

Misses Estimates on Slower Execution; Retain BUY

Est. vs. Actual for Q3FY26: Revenue – **MISS**; EBITDA Margin – **MISS**; PAT – **MISS**

Change in Estimates post Q3FY26

FY26E/FY27E: Revenue: -4%/-6%; EBITDA: -13%/-7%; PAT: -15%/-9%

Recommendation Rationale

- Robust Order Book to Drive Growth:** The company has an order book of Rs 18,680 Cr (as of 31st Dec, 2025), providing revenue visibility for the next 2.5–3 years. The order book is primarily composed of Hospital at 7.9% (Rs 1,477 Cr), Commercial at 19.2% (Rs 3,586 Cr), Institutional at 7.7% (Rs 1,435 Cr), Residential at 44.7% (Rs 8,343 Cr), Infrastructure at 19.7% (Rs 3,680 Cr), and Hotel at 0.8% (Rs 160 Cr). By geography, East constitutes 17.7%, North 46.2%, West 28.3%, South 6.7%, and Overseas 1.1%. Accordingly, ACIL is expected to deliver revenue growth of 15% CAGR over FY25–FY27E.
- Strong Order Inflow:** The company reported robust YTD order inflows of Rs 9,562 Cr and currently holds L1 status in four projects aggregating Rs 2,485 Cr, indicating a healthy near-term order conversion pipeline. For FY26, management had guided for order inflows of over Rs 8,000 Cr, which has already been achieved, reflecting strong execution on the business development front. The current bidding pipeline stands at approximately Rs 7,000 Cr. For FY27, management has indicated a relatively moderate order inflow target of Rs 5,000–6,000 Cr, as the strategic focus shifts toward improving execution efficiency, enhancing margins, and ensuring timely completion of existing projects.
- NGT (National Green Tribunal) impact on Revenue Growth:** The impact of NGT restrictions this year has been more prolonged than anticipated, adversely affecting sales during December and January, with disruptions continuing until the first week of February. The NGT directives led to project closures in Delhi, which is significant given that nearly 44% of the company's order book is concentrated in the region, thereby materially impacting the topline. Additionally, management expects some disruption in March due to Holi-related labour shortages, which could further affect execution timelines. In light of these challenges, the company has revised its FY26 revenue growth guidance downward to 10–15% from the earlier 15–20%. However, it continues to maintain a revenue growth outlook of 15–20% for FY27, supported by normalization of project activity and execution ramp-up.

Sector Outlook: Cautiously Optimistic

Company Outlook & Guidance: For FY26, revenue growth of 10–15% is expected, with double-digit EBITDA margins.

Current Valuation: 19x FY27E EPS (Earlier Valuation: 20x FY27E EPS).

Current TP: Rs 915/share (Earlier TP: Rs 1,085/share)

Recommendation: We maintain our **BUY** rating on the stock

Financial Performance

Ahluwalia Contracts India Ltd. (ACIL) reported a positive set of Q3FY26 numbers. The company reported revenue of Rs 1,061 Cr (up 11% YoY) and EBITDA of Rs 96 Cr (up 14% YoY). It posted a PAT of Rs 54 Cr (up 10% YoY), driven by a large executable order book and better execution. EBITDA margins stood at 9.1% in Q3FY26 (our estimate: 11.6%) compared to 8.9% in Q3FY25.

Outlook: Given its large executable order book and favourable attributes—including a strong and diversified order book, a healthy bidding pipeline, steady order inflows, an asset-light operating model, and emerging opportunities in the construction space—ACIL is well-positioned to generate healthy cash flows and is expected to deliver revenue/EBITDA/PAT growth of 15%/29%/26% CAGR over FY25–FY27E. However, the continued impact of NGT restrictions remains a key concern, as it is likely to weigh on execution and revenue growth. Accordingly, we have moderated our revenue estimates to reflect the anticipated disruption.

Valuation & Recommendation: The stock is currently trading at 20x/17x FY26E/FY27E EPS. We maintain our **BUY** rating on the stock, valuing the company at 19x FY27E EPS, with a TP of Rs 915/share, which implies a 15% upside from the CMP.

