

Container Corp. (CCRI) - SELL

Result Update

Current Market Price (CMP) Rs. 476	Fair Value (FV) Rs.460
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Rationale:

- CCRI reported an in-line print on EXIM.
- The double-digit EBITDA miss was driven by the domestic segment, partly linked to events specific to the quarter.
- With a further market share loss in FY26, the uptick in the EXIM segment's margin has limited relevance.
- Guidance for FY27 is weak and suggests a deferral of benefits of DFC commissioning into 2H.
- We lower FV to Rs460 (Rs500 earlier), net of roll-forward, with 9-12% earnings cut.
- CCRI's ability to fend off competition and return on (and quantum of) investments in the Bharat Container Shipping line remain key imponderables. SELL stays.
- We expect earnings to grow 13.2% in FY27E and 15.0% in FY28E.

Positives:

- Strong capex supports preparedness for DFC commissioning.

Negatives:

- CCRI reported in-line revenue, down 1% yoy.
- There was a 1.5% decline in originating EXIM volumes (impacted by a weak March).
- 11% higher empties running cost against a lower 6% originating volume growth (linked to transient loss of return traffic).
- A sharp 5% miss in domestic realizations (only partly linked to 2% lower lead distance).



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

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- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
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- NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable
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- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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