526	45,095	73,637	76,769	89,462	107,218	129,507
<b>EBITDA</b>	<b>-1,378</b>	<b>-1,720</b>	<b>-596</b>	<b>-1,227</b>	<b>-4,519</b>	<b>-408</b>	<b>3,924</b>	<b>9,613</b>
Other non-operational income	410	2,081	1,945	1,600	3,049	2,500	2,200	2,400
Interest income/expense	358	492	1,256	1,310	888	1,200	1,300	1,400
Depreciation & amortisation	1,700	2,556	5,585	7,000	8,311	9,143	10,057	11,063
Miscellaneous exp. Written off	0	0	0	0	0	0	0	0
Extraordinary income/expense	-14,807	0	-505	-3,015	0	0	0	0
<b>PBT</b>	<b>-17,833</b>	<b>-2,688</b>	<b>-5,998</b>	<b>-10,952</b>	<b>-10,669</b>	<b>-8,250</b>	<b>-5,233</b>	<b>-449</b>
Tax	0	1	-36	306	-466	-330	-209	-18
Tax rate%	0	0	1	-3	4	4	4	4
<b>PAT (Reported)</b>	<b>-17,833</b>	<b>-2,689</b>	<b>-5,961</b>	<b>-11,258</b>	<b>-10,204</b>	<b>-7,920</b>	<b>-5,024</b>	<b>-431</b>
<b>PAT (Adjusted) after MI</b>	<b>-3,026</b>	<b>-2,689</b>	<b>-5,459</b>	<b>-8,159</b>	<b>-10,069</b>	<b>-7,920</b>	<b>-5,024</b>	<b>-431</b>

Source: Company data, Jefferies estimates

## Exhibit 26 - Delivery: Balance sheet

Rs mn	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Share Capital	10	10	16	642	729	804	804	804
Reserves & surplus	33,873	31,694	48,450	58,932	91,043	83,122	78,099	77,667
<b>Networth</b>	<b>33,883</b>	<b>31,704</b>	<b>48,466</b>	<b>59,574</b>	<b>91,771</b>	<b>83,926</b>	<b>78,903</b>	<b>78,471</b>
Preference capital	0	0	0	0	0	0	0	0
<b>Total loan funds</b>	<b>4,106</b>	<b>7,546</b>	<b>13,923</b>	<b>11,015</b>	<b>9,234</b>	<b>9,234</b>	<b>9,234</b>	<b>9,234</b>
Deferred tax	0	0	0	629	84	84	84	84
<b>Sources of funds</b>	<b>37,989</b>	<b>39,251</b>	<b>62,389</b>	<b>71,218</b>	<b>101,089</b>	<b>93,244</b>	<b>88,221</b>	<b>87,789</b>
Fixed assets	3,712	5,645	7,285	19,515	27,061	29,561	32,061	34,561
Less: Depreciation/amortisation	2,102	3,286	4,710	11,710	20,021	29,164	39,221	50,283
Right to use asset	2,975	4,781	8,752	8,752	8,752	8,752	8,752	8,752
CWIP	9	267	768	768	768	768	768	768
<b>Net block</b>	<b>4,594</b>	<b>7,407</b>	<b>12,095</b>	<b>17,325</b>	<b>16,560</b>	<b>9,917</b>	<b>2,361</b>	<b>-6,202</b>
Investments	11,551	11,877	11,282	20,907	20,942	20,942	20,942	20,942
Liquid Investments	11,304	8,104	7,076	14,612	14,612	14,612	14,612	14,612
<b>Current Assets</b>	<b>24,186</b>	<b>23,941</b>	<b>31,449</b>	<b>30,477</b>	<b>60,348</b>	<b>62,183</b>	<b>68,045</b>	<b>80,392</b>
Inventories	226	178	259	253	0	488	609	762
Sundry debtors	2,147	6,013	7,736	9,903	9,436	10,979	12,180	11,435
Cash & bank balance	16,634	4,087	7,900	2,290	6,455	1,724	1,307	8,782
Loans and advances	30	27	264	343	447	580	697	836
Other current assets	5,149	13,635	15,288	17,688	44,010	48,411	53,252	58,578
<b>Current liabilities &amp; provisions</b>	<b>2,637</b>	<b>4,323</b>	<b>8,366</b>	<b>11,290</b>	<b>10,381</b>	<b>13,419</b>	<b>16,747</b>	<b>20,963</b>
Advances from customers	0	0	0	0	0	0	0	0
Other Liabilities	2,637	4,323	8,366	11,290	10,381	13,419	16,747	20,963
Provision for tax	0	0	0	0	0	0	0	0
Provision for dividend	0	0	0	0	0	0	0	0
Net current assets	21,549	19,618	23,083	19,187	49,967	48,764	51,297	59,429
Miscellaneous Expenditure	0	0	0	0	0	0	0	0
Intangibles	294	348	15,929	13,799	13,621	13,621	13,621	13,621
<b>Application of funds</b>	<b>37,989</b>	<b>39,251</b>	<b>62,389</b>	<b>71,218</b>	<b>101,089</b>	<b>93,244</b>	<b>88,221</b>	<b>87,789</b>

Source: Company data, Jefferies estimates

## Exhibit 27 - TCIE: Income Statement

Rs mn	FY20	FY21	FY22	FY23E	FY24E	FY25E
<b>Income from operations</b>	<b>10,320</b>	<b>8,440</b>	<b>10,815</b>	<b>12,410</b>	<b>14,896</b>	<b>18,309</b>
Operating expenses	7,342	5,667	7,330	8,497	10,159	12,487
as a % of sales	71	67	68	68	68	68
Personnel expenses	1,018	873	1,099	1,243	1,429	1,644
as a % of sales	10	10	10	10	10	9
Administrative and other expenses	747	556	638	725	820	926
as a % of sales	7	7	6	6	6	5
Total Expenditure	9,107	7,097	9,067	10,465	12,408	15,057
<b>EBITDA</b>	<b>1,213</b>	<b>1,343</b>	<b>1,747</b>	<b>1,945</b>	<b>2,488</b>	<b>3,252</b>
Other non-operational income	44	77	82	72	100	149
Interest income/expense	9	8	9	18	12	10
Depreciation & amortisation	78	90	100	153	175	200
Miscellaneous exp. Written off	0	0	0	0	0	0
Extraordinary income/expense	0	0	0	0	0	0
<b>PBT</b>	<b>1,170</b>	<b>1,322</b>	<b>1,720</b>	<b>1,845</b>	<b>2,401</b>	<b>3,191</b>
Tax	279	316	432	453	588	798
Tax rate%	24	24	25	25	25	25
<b>PAT (Reported)</b>	<b>891</b>	<b>1,006</b>	<b>1,288</b>	<b>1,393</b>	<b>1,813</b>	<b>2,394</b>
<b>PAT (Adjusted)</b>	<b>891</b>	<b>1,006</b>	<b>1,288</b>	<b>1,393</b>	<b>1,813</b>	<b>2,394</b>

Source: Company, Jefferies estimates

## Exhibit 28 - TCIE: Balance Sheet

Rs mn	FY20	FY21	FY22	FY23E	FY24E	FY25E
Share Capital	77	77	77	77	77	77
Reserves & surplus	3,296	4,262	5,285	5,887	7,393	9,442
Networth	<b>3,373</b>	<b>4,339</b>	<b>5,362</b>	<b>5,964</b>	<b>7,470</b>	<b>9,519</b>
Preference capital	0	0	0	0	0	0
<b>Total loan funds</b>	<b>30</b>	<b>11</b>	<b>11</b>	<b>71</b>	<b>71</b>	<b>71</b>
Amt. recd. Und. Long term infra	0	0	0	0	0	0
Deferred tax	41	54	79	105	105	105
<b>Sources of funds</b>	<b>3,444</b>	<b>4,404</b>	<b>5,452</b>	<b>6,139</b>	<b>7,646</b>	<b>9,694</b>
Fixed assets	2,148	2,655	3,657	4,904	5,904	6,904
Less: Depreciation/amortisation	294	372	460	613	788	988
CWIP	231	278	61	61	61	61
<b>Net block</b>	<b>2,085</b>	<b>2,561</b>	<b>3,258</b>	<b>4,352</b>	<b>5,177</b>	<b>5,977</b>
Investments	295	734	881	332	332	332
Liquid Investments	0	587	870	0	0	0
<b>Current Assets</b>	<b>1,936</b>	<b>2,142</b>	<b>2,432</b>	<b>2,666</b>	<b>3,606</b>	<b>5,192</b>
Inventories	0	0	0	0	0	0
Sundry debtors	1,658	1,695	1,895	2,115	2,653	3,261
Cash & bank balance	126	272	180	164	489	1,373
Loans and advances	92	109	95	95	114	137
Other current assets	60	65	261	292	350	420
<b>Current liabilities &amp; provisions</b>	<b>872</b>	<b>1,033</b>	<b>1,119</b>	<b>1,210</b>	<b>1,469</b>	<b>1,806</b>
Advances from customers	0	0	0	0	0	0
Other Liabilities	872	1,033	1,119	1,210	1,469	1,806
Provision for tax	0	0	0	0	0	0
Provision for dividend	0	0	0	0	0	0
Net current assets	1,064	1,109	1,313	1,456	2,137	3,386
Miscellaneous Expenditure	0	0	0	0	0	0
Intangibles	0	0	0	0	0	0
<b>Application of funds</b>	<b>3,444</b>	<b>4,404</b>	<b>5,452</b>	<b>6,139</b>	<b>7,646</b>	<b>9,694</b>

