

# Ceigall India | BUY

Growth hinges on timely receipt of appointed dates

Ceigall India's (CIL) 4Q25 PAT at INR 696mn was sharply below JMFe of INR 890mn due to lower margins and higher interest costs despite higher other income. EBITDA margins at 11% (JMFe: 13%) declined by 320bps YoY on revised base (adjusted for bonus/royalty income of INR 117mn in 4Q24) due to lower gross margins. Gross debt increased sharply from INR 4.3bn in Dec-24 to INR 6.4bn in Mar-25 due to rise in NWC levels and start of new projects. Order backlog stood at INR 108bn (3.2x TTM revenues). While only 50% of current backlog is under execution, executability should improve to 92% by Sept-25. CIL has guided for revenue growth of 10-15% despite robust order backlog, given the delay in appointed dates for HAM projects. CIL expects pure EPC EBITDA margins (ex of bonus and royalty) of 11-12% for FY26E. We see sharp EPC cut of 15%/14% in FY26/27E factoring in lower revenue/margins. We expect strong earnings growth of 27% CAGR over FY25-27E. CIL is currently trading at 13.7x/11x FY26/27E EPS. We value the EPC business at 13x FY27E EPS (earlier 14x FY27E EPS) to arrive at SoTP based price target of INR 370. Maintain Buy.

- **PAT below JMFe due to lower margins and higher interest cost:** Revenue grew 16% YoY to INR 9.9bn (JMFe: INR 10.3bn). EBITDA declined 17% YoY to INR 1.1bn (JMFe: INR 1.3bn). EBITDA margins at 11% (JMFe: 13%) declined by 320bps YoY on revised base (adjusted for bonus/royalty income of INR 117mn in 4Q24) due to lower gross margins. Interest cost rose sharply by 55% YoY/98% QoQ to INR 205mn (JMFe: INR 112mn) due to higher debt levels. Other income increased by 2.7x YoY to INR 204mn (JMFe: INR 98mn). Adjusted PAT declined by 20% YoY to INR 696mn (JMFe: INR 890mn) due to lower margins and higher interest costs despite higher other income.
- **Robust order backlog; executability to improve by Sept-25:** CIL won inflows of INR 41bn in FY25. Order backlog moderated QoQ to INR 108bn (3.2x TTM revenues) as CIL removed EPC project of INR 10.7bn due to non-availability of land. While only 50% of current backlog is under execution, executability should improve to 92% by Sept-25. CIL has bid for orders worth INR 170bn across verticals like highways, railways, metro, irrigation and urban development where results are awaited.
- **Guides for 10-15% revenue growth and order inflows of INR 55bn for FY26E:** CIL has guided for revenue growth of 10-15% with order inflows of INR 55bn in FY26E. It expects EPC EBITDA margins of 11-12% for FY26E. For its HAM portfolio of 8 assets (ex of Moga-Barnala), total equity requirement is c.INR 12bn of which INR 4.1bn is infused till Mar-25 while remainder equity is to be invested over the FY26-28E.
- **Maintain BUY with revised price target of INR 370:** Given the delay in ADs for HAM projects and cut in margin guidance, we have cut EPS by 15%/14% in FY26/27E. Having said that, we expect EPS CAGR of 27% over FY25- 27E backed by strong backlog. We expect balance sheet to remain lean with net debt/equity of (0.1x) and net debt + mobilization advances/EBITDA of (0.3x) in Mar'27E. Valuation at 13.7x/11x FY26/27E EPS (prior to adjustment for value of assets) is attractive. We value the EPC business at 13x FY27E EPS (earlier 14x FY27 EPS) and HAM portfolio on P/B basis to arrive at an SOTP-based revised price target of INR 370. Maintain BUY.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	29,547	33,709	38,766	46,525	52,155
Sales Growth (%)	43.1	14.1	15.0	20.0	12.1
EBITDA	4,386	4,184	5,056	6,049	6,803
EBITDA Margin (%)	14.8	12.4	13.0	13.0	13.0
Adjusted Net Profit	2,769	2,599	3,347	4,184	4,652
Diluted EPS (INR)	17.6	14.9	19.2	24.0	26.7
Diluted EPS Growth (%)	49.4	-15.4	28.8	25.0	11.2
ROIC (%)	31.1	18.2	17.3	18.8	17.6
ROE (%)	37.1	19.4	17.0	17.9	16.7
P/E (x)	14.1	22.5	13.7	10.9	9.8
P/B (x)	4.5	3.3	2.1	1.8	1.5
EV/EBITDA (x)	10.3	14.2	8.6	7.2	6.4
Dividend Yield (%)	0.3	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 09/May/2025



