

NCC Ltd (NAGCON)

₹ 91

Robust order inflows boost orderbook...

- NCC's Q1FY18 results were above our expectation on the topline front while EBITDA margins came in below our estimates
- Topline grew 5.9% YoY to ₹ 2013.7 crore (our estimate: ₹ 1916.5 crore) possibly due to strong execution during the quarter
- EBITDA margin contracted 23 bps YoY to 8.5% (our estimate: 9.0%) due to higher construction expenses (12.4% in Q1FY18 vs. 12.1% in Q1FY17)
- Bottomline grew 21.2% YoY to ₹ 63.4 crore. However, it included an exceptional item of ₹ 12.4 crore relating to profit from sale of investments. Adjusting for this, bottomline de-grew 2.5% YoY to ₹ 51.0 crore. It was below our expectation of ₹ 54.3 crore despite topline beat, mainly on account of lower-than-expected EBITDA margins and lower other income (₹ 20.9 crore in Q1FY18 vs. ₹ 28.6 crore in Q1FY17)

Receives order inflows worth ₹ 6051 crore in Q1FY18...

NCC witnessed robust order inflows (OI) worth ₹ 6051 crore in Q1FY18 taking its orderbook to highest ever levels at ~₹ 22009 crore. On the opportunity front, NCC has won several metro and housing orders. It is already executing ~₹ 800 crore metro order in Pune. Recently, it has also bagged metro orders in Bangalore and Mumbai. Furthermore, the company also won a housing project worth ~₹ 2000 crore in Andhra Pradesh for construction of 33000 units for urban poor under the Pradhan Mantri Awas Yojana (PMAY) scheme. The AP government has already acquired the land and NCC has begun construction and expects to complete the project within the stipulated timeline of 15 months. NCC also received an order in Security systems segment for setting up a fibre network where NCC would be executing the civil and mechanical works and other technical works will be executed by its JV partner Matrix. With strong opportunities across sectors and the anticipated pick-up in execution, the management has guided for a topline growth of ~10% and EBITDA margins of ~9% for FY18E. Consequently, we expect topline, bottomline to grow at 11.4%, 20.9% CAGR to ₹ 9796.2 crore, ₹ 329.7 crore, respectively, in FY17E-19E.

Upgraded credit ratings to improve profitability...

Both Fitch and Icria have revised upwards NCC's debt ratings to A-. Hence, with the ratings upgrade, the company expects borrowing costs to come down. Hence, we expect interest costs to come down to ₹ 370.0 crore in FY18E. Furthermore, the standalone debt for the company increased to ~₹ 1797.0 crore in Q1FY18 vs. ₹ 1576.7 crore in FY17 as the company utilised its working capital limits during the quarter with pick-up in execution.

Reports strong order inflow; maintain BUY...

We like NCC given its better financial leverage compared to its peers, which would allow it to capture strong opportunities in the infrastructure space, going ahead. Consequently, we expect its bottomline to grow at a CAGR of 20.9% CAGR to ₹ 329.7 crore in FY17-19E. We maintain our **BUY** rating on the stock with a target price of ₹ 110/share. We value NCC's domestic construction business at ₹ 120/share (7.5x FY19E EV/EBITDA in line with historical average of Simplex Infrastructure that is also a pure EPC player), international construction business at ₹ 3/share (0.5x FY19E price to sales) and the real estate business at ₹ 17/share (0.8x P/BV).

Rating matrix	
Rating	Buy
Target	₹ 110
Target Period	12-18 months
Potential Upside	21%

What's changed?	
Target	Unchanged
EPS FY18E	Unchanged
EPS FY19E	Unchanged
Rating	Unchanged

Quarterly performance					
	Q1FY18	Q1FY17	YoY (%)	Q4FY17	QoQ (%)
Revenue	2,013.7	1,901.1	5.9	2,139.4	-5.9
EBITDA	171.0	165.7	3.2	174.2	-1.8
EBITDA (%)	8.5	8.7	-23 bps	8.1	35 bps
PAT	63.4	52.3	21.2	63.7	-0.5

Key financials				
(₹ Crore)	FY16	FY17	FY18E	FY19E
Net Sales	8,325.2	7,892.1	8,557.3	9,796.2
EBITDA	737.6	685.1	764.3	889.6
Net Profit	240.2	225.5	261.5	329.7
EPS (₹)	4.3	4.1	4.7	5.9

Valuation summary				
(x)	FY16E	FY17E	FY18E	FY19E
P/E	21.0	22.4	19.3	15.3
Target P/E	25.5	27.1	23.4	18.5
EV / EBITDA	9.1	9.5	8.8	7.7
P/BV	1.5	1.5	1.3	1.2
RoNW (%)	7.0	6.6	6.9	8.1
RoCE (%)	16.0	14.6	13.6	14.7

Stock data	
Particular	Amount
Market Capitalization	5,050.6
Total Debt (₹ crore)	1,797.0
Cash (₹ crore)	67.8
EV (₹ crore)	6,779.8
52 week H/L (₹)	104 / 71
Equity capital	111.2
Face value	2.0

