

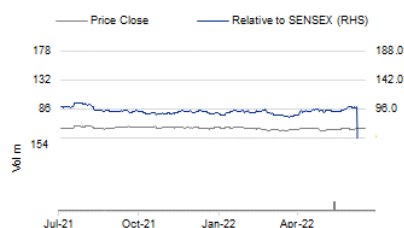
India

ADD (no change)

Consensus ratings*:	Buy 1	Hold 0	Sell 0
Current price:	Rs56		
Target price:	Rs63		
Previous target:	Rs63		
Up/downside:	12.5%		
InCred Research / Consensus:	-99.8%		
Reuters:	IRBN.NS		
Bloomberg:	IRBINVIT.IN		
Market cap:	US\$409m		
	Rs32,293m		
Average daily turnover:	US\$0.4m		
	Rs33.3m		
Current shares o/s:	580.5m		
Free float:	84.0%		
*Source: Bloomberg			

Key changes in this note

- Decrease FY23F EBITDA by 8%.
- Increase FY24F EBITDA by 1%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	2.4	4.8	0.1
Relative (%)	7.3	18.4	(0.6)

Major shareholders	% held
IRB Infrastructure	16.0
Government of Singapore	7.8
Aditya Birla Sun Life Asset Mgmt	6.4

Analyst(s)



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IRB InvIT Fund

Low-risk asset at fair valuation

- We feel FY22 yield is misleading, and the internal rate of return (IRR) is a key metric to track. We believe IRB InvIT trades at a reasonable IRR of 9.5%.
- We expect a 32% yoy decline in FY23F EBITDA. Acquisitions to the extent of Rs63bn can be funded via debt without any equity dilution.
- Maintain Add rating on IRB InvIT with an unchanged target price of Rs63.

FY22 yield is misleading, IRR is the key metric to track

Since its initial public offer or IPO (May 2017), IRB InvIT's share price declined by 47%. However, adjusted for payout, the growth in share price is 4%. The payout in FY22 was Rs9/unit and based on current market price of Rs56, this implies a healthy yield of 16% in FY22. We believe FY22 yield is misleading as the concession period for two projects, contributing 53% to IRB InvIT's EBITDA, ended in Mar/May 2022, respectively. We believe IRB InvIT trades at fair valuation with an IRR of 9.5% and a long-term traffic growth estimate of 4% p.a., in line with a 3.8% traffic CAGR over FY18-20.

Steady FY22 performance, but expect 32% yoy EBITDA fall in FY23F

Sales (Rs12.9bn)/EBITDA (Rs10.5bn) grew 17%/12% yoy, respectively, in FY22. We estimate a 32% yoy decline in EBITDA in FY23F as two projects, which contributed 53% to FY22 EBITDA, ended in Mar/May 2022, respectively. However, we expect the negative impact to be offset to a large extent by a) 14% yoy EBITDA growth from other projects (ex-PA), and b) Rs1.1bn EBITDA from Pathankot – Amritsar (PA) project. Based on CMP and InvIT regulations, IRB InvIT can have debt of up to Rs75bn vs. current net debt of Rs12bn. Thus, we believe that further acquisitions of up to Rs63bn can be funded via debt, beyond which equity raising is required.

Maintain Add rating with unchanged target price of Rs63

We reduce our FY23F EBITDA by 8% and increase our FY24F EBITDA by 1%, in line with the performance in FY22. We forecast a) long-term traffic growth of 4% p.a., in line with the trend over FY18-20, and b) long-term Wholesale Price Index or WPI inflation of 5% p.a. Based on CMP, we believe the stock trades at an IRR of 9.5%. We maintain Add rating on it with an unchanged discounted cash flow or DCF-based target price of Rs63. We have used a discount rate of 10.7% based on a beta of 1x and target debt/equity ratio of 1x. Our target price includes the payout in FY23F. Key downside risks are an economic slowdown, and any local event like construction of a parallel road which could negatively affect traffic on IRB InvIT's roads.