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We acknowledge the support of **Parth Thakkar** in the preparation of this report

## Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	370
Upside/(Downside)	48.9%
Previous Price Target	430
Change	-13.8%

## Key Data – CEIGALL IN

Current Market Price	INR249
Market cap (bn)	INR43.3/US\$0.5
Free Float	18%
Shares in issue (mn)	174.2
Diluted share (mn)	174.2
3-mon avg daily val (mn)	INR49.5/US\$0.6
52-week range	425/229
Sensex/Nifty	79,454/24,008
INR/US\$	85.4

## Price Performance

%	1M	6M	12M
Absolute	-2.4	-23.5	0.0
Relative*	-7.7	-24.2	0.0

\* To the BSE Sensex

JM Financial Research is also available on:  
Bloomberg - JMFR <GO>,  
Thomson Publisher & Reuters,  
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

**Exhibit 1. Standalone quarterly results**

INR mn	4Q24	1Q25	2Q25	3Q25	4Q25	4Q25E	Variance	FY25A	FY26E	FY27E	FY28E
Net Sales	8,576	7,592	8,097	8,102	9,918	10,293	-3.6%	33,709	38,766	46,525	52,155
EBITDA	1,321	1,023	1,019	1,050	1,092	1,338	-18.4%	4,184	5,056	6,049	6,803
EBITDA margin (%)	15.4%	13.5%	12.6%	13.0%	11.0%	13.0%		12.4%	13.0%	13.0%	13.0%
Other income	76	83	147	97	204	98	108.7%	532	565	627	557
Depreciation	124	109	120	131	155	135	14.8%	515	558	599	668
Interest	133	217	197	104	205	112	83.9%	724	591	486	476
PBT	1,140	779	850	912	936	1,190	-21.3%	3,477	4,473	5,591	6,216
Tax	273	192	217	230	240	300	-20.1%	879	1,126	1,407	1,565
Effective tax rate (%)	24.0%	24.6%	25.5%	25.2%	25.6%	25.2%		25.3%	25.2%	25.2%	25.2%
PAT	867	587	633	682	696	890	-21.7%	2,599	3,347	4,184	4,652
Extra-ordinary items	-	103.6	-	-	-	-		103.6	-	-	-
Reported PAT	867	691	633	682	696	890	-21.7%	2,702	3,347	4,184	4,652
Adjusted EPS	5.5	3.4	3.6	3.9	4.0	5.1	-21.7%	14.9	19.2	24.0	26.7

**YoY growth(%)**

Net sales	18.0%	14.2%	8.8%	15.6%		14.1%	15.0%	20.0%	12.1%
EBITDA	12.4%	-1.4%	-6.5%	-17.3%		-4.6%	20.9%	19.6%	12.5%
Other income	9.0%	83.1%	-29.5%	169.2%		43.5%	6.2%	11.0%	-11.1%
Interest	28.5%	27.7%	-33.3%	54.5%		18.2%	-18.4%	-17.7%	-2.1%
Depreciation	-9.3%	2.7%	27.0%	24.8%		10.9%	8.4%	7.4%	11.5%
PBT	11.8%	0.8%	-8.9%	-17.9%		-5.5%	28.6%	25.0%	11.2%
Adjusted PAT	14.6%	-1.5%	-8.8%	-19.7%		-6.2%	28.8%	25.0%	11.2%
Reported PAT	34.8%	-1.5%	-8.8%	-19.7%		-2.4%	23.9%	25.0%	11.2%