Source: Company, Jefferies estimates



## Exhibit 29 - TCIE: Cash flow Statement

Rs mn	FY20	FY21	FY22	FY23E	FY24E	FY25E
PBIT	1,179	1,330	1,729	1,864	2,413	3,201
Add: depreciation	78	90	100	153	175	200
Less other income	-44	-77	-82	-72	-100	-149
Working capital changes	-52	101	-297	-159	-356	-364
Less: tax	-290	-303	-403	-422	-588	-798
Others	-55	47	228	0	0	0
<b>Net cash from operations (a)</b>	<b>816</b>	<b>1,189</b>	<b>1,276</b>	<b>1,365</b>	<b>1,543</b>	<b>2,090</b>
Change in fixed assets	-386	-555	-785	-1,247	-1,000	-1,000
Change in investments	-283	-439	-147	549	0	0
Add: other income	44	77	82	72	100	149
Others	29	-43	-53	0	0	0
<b>Cash flow from inv. (b)</b>	<b>-595</b>	<b>-960</b>	<b>-903</b>	<b>-626</b>	<b>-900</b>	<b>-851</b>
Proceeds from issue of equity	0	0	0	0	0	0
Change in borrowings	-57	-18	0	59	0	0
Dividends paid + dividend tax	-213	-77	-308	-306	-306	-345
Interest paid	-9	-8	-9	-18	-12	-10
Others	13	21	-148	-489	0	0
<b>Financial cash flow (c)</b>	<b>-266</b>	<b>-82</b>	<b>-465</b>	<b>-755</b>	<b>-318</b>	<b>-355</b>
Net inc/dec in cash (a+b+c)	-45	146	-92	-16	325	885
Add: opening cash balance	171	126	272	180	164	489
Closing cash balance	126	272	180	164	489	1,373

Source: Company, Jefferies estimates

## Exhibit 30 - TCIE: Key Ratios

Particulars	FY20	FY21	FY22	FY23E	FY24E	FY25E
Net debt:equity	0.0	-0.2	-0.2	0.0	-0.1	-0.1
Diluted EPS (Rs)	23.2	26.2	33.5	36.4	47.3	62.5
BVPS (Rs)	87.9	112.8	139.4	155.7	195.0	248.5
Dividend per share	4.60	2.00	8.00	8.00	8.00	9.00
Dividend payout	23.9	7.6	23.9	22.0	16.9	14.4
Valuation (x)						
Diluted PE	70.3	62.4	48.7	44.9	34.5	26.1
Diluted EV/EBITDA	51.5	46.1	35.3	32.1	25.0	18.8
Diluted PSR	6.1	7.3	5.7	5.0	4.2	3.3
PBV	18.6	14.5	11.7	10.5	8.4	6.6
Profitability Ratios						
ROCE %	37.7	33.9	35.1	32.2	35.0	36.9
ROE%	29.5	26.1	26.6	24.6	27.0	28.2
Turnover Ratios						
Inventory in days	0	0	0	0	0	0
Debtor days	58	72	68	65	65	65
Creditors turnover	33	41	38	36	36	36
Wkg. Capital cycle	25	31	30	29	29	29

Source: Company, Jefferies estimates

## Exhibit 31 - APSEZ: Income statement

Rs mn	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Income from operations</b>	<b>114,388</b>	<b>125,496</b>	<b>159,340</b>	<b>208,519</b>	<b>229,036</b>	<b>266,620</b>
Operating expenses	29,973	32,595	46,296	56,268	60,851	70,999
as a % of sales excl. SEZ	26.2	26.0	29.1	27.0	26.6	26.6
Personnel expenses	5,465	6,151	6,639	11,782	12,960	14,256
as a % of sales excl. SEZ	4.8	4.9	4.2	5.7	5.7	5.3
Administrative and other expenses	6,389	6,916	8,895	12,135	12,499	12,874
as a % of sales excl. SEZ	5.6	5.5	5.6	5.8	5.5	4.8
<b>Total Expenditure</b>	<b>41,827</b>	<b>45,662</b>	<b>61,830</b>	<b>80,185</b>	<b>86,310</b>	<b>98,129</b>
<b>EBITDA</b>	<b>72,561</b>	<b>79,834</b>	<b>97,510</b>	<b>128,335</b>	<b>142,726</b>	<b>168,492</b>
EBITDA (%)	63.4	63.6	61.2	61.5	62.3	63.2
Other non-operational income	18,614	19,702	21,548	15,535	22,000	24,000
Interest income/expense	19,506	21,292	25,563	25,936	27,500	29,000
Depreciation & amortisation	16,803	21,073	27,396	34,232	37,500	41,000
Miscellaneous exp. Written off	0	0	0	0	0	0
Extraordinary income/expense	-12,382	5,891	-12,616	-29,287	0	0
<b>PBT</b>	<b>42,483</b>	<b>63,063</b>	<b>53,483</b>	<b>54,414</b>	<b>99,726</b>	<b>122,492</b>
Tax	4,594	12,433	7,459	964	14,959	18,374
Tax rate%	10.8	19.7	13.9	1.8	15.0	15.0
<b>PAT (Reported)</b>	<b>37,889</b>	<b>50,630</b>	<b>46,024</b>	<b>53,450</b>	<b>84,767</b>	<b>104,118</b>
<b>PAT (Adjusted) post MI</b>	<b>48,599</b>	<b>45,278</b>	<b>58,760</b>	<b>85,407</b>	<b>84,343</b>	<b>103,597</b>

Source: Jefferies estimates, company data

## Exhibit 32 - APSEZ: Balance sheet

Rs mn	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Share Capital	4,142	4,064	4,064	4,225	4,225	4,225	4,225
Reserves & surplus	241,240	252,171	302,219	378,275	413,538	469,283	535,372
<b>Networth</b>	<b>245,382</b>	<b>256,235</b>	<b>306,283</b>	<b>382,500</b>	<b>417,763</b>	<b>473,507</b>	<b>539,597</b>
Minority interest	2,099	2,196	14,685	3,928	4,211	4,629	5,142
<b>Total loan funds</b>	<b>271,879</b>	<b>294,627</b>	<b>344,010</b>	<b>474,355</b>	<b>434,355</b>	<b>374,355</b>	<b>314,355</b>
Amt. recd. Und. Long term infra	0	0	0	0	0	0	0
Deferred tax	-8,124	-9,227	3,214	12,130	12,130	12,130	12,130
<b>Sources of funds</b>	<b>511,237</b>	<b>543,832</b>	<b>668,191</b>	<b>872,912</b>	<b>868,458</b>	<b>864,621</b>	<b>871,223</b>
Fixed assets	299,874	369,813	535,286	660,468	740,468	798,468	856,468
Less: Depreciation/amortisation	51,309	67,270	87,786	111,635	146,635	184,135	225,135
CWIP	56,807	42,549	47,067	50,283	50,283	65,283	65,283
<b>Net block</b>	<b>305,372</b>	<b>345,091</b>	<b>494,567</b>	<b>599,116</b>	<b>644,116</b>	<b>679,616</b>	<b>696,616</b>
Investments	7,793	3,520	15,866	19,709	20,709	21,709	22,709
Liquid Investments	5,138	119	11,388	478	478	478	478
<b>Current Assets</b>	<b>209,146</b>	<b>228,467</b>	<b>193,623</b>	<b>260,829</b>	<b>247,904</b>	<b>220,546</b>	<b>228,117</b>
Inventories	8,067	2,883	9,919	3,812	10,077	11,349	13,207
Sundry debtors	27,897	32,021	29,257	24,697	48,238	51,818	60,304
Cash & bank balance	59,673	73,139	47,008	104,921	82,127	40,917	23,143
Loans and advances	104,981	108,782	97,308	120,533	100,462	108,462	122,462
Other current assets	8,529	11,642	10,132	6,867	7,000	8,000	9,000
<b>Current liabilities &amp; provisions</b>	<b>43,754</b>	<b>66,109</b>	<b>76,229</b>	<b>65,922</b>	<b>103,450</b>	<b>116,429</b>	<b>135,398</b>
Other Liabilities	43,468	65,894	75,844	64,982	102,850	115,829	134,798
Provision for tax	286	215	385	939	600	600	600
Provision for dividend	0	0	0	0	0	0	0
<b>Net current assets</b>	<b>165,393</b>	<b>162,358</b>	<b>117,394</b>	<b>194,908</b>	<b>144,454</b>	<b>104,117</b>	<b>92,719</b>
Miscellaneous Expenditure	0	0	0	0	0	0	0
Intangibles	32,679	32,863	40,364	59,179	59,179	59,179	59,179
<b>Application of funds</b>	<b>511,237</b>	<b>543,832</b>	<b>668,191</b>	<b>872,912</b>	<b>868,458</b>	<b>864,621</b>	<b>871,223</b>

