

GATEWAY DISTRI PARKS LTD.

RECOMMENDATION : BUY

MARKET PRICE : Rs.89.85 (As on 4th Oct 2023)

TARGET PRICE : Rs.113.00

FACE VALUE : Rs.10

BSE CODE : 543489

NSE CODE : GATEWAY





ABOUT THE COMPANY

Gateway Distriparks Ltd. is an integrated inter-modal logistics service provider. It has a network of 10 Inland Container Depots and Container Freight Stations strategically located across the country, operating a fleet of 31 train-sets along with 500+ trailers for transportation between its facilities and maritime ports, as well as first & last mile connectivity to provide end to end solutions to the EXIM industry.

The Company offers general & bonded warehousing, rail & road transportation, container handling services and other value added services. Through Snowman Logistics, the group also operates India's largest temperature controlled logistics network.

India's Leading Integrated Multimodal Logistics Company

**Services across the
value chain of
multimodal logistics**

**Network of 10
Container Terminals -
5 ICDs and 5 CFSs**

**Strategically located to
serve all the major
industrial &
manufacturing zones of
India**

**Large fleet of train-
sets and trailers
capable of carrying
20 & 40 ft ISO
containers**

**Large equipment base
comprising of Reach
Stackers, Empty
Handlers, Hydra
cranes, Forklifts,
Loaders, Conveyors**

**Reliability in Rail
Freight movement,
facilitated by the DFC,
to drive growth in
container movement
by rail**

Railway linked Inland Container Depots (ICD)



ICDs catering to the EXIM business are located at Gurgaon, Faridabad, Ludhiana and Ahmedabad

Acquisition of ICD Kashipur in December 2022

New ICD under construction at Jaipur



*Company offers rail transportation services for EXIM containers between its ICDs and the key ports of JNPT, Mundra and Pipavav with a license to operate on the **pan-India Railways network***



*A strong **early mover advantage** in creating a **network of ICDs**, catering to northern markets and offering **hub and spoke** model of operations*



*ICD volumes set to get a **major thrust** with commissioning of **Western DFC** due to improved transit times and modal shift from road to rail*



*Adequate land bank available to double the installed capacity as volumes scale up with low capex – **providing scalability for long-term growth***

Container Freight Stations (CFS)

Company operates **five CFSs** which caters to Nhava Sheva, Chennai, Visakhapatnam, Kochi and Krishnapatnam



Offer various services like transportation, storage, bonded & general warehousing, empty handling & storage, refer containers, and other VAS



The important sources of revenue in the CFS business include handling & transport, terminal services, warehousing, cargo consolidation, first/last mile delivery and other VAS



Service Offering

Rail Transportation

- Operating 31 rakes - 21 owned and 10 on long term lease
- License to operate on Pan India Railways Network
- Regular services between JNPT, Mundra, Pipavav and hinterland ICDs in North India
- Dedicated Block Train services
- Reefer container services



ICD & CFS

- Pick up & Drop of containers to/fro the port by Rail & Road
- Container yards for handling of containers for both Customs Clearance as well as DPD containers
- Cargo consolidation services
- Container maintenance & repair facilities
- Value added services



Warehousing

- Available at both ICD & CFS
- General, Bonded and Domestic CT-PAT Compliant warehousing
- Racking facilities available with adequate forklift equipment
- Inventory Management
- Customized solutions like Variable Pressure Clamp Forklifts, Garment on Hangar, Palletizing /unitizing and Shrink Wrapping



Road Transportation

- First & Last Mile connectivity by road for end to end multimodal services
- GPS enabled tracking & route planning
- Fleet of over 525 trailers to carry both 20 & 40 feet containers
- 19 CNG enabled vehicles for reaching emission restricted zones



Strategically Located Facilities



ICD Terminals	Land (Acres)	Design Capacity (TEU's)	Installed Capacity (TEU's)
Gurgaon, HR	90	5,00,000	2,50,000
Ludhiana, PB	60	3,00,000	1,50,000
Faridabad, HR	65	3,00,000	1,50,000
Ahmedabad, GJ	40	2,00,000	1,00,000
Kashipur, UK	41	2,00,000	60,000
Jaipur, RJ	30	Under Construction Planned Capacity – 1,25,000	

Rail-ICD's located in the North West region of the country, which contributes to majority of container traffic on west coast

CFS Terminals	Land (Acres)	Installed Capacity (TEU's)
Nhava Sheva, Mumbai, MH	35	2,16,000
Chennai, TN	30	1,50,000
Krishnapatnam, AP	48	50,000
Kochi, KL (Joint Venture)*	6.5	50,000
Visakhapatnam, AP	25	70,000

CFS business located in areas that are prominent hubs for EXIM traffic and account for major part of container movement

Strong Asset Base

Key Metrics

- **ICD Capacity** – 710,000 TEUs p.a.
- **CFS Capacity** – 536,000 TEUs p.a.
- **Total Warehouse Capacity** – ~1,62,000 sq. mt.