Source: Company, JM Financial

**Exhibit 2. Key assumptions**

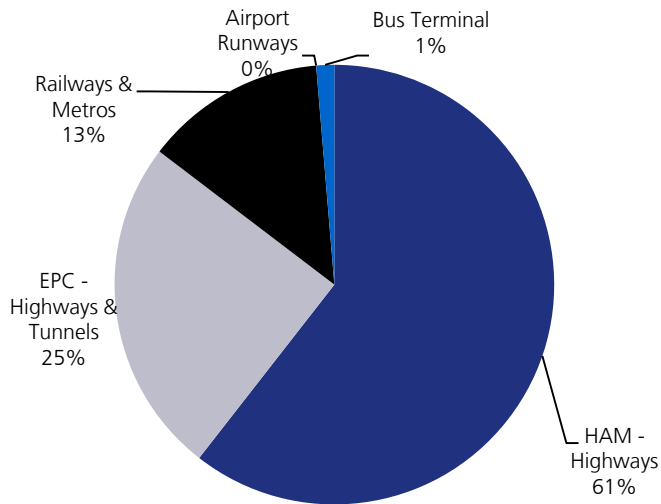
INR mn	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Order Inflows	59,043	35,835	40,516	50,000	65,000	75,000
EBITDA margins	14.4%	14.8%	12.4%	13.0%	13.0%	13.0%
Gross Debt	4,649	5,069	6,359	4,000	3,500	3,500
Net WC days*	97	92	157	115	105	100
Capex	1,587	728	1,032	250	500	750

Source: Company, JM Financial; \*: ex of L&amp;A to subs and ex of free cash

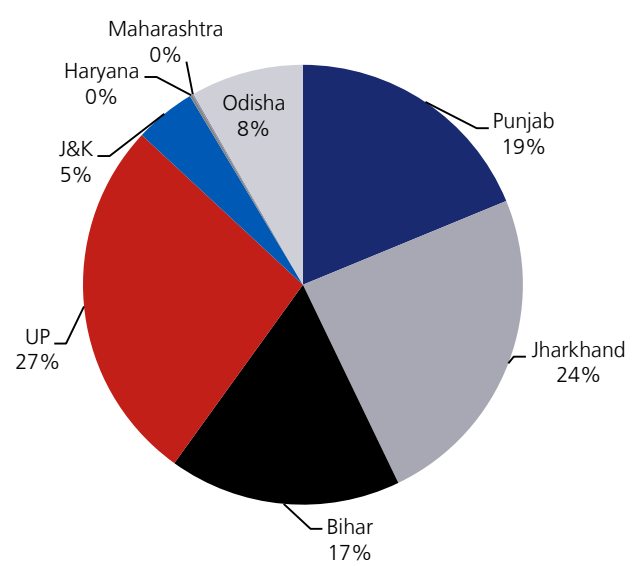
**Exhibit 3. Change in estimates**

INR mn	FY26E			FY27E		
	New	Old	% chg	New	Old	% chg
Net Sales	38,766	42,258	(8.3)	46,525	50,722	(8.3)
EBITDA	5,056	5,635	(10.3)	6,049	6,870	(12.0)
EBITDA margin %	13.0	13.3		13.0	13.5	
Adj. PAT	3,347	3,938	(15.0)	4,184	4,869	(14.1)
Diluted EPS	19.2	22.6	(15.0)	24.0	28.0	(14.1)

