



KEY HIGHLIGHTS

1. RESULTS OVERVIEW:

- MAN Infra Q1FY25 consolidated revenues came in at ₹341.62 Cr, down 32.97% YoY and up 15.12% QoQ.
- Op Profit for Q1FY25 stood at ₹84 Cr, down 22.94 % YoY and up 68% QoQ.
- Op margins for Q1FY25 came at 24%, +300 bps YoY and +700 bps QoQ.
- PAT for Q1FY25 stood at ₹84 Cr, down 3.45% YoY and up 29.23% QoQ.

2. MANAGEMENT COMMENTARY:

- Management will be strengthening position in MMR with projects through Asset light model.

3. SEGMENTAL ANALYSIS:

- Q1FY25 Category Breakup: Real estate (66.31%), EPC (33.69%).
- EPC order book of Rs. 728 cr as on Jun-24.

4. CONCALL SUMMARY

- MICL has expanded its portfolio by acquiring four new projects located in Pali Hill, Ghatkopar, Marine Lines, and Goregaon, totaling 27.5 lakh sq. ft. This move is expected to significantly enhance their presence in these prime Mumbai locations.
- MICL has unveiled two luxurious developments, Aaradhya OnePark and Aaradhya Awaan, spanning a combined 10.8 lakh sq. ft.
- In FY24, MICL achieved sales of around 3.0 lakh sq. ft. of carpet area, amounting to Rs. 744 crore.
- The company secured Rs 543 crore through preferential shares to support its future expansion plans.
- In FY25, MICL anticipates launching 11.5 lakh sq. ft., expecting to generate revenue of Rs. 4,250 crore, including the remaining two towers at Mira Road.

5. FUTURE OUTLOOK:

- MICL is seeing robust cash flows from ongoing projects, with a run rate surpassing Rs 321 crore in Q1.
- The company has an upcoming project in Pali Hill, Bandra, which has already garnered significant expressions of interest. Additionally, they are developing a gated community in Ghatkopar East, covering over 10,000 sq. meters.
- MICL is looking into further opportunities in Goregaon, with a project spanning 10 acres that is expected to generate a topline exceeding Rs 4,000 crore. The management plans to expand this project by an additional 10 acres, aiming to reach a topline of Rs 4,500 crore by FY27.

6. VALUATION AND OUTLOOK:

- We expect strong growth momentum to resume in second half of this fiscal year and next year with many new launches in line. Company focus on asset light model to aid in bottom line. Company has strong EPC order book and is actively bidding for new projects in this segment.
- We initiate BUY rating on the stock and value the scrip at 22x FY26E EPS to arrive at a target price of Rs 240.**

RECOMMENDATION - BUY

CMP – 190

TARGET – 240 (26%)

Industry	Realty
NSE CODE	MANINFRA
BSE CODE	533169
Market Cap (₹ Cr)	7122
Shares Outstanding (in Cr)	37.2
52 wk High/Low (₹)	249/137
P/E	24.6
P/BV	5.41
Face Value (₹)	2
Book Value (₹)	35.8
EPS (FY24) (₹)	8.09
Dividend Yield (%)	0.85
Debt / Equity	0.10
Interest Coverage	14.3

SHAREHOLDING PATTERN

	Jun 24	Mar 24	Dec 23
Promoters	67.31	67.31	67.19
MF/ DII	2.09	2.10	2.09
FII/FPI	3.57	3.55	3.50
Retail & Others	27.04	27.04	27.19
Promoter Pledging	0.00	0.00	0.00

FINANCIAL SNAPSHOT (₹ Cr)

Y/E March	2024A	2025E	2026E
Crete			
Sales	1263	1220	1246.84
Sales Gr(%)	-33.16	-3.4	2.2
EBITDA	326	347.7	357.84
EBITDA %	26	28.5	28.7
PAT	303	334.27	409.72
EPS (₹)	8.09	8.90	10.88
EPS Gr. (%)	16.24	10.04	22.30
Valuation			
P/E (x)	24.5	21.34	17.46