Source: Jefferies estimates, company data

## Exhibit 33 - APSEZ: Cash flow Statement

Rs mn	FY20	FY21	FY22	FY23	FY24E	FY25E
PBIT	61,990	84,354	79,046	80,350	127,226	151,492
Add: depreciation	16,803	21,073	27,396	34,232	37,500	41,000
Less other income	-18,614	-19,702	-21,548	-15,535	-22,000	-24,000
Working capital changes	15,005	13,532	-22,886	25,532	-4,196	5,701
Less: tax	-6,111	-11,239	-5,840	-6,745	-14,959	-18,374
Others	4,946	-12,461	41,834	0	0	0
<b>Net cash from operations (a)</b>	<b>74,018</b>	<b>75,558</b>	<b>98,002</b>	<b>117,834</b>	<b>123,570</b>	<b>155,819</b>
Change in fixed assets	-55,681	-169,991	-128,399	-162,005	-60,000	-58,000
Change in investments	4,273	-12,346	-3,843	-56,156	-1,000	-1,000
Add: other income	18,614	19,702	21,548	15,535	22,000	24,000
Others	0	0	0	0	0	0
<b>Cash flow from inv. (b)</b>	<b>-32,794</b>	<b>-162,635</b>	<b>-110,694</b>	<b>-202,626</b>	<b>-39,000</b>	<b>-35,000</b>
Proceeds from issue of equity	-78	0	161	96	0	0
Change in borrowings	22,748	49,382	130,345	23,838	-60,000	-60,000
Dividends paid + dividend tax	-6,916	-10,159	-10,562	-10,801	-15,121	-21,602
Interest paid	-19,506	-21,292	-25,563	-25,936	-27,500	-29,000
Others	-24,006	43,014	-23,777	35,162	0	0
<b>Financial cash flow (c)</b>	<b>-27,758</b>	<b>60,946</b>	<b>70,605</b>	<b>22,359</b>	<b>-102,621</b>	<b>-110,602</b>
Net inc/dec in cash (a+b+c)	13,466	-26,131	57,913	-62,433	-18,051	10,217
Add: opening cash balance	59,673	73,139	47,008	104,921	42,488	24,437
Closing cash balance	73,139	47,008	104,921	42,488	24,437	34,654

Source: Company, Jefferies estimates

## Exhibit 34 - APSEZ: Key Ratios

Particulars	FY20	FY21	FY22	FY23	FY24E	FY25E
Net D:E	0.9	0.9	1.0	1.0	0.8	0.6
Diluted EPS (Rs)	23.9	22.3	27.8	39.5	39.0	48.0
BVPS (Rs)	126.1	150.7	181.1	211.0	243.1	281.0
Dividend per share	3.2	5.0	5.0	5.0	7.0	10.0
Dividend payout	14.2	22.4	18.0	12.6	17.9	20.9
Valuation (x)						
Diluted PE	30.7	32.9	26.4	18.6	18.8	15.3
Diluted EV/EBITDA	23.6	22.3	19.7	15.9	14.0	11.4
Diluted PSR	13.0	11.9	9.7	7.6	6.9	5.9
PBV	5.8	4.9	4.1	3.5	3.0	2.6
Profitability Ratios						
ROCE %	11.8	13.9	10.3	8.7	13.0	15.2
ROE%	19.4	16.1	17.1	20.4	17.2	18.3
Turnover Ratios						
Inventory in days	17	19	19	19	19	19
Debtor days	96	89	89	89	89	87
Creditors turnover	174	206	220	221	220	220
Wkg. Capital cycle	-61	-98	-112	-113	-112	-114

Source: Company, Jefferies estimates

## Exhibit 35 - GPPV: Income Statement

Rs mn	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Income from operations</b>	<b>7,020</b>	<b>7,354</b>	<b>7,335</b>	<b>7,435</b>	<b>9,207</b>	<b>10,294</b>	<b>11,520</b>
Operating expenses	1,442	1,271	1,375	1,465	1,922	2,023	2,130
as a % of sales	21	17	19	20	21	20	18
Personnel expenses	597	567	672	739	746	820	943
as a % of sales	9	8	9	10	8	8	8
Administrative and other expenses	1,092	1,050	1,067	1,106	1,480	1,745	2,010
as a % of sales	16	14	15	15	16	17	17
<b>Total Expenditure</b>	<b>3,131</b>	<b>2,888</b>	<b>3,113</b>	<b>3,310</b>	<b>4,148</b>	<b>4,589</b>	<b>5,083</b>
EBITDA	3,889	4,466	4,221	4,126	5,059	5,705	6,436
EBITDA (%)	55	61	58	55	55	55	56
Other non operational income	452	509	442	286	473	550	650
Interest income/expense	4	74	63	48	80	60	60
Depreciation & amortisation	1,128	1,315	1,335	1,293	1,162	1,350	1,450
Miscellaneous exp. Written off	0	0	0	0	0	0	0
Extraordinary income/expense	0	602	0	-46	-372	0	0
<b>PBT</b>	<b>3,209</b>	<b>4,188</b>	<b>3,266</b>	<b>3,025</b>	<b>3,919</b>	<b>4,845</b>	<b>5,576</b>
Tax	1,153	1,264	1,082	1,093	1,001	1,211	1,394
Tax rate%	36	30	33	36	26	25	25
PAT (Reported)	2,056	2,924	2,184	1,932	2,918	3,634	4,182
<b>PAT (Adjusted)</b>	<b>2,056</b>	<b>2,504</b>	<b>2,184</b>	<b>1,962</b>	<b>3,195</b>	<b>3,634</b>	<b>4,182</b>

Source: Company data, Jefferies estimates

## Exhibit 36 - GPPV: Balance Sheet

Rs mn	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Share Capital	4,834	4,834	4,834	4,834	4,834	4,834	4,834
Reserves & surplus	15,376	16,014	15,487	15,490	15,949	16,440	17,239
<b>Networth</b>	<b>20,210</b>	<b>20,848</b>	<b>20,322</b>	<b>20,324</b>	<b>20,783</b>	<b>21,275</b>	<b>22,073</b>
<b>Total loan funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Deferred tax	462	494	1,007	1,451	1,407	1,504	1,615
Lease liability	0	585	465	471	794	794	794
<b>Sources of funds</b>	<b>20,672</b>	<b>21,927</b>	<b>21,794</b>	<b>22,246</b>	<b>22,984</b>	<b>23,573</b>	<b>24,483</b>
Fixed assets	20,076	21,115	21,060	21,531	22,697	23,697	24,697
Less: Depreciation/amortisation	4,175	5,290	6,387	7,449	8,611	9,961	11,411
CWIP	454	57	528	490	490	490	490
<b>Net block</b>	<b>16,354</b>	<b>15,882</b>	<b>15,200</b>	<b>14,572</b>	<b>14,577</b>	<b>14,227</b>	<b>13,777</b>
Investments	830	830	830	830	830	830	830
<b>Current Assets</b>	<b>6,508</b>	<b>7,545</b>	<b>8,390</b>	<b>9,815</b>	<b>10,961</b>	<b>12,041</b>	<b>13,821</b>
Inventories	84	76	105	102	76	141	158
Sundry Debtors	510	459	441	520	856	620	694
Cash & bank balance	5,337	6,495	7,254	8,558	8,948	10,450	12,139
Loans & advances	255	414	482	442	888	630	630
Other current assets	322	100	108	193	193	200	200
<b>Current Liabilities &amp; provisions</b>	<b>3,020</b>	<b>2,330</b>	<b>2,626</b>	<b>2,972</b>	<b>3,384</b>	<b>3,525</b>	<b>3,945</b>
advances and deposits	3,020	2,330	2,626	2,972	3,384	3,525	3,945
Other Liabilities	0	0	0	0	0	0	0
Provision for tax and others	0	0	0	0	0	0	0
Provision for dividend	0	0	0	0	0	0	0
<b>Net current assets</b>	<b>3,488</b>	<b>5,215</b>	<b>5,764</b>	<b>6,843</b>	<b>7,577</b>	<b>8,516</b>	<b>9,876</b>
Misc/others	0	0	0	0	0	0	0
<b>Application of funds</b>	<b>20,672</b>	<b>21,927</b>	<b>21,794</b>	<b>22,246</b>	<b>22,984</b>	<b>23,573</b>	<b>24,483</b>