Price performance				
Return %	1M	3M	6M	12M
NCC	3.5	(8.6)	7.6	16.6
NBCC	6.2	9.6	17.5	33.1
Simplex Infra	(9.5)	8.6	47.0	52.4

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Variance analysis

Year	Q1FY18	Q1FY18E	Q1FY17	YoY (%)	Q4FY17	QoQ(%)	Comments
Net Sales	2,013.7	1,916.5	1,901.1	5.9	2,139.4	-5.9	Topline growth could be attributed to strong execution during the quarter
Other Income	20.9	25.0	28.6	-27.1	47.1	-55.7	
Total Construction Expenses	1,019.5	948.4	942.4	8.2	1,068.7	-4.6	
Employee cost	81.5	80.5	77.0	6.0	87.1	-6.3	
Other expenditure	741.7	714.8	716.1	3.6	809.5	-8.4	
EBITDA	171.0	172.7	165.7	3.2	174.2	-1.8	
EBITDA Margin (%)	8.5	9.0	8.7	-23 bps	8.1	35 bps	
Depreciation	27.6	27.6	27.7	-0.7	27.6	-0.3	
Interest	86.1	92.5	94.0	-8.4	102.2	-15.8	
Exceptional items	12.4	0.0	0.0	NA	-47.3	NA	It includes profit from sale of investments worth ₹ 12.4 crore
PBT	90.6	77.6	72.6	24.7	44.1	1,424.4	
Taxes	27.2	23.3	20.3	33.8	-19.7	NA	
PAT	63.4	54.3	52.3	21.2	63.7	-0.5	PAT included an exceptional item of ₹ 12.4 crore. Adjusting for this, it de-grew 2.5% YoY to ₹ 51.0 crore due to lower EBITDA margins and lower other income (₹ 20.9 crore in Q1FY18 vs. our expectation of ₹ 25.0 crore)

Source: Company, ICICIdirect.com Research

Change in estimates

₹ Crore)	FY17	FY18E			FY19E			
		Old	New	% Change	Old	New	% Change	
Revenue	7,892.1	8,517.6	8,557.3	0.5	9,641.7	9,796.2	1.6	We have tweaked our estimates
EBITDA	685.1	769.3	764.3	-0.6	894.9	889.6	-0.6	
EBITDA Margin (%)	8.7	9.0	8.9	-10 bps	9.3	9.1	-20 bps	
PAT	225.5	260.9	261.5	0.3	328.9	329.7	0.3	
EPS (₹)	4.1	4.7	4.7	0.3	5.9	5.9	0.3	

Source: Company, ICICIdirect.com Research

Assumptions

₹ crore	FY14	FY15	FY16	FY17	FY18E		FY19E		
					Current	Earlier	Current	Earlier	
Domestic Order Inflow	8,950	5,033	7,399	9,226	10,000	10,000	12,000	12,000	We have maintained our estimates
Domestic Order book	19,553	16,289	15,401	17,126	18,569	18,608	20,773	20,967	
Execution rate- Average (%)	31.2	50.9	54.1	46.1	46.1	45.8	47.2	46.0	

Source: Company, ICICIdirect.com Research

Conference Call Highlights:

- **Management guidance:** The management has guided for a revenue growth of ~10% for FY18E. Further, the EBITDA margin is expected to be in the range of 9% for FY18E
- **Orderbook details & opportunities:** The order book as on June 30, 2017 was at ₹ 22009 crore with strong order inflow of ₹ 6051 crore in Q1FY18. Further, the company is L1 in orders worth ~₹ 2500-3000 crore in Q2FY18E
- **Debt update:** Standalone debt for the company increased substantially to ~₹ 1797.0 crore vs. ₹ 1576.7 crore in FY17 as the company utilised its working capital limits during the quarter with a pick-up in execution. Going forward, the company plans to reduce its interest costs by ₹ 20-25 crore YoY in FY18E
- **NCC Urban:** The subsidiary is expected to receive ~₹ 140 crore from building sale for a metro project and Kakinada land sale in FY18E, which would be used to repay loan to the parent company. In Q1FY18, the NCC parent company has further given a loan worth ~₹ 47 crore to NCC Urban
- **Working capital improvement:** Debtor days increased during the quarter to 89 days. This is expected to normalise over the next couple of quarters
- **AP Housing order:** The company has won a housing project worth ₹ 2000 crore in AP for construction of 33000 units (G+3 structure) for urban poor under PMAY scheme. The company would receive 10% mobilisation advance and expects to receive timely payments according to monthly billings. The AP government has already acquired the land and NCC has begun construction. Timeline for the project is 15 months. The company is confident of completing it in the stipulated time
- **Security systems order:** This is a new segment for the company where it has formed a 51:49 JV with Matrix. The company's share of order is at ₹ 489 crore. The order entails setting up a fibre network where NCC would be executing the civil and mechanical works. The company expects to clock EBITDA margins of ~10-12% in the order
- **Exceptional item:** It is sale of investment relating to a 10% stake sale in S&P projects in Chennai where the company realised a profit of ₹ 12.4 crore
- **Metro orders:** The company is already executing ₹ 800 crore metro order in Nagpur and has also received ₹ 500 crore metro order in Pune. It has also bagged a metro order in Bangalore. Furthermore, the company has also received Mumbai metro order in Q2FY18E
- **GST impact:** The GST rate for works contract is at 18% against the earlier tax incidence of 15%. However, the company is eligible to claim input tax credit on raw materials procured. Hence, overall, the company expects GST rate at 18% to be neutral. However, due to some transitional issues, it may impact Q2FY18E revenues