Key Financials (Standalone)

(Rs Cr)	Q3FY26	QoQ (%)	YoY (%)	Axis Est.	Variance
Net Sales	1,061	-10%	11%	1,150	-8%
EBITDA	96	-25%	14%	134	-28%
EBITDA Margin	9.1%	-184bps	22bps	11.6%	-254bps
Net Profit	54	-31%	10%	78	-30%
EPS (Rs)	8	-32%	9%	12	-31%

Source: Company, Axis Securities Research

(CMP as of 16th February, 2026)

CMP (Rs)	796
Upside /Downside (%)	15%
High/Low (Rs)	1129/ 620
Market cap (Cr)	5310
Avg. daily vol. (6m) Shrs.	112843
No. of shares (Cr)	6.7

Shareholding (%)

	Jun-25	Sep-25	Dec-25
Promoter	55.3	55.3	55.3
FII	12.4	12.9	13.5
MFs / UTI	23.1	23.4	23.1
Banks / FI	0.0	0.0	0.0
Others	9.1	8.4	8.1

Financial & Valuations

Y/E Mar (Rs Cr)	FY25	FY26E	FY27E
Net Sales	4,099	4,617	5,448
EBITDA	342	463	567
Net Profit	202	275	322
EPS (Rs)	30	41	48
PER (x)	33	19	17
P/BV (x)	3.7	2.6	2.2
EV/EBITDA (x)	19	12	9
ROE (%)	12%	14%	14%

Change in Estimates (%)

Y/E Mar	FY26E	FY27E
Sales	-4%	-6%
EBITDA	-13%	-7%
PAT	-15%	-9%

Relative Performance



Source: Ace Equity

Results Gallery

[Q2FY26](#)
[Q1FY26](#)
[Q4FY25](#)
[Q3FY25](#)

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Key Concall Highlights

- **Order Book:** The company has an order book of Rs 18,680 Cr (as of 31st Dec'25). The order book is primarily composed of Hospital at 7.9% (Rs 1,477 Cr), Commercial at 19.2% (Rs 3,586 Cr), Institutional at 7.7% (Rs 1,435 Cr), Residential at 44.7% (Rs 8,343 Cr), Infrastructure at 19.7% (Rs 3,680 Cr), and Hotel at 0.8% (Rs 160 Cr). By geography, East constitutes 17.7%, North 46.2%, West 28.3%, South 6.7%, and Overseas 1.1%. The Central Government, State Government, and Private segments account for 20%, 10.6%, and 68.3%, respectively, with the balance from overseas projects.
- **Order Inflow:** The company reported YTD order inflows of Rs 9,562 Cr and holds L1 status in 4 projects worth Rs 2,485 Cr. For FY26, management had guided for order inflows of over Rs 8,000 Cr, which has already been achieved.
- **Capex and Working Capital:** The company incurred a Capex of Rs 193 Cr in 9MFY26 and targets Rs 100 Cr in Q4FY26 and Rs 300 Cr in FY27.
- **As of 31st Dec'25:** Unbilled revenue stood at Rs 639 Cr, retention money at Rs 431 Cr, and mobilisation advance at Rs 729 Cr. Cash balance stood at Rs 253 Cr, and Gross debt of Rs 22 Cr.

Key Risks to Our Estimates and TP

- Delay in execution may impact revenue growth.
- Higher commodity prices may hurt margins.

