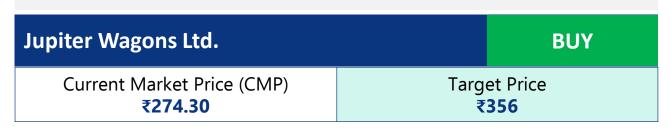


Recommendation



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 **Contact Us**

(033) 40006800

Disclaimer

Eastern Financiers Limited (hereinafter referred to as 'EFL') is a Member registered with SEBI having membership of NSE, BSE, MCX. It is also registered as a Depository Participant with NSDL. It is also having AMFI certificate for Mutual Fund Distribution. The associate of EFL is engaged in activities relating to Insurance Broking. No disciplinary action has been taken against EFL by any of the regulatory authorities. EFL/its associates/research analysts do not have any financial interest/beneficial interest of more than one percent/material conflict of interest in the subject company(s). EFL/its associates/research analysts have not received any compensation from the subject company(s) during the past twelve months. EFL/its research analysts has not served as an officer, director or employee of company covered by analysts and has not been engaged in market making activity of the company covered by analysts. This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment. Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals. The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. EFL or any of its affiliates/group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. EFL has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While EFL endeavors to update on a reasonable basis the information discussed in this material, there may be regulatory compliance or other reasons that prevent us from doing so.