

Infrastructure

Diversified EPC companies to report strong earnings

Execution is likely to be a mixed bag, with diversified EPC players such as KPIL and KEC International expected to deliver strong performance, while highway companies like KNR Constructions, PNC Infra and Ashoka Buildcon may face headwinds due to lower executable order backlogs. We expect KNR/PNC's revenue to decline sharply by 24%/22% YoY while KPIL is likely to post 16% YoY revenue growth led by strong order backlog. Order inflows have been robust for diversified companies but relatively weaker for highway developers who missed their FY25 guidance. Despite this, order backlogs remain moderate to strong across most companies, with book-to-bill ratios ranging from 2x to 4x for most players. EBITDA margins are likely to improve or remain stable QoQ for most companies. Asset monetisation plans continue to remain under progress for highway developers.

- **Execution to be a mixed bag:** Execution is likely to be a mixed bag with diversified players like KPIL and KEC International likely to report strong performance led by strong order backlogs. However, highway companies like KNR Constructions/PNC Infratech/Ashoka Buildcon are likely to see sharp YoY revenue decline of 24%/22%/10% due to lower executable order backlogs. We expect KPIL/KEC International to post revenue growth of 16%/14% YoY in 4Q25E led by strong order backlogs.
- **EBITDA margins likely to improve QoQ for most companies; debt and NWC to moderate or remain stable QoQ:** EBITDA margins are likely to improve or remain stable QoQ for most companies. Margins have been impacted YoY for highway companies while remaining stable or improved for diversified companies. Among the Highways pack, we expect EBITDA margins of KNR Constructions/PNC Infra to contract by 120bps/90bps YoY due to operating deleverage and change in revenue mix (share of irrigation revenue/JJM revenue likely to fall materially for KNR Constructions/PNC Infra in 4Q25E). We expect EBITDA margins for KEC International to expand by 170bps YoY mainly driven by improved margins in the Power T&D vertical. Debt and working capital is likely to moderate or remain stable on a QoQ basis led by improved recoveries in 4Q25E.
- **Tendering activity moderates while ordering activity remains strong in 4Q25:** Tendering activity declined sharply by 30%/15% YoY/QoQ to INR 4.5tn in 4Q25 on high base mainly impacted by Highways and Buildings verticals. Ordering activity continued to remain strong as it grew by 62%/46% YoY/QoQ to INR 4.3tn in 4Q25 on a strong base. Among our coverage companies, order inflows for diversified names like L&T, NCC, KEC and KPIL have been strong in FY25 while being weak for highway companies (all companies missed FY25 guidance). Having said that, order backlogs remain moderate to strong for most companies (except KNR) with backlog to bill ratio in range of 2x-4x for most companies.
- **Highways bid pipeline moderates; awarding picks up in Jan-25:** Highways bid pipeline has moderated to INR 770bn in Apr-25 from INR 1.1tn in Mar-25. Of this, NHAI's bid pipeline stands at INR 712bn with HAM/EPC/BOT projects accounting for 77%/8%/14% share. Highway awarding improved in Jan-25. In 10MFY25, NH awarding grew by 21% YoY to 4,204kms while construction declined by 9% YoY to 7,000kms.
- **L&T 4Q25 preview – Order announcements robust; Adjusted PAT likely to grow by 14% YoY:** Order announcements by L&T stood at c.INR 701bn (average of range) in 4Q25 so far. We expect L&T's P&M (Projects and Manufacturing) order inflows to grow sharply by 61% YoY to INR 900bn. Consolidated order inflows are likely to grow sharply by 50% YoY to INR 1.08tn. We expect 8% YoY growth in P&M revenue/EBITDA with P&M margins to remain flat YoY at 9.6% (up 200bps QoQ). Consolidated revenue/EBITDA is likely to grow by 9%/17% YoY to INR 729bn/INR 85bn, with EBITDA margin at 11.6% (up 80bps YoY). We expect adjusted PAT to grow by 14% YoY to INR 49bn.



