



## Strong Sales, New Launches are Key

Est. Vs. Actual for Q3FY25: Revenue – **BEAT**; EBITDA – **BEAT** ; PAT – **BEAT**

### Changes in Estimates post Q3FY25

FY25E/FY26E: Revenue: 0%/1%; EBITDA: 0%/3%; PAT: 0%/2%

### Recommendation Rationale

- Strong sales performance:** MICL has recorded strong pre-sales numbers of Rs 608 Cr in Q3FY25, marking a 191% increase QoQ and a 415% increase YoY. The company's pre-sales numbers have exceeded estimates by almost double, driven primarily by projects in Ghatkopar and Tardeo. Pre-sales for 9MFY25 stood at Rs 1,509 Cr, compared to Rs 353 Cr in 9MFY24, highlighting its ability to move inventory efficiently. MICL has surpassed its pre-sales guidance and has already doubled its FY24 pre-sales. Strong sales momentum is further supported by a surge in collections, with Q3FY25 collections at Rs 304 Cr and 9MFY25 collections at Rs 974 Cr. The company achieved a sales volume of 1.4 Lc sqft in Q3FY25, growing to 4.6 Lc sqft in 9MFY25, compared to 1.4 Lc sqft in 9MFY24.
- Project Portfolio and Launches:** The company completed 1.4 Lc sq ft of carpet area sales in this quarter and delivered 'Aaradhya Evoq' at Juhu within 2.5 years of launch. MICL's upcoming launch pipeline looks promising. The company has launched two new projects: Vile Parle (JadePark) with a topline of ~Rs 1,200 Cr and Aaradhya Parkwood with a topline of ~Rs 400 Cr. Other upcoming projects include Malabar Hills, Pali Hill, and BKC Kalanagar, which are expected to contribute a topline of Rs 4,000 Cr to Rs 4,500 Cr. The company will continue focusing on an asset-light development portfolio, with JV and DM projects in the upcoming pipeline. MICL had guided for a 30%-35% growth in pre-sales and has already exceeded its guidance as of 9MFY25.
- Acquisition & Launching Year:** MICL, like most real estate companies, follows an acquisition-launch-realization cycle. The previous year focused on acquisitions, with the company aggressively acquiring projects across the MMR region. The upcoming quarters are expected to witness launches from these acquisitions, which will be realised in the subsequent financial year. As a result, operational performance may appear lagging, but the company remains on track with substantial collections and pre-sales. With robust sales performance, MICL also anticipates margin expansion by FY26, driven primarily by the realisation of asset-light projects undertaken in FY25, leading to PAT margin improvement.

### Sector Outlook: **Positive**

**Company Outlook & Guidance:** We remain positive on the company's long-term prospects.

**Current Valuation:** DCF-based valuation

**Current TP:** Rs 260/share (Earlier TP: Rs 230 /share).

**Recommendation:** With a 34% upside from the CMP, we maintain our long-term **BUY** rating on the stock.

**Financial Performance:** The company reported revenue of Rs 242 Cr, a 5% rise QoQ, and an EBITDA of Rs 107 Cr, reflecting a 4% YoY growth. The reported PAT stood at Rs 84 Cr, marking a 1% YoY growth. Pre-sales stood at Rs 608 Cr, a 415% YoY jump. Collections also surged, with Q3FY25 collections at Rs 304 Cr. This marks the highest-ever 9M pre-sales in the company's history. The strong sales were primarily driven by projects in Ghatkopar and Tardeo.

### Key Financials (Consolidated)

(Rs Cr)	Q2FY25	QoQ (%)	YoY (%)
Net Sales	242	5	0.2
EBITDA	107	287	4
EBITDA Margin (%)	44	268	4
Net Profit	84	78	1
EPS (Rs)	3	73	-2

Source: Company, Axis Securities Research

(CMP as of 03<sup>rd</sup> February 2025)

CMP (Rs)	194
Upside /Downside (%)	34%
High/Low (Rs)	262/165
Market cap (Cr)	7,158
Avg. daily vol. (6m)Shrs'000.	1,447
No. of shares (Cr)	37

