

Retail Equity Research



PNC Infratech Ltd.

BUY

Sector: Construction & Engineering

09th June 2025

Key Changes	Target	Rating	Earnings	Target	Rs.386
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Small Cap	PNCL:IN	82,189	PNCINFRA	539150	12 Months
				CMP	Rs.305
				Return	+27%

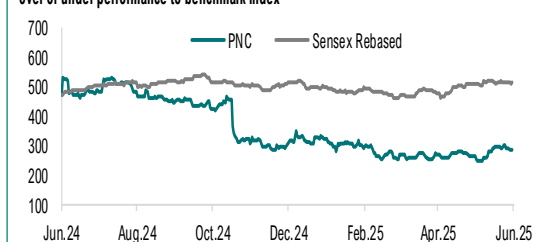
Data as of: 06-06-2025

Company Data			
Market Cap (Rs Cr)			7,824
52 Week High — Low (Rs.)			539 - 236
Enterprise Value (cr)			8,122
Outstanding Shares (Rs cr)			25.7
Free Float (%)			44
Dividend Yield (%)			0.2
6m average volume (cr)			0.1
Beta			1.1
Face value (Rs)			2

Shareholding (%)	Q2FY25	Q3FY25	Q4FY25
Promoters	56.1	56.1	56.1
FII's	10.1	7.0	7.1
MFs/Insti	25.5	26.6	26.3
Public	8.4	10.4	10.6
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	10%	-6%	-37%
Absolute Sensex	10%	0%	9%
Relative Return*	1%	-6%	-46%

*over or under performance to benchmark index



Standalone (cr)	FY25A	FY26E	FY27E
Sales	5,513	6,620	7,834
Growth (%)	-28.4	20.1	18.3
EBITDA	1,049	834	995
EBITDA Margin(%)	19.0	12.6	12.7
PAT Adj.	709	541	658
Growth (%)	-16.6	-23.6	21.6
Adj.EPS	27.6	21.1	25.7
Growth (%)	-16.6	-23.6	21.6
P/E	11.0	14.5	11.9
P/B	1.4	1.3	1.2
EV/EBITDA	7.7	9.4	7.8
ROE (%)	13.9	9.5	10.5
D/E	0.1	0.1	0.1

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Robust order book to drive growth...

PNC Infratech Ltd. (PNC) is an infrastructure construction, development and management company with the expertise in execution of projects including high-ways, bridges, flyovers, airport runways, industrial areas, and transmission lines.

- The order book remains robust at Rs 17,792cr, which is 3.2x FY25 revenue, providing strong visibility for the coming years.
- Given the removal of the NHAI ban, the company is now eligible to bid for NHAI, & MoRTH projects and the management is expected to add Rs15,000cr of order inflows in FY26.
- In Q4FY25 PNC's revenue declined by 39.6% YoY (in-line with our estimate) due to slow progress in execution on account of delays in getting appointed dates.
- Consequently, EBITDA margin during the quarter declined by 70 bps YoY to 12.4%. However, the management expects the revenue to grow by 20% YoY with an EBITDA margin of 13%.
- PNC is also focusing on expanding its order book to the railway and water segments. Currently, the water & canal segment constitutes 17% of the order book.

Outlook & Valuation

PNC has successfully completed the monetization of 10 HAM projects for an equity consideration of Rs.1,828cr (1.33x of investment). We expect this disinvestment and objective to diversify to other infra segments will augur well for the growth prospects. Ample opportunities in both road and non-road projects (Rs.90,000cr) with a strong balance sheet will aid in rerating. **We therefore maintain a BUY rating with a target price of Rs 386, based on a P/E of 14x FY27 EPS and HAM assets at 0.5x P/B.**

Quarterly Financials Standalone.

Rs (cr)	Q4FY25	Q4FY24	YoY Growth (%)	Q3FY25	QoQ Growth (%)	FY25	FY24	YoY Growth (%)
Sales	1,415	2,342	-39.6	1,205	17.4	5,513	7,699	-28.4
EBITDA	176	565	-68.9	146	20.5	1,049	1,277	-17.9
Margin (%)	12.4	24.1	-1171bps	16.6	-416bps	19.0	16.6	243bps
EBIT	182	549	-66.8	123	47.9	988	1,184	-16.6
PBT	156	535	-70.9	118	32.5	949	1,136	-16.5
Rep. PAT	121	402	-69.9	83	46.4	706	850	-17.0
Adj PAT	121	402	-69.9	86	40.9	709	850	-16.6
EPS (Rs)	4.7	15.7	-69.9	3.3	40.9	28	33	-16.6



