

HAM execution to drive revenue growth

Ashoka Buildcon's (ABL) revenues grew by 28.2% YoY to ₹ 876.8 crore but was below our expectation of ₹ 1,105.5 crore possibly on account of weaker-than-expected execution during the quarter. EBITDA margins expanded 60 bps YoY to 12.5% but was lower than our expectation of 13.0%. RPAT grew by just 1.2% YoY to ₹ 64.7 crore on account of higher depreciation and higher tax expense (32.4% tax in Q1FY20 vs. 26.7% in Q1FY19).

Currently looking to bid for ₹ 50,000 crore road projects

ABL's orderbook (OB) stood at ₹ 8,168.3 crore in Q1FY20, implying OB-to-bill ratio of 2.0x TTM revenues, giving comfort on execution ahead. This OB consists of ₹ 4,169.6 crore BOT, ₹ 2,066.1 crore EPC, ₹ 828 crore power T&D, ₹ 1,095.0 crore railway & ₹ 9.6 crore CGD projects. The company is currently intending to bid for road projects worth ~₹ 50,000 crore and targets Order Inflow (OI) to the tune of ₹ 4,000-6,000 crore in FY20E. On the execution front, with appointed date (AD) for Belgaum-Khanapur HAM project received on March 7, 2019, execution on the project has started. With this, three of the HAM projects are currently under execution. The company expects AD for Tumkur-Shivamoga P-I & II in next 2-3 months (60% of land acquisition is done for these two HAM projects), which should further give a fillip to execution. Overall, while execution in Q2FY20E could be impacted due to floods, the impact is expected to be covered by ramp up in execution in H2FY20E. With this, the management has maintained revenue growth guidance of 25-30% in FY20E. Overall, we expect construction revenues to grow 14.2% CAGR to ₹ 4,980.8 crore in FY19-21E.

Looking to conclude SBI-Macquarie exit deal by March, 2020

ABL has a total equity requirement of ₹ 465 crore. Of this, it has, till date, invested ₹ 200 crore and the balance is expected to be invested in the next 2 years. On the CGD business front, ABL is to invest ₹ 50 crore in CGD business in FY20E. Secondly, on the SBI-Macquarie deal front, the enterprise value of portfolio of seven projects is ₹ 7,400 crore (₹ 4,800 crore debt and ₹ 2,600 crore equity). ABL has initiated process of monetizing the assets and expects to provide an exit to SBI-Macquarie by March, 2020.

Valuation & Outlook

We are positive on ABL's long term prospects given its strong track record, comfortable OB position, FC for all HAM projects & huge opportunities ahead. ABL has started execution on three of the HAM projects as it received appointed date for these projects. AD for more two HAM projects is expected in next two three months, which should further lead to ramp up in execution. Hence, we expect EPC revenues to grow robustly at 14.2% CAGR to ₹ 4,980.8 crore. We continue to maintain our **BUY** recommendation on the stock with an SoTP based target price of ₹ 150/share.

Key Financial Summary

₹ crore	FY17	FY18	FY19E	FY20E	FY21E	CAGR FY19-21E
Net Sales	2972.8	3601.0	4930.1	5801.1	6379.8	13.8%
EBITDA	952.8	1139.5	1394.3	1554.0	1706.5	10.6%
EBITDA Margin (%)	32.1	31.6	28.3	26.8	26.7	
PAT	-222.4	-118.7	19.9	-47.4	10.8	-26.4%
EPS (₹)	-7.9	-4.2	-1.4	-1.7	0.4	
P/E (x)	-14.9	-27.9	-82.4	-69.9	172.8	
EV/EBITDA (x)	8.2	7.0	6.5	5.9	5.3	
RoNW (%)	-47.4	-37.6	-14.6	-20.8	4.5	
RoCE (%)	10.0	11.5	14.1	14.8	16.6	

Source: Company, ICICI Direct Research



Particulars	
Particular	Amount (₹ crore)
Market Capitalization	3,312.4
Total Debt	4,933.6
Cash	253.2
EV	7,992.7
52 week H/L (₹)	155 / 93
Equity capital	140.4
Face value	₹ 5

Key Highlights

- ABL's revenues grew 28.2% YoY to ₹ 876.8 crore on account of weaker-than-expected execution in Q1FY20
- Orderbook is at a strong ₹ 8,168.3 crore as of Q1FY20, implying an orderbook-to-bill ratio of 2.0x TTM revenues
- The company expects to receive appointed date for two of its Karnataka HAM projects in the next two months
- Maintain **BUY** with a target price of ₹ 150/share

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Exhibit 1: Variance Analysis

