

# TCI EXPRESS | Not Rated

## An Express Delivery Company

TCI Express (TCI EXP) is a two-decade-old enterprise in the surface and air express cargo industry (demerged from Transport Corporation of India in Dec'16). It is one of the leading players in express cargo delivery with a c.18% market share in the organised segment and return ratios (pre-tax) above c.40%. The company expects GST to significantly boost growth prospects on: a) the shift from the unorganised to organised segment, b) manufacturing companies to prefer few large regional warehouses with hub and spoke model (instead of branches in each state), and c) increasing value-added services. The company has guided for c.18-20% revenue growth in FY18 (9MFY17 is up 14% YoY; c.11% CAGR over FY07-16). Following the recent run up, the stock trades at 54x FY16 EPS. We do not have rating on the stock.

- **Asset light business model:** The company is primarily into surface transport for express cargo delivery (c.90% of revenue) with over 550 branches across India. TCI EXP does not own any fleet and sources it through a diverse vendor base (over 1,100 vendors with c.3,500 vehicles) who are responsible for timely and efficient cargo movement. While it mainly focuses on B2B segment for movement of goods, it also undertakes e-commerce business on opportunistic basis, given focus on margins. TCI EXP has launched air express delivery services (c.8-10% of revenue), wherein it works with commercial airlines for freight movement (first and last mile connectivity by the company), and believes it has attractive margins and growth potential.
- **Unorganised to organised shift on GST:** The surface transport is extremely fragmented with over 70% of the industry being dominated by unorganised players (ranging from one-truck owners to large fleet owners). Unorganised players have price advantage due to tax evasion (organised players such as TCI EXP have to charge 15% service tax on the entire cost as it is deemed to be a 'courier agency' as per service tax norms, while unorganised companies evade it completely). Following GST, manufacturing companies as well as the trade channel (currently cannot offset service tax paid) will prefer working with organised players, as they will be able to set off entire taxes paid under GST regime. More importantly, the management highlighted that manufacturing companies will work on a hub and spoke model, creating significant growth opportunity for large organised players such as TCI EXP due to increased transportation lot size and more committed cargo for long distance.
- **Financial performance:** XPS business segment of TCI (now TCI EXP) has posted a CAGR of c.11% in revenue and EBITDA during FY07-16 driven by strong branding and attractive value added services' bouquet. During 9MFY17, TCI EXP's revenue/PAT was up 14%/37% YoY, respectively, and it has guided for c.18-20% revenue growth for FY18 on the back strong growth across industry verticals it caters to. Further, based on the reported segmental capital employed, TCI EXP's pre-tax RoCE has been c.45-49% in the past. Notably, its debt/equity stands at 0.1x.
- **Valuation:** TCI EXP has brief trading history, as it demerged from its parent company, as of Dec'16. The stock trades at 54x FY16 EPS. We do not have rating on the stock.

### Exhibit 1. Key Financial Summary

Particulars (Rs mn)	FY12	FY13	FY14	FY15	FY16	9MFY16	9MFY17	FY07-12	FY12-16
Revenue	4,951	5,560	5,999	6,587	6,630	4,829	5,511	13.5%	7.6%
YoY growth	8%	12%	8%	10%	1%		14%		
EBITDA	435	455	482	519	546	397	474	15.9%	5.8%
Margins	8.8%	8.2%	8.0%	7.9%	8.2%	8.2%	8.6%		
YoY growth	7%	5%	6%	8%	5%		19%		
EBIT	382	411	439	459	488	355	443	17.5%	6.3%
Margins	7.7%	7.4%	7.3%	7.0%	7.4%	7.3%	8.0%		
YoY growth	9%	8%	7%	5%	6%		25%		
PBT	318	354	387	402	435	318	437		8.1%
Margins	6.4%	6.4%	6.5%	6.1%	6.6%	6.6%	7.9%		
YoY growth		11%	9%	4%	8%		38%		
Capital Employed*	841	849	897	985	1,153	1,126	1,387		
RoCEs (pre-tax)	45%	49%	50%	49%	46%	42%	43%		

Source: Company, JM Financial \*Capital Employed is excluding short-term debt.



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### Key Data – TCIEXP IN (NOT RATED)

Current Market Price	Rs405
Market cap (bn)	Rs15.5/US\$0.2
Free Float	63.6%
Shares in issue (mn)	38.3
Diluted share (mn)	38.3
3-mon avg daily val (mn)	Rs20.6/US\$0.3
52-week range	433/265
Sensex/Nifty	29,397/9,094
Rs/US\$	65.3

### Price Performance

%	1M	6M
Absolute	37.2	34.6
Relative*	35.0	22.6

\* To the BSE Sensex

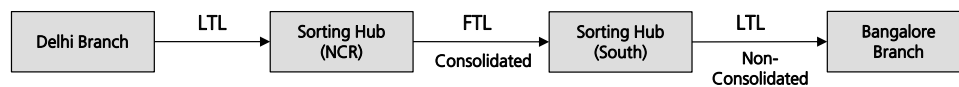
JM Financial Research is also available on: Bloomberg - JMFR <GO>, Thomson Publisher & Reuters S&P Capital IQ and FactSet