Financial Summary

	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Revenue (Rsm)	12,373	11,041	12,900	8,249	8,224
Operating EBITDA (Rsm)	10,295	9,385	10,484	7,147	6,936
Net Profit (Rsm)	1,727	1,808	3,028	2,077	2,395
Core EPS (Rs)	3.0	3.1	5.2	3.6	4.1
Core EPS Growth	(20.2%)	4.7%	67.4%	(31.4%)	15.3%
FD Core P/E (x)	18.70	17.86	10.66	15.55	13.49
DPS (Rs)	11.3	16.6	14.4	6.0	5.5
Dividend Yield	20.33%	29.85%	25.82%	10.87%	9.92%
EV/EBITDA (x)	4.60	5.04	4.23	6.04	6.15
P/FCFE (x)	4.24	4.35	3.86	7.40	10.08
Net Gearing	32.5%	34.5%	29.1%	27.2%	26.5%
P/BV (x)	0.70	0.74	0.78	0.81	0.82
ROE	3.5%	4.0%	7.1%	5.1%	6.1%
% Change In Core EPS Estimates				1.50%	(1.10%)
InCred Research/Consensus EPS (x)					

SOURCES: INCRED RESEARCH, COMPANY REPORTS

Low-risk asset at fair valuation

Measures for risk mitigation with traffic volume upside ►

IRB InvIT's assets have a blended traffic track record/residual life of 9/15 years, respectively. The company's toll rates are linked to inflation, thereby protecting its assets from volatility in inflation/interest rates.

Since its IPO in May 2017, IRB InvIT's share price declined by 47% from Rs102 at the time of the IPO to Rs56 currently. However, during this period, the payout was Rs50.4/unit. Adjusted for the payout, the growth in share price is just 4%.

Figure 1: Salient features of IRB InvIT's toll road portfolio

Toll road	State	Awarded by	Concession start	Scope	Length (km)	Capex - road only (Rs bn)	Capex per Km constructed (Rs m)	Toll escalation
Surat- Dahisar*	Maharashtra/ Gujarat	NHAI	20-Feb-09	4 To 6 Lanes	239	25.4	106.2	WPI
Bharuch- Surat*	Gujarat	NHAI	2-Jan-07	2 to 4 or 6 Lanes	65	9.7	148.6	WPI
Jaipur- Deoli	Rajasthan	NHAI	14-Jun-10	2 to 4 Lanes	146	17.3	118.5	3%+40%*WPI
Tumkur- Chitradurg	Karnataka	NHAI	4-Jun-11	4 To 6 Lanes	114	11.4	100.2	3%+40%*WPI
Talegaon- Amravati	Maharashtra	NHAI	3-Sep-10	2 to 4 Lanes	67	8.9	133.8	3%+40%*WPI
Omalur-Salem-Namakkal	Tamil Nadu	NHAI	14-Aug-06	2 to 4 Lanes	69	3.1	44.8	WPI
Pathankot-Amritsar	Punjab	NHAI	31-Dec-10	2 to 4 Lanes	102	14.5	141.1	3%+40%*WPI
Total					802	90.2	112.5	

NOTE: * CONCESSION PERIOD FOR BHARUCH – SURAT AND SURAT – DAHISAR PROJECTS ENDED IN MAR / MAY 2022, RESPECTIVELY, AND THEY HAVE BEEN HANDED OVER TO THE NHAI.

WPI – WHOLESAL PRICE INDEX INFLATION

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

FY22 yield is misleading, IRR is the key metric to track ►

The payout in FY22 was Rs9/unit based on CMP (Rs56), which implies a healthy yield of 16% in FY22. We believe FY22 yield is misleading as the concession period for Bharuch-Surat and Surat-Dahisar projects ended in Mar/May 2022, respectively. These two projects together contributed 55%/53%, respectively, to IRB InvIT's FY22 revenue/ EBITDA.

We believe IRB InvIT trades at a fair valuation and an IRR of 9.5% with long-term traffic growth estimate of 4% p.a., in line with a 3.8% traffic CAGR for its projects over FY18-20.

Steady FY22 performance, but we expect 32% yoy EBITDA decline in FY23F ►

EBITDA in FY21 declined 8.8% yoy due to the 19-day national Covid-related lockdown in 1QFY21 and stoppage of toll collection at PA project from Oct 2020 to 16 Dec 2021. During FY22, sales (Rs13bn) / EBITDA (Rs10.5bn) / PAT + depreciation (Rs9.8bn) grew 17%/ 12%/ 25% yoy, respectively.