Source: Company data, Jefferies estimates

## Exhibit 37 - GPPV : Cash flow Statement

Rs mn	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
PBIT	3,213	4,262	3,329	3,073	3,998	4,905	5,636
Add: depreciation	1,128	1,315	1,335	1,293	1,162	1,350	1,450
Less other income	-452	-509	-442	-286	-473	-550	-650
Working capital changes	-338	-569	210	224	-344	563	329
Less: tax	-691	-1,259	-1,178	-1,074	-1,047	-1,114	-1,283
Others	0	0	0	0	0	0	0
<b>Net cash from operations (a)</b>	<b>2,859</b>	<b>3,240</b>	<b>3,253</b>	<b>3,230</b>	<b>3,296</b>	<b>5,154</b>	<b>5,483</b>
Change in fixed assets	-294	-643	-415	-434	-1,166	-1,000	-1,000
Change in investments	0	0	0	0	0	0	0
Add: other income	452	509	442	286	473	550	650
Others	0	0	0	0	0	0	0
<b>Cash flow from inv (b)</b>	<b>158</b>	<b>-134</b>	<b>27</b>	<b>-148</b>	<b>-693</b>	<b>-450</b>	<b>-350</b>
Proceeds from issue of equity	0	0	0	0	0	0	0
Change in borrowings	0	0	0	0	0	0	0
Dividends paid+dividend tax	-1,982	-2,273	-2,175	-1,934	-2,949	-3,142	-3,384
Interest paid	-4	-74	-63	-48	-80	-60	-60
Others	-11	399	-282	204	816	0	0
<b>Financial cash flow (c)</b>	<b>-1,996</b>	<b>-1,948</b>	<b>-2,521</b>	<b>-1,778</b>	<b>-2,213</b>	<b>-3,202</b>	<b>-3,444</b>
Net inc/dec in cash (a+b+c)	1,022	1,158	759	1,304	390	1,502	1,689
Add: opening cash balance	4,315	5,337	6,495	7,254	8,558	8,948	10,450
Closing cash balance	5,337	6,495	7,254	8,558	8,948	10,450	12,139

Source: Company data, Jefferies estimates

## Exhibit 38 - GPPV : Key Ratios

Particulars	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Net debt:equity	-0.3	-0.3	-0.3	-0.4	-0.4	-0.5	-0.5
Diluted EPS (Rs)	4.3	5.2	4.5	4.1	6.6	7.5	8.7
BVPS (Rs)	41.8	43.1	42.0	42.0	43.0	44.0	45.7
Dividend per share	3.5	5.6	4.5	4.0	6.1	6.5	7.0
Dividend payout	96	91	100	99	92	86	81
<b>Valuation (x)</b>							
Diluted PE	25.4	20.9	23.9	26.6	16.3	14.4	12.5
Diluted EV/EBITDA	12.1	10.2	10.7	10.6	8.6	7.3	6.2
Diluted PSR	7.4	7.1	7.1	7.0	5.7	5.1	4.5
PBV	2.6	2.5	2.6	2.6	2.5	2.5	2.4
<b>Profitability Ratios</b>							
ROCE %	16	20	15	14	18	21	23
ROE%	10	12	11	10	16	17	19
<b>Turnover Ratios</b>							
Inventory in days	6	4	5	5	5	5	5
Debtor days	20	24	22	22	22	22	22
Creditors turnover	155	133	123	120	120	125	125
Wkq. Capital cycle	-130	-105	-96	-93	-93	-98	-98

Source: Company data, Jefferies estimates

## Exhibit 39 - Gateway: Income statement

Rs mn	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Income from operations</b>	<b>12,372</b>	<b>11,793</b>	<b>13,737</b>	<b>14,209</b>	<b>16,874</b>	<b>19,693</b>
Terminal and Other Service Charges	8,198	7,102	8,433	8,854	10,125	11,717
as % of sales	66.3	60.2	61.4	62.3	60.0	59.5
Personnel expenses	598	676	658	664	717	753
as % of sales	4.8	5.7	4.8	4.7	4.2	3.8
Administrative and other expenses	991	886	960	1,016	1,288	1,387
as % of sales	8.0	7.5	7.0	7.2	7.6	7.0
<b>Total Expenditure</b>	<b>9,786</b>	<b>8,663</b>	<b>10,051</b>	<b>10,534</b>	<b>12,130</b>	<b>13,857</b>
<b>EBITDA</b>	<b>2,586</b>	<b>3,130</b>	<b>3,685</b>	<b>3,676</b>	<b>4,744</b>	<b>5,836</b>
<b>EBITDA (%)</b>	<b>20.9</b>	<b>26.5</b>	<b>26.8</b>	<b>25.9</b>	<b>28.1</b>	<b>29.6</b>
Other non-operational income	176	113	332	230	300	300
Interest income/expense	1,026	795	647	453	270	50
Depreciation & amortisation	1,333	1,314	1,277	1,039	1,091	1,146
Miscellaneous exp. Written off	0	0	0	0	0	0
Extraordinary income/expense	629	0	0	0	0	0
<b>PBT</b>	<b>1,031</b>	<b>1,134</b>	<b>2,093</b>	<b>2,413</b>	<b>3,683</b>	<b>4,940</b>
Tax	-63	190	-137	44	552	865
Tax rate%	-6.1	16.7	-6.5	1.8	15.0	17.5
<b>PAT (Reported)</b>	<b>1,094</b>	<b>944</b>	<b>2,230</b>	<b>2,369</b>	<b>3,131</b>	<b>4,076</b>
<b>PAT (Adjusted after MI)</b>	<b>363</b>	<b>943</b>	<b>2,238</b>	<b>2,399</b>	<b>3,170</b>	<b>4,127</b>

Source: Jefferies estimates, company data

## Exhibit 40 - Gateway: Balance sheet

Rs mn	FY20	FY21	FY22	FY23	FY24E	FY25E
Share Capital	1,087	1,248	4,996	4,996	4,996	4,996
Reserves & surplus	12,080	13,497	11,371	11,911	13,781	16,409
<b>Networth</b>	<b>13,167</b>	<b>14,745</b>	<b>16,368</b>	<b>16,907</b>	<b>18,778</b>	<b>21,406</b>
Compulsory Convertible Preference Shares	0	0	0	0	0	0
Minority Interest	106	108	98	111	111	111
<b>Total loan funds</b>	<b>9,497</b>	<b>7,179</b>	<b>6,194</b>	<b>5,351</b>	<b>3,851</b>	<b>1,000</b>
Pre-operative expenses pending capita	0	0	0	0	0	0
Deferred tax	-282	-480	-764	-987	-987	-987
<b>Sources of funds</b>	<b>22,489</b>	<b>21,552</b>	<b>21,896</b>	<b>21,382</b>	<b>21,753</b>	<b>21,530</b>
<b>Net block</b>	<b>19,653</b>	<b>18,742</b>	<b>17,999</b>	<b>17,884</b>	<b>18,293</b>	<b>18,647</b>
Investments	597	0	1,411	1,962	1,962	1,962
Liquid Investments	0	0	0	0	0	0
<b>Current Assets</b>	<b>3,795</b>	<b>4,753</b>	<b>4,102</b>	<b>3,137</b>	<b>3,747</b>	<b>3,546</b>
Inventories	0	0	0	0	0	0
Sundry debtors	1,298	1,300	1,185	1,196	1,526	1,780
Cash & bank balance	86	1,130	1,903	905	987	292
Loans and advances	2,332	2,187	890	912	1,095	1,314
Other current assets	80	137	123	123	140	160
<b>Current liabilities &amp; provisions</b>	<b>1,557</b>	<b>1,943</b>	<b>1,616</b>	<b>1,601</b>	<b>2,249</b>	<b>2,625</b>
<b>Advances from customers</b>	<b>74</b>	<b>101</b>	<b>82</b>	<b>82</b>	<b>169</b>	<b>197</b>
Other Liabilities	1,483	1,842	1,533	1,519	2,080	2,428
Provision for tax	0	0	0	0	0	0
Provision for dividend	0	0	0	0	0	0
Net current assets	2,238	2,810	2,486	1,536	1,498	921
Miscellaneous Expenditure	0	0	0	0	0	0
Intangibles	0	0	0	0	0	0
<b>Application of funds</b>	<b>22,489</b>	<b>21,552</b>	<b>21,896</b>	<b>21,382</b>	<b>21,753</b>	<b>21,530</b>

Source: Jefferies estimates, company data

## Exhibit 41 - Gateway: Cash flow statement

Rs mn	FY20	FY21	FY22	FY23	FY24E	FY25E
PBIT	1,994	1,928	2,748	2,896	3,992	5,041
Add: depreciation	1,333	1,314	1,277	1,039	1,091	1,146
Less other income	-176	-113	-332	-230	-300	-300
Working capital changes	-1,124	472	1,097	-48	120	-118
Less: tax	-209	-379	-150	-429	-552	-865
Others	0	0	-1,007	0	0	0
<b>Net cash from operations (a)</b>	<b>1,818</b>	<b>3,222</b>	<b>3,634</b>	<b>3,228</b>	<b>4,351</b>	<b>4,905</b>
Change in fixed assets	-2,063	76	-1,720	-925	-1,500	-1,500
Change in investments	1,265	597	-1,411	-551	0	0
Add: other income	176	113	332	230	300	300
Others	0	0	2,392	0	0	0
<b>Cash flow from inv. (b)</b>	<b>-622</b>	<b>786</b>	<b>-408</b>	<b>-1,246</b>	<b>-1,200</b>	<b>-1,200</b>
Proceeds from issue of equity	0	1,160	0	0	0	0
Change in borrowings	1,180	-2,318	-985	-844	-1,500	-2,851
Dividends paid + dividend tax	-572	-499	-624	-999	-1,299	-1,499
Interest paid	-1,026	-795	-647	-453	-270	-50
Others	-991	-513	-197	-684	0	0
<b>Financial cash flow (c)</b>	<b>-1,410</b>	<b>-2,965</b>	<b>-2,453</b>	<b>-2,980</b>	<b>-3,069</b>	<b>-4,400</b>
Net inc/dec in cash (a+b+c)	-214	1,044	774	-998	82	-695
Add: opening cash balance	300	86	1,130	1,903	905	987
Closing cash balance	86	1,130	1,903	905	987	292