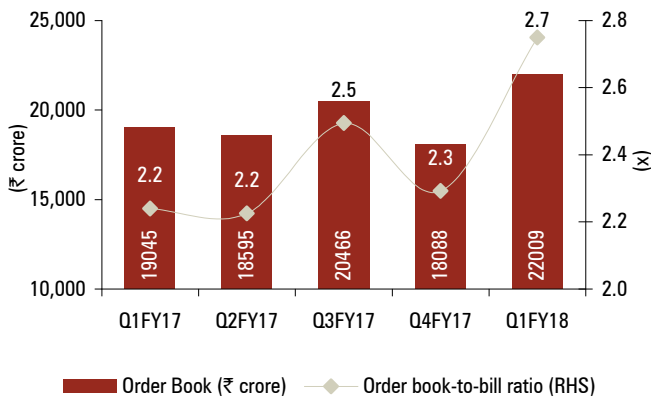
Company Analysis

Revenue to grow at 11.4% CAGR over FY17-19E...

As on Q1FY18, NCC's order book was at ₹ 22009 crore i.e. book to bill ratio of 2.7x on a TTM basis, thereby providing strong revenue visibility, going ahead. Out of this, the building, transportation, O&G division contributed ₹ 10108 crore (46%), water & railway division contributed ₹ 4903 crore (22%), electrical division contributed ₹ 1895 crore (9%) and international division contributed ₹ 829 crore (4%) with the remaining contribution coming from other divisions.

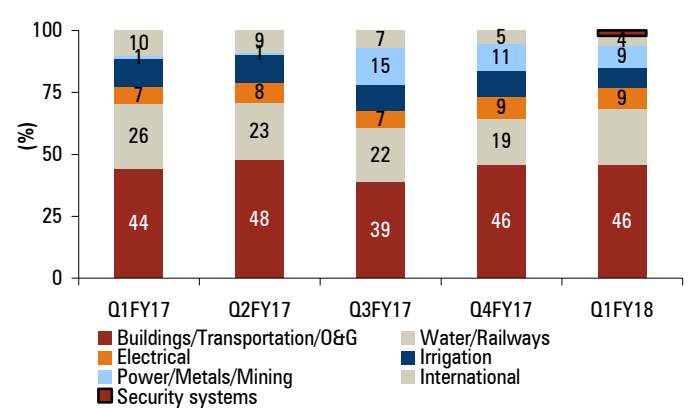
We also highlight that any easing of balance sheet through asset monetisation and working capital improvement could lead to a pick-up in execution and subsequently, lead to robust growth in topline, going forward. With an anticipated recovery in investment cycle, the opportunity landscape remains robust in roads, water and urban infrastructure. Hence, we build in order inflows of ₹ 10000 crore in FY18E and ₹ 12000 crore in FY19E. Consequently, we expect NCC to post a topline growth of 11.4% CAGR to ₹ 9796.2 crore over FY17-19E.

Exhibit 1: Quarterly order book trend



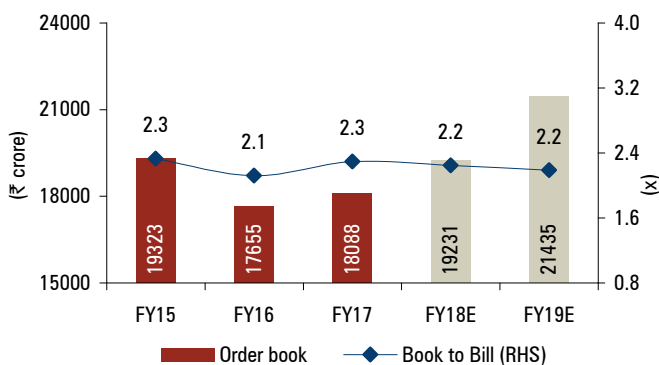
Source: Company, ICICIdirect.com, Research

Exhibit 2: Order book composition



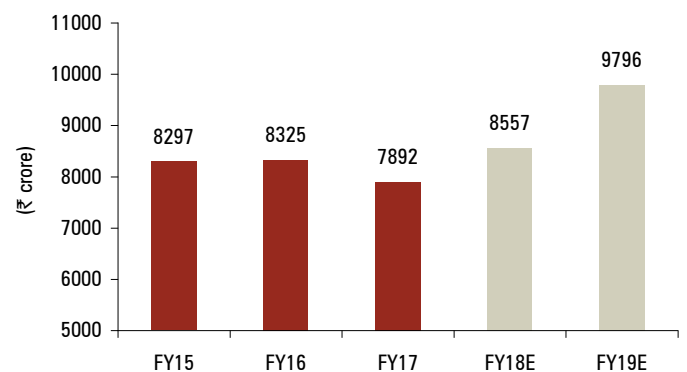
Source: Company, ICICIdirect.com, Research

