



COCHIN SHIPYARD LIMITED

A GOVERNMENT OF INDIA ENTERPRISE
A MINIRATNA SCHEDULE A COMPANY UNDER
THE MINISTRY OF PORTS, SHIPPING AND WATERWAYS



**CSA
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Research Report

Cochin Shipyard Limited



Prepared By-

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About

Incorporated in the year 1972, Cochin Shipyard Limited(CSL) is a leading player in construction of all kinds of vessels, repairs and refits of all types of vessels including periodic upgradation and life extension of ships.

CSL has built & repaired some of the largest ships for its esteemed customers across the globe. It has exported some 45 ships to various clients outside India.

It has developed its expertise from building bulk carriers to smaller ships and ships which are more advanced in terms of technology such as Platform Supply vessels, Anchor Handling Tug Supply Vessels.

Product Mix

- Ship Building (72% in 9M FY24 vs 76% in FY23)
- Ship Repair (28% in 9M FY24 vs 24% in FY23)

Synopsis of Financials

- **Registered all-time high turnover in the financial year '23-'24.**
- **Profit Before Tax in '23-'24 increased by 156% compared to the previous year.**
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- **Ship repair turnover crossed INR1,000 crores.**
- **Net worth of the company reached the INR5,000 crore mark for the first time.**
- **Recommended a final dividend of INR2.25 per share for '23-'24, totaling INR59.19 crores.**

Stock data (as 10th February 2025)

Nifty Price	: 23,362.10
52 week High (in Rs.)	: 2,979
52 week Low (in Rs.)	: 713
Market Cap. (in Crore)	: 36,097
NSE Code	: <u>COCHINSHIP</u>

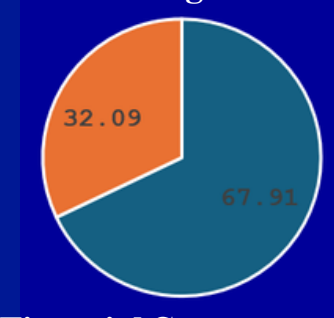
Stock data



-NIFTY50

-Cochin Shipyard Limited

Shareholding Pattern (December 2024)



-PUBLIC GROUP

-PROMOTER GROUP

Financial Summary

Particulars	March 2022	March 2023	March 2024
Sales	3,190	2,330	3,645
Sales Growth %	13%	-27%	56%
Expenses	2,555	2,057	2,760
Operating Profit	635	273	885
OPM %	20%	12%	24%
Net Profit	587	334	813
EPS in Rs	22.29	12.71	30.91

Quarterly Results

Particular	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Sales	444	954	1,021	1,225	710	1,097	1,070
Expenses	362	759	710	939	527	901	828
Operating Profit	82	195	311	286	182	196	242
OPM %	18%	20%	30%	23%	26%	18%	23%
Other Income	84	88	56	79	80	100	45
Interest	8	9	8	6	6	9	11
Depreciation	13	15	15	14	14	21	27
Profit before tax	145	258	345	345	242	266	249
Tax %	25%	26%	28%	23%	25%	28%	26%
Net Profit	109	191	248	265	181	193	184

Source: Screener

Key Ratios

Ratios	Numerator	Denominator	As at March 31,2024	As at March 31,2023	% change	Remarks if change is more than 25%
(a) Current Ratio,	Current Assets	Current Liabilities	1.33	1.39	(4.95%)	-
(b) Debt-Equity Ratio,	Total Debt	Shareholder's Equity	0.00	0.03	(84.67%)	Due to redemption of Tax free bonds ₹10000 lakhs.
(c) Debt Service Coverage Ratio,	*Earnings available for debt service	Debt Service	11.89	5.59	112.81%	Due to increase in Earnings available for debt service.
(d) Return on Equity Ratio,	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	0.17	0.07	140.43%	Due to increase in Net Profit after tax.
(e) Inventory turnover ratio,	Revenue from Operations	Average Inventory	5.48	7.04	(22.27%)	-
(f) Trade Receivables turnover ratio,	Net Credit Sales	Avg. Accounts Receivable	8.28	4.78	73.36%	Due to increase in Turnover and reduction in trade receivables.

Source: Annual Report

Yearly Results

Particulars	March 2022	March 2023	March2024
Equity Capital	132	132	132
Reserves	4,228	4,292	4,894
Borrowings	546	567	489
Other Liabilities	3,413	4,919	6,366
Total Liabilities	8,318	9,909	11,880
Fixed Assets	740	716	722
CWIP	1,247	1,603	2,189
Investments	262	336	355
Other Assets	6,069	7,254	8,614
Total Assets	8,318	9,909	11,880

Synopsis Quater Results

Concall Notes - Jan-2025: Key Highlights

Future Outlook:

- Expecting a 20-25% increase in the top line for the financial year '24-'25.
- Anticipating higher depreciation costs due to the commissioning of the ISRF and the new dry dock project.
- Targeting sustainable EBITDA levels.
- Current order book position healthy, with approximately INR22,000 crores of unexecuted orders.