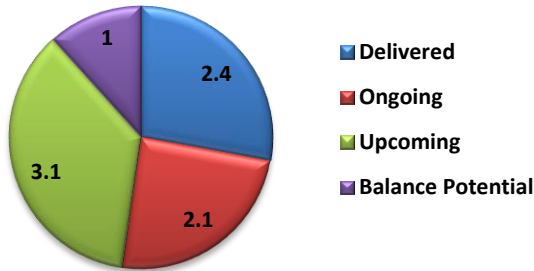
Historical & Industrial Val Ratios

Historical P/E	24.4
Industry P/E	43.4
Historical P/B	3.3
Industry P/B	3.64

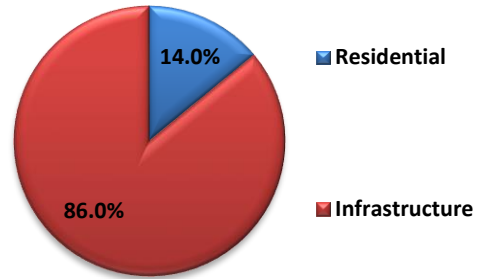


DIVERSIFIED BUSINESS VERTICALS (Q1 FY25)

Real Estate Portfolio (million sq. ft.) (Q1 FY25)



EPC Portfolio (Q1 FY25)



QUARTERLY PERFORMANCE (CONSOLIDATED)

(₹ Cr)

Y/E March	FY23			FY24			FY25		FY24	FY25E*
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		
Net sales	401	457	680	510	215	242	297	342	1263	1220
YoY change (%)	62.23%	54.07%	157.42%	44.80%	-46.35%	-47.08%	-56.38%	-32.97%	-33.16%	-3.4
Total Expenditures	307	328	556	401	151	139	247	258	937	872.3
EBITDA	94	129	124	109	64	103	50	84	326	347.7
Margins (%)	23%	28%	18%	21%	30%	42%	17%	24%	26%	28.5
Other income	14	16	15	16	28	31	42	36	116	136
Interest	15	15	14	9	6	7	12	4	35	27
Depreciation	3	3	3	2	2	3	3	2	10	11
PBT	90	127	122	114	83	123	77	113	397	445.7
Rate (%)	22.44%	27.79%	17.94%	22.35%	38.60%	50.83%	25.93%	33.04%	31.43%	36.53%
Adjusted PAT	63	91	92	87	65	87	65	84	303	334.27
EPS in Rs	1.44	2.28	2.20	2.22	1.88	2.24	1.76	2.09	8.09	8.90

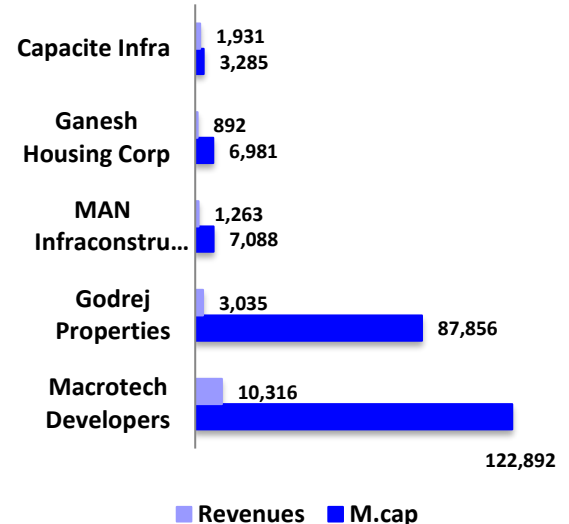
Source: Company, Hem Securities Research.



INDUSTRY OVERVIEW

- The Indian real estate sector is expected to reach USD 1 trillion by 2030, making it one of the largest in the world (Source: NAREDCO).
- The real estate and construction sectors together contribute nearly 15% to India's GDP (Source: Economic Survey 2021-22).
- The implementation of RERA (Real Estate (Regulation and Development) Act, 2016) has led to increased transparency and consumer confidence in the sector.
- Adoption of technologies like BIM (Building Information Modeling), IoT (Internet of Things) for smart buildings, and PropTech (Property Technology) solutions is on the rise, enhancing construction efficiency and building management.
- Challenges include liquidity constraints, regulatory compliance, land acquisition issues, and economic uncertainties impacting investor sentiment.
- Trends such as co-working spaces, mixed-use developments integrating residential and commercial spaces, and sustainable building practices are gaining traction in the market.
- Despite challenges, the long-term outlook for the Indian real estate sector remains positive, driven by demographic trends, urbanization, infrastructure investments, and evolving consumer preferences.
- Current trends in the Indian real estate industry include the rise of co-working spaces, mixed-use developments, green buildings, and affordable housing initiatives supported by government schemes like Pradhan Mantri Awas Yojana (PMAY).

