

India

**Neutral** (no change)**Highlighted Companies****Container Corp of India****ADD, TP Rs1083, Rs914 close**

We expect a sharp volume growth for Container Corporation of India over FY24-26F, driven by the shift in cargo from road to rail after the commissioning of the Dedicated Freight Corridor.

**InterGlobe Aviation****REDUCE, TP Rs2000, Rs3491 close**

We expect InterGlobe Aviation or IndiGo's ASK to grow by 10% p.a. yoy in FY25F-26F. We factor in Re0.11 RASK -CASK in FY26F (same as the average in FY17-20).

**Summary Valuation Metrics**

P/E (x)	Mar24-F	Mar25-F	Mar26-F
Container Corp of India	41.46	32.79	23.43
InterGlobe Aviation	36.17	89.63	63.91
P/BV (x)	Mar24-F	Mar25-F	Mar26-F
Container Corp of India	4.57	4.01	3.58
InterGlobe Aviation	-52.12	-124.53	131.31
Dividend Yield	Mar24-F	Mar25-F	Mar26-F
Container Corp of India	0.72%	0%	1.28%
InterGlobe Aviation	0%	0%	0%

# Transport Infra - Overall

## 4QFY24 results preview

- In 4QFY24F, we expect a 28% yoy EBITDA growth for Container Corporation of India (Concor) and a 30% yoy EBITDA growth for Adani Ports (ADSEZ).
- We expect IndiGo's EBITDA to dip 5% yoy due to muted volume growth and higher ownership cost.

### Strong railway EXIM container growth likely in 4QFY24F

In 4QFY24, Concor's cargo volume (handled) rose by 11% yoy. We believe this was due to a sharp pick-up in rail cargo from Mundra and Pipavav ports after the completion of the Rewari-to-Dadri stretch (127km) in North India on the western Dedicated Freight Corridor or DCF. We expect a 28% yoy growth in Concor's EBITDA due to volume growth and tariff hike. We expect BlueDart's EBITDA to rise by 6% yoy, driven by a 4% volume growth in air cargo volume. We expect a 10% yoy dip in VRL Logistics' EBITDA, driven by a reduction in the EBITDA margin to 13.3% from 16.3% yoy.

### Ports: Adani Ports grew much higher than MPs in Jan-Feb 2024

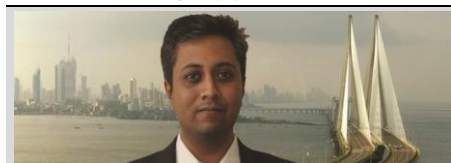
In Jan-Feb 2024, major ports (MPs) + APSEZ grew 8% yoy (MPs/ APSEZ cargo grew 3%/24% yoy, respectively). At MPs, coal cargo rose by 3% yoy as thermal coal increased by 6% yoy while coking coal dipped 1% yoy, container cargo rose by 7% yoy and petroleum, oil and lubricants cargo rose by 5% yoy. Among ports, JNPT dipped 4% yoy. APSEZ reported 109mt of cargo volume in 4QFY24 (up 26% yoy). Ex-Haifa and Karaikal ports, we estimate 102mt of cargo (up 19% yoy). We expect ADSEZ's EBITDA (excluding SEZ) to rise by 30% yoy, driven by cargo growth. We expect GPPV's EBITDA to rise by 33% yoy, driven by an 8% yoy increase in volume and ~5% tariff hike. We expect JSW Infrastructure's EBITDA to be flat yoy due to a 2% yoy dip in cargo.

### Aviation: Volume growth yoy tapers down in Jan-Feb 2024

Domestic industry traffic rose by just 4.4% yoy in Jan-Feb 2024, significantly lower than the yoy growth in Jun-Sep 2023 (average 20.9%), where growth was boosted due to the low base effect. IndiGo's domestic market share dipped from 63.4% in 2Q to 60.1% in Feb 2024. The gainers were Tata group (26.3% in 2Q to 28.8% in Feb 2024) and SpiceJet (4.3% in 2Q to 5.2% in Feb 2024). We expect IndiGo's EBITDA to decline 5% yoy due to muted volume growth and higher ownership cost.

### Key stock calls: ADD Concor; REDUCE IndiGo & JSW Infrastructure

We have an ADD rating on Concor because of the likely boost to its volume after the commissioning of the DFC. We have a REDUCE rating on IndiGo or InterGlobe Aviation, valuing the stock at 8.5x FY26F EV/EBITDAR, and a similar rating on JSW Infrastructure as we believe the likely muted volume growth over FY24F-26F is at odds with rich valuations.