Equipment Bank

- **Train Sets** – 31 (21 owned, 10 leased)
- **Tractor Trailers** – 525+
- **Reach Stackers** – 45
- **Hydra Cranes** – 20
- **Forklifts** - 68

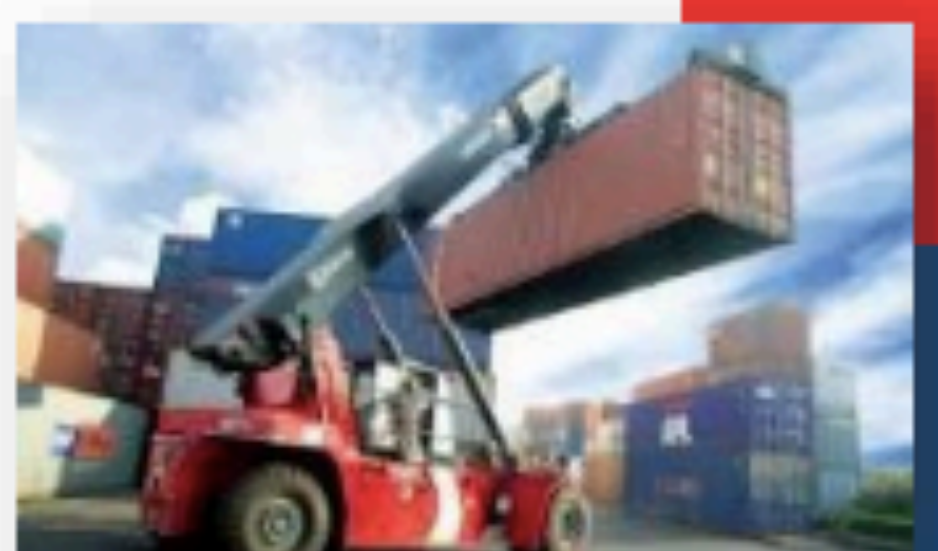
Train Sets



Tractor Trailers



Reach Stackers



Forklifts



Hydra Cranes



Future Ready

Healthy Balance Sheet

- › Stronger asset base, with large cash reserves and Net Debt:EBITDA ratio of 0.76 (on TTM basis)



Dedicated Freight Corridor

- › As more segments of the DFC are commissioned, the transit times reduce further
- › Hub & Spoke operations



Strategically Located Asset Base

- › Company's long-term strategy for Rail business involves organic & inorganic growth
- › Help increase containerization of cargo in India
- › Improving Capacity Utilization



Snowman Logistics Limited - An associate company

01

Snowman Logistics Limited, an associate company of GDL, is the largest integrated temperature-controlled logistics service provider in India. During Q1FY24, the company acquired additional stake of 1.50%, post which the company's stake in the company has increased to 41.75%.

02

Snowman has a nationwide network of temperature controlled warehouses, and a large fleet of refrigerated vehicles. It also operates dedicated warehouses for large e-commerce companies.

03

Snowman provides chain management for pharma, vaccines, e-commerce, quick service restaurants, seafood, poultry, dairy, batteries, industrial products, and it continues to expand in new locations.

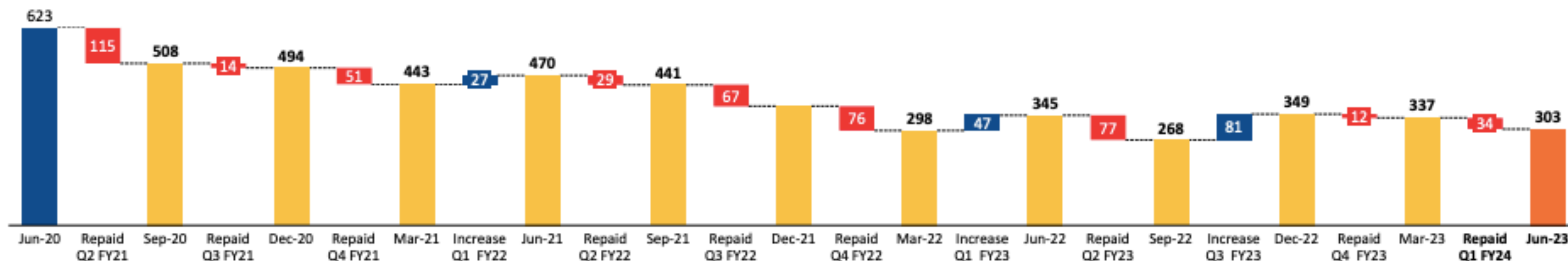
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[More information available on Snowman's website](#)