Green Vessels and Growth Strategy:

- Expecting orders for green vessels from the European market.
- Optimistic about orders for green tugs in the Indian market.
- Focusing on sustainable growth and value creation for shareholders.
- Initiatives in R&D and IP protection through the CSL Strategic & Advanced Solutions division.

Operational Expansion:

- New shipbuilding facility and ship repair facility expected to be fully operational by August 2024.
- Leveraging existing facilities for marginal additions in labor and overhead costs.
- Seeking a global operating partner for the ISRF to enhance operational efficiency and turnaround times.

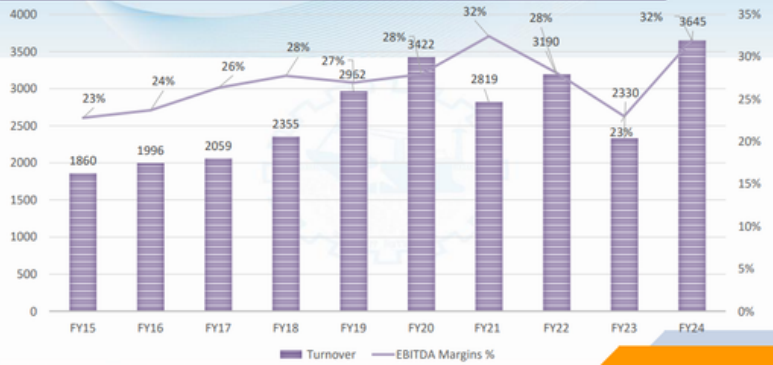
Industry Outlook:

- Positive outlook on the shipbuilding and ship repair business with significant growth expected.
- Strategic approach to project selection and execution to maximize value and maintain prudence.
- Continued focus on innovation, efficiency, and collaboration to drive sustainable growth in the maritime industry.

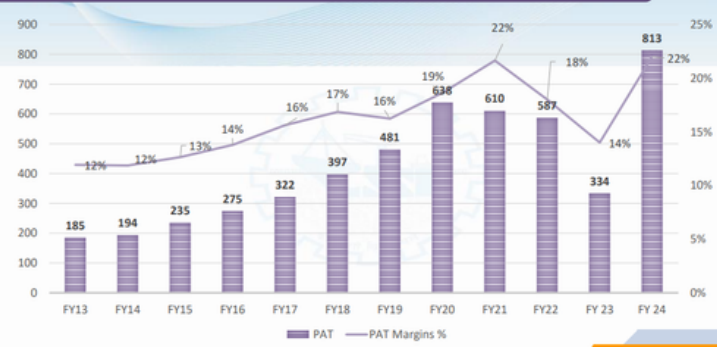
Highlights



TURNOVER (Rs Crs) & EBITDA MARGINS(%)

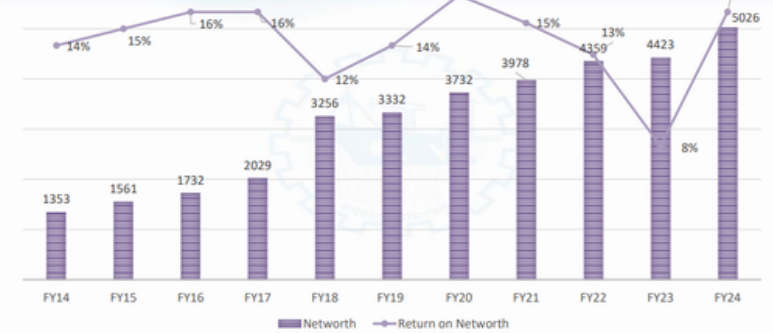


PROFIT AFTER TAX (Rs Cr.) & PAT MARGINS (%)



RETURN EFFICIENCIES

Net worth (Rs Crs), RoE (%)

