

Pick of the Day (Short Term Delivery Call)

Company Name: JSW Infra

NSE code	JSWINFRA
BSE code	543994
Market Cap (Rs Cr)	53,403
Promotor holding (%)	85.6
PE (x) TTM	71.5
Industry PE (x)	31.9
EV/EBITDA (x)	29.4
P/B (x)	7.23

CMP (Rs): 257 | Buy Range: 250-257 | Target Price: 295 | Upside: 15%

Duration of recommendation: 1 to 3 months

JSW Infrastructure Limited provides maritime-related services including, cargo handling, storage solutions, and logistics services. JSW Infrastructure, a part of JSW Group, is the second largest commercial port operator in India in terms of cargo handling capacity. Company also operates two port terminals under O&M agreements for cargo handling capability of 41 MTPA.

Investment Rationale

Rising GDP and Govt's Thrust on Infra Capex – key driving factor: Indian GDP currently stands at \$3.7 billion US Dollars, which is expected to reach to \$7.3 US dollars. Govt to spend 11 trillion rupees by 2025 including \$100 billion US dollars for port modernization under Bharatmala scheme. \$1.1 Trillion + investment planned from FY19-25 to develop infrastructure. Bharatmala 65,000 kms + of highways connecting 550 districts.

Indian Port Sector – Strong Fundamentals: 7,500 + km of coastline and 5,000 km of navigable waterways. Maritime routes contribute 95% of India's trade volume. India has 12 major and 200+ non-major ports with a capacity of 2,600 mtpa, which is expected to reach 10,000 MT by 2047. Increasing railways connectivity to ports will provide further boost.

Consistent Financial Performance: Revenue has grown at a CAGR of 26% over FY18-23 period from Rs. 998 crores in FY18 to Rs. 3195 crores in FY23. EBITDA has grown at a CAGR of 22.5% during FY18-23 from Rs. 588 to Rs. 1623 crores. Operating margins reduced by 900 bps but remained above 50% in same period. PAT has grown at a CAGR of 23% from Rs. 281 crores in FY18 to Rs. 750 crores in FY23. Company's ROE/ROCE are 12% & 11% respectively. Company's leverage position is also good with D/E at 0.63%.

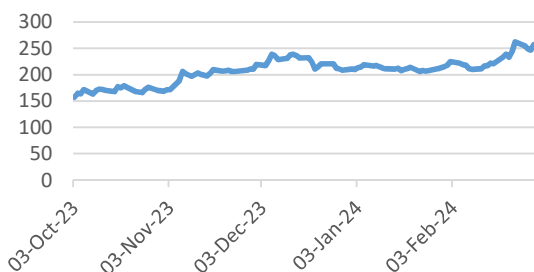
Strong Q3FY24 Results: Company presented robust performance..

- ❖ Consolidated Revenue/EBITDA/PAT increasing by 16.6%/22.6%/18% YoY to Rs. 1964/732/477 crores respectively.
- ❖ EBITDA margins improved by 200 bps to 37% YoY.
- ❖ On QoQ basis, Revenue/EBITDA/PAT increased by 13.5%/106%/166% respectively. EBITDA margins improved 1200 bps.
- ❖ Total Cargo Handled of 28.1 MT in Q3 FY24, growth of 17% YoY.

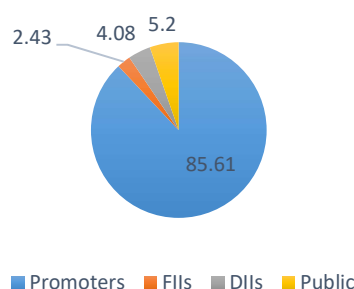
Reasonable Valuation: Stock is currently trading at 29x its FY26E EPS (INR 10). Company's recent strategic acquisitions, increase in the share of the third-party cargo in the overall customer mix, & contracts with its group companies will boost

Key risks: Slowdown in global trade due to increasing geopolitical tension could affect port's operations.

Price Performance



Shareholding Pattern %



Disclosure:

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