Exhibit 3: Annual order book trend



Source: Company, ICICIdirect.com, Research

Exhibit 4: Annual revenue trend

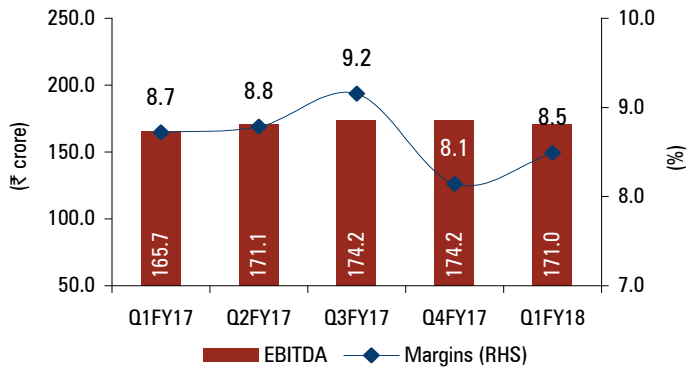


Source: Company, ICICIdirect.com, Research

Margins to improve further...

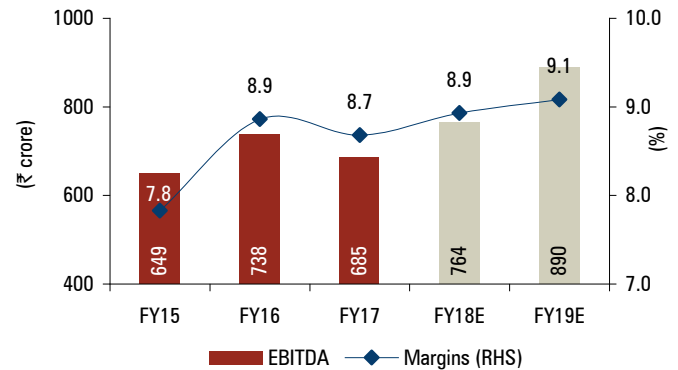
NCC has historically enjoyed EBITDA margins of 8-9%, which had shrunk to 6.6% in FY14. This was mainly due to cost escalation across projects, coupled with slower execution leading to unabsorbed fixed costs and low margin orders. Furthermore, the margins moderated in FY17 to 8.7% vs. 8.9% in FY16. Furthermore, in Q1FY18, EBITDA margins have further contracted to 8.5% owing to lower margins in some water and power orders. However, going ahead, with less competitive intensity, execution pick-up and high quality orders we have built in EBITDA margins of 8.9 and 9.1% in FY18E & FY19E, respectively.

Exhibit 5: Quarterly EBITDA trend



Source: Company, ICICIdirect.com, Research

Exhibit 6: Annual EBITDA trend

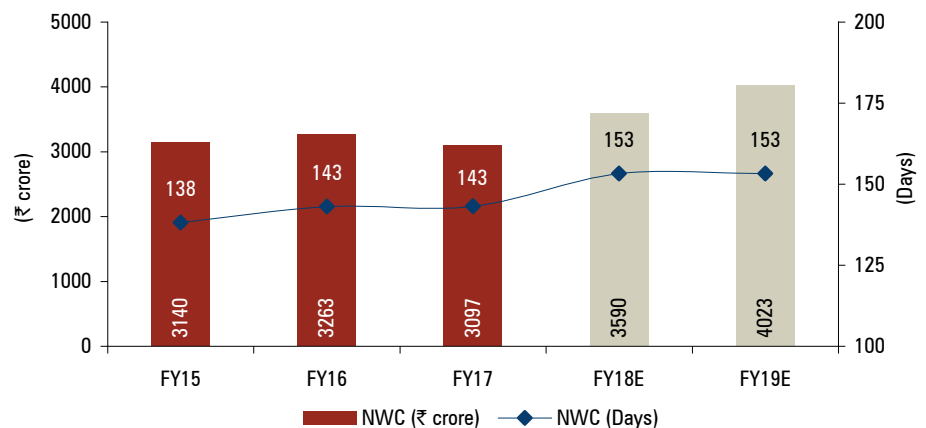


Source: Company, ICICIdirect.com, Research

Working capital expected to stretch a bit ...

The slowdown in execution and delay in payments had led to a significant rise in working capital days for NCC in the last few years. The working capital days have reached their peak level of 187 days in FY14 from 139 days in FY09. This is largely attributable to loans and advances given to real estate, power and road SPVs. However, with debt reduction and better collection management, it has significantly improved to 140 days in FY17. However, we expect the working capital cycle to get stretched to 153 days in FY19E.

