

**Steady Operating Performance; Focus Shifts to Margin Growth**

**Est. Vs. Actual for Q4FY25:** Revenue – **INLINE**; EBITDA Margin – **INLINE**; PAT – **MISS**

**Change in Estimates post Q4FY25 (Abs.)**

**FY26E/FY27E – Revenue:** 0%/ 0%; **EBITDA:** -2%/0%; **PAT:** -5%/0%

**Recommendation Rationale**

- **Robust order book to drive revenue growth:** As of 31st Mar'25, the company's order book stood at Rs 22,238 Cr with an order inflow of Rs 4,700 Cr in FY25. The company is L1 in projects worth Rs 4,250 Cr. A healthy and robust order book provides revenue visibility for the next 3-4 years. We expect the company to report a revenue CAGR of 19% over FY25-FY27E.
- **Strong bidding pipeline:** The company has a strong bidding pipeline of Rs 20,000-25,000 Cr for FY26, out of which Rs 3,000 Cr has already been bid. The management plans to bid in metro projects worth Rs 4,000-5,000 Cr, railway projects around Rs 18,000 Cr, NHAI projects worth Rs 12,000 Cr, and a few water projects. The company aims to win projects worth Rs 6,000-8,000 Cr in FY25.
- **Improvement in EBITDA margin:** The company anticipates that EBITDA margins will improve in FY26, driven by more efficient project execution and the acquisition of additional orders. We await further improvement in margins to the 15%-16% level in the coming quarters.

**Sector Outlook:** **Positive**

**Company Outlook & Guidance:** The company has guided for revenue in the range of Rs 6,500-6,600 Cr in FY26. For FY26, revenue growth is expected to be 15%, with EBITDA margins above 15%.

**Current Valuation:** 12x FY27 EPS (Earlier Valuation: 14.5x FY26E EPS)

**Current TP:** Rs 905/share (Earlier TP: Rs 940/share)

**Recommendation:** We roll over our estimates to FY27 and maintain a **BUY** recommendation on the stock

**Financial Performance**

J Kumar Infraprojects Ltd. (JKIL) reported a positive set of numbers in Q4FY25. The company reported revenue of Rs 1,633 Cr (up 15% YoY), EBITDA of Rs 235 Cr (up 16% YoY), and APAT of Rs 114 Cr (up 15% YoY). EBITDA margins stood at 14.4% in Q4FY25 (vs. the estimate of 14.3%), remaining stable compared to 14.6% in Q4FY24.

**The revenue break-up is as follows:** 28% of the total revenue is from elevated corridors/flyovers, 21% from roads and road tunnels, 28% from metro elevated, 12% from metro underground, 5% from water, and 6% from civil and others. Geography-wise, 67% of revenue is from Maharashtra, 22% from NCR, 2% from UP, 4% from Tamil Nadu, 3% from Gujarat, and 2% from Karnataka.

**Outlook:** JKIL remains one of the most established EPC contractors and will continue to benefit from its healthy order book position, strong execution capabilities, and robust financial position. We estimate JKIL to report Revenue/EBITDA/APAT CAGR of 19%/21%/20%, respectively, over FY25-FY27E, supported by its diversified order book, healthy bidding pipeline, encouraging new order inflow, emerging opportunities in the construction space, and execution prowess.

**Key Financials (Standalone)**

(Rs Cr)	Q4FY25	QoQ (%)	YoY (%)	Axis Est.	Variance
Net Sales	1,633	10%	15%	1,639	0%
EBITDA	235	8%	16%	239	-2%
EBITDA Margin	14.4%	-29bps	16bps	14.6%	-19bps
Net Profit	114	15%	15%	120	-5%
EPS (Rs)	15.1	14%	15%	15.8	-5%

Source: Company, Axis Securities Research

(CMP as of 21<sup>st</sup> May 2025)

CMP (Rs)	714
Upside /Downside (%)	27%
High/Low (Rs)	937 / 566
Market cap (Cr)	5401
Avg. daily vol. (6m) Shrs.	2,79,877
No. of shares (Cr)	75.7

**Shareholding (%)**

	Sep-24	Dec-24	Mar-25
Promoter	46.7	46.7	46.7
FII	10.0	10.5	12.0
MFs / UTI	9.5	9.6	9.5
Banks / FI	0.0	0.0	0.0
Others	33.8	33.3	31.9

**Financial & Valuations**

Y/E Mar (Rs Cr)	FY25	FY26E	FY27E
Net Sales	5,693	6,718	7,928
EBITDA	827	981	1,173
Net Profit	391	467	570
EPS (Rs)	52	62	75
PER (x)	14	12	9
P/BV (x)	2	2	1
EV/EBITDA (x)	7	6	5
ROE (%)	14%	14%	15%

**Change in Estimates (%)**

Y/E Mar	FY26E	FY27E
Sales	0%	0%
EBITDA	-2%	0%
PAT	-5%	0%

**Relative Performance**


Source: Ace Equity

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## Valuation & Recommendation

Currently, the stock is trading at 12x and 9x FY26E and FY27E EPS, respectively. We roll over our estimates to FY27E and maintain our **BUY** rating. We value the company's business at 12x FY27E EPS to arrive at a target price of Rs 905/share, implying an upside potential of 27% from the CMP.

