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Initiating Coverage

Allcargo Logistics Ltd.

22-July-2021

RETAIL RESEARCH

Allcargo Logistics Ltd.

Industry	LTP	Recommendation	Base Case Fair Value	Bull Case Fair Value	Time Horizon
Logistics	Rs. 157.5	Buy at Rs.157-161 & add more on dips to Rs 139-141	Rs. 174	Rs. 194	2 quarters

HDFC Scrip Code	ALLLOGEQNR
BSE Code	532749
NSE Code	ALLCARGO
Bloomberg	AGLL:IN
CMP July 20, 2021	157.5
Equity Capital (cr)	49.14
Face Value (Rs)	2
Eq- Share O/S(cr)	24.6
Market Cap(Rscr)	3870
Book Value (Rs)	93
Avg.52 Wk Volume	651660
52 Week High	167.60
52 Week Low	92.10

Share holding Pattern % (June, 2021)	
Promoters	70.01
Institutions	15.63
Non Institutions	14.27
Total	100.0

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Our take

Allcargo Logistics Ltd. (ALL) provides logistics services such as Non-Vessel Owning Common Carrier (NVOCC), Container Freight Station (CFS), Inland Container Depot (ICD), warehousing, coastal shipping, express logistics, project logistics and equipment leasing. It has a strong presence at major container ports that handle >70% of India's container traffic. In 2020, Allcargo Logistics Ltd. (ALL) had acquired a stake of 46.86% in Gati. ALL and Gati will derive synergy benefits and, together, would be in a position to offer end-to-end services across the value chain.

ALL is the global leader in Less than Container Load (LCL) consolidation and is India's largest integrated logistics services provider. ALL is a leading player in the CFS segment, which is its most profitable business, with stations at four major ports of India, and an ICD at Dadri (Uttar Pradesh).

The company has initiated restructuring exercise with a clear focus on becoming asset light, which will enhance its efficiency and profitability and deleverage its balance sheet. It has made a deal with the Blackstone Group for selling a stake in the logistics park business. Also, Gati has exited the asset-heavy cold chain business (sold the entire 70% stake to existing shareholder Mandala Capital AG Ltd), discontinued other lossmaking trading/ freight forwarding businesses (GEITL), sold company-owned commercial vehicles, adopted an asset light business model, and disposed it's the non-core assets (land and buildings). Also, its plans for divestment of the low-margin fuel station business (five petrol pumps) should fructify and complete by FY22. The restructuring plan will improve its balance sheet and return ratios. The turnaround in Gati operations can result in significant value creation for ALL.

The Multimodal Transport Operation (MTO) segment contributes 80% to revenue, CFS contributes 4% of revenue, the Gati-express business contributes 13% and other business (P&E and logistics park) segments contribute the balance. Higher freight rates continue to aid strong operating leverage for the MTO segment; and at the same time stretch its working capital.

Allcargo's growth has been a trajectory of organic and inorganic growth milestones. Notable among these have been the acquisition of Belgium-based ECU-Line, US-based Econocaribe and other companies in China, Hong Kong, Netherlands and others that have helped establish a worldwide footprint. Allcargo's global network operates through more than 300 offices in over 160 countries.

We expect the company's revenue to be hit in the near term by a COVID-led economic slowdown. The industry is highly dependent on the manufacturing sector, EXIM trade and government support, which are expected to slow down along with the economy. However, post the reopening of the economy, the business of ALL should bounce back sharply.

Valuation and recommendation

We expect the company to gain from (1) its leadership position in the NVOCC & LCL, (2) diversification of customer base, (3) Blackstone deal, and (4) revenue offering from different segments including Gati. Also, Allcargo's focus on restructuring the business will improve return ratios and financials and transform the business into an asset-light one.

ALL has a longstanding relationship with customers across the globe and, with the acquisition of Gati, it would be well-placed in the domestic express distribution segment to offer a wide range of logistic solutions to its international customers.

With the increasing share of rail in the EXIM container trade and relatively better positioning of stronger players in the organised sector, ALL stands to benefit. This benefit could sustain and increase with the arrival of the DFC.

The COVID-led slowdown has adversely impacted the year FY21 and could partly impact FY22E as utilisation has gone down and there is a sharp fall in manufacturing activities of various sectors with lower EXIM trades, which could lead to the company reporting 6% topline CAGR and 30% EPS CAGR over FY21P-23E. FY21 included a lot of cleaning up in the P&L account of ALL and Gati, which is not likely to repeat going forward.

The stock is currently trading at 11.8x FY23E PE, 5.4x FY23E EV/EBITDA. **We believe the base case fair value of the stock is Rs.174 (13.0x FY23E PE) and in the bull case, the fair value of the stock is Rs.194 (14.5x FY23E PE). Investors willing to take some risk can buy at Rs.157-161 (12.1x FY23E PE) and add more on dips to Rs.139-141 (10.6x FY23E PE).**

Allcargo Logistics Ltd.

Financial Summary

Particulars (Rs cr)	Q4FY21	Q4FY20	YoY-%	Q3FY21	QoQ-%	FY19	FY20	FY21P	FY22E	FY23E
Total Operating Income	3349	1871	79%	2735	22%	6,895	7,346	10,498	10,764	11,533
EBITDA	193	106	82%	148	30%	449	503	634	685	792
APAT	54	52	3%	14	283%	249	246	173	214	328
Diluted EPS (Rs)	2.19	2.12	3%	0.57	284%	9.6	9.1	7.0	8.7	13.3
RoE-%						12	11	8	9	12
P/E (x)						16.4	17.4	22.5	18.1	11.8
EV/EBITDA						9.5	8.5	6.7	6.2	5.4

(Source: Company, HDFC sec)

Q4FY21 result update

- Revenue of the company grew by 79% YoY to Rs.3,349 cr. EBITDA came in at Rs.193 cr vis-à-vis loss of Rs.106 cr in the same quarter in the previous year.

