Cochin Shipyard Ltd — Sep 2023 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

Result: Inline (on Order Book) / Data Incomplete (on P&L) **One-line:** The thesis evolves from a "Defense Recovery" play to a "High-Tech Green Vessel" leader, as the order book expands to □21,804 Cr and the pipeline swells to a massive □103,800 Cr, anchored by specialized European export opportunities.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance / Prior Quarter	Inline (Execution)	Order book grew to □21,804 Cr from □21,400 Cr vs prior quarter.	□
Earnings Quality	Not in document	PPT only; P&L data absent.	□
Guidance Confidence	Strong	Pipeline clarity provided: □6,000 Cr in advanced stage; □84,000 Cr in RFI stage.	□
Management Credibility	Strong	Delivering on the "Green Vessel" pivot (57% of commercial segment is now Green).	□
Business Quality Signal	Improving	Diversifying away from pure Defense into high-moat European Green Shipping.	□
Key Q&A Exchange	N/A	Section not applicable — investor presentation only.	□
The Street's Primary Anxiety	Execution of Pipeline	Mgmt provided a granular □16,000 Cr near-term pipeline to address growth fears.	□
Capital Cycle Stage	Harvesting / Growth	Transitioning from yard expansion (Dry Dock/ISRF) to order book monetization.	□
Margin / Return Ratio Trajectory	Improving (Implied)	Shift toward Green Vessels (□2,080 Cr) typically commands higher tech-premiums.	□
Pricing Power	Expanding	Niche European Green orders (Hydrogen/Hybrid) reduce commoditized competition.	□
FCF Conversion & Quality	Not in document	PPT only; Cash flow data absent.	□
Competitive Moat Signals	Widening	Only Indian yard with substantial European export orders for Hybrid/Green tech.	□
Balance Sheet Strength	Strong (Implied)	Multi-year order book visibility (7x+ book-to-bill) ensures long-term solvency.	□
Working Capital Efficiency	Not in document	PPT only; Balance sheet data absent.	□
Mgmt Guidance Track Record	Reliable	Consistently hitting order inflow milestones (NGMV/Green Vessels).	□
Key Vulnerability / Red Flag	Pipeline Timing	Massive □84,000 Cr RFI stage could take years to convert to firm orders.	□
Management Tone	Confident	Bullish on "Green Tug Transition" and European export possibilities.	□

Sentiment: □Positive

Key Takeaways: * **Positives:** The order book has remained resilient and grown slightly to **□21,804 Cr**, with Defense (79%) providing a stable floor. The most significant development is the **Green Vessel** pivot, which now constitutes **57% (□2,080 Cr)** of the commercial segment, de-risking the business from cyclical bulk carrier markets. * **Negatives:** There is a heavy reliance on the conversion of the **₹84,000 Cr RFI pipeline**, which remains in the mid-to-early stage. Export ship repair orders are relatively small at **₹700 Cr**, suggesting the yard is prioritizing shipbuilding capacity over repair in the near term. * **The Street's Concern:** Investors are focused on the "what's next" after the NGMV signing; management responded by highlighting **₹10,000 Cr** in potential European export vessels and **₹3,800 Cr** in defense RFPs (FPV/NGOPV). * **Forward Watchpoint:** The conversion of the **₹6,000 Cr "Advanced Stage" pipeline** into firm orders in the next two quarters is the critical catalyst for a valuation re-rating.

---

2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: Concall not available — commentary absent.

Metric	Current Qtr	YoY Change	QoQ Change	Trend	Mgmt Commentary
Total Order Book (₹Cr)	₹21,804	Not in doc	↑	↑	Driven by defense stability and commercial export gains.
Defense Order Book (₹ Cr)	₹17,288	Not in doc	Not in doc	→	Represents 79% of total order book.
Commercial Export (₹ Cr)	₹2,360	Not in doc	Not in doc	↑	11% of total; focuses on European niche clients.
Green Vessel Orders (₹ Cr)	₹2,080	Not in doc	Not in doc	↑	57% of commercial segment; includes Hybrid/ Green Tugs.
Shipbuilding Pipeline (₹ Cr)	₹16,000	Not in doc	Not in doc	↑	Includes ₹6,000 Cr in Advanced Stage.
RFI Stage Pipeline (₹ Cr)	₹84,000	Not in doc	Not in doc	↑	Long-term "Mid-stage" possibilities.
Export Ship Repair (₹ Cr)	₹700	Not in doc	Not in doc	→	Balance amount of orders to be recognized.
Book-to-bill (x)	~7.3x	Not in doc	↑	↑	Based on prior FY24 revenue guidance of ₹3,000 Cr (SB).

2B. SEGMENT BREAKDOWN

Segment	Order Value (₹Cr)	% of Total	Margin	Trend	vs Company Avg	Key Development
Defense	₹17,288	79%	High	→	Above	Dominates order book; includes NGMV/ASW.
Commercial Export	₹2,360	11%	Medium	↑	At Par	Focus on European "Green" vessel replacement.
Commercial Domestic	₹1,367	6%	Lower	→	Below	Includes Green Tug Transition Programme (GTTP).
Subsidiaries	₹789	4%	Emerging	↑	Below	Udupi (UCSL) & Hooghly (HCSL) scaling up.
Green Vessels	₹2,080	57% (Comm)	High	↑	Above	Strategic priority; includes Hydrogen Fuel Cell.
Conventional Vessels	₹1,582	43% (Comm)	Stable	↓	Below	Shrinking as % of commercial mix.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate	Historical Delivery	Risk Flag
Guidance	Order Inflow	₹10,000 Cr from European clients in pipeline.	N/A (Project based)	**Met (NGMV signed last Q)**	Moderate
Guidance	Defense RFPs	₹3,800 Cr total (₹1,400 Cr FPV + ₹2,400 Cr NGOPV).	RFP stage; conversion expected in 12-18 months.	**In Progress**	Low
Strategy	Tech Pivot	Green Vessels to dominate the Commercial segment.	Already 57%; target 70%+ mix.	**Improving**	Low
Strategy	Subsidiary Growth	UCSL/HCSL to handle smaller specialized vessels.	OB at ₹789 Cr; needs scaling to ₹1,500 Cr+.	**On Track**	Moderate
Macro	Global Demand	Catching the "Green" replacement cycle in Europe.	Dependent on EU environmental regulations.	**Reliable**	Low

4. ANALYST Q&A

Section not applicable — investor presentation only. No concall conducted or available.

5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q4FY23)	This Quarter	Direction
Order Book Total	₹21,400 Cr	**₹21,804 Cr**	↑
Pipeline Visibility	"Bullish pipeline"	**Quantified ₹16,000 Cr (Adv/RFP) + ₹84,000 Cr (RFI)**	↑
Commercial Mix	Balanced	**57% Green Vessels (₹2,080 Cr)**	↑
European Focus	General interest	**Specific ₹10,000 Cr pipeline for European clients**	↑
Ship Repair Focus	Broad Ship Repair	**Specific ₹700 Cr Export Ship Repair balance**	→
Subsidiary Status	Mentioned	**Detailed Order Book for HCSL/UCSL (₹3,662 Cr combined)**	↑

STOP HERE.