## Key Concall Highlights

- **Order Book:** As of 31<sup>st</sup> Mar'25, the company's order book stands at Rs 22,238 Cr. Of this, 50% is from elevated corridors/flyovers, 18% from roads and road tunnels, 9% from metro elevated, 7% from metro underground, 11% from civil and others, and 5% from water. Geography-wise, 61% of the order book is from Maharashtra, 18% from Tamil Nadu, 16% from NCR, 2% from Gujarat, 2% from UP, and 1% from Karnataka. The company aims to win projects worth Rs 6,000-8,000 Cr in FY25.
- **Bidding Pipeline:** The company has a strong bidding pipeline of Rs 20,000-25,000 Cr for FY26, out of which Rs 3,000 Cr has already been bid. The management plans to bid in metro projects worth Rs 4,000-5,000 Cr, railway projects around Rs 18,000 Cr, NHAI projects worth Rs 12,000 Cr, and a few water projects.
- **Capex:** The Company has guided for a capex of Rs 450-500 Cr over the next two years, mainly due to the GMLR and Chennai project for buying a TBM machine.
- **Leverage:** As of 31st Dec'24, short-term borrowings stood at Rs 432 Cr, while cash and bank balance was Rs Cr. Gross debt stood at Rs 696 Cr, with net debt-to-equity at 0.2x. Retention money was Rs 369 Cr, Unbilled Revenue was Rs 589 Cr, and Mobilisation Advance was Rs 621 Cr.
- **Finance cost:** The company expects finance cost to be in the range of 2.3%-2.5% of the revenue.
- **OCF/FCF:** During FY25, the company generated OCF/FCF of Rs 375 Cr and Rs 141 Cr, respectively, against Rs 337 Cr and Rs 119 Cr in the previous fiscal.

## Key Risks to Our Estimates and TP

- Lower execution than expected may derail the revenue growth guidance.
- Higher input costs may impact the company's EBITDA margins.

## Change in Estimates

	New		Old		% Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Sales	6,718	-	5749	-	0%	-
EBITDA	981	-	838	-	-2%	-
PAT	467	-	401	-	-5%	-

Source: Company, Axis Securities Research

**Result Review Q4FY25**

(Rs Cr)	Quarterly Performance				
	Q4FY25	Q3FY25	Q4FY24	% Change (QoQ)	% Change (YoY)
<b>Sales</b>	1633	1487	1425	10%	15%
Other Op. Inc	<b>0</b>	<b>0</b>	<b>0</b>		
<b>Total Revenue</b>	<b>1,633</b>	<b>1,487</b>	<b>1,425</b>	10%	15%
<b>Expenditure</b>					
Cost of material consumed	1080	973	937	11%	15%
Changes in Inventories of Work-In-Progress	188	152	162	23%	16%
Construction expenses	103	112	89	-7%	15%
Employee Cost	26	32	33	-18%	-22%
Other Expenses	<b>1397</b>	<b>1268</b>	<b>1222</b>	10%	14%
<b>Total Expenditure</b>	<b>235</b>	<b>219</b>	<b>203</b>	8%	16%
<b>EBITDA</b>	14.4%	14.7%	14.3%	<b>-29bps</b>	<b>16bps</b>
EBIDTA margin	10	7	9	46%	13%
Oth. Inc.	43	47	37	-8%	16%
Interest	45	42	41	6%	9%
Depreciation	<b>158</b>	<b>136</b>	<b>134</b>	16%	18%
<b>PBT</b>	43	37	34	18%	26%
Tax	<b>114</b>	<b>100</b>	<b>100</b>	15%	15%
<b>PAT</b>	15.1	13.2	13.2	14%	15%
EPS (Rs)	1633	1487	1425	10%	15%

Source: Company, Axis Securities Research

## Financials (Standalone)

### Profit & Loss

(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E
<b>Net sales</b>	<b>4,879</b>	<b>5,693</b>	<b>6,718</b>	<b>7,928</b>
Other operating income	0	0	0	0
<b>Total income</b>	<b>4,879</b>	<b>5,693</b>	<b>6,718</b>	<b>7,928</b>
Cost of materials consumed	3,170	3,751	4,380	5,161
Civil construction cost	550	608	719	840
Contribution (%)	23.8%	23.4%	24.1%	24.3%
Other Expenses	455	508	638	753
<b>Operating Profit</b>	<b>704</b>	<b>827</b>	<b>981</b>	<b>1,173</b>
Other income	28	33	34	36
<b>PBIDT</b>	<b>732</b>	<b>860</b>	<b>1,014</b>	<b>1,209</b>
Depreciation	168	168	211	243
Interest & Fin Chg.	124	155	168	190
<b>Pre-tax profit</b>	<b>441</b>	<b>536</b>	<b>636</b>	<b>776</b>
Tax provision	112	145	168	206
<b>PAT</b>	<b>329</b>	<b>391</b>	<b>467</b>	<b>570</b>