Particulars	Q1FY20	Q1FY20E	Q1FY19	YoY (%)	Q4FY19	QoQ (%)	Comments
Income from Operations	876.8	1,105.5	683.7	28.2	1,307.4	-32.9	Topline growth was lower than expected on account of weaker-than-expected execution during the quarter
Other Income	34.2	12.5	36.6	-6.4	38.0	-9.9	
Operating Expenses	691.6	884.4	547.3	26.4	1,052.6	-34.3	
Employee Expenses	43.1	44.2	30.8	40.2	41.2	4.8	
Other expenditure	32.6	33.2	24.4	34.0	32.3	1.0	
EBITDA	109.5	143.7	81.3	34.7	181.3	-39.6	
EBITDA Margin(%)	12.5	13.0	11.9	60 bps	13.9	-138 bps	
Depreciation	26.6	26.0	13.6	95.9	26.0	2.5	
Interest	21.4	22.8	17.1	24.8	36.7	-41.8	
PBT	95.7	107.5	87.1	9.9	156.6	-38.9	
Taxes	31.0	35.5	23.2	33.6	51.6	-39.8	
PAT	64.7	72.0	63.9	1.2	105.1	-38.4	PAT growth was muted on account of higher depreciation and higher tax expense

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

	FY18	FY19	FY20E			FY21E			Comments
(₹ Crore)			Old	New	% Change	Introduced			
Revenue	3,601.0	4,930.1	5,901.1	5,801.1	-1.7	6,676.8	6,379.8	-4.4	We tweak our estimates
EBITDA	1,139.5	1,394.3	1,567.0	1,554.0	-0.8	1,745.1	1,706.5	-2.2	
EBITDA Margin (%)	31.6	28.3	26.6	26.8	19 bps	26.1	26.7	65 bps	
PAT	-118.7	-40.2	-38.7	-47.4	22.5	36.7	10.8	-70.6	
Diluted EPS (₹)	-4.2	-1.4	-1.4	-1.7	22.5	2.3	0.7	-70.6	

Source: Company, ICICI Direct Research

Exhibit 3: Assumptions

EPC	FY15	FY16	FY17	FY18E	FY19E	Current FY20E	Current FY21E	Earlier FY20E	Earlier FY21E	Comments
Order Inflow	1,623	2,822	3,926	4,358	0	4,000	6,000	5,000	6,000	We tweak our estimates
Order Backlog	3,106	4,111	7,005	5,849	8,394	7,448	9,048	8,348	9,651	

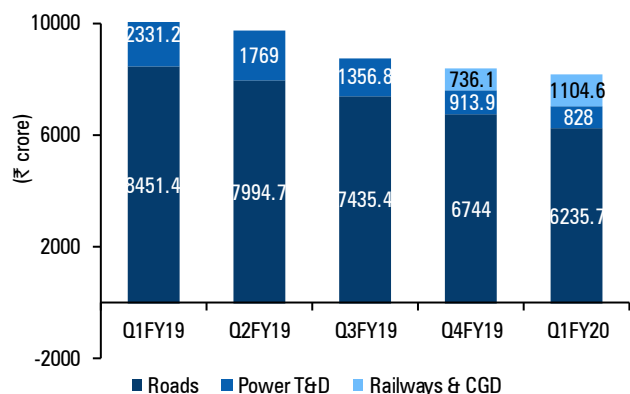
Source: Company, ICICI Direct Research

Conference call highlights

- Ordering activity:** Ordering activity faced slowdown in recent months primarily on account of delay in financial closures in various HAM projects in the sector and delay in land acquisition by NHAI, resulting in appointed dates getting delayed. As per the management, ordering activity is expected to gather momentum soon with the government intending an investment of ₹ 100 lakh crore towards infrastructure projects over the next five years. On the railways front, the government intends an investment of ₹ 50 lakh crore in FY18-30E. This shall entail huge set of opportunities to players within the sector