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

## Company background

- TCI launched the express cargo delivery division in 1996, as one of the foremost divisions of Transport Corporation of India (TCI). In 2016, it was hived off to become TCI Express Limited—an independent company, to focus on express cargo distribution with greater emphasis on the growing e-commerce business. It specialises in offering time definite solutions, reinforced with a set-up of over 550 owned branches across India, team of over 2,000 professionals and more than 13,000 delivery points.
- The company mainly offers its express services to the B2B segment (c.95% of the revenue; also caters to e-commerce clients), which involves door-to-door pick-up and delivery of parcels (5-40kg). This is undertaken via surface (c.85% of revenue) as well as air modes (c.8-10% of revenue; largely domestic transportation) along with the facility of reverse logistics (from end-user location to manufacturer) across industries and to a large customer base (no single customer contributes more than 1% to the revenue). Under the B2C segment, e-commerce and priority express services with value-added features such as day-definite delivery backed by money back guarantee, COD, late night/early morning deliveries and more are provided to end consumers.
- The company varies from its parent company, TCI Ltd., in many aspects such as: a) core freight operations of branch-to-branch delivery lies with the parent's freight division, whereas TCI EXP is critically focussed on door-to-door express (time-bound) delivery, which is apt for companies focusing on JIT inventory management with minimum storage cost, b) full-truck load (FTL) operations are managed by TCI Ltd., while TCI EXP is more focussed on less-than-truck load (LTL) operations (though hub to hub operations are typically FTL in nature), and c) e-fulfilment centres/warehousing services are solely provided by TCI Ltd.

### Exhibit 2. Business process flow



\*LTL: Less than Truck Load; FTL: Full Truck Load

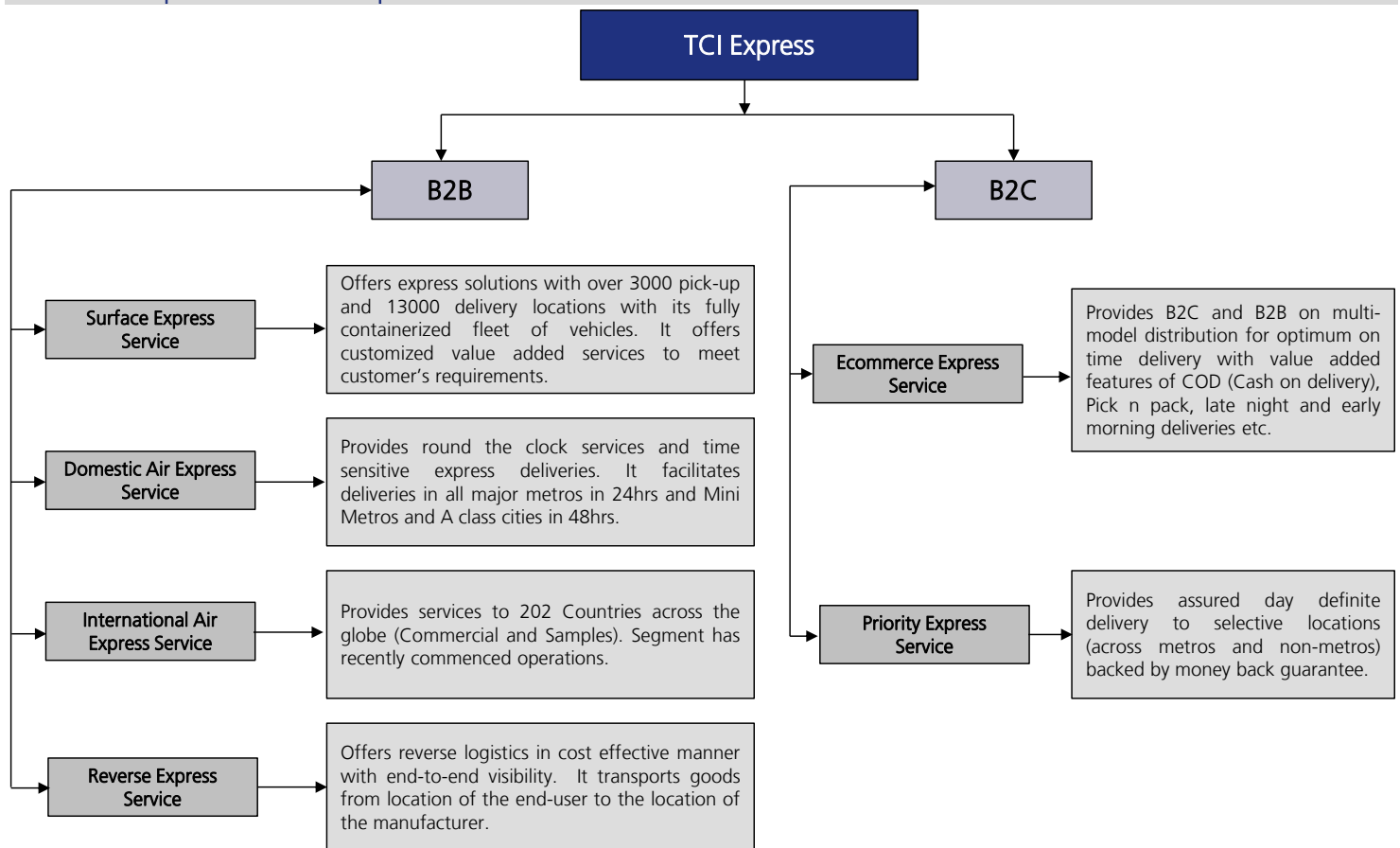
Source: JM Financial; for illustration purpose

### Exhibit 3. Key milestones

Year	Details
1996	Launch of XPS services as part of parent company TCI Ltd.
1998	Launch of air express services (today accounts for c.10% of revenue)
2002	Launch of international express freight forwarding services
2005	Launch of express courier service
2016	Demerged from parent company TCI Ltd into TCI Express Ltd.