Source: Jefferies estimates, company data

## Exhibit 42 - Gateway: Key ratios

Particulars	FY20	FY21	FY22	FY23	FY24E	FY25E
Net debt:equity	0.7	0.4	0.3	0.3	0.2	0.0
Diluted EPS (Rs)	0.7	1.9	4.5	4.8	6.3	8.3
BVPS (Rs)	26.4	29.5	32.8	33.8	37.6	42.8
Dividend per share	1.1	1.0	1.2	2.0	2.6	3.0
Dividend payout	157.7	52.9	27.9	41.7	41.0	36.3
Valuation (x)						
Diluted PE	92.2	35.5	15.0	14.0	10.6	8.1
Diluted EV/EBITDA	16.6	12.6	10.2	10.3	7.7	5.9
Diluted PSR	2.7	2.8	2.4	2.4	2.0	1.7
PBV	2.5	2.3	2.0	2.0	1.8	1.6
Profitability Ratios						
ROCE %	9.3	8.8	12.6	13.2	18.3	23.1
ROE%	2.8	6.8	14.4	14.4	17.8	20.5
Turnover Ratios						
Inventory in days	0	0	1	2	0	0
Debtor days	38	40	33	31	33	33
Creditors turnover	41	51	45	39	45	45
Wkq. Capital cycle	-4	-11	-11	-7	-12	-12

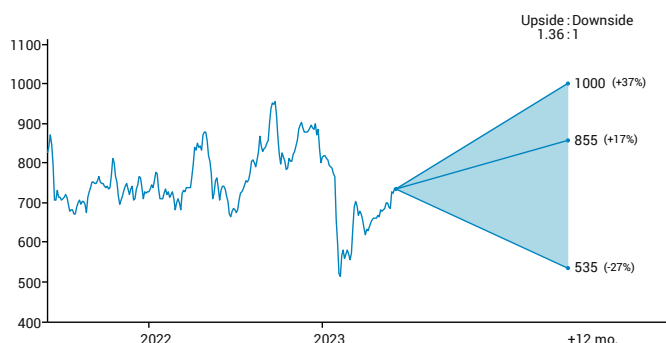
Source: Jefferies estimates, company data

## The Long View: Adani Ports and SEZ

### Investment Thesis / Where We Differ

- Mundra's market share gain success story should be replicated across the acquired ports.
- Material inter-corporate deposits should not be seen in the medium term.
- Working capital and operating leverage should continue to improve P&L growth and balance sheet strength.

### Risk/Reward - 12 Month View



### Base Case, INR855, +17%

- Consolidated volume CAGR over FY23-25E expected at 11%
- Gradual monetization of SEZ over 20 years
- 13x EV/EBITDA FY25E, PT of Rs855

### Upside Scenario, INR1000, +37%

- Mundra cargo volume growth picks up
- Faster ramp-up at the other ports in the portfolio
- Pickup in port realisation
- 15x EV/EBITDA FY25E, PT of Rs1,000

### Downside Scenario, INR535, -27%

- Stagnation in all-India port cargo volumes
- Incremental negative news flow on group leverage
- Port realisations come off
- Other smaller ports are slow to ramp up
- 9x EV/EBITDA FY25E, PT of Rs535

### Sustainability Matters

**Top Material Issues:** 1) Ecological Impact - The company disclosed that the area of mangroves increased by 246 Ha in the Mundra area between 2011 and 2017. 2) Air Quality - Marine vessels, trucks, cargo equipment release pollutants at ports. Rail logistics companies help the environment, as overall emissions are reduced when traffic moves by rail vs road. 3) Employee Health & Safety - Ports and logistics companies have to be particularly careful on the cargo loading and unloading side, where there is injury risk to employees. Adani Ports has seen near zero fatality rates among employees on its payroll.

**Company Targets:** 1) Reduce waste generation and send zero waste to landfill through increased reuse, recycle, reprocess, and recovery of waste. 2) Increase mangrove afforestation to 4,000 Ha by FY25.

**Qs to Mgmt:** 1) What are your plans to preserve the environment when new projects are undertaken? 2) How do you see rail share in transport rise post DFC, and how would it help in reducing emissions? 3) Any thoughts on vehicle and equipment emission norms to ensure lesser air pollution?

[ESG Sector Integration: India Logistics](#)

### Catalysts

- Robust volume growth
- Ramp-up in new port assets



## Financials: Adani Ports and SEZ

### Estimate changes

	2022A	2023E	2024E	2025E
<b>Net Gearing</b>	100.0%	80.0%	70.0%	50.0%
<b>Cons. EPS</b>	-	32.29	39.51	46.87
<b>Rev. (MM)</b>	159,340	208,519 ↑ +6%	229,036 ↑ +3%	266,620 ↑ +3%
<i>Previous</i>		197,580	222,514	258,954
<b>EBITDA (MM)</b>	97,510.0	128,335.0 ↑ +3%	142,726.0 <1%	168,492.0 ↑ +1%
<i>Previous</i>		124,455.0	141,380.0	166,602.0
<b>Net Profit</b>	58,760.0	85,407.0 ↑ +18%	84,343.0 ↑ +1%	103,597.0 ↑ +2%
<i>Previous</i>		72,105.0	83,205.0	101,999.0
<b>Dividend</b>	5.00	5.00 ↓ -50%	7.00 ↓ -46%	10.00 ↓ -41%
<i>Previous</i>		10.00	13.00	17.00
<b>BV/Share</b>	181.10	211.00 ↑ +7%	243.10 ↑ +8%	281.00 ↑ +10%
<i>Previous</i>		197.80	224.20	255.40
<b>EPS</b>	27.80	39.50 ↑ +16%	39.00 ↓ -1%	48.00 <1%
<i>Previous</i>		34.10	39.40	48.30
<b>ROE</b>	17%	20% ↑ +11%	17% ↓ -11%	18% ↓ -10%
<i>Previous</i>		18%	19%	20%

### Valuation metrics

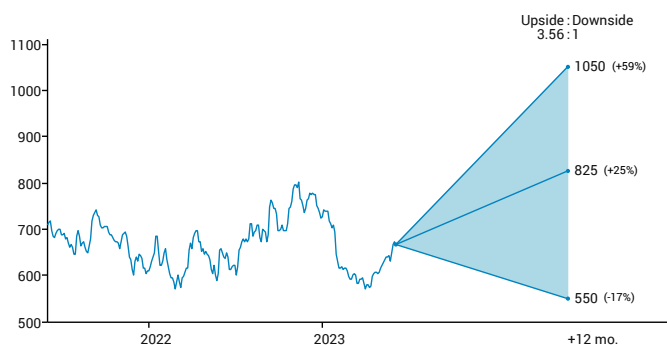
	2022A	2023E	2024E	2025E
<b>P/Rev</b>	9.5x	7.3x	6.6x	5.7x
<b>EV/Rev</b>	10.9x	8.3x	7.6x	6.5x
<b>EV/EBITDA</b>	17.8x	13.5x	12.2x	10.3x
<b>Div. Yield</b>	0.68%	0.68%	0.96%	1.37%
<b>FY P/E</b>	26.3x	18.5x	18.8x	15.3x

## The Long View: Concor

### Investment Thesis / Where We Differ

- Concor maintains profitability and its market share position.
- The company to benefit as cargo movement transfers from road to rail.

### Risk/Reward - 12 Month View



### Base Case, INR825, +25%

- We expect market share to be maintained given Concor's pan-India presence.
- DFC should lead to a rise in volumes of 19% CAGR over FY23-25E.
- Robust balance sheet with net cash.
- 14.7x FY25E implied EV/EBITDA target multiple.
- PT of Rs825

### Upside Scenario, INR1050, +59%

- DFC is commissioned earlier than scheduled.
- Concor is able to increase its market share further.
- Operations improve further with less empty-running, leading to margin expansion.
- 18x FY25E implied EV/EBITDA target multiple.
- PT of Rs1,050

### Downside Scenario, INR550, -17%

- DFC is delayed.
- Concor loses market share to private players.
- Unprofitable routes increase.
- 12x FY25E implied EV/EBITDA target multiple.
- PT of Rs550

### Sustainability Matters

**Top Material Issues:** 1) Ecological Impact - Concor has been taking measures for water conservation, which include efficient use of water, efforts for water recycle/ reuse, installation of rainwater harvesting systems. 2) Air Quality - Concor is India's market leader in rail logistics with a dominant 70%+ share. The movement by rail versus road reduces CO<sub>2</sub> emissions by around 36 gms. Concor reduced CO<sub>2</sub> emissions by 1.18 mn tonnes in FY21. 3) Employee Health & Safety - Ports and logistics companies have to be particularly careful on the cargo loading and unloading side, where there is injury risk to employees.

