

Robust Operating Performance Delivered; Maintain BUY

Est. vs. Actual for Q2FY26: Revenue – **BEAT**; EBITDA Margin – **BEAT** ; PAT – **BEAT**

Change in Estimates post Q2FY26

FY26E/FY27E: Revenue: 1%/1%; EBITDA: 3%/1%; PAT: 3%/3%

Recommendation Rationale

- Robust Order Book to Drive Growth:** The company has an order book of Rs 18,057 Cr (as of 30th September, 2025) and a YTD order inflow of Rs 4,374 Cr. The order book is primarily composed of Hospital at 9% (Rs 1,619 Cr), Commercial at 20.6% (Rs 3,711 Cr), Institutional at 3.7% (Rs 661 Cr), Residential at 43.8% (Rs 7,918 Cr), Infrastructure at 22% (Rs 3,997 Cr), and Hotel at 0.7% (Rs 150 Cr). By geography, East constitutes 15%, North 50%, West 30%, South 4%, and Overseas 1%. The robust order book provides revenue visibility for the next 2–2.5 years. Hence, ACIL is expected to deliver a strong revenue growth of 19% CAGR over FY25–FY27E and is likely to post improved margins with better execution.
- Strong Order Inflow:** The company reported YTD order inflows of Rs 4,374 Cr and holds L1 status in 2 projects worth Rs 1,620 Cr. For FY26, management has guided for order inflows of over Rs 8,000 Cr. The bidding pipeline stood at Rs 6,000 Cr for the private segment. It aims to keep 50–60% of its order book weighted toward private sector projects, reflecting its strategic focus on private capex, where it sees stronger visibility and more scalable opportunities.
- Improvement in EBITDA Margins:** During Q2FY26, the company reported a sharp improvement in EBITDA margins to 10.9% from 7.3% in the previous year on the back of better execution. With a large executable order book and better operating conditions in H2FY26, margins are expected to sustain, especially with the pickup of the CST project in Mumbai and other large projects. Double-digit margins are expected from H2FY26. We forecast EBITDA and PAT to grow at a 35% and 34% CAGR, respectively, over FY25–27E.

Sector Outlook: **Positive**

Company Outlook & Guidance: For FY26, revenue growth of 15-20% is expected with double-digit EBITDA margins.

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

Current TP: Rs 1,085/share (Earlier TP: Rs 1,050/share)

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

Financial Performance

Ahluwalia Contracts India Ltd. (ACIL) reported a strong set of Q2FY26 numbers. The company reported revenue of Rs 1,177 Cr (up 16% YoY) and EBITDA of Rs 129 Cr (up 75% YoY). It posted a PAT of Rs 79 Cr, up 106% YoY, driven by a large executable order book and better execution. EBITDA margins stood at 10.9% in Q2FY26 (our estimate: 8.8%) compared to 7.3% in Q2FY25.

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 19%/35%/34% CAGR over FY25–FY27E.

Valuation & Recommendation: The stock is currently trading at 21x/18x FY26E/FY27E EPS. We maintain our **BUY rating on the stock**, valuing the company at 20x FY27E EPS, with a TP of Rs 1,085/share, which implies a 10% upside from the CMP.

Key Financials (Standalone)

(Rs Cr)	Q2FY26	QoQ (%)	YoY (%)	Axis Est.	Variance
Net Sales	1,177	17	16	1,130	4%
EBITDA	129	49	75	100	29%
EBITDA Margin	10.9%	231bps	366bps	8.8%	209bps
Net Profit	79	54	106	59	33%
EPS (Rs)	12	54	106	9	33%

Source: Company, Axis Securities Research

(CMP as of 17th November, 2025)

CMP (Rs)	982
Upside /Downside (%)	10%
High/Low (Rs)	1,175/620
Market cap (Cr)	6,578
Avg. daily vol. (6m) Shrs.	60,000
No. of shares (Cr)	6.7

Shareholding (%)

	Mar-25	Jun-25	Sep-25
Promoter	55.3	55.3	55.3
FIs	12.1	12.4	12.9
MFs / UTI	23.1	23.1	23.4
Banks / FIs	0.0	0.0	0.0
Others	9.5	9.1	8.4

Financial & Valuations

Y/E Mar (Rs Cr)	FY25	FY26E	FY27E
Net Sales	4,099	4,871	5,845
EBITDA	342	521	620
Net Profit	202	314	361
EPS (Rs)	30	47	54
PER (x)	33	21	18
P/BV (x)	3.7	3.1	2.7
EV/EBITDA (x)	19	13	11
ROE (%)	12%	16%	16%