Source: Company, JM Financial

**Exhibit 4. Highway segment dominates the order backlog\***

Source: Company, JM Financial; \*: INR 108bn as of Mar'25

**Exhibit 5. Well-diversified order backlog\* in terms of geography**

Source: Company, JM Financial; \*: INR 108bn as of Mar'25

**Exhibit 6. SoTP-based price target of INR 370**

Segment	Valuation Methodology	Value driver	Multiple (x)	Fair Valuation	INR/share
EPC business	PEx Mar-27E PAT	4,184	13.0	54,390	312
HAM assets	P/Bx Mar-27E	9,596	1.1	10,412	60
- 3 assets to be monetized	P/Bx Mar-27E	2,721	1.3	3,538	20
- 5 assets awaiting AD	P/Bx Mar-27E	6,618	1.0	6,618	38
(b) Assets to be won	P/Bx Mar-27E	256	1.0	256	1
Less - Promoter loan in Bathinda Dabwali HAM		206	1.3	268	2
<b>Total</b>				<b>64,535</b>	<b>370</b>

Source: Company, JM Financial

## Key conference call takeaways

- **FY26 Guidance:** Revenue growth: 10-15% YoY; Pure EPC EBITDA margins: 11-12%; order inflow: INR 55bn (FY25: INR 41bn); Capex: INR 150-200mn.
- **Bid pipeline:** CIL has submitted bids of INR 170bn across highways, railways, metro, irrigation and urban development where results are awaited.
- **Appointed dates:** CIL is expecting AD for VRK Pkg-11 and Northern Ayodhya bypass in 1Q26E, Southern Ludhiana bypass in 2Q26E. CIL expects AD for VRK Pkg-12 post AD of VRK Pkg-11.
- **Gross debt increased sharply** from INR 4.3bn in Dec-24 to INR 6.4bn in Mar-25 due to rise in NWC levels and start of new projects.
- **Equity requirement:** Of the total equity requirement of INR 12bn for its HAM portfolio, CIL has invested INR 4.1bn till Mar-25 and remainder will be invested over FY26-FY28E.
- CIL has removed Delhi-Amritsar-Katra project (INR 10.7bn) from its order backlog due to non-availability of land. NHAI is ready to pay INR 110mn as termination cost while CIL is expecting more and will go for arbitration.

### Exhibit 7. CIL's HAM asset portfolio#

INR mn	State	Length (km)	Authority	AD	BPC	EPC Value	Equity	Debt	Equity Invested*	CIL's share of equity*	Debt*
Malout Abohar	Punjab	65	NHAI	Received	8,196	6,384	1,029	2,433	1,029	1,029	2,433
Bathinda Dabwali	Punjab	27	NHAI	Received	5,545	4,286	841	1,860	841	635	1,744
Jalbehra Shahbad	Haryana	23	NHAI	Received	6,840	5,400	806	2,920	806	806	2,655
VRK Package - 11	Jharkhand	37	NHAI	1Q26E	16,560	15,000	2,797	8,390	78	78	-
VRK Package - 12	Jharkhand	33	NHAI	4Q25E	13,050	11,510	2,104	6,313	60	60	-
Northern Ayodhya Bypass	UP	37	NHAI	4Q25E	11,993	11,100	1,680	-	280	280	-
Southern Ayodhya Bypass	UP	34	NHAI	Received	12,992	12,060	1,820	-	1,220	1,220	-
Ludhiana Bathinda Bypass	Punjab	25	NHAI	2Q26E	9,230	8,613	1,293**	-	-	-	-
<b>Total</b>		<b>281</b>			<b>84,406</b>	<b>74,353</b>	<b>12,370</b>	<b>21,916</b>	<b>4,313</b>	<b>4,108</b>	<b>6,832</b>

Source: Company, JM Financial; #: ex of Moga-Barnala; \*: as of Mar-25; \*\*: estimate