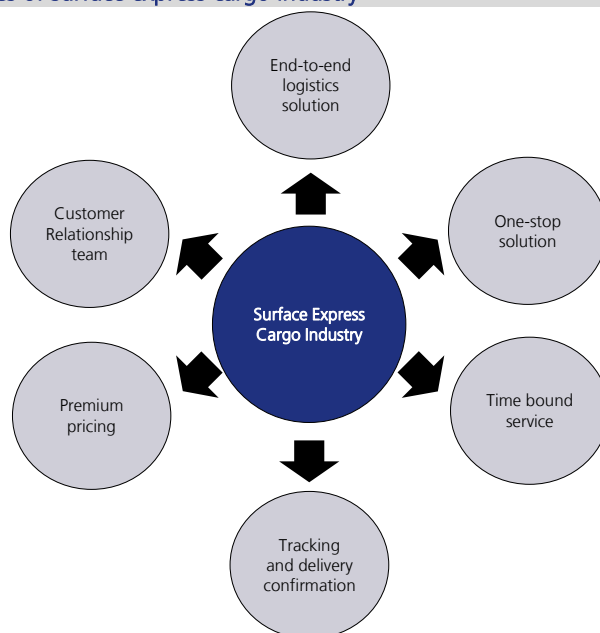
Source: Company, JM Financial

## Exhibit 4. TCI Express service business profile



Source: Company, JM Financial

## Exhibit 5. Features of surface express cargo industry

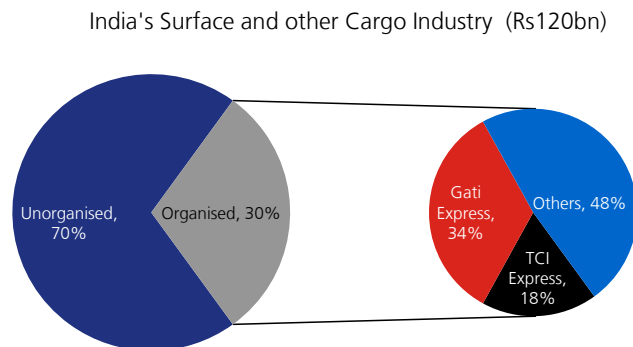


Source: Industry reports, JM Financial

## Key business highlights

- **Catering to a highly unorganised market:** The company estimates industry size of express delivery segment (excl. e-comm logistics) at c.Rs120bn, of which unorganised segment constitutes 70% share due to presence of numerous small players (low barriers to entry). Scale in this business requires companies to invest significantly in business operating costs such as compliance, technology and employee costs. As these costs are low in the beginning (at small scale operations), the industry remains extremely fragmented. This also leads to a price differential of c.25-30% among organised large players and unorganised fragmented small players. Notably, TCI EXP commands c.18% of the market share among organised players.

**Exhibit 6. Dynamics of India's surface and other cargo industry (excl. e-commerce logistics)**



Source: Company, JM Financial

- **Strategically lesser focused on the competitive B2C e-commerce logistic business:** While the e-commerce logistics business is estimated to be Rs 350bn in size, as per the management, majority of the business is managed by the logistics arms of big e-commerce players such as Flipkart and Amazon. To succeed and scale-up in e-commerce logistics, a pan-India presence with accessibility to numerous pincodes across the country is a pre-requisite, which involves heavy investment in technology and distribution bandwidth without assured cargo volumes. However, the company ensures that they continue to serve only those deliveries, which meet its margin threshold.
- **High competitive intensity among organised players:**
  - Competitive intensity is high in the organised industry as well and margins are contracting YoY for the companies amid cargo growth slowdown.
  - While Gati and Safexpress have witnessed a steep decline in margins, TCI EXP was slightly lesser impacted, given lower exposure to the e-commerce logistics business (revenue growth is also inferior to competitors due to this reason).
  - Since Blue Dart is largely into the document parcel business and derives c.25-30% of revenue from e-commerce logistics, its financial performance is directly not comparable to TCI EXP.
  - New players such as Rivigo deal in super express road deliveries (more expensive than what TCI EXP is offering) competing with air express cargo companies such as Blue Dart and giving direct competition to them (in terms of rate, delivery and customer satisfaction).
  - VRL Logistics does not cater to express cargo in a significant manner and also has bus operations. As a result, its financials too are comparable to TCI EXP.