Peer group



PEER PERFORMANCE

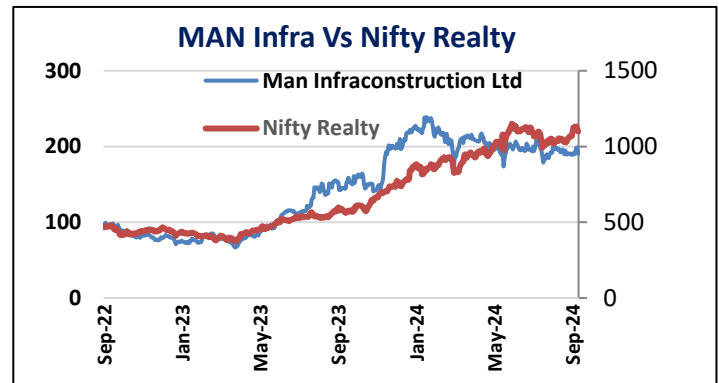
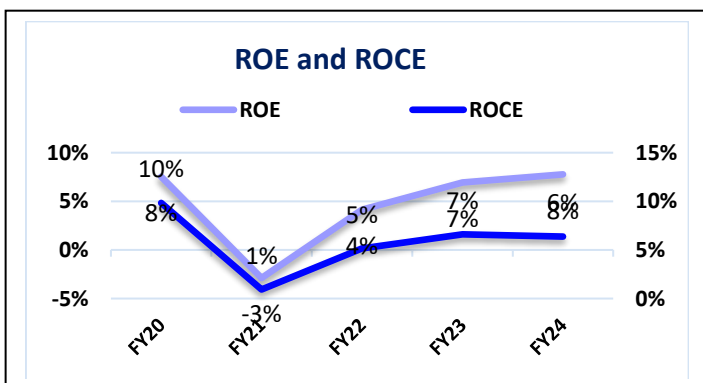
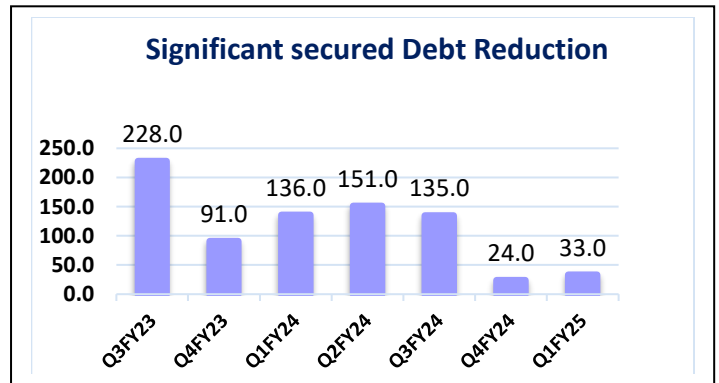
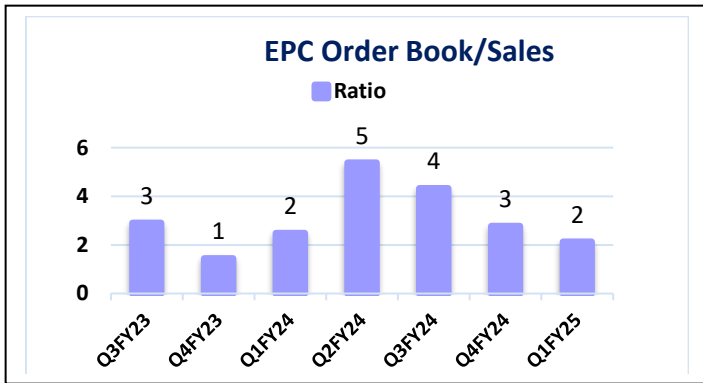