Vaibhav Shah

vaibhav.shah@jmfll.com | Tel: (91 22) 66303068

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

Exhibit 1. Stock price performance* (%)

Companies	1M	3M	12M
Ahluwalia Contracts	15.1	-13.4	-24.5
Ashoka Buildcon	-1.0	-35.7	8.3
Ceigall India	-4.6	-25.5	-
GR Infraprojects	-1.2	-26.1	-23.7
HG Infra Engineering	-5.5	-29.1	-3.9
Kalpataru Projects	-5.8	-29.6	-24.5
KEC International	-8.1	-36.7	-11.9
KNR Constructions	-2.0	-34.8	-17.2
Larsen & Toubro	-2.6	-12.1	-17.0
NCC	11.0	-22.7	-23.0
PNC Infratech	-3.4	-15.2	-43.8
PSP Projects	1.6	-5.1	-13.0
NSE Infrastructure	1.4	-4.1	-4.2
Nifty 50	-0.1	-4.9	-0.6

Source: Bloomberg; *: as on 8th April, 2025

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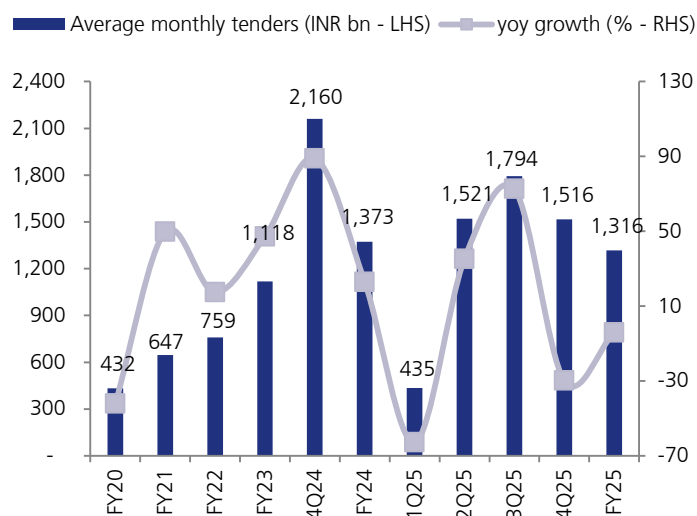
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Exhibit 1. JM Infrastructure universe

INR mn	Revenue			EBITDA			EBITDA Margin			Adjusted PAT		
	4Q25E	4Q24	YoY	4Q25E	4Q24	YoY	4Q25E	4Q24	3Q25	4Q25E	4Q24	YoY
Ahluwalia Contracts	12,617	11,637	8.4%	1,216	1,043	16.7%	9.6%	9.0%	8.9%	788	540	46.1%
Ashoka Buildcon	22,537	24,998	-9.8%	2,023	1,859	8.8%	9.0%	7.4%	9.1%	886	918	-3.5%
Ceigall India	10,293	8,576	20.0%	1,338	1,321	1.3%	13.0%	15.4%	13.0%	890	867	2.6%
GR Infraprojects	21,647	22,554	-4.0%	2,603	3,990	-34.8%	12.0%	17.7%	12.8%	2,274	2,758	-17.6%
HG Infra	18,095	16,345	10.7%	2,895	2,646	9.4%	16.0%	16.2%	16.6%	1,720	1,600	7.5%
Kalpataru Projects	59,500	51,470	15.6%	5,059	4,000	26.5%	8.5%	7.8%	8.3%	2,507	1,850	35.5%
KEC International	70,496	61,648	14.4%	5,663	3,880	46.0%	8.0%	6.3%	7.0%	2,873	1,518	89.3%
KNR Constructions	9,013	11,793	-23.6%	1,443	2,033	-29.0%	16.0%	17.2%	16.6%	983	1,454	-32.4%
Larsen & Toubro	729,276	670,787	8.7%	84,644	72,340	17.0%	11.6%	10.8%	9.7%	48,990	43,025	13.9%
NCC Ltd	56,103	54,460	3.0%	5,352	5,097	5.0%	9.5%	9.4%	8.8%	2,643	2,439	8.4%
PNC Infratech	15,923	20,452	-22.1%	1,951	2,684	-27.3%	12.3%	13.1%	12.1%	1,269	1,802	-29.6%
PSP Projects	7,478	6,492	15.2%	638	518	23.2%	8.5%	8.0%	5.7%	294	153	92.8%