- Management guidance:** ABL's current order book stands at ₹ 8,168.3 crore as of Q1FY20. This does not include Tumkur-Shivamoga P-IV HAM project worth ₹ 869.6 crore. Currently, the company intends to bid for road projects worth ~₹ 50,000 crore (₹ 34,000 crore central government projects and balance state government projects). Apart from this, it shall bid for railways and power T&D projects, going ahead. On the order inflows (OI) front, the management has targeted OI to the tune of ₹ 4,000-6,000 crore in FY20E. On the financial guidance front, the management expects execution to be impacted in Q2FY20E due to floods situation in some of the states. However, it expects the impact to be covered up by ramp up in execution in H2FY20E and hence has guided for 25-30% revenue growth in FY20E. Furthermore, it aims to maintain EBITDA margins at 11.0-12.5% in FY20E.
- HAM projects update:** ABL has achieved financial closure (FC) for all of its HAM projects. The company has received appointed date (AD) for Belgaum-Khanapur project on March 7, 2019 and execution on the project has started. With this, the company has started on three of the HAM projects. On the Tumkur-Shivamoga projects, 60% of 3H is done for P-I & II and the company expects appointed date for these two HAM projects in next two months. On the other hand, 35-40% 3H has been done for Tumkur-Shivamoga P-IV and AD for the project is expected in the next four months.
- Equity commitment:** ABL infused equity to the tune of ~₹ 35 crore in road projects in Q1FY20. It has a total equity requirement of ₹ 465 crore. Of this, it has, till date, invested ₹ 200 crore and the balance is expected to be invested in the next 2 years. On the CGD business front, ABL is to invest ₹ 50 crore in CGD business in FY20E.
- Toll update:** The toll collections have reduced on Jaora-Nayagaon project as the company is facing traffic diversion at the project. However, the company expects normalcy to come back by Q2FY20E end
- Debt update:** ABL's consolidated debt was at ₹ 5,633.9 crore as of Q1FY20. Of this, ₹ 581.0 crore is standalone debt (₹ 237.2 equipment loan, ₹ 193.8 WC loan and ₹ 150.0 crore NCDs) & ₹ 5,052.9 crore is project debt. Standalone debt reduced by ₹ 138.9 crore sequentially on account of significant debtors recovery. The management expects standalone debt at ₹ 500-600 crore by FY20E end
- Capex:** The management has guided for ₹ 80 crore capex in FY20E
- SBI-Macquarie deal:** The enterprise value of SBI-Macquarie portfolio of seven projects is ₹ 7,400 crore (₹ 4,800 crore debt and ₹ 2,600 crore equity). ABL has initiated process of monetizing the assets and expects to provide an exit to SBI-Macquarie by March, 2020. CCDs issued to SBI Macquarie have been treated as financial liability and recorded as 'obligation towards investor in subsidiary' on its books at ₹ 1,524 crore as of Q1FY20 (value was ₹ 1,481.6 crore in FY19)

