



Research Report

Mazagon Dock Shipyard Ltd.



Prepared by
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About

Mazagon Dock Shipbuilders Limited (MDL), Mumbai, established in 1774, is a prominent shipyard in India. Initially a small dry dock, MDL has evolved into a renowned shipbuilding company. It has constructed 801 vessels since 1960, including warships, submarines, cargo/passenger ships, and offshore platforms.

Product Portfolio

- NAVEL SHIPS
- SUBMARINE
- NAVEL AUXILIARY VESSEL
- TUGS
- CARGO VESSE
- BARGES
- AI Products

Network

In Mazagaon, Mumbai, the North Yard and South Yard are Shipbuilding yards, while East Yard is a Submarine construction yard. The Alcock yard, is located above the North Yard of Mazagaon. The land adjacent to the South Yard is available for construction and accommodation of Ships and Submarines viz. Modular workshop for Shipbuilding, Cradle workshop for Submarine building, Goliath crane, Wet basin.

Synopsis of Financials

- Sales has increased due to increase in due to sale of Ship Constructio.
- Moreover, Sales of Scrap and stores have also increased and Reversal of Liquidated Damages.
- Profit of the company has grown majorly due to sale of ship construction.

Stock data (as 3rd Nov 2023)

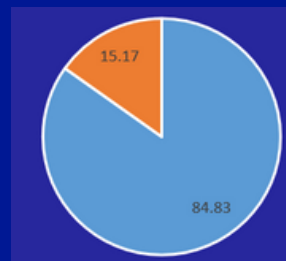
Nifty Price	: 19230.26
52 week High (in Rs.)	: 2485
52 week Low (in Rs.)	: 612
Market Cap. (in Crore)	: 38745Cr.
NSE Code	: MAZDOCK

Stock data (2009-2023)



-NIFTY50
- MAZDOCK Ltd

Shareholding Pattern (June 2023)

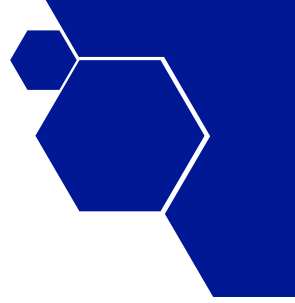


-PUBLIC GROUP
-PROMOTER GROUP

Financial Summary

Particulars	March 2023	March 2022	March 2021
Sales	7,827	5,733	4,048
Sales Growth %	36.52%	41.64%	-17.47%
Operating Profit	801	442	226
OPM %	10%	8%	6%
Profit after tax	1,073	586	480
YOY Growth	7%	7%	-
EPS in Rs	53.19	29.08	23.78

Synopsis Quater Results



Con-Call Q1FY23: Key Highlights

Capex:

Mazagon Dock Shipbuilders has the capacity to build 11 submarines and 10 warships simultaneously.

New Products:

The company is targeting the delivery of the third ship of project 15 Bravo, a missile destroyer, by the end of Q2 or early Q3.

Mazagon Dock Shipbuilders has received an order for the medium refit and life certification of a German make submarine, worth approximately Rs. 2,700 crores. The company has submitted a price bid for six AIP fitted submarines under project P75I.

Guidance:

The company expects positive movement in the Next Generation Destroyer project and the follow-on ships of the 17 Alpha Frigates.

The order book is valued at Rs. 39,000 crores, with additional orders expected for Next Generation Destroyers and 17 Bravo Frigates.

The company anticipates a growth rate of 10-12% in the shipbuilding industry and a smooth order flow.

The execution of current orders is expected to be completed by 2029, with additional orders extending to 2034-2035.

Mazagon Dock Shipbuilders maintains a judicious mix of in-house execution and outsourcing for efficient delivery.

Other:

Discussions are ongoing for additional submarine orders and indigenization efforts with the Warship Design Bureau.

The company does not have control over disinvestment decisions, which are handled by the Ministry of Finance and DIPAM.

Quarterly Results



Particular	Dec 2021	Mar 2022	Jun 2022	Sep 2022	Dec 2022	Mar 2023	Jun 2023
Sales	1,552	1,396	2,230	1,702	1,816	2,079	2,173
Expenses	1,351	1,319	2,057	1,585	1,520	1,868	2,001
Operating Profit	202	77	174	118	296	211	172
OPM %	13%	6%	8%	7%	16%	10%	8%
Other Income	121	129	136	169	176	232	233
Interest	2	1	1	1	1	2	2
Depreciation	17	23	18	18	18	20	17
Profit before tax	304	182	290	267	452	421	383
Tax %	28%	20%	25%	25%	25%	24%	25%
Net Profit	218	145	217	200	337	318	287