**Exhibit 7. Financial comparison with close competitors**

Particulars	FY11	FY12	FY13	FY14	FY15	FY16	CAGR FY11-16
<b>Revenue</b>							
<u>Express cargo companies</u>							
<b>TCI Express</b>	<b>4,595</b>	<b>4,951</b>	<b>5,560</b>	<b>5,999</b>	<b>6,587</b>	<b>6,630</b>	<b>7.6%</b>
<b>YoY</b>		<b>8%</b>	<b>12%</b>	<b>8%</b>	<b>10%</b>	<b>1%</b>	
Gati Express*	9,046	9,814	10,736	9,183	14,004	14,445	10.4%
YoY		8%	9%	14%	14%	3%	
Safexpress	5,895	6,242	7,227	8,712	9,506	9,968	11.1%
YoY		6%	16%	21%	9%	5%	
Delex Cargo		871	4,470	4,697	4,726	NA	
YoY			413%	5%	1%	NA	
Spoton Logistics		479	2,098	2,653	3,012	3,047	
YoY			338%	26%	14%	1%	
<u>Other logistic companies</u>							
Blue Dart Express**	11,474	14,927	21,665	19,342	22,685	25,539	17.4%
YoY		30%	16%	12%	17%	13%	
VRL Logistics (Freight)	7,204	8,630	9,923	11,334	12,908	13,563	13.5%
YoY		20%	15%	14%	14%	5%	
Snowman Logistics	452	614	1,137	1,534	2,029	2,401	
YoY		36%	85%	35%	32%	18%	
<b>EBIT</b>							
<u>Express cargo companies</u>							
<b>TCI Express</b>	<b>405</b>	<b>435</b>	<b>455</b>	<b>482</b>	<b>519</b>	<b>546</b>	<b>6.1%</b>
<b>Margins</b>	<b>8.8%</b>	<b>8.8%</b>	<b>8.2%</b>	<b>8.0%</b>	<b>7.9%</b>	<b>8.2%</b>	
Gati Express*	958	1,981	879	788	1,169	1,031	1.5%
Margins	10.6%	20.2%	8.2%	8.6%	8.3%	7.1%	
Safexpress	906	809	765	813	825	843	-1.4%
Margins	15.4%	13.0%	10.6%	9.3%	8.7%	8.5%	
Delex Cargo		-83	29	265	292	NA	
Margins		-9.6%	0.6%	5.6%	6.2%	NA	
Spoton Logistics		-67	-182	-109	-111	104	
Margins		-14.1%	-8.7%	-4.1%	-3.7%	3.4%	
<u>Other logistic companies</u>							
Blue Dart Express**	1,350	1,577	2,318	1,574	1,803	2,926	16.7%
Margins	11.8%	10.6%	10.7%	8.1%	7.9%	11.5%	
VRL Logistics (Freight)	1,080	1,230	1,030	1,251	1,670	1,468	6.3%
Margins	15.0%	14.3%	10.4%	11.0%	12.9%	10.8%	
Snowman Logistics	50	70	164	230	225	202	
Margins	11.0%	11.4%	14.4%	15.0%	11.1%	8.4%	

Source: Company, JM Financial

\*Gati Express' financial year ends in Jun till FY13, hence FY14 is for 9 months (YoY growth is annualised)

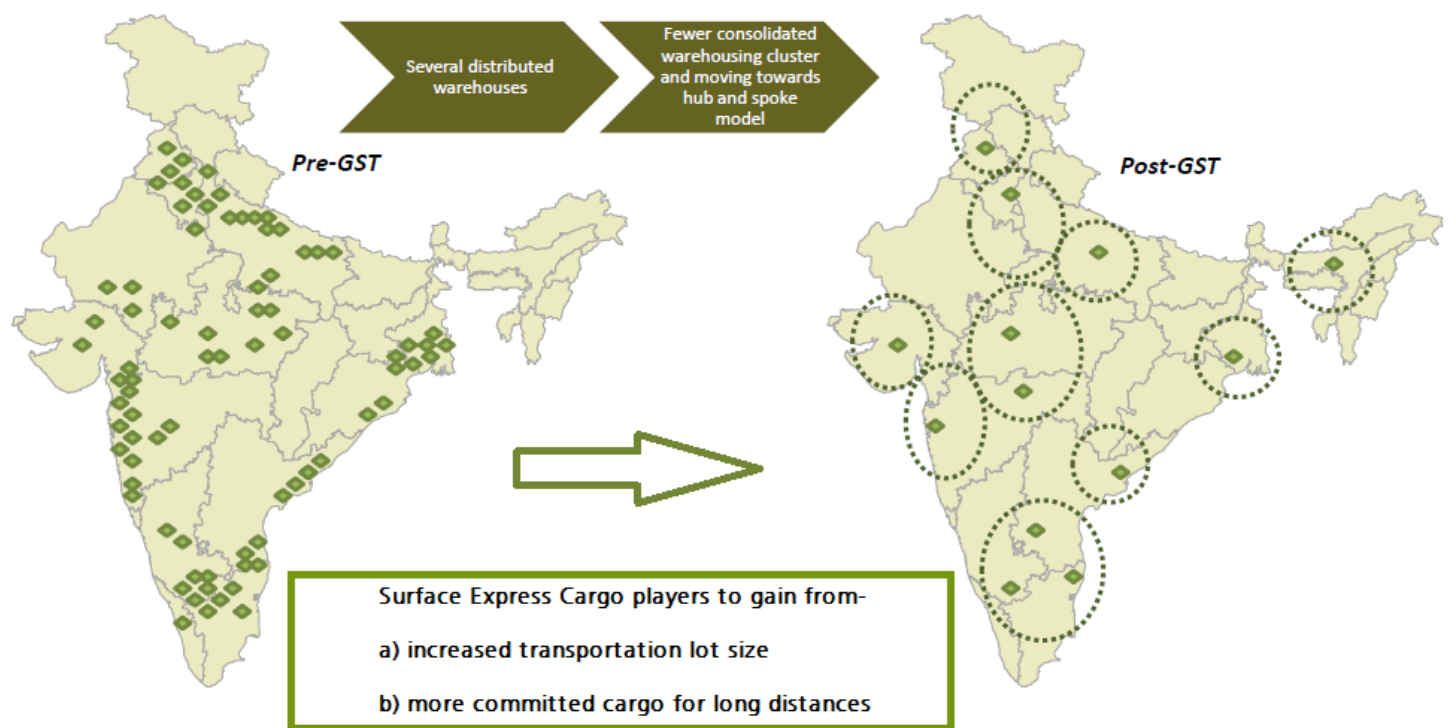
\*\*Blue Dart's financial year ends in Dec till CY11, hence FY13 is for 15 months (YoY growth is annualised)