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**Figure 1: 4QFY24F earnings of companies in our coverage universe**

(Rs m)	Revenue	yoy %	qoq %	EBITDA	yoy %	qoq %	Adj. PAT	yoy %	qoq %
Adani Ports	70,617	22	2	42,582	30	2	25,215	10	1
Concor	25,138	16	14	6,405	28	35	4,313	35	41
Gujarat Pipavav	2,918	24	8	1,781	33	12	1,246	37	13
JSW Infrastructure	9,065	(1)	(4)	4,711	(0)	(2)	3,004	(18)	(8)
VRL Logistics	7,704	10	5	1,028	(10)	9	207	(66)	51
BlueDart Express	13,139	8	(5)	2,110	6	(1)	666	(4)	(25)
IndiGo	1,57,915	12	(16)	23,745	(5)	(48)	(55)	(101)	(100)
SpiceJet	18,505	(14)	na	889	na	na	829	na	na

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## 4QFY24 results preview

Figure 2: Detailed 4QFY24F earnings of companies in our coverage universe

Company	4QFY24F	4QFY23	yoy %	3QFY24	qoq %	Comments
<b>Adani Ports (Consolidated)</b>						
Sales (Rs m)	70,617	57,969	21.8	69,201	2.0	We expect EBITDA (excluding SEZ) to rise 30% yoy, driven by cargo growth.
SEZ EBITDA (Rs m)	450	220		250		
EBITDA (Rs m)	42,582	32,713	30.2	41,860	1.7	
EBITDA excluding SEZ (Rs m)	42,132	32,493	29.7	41,610	1.3	
EBITDA margin %	60.3	56.4		60.5		
Adj. PAT (Rs m)	25,215	22,851	10.3	24,882	1.3	
<b>Concor (Standalone)</b>						
Sales (Rs m)	25,138	21,660	16.1	22,051	14.0	We expect a 28% yoy growth in Concor's EBITDA due to volume growth and tariff hike.
EBITDA (Rs m)	6,405	4,997	28.2	4,754	34.7	
EBITDA margin %	25.5	23.1		21.6		
Volume handled (kTEU)	1,245	1,119	11.2	1,151	8.2	
Adj. PAT (Rs m)	4,313	3,207	34.5	3,069	40.6	
<b>Gujarat Pipavav (Standalone)</b>						
Sales (Rs m)	2,918	2,347	24.3	2,696	8.2	We expect EBITDA to rise 33% yoy, driven by 8% yoy rise in volume and ~5% tariff hike.
EBITDA (Rs m)	1,781	1,339	33.0	1,593	11.8	
EBITDA margin %	61.0	57.1		59.1		
Cargo volume (mt)	4.2	3.9	7.8	4.1	3.1	
Adj. PAT (Rs m)	1,246	908	37.2	1,104	12.9	
<b>JSW Infrastructure (Consolidated)</b>						
Sales (Rs m)	9,065	9,153	(1.0)	9,401	(3.6)	We expect EBITDA to be flat yoy due to 2% yoy dip in cargo.
EBITDA (Rs m)	4,711	4,718	(0.2)	4,799	(1.8)	
EBITDA margin %	52.0	51.5		51.0		
Cargo volume (mt)	26.3	26.7	(1.7)	28.1	(6.5)	
Adj. PAT (Rs m)	3,004	3,665	(18.0)	3,270	(8.1)	
<b>VRL Logistics (Standalone)</b>						
Sales (Rs m)	7,704	6,982	10.3	7,367	4.6	We expect a 10% yoy dip in EBITDA, driven by reduction in EBITDA margin to 13.3% from 16.3% yoy.
EBITDA (Rs m)	1,028	1,141	(9.9)	943	9.0	
EBITDA margin %	13.3	16.3		12.8		
Adj. PAT (Rs m)	207	605	(65.8)	137	51.5	
<b>BlueDart Express (Consolidated)</b>						
Sales (Rs m)	13,139	12,166	8.0	13,829	(5.0)	We expect EBITDA to rise by 6% yoy, driven by similar air cargo growth.
EBITDA (Rs m)	2,110	1,992	5.9	2,134	(1.1)	
EBITDA margin %	16.1	16.4		15.4		
Adj. PAT (Rs m)	666	694	(4.1)	889	(25.1)	
<b>IndiGo (Standalone)</b>						
Sales (Rs m)	1,57,915	1,41,606	11.5	1,88,021	(16.0)	We expect EBITDA to decline 5% yoy, due to muted volume growth and higher ownership cost.
EBITDAR (Rs m)	52,406	49,727	5.4	74,750	(29.9)	
EBITDA (Rs m)	23,745	24,955	(4.8)	45,452	(47.8)	
EBITDA margin %	15.0	17.6		24.2		
Adj. PAT (Rs m)	(55)	6,632	(100.8)	23,990	(100.2)	
<b>SpiceJet (Standalone)</b>						
Sales (Rs m)	18,505	21,451	(13.7)	na	na	We expect turnaround in operations driven by cost control and ramp-up in operations since 2QFY24
EBITDAR (Rs m)	1,717	949	80.9	na	na	
EBITDA (Rs m)	889	(757)	na	na	na	
EBITDA margin %	4.8	(3.5)		na	na	
Adj. PAT (Rs m)	829	(62)	na	na	na	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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