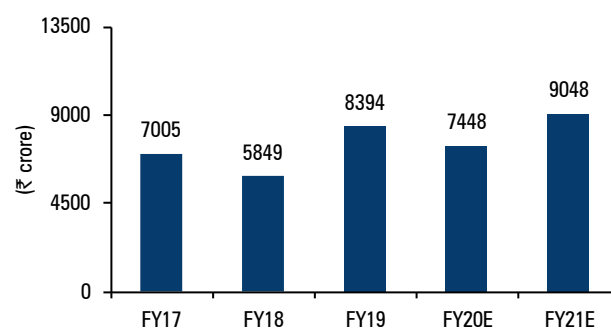
Company Analysis

Exhibit 4: Quarterly order book trend



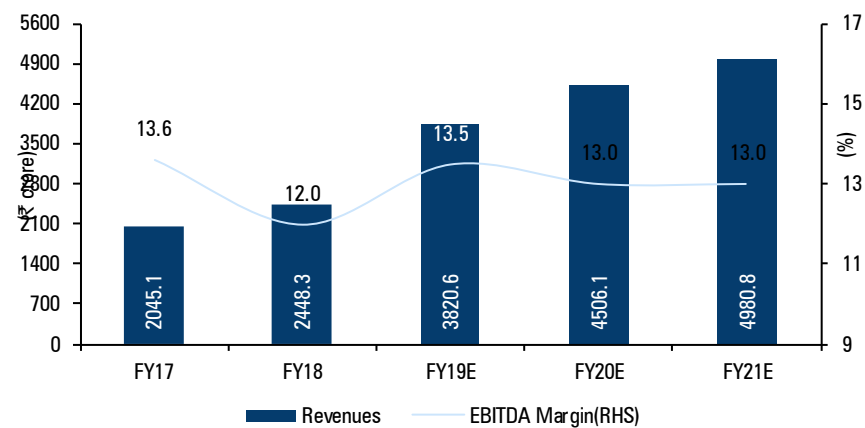
Source: Company, ICICI Direct Research

Exhibit 5: Annual order book trend



Source: Company, ICICI Direct Research

Exhibit 6: Annual EPC revenue and EBITDA margin trend

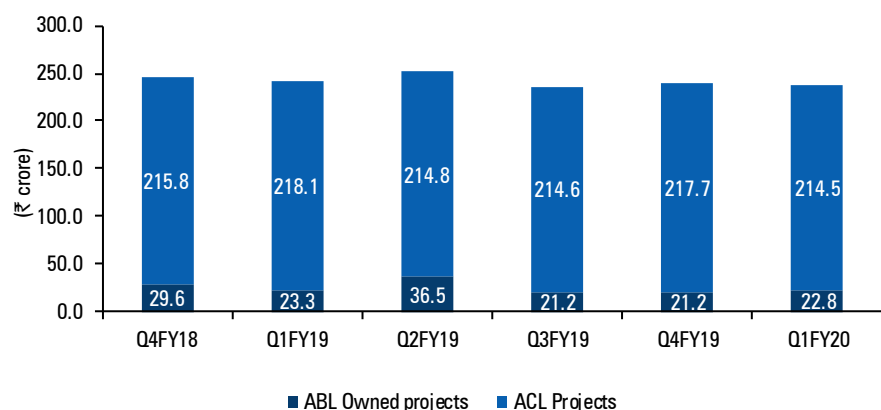


Source: Company, ICICI Direct Research

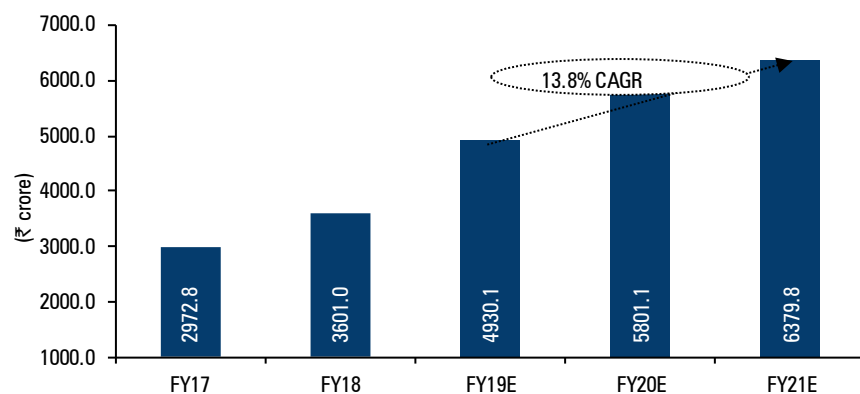
Exhibit 7: Quarterly gross toll collection trend

(₹ crore)	Q1FY20	Q4FY19	Q3FY19	Q2FY19	Q1FY19	YoY (%)	QoQ (%)
ABL Owned Projects							
Ahmednagar - Aurangabad	8.4	7.5	7.8	7.1	9.4	-11.1%	12.1%
Nagar - Karmala							
Indore -Edalabad	0.0	0.0	0.0	0.0	0.0		
Wainganga Bridge	7.7	7.9	7.4	7.1	7.5	2.0%	-2.8%
Dewas Bypass							
Katni Bypass	6.0	5.4	5.5	4.8	5.8	3.3%	11.3%
Pune – Shirur							
Others#	0.8	0.5	0.6	17.4	0.6	33.3%	50.9%
Sub-total	22.8	21.2	21.2	36.5	23.3	-2.1%	7.3%
Sub-total (like-to-like basis)	22.0	20.7	20.6	19.1	22.7	-3.1%	6.2%
ACL Projects							
Belgaum Dharwad	23.7	23.5	23.3	21.8	23.0	3.0%	0.9%
Dhankuni – Kharagpur	90.5	88.4	86.7	88.8	89.3	1.3%	2.3%
Bhandara	17.4	17.8	16.8	16.0	16.7	4.4%	-2.0%
Durg	19.8	20.7	19.9	19.3	19.5	1.7%	-4.1%
Jaora – Nayagaon	46.0	49.0	49.7	51.6	51.6	-10.9%	-6.1%
Pimpalgaon – Nashik – Gonde	-	-	-	-	-		
Sambalpur	17.1	18.4	18.1	17.3	18.0	-4.8%	-6.8%
Sub-total	214.5	217.7	214.6	214.8	218.1	-1.6%	-1.4%
Sub-total (like-to-like basis)	214.5	217.7	214.6	214.8	218.1	-1.6%	-1.4%
Grand Total	237.3	238.9	235.8	251.3	241.4	-1.7%	-0.7%
(Grand total) like-to-like basis	236.5	238.4	235.2	233.9	240.8	-1.8%	-0.8%