### Shareholding (%)

	Jun-24	Sep-24	Dec-24
Promoter	67.3	67.2	66.6
FII	3.6	3.7	4.6
MF's/Banks	2.1	1.7	2.2
Others	27.0	27.4	26.7

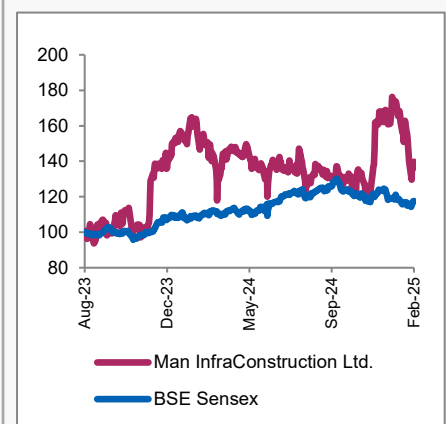
### Financial & Valuations

Y/E Mar (Rs Cr)	FY24	FY25E	FY26E
Net Sales	1,263	1,210	1,114
EBIDTA	326	338	366
Net Profit	300	323	378
EPS, Rs	8.1	8.7	10.2
PER, x	23.7	22.0	18.9
EV/EBIDTA, x	20.2	18.5	15.6
ROE, %	20.5	18.5	18.0

### Change in Estimates (%)

Y/E Mar	FY25E	FY26E
Sales	(0)	1
EBITDA	(0)	3
PAT	0	2

### Relative Performance



Source: Ace Equity, Axis Securities Research

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## Outlook

- The company has demonstrated strong performance in sales and execution, recording pre-sales of Rs 608 Cr and collections of Rs 304 Cr, exceeding estimates. Therefore, we reiterate our positive outlook on the stock, supported by robust sales performance and collection capabilities. The adoption of an asset-light model has also resulted in the highest industry profit margins, which are expected to expand further in the coming FY. This combination of the asset-light model, strong EPC margins, and a low-leverage balance sheet indicates a promising financial performance ahead.

## Valuation & Recommendation

- We continue to value the company using a DCF-based valuation. The current valuation looks attractive and gives an opportunity to BUY the stock with a TP of Rs 260/share, implying a 34% upside from the CMP.

## Key Risks to Our Estimates and TP

- Approval Delays:** The company has undertaken redevelopment projects wherein approval processes may lead to delays, which in turn will lead to launch delays.
- Sales Slowdown:** Due to high realisations and launches by most developers, any slowdown in the sales momentum could hamper the company's growth path. Any lag in absorptions could hinder the company's sales guidance.

## Change in Estimates

	Old Est.		Revised Est.		% Revision	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	1,210	1,103	1,210	1,114	(0)	1
EBITDA	338	356	338	366	(0)	3
PAT	323	370	323	378	0	2
EPS	8.7	10	8.7	10.2	0	2

Source: Company, Axis Securities Research

**Results Review**

Y/E Mar (Rs Cr)	3QFY24	2QFY25	3QFY25	YoY growth %	QoQ growth %
Net Sales	242	230	242	0	5
Raw material	60	40	46	-25	14
Change in Inventories	-105	26	-38	-64	-247
Gross Profits	181	190	197	9	3
Gross Margin (%)	75	83	81	8	-2
Staff costs	19	15	16	-15	5
Labour charges	78	53	50	-36	-6
Cost of Development	41	9	21	-48	126
Other operating expenses	45	59	41	-10	-31
EBITDA	103	28	107	4	287
EBITDA Margin (%)	42	12	44	4	268
Depreciation	-3	-2	-2	-18	5
Other Income	20	30	33	67	10
Interest Expenses	-7	-3	-3	-66	-17
Share of profits from associates	11	11	-46	-512	-520
PBT	123	63	89	-28	41
Tax	-37	-16	-5	-87	-69
Tax rate (%)	0	0	0	-82	-78
Adj. PAT	83	47	84	1	78
EPS (Rs.)	3	1	3	-2	73

Source: Company, Axis Securities Research

## Financials (Standalone)

### Profit & Loss

(Rs Cr)

