

Rationale:

- ❑ Container Corporation of India Ltd (CONCOR), is a Navratna Public Sector undertaking under the ownership of Indian Railways. It is one of the undisputed market leader with 66% market share of containerized rail cargo in the country. In addition to providing inland transport by rail for containers, the company has also expanded to cover management of Ports, Storage & warehousing and establishing cold-chain.
- ❑ The Company has the largest network of 60 terminals in total as on Mar-21. Its movable asset include ~15,500+ Container Wagons, ~37,861 Containers, 14 Gantry Cranes and 111 Reach Stakers. By moving from single stack to double stack operations Concor is bringing world class efficiency in its services.
- ❑ The Company handled 3 million TEUs during 9MFY22 as compared to 2.6 million during 9MFY21, a rise of 16% YoY. Management guided to cross 4 million container handling during FY22. Concor expects doubling of domestic business volume from current 11-12 million tonne to ~22 million tonne with rising movement of Bulk Commodities.
- ❑ Concor has spent more than ₹5,000 Mn. during 9M-FY22 and expects total Capex for the year to be ~ ₹7,000 Mn. It expects to add three Multi-Modal Logistics Parks (MMLPs) in FY22E at Dahej, Varnama and Paradip, while six more are expected to be commissioned in FY23E.
- ❑ The successful operationalization of Dedicated Freight Corridor (DFC) will help increase in market share of Rail freight to which Concor is one of the largest beneficiary. Concor is setting itself up to capitalize on the increase in volumes with setting up of new terminals, double stacking, assured transit time and strengthening of its Infrastructure by adding new containers and rakes.
- ❑ We remain positive on the Company and initiate coverage with a **BUY** rating and a target price of **₹ 823**.

Research Team

52 Week Low / High	539/754
Avg. Daily Volume (3M) ('000)	1124.6
No. of Shares O/S (Mn.) / Mkt. Cap (₹Mn.)	609.29/420413
Shareholding (Promoters/Others)	54.8% / 45.2%

(In ₹ mn)	FY-20	FY-21	FY-22E	FY-23E
Revenue	65,394	64,271	75,581	88,139
EBITDA	16,942	10,473	17,914	22,435
PAT	4,035	5,051	11,021	14,302
EPS (₹)	6.6	8.3	18.1	23.5
P/E	104.2	83.2	38.1	29.4
P/B	4.2	4.1	4.0	3.7
ROE	4.0%	5.0%	10.5%	12.7%

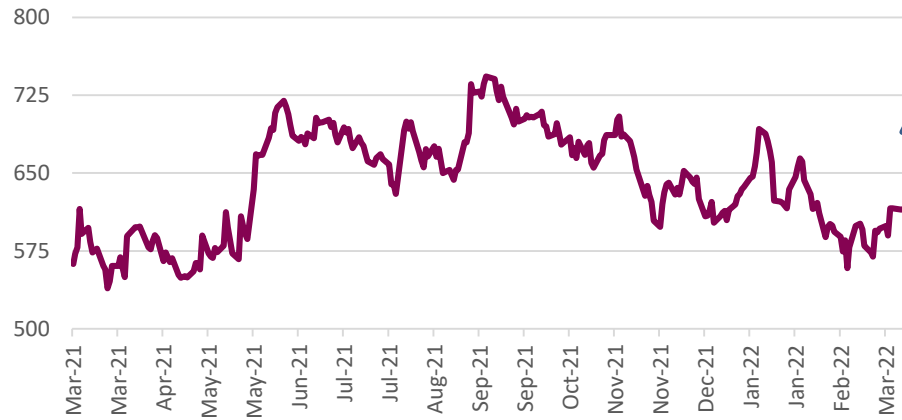
Source: Company

Price Performance (Mar'21=100)



— Nifty 500 — CONCOR

CONCOR Rating and Price History



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Ratings Guide (12 months)	Buy	Hold	Sell
Large Caps (>₹300Bn.)	15%	5%-10%	Below 5%
Mid/Small Caps (<₹300 Bn.)	20%	10%-15%	Below 10%

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