- **Impact of GST on surface express cargo industry:** TCI EXP believes that GST will necessitate re-jigging the supply chain management for majority of the manufacturing entities across the country, given that the need of investment in state-wise warehouses was only due to the cascading effect of taxes under the current regime of Central Sales Tax or CST (purchaser cannot claim credit of CST paid on inter-state purchases, hence manufacturer used to engage in duty-free inter-state branch transfers to facilitate sale of goods in consuming state).

This will result in setting up of regional warehouses across industry-specific prominent demand/supply locations (depending upon strategy of companies) to save costs related to maintenance of multiple warehouses; this will in turn lead to increased business for surface express cargo in terms of increased transportation lot sizes and increased frequency of distribution from manufacturing locations to regional warehouses and later to dealers/distributors for secondary sale with more clarity on committed cargo.

Furthermore, the management believes that an expected shift from the unorganised to organised segment following GST across clients' industry verticals will result in higher share of organised players in the surface express cargo industry.

#### Exhibit 8. Expected consolidation of warehouses post GST



Source: Company, Industry, JM Financial

- **Asset light model bringing in efficiencies:** The management highlighted that it has adopted an outsource model for operating a dedicated fleet of containerised trucks (does not own single truck on books and fleet is dedicatedly utilised for TCI EXP's cargo throughout the route) on 'per-km' basis. Under the arrangement, vendors (c.1,100 vendors are empanelled; hires not more than c.5-10 trucks from each vendor) are responsible for efficient/timely services (contracts have penalty clauses for inefficient/delayed services) and management of drivers, enabling company to focus on critical task of client management and grievance redressal. The company has annual capacity of c.0.6mnt cargo (85% utilisation in FY16), which is easily scalable given its strong relationship with vendors (vendors personally grow with the company).

- **Diversified customer portfolio:** The company serves c.500 big corporates and numerous small traders each contributing not more than 1% to the overall revenue across various industries, including pharma, auto components, electronics, engineering products and retail (each contributing c.10% to the overall revenue). This reduces over-dependence on few clients and acts as a perfect hedge to support business operations during tough times for a particular industry.

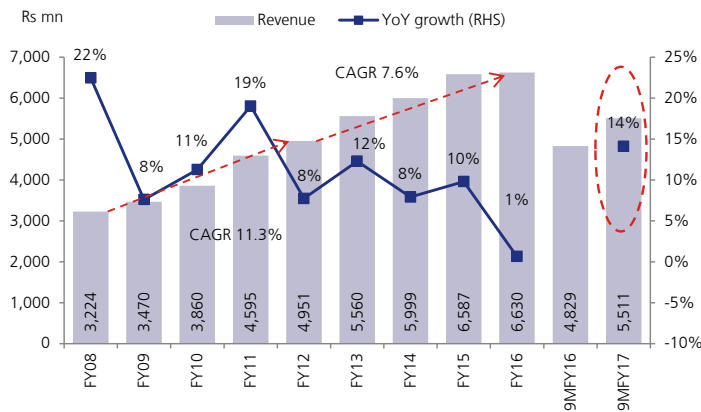
Exhibit 9. Diversified customer base

Automobile	Pharma	Electrical / Energy	Retails	Telecom & Engineering
				
				
				
				
				
				
				