Source: ICICI Direct Research, Company

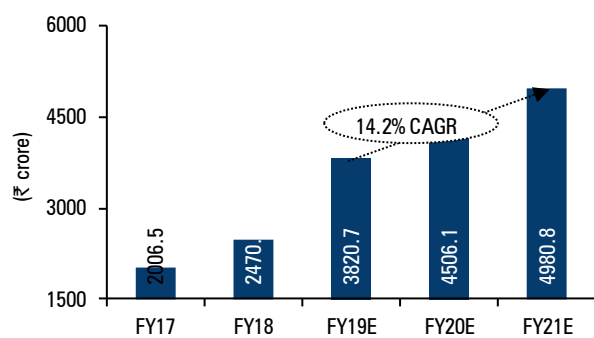
Exhibit 8: Gross toll collection trend


Source: Company, ICICI Direct Research

Exhibit 9: Consolidated revenue trend


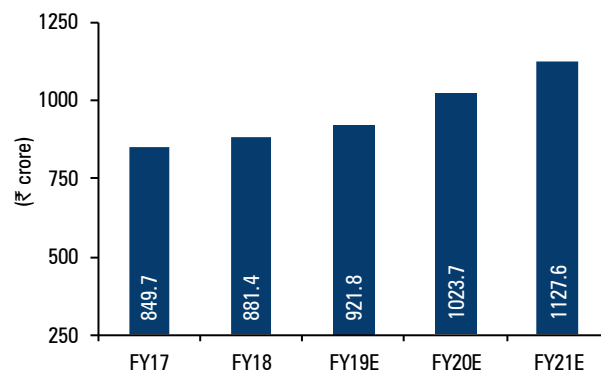
Source: Company, ICICI Direct Research

Exhibit 10: EPC revenue to grow at 14.2% CAGR in FY19-21E



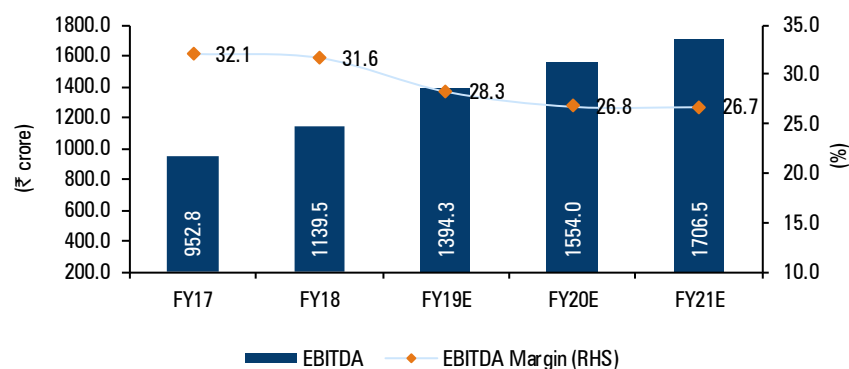
Source: Company, ICICI Direct Research

Exhibit 11: BOT revenue to grow moderately



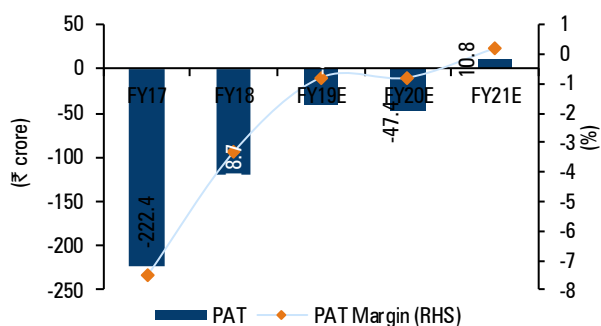
Source: Company, ICICI Direct Research

Exhibit 12: Consolidated EBITDA margin trend



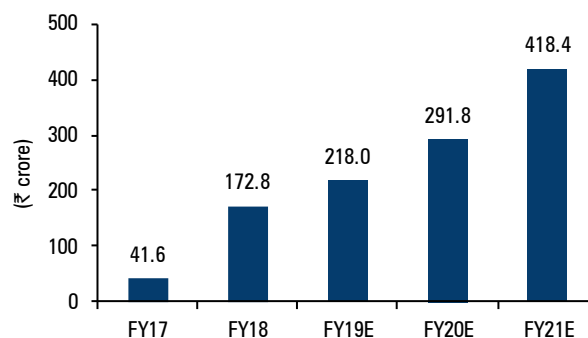
Source: Company, ICICI Direct Research

Exhibit 13: PAT trend...



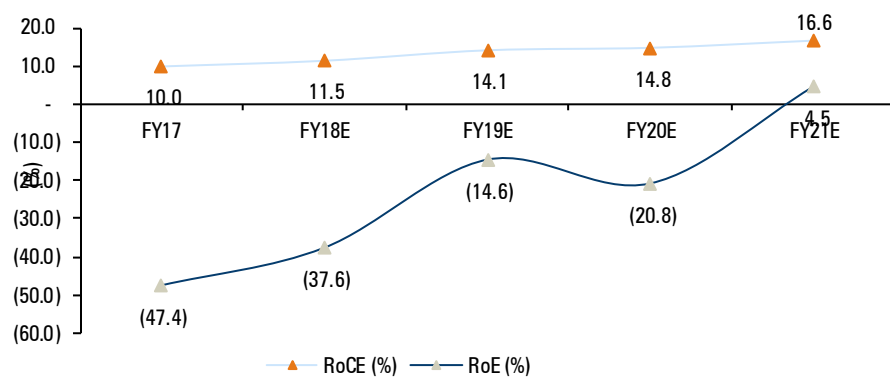
Source: Company, ICICI Direct Research

Exhibit 14: Cash profit to remain healthy



Source: Company, ICICI Direct Research

Exhibit 15: Return ratios trend



Source: Company, ICICI Direct Research

Valuation & Outlook

We are positive on ABL's long term prospects given its strong track record, comfortable OB position, FC for all HAM projects & huge opportunities ahead. ABL has started execution on three of the HAM projects as it received appointed date for these projects. AD for more two HAM projects is expected in next two months, which should further lead to ramp up in execution. Hence, we expect EPC revenues to grow robustly at 14.2% CAGR to ₹ 4,980.8 crore. We continue to maintain our **BUY** recommendation on the stock with an SoTP-based target price of ₹ 150/share.