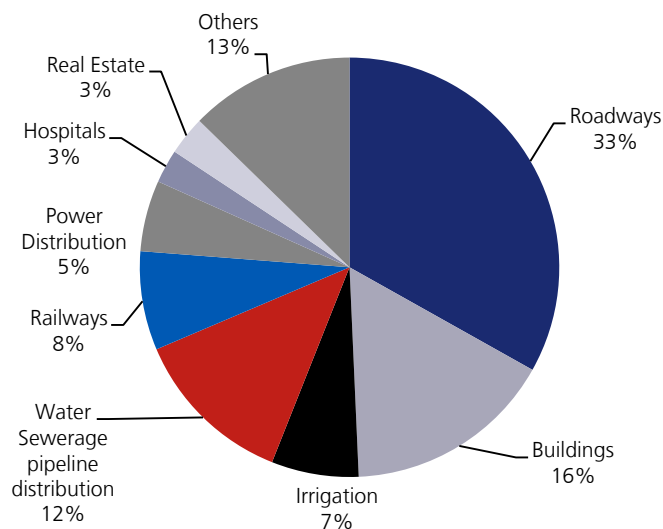
Source: Company, JM Financial

Exhibit 2. Moderation in tendering activity during 4Q25



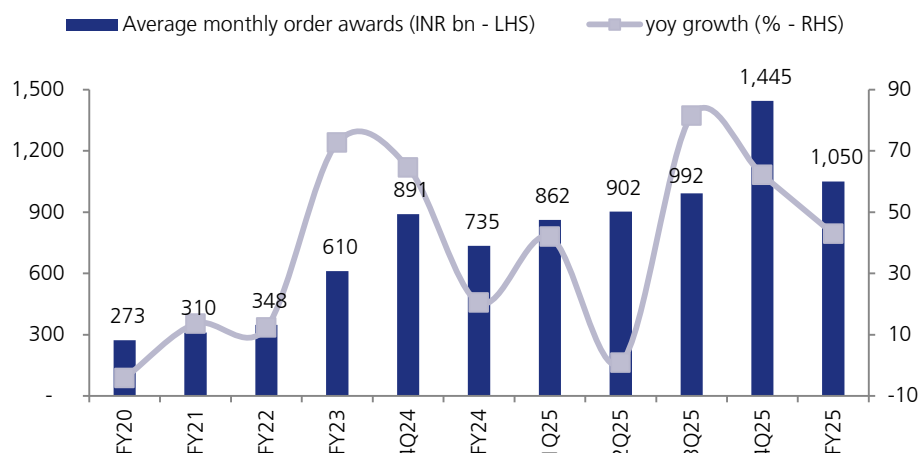
Source: Projects Today, JM Financial

Exhibit 3. Sectoral mix of tendering activity in 4Q25



Source: Projects Today, JM Financial

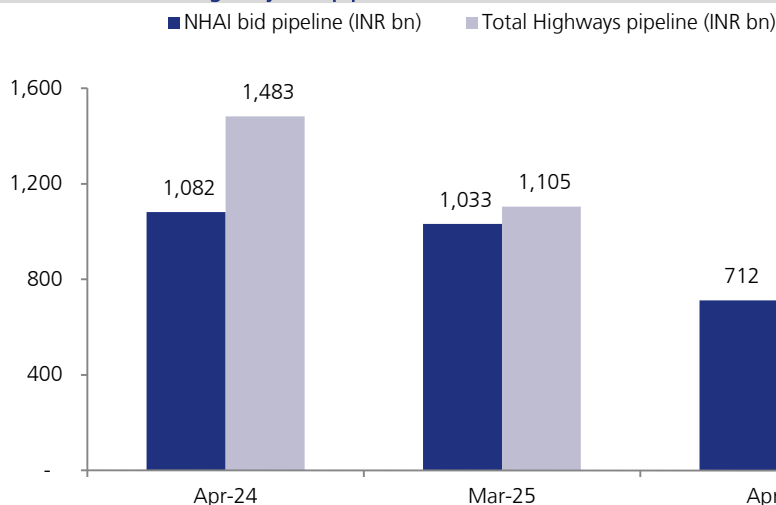
Exhibit 4. Improved ordering activity in 4Q25



Source: Projects Today, JM Financial

Exhibit 5. Highways bid pipeline moderates at INR 770bn*

Bid pipeline	No of projects	Value (INR bn)
NHAI	55	712
- EPC	25	222
- HAM	28	380
- BOT	2	111
NHIDCL	0	0
MoRTH	12	57
Total	67	770

Source: Projects Today, JM Financial; *as on 2nd Apr-25**Exhibit 6. Trends in Highways bid pipeline**