**Company Targets:** 1) Reduce pollutants through use of better vessels, trucks, and cargo equipment. 2) Maintaining safety standards with a constant lookout for improvement.

**Qs to Mgmt:** 1) What are your plans to preserve the environment when new projects are undertaken? 2) How do you see rail share in transport rise post DFC, and how would it help in reducing emissions? 3) Any thoughts on vehicle and equipment emission norms to ensure lesser air pollution at ports?

[ESG Sector Integration: India Logistics](#)

### Catalysts

- Improvement in All India Port Cargo volumes.
- Commissioning of DFC.

## Financials: Concor

### Estimate changes

INR	2022A	2023A	2024E	2025E
Dividend	9.00	9.00	12.50	15.50
Net Gearing	(30.0)%	(30.0)%	(40.0)%	(40.0)%
Cons. EPS	-	21.04	25.83	31.32
BV/Share	176.90	184.60	196.70	215.20
Rev. (MM)	75,945.0	81,034.0	94,832.0	118,612
EBITDA (MM)	18,655.0	18,421.0	22,927.0	30,389.0
Net Profit	11,659.0	11,700.0	15,032.0	20,720.0
EPS	19.10	19.20	24.70	34.00
ROE	11%	11%	13%	17%

### Valuation metrics

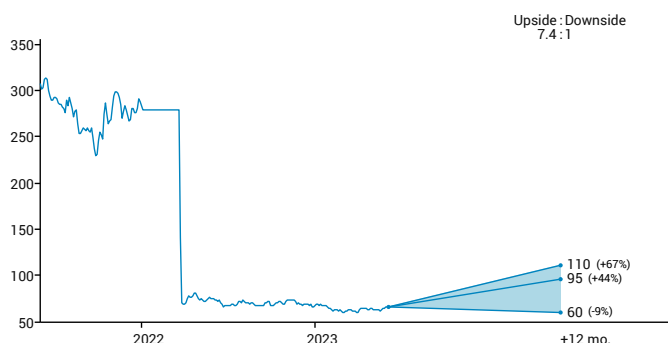
	2022A	2023E	2024E	2025E
Div. Yield	1.36%	1.36%	1.89%	2.35%
EV/Rev	5.0x	4.7x	4.0x	3.2x
EV/EBITDA	20.6x	20.8x	16.7x	12.6x
P/B	3.7x	3.6x	3.4x	3.1x
FY P/E	34.5x	34.4x	26.7x	19.4x

## The Long View: Gateway

### Investment Thesis / Where We Differ

- Gateway maintains its profitability and market share position.
- The company will benefit as cargo movement transfers from road to rail.

### Risk/Reward - 12 Month View



### Base Case, INR95, +44%

- Expect market share to improve going forward
- DFC will lead to jump in rail volumes of 24% CAGR over FY23-25E
- Cost of equity at 13%
- DCF-based SOTP valuation PT of Rs95

### Upside Scenario, INR110, +67%

- DFC gets commissioned earlier than scheduled
- Gateway is able to increase its market share further
- Operations improve further with less empty-running leading to margin expansion
- DCF-based SOTP valuation PT Rs110

### Downside Scenario, INR60, -9%

- DFC gets delayed
- Gateway loses market share to Concor
- Sharp decline in rail and CFS volumes and realisation
- DCF-based SOTP valuation PT Rs60

### Sustainability Matters

**Top Material Issues:** 1) Ecological Impact- Gateway Distriparks is committed to using alternate sources of energy whenever possible and ensuring handling equipment is replaced timely. 2) Air Quality- India is commissioning the Dedicated Freight Corridor (DFC), which should see rail share in transport rise and reduce emissions. Gateway Distriparks should benefit from this shift. 3) Employee Health & Safety - Ports and logistics companies have to be particularly careful on the cargo loading and unloading side, where there is injury risk to employees.

**Company Targets:** 1) Reducing the carbon footprint of cargo transported to North India on train as opposed to road. 2) Minimizing number of moves of Reach Stackers and Forklifts within the CFS and Terminal to reduce fuel consumption.

**Qs to Mgmt:** 1) What are your plans to preserve the environment when the new projects are undertaken? 2) How do you see rail share in transport rise post DFC and how will it help in reducing emissions? 3) Any thoughts on Vehicle and equipment emission norms to ensure lesser air pollution at ports?

[ESG Sector Integration: India Logistics](#)

### Catalysts

- Improvement in All India Port Cargo volumes
- Commissioning of DFC

## Financials: Gateway

### Estimate changes

	2022A	2023E	2024E	2025E
<b>Net Gearing</b>	30.0%	20.0%	10.0%	0.0%
<b>Cons. EPS</b>	-	4.10	5.00	6.80
<b>Rev. (MM)</b>	13,737.0	14,209.0 ↑ +1%	16,874.0 ↑ +1%	19,693.0 <1%
<i>Previous</i>		14,023.0	16,683.0	19,690.0
<b>EBITDA (MM)</b>	3,685.0	3,676.0 ↓ -3%	4,744.0 <1%	5,836.0 ↓ -1%
<i>Previous</i>		3,790.0	4,764.0	5,922.0
<b>Net Profit</b>	2,238.0	2,399.0 ↑ +16%	3,170.0 ↑ +4%	4,127.0 ↑ +2%
<i>Previous</i>		2,071.0	3,037.0	4,037.0
<b>Dividend</b>	1.20	2.00 ↑ +33%	2.60 ↑ +53%	3.00 ↑ +36%
<i>Previous</i>		1.50	1.70	2.20
<b>BV/Share</b>	32.80	33.80 ↓ -5%	37.60 ↓ -5%	42.80 ↓ -6%
<i>Previous</i>		35.40	39.70	45.60
<b>EPS</b>	4.50	4.80 ↑ +17%	6.30 ↑ +3%	8.30 ↑ +2%
<i>Previous</i>		4.10	6.10	8.10
<b>ROE</b>	14%	14% ↑ +17%	18% ↑ +12%	21% ↑ +11%
<i>Previous</i>		12%	16%	19%

### Valuation metrics

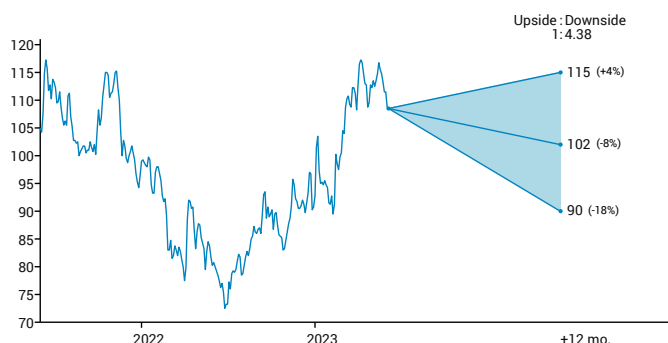
	2022A	2023E	2024E	2025E
<b>P/Rev</b>	2.4x	2.3x	2.0x	1.7x
<b>EV/Rev</b>	2.8x	2.7x	2.3x	1.9x
<b>Div. Yield</b>	1.82%	3.03%	3.94%	4.55%
<b>P/B</b>	2.0x	2.0x	1.8x	1.5x
<b>FY P/E</b>	14.7x	13.7x	10.5x	7.9x

## The Long View: Pipavav

### Investment Thesis / Where We Differ

- Core container volumes growth driven by parent taking longer than expected.
- Focus on cost containment maintained by the company

### Risk/Reward - 12 Month View



### Base Case, INR102, -8%

- Volumes declined in FY22 due to COVID-19 impact on trade and Adani Ports takes market share
- Cost of equity at 11.1%
- DCF-based PT of Rs102

### Upside Scenario, INR115, +4%

- Port cargo volume growth ramps up at an All India level
- Pipavav rail derives better value
- Pick up in port realisation
- DCF-based PT of Rs110

### Downside Scenario, INR90, -18%

- Stagnation in All India Port cargo volumes
- Port realisations come off
- DCF-based PT of Rs90

### Sustainability Matters

**Top Material Issues:** 1) Ecological Impact- GPPV planted mangroves in 88 Acres within Port premises, 500 Ha in Surat & 100 Ha in Bharuch. 2) Air Quality- Marine vessels, trucks, cargo equipment release pollutants at ports. India is commissioning the Dedicated Freight Corridor (DFC), which should see rail share in transport rise and reduce emissions. GPPV should benefit from this. 3) Employee Health & Safety- GPPV reported zero fatalities in FY21.

**Company Targets:** 1) Reduce pollutants through use of better vessels, trucks and cargo equipment. 2) Maintaining safety standards with a constant lookout for improvement.