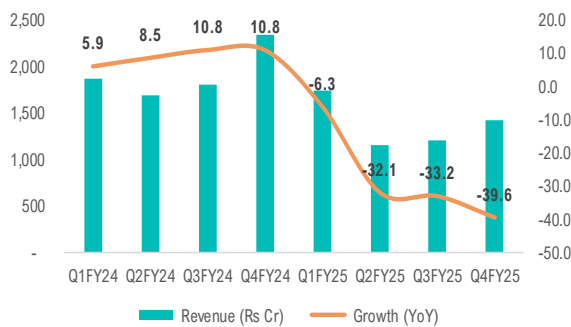
Key Highlights

- The Company, along with its wholly owned subsidiary, PNC Infra Holdings Limited have completed the sale of ten road assets which are duly handed over to Highways Infrastructure Trust (HIT).
- Tranche I comprises of 10 HAM assets for an equity consideration of Rs. 1,827.6 cr, equity invested in the ten assets by the company is Rs. 1,371cr.
- The sale process of equity in the remaining two assets is expected to be completed in the H1 of FY26 upon completion of the respective Conditions Precedent for these two assets.
- PNC holds 13 HAM portfolio with a project cost of Rs16,500cr. Out of which, 3 projects have received PCOD, 6 are under construction, and 3 have achieved financial closure, and the remaining one, financial closure document submitted to MPIDC.

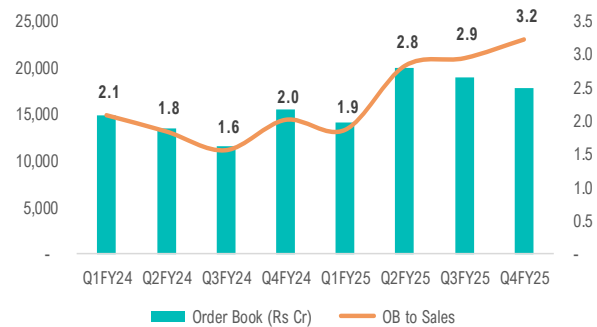
SOTP Valuation

Particulars	Invested Equity (Rs Cr.)	Value/Share (Rs)	Rationale
Standalone EPC		359	P/E14x FY27E EPS
BOT Projects	395	8	0.5x P/BV
HAM	984	19	0.5x P/BV
Total Value per share		386	

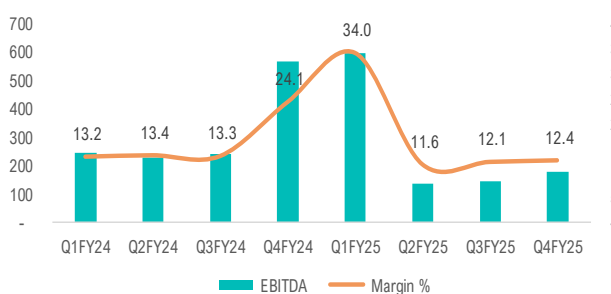
Revenue



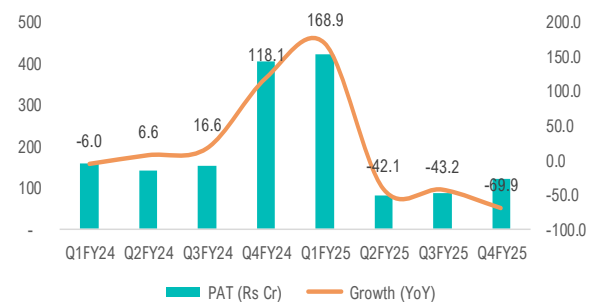
Order Book



EBITDA



PAT



Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	FY26E	FY27E	FY26E	FY27E	FY25E	FY26E
Revenue	7,487	8,525	6,620	7,834	-11.6	-8.1
EBITDA	936	1,108	834	995	-10.9	-10.2
Margins (%)	12.5	13.0	12.6	12.7	10bps	-30bps
Adj. PAT	624	755	541	658	-13.2	-12.8
EPS	24	29	21	26	-13.2	-12.7