Source: Projects Today, JM Financial

Exhibit 7. Key highlights for the quarter

Company	Key highlights
Ahluwalia Contracts	Revenue to grow moderately by 8% impacted by NGT ban in NCR in Jan'25 and lower than expected execution ramp-up in big ticket projects (especially CSMT project). EBITDA margins to improve by 60bps/70bps YoY/QoQ in 4Q25. Adj PAT to grow sharply by 46% YoY to INR 788mn as PY includes INR 150mn write-off pertaining to Kota mall.
Ashoka Buildcon	Revenue likely to decline by 10% YoY to INR 22.5bn due to weak executable order backlog. EBITDA margins to remain flattish QoQ at 9%. Adj PAT to decline by only 3.5% YoY despite sharp revenue decline and higher interest costs due to lower depreciation (down 14% YoY to INR 261mn).
Ceigall India	Revenue likely to grow by 20% YoY to INR 10.3bn due to receipt of AD in Southern Ayodhya bypass project and pick up in execution in few projects. EBITDA margins to remain flat QoQ at 13% (down 240bps YoY due to adverse revenue mix). Adj PAT growth muted at 2.6% YoY impacted by lower margins.
GR Infraprojects	YoY numbers not comparable as PY includes claims of INR 1.04bn booked in revenue. Revenue to remain flat YoY on adjusted base due to weak executable order backlog. EBITDA margins to contract by 170bps to 12% on adjusted base. Other income to grow by 2.3x YoY to INR 1.2bn led by income from Bharat Highways InVIT. Adjusted PAT to decline sharply by 17.6% YoY to INR 2.27bn.
HG Infra	Revenue/EBITDA to grow by 11% YoY to INR 18bn. EBITDA margins to remain strong at 16% (down 20bps YoY/60bps QoQ). Adjusted PAT to grow moderately by 7.5% to INR 1.72bn. Reported PAT to include gain of c.INR 336mn on sale of 4 th HAM asset.
Kalpataru Projects	Revenue to grow by 16% YoY to INR 59.5bn led by strong order backlog. EBITDA margins to expand by 70 bps YoY to 8.5% as PY margins were impacted by debtor write-offs. Improvement in JJM payments is seen in 4Q25. Interest costs to decline QoQ due to lower average debt levels during the quarter. Order inflows robust at INR 255bn in FY25E.
KEC International	Revenue to grow by 14% YoY to INR 70.5bn led by strong backlog. EBITDA margins to improve by 170bps YoY to 8% led by improved margins in the Power T&D segment. Interest costs to reduce by 5% QoQ due to lower debt levels during the quarter. Order inflows robust at INR 246bn in FY25E.
KNR Constructions	Execution impacted due to weak order backlog and muted execution in irrigation vertical amid delayed receivables. Irrigation receivables remain elevated at c.INR 12bn with no major recoveries in 4Q25. Order inflows extremely weak at INR 4.3bn during FY25E.
Larsen & Toubro	Expect robust P&M segment order inflows of INR 900bn (up 61% YoY). P&M segment revenue/EBITDA to grow by 8% YoY in 4Q25E. P&M margins to remain flat YoY at 9.6% (up 200bps QoQ led by higher operating leverage).
NCC Ltd	Revenue growth to remain muted at 3% as execution is yet to pick up in recent order wins. EBITDA margin to remain flattish YoY at 9.5% (up 70bps QoQ). Adjusted PAT to grow moderately by 8% YoY to INR 2.6bn. Order inflows robust at INR 294bn for FY25E, substantially beating the guidance of INR 200-220bn.
PNC Infratech	Execution to remain weak due to lower executable order backlog and lower execution in JJM orders amid slowdown in payments. Expect sharp revenue decline of 22% YoY to INR 15.9bn in 4Q25. Margins to contract by 80bps YoY to 12.3% due to change in revenue mix.
PSP Projects	Revenue likely to grow by 15% YoY to INR 7.5bn. EBITDA margins to expand by 50bps YoY to 8.5% (+290bps QoQ as 3Q25 margins were impacted due to cost overruns in UP hospital project). Adjusted PAT to grow sharply by 93% YoY led by higher revenue/margins, interest cost savings and lower tax rate.

Source: Company, JM Financial

Exhibit 8. L&T Quarterly results expectations

Consolidated (INR mn)	4Q25E	4Q24	YoY	3Q25	QoQ
Revenue	7,29,276	6,70,787	8.7%	6,46,678	12.8%
EBITDA	84,644	72,340	17.0%	62,549	35.3%
EBITDA Margin	11.6%	10.8%		9.7%	
Adj PAT	48,990	43,025	13.9%	33,588	45.9%
Order inflow	10,82,409	7,21,490	50.0%	11,60,330	-6.7%
P&M segment (INR mn)	4Q25E	4Q24	YoY	3Q25	QoQ
P&M order inflows	9,00,169	5,60,500	60.6%	9,86,570	-8.8%
Revenue	5,48,584	5,09,790	7.6%	4,72,920	16.0%
EBITDA	52,847	48,868	8.1%	35,933	47.1%
EBITDA Margin	9.6%	9.6%		7.6%	

