

# Gladiator Stocks

## New recommendations

Date	Scrip	I-Direct Code	Buying Range	Target	Stoploss	Upside (%)	Duration
1-Sep-21	PNC Infratech	PNCINF	324-332	385.00	302.00	16.00	3 Months

## Open recommendations

Date	Scrip	Avg Rec Price	Target	Stoploss	CMP	Return till date (%)	Duration
1-Sep-21	State Bank of India	428.00	483.00	398.00	432.00	1%	3 Months
31-Aug-21	Interglobe Aviation	1,870.00	2,040.00	1,705.00	1,908.00	2%	3 Months
31-Aug-21	Safari Industries	837.00	970.00	745.00	853.00	2%	3 Months
25-Aug-21	HDFC Life Insurance	689.00	778.00	645.00	716.00	4%	3 Months

All the recommendations are in Cash segment

## Open Recommendations

### Momentum Picks

Scrip	Time Frame
SBI Card	7 Days
GE Shipping	14 Days
Gabriel	14 Days

Our Products

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September 1, 2021

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# PNC Infratech (PNCINF): Resolute breakout above rising trend line signals acceleration of up move...

Rec. Price

324-332

Target

385.00

Stop loss

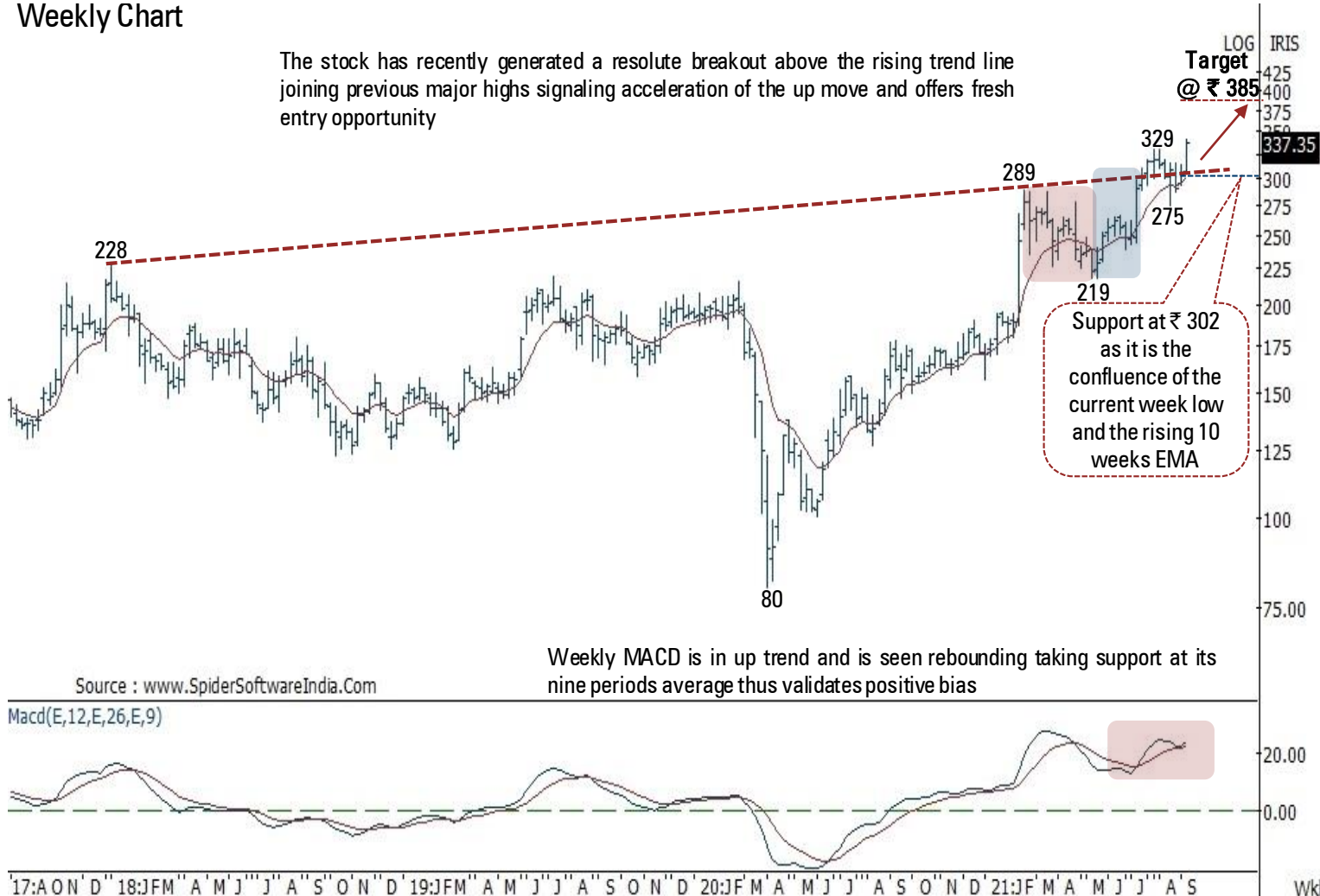
302.00

Upside

16%

## Weekly Chart

The stock has recently generated a resolute breakout above the rising trend line joining previous major highs signaling acceleration of the up move and offers fresh entry opportunity



Source : [www.SpiderSoftwareIndia.Com](http://www.SpiderSoftwareIndia.Com)

Weekly MACD is in up trend and is seen rebounding taking support at its nine periods average thus validates positive bias

Source: Spider Software,, ICICI Direct Research

Recommended on I-click to gain on 01<sup>st</sup> September 2021 at 13:01

September 1, 2021

ICICI Securities Ltd. | Retail Equity Research

- The infra space remained in a strong up trend with the Nifty infra index at an all-time high and forming a higher high and higher low in all time frames
- The share price of PNC Infratech has registered a resolute breakout above the rising trend line joining the previous major highs of December 2017 (₹ 228) and February 2021 (₹ 289) signalling acceleration of up move and offers fresh entry opportunity
- We expect the stock to continue its positive momentum and head towards ₹ 385 in the coming month as it is the price parity with the previous major up move of May-July 2021 (₹ 219-329) as projected from the August 2021 low of ₹ 275 signalling upside towards ₹ 385
- The stock has recently retraced its 13 weeks decline from ₹ 289-219 in just seven weeks. A faster retracement in almost half the time interval highlights positive structure