Change in Estimates

	New		Old		% Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Sales	4,617	5,448	4,812	5,775	-4%	-6%
EBITDA	463	567	519	612	-13%	-7%
PAT	275	322	312	356	-15%	-9%

Source: Company, Axis Securities Research

Result Review Q3FY26

(Rs Cr)	Quarterly Performance				
	Q3FY26	Q2FY26	Q3FY25	% Change (QoQ)	% Change (YoY)
Sales	1,061	1,177	952	-10%	11%
Other Op. Inc	0	0	0		
Total Revenue	1,061	1,177	952	-10%	11%
Expenditure					
Cost of material consumed	399	476	418	-16%	-5%
Construction expenses	72	75	72	-4%	0%
Subcontract work	354	353	271	0%	31%
Employee Cost	116	121	89	-4%	31%
Other Expenses	24	24	18	1%	32%
Total Expenditure	964	1049	868	-8%	11%
EBITDA	96	129	84	-25%	14%
EBITDA margin	9.1%	10.9%	8.9%	-184bps	22bps
Oth. Inc.	15	15	15	1%	2%
Interest	11	15	15	-24%	-22%
Depreciation	26	22	18	17%	45%
PBT	74	106	67	-30%	11%
Tax	20	27	17	-28%	14%
Exceptional Item	0	0	0		
PAT	54	79	49	-31%	10%
EPS (Rs)	8.1	11.8	7.4	-32%	9%

Source: Company, Axis Securities Research

Financials (Standalone)

Profit & Loss

(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E
Net sales	3,855	4,099	4,617	5,448
Other operating income	0	0	0	0
Total income	3,855	4,099	4,617	5,448
Cost of materials consumed	1,839	1,799	1,872	2,473
Changes in Inventories of Work-In-Progress	0	0	0	0
Construction expenses	1,284	1,521	1,741	1,929
Contribution (%)	19.0%	19.0%	21.7%	19.2%
Other Expenses	343	437	541	479
Operating Profit	389	342	463	567
Other income	37	55	60	54
PBIDT	425	397	522	621
Depreciation	67	67	98	123
Interest & Fin Chg.	48	58	52	65
Exceptional Item	195	0	0	0
Pre-tax profit	505	273	372	432
Tax provision	130	71	97	110
PAT	376	202	275	322

Source: Company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E
Capital Applied	3,196	3,706	4,058	4,578
Net Block	238	366	768	795
CWIP	7	7	7	7
Right-of-use asset	8	6	6	6
Investment Property	85	84	84	84
Wkg. cap. (excl cash)	362	277	425	504
Cash / Bank balance	780	964	685	855
Other assets	1715	2003	2083	2328
Capital employed	3,196	3,706	4,058	4,578
Equity capital	13	13	13	13
Reserves	1589	1787	2062	2384
Minority Interests	0	0	0	0
Borrowings	45	14	14	14
Other Liabilities	1549	1892	1969	2167

Source: Company, Axis Securities Research

Cash Flow
(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E
PBT	505	272	372	432
Depreciation	67	67	98	123
Interest Expense	30	38	52	65
Changes in Working Capital	22	119	-152	-126
Others	-230	-38	-60	-54
Tax Paid	-137	-99	-97	-110
Net Cash from Operations	257	360	213	330
Capex	-114	-189	-500	-150
Investment	0	0	0	0
Others	-195	-134	60	54
Net Cash from Investing	(310)	(323)	(440)	(96)
Borrowings	42	-31	0	0
Interest Expense	-16	-15	-52	-65
Others	-6	-7	0	0
Net Cash from Financing	21	(52)	(52)	(65)
Net Change in Cash	(31)	(16)	(279)	169
Opening cash	366	334	319	39
Closing cash	334	319	39	209