Segment-wise

- Revenue of The Multimodal Transport Operations segment has posted 61% YoY growth to Rs. 2,724 cr and EBIT of this segment grew by 95% YoY to Rs.123 cr. Volume (TEUs) has posted 23% YoY growth to 224,029 TEUs, NSR (Rs/TEUs) has posted 31% YoY growth to Rs.121,586/TEUs, EBIT (Rs/TEUs) has posted 59% YoY growth to Rs.5,510/TEUs.

- Revenue of Container Freight Station Operations segment has posted 31% YoY growth to Rs.131 cr and EBIT of this segment grew by 81% YoY to Rs.41 cr. Volume (TEUs) has posted 26% YoY growth to 92,317 TEUs, NSR (Rs/TEUs) has posted 4% YoY growth to Rs.142,28/TEUs, EBIT (Rs/TEUs) has posted 44% YoY growth to Rs.4,487/TEUs.

- Revenue of Project and Engineering Solutions segment has posted 6% YoY growth to Rs.93 cr and EBIT of this segment has increased loss YoY to Rs.12 cr.

- Revenue of the Logistics Park segment has posted 90% YoY growth to Rs.21 cr and EBIT of this segment grew by 714% YoY to Rs.10 cr.

- Revenue of Express Logistics segment due to acquisition of Gati, has come in at Rs.407 cr and EBIT of this segment has reported loss of Rs.19 cr.

- Exceptional items due to consolidation of Gati, which provided for exceptional items the loss on fair value of sale of non-core assets.

Long-term triggers

National logistics policy

India has never had a uniform approach to logistics as a subject of public policy. After achieving the infrastructure status in 2017, the logistics sector in India is now pegged at upwards of $160 billion, with an annual growth rate of 10.5%, according to industry estimates. With an eye on infrastructure creation and highway construction, the Narendra Modi-led government prioritised a separate logistics division in its first term, which was set up in 2017, under the commerce department of the commerce and industry ministry. The ministry then pushed to upgrade the logistics division to a full-fledged department in 2019.

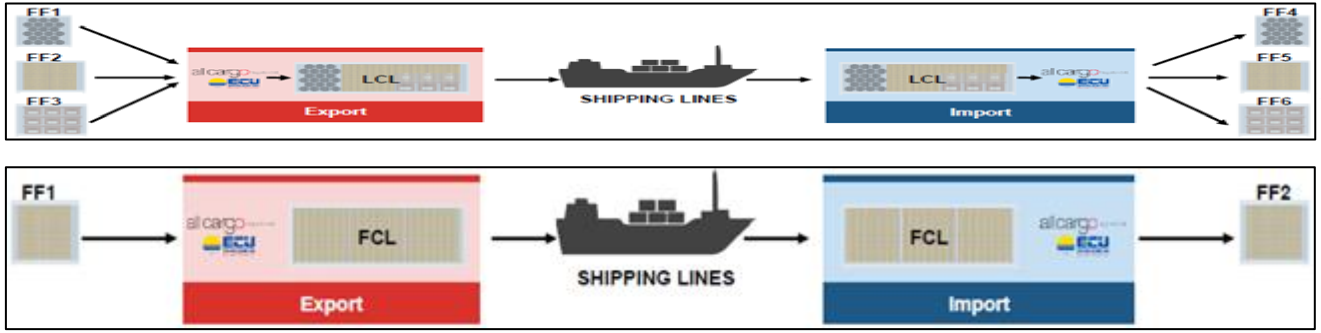
Currently, more than 10,000 traded commodities are further monitored by 81 authorities and 500 certificates are required for exports. The commerce department had recently floated the first draft, the proposed National Logistics Policy that seeks to reduce India’s prohibitively high costs, ensure faster movement of goods, and boost exports. The policy is in its final stages and has been developed after wide consultations with all central ministries and other stakeholders. It aim is to reduce the logistics cost from 13% of the country’s GDP at present to 8% in five years.

The logistic sector remains extremely fragmented, involving 12 million employees, 200 shipping agencies and 36 logistics services. Any outcome of the national logistics policy will be positive for large logistic companies, which have a presence across the entire value chain.

Offering a wide range of logistics service

Multimodal Transport Operations (MTO)

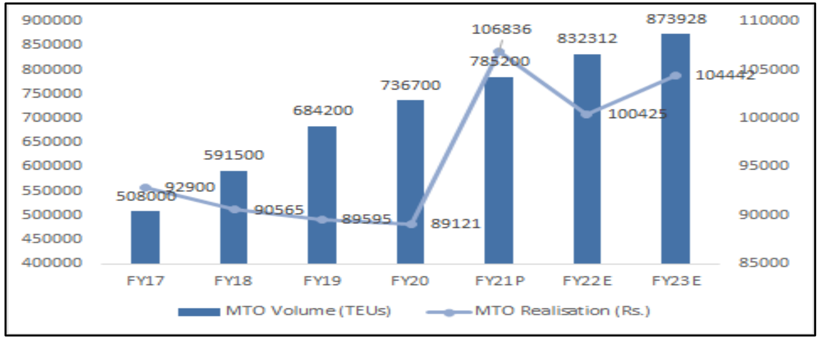
The global MTO business is the largest revenue contributing segment for ALL. The MTO segment includes Non-Vessel Operating Common Carrier (NVOCC) operations, including Less than Container Load (LCL) consolidation and FCL forwarding activities in India and across the world.



Source – Company, HDFC sec Research

The company is the global leader in the LCL segment for ocean cargo across 4,000+ port pairs around the globe. The business is operated under its global brand 'ECU Worldwide' with a presence in 160+ countries.