Source: Screener

Key Ratios

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Gross Profit : Capital Employed	0.344	0.239	0.262	0.304	0.296	0.289	0.326	0.314	0.303	0.281
Total Comprehensive Income : Net Worth	0.257	0.175	0.169	0.154	0.180	0.165	0.201	0.224	0.200	0.190
Gross Margin : Gross Block	1.012	0.637	0.723	0.770	0.971	0.983	1.055	1.557	1.574	1.615
Profit Before Tax : Revenue from Operations	0.183	0.137	0.187	0.157	0.178	0.158	0.240	0.223	0.206	0.204
Revenue from Operations : Gross Block	5.241	4.204	3.550	4.472	5.058	5.777	4.179	6.970	7.335	7.694
Value Added : Revenue from Operations	0.283	0.293	0.291	0.272	0.277	0.308	0.348	0.311	0.370	0.471
Current Ratio	1.081	1.053	1.063	1.099	1.118	1.125	1.169	1.072	1.069	1.062

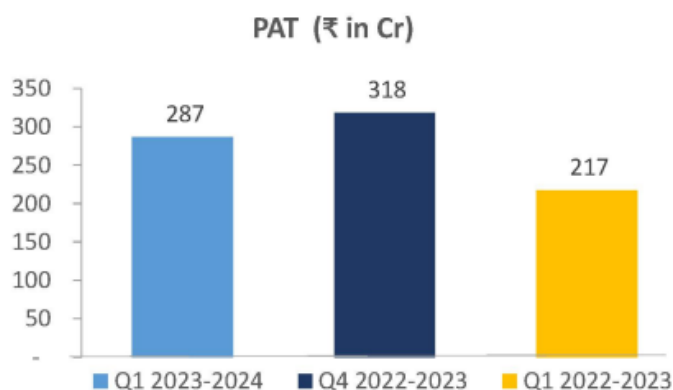
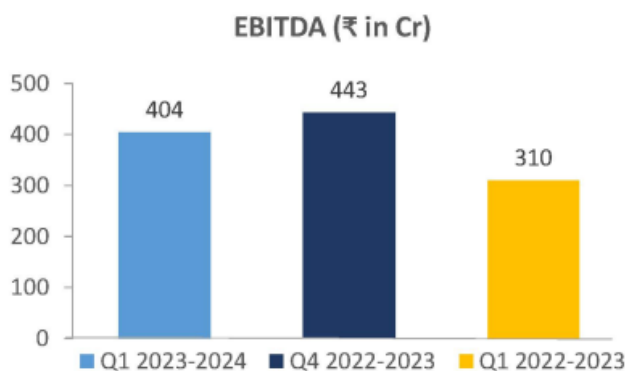
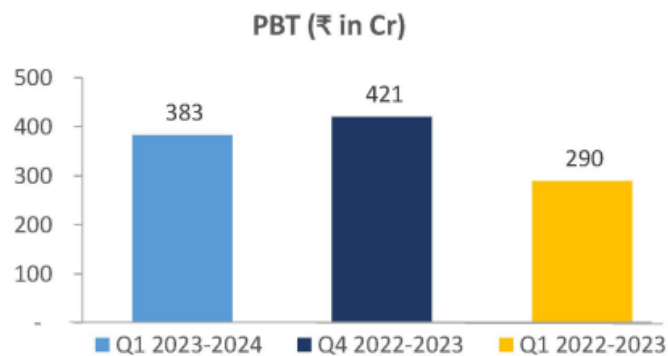
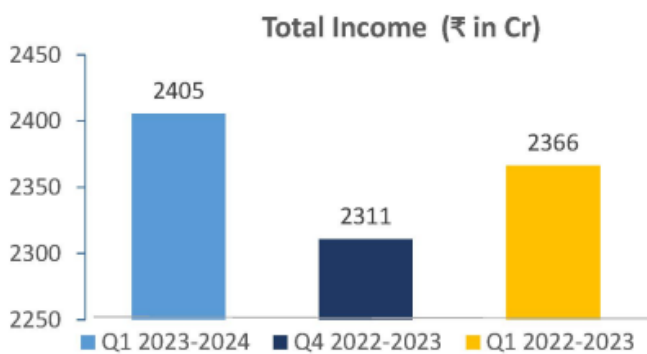
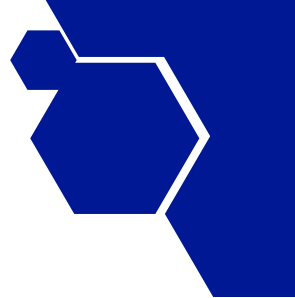
Source: Annual Report

Yearly Results



Particulars	Mar 2023	Mar 2022	Mar 2021
Share Capital	202	202	202
Reserves	2,717	3,120	3,976
Borrowings	30	12	6
Other Liabilities	21,679	25,904	24,709
Total Liabilities	24,628	29,237	28,893
Fixed Assets	807	965	1,024
CWIP	80	87	62
Investments	6	6	6
Other Assets	23,735	28,179	27,801
Total Assets	24,628	29,237	28,893