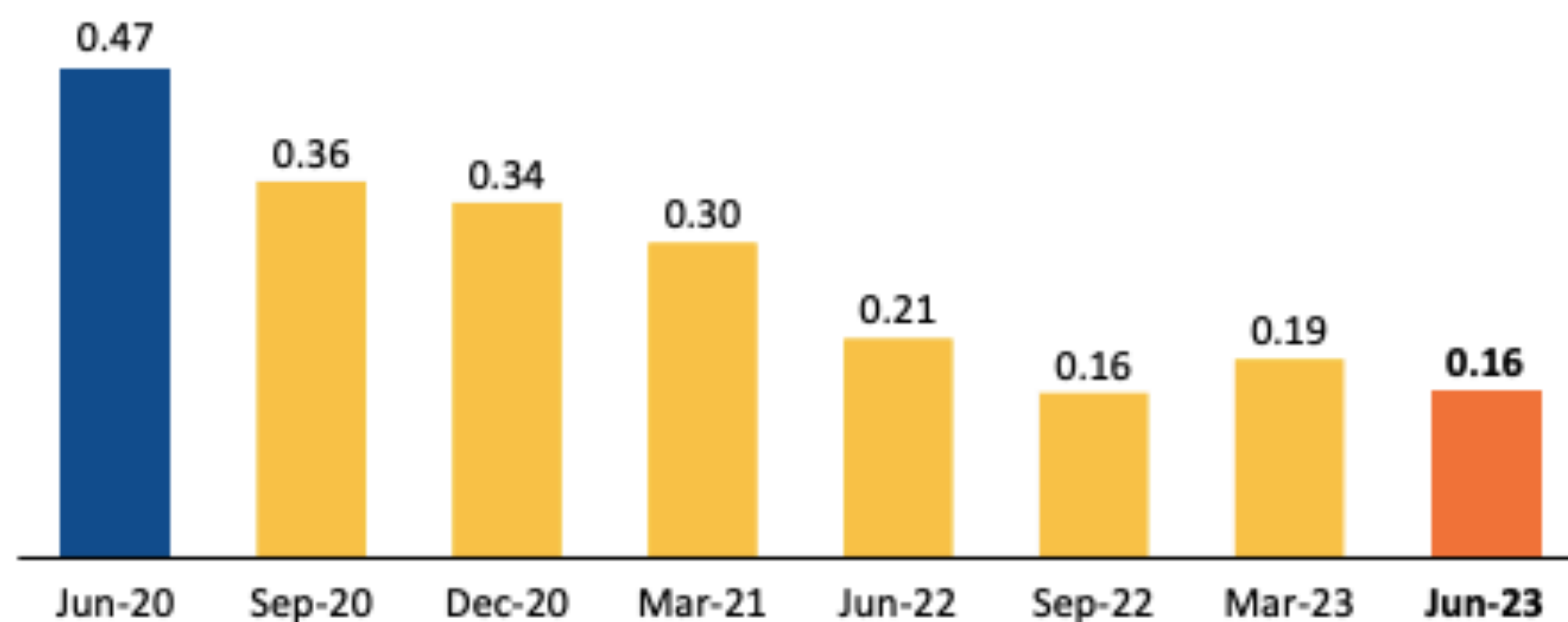


Deleveraging Balance Sheet

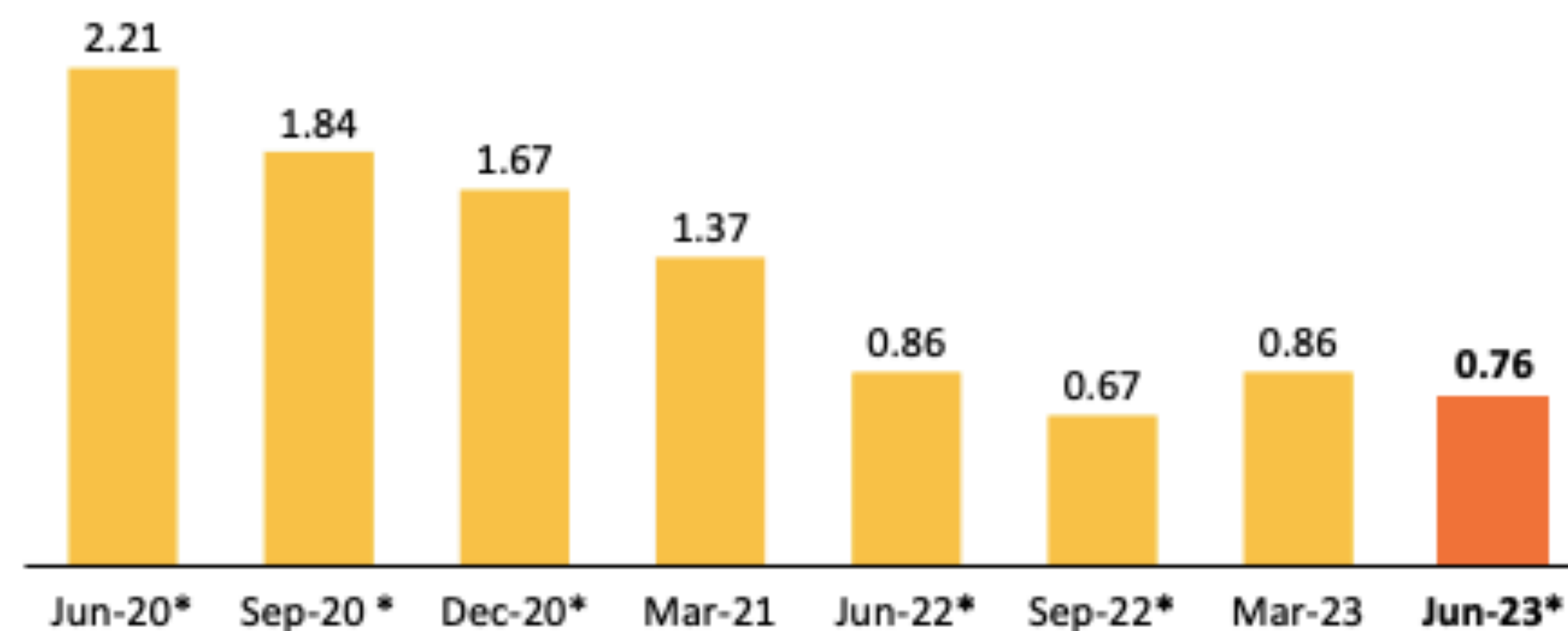
Net Debt Movement (Rs. Crs)



