



Strong Orderbook & Execution to Drive Growth; Upgraded to BUY

Est. vs. Actual for Q1FY26: Revenue – **INLINE**; EBITDA Margin – **INLINE**; PAT – **BEAT**

Change in Estimates post Q1FY26

FY26E/FY27E: Revenue: 0%/1%; EBITDA: 0%/2%; PAT: 3%/0%

Recommendation Rationale

- **Robust order book:** The company has an order book of Rs 16,582 Cr (as of 30th June, 2025) and a YTD order inflow of Rs 3,889 Cr. The order book is primarily composed of Hospital at 11.5% (Rs 1,902 Cr), Commercial at 16.8% (Rs 2,794 Cr), Institutional at 4.7% (Rs 784 Cr), Residential at 40.7% (Rs 6,752 Cr), Infrastructure at 25.6% (Rs 4,238 Cr), and Hotel at 0.7% (Rs 113 Cr). 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 3,889 Cr and holds L1 status in 2 projects worth Rs 1,796 Cr. For FY26, management has guided for order inflows of over Rs 8,000 Cr. The bidding pipeline stood at Rs 5,000 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.
- **Pickup in EBITDA margins:** As execution improves, especially with the pickup of the CST project in Delhi and India Jewellery Park, the margins are expected to improve. Double-digit margins are expected from H2FY26; however, in Q2FY26, the margins will remain flat due to execution being impacted by the monsoon. We forecast EBITDA and PAT to grow at a 34% and 32% 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: 18x FY27E EPS).

Current TP: Rs 1,050/share (Earlier TP: Rs 945/share)

Recommendation: We change our rating on the stock from **HOLD** to **BUY**.

Financial Performance:

Ahluwalia Contracts India Ltd. (ACIL) reported a positive set of Q1FY26 numbers. The company reported revenue of Rs 1,005 Cr (up 9% YoY) and EBITDA of Rs 86 Cr (up 43% YoY). It posted a PAT of Rs 51 Cr (up 68% YoY). EBITDA margins stood at 8.6% in Q1FY26 (Our Estimate: 8.6%) compared to 6.6% in Q1FY25.

Outlook

The executable order book remains robust. With favourable attributes such as a strong and diversified order book, a healthy bidding pipeline, steady order inflows, an asset-light model, and emerging opportunities in the construction space, ACIL is expected to generate healthy free cash flows moving forward and deliver revenue/EBITDA/PAT growth of 19%/34%/32% CAGR over FY25–FY27E.

Key Financials (Standalone)

(Rs Cr)	Q1FY26	QoQ (%)	YoY (%)	Axis Est.	Variance
Net Sales	1,005	-17%	9%	1,017	-1%
EBITDA	86	-30%	43%	88	-1%
EBITDA Margin	8.6%	-157bps	203bps	8.6%	0bps
Net Profit	51	-38%	68%	45	14%
EPS (Rs)	8	-38	67%	7	13%

Source: Company, Axis Securities Research

(CMP as of 18th August, 2025)

CMP (Rs)	952
Upside /Downside (%)	10%
High/Low (Rs)	1346 / 620
Market cap (Cr)	6,377
Avg. daily vol. (6m) Shrs.	92,850
No. of shares (Cr)	6.7

Shareholding (%)

	Dec-24	Mar-25	Jun-25
Promoter	55.3	55.3	55.3
FII's	12.5	12.1	12.4
MFs / UTI	24.1	23.1	23.1
Banks / FI's	0.0	0.0	0.0
Others	8.1	9.5	9.1

Financial & Valuations

Y/E Mar (Rs Cr)	FY25	FY26E	FY27E
Net Sales	4,099	4,824	5,789
EBITDA	342	507	614
Net Profit	202	306	352
EPS (Rs)	30	46	53
PER (x)	32	21	18
P/BV (x)	3.5	3.0	2.6
EV/EBITDA (x)	19	13	10
ROE (%)	12%	16%	15%

Change in Estimates (%)

Y/E Mar	FY26E	FY27E
Sales	0%	1%
EBITDA	0%	2%
PAT	3%	0%

Relative Performance



Source: Ace Equity

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Valuation & Recommendation

The stock is currently trading at 21x/18x FY26E/FY27E EPS. We upgrade our rating from **HOLD** to **BUY**, valuing the company at 20x FY27E EPS, with a TP of Rs 1,050/share, which implies a 10% upside from the CMP.

