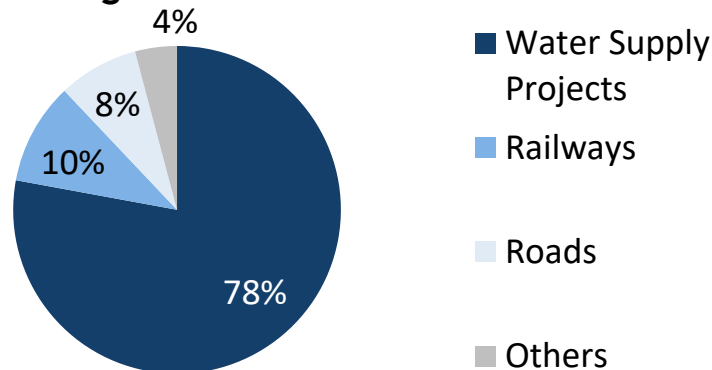


- ✦ VPRP is an EPC company focused player in Water Supply Projects along with Railways & Roads.
- ✦ Rajasthan constitutes the largest share in its order book at 62%.
- ✦ Order book & revenue have grown at a CAGR of ~50% over FY21-23 while PAT has grown at over 100%
- ✦ Order book stands at ~ Rs. 4,390 Cr (3.7x FY23 revenue).
- ✦ Small fish in a big pond: With revenue of just above Rs. 1k Cr, the TAM (Total Addressable Market) stands at > Rs. 6 Lac Cr

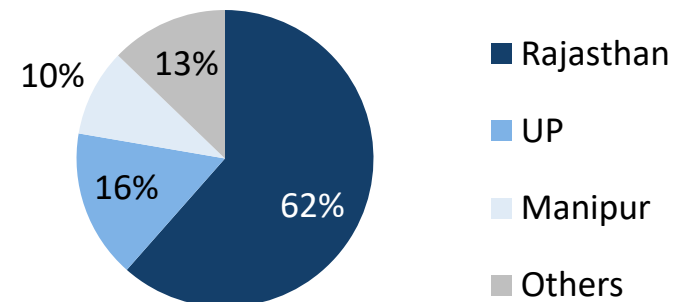
Strong industry tailwind / Segment wise Budget Allocation for FY24 -

- Jal Jeevan Mission: Rs. 70k Cr (+27% YoY)
- Railways: Rs. 2.9 Lac Cr (+15% YoY)
- Roads: Rs. 2.5 Lac Cr (+25% YoY)

Segment wise order book mix



State wise order book mix



Peer Comparison

- ◆ We expect VPRP to continue to deliver faster growth than peers on the back of its lower base.
- ◆ Strong return ratios are encouraging.
- ◆ Fresh fund infusion of Rs. 309 Cr via IPO should provide good fillip for future growth prospects.

<i>FY23 Figures</i>	PNC	NCC	ITD	KNR	Avg	VPRP
<u>Order Book Mix</u>						
Water & allied	43%	9%	30%	23%	26%	78%
Roads/Railways/Airports	42%	20%	54%	77%	48%	18%
Others (Bldg, Mining, etc)	15%	71%	16%	0%	26%	4%
Revenue	7,061	13,351	5,091	3,744	7,312	1,168
CAGR (FY23-25E)	13%	16%	26%	10%	16%	40%
EBITDA Margin	13.5%	10.9%	8.2%	19.3%	13.0%	13.4%
Asset Turns (x)	1.6	1.9	2.5	1.4	1.8	2.1
ROCE	21%	20%	17%	27%	21%	27%
Cash Conversion Cycle	127	125	22	149	106	112
P/E FY25	12.6	11.3	13.5	13.8	12.8	11.1

High growth business with a long runway, available at reasonable valuations

- ✦ VPRP's niche focus on Water Supply Projects, low revenue base and demonstrated track record of high growth with margin expansion makes the company attractive compared to listed peers.
- ✦ With strong industry tailwinds likely to persist in water related projects, railways and roads, we believe VPRP is the best proxy play among listed companies in the infrastructure industry offering high growth with good ROCE metrics.
- ✦ We recommend 'BUY' with a target of Rs. 262 based on 15x Sep 2025E EPS (10% premium to our target multiple for listed peers).

Figures in Rs Cr

Year	Revenue	Growth	EBITDA	Margin	PAT	Growth	EPS	P/E	EV/EBITDA	ROCE
FY22	786	62%	87	11.1%	45	136%	3.6	48.4	26.5	25%
FY23	1168	49%	157	13.4%	91	102%	7.3	24.0	14.7	27%
FY24E	1694	45%	229	13.5%	142	56%	11.4	15.3	10.1	23%
FY25E	2287	35%	309	13.5%	195	38%	15.7	11.1	7.5	25%

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