Figure 2: IRB InvIT's income statement

(Rs bn)	FY20	FY21	FY22
Sales	12.4	11.0	12.9
yoy growth %		(10.8)	16.8
EBITDA	10.3	9.4	10.5
yoy growth %		(8.8)	11.7
EBITDA margin %	83.2	85.0	81.3
Depreciation	6.9	6.1	6.8
Interest (external)	1.7	1.5	0.3
Tax	0.0	(0.0)	0.3
PAT	1.7	1.8	3.0
PAT + Depreciation	8.6	7.9	9.8
yoy growth %		(8.1)	24.7

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Figure 5: Project-wise revenue growth

(Rs bn)	FY21	FY22	yoy growth %
IRBSD (Surat- Dahisar)	3.4	4.1	21
IDAAIPL (Bharuch- Surat)	2.4	3.0	25
IJDTP (Jaipur- Deoli)	1.0	1.2	16
ITCTPL (Tumkur- Chitradurg)	2.4	2.7	11
ITATPL (Talegaon- Amravati)	0.7	0.8	8
MITPL (Omalur-Salem-Namakal)	0.8	0.9	22
IPATRP (Pathankot-Amritsar)	0.5	0.4	(9)

 NOTE: TOLL COLLECTION OF PATHANKOT-AMRITSAR PROJECT WAS STOPPED FROM OCT 2020 – DEC 2021 DUE TO FARMERS' PROTEST
 SOURCE: INCRED RESEARCH, COMPANY REPORTS

We estimate a 32% yoy decline in EBITDA in FY23F as two projects, which contributed 53% to FY22 EBITDA, ended in Mar/May 2022, respectively. However, we expect the negative impact to be offset to a large extent by a) 14% yoy EBITDA growth from other projects (ex-PA), and b) Rs1.1bn EBITDA from PA project.

Figure 4: Project-wise EBITDA over FY21-FY23F

(Rs bn)	FY21	FY22	FY23F
Total	9.4	10.5	7.1
growth %		12	(32)
Surat - Dahisar and Bharuch - Surat	4.8	6.2	0.7
growth %		30	(88)
Pathankot - Amritsar	0.2	(0.0)	1.1
growth %		(105)	na
Others	4.4	4.7	5.3
growth %		6	14

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Traffic in FY22: Besides the PA project, traffic was negatively impacted because of the following reasons: 1) Tumkur-Chitradurg traffic dipped 6% yoy in 3QFY22 due to floods in Nov 2021. 2) During 4QFY22, Omicron variant of Covid-19 impacted traffic in Jan 2022, but it recovered in Feb/Mar 2022. 3) Talegaon – Amravati (TA) traffic declined 10% yoy in 2HFY22 due to Nagpur metro rail construction, the impact of which is believed to have lasted till May 2022.

Figure 5: Net toll collection over FY20-4QFY22

(Rs mn)	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22
IRBSD (Surat- Dahisar)	462	855	1,097	1,138	886	1,046	1,160	1,198
Growth vs FY20 %	(52)	(5)	9	18	(7)	16	15	25
IDAAIPL (Bharuch- Surat)	326	585	721	745	585	748	806	823
Growth vs FY20 %	(46)	1	10	17	(3)	30	23	29
IJDTP (Jaipur- Deoli)	171	254	298	303	225	285	319	357
Growth vs FY20 %	(35)	10	14	21	(15)	23	22	43
ITCTPL (Tumkur- Chitradurg)	347	584	698	802	512	679	707	805
Growth vs FY20 %	(45)	(1)	15	40	(19)	15	16	40
ITATPL (Talegaon- Amravati)	108	177	221	219	169	199	203	210
Growth vs FY20 %	(42)	5	20	21	(9)	18	10	16
MITPL (Omalur-Salem-Namakal)	109	178	223	242	164	231	260	264
Growth vs FY20 %	(45)	(9)	8	27	(17)	18	26	38
IPATRP (Pathankot-Amritsar)	165	277	14	-	-	-	53	361
Growth vs FY20 %	(51)	(3)	(96)	(100)	(100)	(100)	(84)	28
Total	1,688	2,910	3,272	3,449	2,541	3,188	3,508	4,017
Growth vs FY20 %	(47)	(1)	1	12	(20)	8	8	31
Total ex PA	1,523	2,633	3,258	3,449	2,541	3,188	3,455	3,656
Growth vs FY20 %	(46)	(1)	12	24	(10)	20	18	31

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Tariff revision for IRB InvIT's projects in FY22 & FY23F

	Tariff revision	Effective from
ITCTPL (Tumkur- Chitradurg)	10.2%	Apr-22
ITATPL (Talegaon- Amravati)	10.2%	Apr-22
IJDTP (Jaipur- Deoli)	10.2%	Apr-22
IPATRP(Pathankot-Amritsar)	10.2%	Apr-22
MITPL (Omalur-Salem-Namakkal)	7.9%	Sep-21
IDAAIPL (Bharuch- Surat)	7.9%	Jul-21
IRBSD (Surat- Dahisar)	1.3%	Sep-21

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Toll collections in case of PA project was stopped from Oct 2020 to Dec 2021 due to the farmers' protest. IRB InvIT had filed claims for cash compensation and extension of the project, as per the force majeure clause.