Exhibit 16: ABL valuation

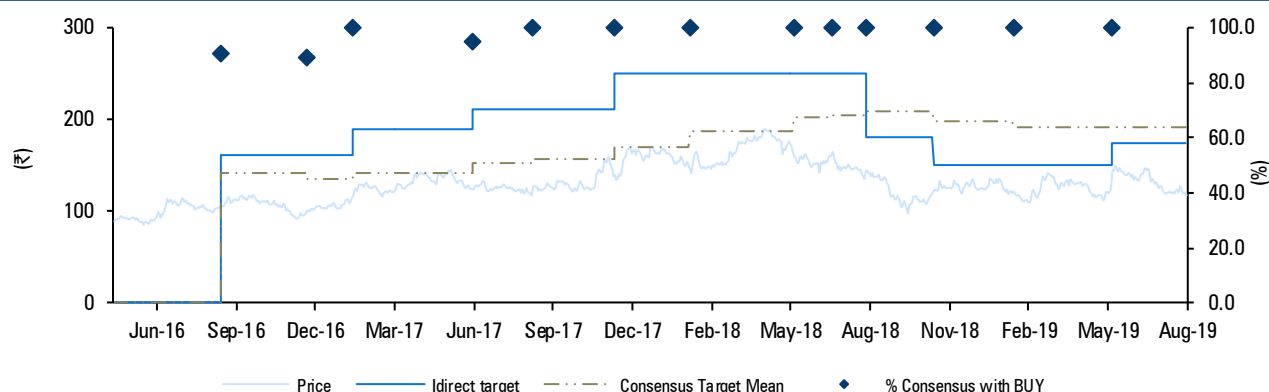
Project Name	Stake (%)	Length (km)	TPC (₹ crore)	Debt (₹ crore)	Equity (₹ crore)	Eq share (₹ crore)	CoE(%)	ABL Equity Value (₹ cr)	Value/share (₹)
Ashoka Buildcon Limited (ABL) - BOT									
Aurangabad - Ahmednagar	100.0	42.0	102.7	35.7	67.0	67.0	13.0	0.0	0.0
Katni Bypass	99.9	17.6	70.9	53.5	17.4	17.4	13.0	62.0	2.2
Nashirabad ROB	100.0	4.0	14.7	13.3	1.5	1.5	13.0	4.0	0.1
Sheri Nallah Bridge	100.0	4.0	14.2	7.2	7.0	7.0	13.0	0.0	0.0
Dhule Bypass	99.9	6.0	5.8	5.2	0.6	0.6	13.0	8.4	0.3
Dewas Bypass	100.0	20.0	61.3	36.0	25.3	25.3	13.0	64.2	2.3
Indore Edalabad	99.7	203.0	165	101.5	63.5	63.3	13.0	450.2	16.0
Wainganga Bridge	50.0	13.0	40.9	35.0	5.9	3.0	13.0	91.7	3.3
FOB Eastern Expressway	100.0	NA	3.7	1.8	2.0	2.0	13.0	0.7	0.0
KSHIP	51.0	110.0	471.0	287.0	47.0	24.0	13.0	59.7	2.1
Total (ABL)-BOT (A)		419.6	950.2	576.1	237.1	210.9		741.0	26.4
EPC (B)	100.0	6x FY20 EV/EBITDA						3514.7	125.2
ACL stake valuation (C)	61.0	30% Holding company Discount						831.3	29.6
Less Standalone debt (D)								800.0	28.5
Total SoTP Valuation (A+B+C-D)								4287.0	152.7
Rounded off Target Price									150.0

Source: Company, ICICI Direct Research

Exhibit 17: ACL valuation

Project Name	Stake (%)	Length (km)	TPC (₹ crore)	Debt (₹ crore)	Equity (₹ crore)	ACL share (₹ crore)	CoE(%)	ACL Equity Value
Ashoka Concession Limited (ACL)								
Bhandara	51.0	82.6	528.0	354.5	173.5	60.0	14.0	-64.0
Durg Chhattisgarh	51.0	71.1	630.5	410.0	220.5	100.2	14.0	64.0
Jaora Nayagaon	46.2	85.1	865.1	554.5	310.6	69.0	14.0	627.8
Belgaum Dharwad	100.0	82.0	694.1	479.0	185.0	185.0	14.0	266.9
Sambalpur Baragarh	100.0	88.0	1142.2	810.0	332.2	332.2	14.0	-114.8
Dankuni Kharagpur	100.0	11.6	2205.2	1516.2	689.0	689.0	14.0	923.1
Chennai ORR	50.0	32.0	1450.0	1080.0	173.0	86.5	14.0	243.9
ACL Valuation		452.4	7515.0	5204.2	2083.8	1521.8		1946.8
ACL stake (%)								61.0
ACL stake value								1187.5