- Weekly MACD is in up trend and is seen rebounding taking support at its nine period's average, thus validating the positive bias

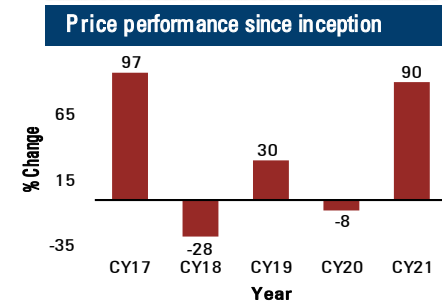
# Fundamental View: PNC Infratech (PNCINF)

- PNC Infratech has established itself as a strong executor in the roads, water infra and airport runway segments. Additionally, superior execution capabilities via ownership of modern equipment and in-house teams enable it to deliver projects on time. PNC has executed 70 major infrastructure projects till date. It reported 19.8% revenue CAGR in FY16-21. Operating margin was in the range of 13-15%. The company has exhibited proficient execution and robust return ratios (RoCE: ~20%)
- PNC's order book (OB) at the end of Q1FY22 was at ₹ 12,095 crore. However, this OB excludes water and irrigation projects worth ₹ 3,427 crore wherein the execution is yet to be started. Including these projects, the OB is robust at ~₹ 15,520 crore (OB/TTM revenues: 3x) and provides revenue visibility over the next three years. The order book is well diversified with HAM, EPC, water and irrigation forming 57%, 33%, 10%, respectively. The company expects additional orders worth ₹ 8,000 crore in FY22E, which is likely to strengthen its elevated OB position even further. The key focus would be on road (targeting EPC and HAM projects in equal proportion) with order inflows from water/irrigation largely done
- We expect execution to stay robust with appointed date received for all road projects coupled with likely pick-in execution in water/irrigation projects. We highlight that the company has guided for ~20-25% revenues growth in FY22 and margins in the range of 13.5-14%. Post a flattish FY21, we expect revenues to grow at 19.8% CAGR over FY21-23 to ₹ 7,073 crore, with new orders contributing to growth pickup. We expect operating margins to remain elevated at ~13.75% in FY22E and FY23E (mid-range of guidance). Additionally, the company is well-placed to fund its remaining equity requirement of ₹ 846 crore (including new HAM projects) over the next two to three years to be aided by healthy internal cash accruals and net cash position
- PNC remains one of our preferred pick given its robust order book, healthy return ratios and lean balance sheet. Irrespective of its asset monetisation plan fructification (it is looking to monetise its BOT/HAM assets and expects some development by year end), sufficient internal accruals from current order book and current cash is enough for equity infusion