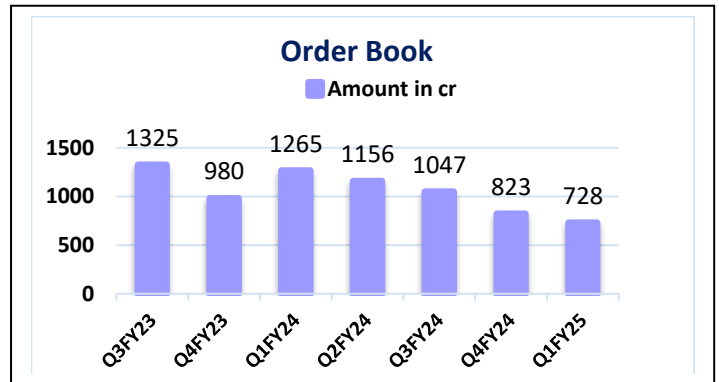
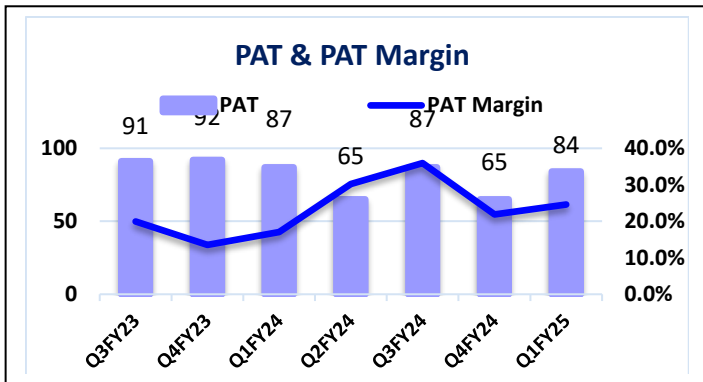
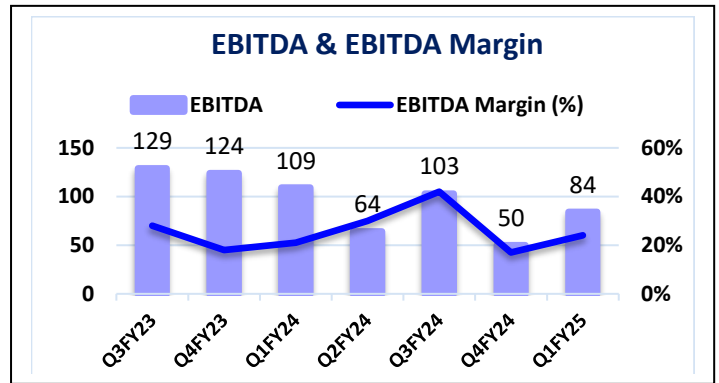
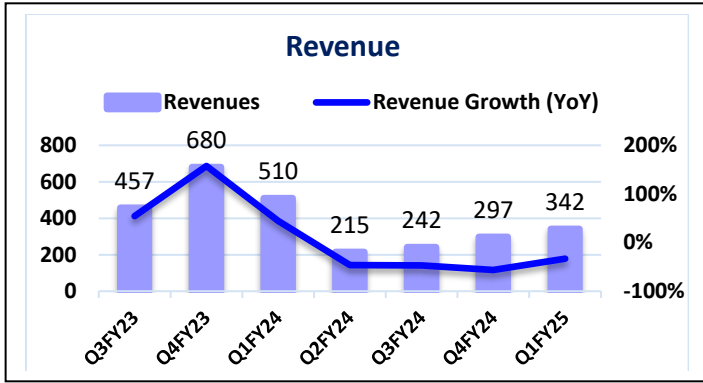
(₹ Cr)

