

## Recommendation

<b>Jupiter Wagons Ltd.</b>		<b>BUY</b>
Current Market Price (CMP) <b>₹274.30</b>	Target Price <b>₹356</b>	

**Our price target of ₹356 offers upside of approximately 30% from current levels over the long term**

### Rationale

- Jupiter Wagons Limited (JWL) is the most integrated railway engineering company for freight wagons and passenger coach items for Indian Railways. It is duly diversified into manufacturing of application-based load bodies on commercial vehicles and ISO marine containers for domestic and international use.
- The Company has unique and fully integrated railway rolling stock manufacturing facility in Kolkata wherein alloy steel foundry is equipped to deliver all essential casting components required for construction of railway wagons.
- The ministry will be procuring of additional 50,000 wagons and is also considering a separate tender for the acquisition of 10,000 aluminum wagons. These new tenders are part of a long-term aim to boost rail's current share of freight traffic from 27% to 45% by 2030. This will be positive for JWL. The company currently has orders worth ₹6000 Cr and will apply for global tenders in association with RITES. Its order book gives robust revenue visibility for the next 18 months.
- JWL expected to start producing commercial EVs later this year. This is in line with the Government's policy of transitioning to green transportation. This is long-term positive for the company.
- Net Sales at ₹753.19 crore in June 2023 up 154.97% from ₹ 295.40 crore in June 2022. Quarterly Net Profit at ₹63.60 crore in June 2023 up 374.18% from ₹ 13.41 crore in June 2022. 390% yoy growth in consolidated profit during the same period, while revenues had increased 155%.

### Company Profile

- Incorporated as Commercial Engineers & Body Builders Co Private Limited in 1979, Jupiter Wagons Limited (JWL), is in the business of manufacture and sale of vehicle and locomotive bodies for diverse applications for road and railways transportation. It is among the leading Indian designers and manufacturers of vehicle bodies for commercial vehicles with an extensive portfolio of product offerings. JWL also conducts refurbishment of wagons as well as designing and manufacturing of components for wagons and locomotives in the railways division. The company offers products for Mining & Road Construction, Goods Transportation, Solid Waste Management, for Municipal Applications, for Railways and Miscellaneous Applications.

### Negatives

- 72.36% is owned by promoters, 2.26% by DII and 0.27% by FII, reducing the stock's liquidity



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