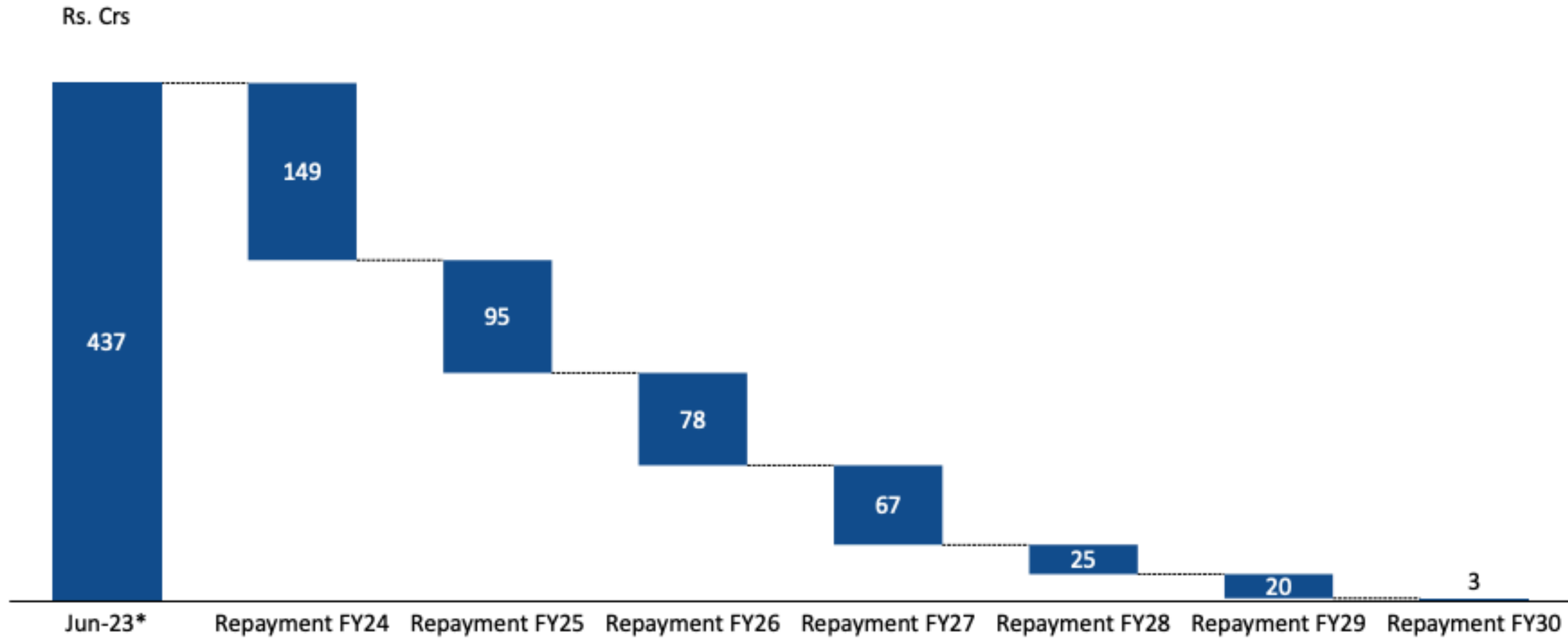
Net Debt: Equity (X)



Net Debt: EBITDA (X)