Stock Data	
Particular	Amount (₹ crore)
Market Cap	7,948.9
Total Debt (₹)	400.0
Cash (₹ crore)	699.0
EV (₹ crore)	7,649.9
52 week H/L (₹)	138/ 340
Equity capital	51.3
Face value	₹ 2

Financials			
(₹ crore)	FY21	FY22E	FY23E
Net Sales	4925.4	5915.3	7073.3
EBITDA	672.8	813.3	972.6
Net Profit	361.9	477.7	546.6
EPS (₹)	14.1	18.6	21.3

Valuation			
(x)	FY21	FY22E	FY23E
P/E	22.0	16.6	14.5
Target P/E	25.5	19.3	16.9
EV / EBITDA	11.1	9.4	7.9
P/BV	2.7	2.4	2.0
RoNW (%)	12.4	14.2	14.0
RoCE (%)	19.2	20.1	21.0



## Summary Performance - Recommendations till date

Total Recommendations	670	Open	4
Closed Recommendations	666	Yield on Positive recommendations	17.0%
Positive Recommendations	497	Yield on Negative recommendations	-8.0%
Closed at cost	17		
Strike Rate	77%		

# Momentum Picks open recommendations

Date	Scrip Name	Strategy	Recommendations Price	Target	Stoploss	Time Frame
31-Aug-21	SBI Card	Buy	1125-1140	1240.00	1080.00	7 Days
31-Aug-21	GE Shipping	Buy	357-365	390.00	335.00	14 Days
30-Aug-21	Gabriel	Buy	138-142	155.00	132.00	14 Days
27-Aug-21	United Spirits	Buy	690-705	765.00	656.00	30 Days