Exhibit 7: Net working capital (NWC) trend



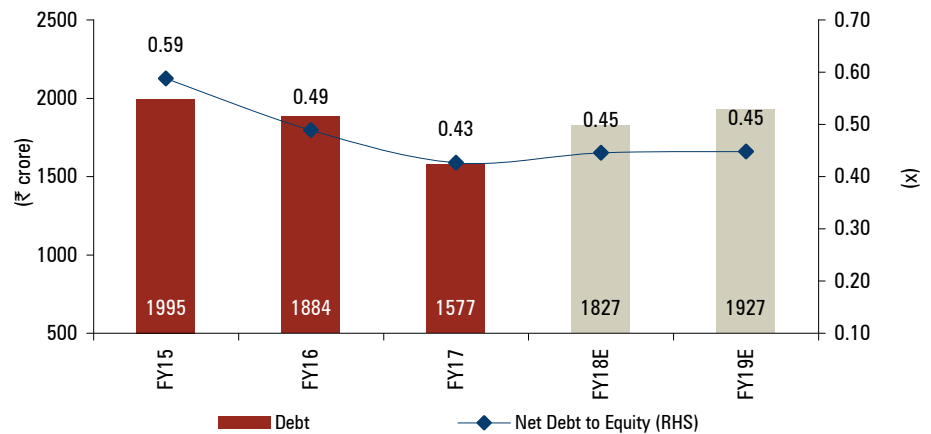
Source: Company, ICICIdirect.com Research

We expect the debt to equity to remain flat at 0.45x in FY19E

Leverage to rise marginally from current levels...

Elevated working capital and significant investment in real estate, power and road SPV have led to increase in debt levels over the last few years. However, with monetisation on the right track, the company managed to reduce its debt significantly from the elevated levels over the past couple of years. However, with execution set to pick up over the next couple of years, we expect the debt to rise to ₹ 1927 crore by FY19E. Consequently, we expect debt to equity to remain flat at 0.45x in FY19E.

Exhibit 8: Leverage trend...

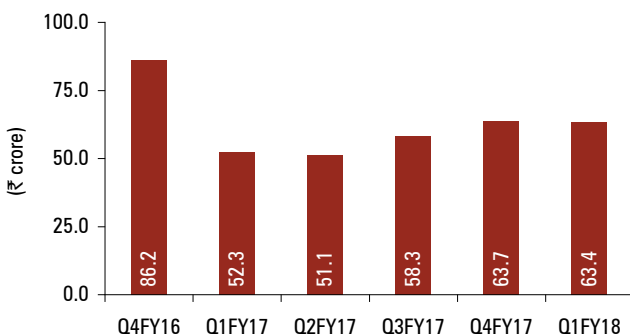


Source: Company, ICICIdirect.com Research

PAT to bounce back...

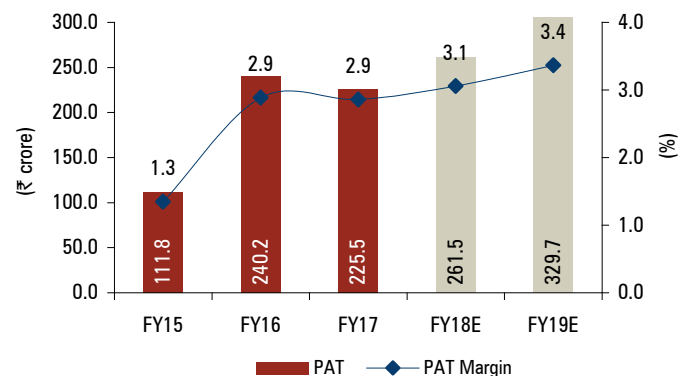
The muted topline show, deteriorating margins, higher interest cost on account of higher debt levels and poor credit profile had radically impacted NCC's bottomline in the past few years. However, improvement in credit ratings has led to better credit terms and lower borrowing costs. India Ratings & Research (Ind-Ra) has upgraded NCC's long term issuer rating to 'IND A-' from 'IND BBB+' and maintained a stable outlook. Furthermore, with an improvement in execution, ratings and margins coupled with lower interest expenses, we expect NCC's bottomline to grow 20.9% CAGR to ₹ 329.7 crore over FY17-19E.

Exhibit 9: Quarterly PAT trend



Source: Company, ICICIdirect.com, Research

Exhibit 10: Annual PAT & PAT trend



Source: Company, ICICIdirect.com, Research

Our target price for NCC is ₹ 110/share based on the SOTP methodology.

Outlook and Valuation

We like NCC given its better financial leverage compared to other players, which would allow it to capture strong opportunities in the infrastructure space, going ahead. Consequently, we expect its bottomline to grow at a CAGR of 20.9% CAGR to ₹ 329.7 crore over FY17-19E. We maintain our **BUY** recommendation on the stock with a target price of ₹ 110/share. We value NCC's domestic construction business at ₹ 120/share (7.5x FY19E EV/EBITDA in line with historical average of Simplex Infrastructure that is also a pure EPC player), international construction business at ₹ 3/share (0.5x FY19E price to sales) and real estate business at ₹ 17/share (0.8x P/BV).