Note: In a separate case against the National Highways Authority of India (NHAI), in Jul 2021, arbitral tribunal announced that IRB Pathankot-Amritsar (PA) project has won the arbitration award of 1.4 years extension in concession period and Rs 4.2bn towards delay in completion of construction for reasons not attributable to IRB Infra. NHAI challenged the decision before Delhi High Court, which upheld the arbitral tribunal's decision and directed NHAI to release 75% (Rs3.1bn) of the arbitration award. IRB Infra will receive the payment from the arbitration award while the extension of the concession period would accrue to IRB InvIT. We believe this will have a positive Rs5/share impact on IRB Infra and Rs1.7/share impact on IRB InvIT.

Healthy balance sheet provides room to raise debt to fund acquisitions ►

FY22 net debt/ EBITDA is just 1.1x. InvIT regulations allow debt of up to 70% of the value of its assets. Based on CMP and InvIT regulations, IRB InvIT can have debt of up to Rs75bn vs. net debt of Rs12bn as at end-Mar 2022. Thus, we estimate that further acquisitions of up to Rs63bn can be funded via debt, beyond which equity raising is required.

IRB InvIT is evaluating a potential acquisition of Vadodara-Kim HAM project from IRB Infra. The remaining life of this project is 15 years, project cost is Rs20.9bn and expected annuity is Rs1.7bn p.a.

The decision to acquire assets from its sponsor (IRB Infra) will require a majority vote from IRB InvIT's shareholders (sponsor is not allowed to vote). Acquisitions may be funded by debt, equity and 10% of cash flow as the payout to investors is sacrosanct (90% of cash flow) and must not be affected by asset purchases.

Figure 7: Balance sheet

(Rs bn)	FY21	FY22	yoy Change
Equity including sub-debt	43.5	41.4	(2.1)
Net external Debt	15.0	12.1	(3.0)
NHAI premium payable	57.5	57.1	(0.4)
Total Liabilities	116.0	110.5	
Net Fixed Assets	55.7	49.5	(6.2)
Premium to NHAI	62.0	61.6	(0.4)
NWC	(1.7)	(0.6)	1.1
Total Assets	116.0	110.5	

SOURCES: INCRED RESEARCH, COMPANY REPORTS

Figure 8: Key ratios

(x)	FY21	FY22
Net Debt (external) / EBITDA	1.6	1.1
EBIT/ Interest (external)	2.2	11.7
Net Debt (external) / Equity	0.3	0.3
RoCE %	6.1	7.5
RoE %	4.2	7.3
Payout per unit (Rs)	8.5	9.0
PBV	0.7	0.8
PE	18.0	10.7
EV/EBITDA	5.1	4.3

SOURCES: INCRED RESEARCH, COMPANY REPORTS

Maintain Add rating with an unchanged target price of Rs63 ▶

Figure 9: Our revised earnings estimates

(Rs m)	FY23F		FY24F	
	Old	New	Old	New
Sales	9,384	8,249	8,459	8,224
% change		(12)		(3)
EBITDA	7,804	7,147	6,837	6,936
% change		(8)		1
PAT	2,046	2,077	2,421	2,395
% change		2		(1)

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

We reduce our estimate for FY23F EBITDA by 8% and increase our FY24F EBITDA by 1%, in line with the performance in FY22. We forecast long-term traffic growth of 4% p.a., in line with the trend over FY18-20, and long-term WPI inflation of 5% p.a. Based on CMP, we believe the stock trades at an IRR of 9.5%. We maintain Add rating on the stock with a DCF-based unchanged target price of Rs63. We have used a discount rate of 10.7%.