Gross Debt Payment Schedule

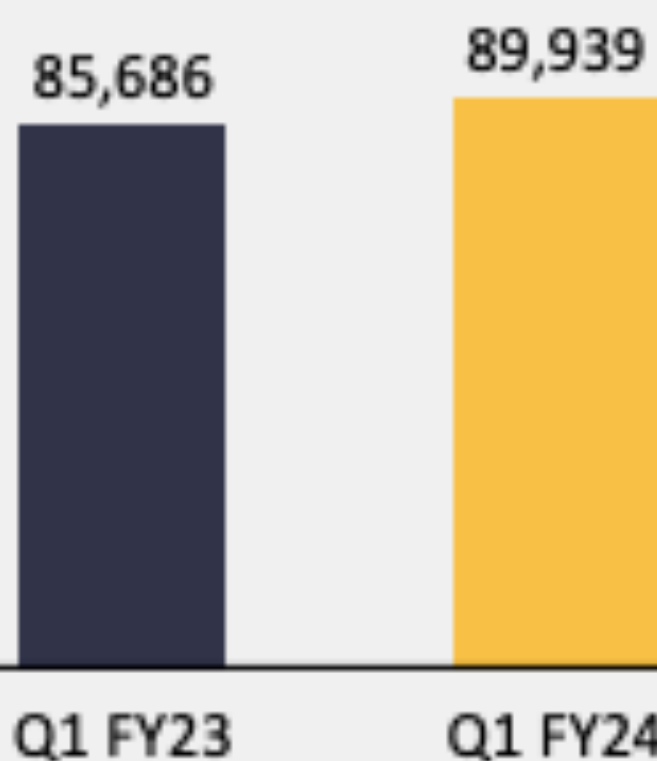


* - Excluding Cash Credit and Others

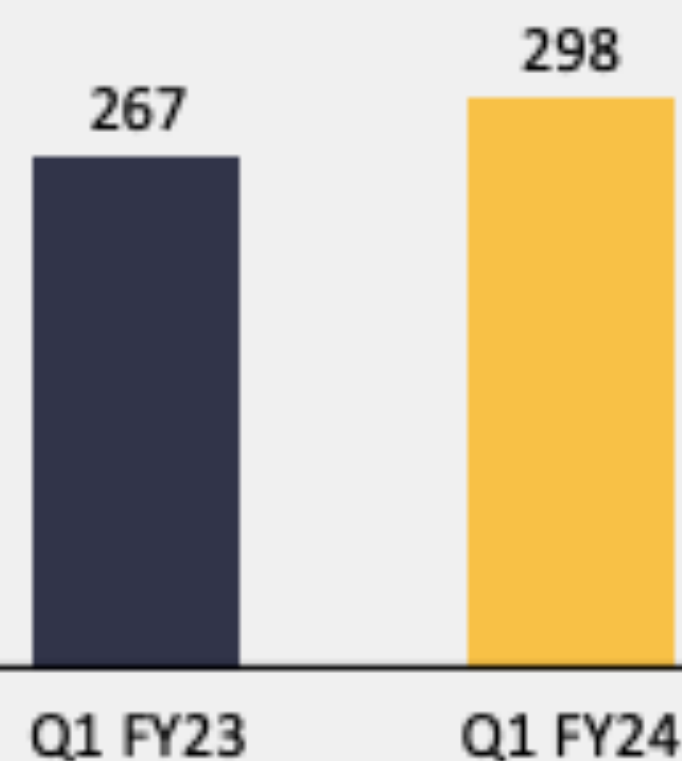
Segment highlights

Rail

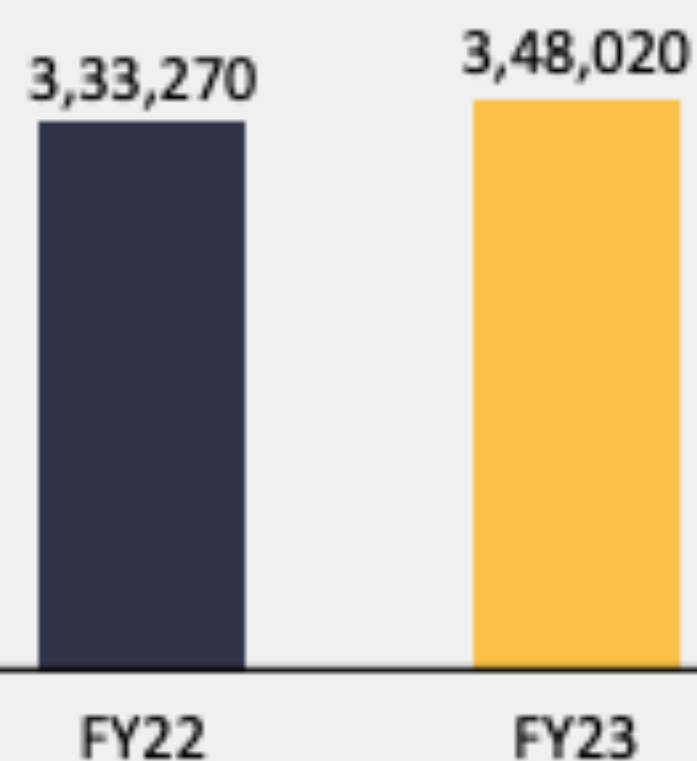
Throughput (TEUs)



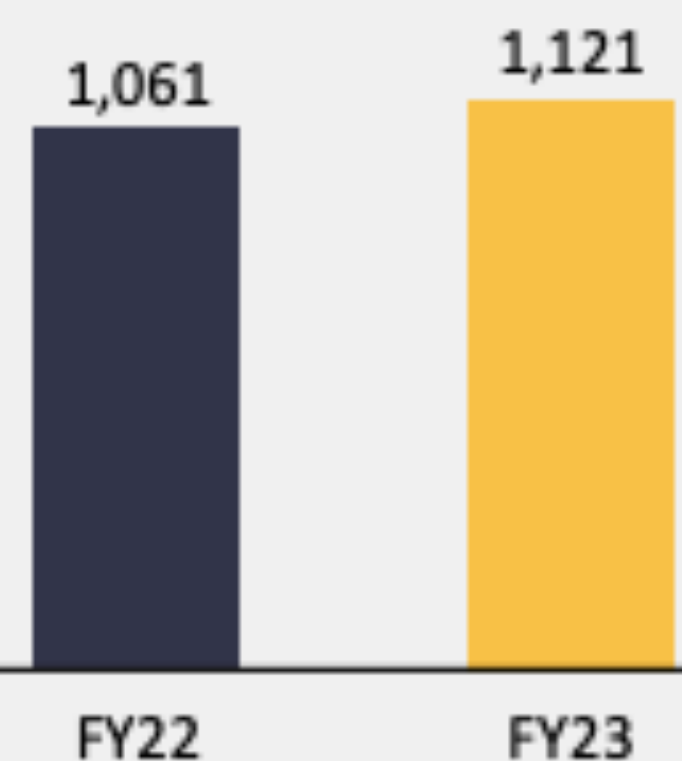
Revenues (Rs. Crs)



Throughput (TEUs)

