



Presents

Cochin International Airport Limited(CIAL)

Valuation Report on Cochin International Airport

The share of Cochin International Airport is currently above 200+ in the unlisted market. Is it costly or cheaper?

Today, we are trying to find out whether the CIAL price is fair or not, by presenting some facts and figures to come up with an answer.

Please read the following extract taken from CIAL Annual Report of 2015-16.

“In order to part-finance the construction of the new International Terminal and also for the future expansion & diversification activities of the Airport, your Company has issued 7,65,14,950 Equity Shares of Rs.10/- each at a premium of Rs.40/- per share to existing shareholders in the ratio of 1:4”

This means the company in Sept 2015, has issued CIAL shares to the existing shareholders at Rs. 50 a piece. Thereby, valuing the company at ~1900 Cr as on 31.03.2016.

Let us now compare the financial stats of FY15-16 with FY18-19 to judge how much valuation can be given to CIAL by considering the growth shown by the company in the last 4 years in terms of “ **Passenger Growth**” , “ **Revenue Growth**” and “ **PAT Growth**”.

A) Performance Comparison Table

Financial Year	Passenger	Revenue	PAT	Book Value	Equity	EPS
2015-16	77 lakh	539 cr	179 cr	28	38.25 cr	4.67
2018-19	100 lakh	807 cr	184 cr	36	38.25 cr	4.81
Growth	42%	50%	2.79%	28%	NA	2.79%

B) Valuation Matrix:

Financial Year	Price	Mcap	Mcap/Revenue	P/B	P/E
2015-16	50	~1900 cr	3.5	1.78	10.7
2018-19	205	~7841 cr	9.71	5.69	42.61

Currently, the CIAL share at ~Rs. 7841 cr valuation asking Mcap/Revenue of 9.71 which looks overpriced considering the topline growth 50% and PAT growth of 2.79% in the last 4 years.

At the max we may give Rs. 3500-4000 cr valuation to CIAL and accordingly, the fair valuation of shares would come around Rs. 95-105.

Disclaimer: The above report is only for the purpose of education and not to be construed as investment advice for selling or buying of CIAL share.