Change in Estimates (%)

Y/E Mar	FY26E	FY27E
Sales	1%	1%
EBITDA	3%	1%
PAT	3%	3%

Relative Performance



Source: Ace Equity

Results Gallery

[Q1FY26](#)
[Q4FY25](#)
[Q3FY25](#)
[Q2FY25](#)

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Key Concall Highlights

- **Order Book:** The company has an order book of Rs 18,057 Cr (as of 30th September, 2025). The order book is primarily composed of Hospital at 9% (Rs 1,619 Cr), Commercial at 20.6% (Rs 3,711 Cr), Institutional at 3.7% (Rs 661 Cr), Residential at 43.8% (Rs 7,918 Cr), Infrastructure at 22% (Rs 3,997 Cr), and Hotel at 0.7% (Rs 150 Cr). By geography, East constitutes 15%, North 50%, West 30%, South 4%, and Overseas 1%. The Central Government, State Government, and Private segments account for 22%, 7%, and 69%, respectively, with the balance from overseas projects.
- **Order Inflow:** The company reported YTD order inflows of Rs 4,374 Cr and holds L1 status in 2 projects worth Rs 1,620 Cr, which are expected to be awarded by Q3FY26. For FY26, management has guided for order inflows of over Rs 8,000 Cr.
- **Capex and Working Capital:** The company incurred a Capex of Rs 137 Cr in H1FY26 and targets Rs 300 Cr in FY26 and Rs 200 Cr in FY27.
- **As of 30th September 2025,** unbilled revenue stood at Rs 552 Cr, retention money at Rs 418 Cr, and mobilisation advance at Rs 708 Cr. Cash balance stood at Rs 1,028 Cr, and the company is net debt-free.

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	4,871	5,845	4,824	5,789	1%	1%
EBITDA	521	620	508	614	3%	1%
PAT	314	361	306	352	3%	3%

Source: Company, Axis Securities Research

Result Review Q2FY26

(Rs Cr)	Quarterly Performance				
	Q2FY26	Q1FY26	Q2FY25	% Change (QoQ)	% Change (YoY)
Sales	1,177	1,005	1,011	17%	16%
Other Op. Inc	0	0	0		
Total Revenue	1,177	1,005	1,011	17%	16%
Expenditure					
Cost of material consumed	476	427	432	12%	10%
Construction expenses	75	74	79	2%	-4%
Subcontract work	353	305	322	16%	10%
Employee Cost	121	91	89	33%	36%
Other Expenses	24	22	17	8%	40%
Total Expenditure	1049	918	938	14%	12%
EBITDA	129	86	73	49%	75%
EBITDA margin	10.9%	8.6%	7.3%	231bps	366bps
Oth. Inc.	15	16	12	-5%	28%
Interest	15	12	16	25%	-7%
Depreciation	22	21	17	8%	35%
PBT	106	70	53	53%	103%
Tax	27	18	14	49%	93%
Exceptional Item	0	0	0	0	0
PAT	79	51	38	54%	106%
EPS (Rs)	11.8	7.6	5.7	55%	106%

Source: Company, Axis Securities Research

Financials (Standalone)

Profit & Loss

(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E
Net sales	3,855	4,099	4,871	5,845
Other operating income	0	0	0	0
Total income	3,855	4,099	4,871	5,845
Cost of materials consumed	1,839	1,799	2,048	2,689
Changes in Inventories of Work-In-Progress	0	0	0	0
Construction expenses	1,284	1,521	1,767	2,023
Contribution (%)	19.0%	19.0%	21.7%	19.4%
Other Expenses	343	437	536	514
Operating Profit	389	342	521	620
Other income	37	55	58	58
PBIDT	425	397	578	678
Depreciation	67	67	97	123
Interest & Fin Chg.	48	58	58	70
Exceptional Item	195	0	0	0
Pre-tax profit	505	273	424	485
Tax provision	130	71	110	124
PAT	376	202	314	361

Source: Company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E
Capital Applied	3,196	3,706	4,136	4,725
Net Block	238	366	769	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	452	542
Cash / Bank balance	780	964	696	893
Other assets	1715	2003	2123	2398
Capital employed	3,196	3,706	4,136	4,725
Equity capital	13	13	13	13
Reserves	1589	1787	2100	2461
Minority Interests	0	0	0	0
Borrowings	45	14	14	14
Other Liabilities	1549	1892	2009	2236