Shortage continues across the globe for ocean shipment in both FCL/LCL. Ocean Export freight rates continue to remain near its highest for Latin America, South America, North America, Australia and Africa. Different pandemic waves led to disruptions and lower volumes but the same was compensated by a higher freight environment which has posted growth.



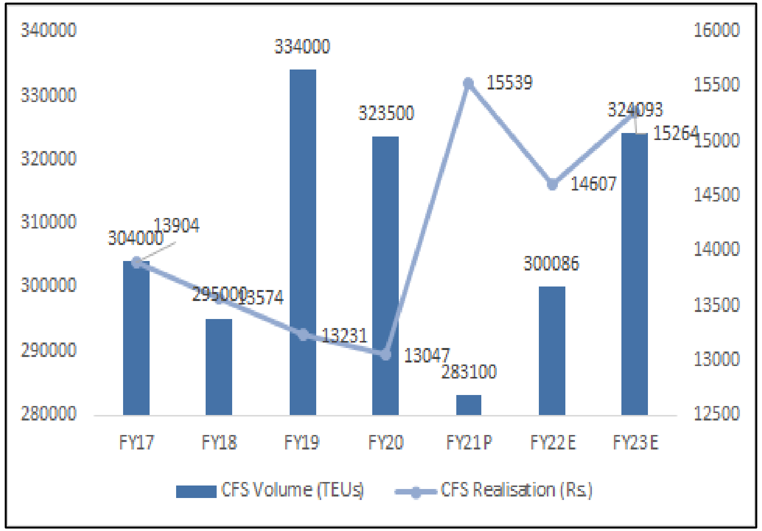
Source – Company, HDFC sec Research

Container Freight Station (CFS)/ Inland Container Depots (ICD)

The CFS /ICD segment operations cater to the handling of import and export cargo, customs clearance, warehousing, and other related ancillary logistics services. Allcargo has a presence across the major ports viz. JNPT, Mundra, Chennai and Kolkata, which collectively drive 80% of India's container traffic. The company also has an ICD at Dadri. It is ranked among the top three CFS operators at Nhava Sheva, Chennai, and Kolkata.

These CFS/ICD facilities have a total installed capacity of 5,00,000 TEUs, geared with the latest technology and backed by experienced teams who are equipped and trained to handle all import and export shipment requirements.

The CFS division operates in synergy with the MTO segment, the company leases container space with major shipping companies for its clients in the MTO segment and, on the other hand, it gets clients of the CFS segment from the same shipping companies.



Source – Company, HDFC sec Research

Projects and engineering (P&E)

The projects and engineering segment provides services offering integrated end-to-end logistics services, including transportation of over-dimensional & over-weight cargo, on-site lifting & shifting, equipment leasing, and coastal shipping. Allcargo has a fleet of 800+ owned equipment capable of executing projects, which need specialised cranes and lifting solutions, ranging in capacity from 50 to 3,000 metric tons.

The company has developed an in-house repairs & maintenance division to efficiently manage all types of R&M of its fleet wherever it is deployed. The company's fleet of assets includes specialised cranes, trailers, hydraulic axels, barges, forklifts, reach stackers, girder bridges, etc.

The P&E segment caters to industries like oil and gas, power, thermal, wind, infrastructure, steel, cement, etc.

The Reliance Group had partnered with Allcargo to set up a 6 x 660 MW Ultra Mega Power Project (UMPP) at Sasan, Madhya Pradesh. Over dimensional cargo (ODC) weighing over 370 MT was transported from various parts of India to Sasan, covering a challenging stretch of 1,500 kms and involving the creation of a 1,400 metres bypass to let the ODC cross through the heavily flowing Son river.

The current executable order book in project logistics is around Rs.139 cr along with a visible pipeline of ~ Rs. 486 cr.

Logistics parks

Allcargo is building strategically located logistics parks across India on ~300 acres of land that they already own. These logistics parks help enhance the end-to-end logistics services capabilities of the company by providing warehousing, contract logistics, and first & last-mile connectivity.

The company has built 6 mn sq. ft. of warehouses having strong connectivity to industrial hubs and transport routes. The company has focused on an asset-light strategy by moving assets to SPVs with planned stake dilution.

Supply Chain Management (SCM)

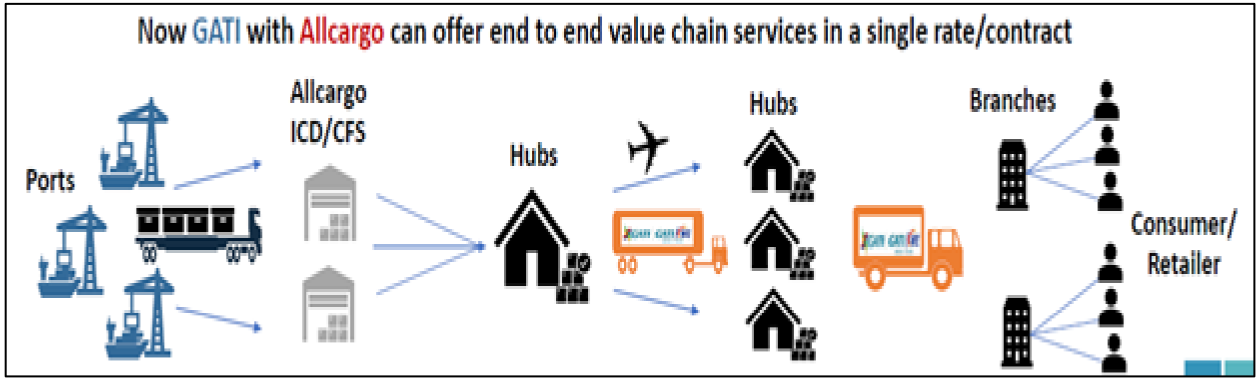
The SCM and contract logistics business of Allcargo is carried out by its associate company AVVASHYA CCI. Allcargo is a majority shareholder of the company owning a 61.2% stake. Services of the company include design and planning supply chains, warehousing, transporting & managing inventory for key clients in chemicals, auto & engineering, fashion & retail, including e-commerce sectors.