## Financial Tables (Standalone)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	29,547	33,709	38,766	46,525	52,155
Sales Growth	43.1%	14.1%	15.0%	20.0%	12.1%
Other Operating Income	0	0	0	0	0
<b>Total Revenue</b>	<b>29,547</b>	<b>33,709</b>	<b>38,766</b>	<b>46,525</b>	<b>52,155</b>
Cost of Goods Sold/Op. Exp	23,714	28,054	31,990	38,420	43,033
Personnel Cost	572	383	441	520	598
Other Expenses	876	1,088	1,279	1,535	1,721
<b>EBITDA</b>	<b>4,386</b>	<b>4,184</b>	<b>5,056</b>	<b>6,049</b>	<b>6,803</b>
EBITDA Margin	14.8%	12.4%	13.0%	13.0%	13.0%
EBITDA Growth	47.0%	-4.6%	20.9%	19.6%	12.5%
Depn. & Amort.	464	515	558	599	668
EBIT	3,922	3,669	4,498	5,450	6,135
Other Income	370	532	565	627	557
Finance Cost	612	724	591	486	476
PBT before Excep. & Forex	3,680	3,477	4,473	5,591	6,216
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	3,680	3,477	4,473	5,591	6,216
Taxes	911	879	1,126	1,407	1,565
Extraordinary Inc./Loss(-)	0	104	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	2,769	2,702	3,347	4,184	4,652
<b>Adjusted Net Profit</b>	<b>2,769</b>	<b>2,599</b>	<b>3,347</b>	<b>4,184</b>	<b>4,652</b>
Net Margin	9.4%	7.7%	8.6%	9.0%	8.9%
Diluted Share Cap. (mn)	157.1	174.2	174.2	174.2	174.2
<b>Diluted EPS (INR)</b>	<b>17.6</b>	<b>14.9</b>	<b>19.2</b>	<b>24.0</b>	<b>26.7</b>
Diluted EPS Growth	49.4%	-15.4%	28.8%	25.0%	11.2%
Total Dividend + Tax	118	0	0	0	0
Dividend Per Share (INR)	0.7	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	3,680	3,477	4,473	5,591	6,216
Depn. & Amort.	464	515	558	599	668
Net Interest Exp. / Inc. (-)	612	724	591	486	476
Inc (-) / Dec in WCap.	-1,886	-6,413	1,965	-610	-516
Others	0	104	0	0	0
Taxes Paid	-951	-906	-1,126	-1,407	-1,565
<b>Operating Cash Flow</b>	<b>1,920</b>	<b>-2,499</b>	<b>6,460</b>	<b>4,659</b>	<b>5,279</b>
Capex	-728	-1,032	-250	-500	-750
Free Cash Flow	1,191	-3,531	6,210	4,159	4,529
Inc (-) / Dec in Investments	-1,197	-1,420	-2,497	-3,695	-3,781
Others	0	0	0	0	0
<b>Investing Cash Flow</b>	<b>-1,926</b>	<b>-2,452</b>	<b>-2,747</b>	<b>-4,195</b>	<b>-4,531</b>
Inc / Dec (-) in Capital	0	6,506	0	0	0
Dividend + Tax thereon	-118	0	0	0	0
Inc / Dec (-) in Loans	421	1,290	-2,359	-500	0
Others	-608	-721	-591	-486	-476
<b>Financing Cash Flow</b>	<b>-305</b>	<b>7,074</b>	<b>-2,950</b>	<b>-986</b>	<b>-476</b>
<b>Inc / Dec (-) in Cash</b>	<b>-311</b>	<b>2,123</b>	<b>764</b>	<b>-522</b>	<b>272</b>
Opening Cash Balance	3,593	3,282	5,405	6,169	5,647
Closing Cash Balance	3,282	5,405	6,169	5,647	5,919