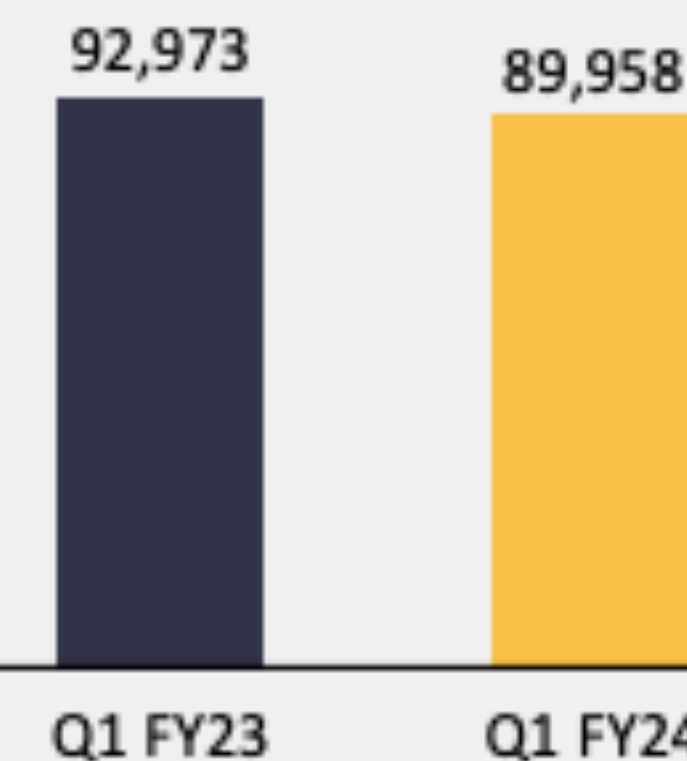


Revenues (Rs. Crs)

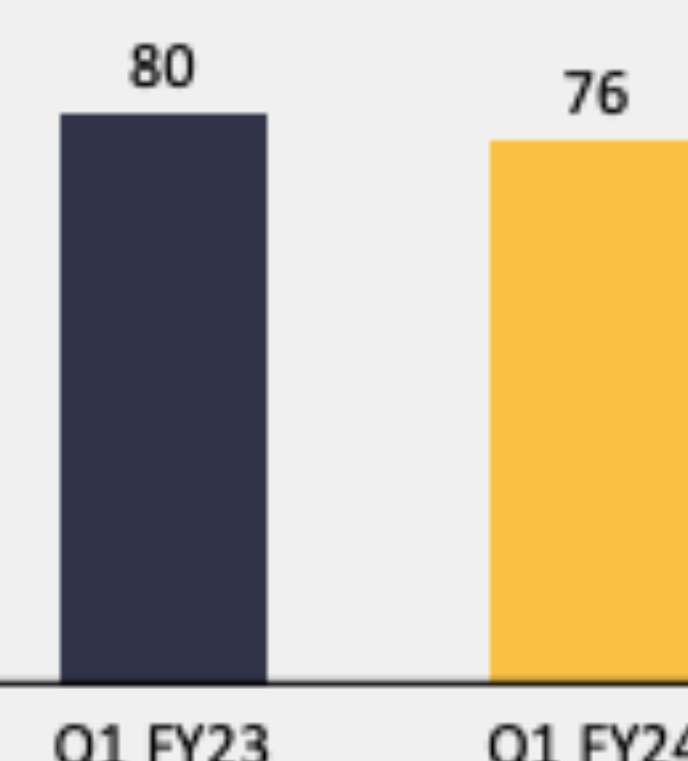


CFS*

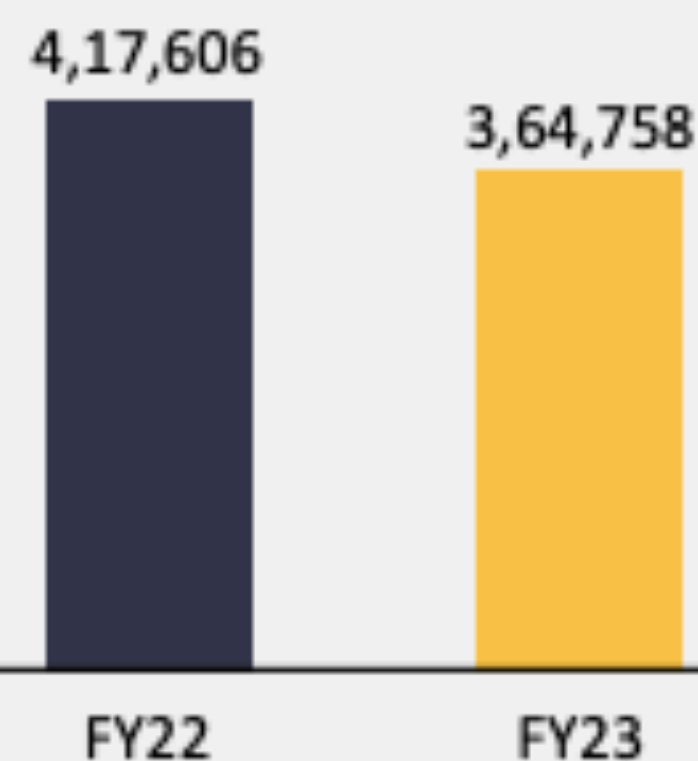
Throughput (TEUs)