**Qs to Mgmt:** 1) What are your plans to preserve the environment when the new projects are undertaken? 2) How do you see rail share in transport rise post DFC and how will it help in reducing emissions? 3) Any thoughts on Vehicle and equipment emission norms to ensure lesser air pollution at ports?

[ESG Sector Integration: India Logistics](#)

### Catalysts

- Improvement in All India Port Cargo volumes
- Gain in Pipavav's market share among the western ports

## Financials: Pipavav

### Estimate changes

INR	2022A	2023E	2024E	2025E
<b>Rev. (MM)</b>	7,435.0	9,207.0	10,294.0	11,520.0
		↓ -3%	↓ -2%	↓ -1%
<i>Previous</i>		9,514.0	10,539.0	11,680.0
<b>EBITDA (MM)</b>	4,126.0	5,059.0	5,705.0	6,436.0
		↓ -5%	↓ -5%	↓ -5%
<i>Previous</i>		5,301.0	5,987.0	6,764.0
<b>Net Profit</b>	1,962.0	3,195.0	3,634.0	4,182.0
		↓ -3%	↓ -3%	↓ -3%
<i>Previous</i>		3,295.0	3,763.0	4,316.0
<b>Net Gearing</b>	(40.0)%	(40.0)%	(50.0)%	(50.0)%
<b>BV/Share</b>	42.00	43.00	44.00	45.70
		↓ -2%	↓ -5%	↓ -6%
<i>Previous</i>		43.90	46.10	48.60
<b>Dividend</b>	4.00	6.10	6.50	7.00
	↑ +67%	↑ +22%	↑ +18%	↑ +8%
<i>Previous</i>	2.40	5.00	5.50	6.50
<b>Cons. EPS</b>	-	5.90	6.50	6.70
<b>EPS</b>	4.10	6.60	7.50	8.70
		↓ -3%	↓ -4%	↓ -2%
<i>Previous</i>		6.80	7.80	8.90

### Valuation metrics

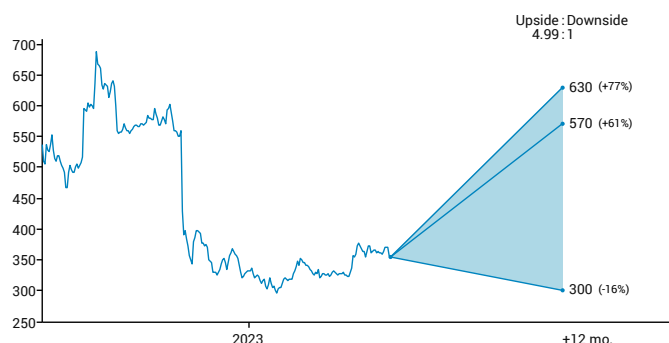
	2022A	2023E	2024E	2025E
<b>P/Rev</b>	7.2x	5.8x	5.2x	4.6x
<b>P/B</b>	2.6x	2.6x	2.5x	2.4x
<b>Div. Yield</b>	3.62%	5.53%	5.89%	6.34%
<b>FY P/E</b>	26.9x	16.7x	14.7x	12.7x

## The Long View: Delhivery

### Investment Thesis / Where We Differ

- Dominant in B2C, Delhivery is making a mark in B2B through its Spoton acquisition. Integration issues and slowdown at its e-commerce clients in the next 9-12 months are headwinds.
- The company should break even in FY25E-26E with management's focus on profitability in an industry with a strong growth tailwind.

### Risk/Reward - 12 Month View



### Base Case, INR570, +61%

- 60% of clients are large corporates and balance is MSMEs, which helps with the margin profile.
- 3.2x FY25E implied EV/Sales multiple.
- DCF-based PT of Rs570, COE of 13%.

### Upside Scenario, INR630, +77%

- 30%+ revenue CAGR in FY23-26E.
- E-commerce demand is higher than anticipated.
- 3.5x FY25E implied EV/Sales multiple.
- DCF-based PT of Rs630, COE of 12.5%.

### Downside Scenario, INR300, -16%

- Continuing volume loss in Spoton.
- Excessive aggression on pricing to gain share.
- 1.6x FY25E implied EV/Sales multiple.
- DCF-based PT of Rs300, COE of 16.9%.

### Sustainability Matters

**Top material issues:** 1) Ecological impact - Road transport emits CO<sub>2</sub> and impacts the environment. Delhivery is committed to aligning its operations with the environment and sustainable practices. 2) Air quality - Trucks and cargo equipment release pollutants. India is commissioning a Dedicated Freight Corridor (DFC), which should see rail share in transport rise and a reduction in emissions. 3) Employee health & safety - Logistics companies have to be particularly careful on the cargo loading and unloading side, where there is injury risk for employees.

**Company targets:** 1) Reduce emissions by replacing old vehicles with new standards, such as BS-IV, BS-VI. 2) Aim to use a maximum number of recycled materials in vehicles. 3) Implement energy-efficient equipment and alternate nonpolluting fuel.

**Qs to mgmt:** 1) What are your plans to preserve the environment when new projects are undertaken? 2) How do you see rail share in transport rise post DFC and potential emission reduction? 3) Any thoughts on vehicle and equipment emission norms to ensure lesser air pollution?

### Catalysts

- GST driving sustainable growth for organised players



## Financials: Delhivery

### Estimate changes

	2022A	2023A	2024E	2025E
Gross Profit Margin (%)	25.0	21.5	24.5	24.9
BV/Share	92.80	99.00	111.00	138.00
Net Gearing	(10.0)%	(10.0)%	(10.0)%	(10.0)%
Cons. EPS	(16.00)	(13.71)	(6.67)	(3.15)
EPS	(12.70)	(13.80)	(9.90)	(6.20)
Rev. (MM)	72,410.0	72,250.0	89,054.0	111,142
EBITDA (MM)	(1,227.0)	(4,519.0)	(408.0)	3,924.0
Adj Net Profit	(8,159)	(10,069)	(7,920)	(5,024)

### Valuation metrics

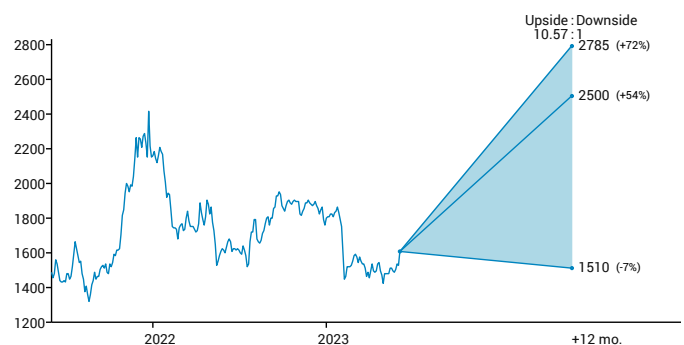
	2022A	2023E	2024E	2025E
EV/Rev	3.7x	3.7x	3.0x	2.4x
P/Rev	3.6x	3.6x	2.9x	2.3x
FY P/E	NM	NM	NM	NM
EV/EBITDA	NM	NM	NM	67.8x
P/B	3.8x	3.6x	3.2x	2.6x

## The Long View: TCIE

### Investment Thesis / Where We Differ

- Debt free, 26% earnings CAGR in FY22-25E and sustainability as organised players gain share should drive a re-rating.
- Trucking fleet relationships, customer relationships, historical land bank for setting up sorting centres are the drivers of its high ROEs and margin management.

### Risk/Reward - 12 Month View



### Base Case, INR2500, +54%

- 23% earnings CAGR in FY22-25E.
- Double-digit revenue growth and a lower rise in fixed costs.
- Robust balance sheet with net cash.
- 40x FY25E implied PE target multiple
- PT of Rs2,500

### Upside Scenario, INR2785, +72%

- Realisation or fleet utilisation improvement could be an upside surprise.
- 42x FY25E implied PE target multiple.
- PT of Rs2,785

### Downside Scenario, INR1510, -7%

- Excessive price competition from new age players.
- Management becoming complacent with clients to defend market share.
- 30x FY25E implied PE target multiple.
- PT of Rs1,510

### Sustainability Matters

**Top Material Issues:** 1) Ecological Impact - TCI Express is committed towards aligning its operational activities with the environment and sustainable practices. 2) Air Quality - India is commissioning the Dedicated Freight Corridor, which should see rail share in transport rise and reduce emissions. 3) Employee Health & Safety - Logistics companies have to be particularly careful on the cargo loading and unloading side, where there is injury risk to employees.

**Company Targets:** 1) Reduce emission level by replacement of old vehicles with new standard such as BS-IV, BS-VI. 2) Aim to use maximum number of recycled materials in vehicles 3) Implement energy efficient equipment, non-conventional energy sources.

**Qs to Mgmt:** 1) What are your plans to preserve the environment when the new projects are undertaken? 2) How do you see rail share in transport rise post DFC and how would it help in reducing emissions? 3) Any thoughts on Vehicle and equipment emission norms to ensure lesser air pollution at ports?

[ESG Sector Integration: India Logistics](#)

### Catalysts

- GST driving sustainable growth for organised players.