Source: Company, JM Financial

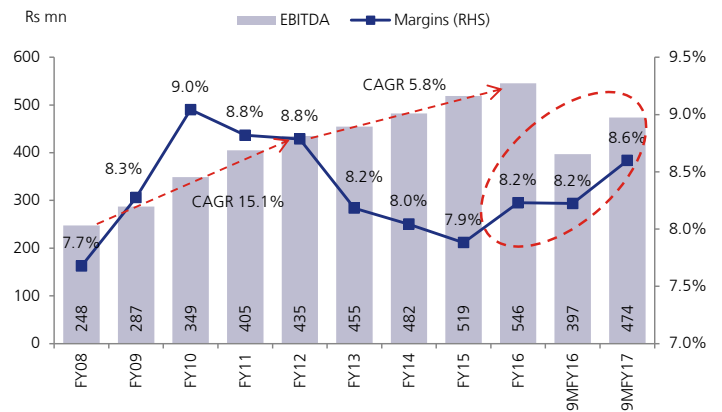
- **Financial performance analysis and expansion plans:** While TCI EXP's revenue went up at a CAGR of 11.3% during FY08-12, growth tapered off to a CAGR of 7.6% during FY12-16 on an industrial slowdown. However, during 9MFY17, the company has reported strong growth of c.14% and expects to deliver even stronger performance in FY18 by reporting top-line growth of c.18-20%.
- While EBITDA margins have remained at 8-9% over the past 10 years (average 8.3%), the company has reported margins at c.8.6% for 9MFY17 (+40bps YoY; 3QFY17 up 60bps YoY to c.8.9%) on positive operating leverage. Going forward, TCI EXP expects margins to improve significantly on an increase in value-added services and operational efficiencies.
- Resultantly, the company has significantly improved PBT margins to c.8% during 9MFY17 (claims to be highest in industry) from c.6-6.5% earned during FY12-16, further aided by continued reduction in depreciation and interest cost.
- Furthermore, TCI EXP has earned RoCEs (pre-tax) of more than 40% consistently over the past six years (company computes it without considering short-term debt in average capital employed; though debt-equity is at lower levels of c.0.1x).
- The company plans to utilise future free cash flows mainly towards owning sorting centres (as against the current practice of leasing) to automate operations therein (do not wish to invest in leased-out property given uncertainty over renewal of lease). This is expected to drive operational efficiencies in addition to the reduction in lease rentals, which account for c.4% of overall sales. TCI EXP aims to spend Rs 550-650mn annually as capex on the aforesaid project over the next 4-5 years along with considerable investment in information technology (c.Rs 100mn p.a.).

Exhibit 10. Revenue growth trend



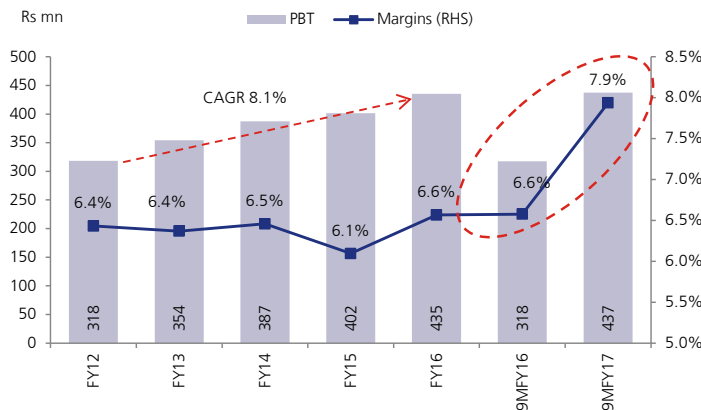
Source: Company, JM Financial

Exhibit 11. EBITDA margins trend



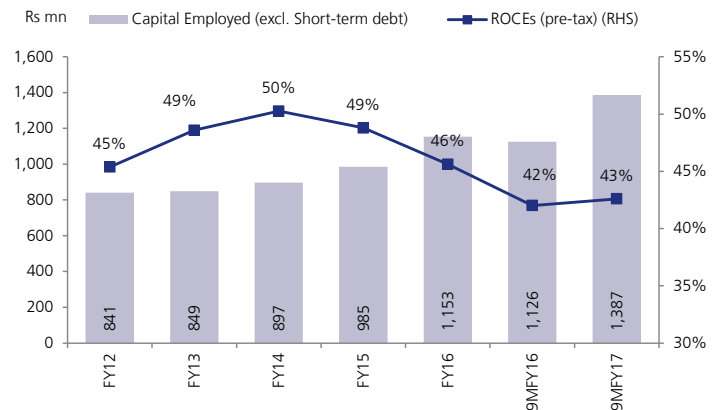
Source: Company, JM Financial

Exhibit 12. PBT margin trend



Source: Company, JM Financial

Exhibit 13. RoCE trend



Source: Company, JM Financial

Exhibit 14. Historical financial summary: TCI EXP

Particulars (Rs mn)	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	9MFY16	9MFY17	FY07-12	FY12-16
Revenue	2,633	3,224	3,470	3,860	4,595	4,951	5,560	5,999	6,587	6,630	4,829	5,511	13.5%	7.6%
YoY growth		22%	8%	11%	19%	8%	12%	8%	10%	1%		14%		
EBITDA	208	248	287	349	405	435	455	482	519	546	397	474	15.9%	5.8%
Margins	7.9%	7.7%	8.3%	9.0%	8.8%	8.8%	8.2%	8.0%	7.9%	8.2%	8.2%	8.6%		
YoY growth		19%	16%	22%	16%	7%	5%	6%	8%	5%		19%		
EBIT	171	205	240	301	349	382	411	439	459	488	355	443	17.5%	6.3%
Margins	6.5%	6.4%	6.9%	7.8%	7.6%	7.7%	7.4%	7.3%	7.0%	7.4%	7.3%	8.0%		
YoY growth		20%	17%	25%	16%	9%	8%	7%	5%	6%		25%		
PBT						318	354	387	402	435	318	437		8.1%
Margins						6.4%	6.4%	6.5%	6.1%	6.6%	6.6%	7.9%		
YoY growth						11%	9%	4%	8%			38%		
Capital Employed (excl. short-term debt)						841	849	897	985	1,153	1,126	1,387		
RoCEs (pre-tax)						45%	49%	50%	49%	46%	42%	43%		