Exhibit 11: SOTP Valuation - NCC

Entity	Value (₹ crore)	Per share (₹)	Comment
Domestic Construction Business	6,672	120	7.5x FY19E EV/EBITDA
International Construction Business	168	3	0.5x FY19E Price to sales
Investment in real estate	960	17	Value at 0.8x P/BV
Less:Net Debt	(1,817)	(33)	FY19E net debt
Fair Value		108	
Rounded off target price		110	

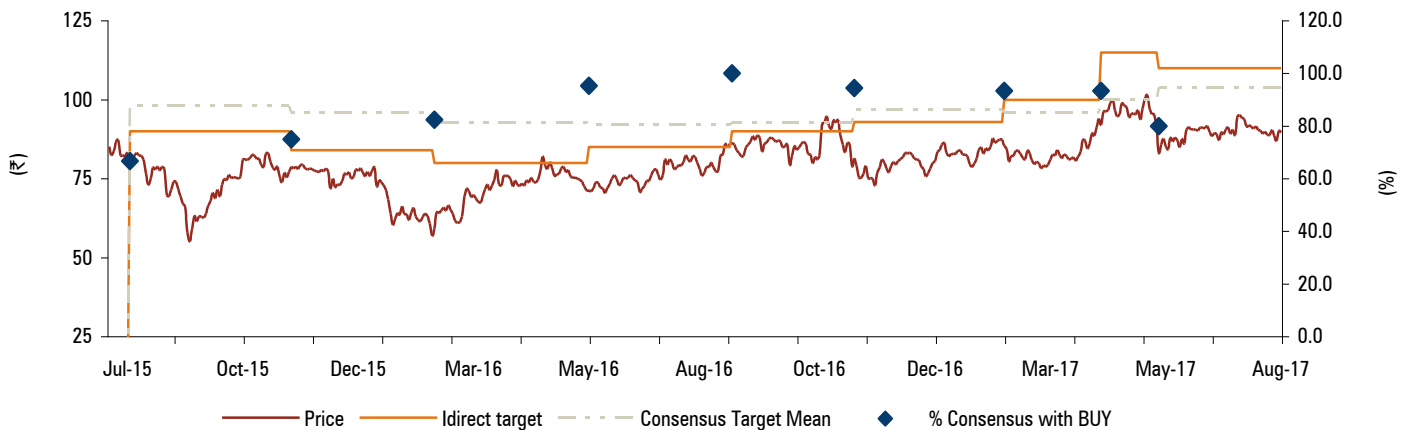
Source: Company, ICICIdirect.com Research

Exhibit 12: Valuation Metrics

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY16	8325.2	0.3	4.3	114.9	20.6	9.0	7.0	16.0
FY17	7892.1	-5.2	4.1	-6.1	22.0	9.4	6.6	14.6
FY18E	8557.3	8.4	4.7	16.0	19.0	8.7	6.9	13.6
FY19E	9796.2	14.5	5.9	26.1	15.0	7.6	8.1	14.7

Source: Company, ICICIdirect.com Research

Recommendation history vs. Consensus



Source: Bloomberg, Company, ICICIdirect.com Research

Key events

Date	Event
Dec-14	NCC raises ₹ 600 crore via rights issue
Jun-15	NCC plans to monetise its power and road projects to pare debt which is currently at ~₹ 1995 crore
Sep-15	NCC Ltd has been re-allocated 972 acres land at Sompeta in Srikakulam district of Andhra Pradesh for development of an agri-based economic zone
Jan-16	NCC along with Gayatri Projects and its subsidiary enters into definitive agreement to sell 100% stake in Western UP Tollway project to Cube Highways
Feb-16	NCC along with Soma Enterprise Ltd executes definitive agreement to sell their respective shareholdings in Bangalore Elevated Tollway to India Infrastructure Fund II
Mar-16	NCC Infrastructure Holdings (subsidiary of NCC) enters into share sale agreement with Sembcorp, for sale of a portion of the stake held in Sembcorp Gayatri Power (SGPL)
Apr-16	The Mumbai Metropolitan Region Development Authority (MMRDA) awards contracts to design and construct the 16.5 km Metro-VII corridor from Andheri East to Dahisar East in three packages to Simplex Infrastructure, NCC and J Kumar Infra. NCC will design and construct a third package
May-16	NCC infrastructure Holdings, a subsidiary of NCC, enters into share sale agreement with Sembcorp Utilities Pte, for sale of a portion of the stake held in Sembcorp Gayatri Power (SGPL) for a gross consideration of ₹ 301.3 crore
May-16	NCC enters into agreement to sell its stake in Western UP Expressway (EV: ₹ 575 crore) and Bangalore Elevated Tollway (EV: ₹ 750 crore) in Q4FY16
Sep-16	India Ratings upgrades credit ratings of long term debt of NCC from BBB Stable to BBB+/Positive
Oct-16	NCC-BGR consortium bags Pachwara-North Coal Block MDO project worth ~₹ 35000 crore in Jharkhand to be executed over a 30 year period