## Financials: TCIE

### Estimate changes

	2022A	2023E	2024E	2025E
<b>Net Gearing</b>	(20.0)%	0.0%	(10.0)%	(10.0)%
		↑ +100%	↑ +50%	↑ +67%
<i>Previous</i>		(20.0)%	(20.0)%	(30.0)%
<b>Cons. EPS</b>	-	42.53	52.85	69.69
<b>Rev. (MM)</b>	10,815.0	12,410.0	14,896.0	18,309.0
		↓ -2%	↓ -4%	↓ -5%
<i>Previous</i>		12,601.0	15,466.0	19,201.0
<b>EPS</b>	33.50	36.40	47.30	62.50
		<1%	↓ -7%	↓ -8%
<i>Previous</i>		36.70	50.80	67.80
<b>EBITDA (MM)</b>	1,747.0	1,945.0	2,488.0	3,252.0
		↓ -1%	↓ -7%	↓ -7%
<i>Previous</i>		1,965.0	2,671.0	3,499.0
<b>Net Profit</b>	1,288.0	1,393.0	1,813.0	2,394.0
		↓ -1%	↓ -7%	↓ -8%
<i>Previous</i>		1,409.0	1,952.0	2,605.0
<b>Dividend</b>	8.00	8.00	8.00	9.00
		↑ +14%		
<i>Previous</i>		7.00		
<b>BV/Share</b>	139.40	155.70	195.00	248.50
		↓ -8%	↓ -8%	↓ -8%
<i>Previous</i>		169.10	211.90	270.60
<b>ROE</b>	27%	25%	27%	28%
		↑ +4%		
<i>Previous</i>		24%		

### Valuation metrics

	2022A	2023E	2024E	2025E
<b>EV/Rev</b>	5.8x	5.0x	4.2x	3.4x
<b>P/Rev</b>	5.8x	5.0x	4.2x	3.4x
<b>FY P/E</b>	48.4x	44.5x	34.3x	25.9x
<b>EV/EBITDA</b>	35.9x	32.2x	25.2x	19.3x
<b>Div. Yield</b>	0.49%	0.49%	0.49%	0.56%
<b>P/B</b>	11.6x	10.4x	8.3x	6.5x

We would like to thank Harsh Vijaykumar Shah, employee of Evalueserve Inc., for providing research support services to our preparation of this report.

## Company Description

### Adani Ports and SEZ

Adani Ports and Special Economic Zone (APSEZ) is part of the Adani Group, a conglomerate with a presence in multiple businesses across the globe. APSEZ is India's largest private port and special economic zone. The company's port-related services include bulk and container cargo, crude oil, railway, and other value-added services.

### Concor

Container Corporation of India Ltd. (CONCOR), commenced operation in November 1989, taking over the existing network of seven ICs from the Indian Railways. It is now the market leader, having the largest network of 62 ICs/CFs in India. In addition to providing inland transport by rail for containers, it has expanded to cover management of ports, air cargo complexes, and establishing cold-chain.

### Delhivery

Delhivery is an Indian logistics and supply chain company based in Gurgaon. Its aim is to build the operating system for commerce. They provide express parcel transportation, PTL and TL freight, cross-border, and supply chain services to over 23,600 customers, including large and small e-commerce participants, SMEs, and other leading enterprises and brands.

### Pipavav

Gujarat Pipavav Port is one of the largest private ports on the western coast of India in Gujarat. It is located 152 nautical miles north of Nhava Sheva in Mumbai. APM Terminals, which is a global container terminal operator, is the lead promoter of the company holding 43% stake. APM terminals is in-turn the ports and terminal company of the maritime giant A.P. Moller-Maersk Group. The port has extensive cargo handling facilities for container, bulk and liquid cargo. Current container capacity is 1.35mn TEUs and can be expanded to a maximum capacity of 2.4-3.0mn TEUs.

### Gateway

Gateway Distriparks Limited is the only logistics facilitator in the whole of India with three verticals which are synergetic and capable of being interlinked – Container Freight Stations (CFS), Inland Container Depots (ICD) with rail movement of containers to major maritime ports, and Cold Chain Storage and Logistics. GDL operates CFS across four locations in India. These CFSs offer transportation & storage, general and bonded warehousing, empty handling and several value added services. GDL's rail operations are handled by a subsidiary Gateway Rail Freight Limited. The third vertical consists of cold chain logistics solutions out of 19 locations in India through the subsidiary, Snowman Logistics Limited.

### TCIE

TCI Express is a leading logistics company in India growing at a fast pace in the express part truck load market. It also has a presence in the express parcel market.

## Company Valuation/Risks

### Adani Ports and SEZ

Our DCF-based PT of Rs855 equates to 13x FY25E EV/EBITDA. Downside risks include 1) incremental negative news flow on group leverage and 2) disappointing market share gain at acquired ports.

### Concor

DCF-based price target of Rs825 equates to 14.7x FY25E implied EV/EBITDA target multiple. Key downside risks include indefinite delays in DFC and rail not gaining the share expected.

### Delhivery

Our DCF-based PT of Rs570 assumes 13% COE and 5% terminal growth, equating to EV/sales 3.2x FY25E. Downside risks include Spoton volume loss and e-commerce slowdown.

### Pipavav

Our price target of Rs102 is based on a DCF analysis. Upside risk: 1) Sharp margin recovery; Downside risk: 1) Port realisations come off.

### Gateway

Our price target of Rs95 is derived from a DCF-based SOTP valuation. Downside risks: 1) indefinite delay in DFC 2) market share loss to Concor.

### TCIE

Our price target of Rs2,500 equates to 40x FY25E PE target multiple. Downside risks: 1) Excessive price competition from new age players. 2) Management becoming complacent with clients to defend market share.

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## Investment Recommendation Record

### (Article 3(1)e and Article 7 of MAR)

Recommendation Published	June 2, 2023 , 06:26 ET.
Recommendation Distributed	June 2, 2023 , 06:30 ET.

## Company Specific Disclosures

For Important Disclosure information on companies recommended in this report, please visit our website at <https://javatar.bluematrix.com/sellside/Disclosures.action> or call 212.284.2300.

## Explanation of Jefferies Ratings

**Buy** - Describes securities that we expect to provide a total return (price appreciation plus yield) of 15% or more within a 12-month period.

**Hold** - Describes securities that we expect to provide a total return (price appreciation plus yield) of plus 15% or minus 10% within a 12-month period.

**Underperform** - Describes securities that we expect to provide a total return (price appreciation plus yield) of minus 10% or less within a 12-month period. The expected total return (price appreciation plus yield) for Buy rated securities with an average security price consistently below \$10 is 20% or more within a 12-month period as these companies are typically more volatile than the overall stock market. For Hold rated securities with an average security price consistently below \$10, the expected total return (price appreciation plus yield) is plus or minus 20% within a 12-month period. For Underperform rated securities with an average security price consistently below \$10, the expected total return (price appreciation plus yield) is minus 20% or less within a 12-month period.

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**NC** - Not covered. Jefferies does not cover this company.

**Restricted** - Describes issuers where, in conjunction with Jefferies engagement in certain transactions, company policy or applicable securities regulations prohibit certain types of communications, including investment recommendations.

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## Valuation Methodology

Jefferies' methodology for assigning ratings may include the following: market capitalization, maturity, growth/value, volatility and expected total return over the next 12 months. The price targets are based on several methodologies, which may include, but are not restricted to, analyses of market risk, growth rate, revenue stream, discounted cash flow (DCF), EBITDA, EPS, cash flow (CF), free cash flow (FCF), EV/EBITDA, P/E, PE/growth, P/CF, P/FCF, premium (discount)/average group EV/EBITDA, premium (discount)/average group P/E, sum of the parts, net asset value, dividend returns, and return on equity (ROE) over the next 12 months.

### Jefferies Franchise Picks

Jefferies Franchise Picks include stock selections from among the best stock ideas from our equity analysts over a 12 month period. Stock selection is based on fundamental analysis and may take into account other factors such as analyst conviction, differentiated analysis, a favorable risk/reward ratio and investment themes that Jefferies analysts are recommending. Jefferies Franchise Picks will include only Buy rated stocks and the number can vary

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## Other Companies Mentioned in This Report

- Adani Ports and Special Economic Zone (ADSEZ IN: INR732.30, BUY)
- Container Corporation of India Ltd. (CCRI IN: INR659.65, BUY)
- Delhivery Ltd (DELHIVER IN: INR355.10, BUY)
- Gateway Distriparks Ltd (GRFL IN: INR65.95, BUY)
- TCI Express Ltd (TCIEXP IN: INR1,620.20, BUY)

## Distribution of Ratings

			IB Serv./Past12 Mos.		JIL Mkt Serv./Past12 Mos.	
	Count	Percent	Count	Percent	Count	Percent
BUY	1837	58.26%	299	16.28%	104	5.66%
HOLD	1141	36.19%	97	8.50%	8	0.70%
UNDERPERFORM	175	5.55%	6	3.43%	3	1.71%

## Other important disclosures

### Other Important Disclosures

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