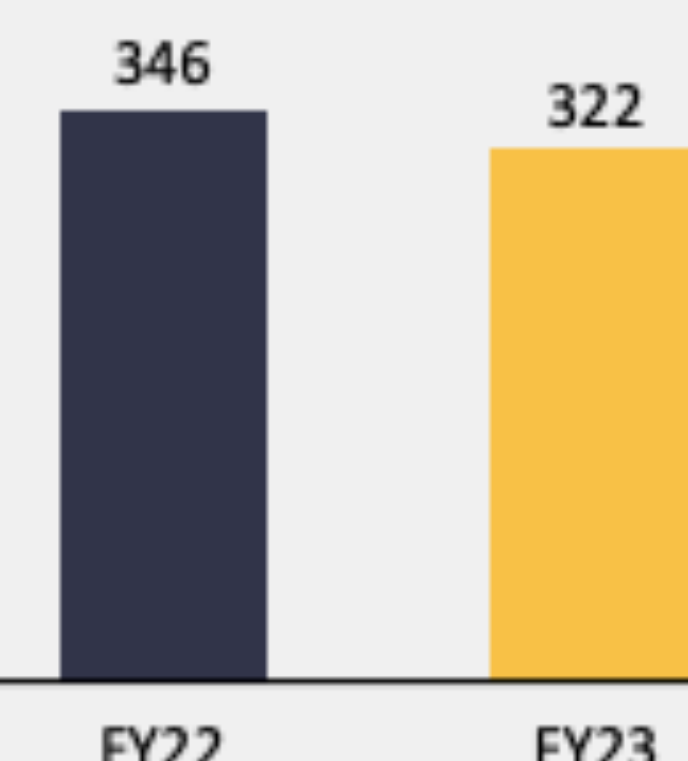
Revenues (Rs. Crs)



Throughput (TEUs)



Revenues (Rs. Crs)