Source: Company, ICICIdirect.com Research

Top 10 Shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Jhunjhunwala (Rekha Rakesh)	31-Mar-17	8.1%	45.1	0.0
2	AVSR Holdings Pvt. Ltd.	14-Jun-17	7.0%	39.1	2.8
3	Norges Bank Investment Management (NBIM)	31-Mar-17	4.5%	25.2	0.4
4	UTI Asset Management Co. Ltd.	31-Mar-17	4.4%	24.3	(2.0)
5	Reliance Nippon Life Asset Management Limited	31-May-17	4.1%	22.5	3.3
6	Dimensional Fund Advisors, L.P.	30-Apr-17	3.4%	18.9	(0.3)
7	Tata Asset Management Limited	31-Dec-16	3.4%	18.6	6.9
8	Goldman Sachs Asset Management (India) Private Ltd.	31-Mar-17	3.1%	17.0	(0.0)
9	ICICI Prudential Asset Management Co. Ltd.	31-Mar-17	2.9%	16.1	2.3
10	Beacon India Managers, Ltd.	31-Mar-17	2.5%	14.0	0.0

Source: Reuters, ICICIdirect.com Research

Shareholding Pattern

(in %)	Dec-16	Mar-17	Jun-17
Promoter	19.74	19.72	19.57
Public	80.26	80.28	80.43
Others	0.00	0.00	0.00
Total	100.00	100.00	100.00

Recent Activity

Buys			Sells		
Investor name	Value (m)	Shares (m)	Investor name	Value (m)	Shares (m)
Azim Premji Trust	17.3	13.7	The Vanguard Group, Inc.	(7.1)	(5.7)
Reliance Nippon Life Asset Management Limited	4.5	3.3	Raju (A V S)	(3.7)	(2.8)
Amundi Hong Kong Limited	4.4	3.0	SBI Funds Management Pvt. Ltd.	(2.7)	(2.1)
AVSR Holdings Pvt. Ltd.	3.7	2.8	UTI Asset Management Co. Ltd.	(2.5)	(2.0)
ICICI Prudential Asset Management Co. Ltd.	2.9	2.3	DSP BlackRock Investment Managers Pvt. Ltd.	(1.8)	(1.5)

Source: Reuters, ICICIdirect.com Research

Financial summary

Profit and loss statement

₹ crore	FY16	FY17	FY18E	FY19E
Net Sales	8,325.2	7,892.1	8,557.3	9,796.2
Other Income	224.0	140.1	100.0	100.0
Total revenues	8,549.1	8,032.2	8,657.3	9,896.2
Raw Material Expenses	3,900.9	3,135.7	3,387.1	3,877.5
Employee benefit expenses	300.8	331.6	350.9	401.7
Construction expenses	3,174.7	3,551.4	3,850.8	4,408.3
Other Expenses	211.1	188.3	204.1	219.0
Total operating expenses	7,587.5	7,206.9	7,793.0	8,906.6
EBITDA	737.6	685.1	764.3	889.6
Interest	508.9	395.7	370.0	389.4
Depreciation	110.0	112.1	120.6	129.2
PBT	322.5	267.1	373.6	471.0
Taxes	82.3	41.7	112.1	141.3
PAT	240.2	225.5	261.5	329.7
EPS	4.3	4.1	4.7	5.9

Source: Company, ICICIdirect.com Research

Balance sheet

₹ crore	FY16	FY17	FY18E	FY19E
Equity Capital	111.2	111.2	111.2	111.2
Reserve and Surplus	3,297.6	3,331.1	3,669.6	3,944.3
Total Shareholders funds	3,408.8	3,442.3	3,780.8	4,055.4
Total Debt	1,883.6	1,576.7	1,826.7	1,926.7
Other Non-current Liabilities	49.7	-	-	-
Deferred Tax Liability	(20.8)	(135.4)	(135.4)	(135.4)
Source of Funds	5,321.3	4,883.5	5,472.1	5,846.7
Gross Block	1,255.1	1,358.9	1,462.7	1,566.5
Less: Accumulated Dep	639.1	720.8	841.4	970.6
Net Block	619.7	638.1	621.3	595.9
Capital WIP	7.6	1.3	1.3	1.3
Total Fixed Assets	627.4	639.4	622.6	597.2
Investments	1,031.3	1,028.7	1,028.7	1,028.7
Inventory	1,656.8	1,525.8	1,748.3	2,001.4
Sundry Debtors	1,324.5	3,703.5	4,109.4	4,704.4
Loans & Advances	2,847.5	586.1	633.9	638.2
Cash & Bank Balances	215.8	109.5	142.5	110.1
Other Current Assets	1,603.0	1,099.7	1,402.2	1,605.2
Total Current Assets	7,647.6	7,024.6	8,036.3	9,059.3
Trade Payable	2,122.9	2,943.5	3,283.1	3,758.4
Provisions	72.0	33.8	36.5	41.8
Other Current Liabilities	1,907.5	919.7	983.8	1,126.2
Total Current Liabilities	4,102.4	3,897.0	4,303.4	4,926.4
Net Current Assets	3,545.3	3,127.6	3,732.9	4,132.9
Application of Funds	5,321.3	4,883.5	5,472.1	5,846.7