Y/E Mar (Rs Cr)	FY24	FY25E	FY26E	FY27E
<b>Net sales</b>	<b>1,263</b>	<b>1,210</b>	<b>1,114</b>	<b>1,103</b>
Growth, %	(33.2)	(4.3)	(7.9)	(0.9)
Other operating income	-	-	-	-
Total income	1,263	1,210	1,114	1,103
Raw material expenses	(664)	(675)	(602)	(615)
Employee expenses	(79)	(44)	(32)	(46)
Other Operating expenses	(194)	(153)	(113)	(107)
<b>EBITDA (Core)</b>	<b>326</b>	<b>338</b>	<b>366</b>	<b>336</b>
Growth, %	(21.2)	3.5	8.5	(8.4)
Margin, %	25.8	27.9	32.9	30.4
Depreciation	(10)	(11)	(12)	(14)
<b>EBIT</b>	<b>316</b>	<b>327</b>	<b>354</b>	<b>322</b>
Growth, %	(21)	3	8	(9)
Margin, %	25	27	32	29
Interest paid	(35)	(26)	(25)	(25)
Other Income	97	111	128	138
Share of profits from associates	19	19	46	94
<b>Pre-tax profit</b>	<b>397</b>	<b>431</b>	<b>504</b>	<b>529</b>
Tax provided	(94)	(108)	(126)	(132)
<b>Profit after tax</b>	<b>303</b>	<b>323</b>	<b>378</b>	<b>397</b>
Growth, %	16.2	7.7	16.7	5.1
<b>Net Profit (adjusted)</b>	<b>300</b>	<b>323</b>	<b>378</b>	<b>397</b>

Source: Company, Axis Securities Research

### Balance Sheet

(Rs Cr)

Y/E Mar (Rs Cr)	FY24	FY25E	FY26E	FY27E
Cash & bank	549	801	1,347	1,692
Other current assets	168	168	168	168
Total current assets	1,884	2,072	2,413	2,775
Gross fixed assets	99	114	129	144
Less: Depreciation	(43)	(54)	(66)	(80)
Net fixed assets	56	60	63	64
Non-current assets	36	36	36	36
<b>Total assets</b>	<b>2,155</b>	<b>2,347</b>	<b>2,691</b>	<b>3,054</b>
Current liabilities	551	517	517	517
Provisions	9	9	9	9
Total current liabilities	561	526	526	526
Non-current liabilities	78	15	15	15
Shareholders' equity	1,515	1,805	2,150	2,513
<b>Total equity &amp; liabilities</b>	<b>2,155</b>	<b>2,347</b>	<b>2,691</b>	<b>3,054</b>

Source: Company, Axis Securities Research

**Cash Flow**

(Rs Cr)

Y/E Mar (Rs Cr)	FY24	FY25E	FY26E	FY27E
<b>PBT</b>	<b>397</b>	<b>431</b>	<b>504</b>	<b>529</b>
Depreciation	10	11	12	14
<b>Changes in working capital</b>	<b>313</b>	<b>65</b>	<b>204</b>	<b>(17)</b>
Taxes paid	(75)	(108)	(126)	(132)
<b>Net cashflow from operation</b>	<b>573</b>	<b>425</b>	<b>619</b>	<b>418</b>
Purchase/sale of PPE	7	(15)	(15)	(15)
<b>Net cashflow from Investing</b>	<b>(397)</b>	<b>(15)</b>	<b>(15)</b>	<b>(15)</b>
(Repayment) / proceeds from borrowings	(35)	(98)		
<b>Net cashflow from financing</b>	<b>(28)</b>	<b>(158)</b>	<b>(58)</b>	<b>(58)</b>
<b>Net (decrease)/increase in cash &amp; cash equivalent</b>	<b>148</b>	<b>253</b>	<b>546</b>	<b>345</b>
<b>Cash at the beginning</b>	<b>89</b>	<b>237</b>	<b>490</b>	<b>1,035</b>
<b>Closing cash</b>	<b>237</b>	<b>490</b>	<b>1,035</b>	<b>1,380</b>