Key Concall Highlights

- **Order Book:** The company has an order book of Rs 16,582 Cr (as of 30th June, 2025). The order book is primarily composed of Hospital at 11.5% (Rs 1,902 Cr), Commercial at 16.8% (Rs 2,794 Cr), Institutional at 4.7% (Rs 784 Cr), Residential at 40.7% (Rs 6,752 Cr), Infrastructure at 25.6% (Rs 4,238 Cr), and Hotel at 0.7% (Rs 113 Cr). By geography, East constitutes 18%, North 42%, West 34%, South 4%, and Overseas 2%. The Central Government, State Government, and Private segments form 26%, 9%, 63% and the remaining percentage, respectively, with the balance from overseas projects.
- **Order Inflow:** The company reported YTD order inflows of Rs 3,889 Cr and holds L1 status in 2 projects worth Rs 1,796 Cr, which are expected to be awarded by Q2FY26. 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 62 Cr in Q1FY26 and targets Rs 500 Cr in FY26 and Rs 200 Cr in FY27.
- **As of 30th June, 2025:** Unbilled Revenue stood at Rs 557 Cr, Retention Money at Rs 397 Cr, and Mobilisation Advance at Rs 675 Cr. Cash balance stood at Rs 920 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	4,824	5,789	4,836	5,707	0%	1%
EBITDA	507	614	508	599	0%	2%
PAT	306	352	298	351	3%	0%

Source: Company, Axis Securities Research

Result Review Q1FY26

(Rs Cr)	Quarterly Performance				
	Q1FY26	Q4FY25	Q1FY25	% Change (QoQ)	% Change (YoY)
Sales	1,005	1,216	919	-17%	9%
Other Op. Inc	0	0	0		
Total Revenue	1,005	1,216	919	-17%	9%
Expenditure					
Cost of material consumed	427	544	405	-22%	6%
Construction expenses	74	82	66	-10%	11%
Subcontract work	305	346	284	-12%	7%
Employee Cost	91	93	81	-2%	13%
Other Expenses	22	27	23	-20%	-6%
Total Expenditure	918	1092	859	-16%	7%
EBITDA	86	124	60	-30%	43%
EBITDA margin	8.6%	10.2%	6.6%	-157bps	203bps
Oth. Inc.	16	18	11	-12%	47%
Interest	12	13	15	-7%	-19%
Depreciation	21	17	15	22%	38%
PBT	70	112	41	-38%	68%
Tax	18	29	11	-36%	69%
Exceptional Item	0	0	0		
PAT	51	83	31	-38%	68%
EPS (Rs)	7.6	12.4	4.6	-38%	67%

Source: Company, Axis Securities Research

Financials (Standalone)

Profit & Loss

(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E
Net sales	3,855	4,099	4,824	5,789
Other operating income	0	0	0	0
Total income	3,855	4,099	4,824	5,789
Cost of materials consumed	1,839	1,799	2,190	2,663
Changes in Inventories of Work-In-Progress	0	0	0	0
Construction expenses	1,284	1,521	1,678	2,003
Contribution (%)	19.0%	19.0%	19.8%	19.4%
Other Expenses	343	437	449	509
Operating Profit	389	342	507	614
Other income	37	55	56	58
PBIDT	425	397	564	671
Depreciation	67	67	95	130
Interest & Fin Chg.	48	58	56	69
Exceptional Item	195	0	0	0
Pre-tax profit	505	273	412	472
Tax provision	130	71	107	120
PAT	376	202	306	352

Source: Company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E
Capital Applied	3,196	3,706	4,121	4,697
Net Block	238	366	770	790
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	447	537
Cash / Bank balance	780	964	692	886
Other assets	1715	2003	2116	2387
Capital employed	3,196	3,706	4,121	4,697
Equity capital	13	13	13	13
Reserves	1589	1787	2092	2444
Minority Interests	0	0	0	0
Borrowings	45	14	14	14
Other Liabilities	1549	1892	2002	2226

Source: Company, Axis Securities Research

Cash Flow
(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E
PBT	505	272	412	472
Depreciation	67	67	95	130
Interest Expense	30	38	56	69
Changes in Working Capital	22	119	-174	-137
Others	-230	-38	-56	-58
Tax Paid	-137	-99	-107	-120
Net Cash from Operations	257	360	227	356
Capex	-114	-189	-500	-150
Investment	0	0	0	0
Others	-195	-134	56	58
Net Cash from Investing	(310)	(323)	(444)	(92)
Borrowings	42	-31	0	0
Interest Expense	-16	-15	-56	-69
Others	-6	-7	0	0
Net Cash from Financing	21	(52)	(56)	(69)
Net Change in Cash	(31)	(16)	(273)	195
Opening cash	366	334	319	46
Closing cash	334	319	46	240