Source: Company, ICICI Direct Research

Exhibit 18: Recommendation History vs. Consensus


Source: Bloomberg, Company, ICICI Direct Research

Exhibit 19: Top 10 Shareholders

Rank	Name	Latest Date	Filing % O/S	Position (m)	Change (m)
1	Parakh (Shobha Satish)	30-Jun-19	13.6%	38.0	0.0
2	HDFC Asset Management Co., Ltd.	30-Jun-19	7.3%	20.5	0.0
3	Katariya (Asha Ashok)	30-Jun-19	7.1%	20.0	0.0
4	Katariya (Ashok Motilal)	30-Jun-19	5.4%	15.2	0.0
5	Katariya (Ashok Motilal) HUF	30-Jun-19	5.2%	14.6	0.0
6	Katariya (Ashish Ashok)	30-Jun-19	4.9%	13.7	0.0
7	Reliance Nippon Life Asset Management Limited	30-Jun-19	4.7%	13.3	-2.1
8	Katariya (Ashish Ashok) HUF	30-Jun-19	4.4%	12.5	0.0
9	Katariya (Astha Ashish)	30-Jun-19	4.0%	11.2	0.0
10	L&T Investment Management Limited	30-Jun-19	3.2%	9.0	-1.0

Source: Reuters, ICICI Direct Research

Exhibit 20: Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
SBI Funds Management Pvt. Ltd.	1.8	0.9	Reliance Nippon Life Asset Management Limited	-4.3	-2.1
HSBC Global Asset Management (India) Private Limited	0.4	0.2	L&T Investment Management Limited	-2.0	-1.0
Mahindra Asset Management Company Pvt. Ltd.	0.3	0.1	ICICI Prudential Life Insurance Company Ltd.	-0.4	-0.2
Edelweiss Asset Management Ltd.	0.1	0.0	ICICI Prudential Asset Management Co. Ltd.	-0.3	-0.2
Canara Robeco Asset Management Company Ltd.	0.1	0.0	Ashburton (Jersey) Ltd.	-0.3	-0.2

Source: Reuters, ICICI Direct Research

Exhibit 21: Shareholding Pattern

(in %)	Sep-18	Mar-19	Jun-19
Promoter	54.25	54.26	54.26
Public	45.75	45.74	45.74
Others			
Total	100.0	100.0	100.0

Source: Company, ICICI Direct Research

Financial summary

Exhibit 22: Profit and loss statement

₹ crore

(₹ Crore)	FY18	FY19	FY20E	FY21E
Net Sales	3,601.0	4,930.1	5,801.1	6,379.8
Other income	51.6	77.1	12.1	16.7
Total Revenue	3,652.6	5,007.2	5,813.2	6,396.5
Raw Material Expense	95.9	175.8	(871.1)	(957.7)
Operating Expenditure	1,392.0	1,683.3	3,546.1	3,901.9
Cost of materials sold	832.5	1,508.3	1,341.1	1,474.8
Employee benefit expenses	141.1	168.4	231.1	254.3
Total Operating Expenditure	2,461.5	3,535.8	4,247.1	4,673.3
EBITDA	1,139.5	1,394.3	1,554.0	1,706.5
Interest	993.8	1,021.3	1,061.7	1,047.7
Depreciation	291.4	258.2	339.2	407.6
Other income	51.6	77.1	12.1	16.7
PBT	(94.2)	131.7	165.3	268.0
Taxes	83.7	170.9	226.0	278.3
PAT before MI	(177.9)	(39.2)	(60.8)	(10.3)
Minority Interest	-	-	-	-
Share of Profit from Associates	59.2	(1.0)	13.4	21.1
PAT	(118.7)	(40.2)	(47.4)	10.8
Adjusted EPS (Diluted)	(4.2)	(1.4)	(1.7)	0.4

Source: Company, ICICI Direct Research

Exhibit 23: Cash flow statement

₹ crore

(₹ Crore)	FY18	FY19E	FY20E	FY21E
Profit after Tax	(118.7)	(40.2)	(47.4)	10.8
Depreciation	291.4	258.2	339.2	407.6
Interest	993.8	1,021.3	1,061.7	1,047.7
Others	(103.2)	(154.2)	(24.2)	(33.5)
Cash Flow before wc changes	1,198.7	1,333.2	1,567.4	1,727.6
Changes in WC	364.6	(1,268.4)	(9.5)	102.0
Taxes Paid	(84.8)	(170.9)	(226.0)	(278.3)
Net CF from operating activities	1,478.5	(106.1)	1,331.9	1,551.3
(Purchase)/Sale of Fixed Assets	(160.0)	78.0	(99.9)	(139.8)
Change in Others - Premium Paya	46.8	(155.9)	(338.8)	(325.0)
Net CF from Investing activities	(111.8)	6.6	(426.6)	(448.1)
Increase/Decrease in NW	(34.9)	-	-	-
Increase/Decrease in Debt	296.6	910.8	32.4	(170.9)
Interest Paid	(993.8)	(1,021.3)	(1,061.7)	(1,047.7)
Change in Minority Interest	(23.2)	40.9	80.3	107.1
Net CF from Financing activities	(755.4)	(69.7)	(949.0)	(1,111.4)
Net Cash flow	611.4	(169.2)	(43.8)	(8.2)
Opening Cash	102.3	253.2	84.0	40.2
Closing Cash/ Cash Equivalent	253.2	84.0	40.2	32.0