Particulars	MAN Infraconstruction	Capacit'e Infraprojects	Macrotech Developers	Ganesh Housing Corp	Godrej Properties
Market Cap	7,088.3	3,285.2	1,22,892.3	6,981.2	87,856.5
Net Sales	1,263.5	1,931.6	10,316.1	892.0	3,035.6
EBITDA	326.4	331.4	1,005.8	623.1	-129.7
PAT	300.4	120.3	1,549.1	460.7	725.3
EPS(₹)	8.1	14.2	15.6	55.2	26.1
EBITDA MARGIN %	33.5	18.8	27.4	70.6	38.5
PAT MARGIN %	24.0	6.2	15.1	51.6	24.6
ROCE %	29.9	16.0	10.9	46.1	6.4
ROE %	25.1	9.3	10.7	34.6	7.8
P/E TTM	24.0	21.3	66.6	16.9	78.4
P/B TTM	5.0	2.1	7.1	4.2	8.3
EV/EBITDA	15.4	8.40	38.8	12	56.5
Dividend Yield %	0.9	-	0.2	1.3	-
MCap/ Sales TTM	6.5	1.6	10.6	8.4	31.0

Source: Company, Hem Securities Research.



STORY IN CHARTS





INVESTMENT RATIONALE:

- The company has an upcoming order book of around 4 Mn sq ft and and Rs 728 cr EPC Portfolio order book.
- Company focus on asset light business model will aid in bottom line and better EBITDA and PAT Margins without straining balance sheet.
- MICL maintains robust cash flow visibility from its ongoing projects, with a current run rate surpassing Rs 321 crore in Q1.
- The company has a new project coming up in Pali Hill, Bandra, which has already attracted significant expressions of interest. Additionally, they are developing a gated community in Ghatkopar East, covering over 10,000 sq. meters.
- MICL is looking into more opportunities in Goregaon with a project over 10 acres, expected to generate a topline exceeding Rs 4,000 crore. Management plans to expand this project by another 10 acres, aiming for a topline of Rs 4,500 crore by FY27.
- With a strong launch trajectory towards H2FY25 and impressive collection performance, MICL is poised for growth.
- Robust balance sheet with almost negligible debt and healthy operating cash flows driven by its asset light business model.
- Secured Rs 543 crore through a preferential issue to fuel growth and expansion initiatives.
- Company is aiming to be net debt free by end of financial year which will help in increasing bottom line. Starting from the second half of the current financial year, Management anticipate a reduction in finance costs by approximately 100 basis points.
- Last year, MICL achieved pre-sales totaling Rs 1,000 crore. For this fiscal year, the management is projecting pre-sales between Rs 2,000 and Rs 2,500 crore.
- The company is actively pursuing new projects in EPC segment, with management anticipating significant growth in this division for this fiscal year.

RISK / NEGATIVE FACTORS:

- Rising material and labor costs can lead to project cost overruns. The company accounts for these risks at the project launch stage and adjusts sales phases to cover increasing construction costs.
- Labor shortages or labor-related issues could disrupt project timelines and escalate overall costs.
- Company predominantly operates within MMR which poses a geographical risk.
- Adverse changes in Interest rate could potentially hamper the demand for housing.
- Obtaining necessary approvals and permits from government agencies can significantly prolong project timelines and increase associated costs.
- Regulatory hurdles, delays in approvals, and issues with labor and material availability present significant risks. To mitigate these, the company follows stringent internal checks and due diligence in joint development partnerships.

COMPANY RECAP

- Man Infraconstruction Ltd (MICL), based in Mumbai, Maharashtra, is a notable player in the civil construction and real estate sectors. Their operations encompass a wide array of services, including engineering, procurement, and construction (EPC) projects, as well as real estate development.
- MICL engages in numerous civil construction projects, including residential, commercial, and infrastructure developments. They have expertise in constructing roads under the design-build-finance-operate-transfer (DBFOT) model, ensuring comprehensive project management from start to finish.
- The company focuses on developing high-end residential and commercial properties. This includes luxury projects like Aaradhya OnePark and Aaradhya Avaan, which together cover an area of 10.8 lakh sq. ft. These projects are a testament to MICL's commitment to quality and innovation in real estate development.
- The company successfully raised Rs. 543 crore through preferential shares, aimed at supporting their ambitious expansion plans and future projects.
- In FY24, MICL sold approximately 3.0 lakh sq. ft. of carpet area, generating sales of Rs. 744 crore. This robust performance underscores their market presence and operational efficiency.
- The company expects to launch 11.5 lakh sq. ft., with an estimated revenue of Rs. 4,250 crore. This includes the completion of the remaining two towers at their Mira Road project.
- Under the leadership of Managing Director Manan Shah, MICL focuses on strategic growth and market expansion. The management team is dedicated to achieving significant growth, profitability, and operational excellence.
- MICL is committed to sustainable development practices and corporate social responsibility (CSR). They focus on environmentally friendly construction methods, community engagement, and contributing to social causes.



