

ANTONY WASTE HANDLING CELL LTD.

Sector

Jan 23, 2024

Buy at CMP: Rs 530 | Target: Rs 622 (17%) | SL: Rs 480

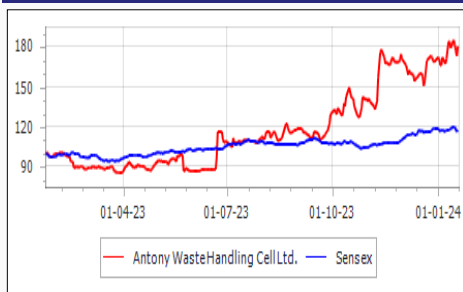
Business Services

**Script Details**

BSE Group	B
BSE Code	543254
NSE Code	AWHCL
Bloomberg Code	AWHCL IN
Market Cap (INR Cr.)	1,500
Free Float (%)	53.9%
52wk Low/High	557/239
Beta (1yr Nifty 50)	0.00
Face Value (INR)/ D. Yield (%)	5/0
Total paid Up Shares (Mn.)	28.4

Share Holding Pattern (%)

Promoters	Public	Others
46.1%	53.9%	-

Share Price Relative Performance

Antony Waste Handling Cell Ltd, a top player in India's MSW management, provides comprehensive services nationwide, specializing in solid waste collection, transportation, and landfill construction. Pioneering in MSW solutions, the company is also involved in the emerging Waste-to-Energy sector.

Investment Rationale

- ◆ **Complete Solutions provider in Municipal Solid Waste Management (MSW):** The company holds a prominent position in India's MSW management industry, boasting over 19 years of successful operations. Specializing in solid waste services, including collection, transportation, processing, and disposal, it primarily serves Indian municipalities. With a proven track record of executing 25 contracts (19 currently operational), the company is well-positioned to secure new contracts for future growth. Furthermore, the increase in processing volumes at Kanjurmarg and the commercialization of the PCMC WTE plant will contribute to its ongoing expansion.
- ◆ **Huge Opportunity Headroom for MSW:** Driven by factors such as population growth, urbanization, evolving lifestyles, and higher disposable incomes, MSW waste generation in India is projected to increase at a 8.9% CAGR from FY20 to FY25E. This surge in waste creation will propel the MSW management market to double in size, reaching around Rs98bn in FY25E from Rs50bn in FY20. This trend enhances growth opportunities for major players like AWHCL, emphasizing the growing demand for effective waste management and scientific disposal solutions.
- ◆ **Waste To Energy, a Growth Dark horse :** The nascent Indian waste-to-energy (WTE) market holds significant long-term potential. AWHCL sees opportunities in PPP-based projects, emphasizing assured raw materials and power offtake agreements for low risk and improved cash flow predictability.
- ◆ **Outlook and Valuations:** We estimate AWHCL to report PAT of INR 99 Cr on revenue of Rs 1320 Cr by FY26E. Which implies forward PE of 14.9(x) for FY26E. We value it with a Price to Earnings of 17.5x to FY26E EPS which results per share value of INR 622. We recommend BUY on AWHCL at CMP of INR 530 with Target price of INR 622 (15%).

Financial Snapshot

Year	Revenue	EBITDA	PAT	PE Ratio (x)	EV/EBITDA (x)
FY23	868	160	67	22.2	9.8
FY24E	998	175	75	20.0	10.5
FY25E	1,147	201	86	17.4	9.1
FY26E	1,320	231	99	15.2	7.9

Source: Company Data, Ace Equity, GEPL Research

TECHNICAL VIEW

Observation

- ◇ The AWHCL stock is currently exhibiting a robust upward momentum, reaching record highs, and is supported by a significant surge in trading volume, surpassing the 10-week average volume. The stock's structural development is notably strong, characterized by a continuous upward movement marked by higher highs and higher lows.
- ◇ A noteworthy aspect is the structural shift in polarity, where the resistance observed in 2021 now acts as support, as evidenced in December 2023. Moreover, the stock has successfully maintained its position above the IPO base price, indicating a sustained upward trajectory.
- ◇ Additionally, the stock has consistently remained above both the 12-week and 26-week Exponential Moving Averages (EMAs), suggesting a positive trend alignment and reinforcing the favorable overall trajectory of the stock.
- ◇ A closer look at the Moving Average Convergence Divergence (MACD) reveals a bullish momentum. The MACD consistently stays in positive territory and exhibits a steady increase, further supporting the positive outlook for the stock..

AWHCL [N1797] 527.65, 2.01%
Price Avg2(E,12,E,26)



Inference & Expectations

- Considering these factors, it can be inferred that AWHCL stock is set to begin uptrend.
- Going ahead we expect the prices to move higher till 617 level.
- The stop loss must be at 480 level, strictly on the closing basis.

Invest Now ➡➡

Source: Tradingview.in, GEPL Research



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