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	8,785	17,992	21,339	25,523	30,175
Share Capital	786	871	871	871	871
Reserves & Surplus	7,999	17,121	20,468	24,652	29,304
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	5,069	6,359	4,000	3,500	3,500
Def. Tax Liab. / Assets (-)	-89	-113	-113	-113	-113
<b>Total - Equity &amp; Liab.</b>	<b>13,765</b>	<b>24,239</b>	<b>25,226</b>	<b>28,910</b>	<b>33,562</b>
Net Fixed Assets	2,771	3,289	2,981	2,882	2,964
Gross Fixed Assets	3,997	4,947	5,197	5,697	6,447
Intangible Assets	1	3	3	3	3
Less: Depn. & Amort.	1,247	1,762	2,320	2,919	3,587
Capital WIP	20	101	101	101	101
Investments	1,984	3,404	5,901	9,596	13,377
Current Assets	14,841	27,794	28,200	30,671	33,170
Inventories	1,003	1,037	1,139	1,368	1,533
Sundry Debtors	4,849	8,508	9,028	10,835	11,431
Cash & Bank Balances	3,282	5,405	6,169	5,647	5,919
Loans & Advances	383	712	712	712	712
Other Current Assets	5,324	12,131	11,152	12,109	13,575
Current Liab. & Prov.	5,831	10,248	11,856	14,239	15,949
Current Liabilities	3,285	7,280	8,302	9,970	11,167
Provisions & Others	2,545	2,968	3,554	4,268	4,781
Net Current Assets	9,010	17,545	16,344	16,433	17,221
<b>Total - Assets</b>	<b>13,765</b>	<b>24,239</b>	<b>25,226</b>	<b>28,910</b>	<b>33,562</b>

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	9.4%	7.7%	8.6%	9.0%	8.9%
Asset Turnover (x)	2.4	1.8	1.6	1.7	1.7
Leverage Factor (x)	1.6	1.4	1.3	1.2	1.1
RoE	37.1%	19.4%	17.0%	17.9%	16.7%

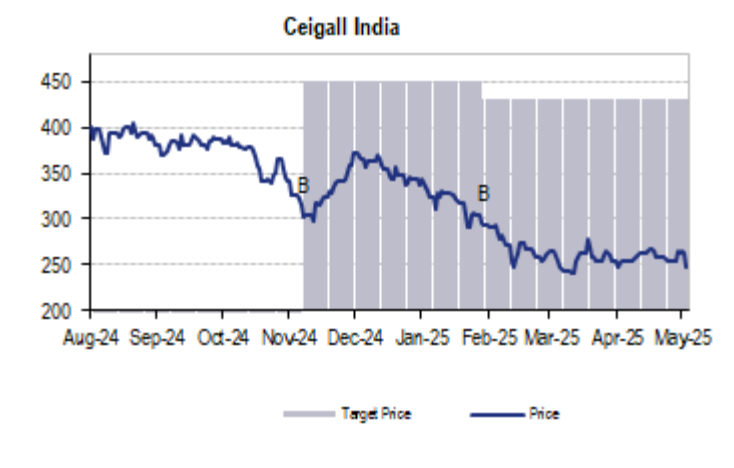
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	55.9	103.3	122.5	146.5	173.2
ROIC	31.1%	18.2%	17.3%	18.8%	17.6%
ROE	37.1%	19.4%	17.0%	17.9%	16.7%
Net Debt/Equity (x)	0.2	0.1	-0.1	-0.1	-0.1
P/E (x)	14.1	22.5	13.7	10.9	9.8
P/B (x)	4.5	3.3	2.1	1.8	1.5
EV/EBITDA (x)	10.3	14.2	8.6	7.2	6.4
EV/Sales (x)	1.5	1.8	1.1	0.9	0.8
Debtor days	60	92	85	85	80
Inventory days	12	11	11	11	11
Creditor days	48	90	90	90	90

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
13-Nov-24	Buy	450	
4-Feb-25	Buy	430	-4.4

Recommendation History



## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

\* REITs refers to Real Estate Investment Trusts.

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