Figure 10: Our target EV (Mar 2023F) for IRB InvIT's assets

	Target EV Mar 23F (Rs. Bn)	EV/ EBITDA (x)	Remaining Life (years)
Surat- Dahisar	-	-	-
Bharuch- Surat	-	-	-
Jaipur- Deoli	15.1	13.6	18.3
Tumkur- Chitradurg	5.3	3.8	15.3
Talegaon- Amravati	7.7	9.1	14.9
Omaler-Salem-Namakkal	2.7	3.2	4.5
Pathankot-Amritsar	12.5	11.2	13.4
Total	43.3	7.2	15.0

NOTE: CONCESSION PERIOD FOR BHARUCH – SURAT AND SURAT – DAHISAR PROJECTS ENDED IN MAR / MAY 2022, RESPECTIVELY, AND THEY HAVE BEEN HANDED OVER TO THE NHAI.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: DCF-based target price

Particulars	Rs (bn)
Target EV (Mar 23F)	43.3
Net Debt (FY23F)	10.1
Add cash flow (FY23F)	3.5
Equity value	36.8
Target Price (Rs/share)	63

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Infrastructure Investment Trust (InvIT): Reduces risk and increases returns for investors ▶

While units of an InvIT are not debt instruments, the risks are lower than in the case of equity of a road developer.

InvITs mitigate risks for investors:

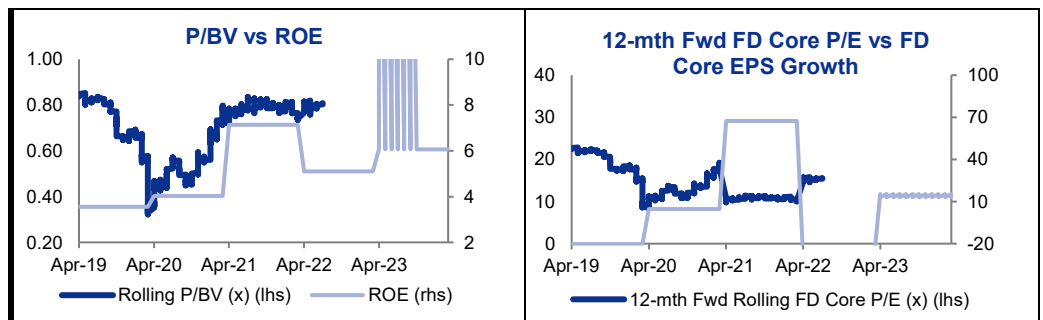
- InvITs reduce the risk of capex overrun and base traffic estimation. As per the regulations of the Securities and Exchange Board of India, an InvIT is not allowed to invest more than 10% of its asset value in projects under construction. 80% of its asset value must be in completed projects.
- Allows low leverage, as external debt must be less than 70% of its asset value. If the above two conditions are breached due to share price movement, the InvIT has six months (one year with unit-holder approval) to meet the above two conditions.
- At least 90% of the special purpose vehicle's (SPV) net distributable cash flow (NDCF) must be distributed to the InvIT and at least 90% of the InvIT's NDCF must be distributed to unit-holders.
- Control over acquisition/divestment. The decision to acquire/divest the asset is subject to a vote by the owners of the InvIT, in which the promoter/sponsor is not allowed to participate, and a majority vote is required to proceed with the acquisition/divestment.
- InvIT's sponsor must have a minimum of 15% shareholding for three years after it is listed on stock exchanges.

InvIT maximizes returns for investors: Returns to unit-holders include interest on subordinated debt, principal repayment of subordinated debt and dividends.

- Zero tax on (a) dividend distribution by the SPV to the trust and by the trust to the unit-holder, and (b) subordinated debt repayment.
- Domestic/foreign investors are charged withholding tax of 10%/5%, respectively, on interest income.

For InvIT, yield is a misnomer and the key metric to monitor is IRR:

- Yield in financial instruments means interest with the implicit assumption of principal repayment at the end of the tenure. InvIT payout includes interest and principal repayment. InvIT's assets have a finite blended life of 10-15 years.
- The yield in the initial years could be high for an InvIT with a high proportion of mature assets approaching the end of their concession period.

BY THE NUMBERS

Profit & Loss

(Rs mn)	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Total Net Revenues	12,373	11,041	12,900	8,249	8,224
Gross Profit	10,295	9,385	10,484	7,147	6,936
Operating EBITDA	10,295	9,385	10,484	7,147	6,936
Depreciation And Amortisation	(6,853)	(6,081)	(6,807)	(3,335)	(2,832)
Operating EBIT	3,442	3,304	3,677	3,812	4,104
Financial Income/(Expense)	(1,636)	(1,454)	(1,418)	(1,754)	(1,706)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	(78)	(42)	1,103		
Profit Before Tax (pre-EI)	1,728	1,808	3,361	2,058	2,398
Exceptional Items					
Pre-tax Profit	1,728	1,808	3,361	2,058	2,398
Taxation	(1)		(333)	19	(4)
Exceptional Income - post-tax					
Profit After Tax	1,727	1,808	3,028	2,077	2,395
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	1,727	1,808	3,028	2,077	2,395
Recurring Net Profit	1,727	1,808	3,028	2,077	2,395
Fully Diluted Recurring Net Profit	1,727	1,808	3,028	2,077	2,395

