

## November 2022

## VALUE PARAMETERS

Face Value (Rs.)	10.0
Mrk.Cap (Rs. in Cr)	299
Enterprise value (Rs in Cr)	408
52-Week High/Low	303/168
EPS (TTM)	10.5
P/E Ratio (TTM)	18.9
Book Value per share (Rs)	66
Industry P/E	23.6
P/B Ratio (calc at CMP)	3.14
Dividend Yield (%)	0.25%
Cash equivalents (Rs. Cr)	7.82
Debt (Rs. Cr)	117

## SHAREHOLDING PATTERN (%)

Promoters	63.69
FII's	9.82
DII's	1.43
Public	25.07

## FINANCIAL PERFORMANCE

Consolidated	FY22	FY23E	FY24E
<b>Revenue (Rs. Cr)</b>	824.1	906.4	1042
<i>Growth (%)</i>	119.9%	10%	15%
<b>EBITDA (Rs. Cr)</b>	46.14	58.89	79.2
<i>Growth (%)</i>	56.6%	28%	34%
<i>Margin (%)</i>	5.6	6.5	7.6
<b>PAT (Rs. Cr)</b>	18.13	22.65	31.2
<i>Growth (%)</i>	104.9	25%	37.7%
<i>Margin (%)</i>	2.2	2.5%	3%
<b>EPS (Rs)</b>	12.02	15	17.5
RoE (%)	19.93	21.1	22
RoCE (%)	18.42	19.5	20.6
P/E	20	22	21

## PRICE PERFORMANCE



**Our Recommendation:** Accuracy shipping is a key player in third-party logistics solutions provider. After easing off restrictions and opening up Indian & Global economy, company may outperform in coming quarters. The stock is currently trading at 3x its book value and P/E of 19x while industry P/E is 24. We see possible upside 10-15%.

**Investment Rationale:**

**About Company:** Accuracy Shipping Limited is a third party logistics solutions provider. The company provides customized end-to-end logistics solutions and services including transportation, distribution, freight forwarding, customs clearance and forwarding services, customs brokerage, warehousing and value-added services. Our segments include Logistics Service Providers and Petroleum. It operates approximately 14 India branches. The company provides air freight services including import duties, brokerage, insurance, consolidation, packaging and logistics. It provides and moves air cargo transportation to domestic and international destinations. We provide ocean freight forwarding services including door-to-door pickup, advanced tracking technology and shipping document management. We also provide customs clearance services, including import customs clearance and export customs clearance.

**Q1FY23 Results:** GNFC reported strong set of numbers despite global headwinds.

- Consolidated Revenue increased by 93% YoY to Rs. 2696.19 crores, which was Rs. 1394.32 crore in a year-ago-period (Q1FY22). On QoQ basis, revenue reduced by 2.7% from Rs. 2771.71 crore in March 2022.
- Consolidated Net Profit increased by 136% to Rs. 571.43, which was Rs. 241.80 crore in a year-ago-period (Q1FY22). On QoQ basis, Net Profit reduced by 55% from Rs. 2771.71 crore in March 2022.

**Growth Potential:**

- Industry Diversification:- company is Serving diversified industries to accelerate sales and profit growth.
- Revenue Diversification:- Adding new streams of revenue through backward & forward integration to strengthen our bouquet of logistical services.
- End-to-End Logistics Player:- To benefit from large scale presence across value chain by offering logistical solutions under single roof i.e. from Point of Origin to Point of Destination
- Pan India Presence with Global Network:- Presence across India with 14 offices and more than 60 agency agreements across the globe to cater to the growing logistical needs for cross border transactions.
- Large Marquee Customer base:- More than 1900 customers across industry giving us revenue sustainability going forward.

**Key Risks in Fertilizers Industries:**

- Fluctuation in freight rates.
- Supply-chain disruption due to geopolitical tension.