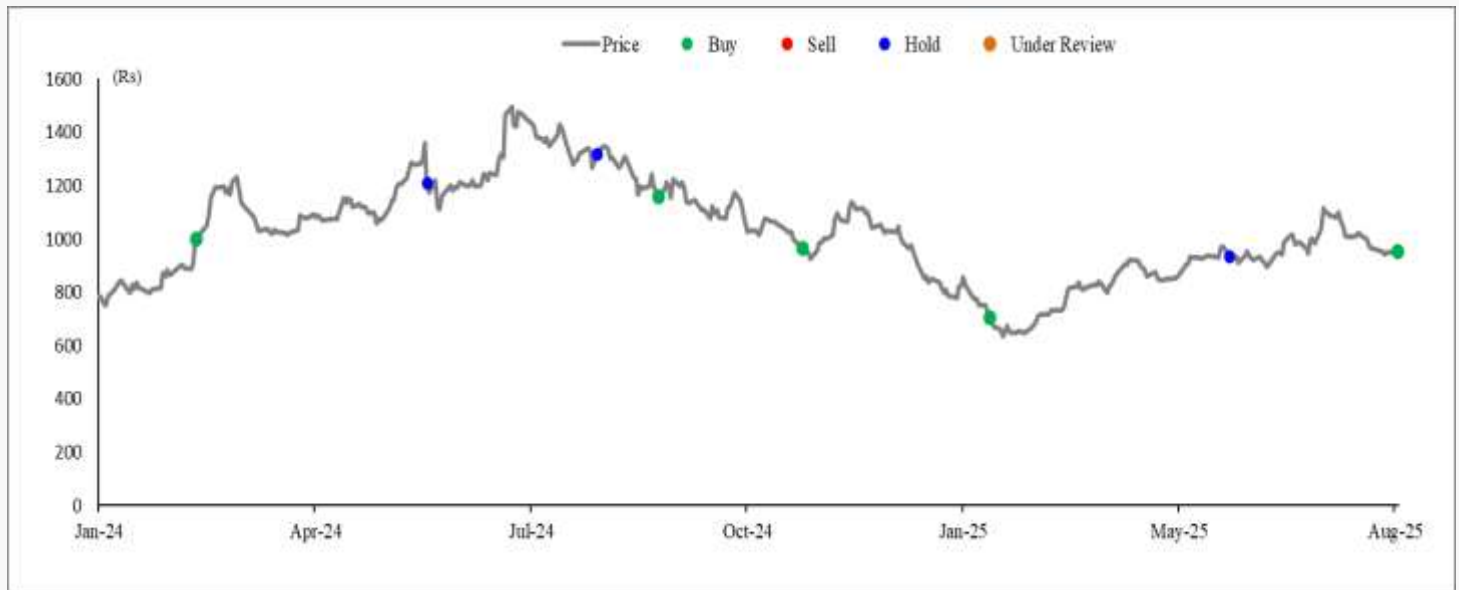
Source: Company, Axis Securities Research

Ratio Analysis
(%)

Y/E March	FY24	FY25	FY26E	FY27E
Growth Indicator				
Sales Growth	36%	6%	18%	20%
EBITDA Growth	28%	-12%	48%	21%
PAT Growth	93%	-46%	51%	15%
Profitability Ratio				
EBITDA Margin	10.1%	8.3%	10.5%	10.6%
Adjusted net margin	9.7%	4.9%	6.3%	6.1%
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	6.2	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	-0.35
Interest coverage	8	6	9	9
Per Share Data				
Diluted EPS (Rs)	56	30	46	53
Book value per share (Rs)	239	269	314	367
DPS (Rs)	0.4	0.0	0.0	0.0
Return Ratios				
Return on equity	27%	12%	16%	15%
Return on capital employed	21%	15%	19%	20%
Valuation Ratio				
P/E	17	31	21	18
P/BV	3.9	3.5	3.0	2.6
EV/EBITDA	16.2	18.4	12.6	10.4
Cash Flow Ratio (%)				
OCF/EBITDA	66%	105%	45%	58%
OCF/Sales	7%	9%	5%	6%
FCF/Sales	4%	4%	-6%	4%
OCF/ROIC	292%	359%	144%	205%

Source: Company, Axis Securities Research

Ahluwalia Contracts India Price Chart and Recommendation History



Source: Axis Securities Research

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

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