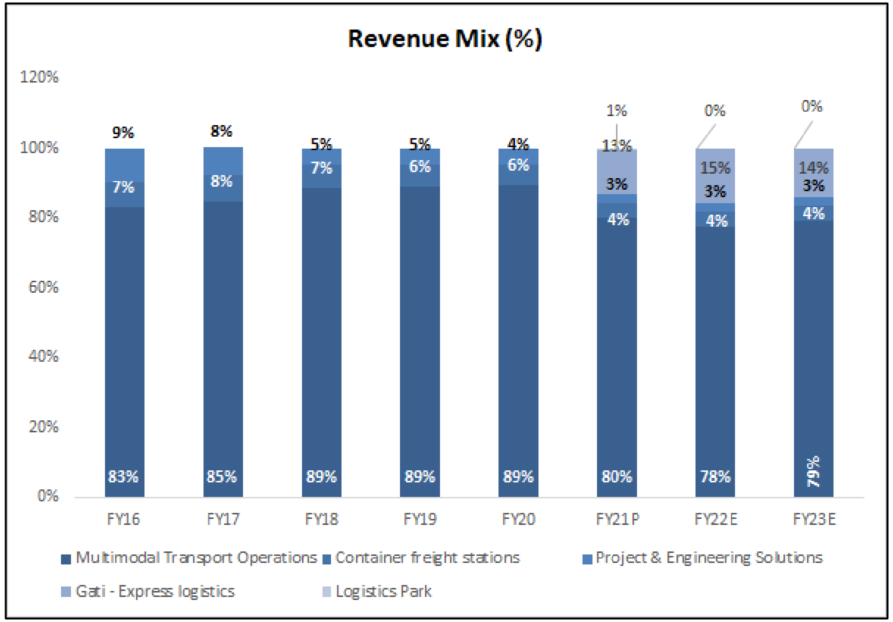
The company manages 3.5+ mn sq. ft. of warehousing space across 45 locations in India. The company is a leader in the chemicals logistics segment and covers over 89% of the country's consumption markets.

GATI - Express Logistics

Allcargo completed the acquisition of a 46.86% stake in Gati in April 2020. The board of Gati has approved allotment of shares and warrants to ALL on 17 June 2021 to raise Rs.80 cr, so that post the conversion of warrants, the stake of ALL would rise to 50.2%.

Gati Ltd. offers a wide range of services, viz. express distribution, supply chain management solution, e-commerce logistics, managed value-added transportation services (MVATS) and fuel stations. Express distribution & supply chain segment contributes 78% to revenue, while the fuel station contributes 18% and other business segments contribute the balance. The company has an extensive pan-India presence that covers 735 out of the total of 739 districts in the country, operating on more than 1,900+ scheduled routes with 1,500 fleet, 5,000+ trucks and 600+ operating centres, and 7,000 business partners.





Source – Company, HDFC sec Research

Leadership position in various segment

ALL is India's largest and a leading global operator, engaged in the NVOCC business, and is backed by a strong network. It is the second-largest player in the LCL freight-forwarding industry globally.

LCL cargo, which is a higher-margin lower-volume market and which is expected to exhibit resilience and volume growth even during the current slowdown compared with FCL cargo, would support profitability. ALL will be leveraging on its existing global network that should help the NVOCC business grow steadily without significant investments over the medium term.

ALL is a leading player in the CFS segment, which is its most profitable business, with stations at four major ports of India, and an ICD at Dadri (Uttar Pradesh). Gati - one of the largest courier companies having extensive coverage in India - offers transportation solutions, e-commerce, trade inventory management, and freight forwarding.

Clientele

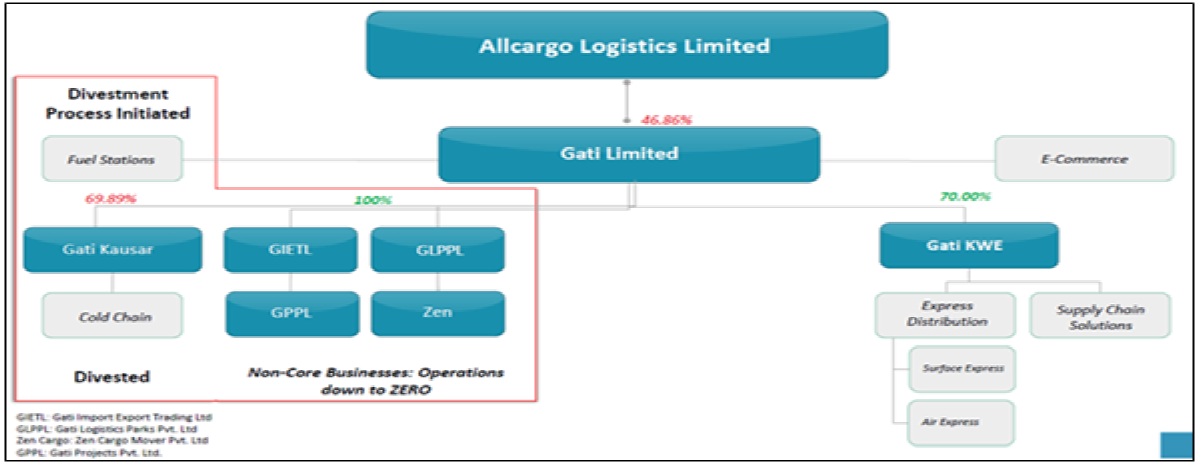
Source – Company, HDFC sec Research

Focus on being assets light business in Gati as well as P&E business

The company has a strong focus on asset-light business growth, which will help reduce capital employed and borrowings. It is also focusing on rationalising its fleet in its P&E business to make the overall fleet younger.