Source: Company, ICICIdirect.com Research

Cash flow statement

₹ crore	FY16E	FY17E	FY18E	FY19E
Profit after Tax	240.2	225.5	261.5	329.7
Depreciation	110.0	112.1	120.6	129.2
Interest paid	508.9	395.7	370.0	389.4
Cash Flow before wc changes	786.8	720.4	809.8	989.6
Net Increase in Current Assets	(55.9)	516.6	-	-
Net Increase in Current Liabilities	(67.3)	(255.1)	-	-
Net cash flow from op. activities	67.8	461.8	(244.6)	26.6
(Purchase)/Sale of Fixed Assets	(97.2)	(126.3)	(103.8)	(103.8)
(Purchase)/Sale of Investments	125.5	2.6	-	-
Net cash flow from inv. activities	182.7	(69.3)	(49.3)	(103.8)
Proceeds from Secured Borrowings	(86.6)	(281.9)	250.0	100.0
Proceeds from Unsecured Borrowing	(25.0)	(25.0)	-	-
Net cash flow from fin. activities	(147.3)	(498.9)	327.0	44.9
Net Cash flow	103.1	(106.4)	33.0	(32.3)
Opening Cash	112.7	215.8	109.4	142.5
Closing Cash	215.8	109.4	142.5	110.1

Source: Company, ICICIdirect.com Research

Key ratios

₹ crore	FY16	FY17E	FY18E	FY19E
Per Share Data				
Reported EPS	4.3	4.1	4.7	5.9
Cash EPS	6.3	6.1	6.9	8.3
BVPS	61.3	61.9	68.0	72.9
Operating Ratios				
EBITDA / Net Sales	8.9	8.7	8.9	9.1
PAT / Net Sales	2.9	2.9	3.1	3.4
Return Ratios				
RoE	7.0	6.6	6.9	8.1
RoCE	16.0	14.6	13.6	14.7
RoIC	12.3	12.0	12.1	13.3
Valuation Ratios				
EV / EBITDA	9.1	9.5	8.8	7.7
P/E	21.0	22.4	19.3	15.3
EV / Net Sales	0.8	0.8	0.8	0.7
Market Cap / Sales	0.6	0.6	0.6	0.5
Price to Book Value	1.5	1.5	1.3	1.2
Turnover Ratios				
Asset turnover	1.6	1.6	1.6	1.7
Debtors Turnover Ratio	6.3	2.1	2.1	2.1
Creditors Turnover Ratio	3.9	2.7	2.6	2.6
Solvency Ratios				
Net Debt / Equity	0.5	0.4	0.4	0.4
Current Ratio	1.8	1.8	1.8	1.8
Quick Ratio	1.4	1.4	1.4	1.4

Source: Company, ICICIdirect.com Research

ICICIdirect.com coverage universe (Construction)

Sector / Company	CMP			M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			P/B (x)			RoE (%)		
	(₹)	TP(₹)	Rating		FY16	FY17E	FY18E	FY16	FY17E	FY18E	FY16	FY17E	FY18E	FY16	FY17E	FY18E	FY16	FY17E	FY18E
NBCC (NBCC)	210	195	Hold	18,891	3.4	3.9	4.6	57.0	50.1	42.2	47.0	40.0	33.5	11.8	10.5	9.3	20.7	21.0	22.0
IRB Infra (IRBINF)	215	240	Hold	7,524	19.1	21.5	25.5	11.5	10.2	8.6	1.4	1.3	1.3	1.5	1.4	1.2	13.2	13.6	14.2
PNC Infratech (PNCINF)	140	155	Buy	3,492	9.5	8.2	6.8	14.8	17.1	20.5	13.2	15.3	12.9	2.6	2.3	2.1	11.3	9.8	10.2
Sadbhav Engg. (SADENG)	288	350	Buy	4,929	6.6	7.8	11.0	47.5	40.4	28.7	21.5	20.2	18.9	4.0	3.7	3.3	8.4	9.1	11.5
Ashoka Buildcon (ASHBUI)	183	210	Buy	3,404	6.2	5.2	-4.7	30.0	35.9	NA	16.3	15.2	7.7	2.3	2.2	1.6	7.7	6.0	NM
Simplex Infra (SIMCON)	460	480	Hold	2,277	21.4	17.3	17.6	21.9	26.9	26.5	8.2	8.7	7.7	1.5	1.4	1.4	7.1	5.4	5.3
NCC (NAGCON)	91	110	Buy	5,051	4.3	4.1	4.7	21.0	22.4	19.3	9.1	9.5	8.8	1.5	1.5	1.3	7.0	6.6	6.9

Source: Company, ICICIdirect.com Research

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