Sumit Woods LTD (NSE)

CMP : 20-21

Market Cap : 60 Crs

PE : 9 TTM

PE : 4-5 (FY21E)

Debt/Equity : 0.40

Book Value : 25

Promoter Holding : 70%

TGT 50+ in (12-15 Months)

Mumbai based Leading Real Estate Developers with proven track record of over 3 Decades.

Successfully Completed over 50 Projects (All OC) & Delivered nearly 5000+ homes to it's Customers with impressive record of on time Quality delivery.

Work Majorly through Asset Light Business Models like JV, Redevelopment and Development Management Model.

Co prove to be a major beneficiary of consolidation post implementation of RERA, due to it's Excellent track record of Execution.

Co Available at Extremely attractive Valuations with both Earnings and Revenue visibility, it's trading at substantially low Valuations compared to it's peer like Godrej Properties.

Currently have around 6-7 Running Projects in Mumbai and Goa.

Strengths :-

Experienced Management

Strong Balance Sheet

Earnings Visibility for Next 3-4 Years

Scalable Business Model

Two Notch Rating Upgrade

Very Low Cost of Borrowing

Zero litigation, Zero Complaints, Negligible Inventory

Weaknesses :-

Sector in Difficult Phase

Liquidity Crisis

Regulatory Issues

Debt may Increase if sales go slow

Multiple Projects handling Risk

What Changing Now :-

Co is at inflexion point.

Balance Sheet of Co set to improve significantly, Co having Gross Sales of around 125-150 Crs from past three Years but due to lower economic interest only bottom line reflected till now but from past two years Co started to keep more than 50% Economic Interest in every Project. From Next Year its business will start looking sizable.

Co launched a 1 lac Sq Feet Project in Mulund that may fetch around 180 Crs sales in 3 Years from single project.

Launched One Project at Dahisar at DM Model.

Around 3-5 Projects expected to be launched in next 3-4 Qtrs, Co aim to have around 10 running Projects in Mumbai alone by next 3-5 Qtrs.

Co have strong pipelines and Cycles of New Launches and Completions on regular intervals.