Gati

The company has exited the cold chain business, discontinued other lossmaking businesses, and disposed non-core assets, which are classified as assets held for sale. Proceeds from these are expected to be utilised to repay debt, which would reduce the finance expense.



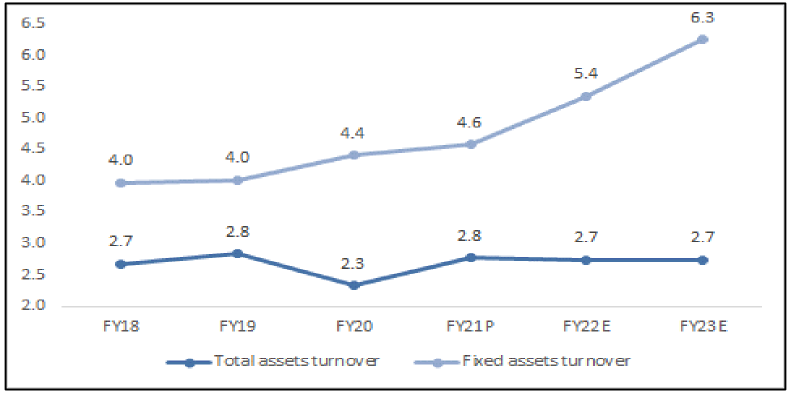
P&E Business

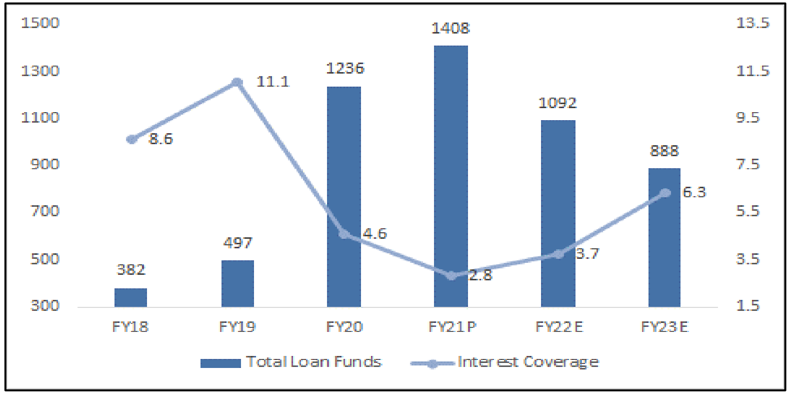
The company has sold cranes and trailers on basis of underutilisation and age criteria. It will now focus on renting in these on need basis. It still has a host of cranes and trailers on ownership basis.

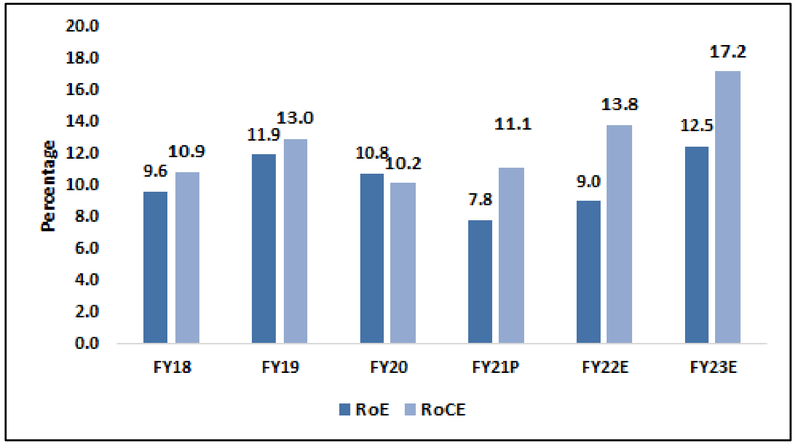
Blackstone deal – logistics park

Allcargo has 6 million sq ft of developed Grade-A logistics parks across Delhi-NCR, Bengaluru, Hyderabad, Ahmedabad, Pune, JNPT in Mumbai, Hosur and Goa (which are in advanced stages of development) and it has 3 million sq ft under development. The company had entered into a definitive transaction with the Blackstone Group on 13 January 2020, wherein Blackstone would acquire Allcargo's warehousing subsidiaries at Telangana, Tamil Nadu, Karnataka, Gujarat, Goa and Maharashtra for a consideration of Rs. 380 cr through a combination of debt and equity. As per management, it has received Rs 238 cr from Blackstone and shall receive the remaining Rs.142 cr in the near future. Blackstone would takeover the debt of ~Rs.500 cr related to this business. Allcargo would remain a minority stakeholder in these Warehousing subsidiaries at 10% post the transfer. Post the completion of the deal, the company actions would reduce the debt on consolidated books considerably. The transaction has seen delays in obtaining approvals due to the COVID impact; however, the work is in progress now.

Post the transaction, the business would be managed by a 20:80 JV between ALL and Blackstone and ALL could receive some management fees in future.







Source – Company, HDFC sec Research

What could go wrong?

Volatility in EXIM trade volume

The NVOCC business is directly linked to the global EXIM trade so that any disturbance in EXIM trade can lead to a steep fall in the business by constraining profitability per twenty-foot equivalent unit. The CFS business, which is directly linked to the Indian EXIM trade, is exposed to risks arising from variations in EXIM trade and customs policies. Sluggishness in Indian EXIM trade, in case of a steep fall in global trade, could impact utilisation levels and profitability.