Source: Company, ICICI Direct Research

Exhibit 24: Balance sheet

₹ crore

(₹ Crore)	FY18	FY19E	FY20E	FY21E
Liabilities				
Equity Capital	93.6	140.4	140.4	140.4
Reserve and Surplus	222.3	135.4	87.9	98.7
Total Shareholders funds	315.9	275.7	228.3	239.1
Minority Interest	93.7	134.6	214.9	322.0
Total Debt	4,933.6	5,844.3	5,876.7	5,705.8
Deferred Tax Liability	0.7	0.7	0.7	0.7
Other- NHA Premium Payable	2,491.5	2,335.7	1,996.9	1,671.8
Total Liabilities	7,835	8,591	8,317	7,939
Assets				
Gross Block	9,349.7	9,102.0	9,132.0	8,938.2
Less Acc. Dep	1,474.8	1,517.0	1,786.2	1,860.2
Net Block	7,874.8	7,585.0	7,345.8	7,078.0
Capital WIP	46.4	-	-	-
Total Fixed Assets	7,921.2	7,585.0	7,345.8	7,078.0
Investments	247.1	239.8	239.8	239.8
Inventory	419.4	426.5	696.1	765.6
Sundry Debtors	815.5	1,846.3	1,914.4	2,105.3
Loans & Advances	198.2	244.8	1,508.3	1,658.7
Cash & Bank Balances	253.2	84.0	40.2	32.0
Other Current Assets	941.6	1,575.5	1,822.9	2,004.7
Total Current Assets	2,628.0	4,177.1	5,981.9	6,566.3
Other Current Liabilities	6,833.4	7,447.1	9,861.9	11,100.8
Provisions	595.8	835.3	835.3	835.3
Net Current Assets	(4,801.2)	(4,105.4)	(4,715.3)	(5,369.8)
Total Assets	7,836	8,591	8,318	7,940

Source: Company, ICICI Direct Research

Exhibit 25: Key ratios

	FY18	FY19E	FY20E	FY21E
Per Share Data (₹)				
EPS - Diluted	(4.2)	(1.4)	(1.7)	0.4
Cash EPS	6.2	7.8	10.4	26.5
Book Value	11.3	9.8	8.1	8.5
Operating Ratios (%)				
EBITDA / Net Sales	31.6	28.3	26.8	26.7
PAT / Net Sales	NA	0.4	(0.8)	0.2
Inventory Days	42.5	31.6	43.8	43.8
Debtor Days	82.7	136.7	120.5	120.5
Return Ratios (%)				
RoNW	(37.6)	(14.6)	(20.8)	4.5
RoCE	11.5	14.1	14.8	16.6
RoIC	12.8	14.9	16.5	18.5
Valuation Ratios (x)				
EV / EBITDA	7.0	6.5	5.9	5.2
P/E (Diluted)	NA	NA	NA	307.1
EV / Net Sales	2.2	1.8	1.6	1.4
Market Cap / Sales	0.9	0.7	0.6	0.5
Price to Book Value (Diluted)	10.5	12.0	14.5	13.9
Solvency Ratios (x)				
Net Debt / Equity	14.7	20.7	25.3	23.5
Debt / EBITDA	4.3	4.2	3.8	3.3
Current Ratio	0.6	1.0	1.0	1.0
Quick Ratio	0.5	0.9	0.8	0.8

Source: Company, ICICI Direct Research

Exhibit 26: ICICI Direct coverage universe (Roads)

Sector / Company	CMP		Rating	M Cap		EPS (₹)			P/E (x)			V/EBITDA (x)			P/B (x)			RoE (%)	
	(₹)	TP(₹)		(₹ Cr)	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E
IRB Infra (IRBINF)	96	100	Hold	3,191	25.6	22.8	18.2	3.8	4.2	5.3	5.6	5.4	6.4	0.5	0.5	0.4	13.8	10.8	8.1
PNC Infratech (PNCINF)	189	235	Buy	4,849	11.9	12.4	13.6	15.9	15.2	13.9	10.7	8.7	7.8	2.3	2.0	1.8	14.4	13.3	17.5
Sadbhav Engg. (SADENG)	257	300	Buy	4,408	10.9	11.4	14.5	22.8	21.7	17.1	13.3	12.4	10.7	2.1	1.9	1.8	9.2	8.9	10.3
Ashoka Buildcon (ASHBUI)	118	150	Buy	3,312	-1.4	-1.7	0.4	NA	NA	307.1	6.5	5.9	5.2	NA	NA	13.9	NA	NA	4.5

Source: Company, ICICI Direct Research

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Reduce: -15% to -5%;

Sell: <-15%



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