Source: Company, JM Financial



**Exhibit 15. Balance Sheet**

Particulars (Rs mn)	Mar'15	Sep'15	Dec'15	Mar'16	Sep'16	Dec'16
<u>Sources of Funds</u>						
<b>Shareholder's Funds</b>	<b>1,154</b>	<b>991</b>	<b>1,101</b>	<b>1,230</b>	<b>1,414</b>	<b>1,514</b>
Capital	-	1	-	76	77	77
Reserves and Surplus	1,154	990	1,101	1,154	1,338	1,438
<b>Loan funds</b>	<b>6</b>	<b>341</b>	<b>341</b>	<b>403</b>	<b>194</b>	<b>204</b>
Long-term	3	6	5	6	3	2
Short-term	3	335	335	398	191	201
Deferred Tax Liability	-	20	20	24	25	25
<b>Total</b>	<b>1,160</b>	<b>1,352</b>	<b>1,461</b>	<b>1,657</b>	<b>1,633</b>	<b>1,743</b>
<u>Application of Funds</u>						
<b>Net Block</b>	<b>146</b>	<b>548</b>	<b>563</b>	<b>728</b>	<b>884</b>	<b>939</b>
<b>Current Assets</b>	<b>1,297</b>	<b>1,247</b>	<b>1,372</b>	<b>1,257</b>	<b>1,436</b>	<b>1,533</b>
Sundry Debtors	1,015	1,024	1,115	1,054	1,191	1,234
No. of days	56	58	63	58	59	61
Cash and Bank Balance	71	70	85	109	103	108
Loans and Adv.	211	153	172	94	143	192
No. of days	12	9	10	5	7	9
<b>Current liabilities &amp; provisions</b>	<b>283</b>	<b>444</b>	<b>474</b>	<b>328</b>	<b>688</b>	<b>729</b>
Current liabilities	266	427	452	309	615	639
No. of days	15	24	26	17	30	32
Provisions	17	17	22	20	73	89
No. of days	1	1	1	1	4	4
<b>Net Current Assets</b>	<b>1,014</b>	<b>804</b>	<b>898</b>	<b>928</b>	<b>748</b>	<b>805</b>
<b>Total</b>	<b>1,160</b>	<b>1,352</b>	<b>1,461</b>	<b>1,657</b>	<b>1,633</b>	<b>1,743</b>
<b>Net debt (Rs mn)</b>	<b>-66</b>	<b>271</b>	<b>256</b>	<b>294</b>	<b>92</b>	<b>96</b>
Net debt/equity (x)	-0.1	0.3	0.2	0.2	0.1	0.1
No. of shares (mn)				38.3	38.3	38.3
<b>Book value per share (Rs)</b>				<b>32.1</b>	<b>36.9</b>	<b>39.6</b>

Source: Company, JM Financial

**Exhibit 16. Quarterly financial summary: Strong performance during 9MFY17**

Particulars	3QFY16	3QFY17	YoY	2QFY17	QoQ	9MFY16	9MFY17	YoY
<b>Net Sales</b>	<b>1,652</b>	<b>1,876</b>	<b>14%</b>	<b>1,866</b>	<b>1%</b>	<b>4,829</b>	<b>5,511</b>	<b>14%</b>
Operating Expenses	1,256	1,435	14%	1,416	1%	3,691	4,238	15%
% of Sales	76.0%	76.5%	50 bps	75.9%	60 bps	76.4%	76.9%	50 bps
Other Expenses	258	275	6%	288	-5%	741	799	8%
% of Sales	15.6%	14.6%	-100 bps	15.5%	-80 bps	15.3%	14.5%	-80 bps
Total Expenditure	1,514	1,710	13%	1,704	0%	4,432	5,037	14%
% of Sales	91.7%	91.1%		91.3%		91.8%	91.4%	
<b>EBITDA</b>	<b>138</b>	<b>166</b>	<b>21%</b>	<b>162</b>	<b>3%</b>	<b>397</b>	<b>474</b>	<b>19%</b>
<b>EBITDA Margin</b>	<b>8.3%</b>	<b>8.9%</b>	<b>50 bps</b>	<b>8.7%</b>	<b>20 bps</b>	<b>8.2%</b>	<b>8.6%</b>	<b>40 bps</b>
Depreciation	14	11	-26%	10	3%	42	31	-27%
<b>EBIT</b>	<b>124</b>	<b>156</b>	<b>26%</b>	<b>152</b>	<b>3%</b>	<b>355</b>	<b>443</b>	<b>25%</b>
Interest Exp. (net of other income)	14	2	-88%	2	-29%	37	6	-85%
<b>PBT</b>	<b>110</b>	<b>154</b>	<b>41%</b>	<b>149</b>	<b>3%</b>	<b>318</b>	<b>437</b>	<b>38%</b>
Taxes	38	54	42%	53	2%	110	153	39%
Tax Rate	34.6%	34.9%	30 bps	35.5%	-60 bps	34.6%	34.9%	30 bps
<b>Reported Net Profit</b>	<b>72</b>	<b>100</b>	<b>40%</b>	<b>96</b>	<b>4%</b>	<b>208</b>	<b>285</b>	<b>37%</b>
Reported EPS	1.88	2.62	40%	2.52	4%	5.42	7.43	37%