Increasing competition in CFS

The low entry barrier has encouraged the implementation of new CFS facilities by new and existing players, leading to a build-up of surplus facilities; this will intensify price-based competition in the long term, thereby restricting profitability.

Direct Port Delivery (DPD) policy

Under the DPD model, importers can complete customs clearance of their shipment and take delivery of it at the port within a stipulated time frame (usually 48 hours) of the shipment being offloaded. If the importer fails to take delivery within this time, the shipment is transferred to a pre-designated CFS. The importer then has to follow the CFS model, under which cargo delivery takes roughly 7-9 days.

However, DPD did not work as planned, as the importers were not capable of clearing their cargo and transporting it directly from the port in two days due to warehousing constraints at their end. They started using the CFS to store their cargo. Also, a good volume of DPD cargo is still shifted post-delivery to CFSes for storage due to limited warehouse space near the cargo owners' factories.

According to the Container Freight Stations Association (CFSes Association), the 160-odd CFSes across the ports have been operating at around 40% capacity on the one hand, and on thin margins on the other, as most containers are directly delivered to consignees now.
ALL's CFS however are operating at higher rates and are profitable.

COVID-led slowdown hampers revenue

Political disturbances and CAA protests created problems for the company in pre-COVID times and, post-COVID, lockdowns and economic slowdown have impacted the revenue adversely. The second wave of COVID-19 has again disturbed the movement of goods, which hurts revenue. The economic slowdown has affected the company's growth and its capacity utilisation, which is a key factor to improve profitability and hike prices since lower capacity utilisation reduces both profitability and price realisation.

Delisting of shares by promoters

Earlier, on 27 August 2020, Allcargo announced that its board has considered the delisting proposal from the promoter group (comprising Mr Shashi Kiran Shetty and Talentos Entertainment Pvt Ltd). The promoter group would either individually or collectively acquire all fully paid-up equity shares of the company held by the public shareholders (comprising 30% stake) with a delisting floor price of Rs.92.6, and thereafter delist Allcargo from the BSE and NSE. This transaction is not expected to have any material impact on Allcargo's capital structure and other debt metrics, as the acquisition is likely to be funded by promoters in their capacity. As the current price of ALL is well above the floor price the likelihood of the delisting offer succeeding at the floor price is very low.

The promoters have reinitiated the delisting proposal on July 21, 2021 to fall in line with the revised delisting norms of the SEBI. The floor price will now be notified in due course. If the delisting has to succeed, we feel the promoters will have to be ready to pay a higher price than the CMP. There are 10 large holders of stock whose tendering of the shares at a price that is acceptable to them will be required for the promoters to reach 90% threshold from the current 70%.

A slowdown in the domestic economy will adversely impact P&E business

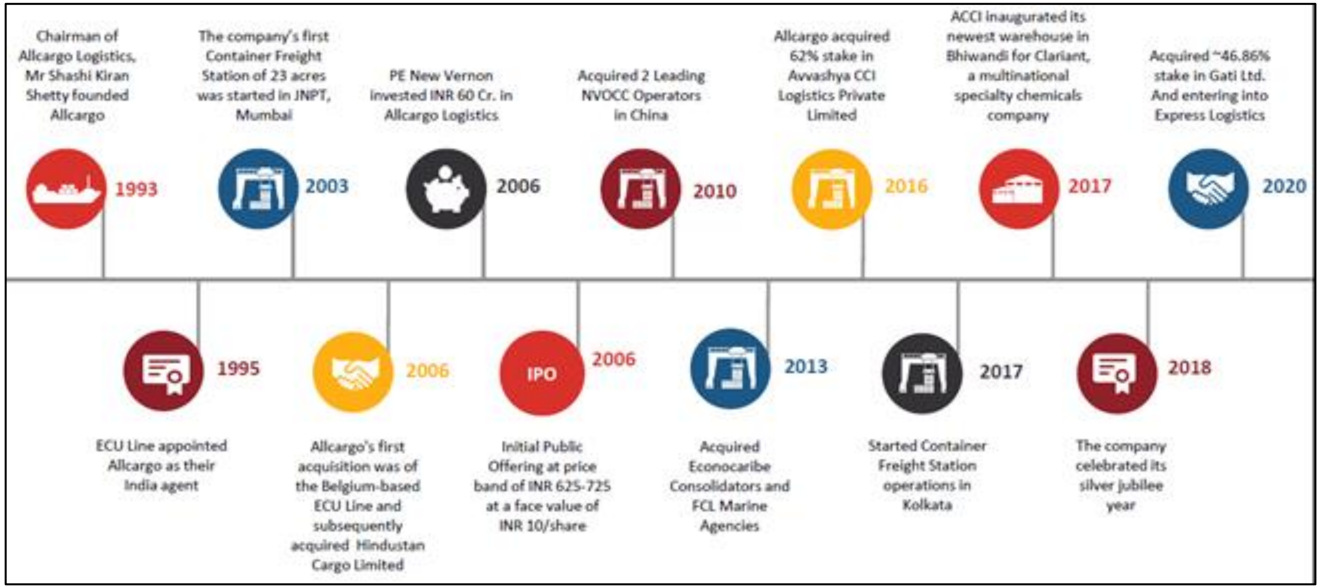
The company’s P&E business has been executing important projects for reputed clients such as Reliance Industries Ltd, Larsen & Toubro Ltd, Bharat Heavy Electrical Ltd and NTPC Ltd; it has an effective equipment fleet of over 800 units. However, the business is heavily dependent on the domestic economy and the pace of project execution and completion. ALL intends to make the P&E business asset-light through an increase in leased asset proportion and sale of unproductive assets.

Change in agreement terms or cancellation of the deal with Blackstone for stake sale in warehousing division will be big negative for the company.