Cash Flow

(Rs mn)	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
EBITDA	10,295	9,385	10,484	7,147	6,936
Cash Flow from Invt. & Assoc.					
Change In Working Capital	1,135	(2,177)	(1,074)	854	
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow					
Net Interest (Paid)/Received	(1,714)	(1,496)	(315)	(1,754)	(1,706)
Tax Paid	(1)		(333)	19	(4)
Cashflow From Operations	9,715	5,712	8,761	6,267	5,226
Capex					
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(1,498)	(350)	(367)	(1,401)	(1,521)
Cash Flow From Investing	(1,498)	(350)	(367)	(1,401)	(1,521)
Debt Raised/(repaid)	(594)	2,058	(28)	(500)	(500)
Proceeds From Issue Of Shares			1		
Shares Repurchased					
Dividends Paid	(6,566)	(9,639)	(8,338)	(3,511)	(3,205)
Preferred Dividends					
Other Financing Cashflow	203	4,270	4,119	612	
Cash Flow From Financing	(6,957)	(3,312)	(4,246)	(3,399)	(3,705)
Total Cash Generated	1,260	2,051	4,149	1,466	
Free Cashflow To Equity	7,623	7,420	8,367	4,366	3,205
Free Cashflow To Firm	9,853	6,816	9,813	6,619	5,411

SOURCES: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Total Cash And Equivalents	1,907	3,958	6,902	7,585	7,585
Total Debtors					
Inventories					
Total Other Current Assets	1,156	1,156	1,156	302	302
Total Current Assets	3,063	5,114	8,059	7,887	7,887
Fixed Assets	65,144	60,251	54,065	52,304	50,993
Total Investments					
Intangible Assets					
Total Other Non-Current Assets					
Total Non-current Assets	65,144	60,251	54,065	52,304	50,993
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors					
Other Current Liabilities	5,024	2,847	1,773	1,773	1,773
Total Current Liabilities	5,024	2,847	1,773	1,773	1,773
Total Long-term Debt	16,929	18,987	18,959	18,459	17,959
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
Total Non-current Liabilities	16,929	18,987	18,959	18,459	17,959
Total Provisions					
Total Liabilities	21,953	21,834	20,733	20,233	19,733
Shareholders Equity	46,254	43,531	41,392	39,958	39,148
Minority Interests					
Total Equity	46,254	43,531	41,392	39,958	39,148

Key Ratios					
	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Revenue Growth	3.5%	(10.8%)	16.8%	(36.1%)	(0.3%)
Operating EBITDA Growth	3.7%	(8.8%)	11.7%	(31.8%)	(3.0%)
Operating EBITDA Margin	83.2%	85.0%	81.3%	86.6%	84.3%
Net Cash Per Share (Rs)	(25.88)	(25.89)	(20.77)	(18.73)	(17.87)
BVPS (Rs)	79.68	74.99	71.30	68.83	67.44
Gross Interest Cover	2.10	2.27	2.59	2.17	2.41
Effective Tax Rate	0.1%		9.9%		0.1%
Net Dividend Payout Ratio	380.2%	533.0%	275.4%	169.0%	133.8%
Accounts Receivables Days					
Inventory Days					
Accounts Payables Days					
ROIC (%)	5.1%	5.4%	6.3%	7.1%	8.1%
ROCE (%)	5.2%	5.3%	6.0%	6.4%	7.1%
Return On Average Assets	4.8%	4.9%	7.0%	6.3%	6.9%

Key Drivers					
	Mar-20A	Mar-21A	Mar-22A	Mar-23F	Mar-24F
Toll revenue grth (%)	3.5%	(10.8%)	16.8%	(36.1%)	(0.3%)
EBITDA grth (%)	3.7%	(8.8%)	11.7%	(31.8%)	(3.0%)

SOURCES: INCRED RESEARCH, COMPANY REPORTS

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Description:	Excellent	Very Good	Good	N/A	N/A

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Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021

ADVANC – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CGET** – n/a, n/a, **CENDEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** – Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** – Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, n/a, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** – Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TOP** – Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

Recommendation Framework

Stock Ratings

Definition:

Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.