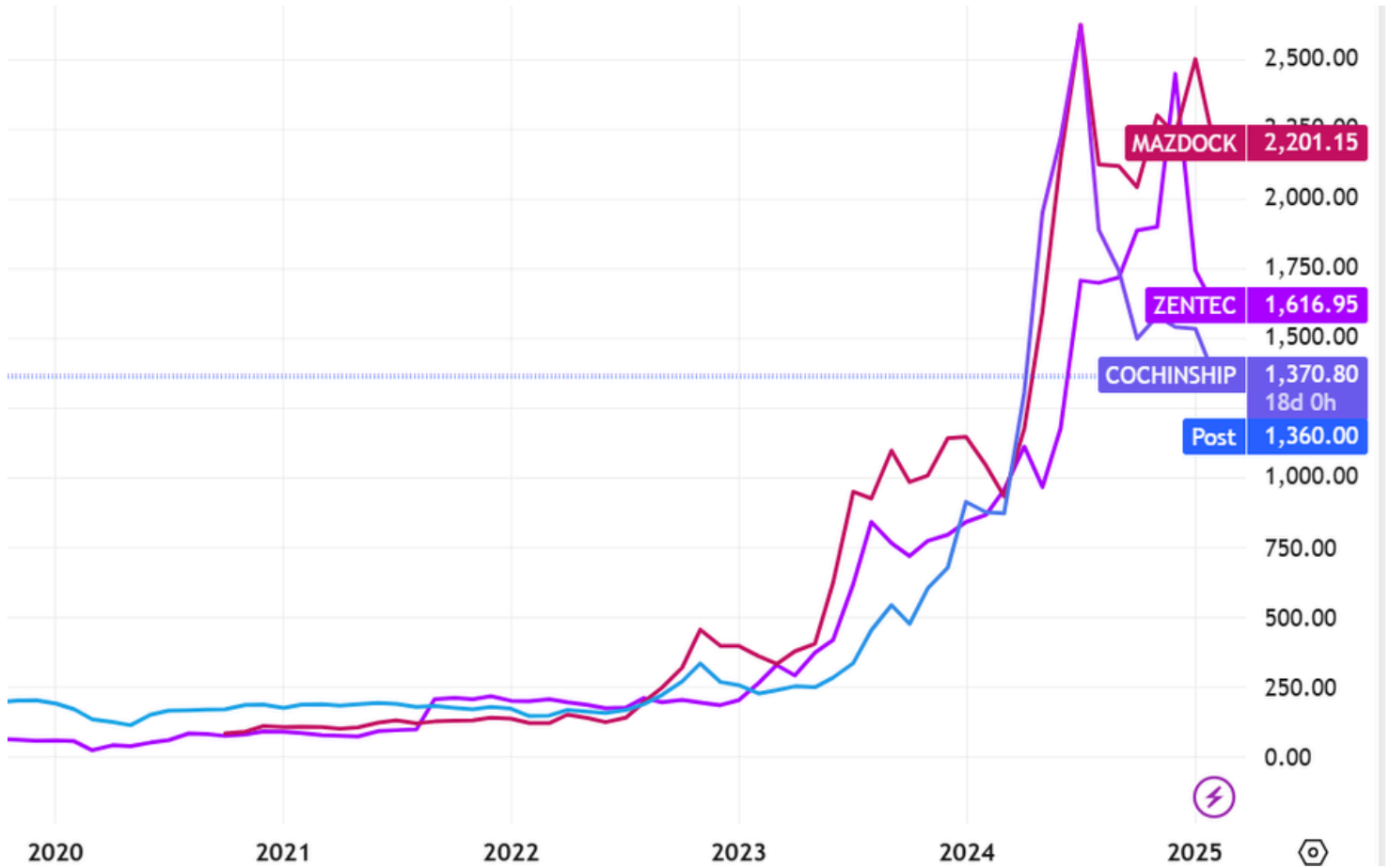


KEY FINANCIAL PARAMETERS

Particulars	Standalone		Consolidated	
	FY 24	FY 23	FY 24	FY 23
Net worth (Rs Crs)	5025.87	4423.42	5003.34	4427.65
Book value / share (Rs)	191.04	168.14	190.18	168.30
Net Debt (Rs Crs)	23.02	125.82	23.02	132.87

Peer Comparison

Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
1.	Mazagon Dock	2357.60	34.61	95100.92	0.61	807.04	28.76	3143.62	33.06	44.19
2.	Cochin Shipyard	1372.10	43.88	36097.28	0.70	184.29	-25.70	1069.88	4.74	21.62
3.	Garden Reach Sh.	1533.15	44.53	17562.56	0.62	98.19	11.26	1271.01	37.69	27.37
4.	Zen Technologies	1589.95	70.84	14355.69	0.06	63.44	359.46	241.84	263.67	45.97
5.	Taneja Aerospace	349.40	61.57	890.97	1.12	4.40	76.00	8.97	20.40	13.26

Source: Screener

Final Outlook

COCHINSHIP: HOLD | LTP: 1,372

Shares of state-run Cochin Shipyard Ltd. have declined by more than half from their peak in July last year, and the correction in the stock is not over yet.

In the December quarter, the company's net profit dropped 28% to ₹177 crore, compared to ₹244 crore in the same period last year. Its operating margin also contracted by 870 basis points (bps) to 20.7% in Q3 FY25. However, revenue grew by 8.6% to ₹1,148 crore, up from ₹1,056 crore in the corresponding period last year.

Additionally, the company's board has announced a second interim dividend. In an exchange filing, it stated, "The board of directors of the company, at their meeting on February 6, 2025, declared a second interim dividend of ₹3.50 per fully paid-up equity share of ₹5 (70%) for the financial year 2024-25, with Wednesday, February 12, 2025, set as the record date."

Cochin Shipyard also reported a 9% increase in revenue from operations, reaching ₹1,148 crore, compared to ₹1,056 crore in the previous year. Meanwhile, total expenses stood at ₹9,525 crore, down from ₹7,741 crore in the third quarter of the prior fiscal year.

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