Allcargo Logistics Ltd.

About the company

The Allcargo group was incorporated in 1993, promoted by Mr Shashi Kiran Shetty. It provides logistics services such as NVOCC, CFS, ICD, warehousing, coastal shipping, express logistics, project logistics, and equipment leasing. Allcargo Logistics is a global leader in integrated logistics solutions and the only company in India to offer the widest scale of logistics services across EXIM and the domestic supply chain - operating through more than 300 offices in over 160 countries.



Allcargo Logistics Ltd.

Segment-wise quarterly performance

	Q4FY21	Q4FY20	YoY (%)	Q3FY21	QoQ (%)
Multimodal Transport Operations					
Volume (TEUs)	224029	182528	23%	207434	8%
Revenue (Rs.Cr.)	2724	1693	61%	2147	27%
NSR (Rs./TEUs)	121586	92746	31%	103501	17%
EBIT (Rs.Cr.)	123	63	95%	58	113%
EBIT (Rs./TEUs)	5510	3472	59%	2792	97%
EBIT Margin (%)	5%	4%		3%	
Container freight stations					
Volume (TEUs)	92317	73377	26%	81666	13%
Revenue (Rs.Cr.)	131	100	31%	109	21%
NSR (Rs./TEUs)	14228	13621	4%	13319	7%
EBIT (Rs.Cr.)	41	23	81%	31	32%
EBIT (Rs./TEUs)	4487	3120	44%	3830	17%
EBIT Margin (%)	32%	23%		29%	
Project & Engineering Solutions					
Revenue (Rs.Cr.)	93	88	6%	82	14%
EBIT (Rs.Cr.)	-12	-10	LL	2	PL
EBIT Margin (%)	-13%	-12%		2%	
Logistics Park					
Revenue (Rs.Cr.)	21	10.88	90%	18	16%
EBIT (Rs.Cr.)	10	1.22	714%	5	91%
EBIT Margin (%)	48%	11%		29%	
Gati - Express logistics					
Revenue (Rs.Cr.)	407	NA	NA	401	1%
EBIT (Rs.Cr.)	-19	NA	NA	9	PL
EBIT Margin (%)	-5%	NA		2%	

Segment-wise revenues and EBITDA

	FY16	FY17	FY18	FY19	FY20	FY21P	FY22E	FY23E
Revenue								
Multimodal Transport Operations	4684	4719	5357	6130	6566	8389	8359	9128
Container freight stations	409	423	400	442	422	440	438	495
Project & Engineering Solutions	524	432	287	317	330	272	288	297
Logistics Park				4	27	58	NA	NA
Gati - Express logistics						1314	1653	1588
YoY Growth (%)								
Multimodal Transport Operations		1%	14%	14%	7%	28%	0%	9%
Container freight stations		3%	-5%	10%	-4%	4%	0%	13%
Project & Engineering Solutions		-18%	-34%	10%	4%	-18%	6%	3%
Logistics Park					507%	117%	NA	NA
Gati - Express logistics							26%	-4%
EBIT								
Multimodal Transport Operations	184	199	220	242	252	339	295	358
Container freight stations	132	131	119	136	117	157	126	162
Project & Engineering Solutions	61	40	-52	5	-16	-35	-17	-9
Logistics Park	0	0	0	-2	5	19	NA	NA
Gati - Express logistics	0	0	0	0	0	-50	64	98
EBIT Margin (%)								
Multimodal Transport Operations	4%	4%	4%	4%	4%	4%	4%	4%
Container freight stations	32%	31%	30%	31%	28%	36%	29%	33%
Project & Engineering Solutions	12%	9%	-18%	2%	-5%	-13%	-6%	-3%
Logistics Park				-51%	19%	34%	NA	NA
Gati - Express logistics						-4%	4%	6%

Allcargo Logistics Ltd.

Financials

Income Statement

(Rs Cr)	FY18	FY19	FY20	FY21P	FY22E	FY23E
Net Revenue	**6049**	**6895**	**7346**	**10498**	**10764**	**11533**
Growth (%)	8.3	14	6.5	42.9	2.5	7.1
Operating Expenses	5672	6446	6843	9864	10079	10740
EBITDA	**377**	**449**	**503**	**634**	**685**	**792**
Growth (%)	**-18.9**	**18.9**	**12.2**	**25.9**	**8.1**	**15.6**
EBITDA Margin (%)	**6.2**	**6.5**	**6.9**	**6**	**6.4**	**6.9**
Other Income	39.1	33.8	41.3	55.4	63	72
Depreciation	159.1	155.9	231.6	306.1	279.9	255.2
EBIT	**257**	**326**	**313**	**383**	**468**	**609**
Interest	29.9	29.5	68.5	135.6	125	96
Exceptional Items	-6.9	0	54.7	105.3	0	0
Shares of Profit in Joint Ventures (net of Tax)	0	0	6.1	17	15.3	13.8
PBT	**234**	**297**	**305**	**159**	**359**	**527**
Tax	51.3	54.2	71.1	64	90.3	132.6
PAT	**183**	**243**	**234**	**95**	**268**	**394**
Minority Int.	**-3**	**-6**	**-11**	**78**	**-54**	**-66**
RPAT	**185**	**249**	**246**	**173**	**214**	**328**
Growth (%)	**-20.9**	**31.3**	**-5.8**	**-22.5**	**23.7**	**53.2**
EPS	7.3	9.6	9.1	7	8.7	13.3