Source: Company, JM Financial

**Exhibit 17. Peer Valuation**

Particulars	CMP		Mkt. Cap. (Rs bn)		P/E(x)			EV/EBITDA(x)			P/B(x)			ROE(%)			ROCE(%)		
					FY14	FY15	FY16	FY14	FY15	FY16	FY14	FY15	FY16	FY14	FY15	FY16	FY14	FY15	FY16
TCI Express	405	16	NA	59.1	54.0	NA	30.6	29.7	NA	NA	12.9	NA	NA	23%	NA	NA	25%	NA	NA
Gati Limited*	143	13	40.4	28.6	34.3	15.3	11.5	12.3	1.6	2.3	2.2	4%	7%	7%	4%	7%	7%	4%	7%
Bluedart Express	5,082	121	98.3	93.2	62.6	69.9	54.3	31.7	18.8	39.2	29.1	19%	27%	53%	34%	36%	43%	34%	36%
Transport Corporation Of India	228	17	23.3	20.6	21.2	11.8	10.3	10.2	3.4	2.8	3.1	15%	15%	14%	19%	18%	15%	19%	18%
VRL Logistics	300	27	41.7	28.1	26.6	13.7	10.3	10.6	8.4	7.2	5.3	23%	28%	24%	18%	23%	20%	18%	23%
Snowman Logistics	66	11	34.8	39.6	53.8	30.3	25.7	23.8	3.7	2.6	2.5	13%	8%	5%	NA	NA	NA	NA	NA
Container Corporation	1,247	243	25.8	23.1	31.1	19.6	16.7	19.8	3.5	3.2	3.0	14%	15%	10%	16%	17%	14%	16%	17%
Gateway Distriparks	260	28	20.7	15.0	25.7	12.4	9.8	12.5	3.4	3.1	3.0	17%	21%	12%	14%	18%	11%	14%	18%
Navkar Corporation	175	25	NA	28.1	23.7	21.1	22.4	17.3	NA	3.4	1.9	24%	12%	9%	18%	10%	8%	18%	10%
Allcargo Logistics	169	43	28.5	17.8	15.3	10.9	9.4	8.5	2.4	2.2	1.9	9%	13%	14%	16%	23%	26%	16%	23%

Particulars	CMP	# mn Sh	Sales (Rs mn)			EBITDA (Rs mn)			PAT (Rs mn)			EPS			FY14-16 CAGR		
			FY14	FY15	FY16	FY14	FY15	FY16	FY14	FY15	FY16	FY14	FY15	FY16	Sales	EBITDA	EPS
TCI Express	405	38	5,999	6,586	6,632	482	516	544	NA	263	287	NA	6.9	7.5	5%	6%	NA
Gati Limited*	143	88	14,888	16,481	16,670	1,122	1,392	1,308	312	442	368	3.5	5.0	4.2	6%	8%	9%
Bluedart Express	5,082	24	19,362	22,722	25,645	1,741	2,243	3,836	1,226	1,293	1,927	51.7	54.5	81.2	15%	48%	25%
Transport Corporation Of India	228	77	22,265	24,167	25,214	1,718	1,974	1,991	752	848	824	9.8	11.1	10.8	6%	8%	5%
VRL Logistics	300	91	14,938	16,562	17,064	2,082	2,779	2,698	656	973	1,027	7.2	10.7	11.3	7%	14%	25%
Snowman Logistics	66	167	1,534	2,029	2,401	399	471	507	317	279	206	1.9	1.7	1.2	25%	13%	-20%
Container Corporation	1,247	195	53,167	60,068	61,787	11,971	14,055	11,865	9,443	10,544	7,818	48.4	54.1	40.1	8%	0%	-9%
Gateway Distriparks	260	109	10,128	11,113	10,509	2,577	3,270	2,552	1,360	1,878	1,096	12.5	17.3	10.1	2%	0%	-10%
Navkar Corporation	175	143	3,455	3,288	3,473	1,283	1,210	1,568	NA	890	1,055	NA	6.2	7.4	0%	11%	NA
Allcargo Logistics	169	252	48,445	56,180	56,756	4,033	4,695	5,169	1,493	2,399	2,783	5.9	9.5	11.0	8%	13%	37%

Source: Bloomberg, JM Financial

## APPENDIX I

## JM Financial Institutional Securities Limited

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Member of BSE Ltd. and National Stock Exchange of India Ltd. and Metropolitan Stock Exchange of India Ltd.

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