Source: Company, Axis Securities Research

Cash Flow
(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E
PBT	505	272	424	485
Depreciation	67	67	97	123
Interest Expense	30	38	58	70
Changes in Working Capital	22	119	-179	-137
Others	-230	-38	-58	-58
Tax Paid	-137	-99	-110	-124
Net Cash from Operations	257	360	231	359
Capex	-114	-189	-500	-150
Investment	0	0	0	0
Others	-195	-134	58	58
Net Cash from Investing	(310)	(323)	(442)	(92)
Borrowings	42	-31	0	0
Interest Expense	-16	-15	-58	-70
Others	-6	-7	0	0
Net Cash from Financing	21	(52)	(58)	(70)
Net Change in Cash	(31)	(16)	(269)	197
Opening cash	366	334	319	50
Closing cash	334	319	50	248

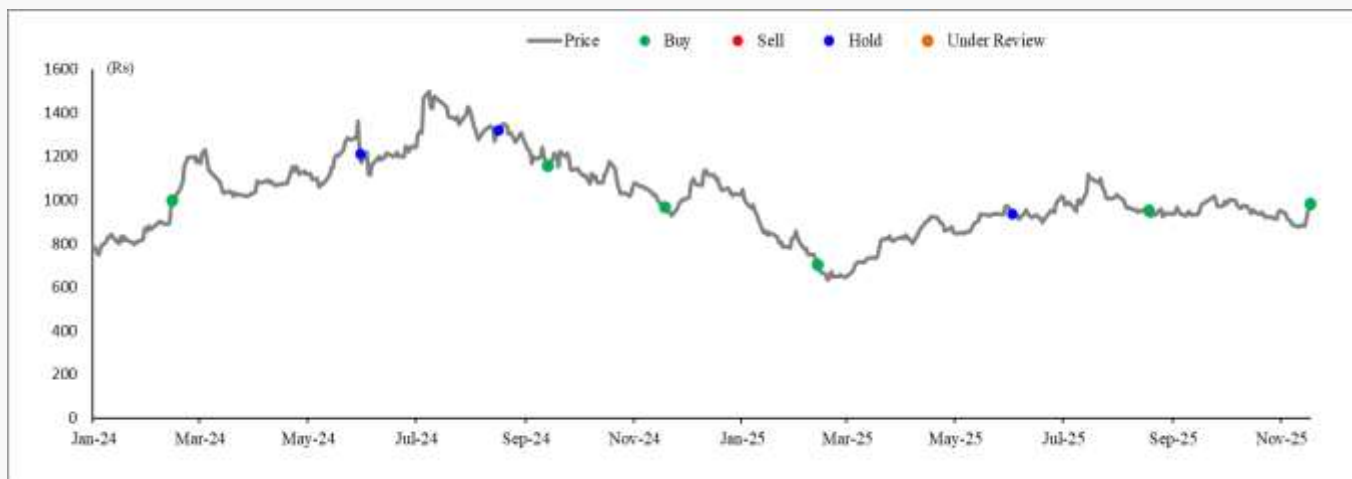
Source: Company, Axis Securities Research

Ratio Analysis
(%)

Y/E March	FY24	FY25	FY26E	FY27E
Growth Indicator				
Sales Growth	36%	6%	19%	20%
EBITDA Growth	28%	-12%	52%	19%
PAT Growth	93%	-46%	55%	15%
Profitability Ratio				
EBITDA Margin	10.1%	8.3%	10.7%	10.6%
Adjusted net margin	9.7%	4.9%	6.4%	6.2%
Efficiency Ratio				
Capital Turnover	2.4	2.3	2.3	2.4
Total Asset Turnover	1.9	1.8	1.9	2.0
Fixed Asset Turnover	15.7	11.0	6.3	7.3
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	-0.36
Interest coverage	8	6	9	9
Per Share Data				
Diluted EPS (Rs)	56	30	47	54
Book value per share (Rs)	239	269	316	369
DPS (Rs)	0.4	0.0	0.0	0.0
Return Ratios				
Return on equity	27%	12%	16%	16%
Return on capital employed	21%	15%	20%	20%
Valuation Ratio				
P/E	18	33	21	18
P/BV	4.1	3.7	3.1	2.7
EV/EBITDA	16.9	19.2	12.6	10.6
Cash Flow Ratio (%)				
OCF/EBITDA	66%	105%	44%	58%
OCF/Sales	7%	9%	5%	6%
FCF/Sales	4%	4%	-6%	4%
OCF/ROIC	292%	359%	146%	205%

Source: Company, Axis Securities Research

Ahluwalia Contracts India Ltd Price Chart and Recommendation History



Date	Reco	TP	Research
15-Feb-24	BUY	1,110	Result Update
31-May-24	HOLD	1,160	Result Update
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

Source: Axis Securities Research

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