Balance Sheet

As at March	FY18	FY19	FY20	FY21P	FY22E	FY23E
SOURCE OF FUNDS						
Share Capital	**49.1**	**49.1**	**49.1**	**49.1**	**49.1**	**49.1**
Reserves	1915	1950	2097	2234	2429	2725
Minority Interest	17	21	27	331	386	452
Shareholders' Funds	**1982**	**2019**	**2172**	**2615**	**2864**	**3227**
Lease Liabilities			144	251	301	341
Long Term Debt	270	378	797	717	573	447
Long Term Provisions & Others	13	37	48	203	195	191
Total Source of Funds	**2264**	**2435**	**3161**	**3786**	**3934**	**4207**
APPLICATION OF FUNDS						
Net Block	1525	1717	1666	2295	2011	1841
Right to use assets	0	0	203	306	336	370
Goodwill on Consolidation	0	0	336	566	566	566
Non-Current Investments	260	259	535	309	325	367
Deferred Tax Assets (net)	97	110	122	297	357	428
Long Term Loans & Advances	116	157	164	171	177	190
Total Non Current Assets	**1998**	**2243**	**3026**	**3945**	**3773**	**3762**
Current Investments	111	25	7	31	39	17
Inventories	10	9	8	10	12	13
Trade Receivables	839	942	1150	2176	1946	1959
Short term Loans & Advances	61	187	385	247	301	362
Cash & Equivalents	245	241	308	381	434	494
Other Current Assets	146	269	429	671	805	950
Total Current Assets	**1411**	**1673**	**2287**	**3516**	**3537**	**3794**
Short-Term Borrowings	112	119	440	691	518	441
Lease Liabilities			62	60	75	100
Trade Payables	685	699	798	1389	1104	1177
Other Current Liab & Provisions	295	605	791	1384	1526	1475
Short-Term Provisions	53	58	63	150	153	157
Total Current Liabilities	**1145**	**1481**	**2153**	**3674**	**3377**	**3350**
Net Current Assets	266	192	134	-159	160	444
Total Application of Funds	**2264**	**2435**	**3161**	**3786**	**3934**	**4207**

Allcargo Logistics Ltd.

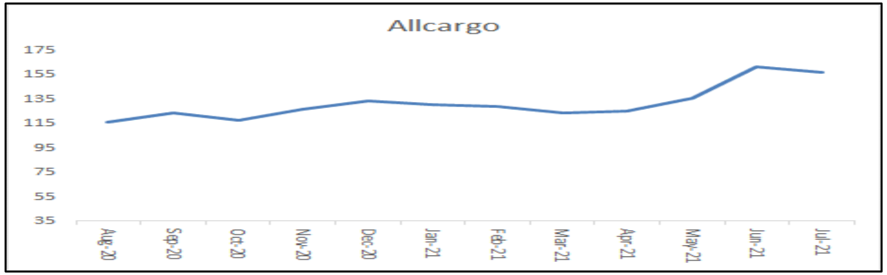
Cash Flow Statement

(Rs Cr)	FY18	FY19	FY20	FY21P	FY22E	FY23E
Reported PBT	220	297	299	142	359	527
Adjustment	195	158	280	553	468	423
Working Capital Change	-48	-69	-234	-267	-322	-294
Tax Paid	-60	-62	-82	-98	-90	-133
OPERATING CASH FLOW (a)	**308**	**325**	**263**	**330**	**415**	**523**
Capex	-70	-388	-800	-218	-10	-15
dec in Fixed Asset	40	36	51	95	284	0
Free Cash Flow	278	-27	-486	206	689	508
Investments	11	48	-256	125	-8	22
Non-operating income	1	9	7	0	-63	-72
INVESTING CASH FLOW (b)	**-18**	**-295**	**-998**	**2**	**203**	**-65**
Debt Issuance / (Repaid)	-149	116	962	-159	-316	-204
Interest Expenses	-22	-24	-70	-104	-125	-96
FCFE	107	65	406	-57	247	208
Share Capital Issuance	0	0	0	0	0	0
Dividend	-6	-3	-8	-4	-74	-98
Other financial Activity	-45	-163	-89	-49	-50	0
FINANCING CASH FLOW (c)	**-222**	**-75**	**795**	**-316**	**-565**	**-398**
CHANGES IN CASH BALANCE (a+b+c)	**68**	**-45**	**60**	**15**	**53**	**61**
Opening cash Balance	**187**	**245**	**241**	**308**	**381**	**434**
Closing cash Balance	**255**	**200**	**300**	**323**	**434**	**494**

Key Ratios

	FY18	FY19	FY20	FY21P	FY22E	FY23E
Profitability (%)						
EBITDA Margin	6.2	6.5	6.9	6	6.4	6.9
EBIT Margin	4.3	4.7	4.3	3.6	4.4	5.3
APAT Margin	3	3.5	3.2	0.9	2.5	3.4
RoE	9.6	11.9	10.8	7.8	9	12.5
RoCE	10.9	13	10.2	11.1	13.8	17.2
Solvency Ratio						
D/E	0.2	0.2	0.6	0.6	0.4	0.3
Interest Coverage	8.6	11.1	4.6	2.8	3.7	6.3
PER SHARE DATA						
EPS	44.6	9.6	9.1	7	8.7	13.3
CEPS	13.8	16	18.5	19.5	20.1	23.7
BV	80	81	87	93	101	113
Dividend	2	3.5	3	2	3	4
Turnover Ratios (days)						
Debtor days	51	50	57	76	66	62
Inventory days	1	0	0	0	0	0
Creditors days	42	39	40	40	40	40
Working Capital Days	9	11	18	35	26	22
VALUATION						
P/E	21.5	16.4	17.4	22.5	18.1	11.8
P/BV	2	1.9	1.8	1.7	1.6	1.4
EV/EBITDA	11.3	9.5	8.5	6.7	6.2	5.4
Dividend Yield	1.3	2.2	1.9	1.3	1.9	2.5
Dividend Payout	4.5	36.3	33.1	28.4	34.4	30

One Year Price Chart



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