Standalone Financials

PROFIT & LOSS

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Revenue	7,061	7,699	5,513	6,620	7,834
% change	12.0	9.0	-28.4	20.1	18.3
EBITDA	954	1,277	1,049	834	995
% change	21.2	33.9	-17.9	-20.5	19.3
Depreciation	110	103	90	107	117
EBIT	844	1,174	959	728	878
Interest	64	66	76	66	64
Other Income	38.3	27.8	66.3	65.0	70.0
PBT	818	1,136	949	727	884
% change	29.6	38.8	-16.5	-23.4	21.6
Tax	207	286	243	185	225
Tax Rate (%)	25	25	26	26	26
Reported PAT	611	850	706	541	658
Adj*	0	0	3	0	0
Adj PAT	612	850	709	541	658
% change	36.6	38.9	-16.6	-23.6	21.6
No. of shares (cr)	26	26	26	26	26
Adj EPS (Rs.)	23.8	33.1	27.6	21.1	25.7
% change	36.6	38.9	-16.6	-23.6	21.6
DPS (Rs.)	0.9	0.9	0.9	0.9	0.9

CASH FLOW

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	928	1,239	1,039	833	1,001
Non-cash adj.	-152	-212	-162	-116	-157
Changes in W.C	-730	-300	418	-163	-300
C.F. Operation	85	756	1,361	620	615
Capital exp.	-214	-118	-120	-120	-120
Change in inv.	-164	-103	-911	-205	-225
Other invest.CF	0	0	0	0	0
C.F – Investment	-416	-249	-1097	-390	-415
Issue of equity	0	0	0	0	0
Issue/repay debt	234	-10	-20	-15	-10
Dividends paid	-23	-23	-23	-23	-23
Other finance.CF	-102	-236	-400	100	0
C.F – Finance	217	-421	-520	-4	-97
Chg. in cash	-114	85	-256	226	102
Closing cash	293	378	122	348	449

BALANCE SHEET

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	293	378	122	348	449
Accounts Receivable	1,906	2,109	1,782	1,814	1,932
Inventories	764	836	862	918	991
Other Cur. Assets	1,515	1,540	1,510	1,632	1,824
Investments	1,035	1,138	2,049	2,254	2,479
Gross Fixed Assets	1,537	1,657	1,777	1,897	2,017
Net Fixed Assets	531	630	660	673	676
CWIP	-	2	2	2	2
Intangible Assets	3	4	4	4	4
Def. Tax (Net)	24	15	10	6	2
Other Assets	-	-	-	-	-
Total Assets	6,070	6,651	7,001	7,650	8,359
Current Liabilities	808	806	904	945	1,023
Provisions	35	38	27	33	39
Debt Funds	450	440	420	405	395
Other Liabilities	836	600	200	300	300
Equity Capital	51	51	51	51	51
Reserves & Surplus	3,890	4,717	5,399	5,916	6,551
Shareholder's Fund	3,942	4,768	5,450	5,968	6,603
Total Liabilities	6,070	6,651	7,001	7,650	8,359
BVPS (Rs.)	154	186	212	233	257

RATIOS

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	13.5	16.6	19.0	12.6	12.7
EBIT margin (%)	12.0	15.2	17.4	11.0	11.2
Net profit mgn.(%)	8.7	11.0	12.9	8.2	8.4
ROE (%)	16.8	19.5	13.9	9.5	10.5
ROCE (%)	12.5	14.2	10.5	7.3	8.0
W.C & Liquidity					
Receivables (days)	82.1	95.2	128.8	99.1	87.3
Inventory (days)	43.2	52.6	81.7	66.0	60.7
Payables (days)	41.2	46.9	75.5	63.9	60.3
Current ratio (x)	5.3	5.8	4.6	4.8	4.9
Quick ratio (x)	2.7	3.1	2.1	2.3	2.3
Turnover & Leverage					
Gross asset T.O (x)	4.9	4.8	3.2	3.6	4.0
Total asset T.O (x)	1.2	1.2	0.8	0.9	1.0
Int. coverage ratio (x)	13.2	17.8	12.6	11.0	13.7
Adj. debt/equity (x)	0.1	0.1	0.1	0.1	0.1
Valuation					
EV/Sales (x)	1.1	1.0	1.5	1.2	1.0
EV/EBITDA (x)	8.4	6.2	7.7	9.4	7.8
P/E (x)	12.8	9.2	11.0	14.5	11.9
P/BV (x)	2.0	1.6	1.4	1.3	1.2



Recommendation Summary (last 3 years)



Source: Bloomberg, Geojit Research.

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:



Upgrade



No Change



Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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GRIEVANCES

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