ANNUAL PERFORMANCE

Financials & Valuations

Income Statement

Y/E March	2020	2021	2022	2023	2024	2025E	2026E
Revenue from operations	266.98	427.16	961.48	1,890.35	1,263.45	1220	1246.84
Growth YoY (%)	-28.11	60.00	125.09	96.61	-33.16	-3.4	2.2
Total Expenditure	269.33	330.56	713.98	1,476.39	937.05	872.3	888.99
(%) of sales	100.88	77.38	74.26	78.10	74.17	73.00	71.3
EBITDA	-2.35	96.60	247.50	413.96	326.40	347.7	357.84
EBITDA Growth (%)	-81.19	388.55	269.43	2.94	-8.38	4.65	2.91
EBITDA Margin (%)	9.31	28.43	46.66	24.43	33.49	28.5	28.7
Depreciation	7.07	9.16	9.33	11.24	9.95	11	12
EBIT	-9.42	87.44	238.17	402.72	316.45	336.7	345.84
EBIT Growth (%)	-83.63	396.06	288.19	3.36	-5.07	4.47	2.71
Net Interest Expenses	57.27	58.41	61.77	58.47	35.16	27	26
Other Income	27.21	24.85	201.17	47.92	96.77	136	225
Earnings before Taxes	-34.39	55.11	378.89	397.01	397.22	445.7	544.84
EBT Margin (%)	-12.88	12.90	39.41	21.00	31.44	35.78	35.67
Tax-Total	-22.16	21.77	80.37	108.06	93.87	111.42	135.12
Rate of tax (%)	64.44	39.49	21.21	27.22	23.63	25.00	24.80
Net Profit	-12.23	33.34	298.52	288.96	303.34	334.27	409.72
PAT Growth (%)	-128.73	372.67	795.26	-3.20	4.98	10.19	22.57
PAT Margin (%)	-4.58	7.81	31.05	15.29	24.01	27.39	32.86
Minority Interest	5.10	-1.33	-82.16	-30.38	-2.95	-3.10	-4.80
Adjusted PAT	-7.12	32.02	216.35	258.57	300.39	331.17	404.92
EPS	-0.19	0.86	5.83	6.96	8.09	8.90	10.88
EPS Growth (%)	-117.05	549.35	575.83	19.51	16.17	10.04	22.30

Balance Sheet

Y/E March	2020	2021	2022	2023	2024
Equity Capital	50	50	74	74	74
Reserves	620	625	785	1,015	1,253
Borrowings	405	506	557	206	131
Other Liabilities	224	275	300	486	696
Total Liabilities & Equity	1,298	1,456	1,716	1,781	2,154
Fixed Assets	81	59	60	61	53
CWIP	0	1	2	0	0
Investments	22	63	150	113	277
Other Assets	1,195	1,333	1,504	1,607	1,824
Total Assets	1,298	1,456	1,716	1,781	2,154

Source: Company, Hem Securities Research.



Ratios					
Y/E March (Basic (INR))	2020	2021	2022	2023	2024
Profitability and return ratios					
Net profit margin (%)	-4.58	7.81	31.05	15.29	24.01
EBITDA margin (%)	9.31	28.43	46.66	24.43	33.49
EBIT margin (%)	8.57	26.57	45.83	24.09	34.22
ROE (%)	-1.79	4.96	38.91	29.65	25.10
ROCE (%)	2.06	10.06	33.92	33.59	29.93
Working Capital & liquidity ratios					
Payables (Days)					
Inventory (Days)	522.94	334.38	161.67	80.07	127.83
Receivables (Days)	148.02	79.60	43.64	44.22	68.86
Current Ratio (x)	3.61	2.58	3.54	2.30	3.42
Valuations Ratios					
EV/sales (x)	2.54	3.10	4.23	1.29	5.67
EV/EBITDA (x)	27.26	10.92	9.06	5.27	16.94
P/E (x)	0.00	32.24	17.88	9.78	25.25
P/BV (x)	0.62	1.53	4.50	2.32	5.71
Dividend Yield (%)	3.28	2.16	1.21	1.32	0.79
Return on Assets (%)	-0.95	2.51	19.53	17.04	15.65
Leverage Ratio					
Debt/Equity (x)	0.60	0.75	0.65	0.19	0.10

Cash Flow Statement					
Y/E March	2020	2021	2022	2023	2024
CF from Operating activities (A)	88	78	187	448	573
CF from Investing Activities (B)	83	-84	28	-102	-397
CF from Financing Activities (C)	-137	20	-91	-458	-28
Net Cash Flow	34	14	123	-111	148
Add: Opening Bal.	137.29	141.46	212.76	360.39	297.52
Closing Balance	141.46	212.76	360.39	297.52	548.52

Source: Company, Hem Securities Research.



RATING CRITERIA

INVESTMENT RATING	EXPECTED RETURN
BUY	>=15%
ACCUMULATE	5% to 15%
HOLD	0 to 5%
REDUCE	-5% to 0
SELL	<-5%

RECOMMENDATION SUMMARY

DATE	RATING	TARGET
03 rd Oct 2024	Buy	240

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Name of the Research Analyst: ABHISHEK DIXIT

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3.	Research Analyst or his/her relative or HSL has any other material conflict of interest at the time of publication of the Research Report	No
4.	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
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10.	Research Analyst or HSL has been engaged in market making activity for the subject company(ies)	No

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