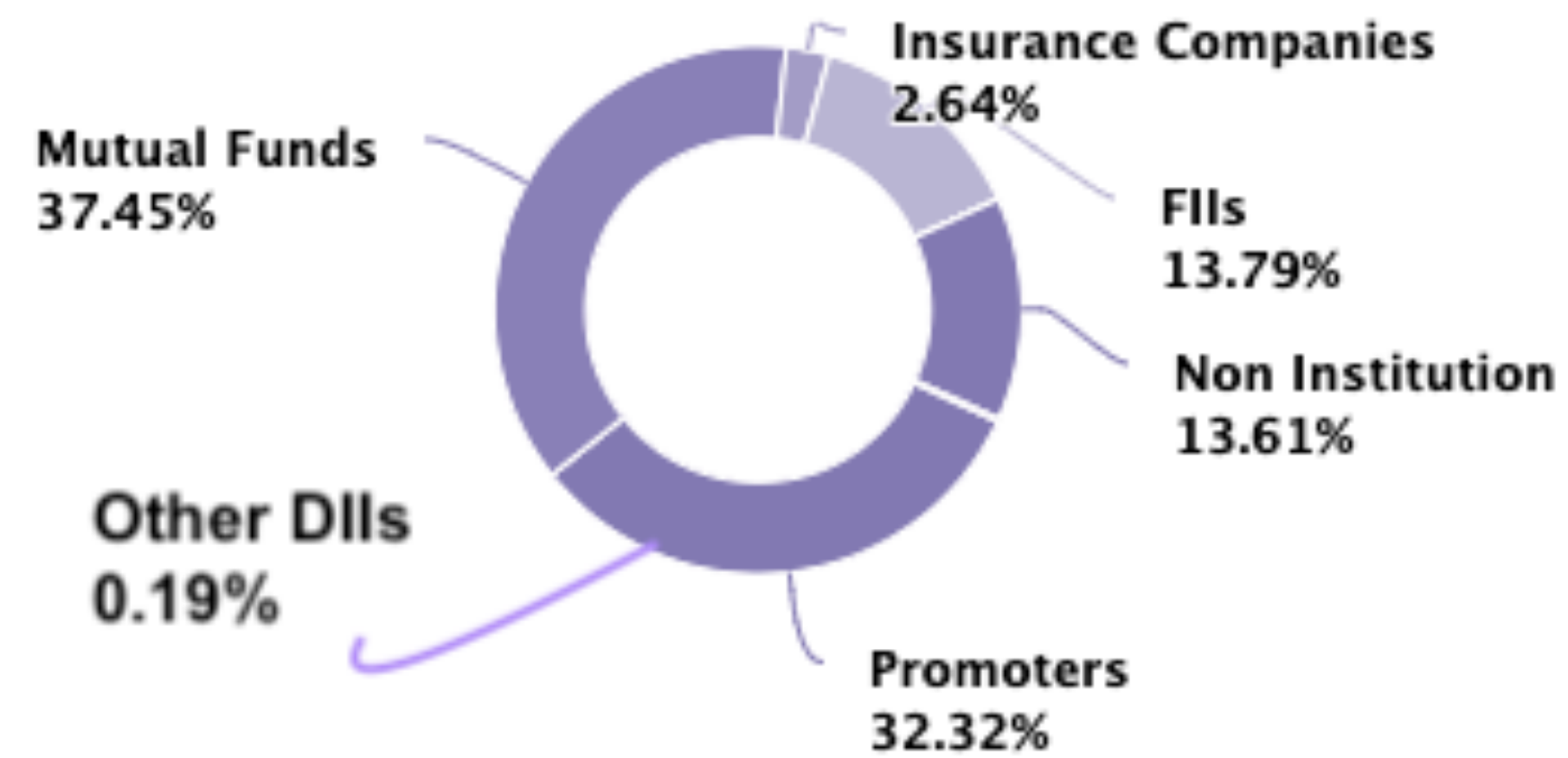
Yearly Results

YEARLY RESULTS OF GATEWAY DISTRI PARKS (in Rs. Cr.)	MAR '23	MAR '22	MAR '21
Net Sales/Income from operations	1,420.94	1,373.66	1,179.32
Total Income From Operations	1,420.94	1,373.66	1,179.32
EXPENDITURE			
Employees Cost	66.39	65.82	67.60
Depreciation	103.94	127.67	131.42
Other Expenses	986.09	939.30	798.75
P/L Before Other Inc., Int., Excpt. Items & Tax	264.52	240.87	181.55
Other Income	22.09	33.16	11.33
P/L Before Int., Excpt. Items & Tax	286.61	274.03	192.89
Interest	45.30	64.70	79.48
P/L Before Exceptional Items & Tax	241.31	209.33	113.41
P/L Before Tax	241.31	209.33	113.41
Tax	4.38	-13.70	18.98
P/L After Tax from Ordinary Activities	236.93	223.03	94.43
Net Profit/(Loss) For the Period	236.93	223.03	94.43
Minority Interest	-2.00	-0.03	-0.03
Share Of P/L Of Associates	4.98	0.79	0.06
Net P/L After M.I & Associates	239.90	223.79	94.45
Equity Share Capital	499.64	499.64	201.50
Reserves Excluding Revaluation Reserves	1,276.95	1,137.11	975.20
EPS BEFORE EXTRA ORDINARY			
Basic EPS	4.84	4.48	1.90
Diluted EPS	4.84	4.48	1.90
EPS AFTER EXTRA ORDINARY			
Basic EPS.	4.84	4.48	1.90
Diluted EPS.	4.84	4.48	1.90

Key Financial Ratios

KEY FINANCIAL RATIOS OF GATEWAY DISTRI PARKS (in Rs. Cr.)	MAR 23	MAR 22	MAR 21
PER SHARE RATIOS			
Basic EPS (Rs.)	4.84	4.48	1.90
Diluted EPS (Rs.)	4.84	4.48	1.90
Cash EPS (Rs.)	6.82	7.02	4.52
Book Value [ExclRevalReserve]/Share (Rs.)	35.80	32.95	29.71
Book Value [InclRevalReserve]/Share (Rs.)	35.80	32.95	29.71
Revenue from Operations/Share (Rs.)	28.44	27.49	23.60
PBDIT/Share (Rs.)	7.82	8.04	6.49
PBIT/Share (Rs.)	5.74	5.48	3.86
PBT/Share (Rs.)	4.83	4.19	2.27
Net Profit/Share (Rs.)	4.74	4.46	1.89
NP After MI And SOA / Share (Rs.)	4.80	4.48	1.89
PROFITABILITY RATIOS			
PBDIT Margin (%)	27.48	29.24	27.49
PBIT Margin (%)	20.17	19.94	16.35
PBT Margin (%)	16.98	15.23	9.61
Net Profit Margin (%)	16.67	16.23	8.00
NP After MI And SOA Margin (%)	16.88	16.29	8.00
Return on Networth/Equity (%)	13.50	13.67	6.40
Return on Capital Employed (%)	13.16	13.03	9.30
Return on Assets (%)	9.58	9.19	3.93
Total Debt/Equity (X)	0.24	0.31	0.38
Asset Turnover Ratio (%)	0.58	0.57	0.00
LIQUIDITY RATIOS			
Current Ratio (X)	0.74	0.99	0.81
Quick Ratio (X)	0.74	0.99	0.81
Inventory Turnover Ratio (X)	0.00	0.00	0.00
Dividend Payout Ratio (NP) (%)	0.00	27.91	52.96
Dividend Payout Ratio (CP) (%)	0.00	17.77	22.14
Earnings Retention Ratio (%)	0.00	72.09	47.04
Cash Earnings Retention Ratio (%)	0.00	82.23	77.86
COVERAGE RATIOS			
Interest Coverage Ratios (%)	8.62	6.21	4.08
Interest Coverage Ratios (Post Tax) (%)	8.62	6.21	4.08
VALUATION RATIOS			
Enterprise Value (Cr.)	3,499.67	3,630.13	0.00
EV/Net Operating Revenue (X)	2.46	2.64	0.00
EV/EBITDA (X)	8.96	9.04	0.00
MarketCap/Net Operating Revenue (X)	2.20	2.41	0.00
Retention Ratios (%)	0.00	72.08	47.03
Price/BV (X)	1.76	2.02	0.00
Price/Net Operating Revenue	2.20	2.41	0.00
Earnings Yield	0.08	0.07	0.00

Shareholding Pattern an on Jun'23



Summary

- ❖ With deliverance of robust performance in Q1 of FY'24, the Company's Net Sales increased by 7.54% i.e. Rs.369.69 crs in Jun'23 as compared to Rs.343.75 crs in Jun'22. However, the Net Profits grew up by 9.32% i.e. Rs.62.95 crs in Jun'23 versus Rs.57.58 crs in Jun'22.
- ❖ Viewing sound financials and fair fundamentals, the Company is available at a good price of Rs.89.85 with its 52 week low of Rs.58.55 and 52 week high of Rs.91.95.
- ❖ The Shareholding Pattern as on Jun'23, shows the Promoters held 32.32% stake, the FIIs and the Other DIIs altogether stood with 13.98% stake. Whilst, the Mutual Fund Houses own 37.45% holdings in the Company.
- ❖ Gateway Distriparks Ltd. is held by HDFC MF, MIRAE MF, SBI MF, ICICI PRU MF, FRANKLIN TEMPLETON MF, ABSL MF, EDELWEISS MF, BANDHAN MF, MOSL MF, NIPPON INDIA MF & LIC MF.
- ❖ On consolidated basis, Return on Equity (ROE) and Return on Capital Employed (ROCE) were registered around 13.50% & 13.16% respectively as on Mar'23.
- ❖ For the year ending Mar'23, Gateway Distriparks Ltd. has declared an equity dividend of 20.00% i.e. Rs.2.00 per equity share.

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