AXIS SECURITIES

Axis PUNCH

30th April 2025

J Kumar Infraprojects Ltd

Infra

BUY

Target Price **722**

About the Company

J Kumar Infraprojects Ltd (JKIL) is an experienced EPC player with over 24 years in executing Urban Infrastructure projects across Metros, Flyovers, Bridges, Tunnels, STPs, and more. The company is recognised for its capabilities in delivering turnkey design-and-build projects, ensuring high levels of precision and efficiency to meet client specifications. JKIL maintains a focused presence in the EPC space, with a core concentration on Urban Infrastructure, Transportation, and Civil Construction segments.

Investment Rationale

- **Robust order book to drive revenue growth:** As of December 31, 2024, the company's order book stood at Rs 20,529 Cr—4x its FY24 revenue. Year-to-date order inflows totalled Rs 4,991 Cr. This strong order book ensures revenue visibility for the next 3–4 years. We project a revenue CAGR of 17% over FY24–FY26E.
- **Strong bidding pipeline:** The company has a strong bidding pipeline of Rs 40,000–47,000 Cr. This includes building projects worth Rs 8,000–9,000 Cr, metro and railway projects around Rs 7,000–8,000 Cr, and elevated corridors of approximately Rs 30,000 Cr. The tender pipeline remains strong, and the company aims to secure sizeable order intake in FY26 in the range of Rs 8,000–10,000 Cr.
- **EBITDA margin to improve:** The company expects EBITDA margins to improve in FY26, exceeding 15%, supported by efficient project execution and a strong executable order book.

Valuation & Analyst Recommendation

- JKIL remains a leading EPC contractor, supported by a robust order book, strong execution capabilities, and a healthy balance sheet. The company is well-positioned to deliver a Revenue/EBITDA/APAT CAGR of 17%/19%/22% over FY24–FY26E, underpinned by its diversified order backlog, consistent bidding activity, solid order inflows, and expanding construction opportunities.
- The stock is currently trading at 10x/9x its FY26E/FY27E earnings—an attractive valuation relative to its strong fundamentals. The recent correction in share price provides a favourable entry point. **We reiterate our BUY rating with a target price of Rs 722/share, implying a 10% upside from current levels.**

Financial Summary

Y/E March	Sales (Rs Cr)	EBITDA (Rs Cr)	PAT (Rs Cr)	EPS (Rs)	P/E (x)	RoE (%)	RoCE (%)	EV/EBITDA (x)
FY24	4,879	4,908	329	43	15	13.3%	20.6%	7.0
FY25E	5,699	5,732	396	52	13	13.9%	22.2%	6.0
FY26E	6,668	6,702	485	64	10	14.9%	23.0%	5.0
FY27E	7,735	7,770	583	77	9	15.5%	23.8%	4.0

Source: Axis Securities; CMP as on 29th April, 2025

Duration: 3-6 Months

CMP (Rs)	656
Target Price (Rs)	722
Upside (%)	10%

| Why J Kumar Infraprojects

- ✓ **Robust Order Book**
- ✓ **Strong Bidding Pipeline**
- ✓ **Improvement in EBITDA Margin**

| Key risks

- ✓ **Lower Execution may Derail The Revenue Growth Guidance**
- ✓ **Higher Input Costs may Impact EBITDA Margins**

MARKET DATA

No. of Shares	38 Cr
Market Cap	Rs 4,959 Cr
52-week High / Low	937/566
BSE Code	532940
NSE Code	JKIL

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About Axis PUNCH

| OBJECTIVE

Axis Punch is designed to generate solid return in short to medium term based on High Conviction Stock Ideas for both investors and traders. This fundamental medium-term product targets return of 10% plus with an investment horizon of 3 to 6 months. Recommendations under Axis Punch are driven by various business and economic events, company valuations, market direction, or a mix of these factors.

| Axis PUNCH is strong research based idea based on

Events Based: Our recommendations are based on the following critical factors, providing a comprehensive approach to medium-term investment opportunities:

- **Company-Specific Events:** Recommendations consider significant company-specific events such as new orders, product launches, acquisitions, management changes, and the commissioning of new plants.
- **Commodity Price Fluctuations:** We analyze changes in commodity prices, including metals, cement, chemicals, and pharmaceutical materials.
- **Macro-Economic Events:** Key macroeconomic events such as RBI Monetary Policy, US Fed decisions, inflation rates, GDP figures, budget announcements, and changes in government policies are factored into our recommendations.
- **Sector Developments:** Material developments within sectors, including monthly production and sales numbers in industries like Auto, Cement, and Steel, as well as competitive landscape changes due to business actions or new entrants/exits, are considered.
- **Earnings Surprises:** We identify companies expected to report better-than-anticipated earnings in upcoming quarters.
- **Corporate Actions:** Corporate actions such as mergers and acquisitions, capital raising programs, and regulatory announcements that impact a company or its industry form crucial elements for our recommendations.

Strategic Insights: Benefit from insights based on a blend of critical business events, economic trends, and thorough company valuations.

Informed Decisions: Make well-informed investment decisions backed by the expertise of our dedicated research team.

Medium-term Horizon: Enjoy the medium-term investment strategy, perfectly suited for those looking to optimize returns over 3 to 6 months.

| Why to choose Axis PUNCH

These medium-term recommendations are crafted by the fundamental research team of Axis Securities, ensuring a rigorous analysis of developments around the company. Please note that Axis Punch recommendations may differ from our long-term company recommendations. Key investment rational and risks are clearly highlighted in stock ideas.

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