

Antony Waste Handling Cell Ltd : Average Issue

IPO Note: Flat Growth with reasonable margins : Ranking**



Issue details

Price band (Rs)	Rs. 295-300
IPO Opening Date	04/03/20
IPO Closing Date	06/03/20
Issue Size	Rs.206 Cr.

Recommendation

Total revenues grew at a CAGR of 1.25% from Rs.291.20 Crore for the financial year 2017 to Rs.298.51 Crore for the financial year 2019. Net profit after tax fell from Rs.41.03 Cr. for the financial year 2017 to Rs.34.42 crore for the financial year 2019. For the six months period ended on 31.12.19, it has earned a net profit of Rs.37.84 cr. on revenue of Rs.225.62. **If we attribute the FY19 earnings on expanded equity post IPO, then asking price is at a P/E of 11.66. The company has no peers to compare with it. The company has flat growth with reasonable margins. As the issue is below Rs. 250 cr. in size, the listing will take place in the "T" group.**

Highlights

- AWH is one of the top five players in Indian MSW management.
- AWH currently has more than 25 projects under its fold.
- It has posted super FY20 H1 with better margin new long term contracts.
- As on September 30, 2019 the outstanding amount under the borrowings of the Company on a consolidated basis was Rs. 189.03 crore.

Company Introduction

Incorporated in 2001, Antony Waste Handling Cell Limited is engaged in offering Municipal Solid Waste (MSW) Management services. The service range of the company includes solid waste collection, transportation, processing and disposal services to Indian municipalities. It has in-house expertise in landfill construction and management sector.

The company is a part of Antony group which has a diversified business model including ancillary and automotive body-building industries. Till 30 Nov 2018, Antony Waste Handling Cell Ltd has completed 25 projects for municipalities and private players. The company mainly takes MSW processing projects, MSW C&T projects, and mechanized sweeping projects.

Some of the major clients of the company are Municipal Corporation of Delhi (MCD), Jaypee International Sports, and Kalyan Dombivali Municipal Corporation (KDMC). Currently, the company has 515 vehicles whose components are obtained from international suppliers named BUCHER Municipal AG and Compost System GmbH.

The object of the issue are to:

- The company proposes to utilise the Net Proceeds towards funding the following objects:
- Reduction of the aggregate outstanding borrowings of the



www.antony-waste.com

Financial Summary (Rs. In Crore)

Particulars	Six Months ended Sep.19	FY2019	FY2018	FY2017
Total Income	225.62	298.51	290.77	291.2
Net Profit	37.84	34.42	39.88	41.03
EPS (Rs)	28.28*	25.72	29.8	30.66

Source: RHP and ACE Equity

*EPS not annualized

RANKING METHODOLOGY

WEAK	*
AVERAGE	**
GOOD	***
VERY GOOD	****
EXCELLENT	*****

Company on a consolidated basis;

- General corporate purposes (collectively, referred to herein as the "Objects")

Company Promoters:

Jose Jacob Kallarakal, Shiju Jacob Kallarakal and Shiju Antony Kallarakkal are the promoters of the company.

Company Promoters:

Jose Jacob Kallarakal, Shiju Jacob Kallarakal and Shiju Antony Kallarakkal are the promoters of the company.

IPO Issue Proceed

To part finance its plans of infusing debt as well as repayment/pre-payment of outstanding of subsidiaries (Rs. 30.00 cr.) and general corpus funds (Rs. 3.00 cr.), AWH is coming out with a maiden IPO of approx 6866667 equity shares of Rs. 5 each via book building route with a price band of Rs. 295 - Rs. 300. The company will issue fresh equity (approx. 1166667 shares) to the tune of Rs. 35.00 cr. and also has an offer for sale of 5700000 equity shares. AWH mulls raising Rs. 202.57 cr. - Rs. 206.00 cr. (based on lower and upper price bands) with this combo offer. The issue opens for subscription on 04.03.20 and will close on 06.02.20. Minimum application is to be made for 50 shares and in multiples thereon, thereafter. Post allotment, shares will be listed on BSE and NSE. Post issue, AWH's current paid-up equity capital of Rs. 12.79 cr. will stand enhanced to Rs. 13.38 cr. With this IPO, AWH is looking for a market cap of Rs. 803 cr.

DISCLAIMER

The information provided by or in this newsletter is generally from the press reports, electronic media, research websites and other media. The information also includes information from interviews conducted, analysis, views expressed by our research team. Investors should not rely solely on the information contained in this publication and must make their own investment decisions based on their specific investment objectives and financial position and using such independent advisors as they believe necessary. The material and the information provided by this newsletter are not, and should not be construed as an advice to buy or sell any of the securities named in this newsletter. SIHL may or may not hold positions in any of the securities named in this newsletter as a part of its business. Past performance is not necessarily an indication of future performance. SIHL does not assure for accuracy or correctness of information of reports in the newsletter.