Source: Company, Axis Securities Research

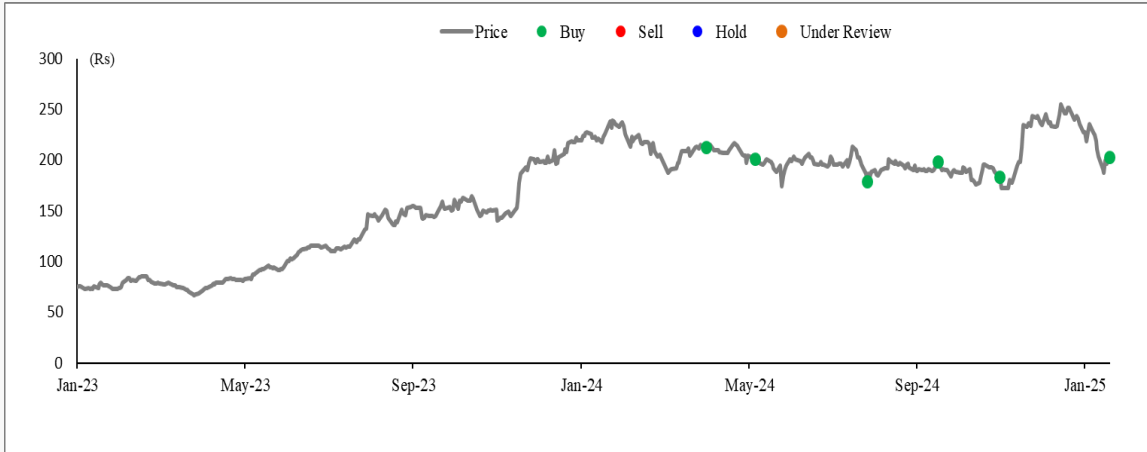
**Ratio Analysis**

(%)

Y/E Mar	FY24	FY25E	FY26E	FY27E
EPS (INR)	8.1	8.7	10.2	10.7
Growth, %	16.2	7.7	16.7	5.1
Book NAV/share (INR)	39.4	47.2	56.5	66.3
FDEPS (INR)	8.1	8.7	10.2	10.7
CEPS (INR)	8.4	9.0	10.5	11.1
CFPS (INR)	4.8	7.2	11.3	4.3
DPS (INR)	0.9	0.9	0.9	0.9
<b>Return ratios</b>				
Return on assets (%)	17.2	15.5	16.0	14.7
Return on equity (%)	20.5	18.5	18.0	16.1
Return on capital employed (%)	24.4	20.4	20.1	17.9
<b>Turnover ratios</b>				
Asset turnover (x)	1.7	1.6	1.8	2.1
Sales/Total assets (x)	0.6	0.5	0.4	0.4
Sales/Net FA (x)	21.7	20.9	18.2	17.4
Working capital/Sales (x)	0.5	0.5	0.4	0.4
Receivable days	41.6	37.7	30.2	28.8
Inventory days	145.8	132.4	80.8	81.5
Payable days	47.9	51.5	60.1	58.5
Working capital days	193.5	193.0	142.7	149.7
<b>Liquidity ratios</b>				
Current ratio (x)	3.4	4.0	4.7	5.4
Quick ratio (x)	2.5	3.2	4.2	4.9
Net debt/Equity (%)	(0.3)	(0.4)	(0.6)	(0.7)
<b>Valuation</b>				
PER (x)	23.7	22.0	18.9	18.0
PEG (x) - y-o-y growth	1.5	2.9	1.1	3.5

Source: Company, Axis Securities Research

## Man InfraConstruction Price Chart & Recommendation History



Date	Reco	TP	Research
12-Apr-24	BUY	280	Initiating Coverage
16-May-24	BUY	270	Result Update
07-Aug-24	BUY	240	Result Update
30-Sep-24	BUY	240	Analyst Meet update
13-Nov-24	BUY	230	Result Update
04-Feb-25	BUY	260	Result Update

Source: Axis Securities Research

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BUY	More than 10%
HOLD	Between 10% and -10%
SELL	Less than -10%
NOT RATED	We have forward looking estimates for the stock, but we refrain from assigning valuation and recommendation.
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events
NO STANCE	We do not have any forward-looking estimates, valuation or recommendation for the stock

Note: Returns stated in the rating scale are our internal benchmark.