Container Corporation

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	CCRI IN
Equity Shares (m)	609
M.Cap.(INRb)/(USDb)	509 / 6.1
52-Week Range (INR)	1194 / 672
1, 6, 12 Rel. Per (%)	-3/-26/-6
12M Avg Val (INR m)	2069

Financial Snapshot (INR b)

Y/E MARCH	2025E	2026E	2027E
Sales	94.7	115.0	145.8
EBITDA	21.9	27.1	32.3
Adj. PAT	13.9	18.1	21.7
EBITDA Margin (%)	23.2	23.5	22.2
Adj. EPS (INR)	22.8	29.7	35.7
EPS Gr. (%)	13.7	29.9	20.4
BV/Sh. (INR)	206.6	223.0	242.8
Ratios			
Net D:E	(0.3)	(0.4)	(0.5)
RoE (%)	11.4	13.8	15.3
RoCE (%)	11.8	14.1	15.6
Payout (%)	45.6	44.6	44.6
Valuations			
P/E (x)	36.6	28.2	23.4
P/BV (x)	4.0	3.7	3.4
EV/EBITDA(x)	20.7	16.3	13.1
Div. Yield (%)	1.2	1.6	1.9
FCF Yield (%)	2.4	3.4	4.5

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	54.8	54.8	54.8
DII	25.8	24.8	21.6
FII	13.7	16.2	20.7
Others	5.7	4.2	2.9

FII Includes depository receipts

CMP: INR835 TP: INR1,050 (+26%) Buy

Decent performance; maintains volume guidance for FY25 despite challenges in EXIM

- Container Corporation of India (CCRI)'s revenues grew 4% YoY to INR22.8b during 2QFY25 (in line with our estimate). Total volumes grew 6% YoY to 1.3m TEUs with EXIM/Domestic volumes at 1.0m/0.29m TEUs, respectively (+4%/+14% YoY).
- Blended realization declined ~2% YoY to INR17,516/TEU. EXIM/Domestic realization stood at INR15,232/INR25,231 per TEU, respectively (+2%/-12% YoY). EBITDA margins came in at 25.2% (vs. our estimate of 22.2%). EBITDA grew 7% YoY and was 10% above our estimate.
- In line with the operating performance, APAT grew 11% YoY to INR 4.0b (against our estimate of INR 3.4b). The land license fee for 1HFY25 stood at INR1.7b. LLF for FY25 is expected to be INR4.0b (vs. INR3.7b in FY24).
- In 1HFY25, Revenue stood at INR43.8b (+7% YoY), EBITDA at INR10.1b (+8% YoY), EBITDA margin at 23%, and APAT at INR6.5b (+8% YoY). In 2HFY25, revenue, EBITDA, and PAT are expected to grow 12%, 19%, and 18% YoY, respectively.
- With a pick-up in exports, EXIM volumes are expected to improve for the rest of FY25. Going forward, 1) the higher share of double-stacked trains in overall cargo volumes and 2) the focus of management on increasing the First Mile Last Mile (FMLM) service to ~50% and ~85% of cargo volumes by FY25 and FY26, respectively, would support volumes and earnings. We retain our estimates for FY25 and cut our EBITDA estimates for FY26E by 8% to factor in a softer outlook, especially on EXIM and delays in the commissioning of DFC. We reiterate BUY with a revised TP of INR1,050 (based on 20x EV/EBITDA on Sep'26).

Highlights from the management commentary

- Double stacking grew 12% YoY in 1HFY25, highlighting a significant improvement. There is considerable potential for double stacking in the country.
- In 1HFY25, CCRI commissioned two high-speed rakes and expects to commission 10 more in 2HFY25. CCRI's total rakes count stands at 380 and the company procured 5,130 new containers in 1HFY25.
- CCRI expects EXIM volume to grow 15% in FY25 and domestic volume by 25%, resulting in an overall volume growth of 18-20%. It expects a significant pick-up in EXIM volumes in 2HFY25.
- Domestic volume growth of 25% YoY in FY25 will be driven by: a) new initiatives to carry bulk cement that will yield full benefits in FY25, b) a long-term tie-up with shipping lines, and c) a focus on providing end-to-end solutions.