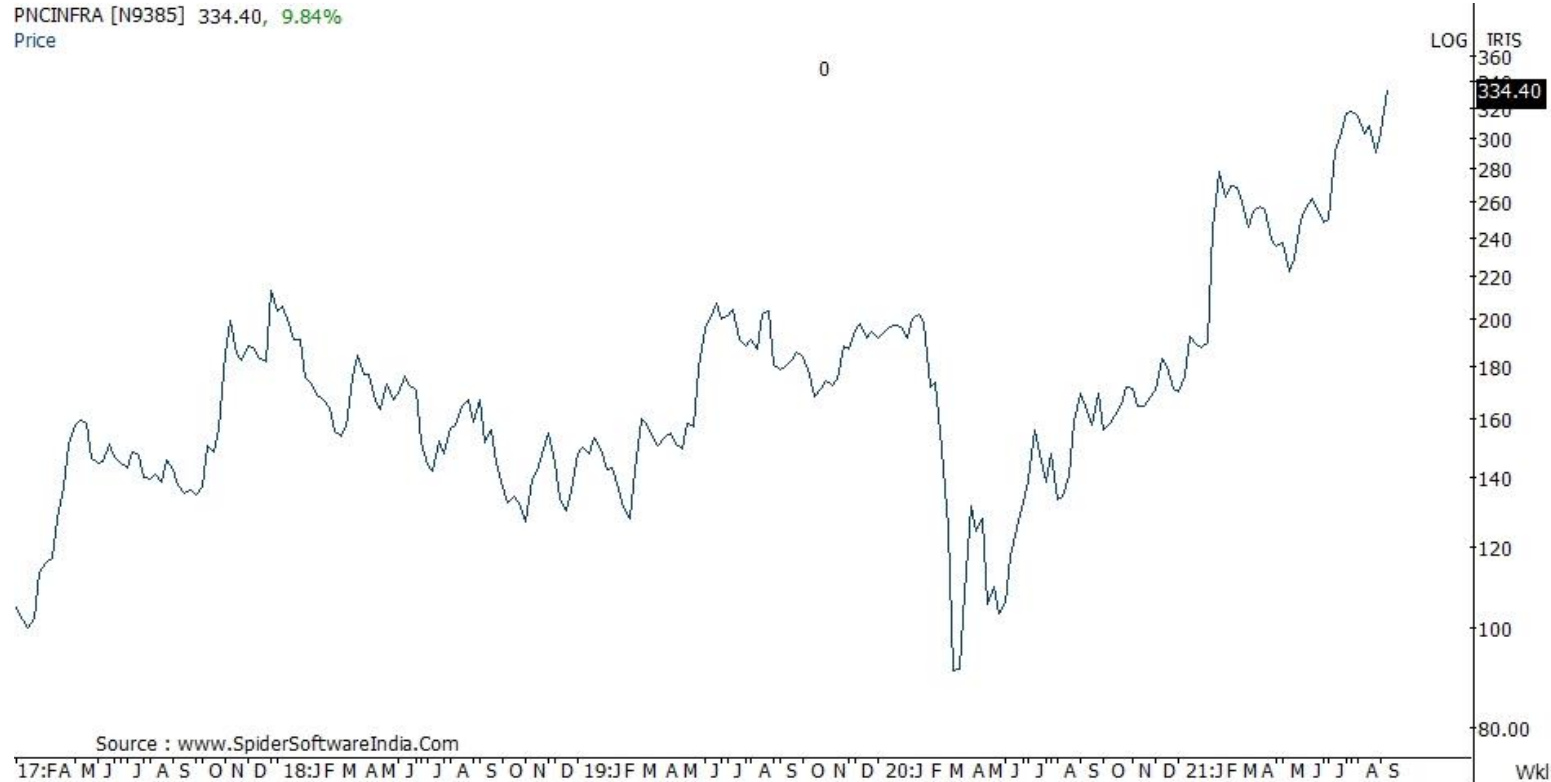
All recommendations are in cash market

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# Price history of past three years

## PNC Infratech (PNCINF)

PNCINFRA [N9385] 334.40, 9.84%  
Price



Source : [www.SpiderSoftwareIndia.Com](http://www.SpiderSoftwareIndia.Com)

- It is recommended to enter in a staggered manner within the prescribed range provided in the report
- Once the recommendation is executed, it is advisable to keep strict stop loss as provided in the report on closing basis
- The recommendations are valid for three to six months as specified on first page of report and in case we intend to carry forward the position, it will be communicated through separate mail

## Trading portfolio allocation

- It is recommended to spread out the trading corpus in a proportionate manner between the various technical research products
- Please avoid allocating the entire trading corpus to a single stock or a single product segment
- Within each product segment it is advisable to allocate equal amount to each recommendation
- For example: The 'Momentum Picks' product carries 2 intraday recommendations. It is advisable to allocate equal amount to each recommendation

# Recommended product wise trading portfolio allocation

Product	Allocations		Number of Calls	Return Objective	Duration
	Product wise allocation	Max allocation In 1 Stock			
Momentum Picks- Intraday	10%	30-50%	2 Stocks	1-2%	Intraday
Momentum Picks- Positional	25%	8-10%	8-10 Per Month	5-8%	14 Days
Gladiator Stocks	35%	10-13%	Opportunity Based	15-20%	6 Months
Yearly Technical	25%	12-15%	7-9 Per Year	20-30%	1 Year
Cash	5%				
	100%				





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