

RECOMMENDATION SNAPSHOT					
*CMP	*Adj. Initiation Price	Target	Potential Upside	Recommendation	MCap (Rsbn)
Rs61	Rs105	Rs100	64%	Buy	34.3

\*as on 03rd June, 2022

\*\*adjusted for corporate action: bonus issue

### About the Company:

Engineers India Ltd (EIL) is one of the leading design and engineering organizations in South Asia. Established in 1965, the company provides engineering consultancy and EPC services principally focused on the Oil & Gas and petrochemical industries. Besides, the company has also diversified into sectors like infrastructure, water and waste management, solar and nuclear power and fertilizers to leverage its strong technical competencies and track record. EIL is a "Total Solutions" company providing design, engineering, procurement, construction and integrated project management services all ranging from conceptualization to commissioning, keeping in mind the highest quality and safety standards.

### Results: Quick Glance:

- The net sales for quarter de-grew by 27.8% to Rs8,060mn as compared to Rs11,167mn in the same quarter last year
- On the segmental front, Consultancy & Engineering Projects reported drop of 6.3% (Revenue at Rs3,790mn) while Turnkey projects de-grew by 40.0% (Revenue at Rs4,269mn) respectively on y-o-y basis
- Ebitda margins for the quarter stood at 13.4% as compared to 14.7% in the corresponding period last year
- The net profit came in at Rs1,263mn as against Rs305mn in the comparative quarter
- The EPS for the quarter ending Mar, 2022 stands at Rs2.25 as against Rs0.54 in the comparative quarter
- The Board has declared a final dividend of Rs1 per share on FV of Rs5 each for FY22

### Other Highlights:

- The total business secured in FY22 is from the domestic and overseas consultancy clients amounting to Rs16,871mn with no contribution from the Turnkey side
- The total cumulative order book as of March, 2022 stands at Rs76,549mn with Consultancy contributing 64% while Turnkey being 36% of the total order book. Orders secured in Q4FY22 on the domestic consultancy side include Rs139mn for Noida International Airport Limited and in the overseas space, consists of orders worth Rs52mn from Padah LNG

### Financials:

Performance (Q4&FY22)									
Q4&FY22 Result (Rs mn)	Mar-22	Mar-21	y-o-y	Dec-21	q-o-q	FY22	FY21	y-o-y	FY23E
Total Revenue	8060	11167	(27.8%)	6816	18.3%	28704	31047	(7.5%)	30713
EBITDA	1080	1640	(34.2%)	625	72.8%	3352	3377	(0.8%)	3593
Other Income	477	440	8.4%	382	24.9%	1367	1949	(29.8%)	1408
Interest	1	24	(94.3%)	2	(39.5%)	8	37	(76.8%)	13
Depreciation	52	71	(26.1%)	78	(33.5%)	232	234	(1.0%)	220
Exceptional Items	0	1550	-	0	-	0	1550	-	0
Tax	241	131	84.1%	246	(2.1%)	1034	913	13.3%	1102
Net Profit	1263	305	-	680	85.6%	3444	2593	32.8%	3667

**Outlook and Recommendations:**

The company reported more or less flat results for the quarter under reference. While the topline reported a drop on a y-o-y basis which was attributed to slower executions in the turnkey segments; a growth of 18.3% was witnessed when compared q-o-q. EIL has a significant track record across the entire oil & gas value chain and further intends to scale up its technology and explore other end-markets where its expertise can be implemented. It has various orders under its pipeline spread across refineries, petrochemicals, infrastructure, etc. Also in the recent past the company has been selected to provide consultancy services for green hydrogen plant; which gives EIL the opportunity to enter into new high growth segment. The company is committed in assisting its clientele base in the energy sector and aims at providing clean and green technological solutions leading to a sustainable future (vision to be Net Zero emission target by 2035). We thus continue to maintain our target price of Rs100.

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