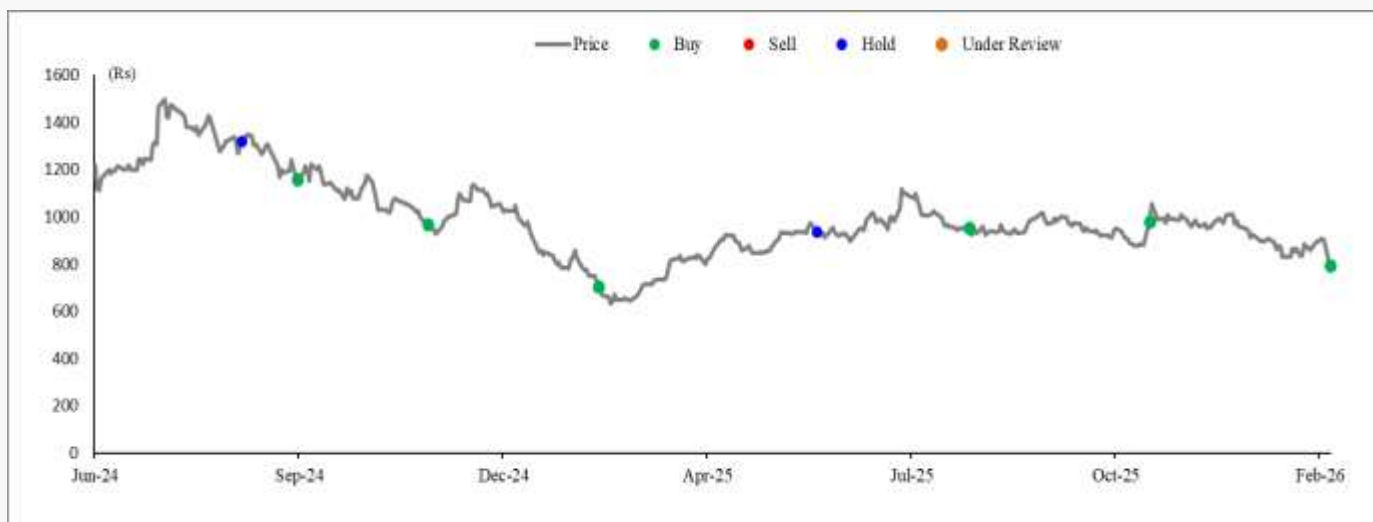
Source: Company, Axis Securities Research

Ratio Analysis
(%)

Y/E March	FY24	FY25	FY26E	FY27E
Growth Indicator				
Sales Growth	36%	6%	13%	18%
EBITDA Growth	28%	-12%	35%	22%
PAT Growth	93%	-46%	36%	17%
Profitability Ratio				
EBITDA Margin	10.1%	8.3%	10.0%	10.4%
Adjusted net margin	9.7%	4.9%	6.0%	5.9%
Efficiency Ratio				
Capital Turnover	2.4	2.3	2.2	2.3
Total Asset Turnover	1.9	1.8	1.8	1.9
Fixed Asset Turnover	15.7	11.0	6.0	6.8
Debtor days	71	70	70	70
Inventory days	33	33	33	33
Payable days	74	74	74	74
Cash Conversion Cycle (days)	30	30	30	30
Leverage Ratios				
Debt to equity	0.03	0.01	0.01	0.01
Net debt to equity	-0.46	-0.53	-0.32	-0.35
Interest coverage	8	6	9	9
Per Share Data				
Diluted EPS (Rs)	56	30	41	48
Book value per share (Rs)	239	269	310	358
DPS (Rs)	0.4	0.0	0.0	0.0
Return Ratios				
Return on equity	27%	12%	14%	14%
Return on capital employed	21%	15%	18%	18%
Valuation Ratio				
P/E	18	33	19	17
P/BV	4.1	3.7	2.6	2.2
EV/EBITDA	16.9	19.2	11.5	9.4
Cash Flow Ratio (%)				
OCF/EBITDA	66%	105%	46%	58%
OCF/Sales	7%	9%	5%	6%
FCF/Sales	4%	4%	-6%	3%
OCF/ROIC	292%	359%	137%	193%

Source: Company, Axis Securities Research

Ahluwalia Contracts India Ltd Price Chart and Recommendation History



Source: Axis Securities Research

Date	Reco	TP	Research
19-Aug-24	HOLD	1,340	Result Update
16-Sep-24	BUY	1,340	Company Update
19-Nov-24	BUY	1,090	Result Update
13-Feb-25	BUY	860	Result Update
03-Jun-25	HOLD	945	Result Update
19-Aug-25	BUY	1,050	Result Update
18-Nov-25	BUY	1,085	Result Update
17-Feb-26	BUY	915	Result Update

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