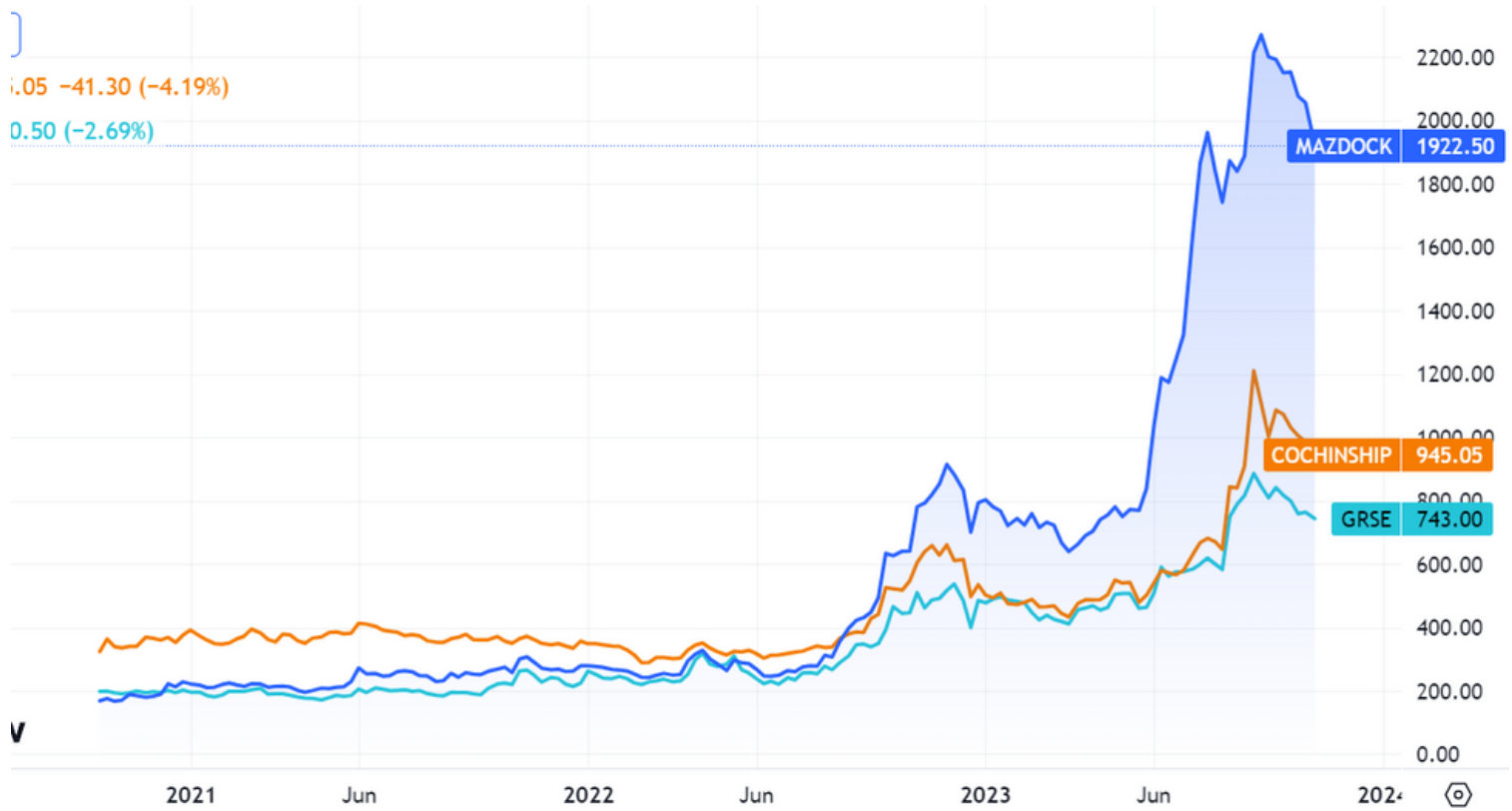
Quarterly Financial Performance



Peer Comparison



Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	Mar Cap Rs.Cr.	Assets Rs.Cr.	Debt Rs.Cr.	NP 12M Rs.Cr.	Sales Rs.Cr.
1.	Mazagon Dock	1921.00	38744.61	28893.08	6.04	1142.32	7769.62
2.	Cochin Shipyard	943.00	12404.26	9909.04	567.08	394.99	2334.88
3.	Garden Reach Sh.	742.00	8499.74	10782.90	312.11	254.63	2737.68

Source: Screener

Final Outlook



MAZDOCK: Buy | LTP: 1921

Compared to the same period the previous year, when net profit was Rs 159 crore, it more than doubled to Rs 326 crore in the fourth quarter of the previous fiscal. From Rs 129 crore in the previous year to Rs 211 crore in the fourth quarter. Revenue reached Rs 2,078 crore, up 49%. In the fourth quarter, earnings before interest, tax, depreciation, and amortisation (EBITDA) increased by over three times to Rs 211 crore from Rs 77 crore in the same period last year. EBITDA margins increased to 10.1 percent from 5.5 percent in the same period the previous year.