Source: Company, JM Financial

Exhibit 9. Diversified companies achieved FY25 inflow guidance while Highway companies missed it; Backlog strong for most companies

INR bn	Mar-25E order backlog	Order backlog to bill (x)	4Q25 order inflow	FY25 order inflows	FY25 Guidance	% achieved in FY25#
Ahluwalia Contracts	152	3.7	-	76	80	94%
Ashoka Buildcon	145	2.0	-	86	120	72%
Ceigall India	115	3.4	8	41	50	81%
GR Infraprojects	238	3.6	56	128	170	75%
HG Infra	164	2.9	11	78	110-120	68%
Kalpataru Projects International*	582	3.1	53	255	220-230	113%
KEC International (Consolidated)	329	1.5	25	246	250	99%
KNR Constructions	46	1.4	4	4	60-70	7%
NCC Ltd	620	3.2	158	294	200	147%
PNC Infratech	198	3.8	-	91	130-150	65%
PSP Projects	77	3.0	19	36	35-40	96%

Source: Company, JM Financial; *: Order backlog and book to bill is on standalone basis while order inflows are on a consolidated basis; #: as a % of average of the range

Exhibit 10. Movement in Aluminium, Copper and China rebar prices

Average prices (USD/t)	Aluminium	Copper	China rebar
4QFY24	2,200	8,441	565
1QFY25	2,525	9,756	529
2QFY25	2,382	9,211	493
3QFY25	2,574	9,191	508
4QFY25	2,626	9,347	485
YoY	19.4%	10.7%	-14.2%
QoQ	2.0%	1.7%	-4.7%

Source: Bloomberg, JM Financial

Exhibit 11. Valuation matrix

Company	CMP (INR)	Mkt Cap (INR bn)	EPS CAGR (FY24-27E) (%)	EPS				P/E (x)				RoE (%)			
				FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E
L&T	3,195	4,393	16.6	94.3	105.0	132.0	149.4	30.9	33.9	24.8	21.9	14.8	15.8	17.6	17.6
L&T P&M business			19.2	57.1	66.3	85.9	96.6	42.2	36.3	28.0	24.9				
KEC International	665	177	57.4	13.5	21.3	41.2	52.6	45.1	42.1	16.1	12.6	8.8	11.8	18.5	20.0
Kalpataru Projects International	877	150	23.6	35.0	38.5	51.7	66.0	19.3	31.1	17.0	13.3	10.3	10.1	11.5	13.2
NCC	205	129	18.3	13.3	12.9	17.9	22.1	12.1	21.6	11.5	9.3	12.7	11.3	14.1	15.2
GR Infraprojects*	1,023	99	11.7	76.1	74.5	85.5	106.2	15.7	19.8	12.0	9.6	11.9	9.6	10.0	11.2
GR Infra core business			11.0	51.1	39.2	52.1	69.9	20.0	26.1	19.6	14.6				
KNR Constructions	220	62	3.5	15.7	12.9	14.1	17.4	16.6	23.9	15.6	12.6	14.8	10.1	9.5	10.6
HG Infra	1,028	67	17.2	67.3	82.4	91.6	108.3	13.4	16.9	15.2	12.9	21.4	20.7	18.8	18.5
PNC Infratech	261	67	8.4	24.4	15.0	25.7	31.1	14.4	26.1	10.2	8.4	14.4	7.5	10.8	11.3
Ashoka Buildcon*	187	53	32.3	8.1	8.5	15.3	18.6	15.1	26.8	12.2	10.1	6.3	6.1	10.1	11.1
Ashoka Buildcon Core			39.4	6.5	5.4	13.1	17.6	18.7	34.7	14.3	10.6				
Ceigall India	253	44	15.2	17.6	16.0	21.8	26.9	NA	15.8	11.6	9.4	37.1	20.4	18.6	19.0
Ahluwalia Contracts	823	55	24.8	34.3	29.4	51.6	66.6	21.9	36.6	16.0	12.4	16.2	11.6	17.5	18.9
PSP Projects	637	25	14.4	34.4	20.4	43.8	51.5	21.6	32.2	14.5	12.4	14.5	7.5	13.2	13.8

Source: Company, JM Financial; Core EPS (ex of interest income from subsidiaries); ^: as on 8th Apr-25

APPENDIX I

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SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.comCompliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: sahil.salastekar@jmfl.comGrievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: instcompliance@jmfl.com

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