## Quarterly financial result, standalone (Rs. Cr)

Y/E March (INR Crore)	Q1FY23	Q1FY22	YoY chang. (%)	Q4FY22	QoQ chang. (%)
<b>Revenue</b>	<b>248.84</b>	<b>160.64</b>	54.91	<b>255.01</b>	-2.42
<b>Expenditure</b>	<b>238.28</b>	<b>147.92</b>	61.09	<b>254.53</b>	-6.38
<i>% of Sales</i>	95.8	92.1	NA	99.8	NA
<b>EBITDA</b>	<b>10.56</b>	<b>12.72</b>	-16.98	<b>0.48</b>	2,100.00
<i>Margin (%)</i>	4.2	7.9	(370) bps	0.2	1008 bps
Depreciation	2.59	2.86	NA	3.35	NA
<b>EBIT</b>	<b>7.97</b>	<b>9.86</b>	-19.17	<b>-2.87</b>	NA
Int. and Finance Charges	3.03	2.48	22.18	2.36	28.39
Other Income	0.20	0.16	-	0.88	-
<b>PBT</b>	<b>5.14</b>	<b>7.54</b>	-31.83	<b>-4.35</b>	-
Tax	2.59	2.13	21.60	0.03	-
<i>Tax Rate (%)</i>	50.4	28.2	NA	-0.7	NA
<b>PAT</b>	<b>2.55</b>	<b>5.41</b>	-52.87	<b>-4.38</b>	NA
<i>Margin (%)</i>	1.0%	3.4%	(240) bps	-1.7%	NA
<b>Net Profit</b>	<b>2.55</b>	<b>5.41</b>	-52.87	<b>-4.38</b>	-

## Income statement, consolidated (Rs. Cr)

Y/E March (INR Crore)	FY19	FY20	FY21	FY22
<b>Revenue</b>	<b>338.73</b>	<b>348.38</b>	<b>374.73</b>	<b>824.10</b>
<i>Change (%)</i>	2.1	2.8	7.6	119.9
<b>Expenditure</b>	<b>314.63</b>	<b>320.75</b>	<b>345.26</b>	<b>777.96</b>
<i>% of Sales</i>	92.9	92.1	92.1	94.4
<b>EBITDA</b>	<b>24.10</b>	<b>27.63</b>	<b>29.47</b>	<b>46.14</b>
<i>Margin (%)</i>	7.1	7.9	7.9	5.6
<i>Growth (%)</i>	-3.9	14.6	6.7	56.6
Depreciation	11.93	15.84	12.40	12.51
<b>EBIT</b>	<b>12.17</b>	<b>11.79</b>	<b>17.07</b>	<b>33.63</b>
Int. and Finance Charges	4.70	7.38	5.52	8.82
Other Income	4.78	1.00	0.97	1.99
<b>PBT bef. EO Exp.</b>	<b>12.25</b>	<b>5.41</b>	<b>12.52</b>	<b>26.80</b>
Exception Items	0.0	0.0	0.0	0.0
<b>PBT</b>	<b>12.3</b>	<b>5.4</b>	<b>12.5</b>	<b>26.8</b>
Tax	4.17	1.29	3.67	8.67
<i>Tax Rate (%)</i>	34.0	23.8	29.3	32.4
<b>PAT</b>	<b>8.08</b>	<b>4.12</b>	<b>8.85</b>	<b>18.13</b>
<i>Margin (%)</i>	2.4%	1.2%	2.4%	2.2%
<i>Growth (%)</i>	-22.1	-49.0	114.8	104.9
Extraordinary Items	0	0	0	0
Prior period items	0	0	0	0
<b>Net Profit</b>	<b>8.08</b>	<b>4.12</b>	<b>8.85</b>	<b>18.13</b>
Adj. EPS	5.35	2.70	5.83	12.02

## Balance Sheet, consolidated (Rs Cr)

Y/E March	FY19	FY20	FY21	FY22
<b>Shareholders' fund</b>	<b>69.51</b>	<b>73.38</b>	<b>81.83</b>	<b>99.39</b>
Share Capital	15.06	15.06	15.06	15.06
Reserves & Surplus	54.45	58.32	66.77	84.33
<b>Total Debt</b>	<b>34.68</b>	<b>42.95</b>	<b>46.50</b>	<b>44.87</b>
Other liabilities	0.00	0.00	0.00	5.44
Borrowings	33.30	42.15	45.54	37.67
Deffered tax liab	1.38	0.80	0.81	1.37
Long term provisions	0.00	0.00	0.15	0.39
<b>Curr Liab &amp; prov</b>	<b>57.57</b>	<b>62.12</b>	<b>67.12</b>	<b>142.87</b>
Current liabilities	57.57	62.12	67.12	142.87
<b>Total Liabilities</b>	<b>92.25</b>	<b>105.07</b>	<b>113.62</b>	<b>187.74</b>
<b>Total Equity &amp; Liabilities</b>	<b>161.76</b>	<b>178.45</b>	<b>195.45</b>	<b>287.13</b>
<b>Non-Curr. Assets</b>	<b>60.80</b>	<b>54.92</b>	<b>56.03</b>	<b>60.18</b>
Net Fixed Assetst	59.31	50.35	54.80	58.99
Intangible assets	0.20	0.16	0.40	0.00
CWIP	0.00	3.19	0.00	0.00
Investments	0.13	0.13	0.13	0.49
Other Non-curr assets	0.52	0.55	0.70	0.70
Long-term loans & Avanc.	0.64	0.54	0.34	0.00
<b>Current Assets</b>	<b>100.94</b>	<b>123.54</b>	<b>139.07</b>	<b>235.29</b>
Inventories	0.36	0.72	0.71	15.15
Trade receivables	84.18	97.15	104.74	133.02
Cash/Bank Balance	1.45	0.67	4.85	7.82
Current investments	0	0	0	0
Other current assets	0	0	28.77	79.3
Loans & Advances	14.95	25.00	0.00	0.00
<b>Total Assets</b>	<b>161.74</b>	<b>178.46</b>	<b>195.10</b>	<b>295.47</b>

## Cash Flow Statement, consolidated (Rs. Cr)

Y/E March	FY20	FY21	FY22
PBT	5	13	27
Adj. For Expenses	22	17	20
Other Adj.	-27	-9	-58
<b>CF After WC</b>	<b>0</b>	<b>21</b>	<b>-11</b>
Tax		-4	-8
<b>CF from Op. Activity (a)</b>	<b>0</b>	<b>17</b>	<b>-19</b>
<b>CF from Inv. Activity (b)</b>	<b>-9</b>	<b>-13</b>	<b>-11</b>
<b>CF from Fin. Activity (c)</b>	<b>8</b>	<b>1</b>	<b>27</b>
<b>Net Change (a+b+c)</b>	<b>-1</b>	<b>5</b>	<b>-3</b>
Opening cash	2	1	6
Others	0	0	0
<b>Closing cash balance</b>	<b>1</b>	<b>6</b>	<b>3</b>

## Key Ratios

Y/E March	FY2019	FY2020	FY2021	FY2022
<b>Per Share Data (Rs)</b>				
EPS	5.00	3.00	6.00	12.00
BV/Share	46.13	48.83	54.54	66.32
DPS	0	0	0	1
Dividend Payout (%)	0.00%	0.00%	0.00%	8.33%
<b>Valuation Ratios</b>				
P/E	14.75	5.07	8.59	20.01
P/BV	1.71	0.28	0.92	3.63
EV/EBITDA	6.27	3.32	5.15	9.59
<b>Return Ratios (%)</b>				
RoE	11.63%	5.77%	11.37%	19.93%
RoCE	12.80%	9.40%	11.50%	18.42%
RoA	4.92%	2.39%	4.67%	7.26%
<b>Leverage Ratio (x)</b>				
Current Ratio	1.74	1.99	2.05	1.63
Quick Ratio	1.73	1.97	2.03	1.51
Interest Cover Ratio	3.34	1.67	3.06	3.72
Net Debt/Equity	0.97	1.06	1.10	1.18

Vice President – Head Research - Dr.  
Ravi Singh  
Mob: +919810313561  
Email ID: ravi.singh@shareindia.com

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