Source: Company, Axis Securities Research

### Balance Sheet

(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E
<b>Total assets</b>	<b>4,708</b>	<b>5,611</b>	<b>6,411</b>	<b>7,161</b>
Net Block	971	1049	1288	1446
CWIP	111	98	98	98
Investments	1	2	2	2
Wkg. cap. (excl cash)	1394	1414	1641	1929
Cash / Bank balance	504	839	811	906
Other assets	1726	2209	2571	2782
<b>Capital employed</b>	<b>4,708</b>	<b>5,611</b>	<b>6,411</b>	<b>7,161</b>
Equity capital	38	38	38	38
Reserves	2604	2967	3404	3944
Minority Interests	0	0	0	0
Borrowings	576	666	666	666
Other Liabilities	1490	1940	2303	2513

Source: Company, Axis Securities Research

**Cash Flow**

(Rs Cr)

Y/E March	FY24	FY25	FY26E	FY27E
PBT	441	535	636	776
Depreciation	168	169	211	243
Interest Expense	124	155	168	190
Changes in Working Capital	-250	-343	-227	-288
Others	-26	-28	-34	-36
Tax Paid	-120	-113	-168	-206
<b>Net Cash from Operations</b>	<b>337</b>	<b>375</b>	<b>586</b>	<b>680</b>
Capex	-218	-235	-450	-400
Others	25	30	34	36
<b>Net Cash from Investing</b>	<b>(193)</b>	<b>(205)</b>	<b>(416)</b>	<b>(364)</b>
Interest Expense	-124	-155	-168	-190
Others	19	50	-30	-30
<b>Net Cash from Financing</b>	<b>(105)</b>	<b>(105)</b>	<b>(198)</b>	<b>(220)</b>
<b>Net Change in Cash</b>	<b>38</b>	<b>65</b>	<b>(29)</b>	<b>95</b>
Opening cash	65	103	68	39
<b>Closing cash</b>	<b>103</b>	<b>169</b>	<b>39</b>	<b>134</b>

Source: Company, Axis Securities Research

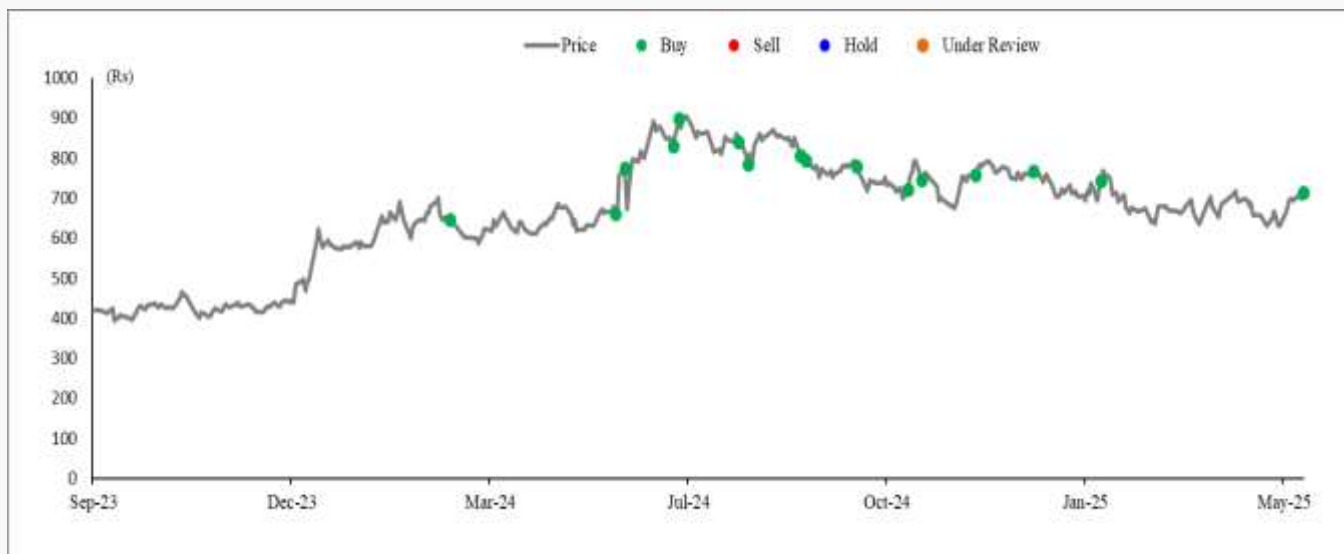
**Ratio Analysis**

(%)

Y/E March	FY24	FY25	FY26E	FY27E
<b>Growth Indicator</b>				
Sales Growth	16%	17%	18%	18%
EBITDA Growth	18%	17%	19%	20%
PAT Growth	20%	19%	19%	22%
<b>Profitability Ratio</b>				
EBITDA Margin	14.4%	14.5%	14.6%	14.8%
Adjusted Net Margin	6.7%	6.9%	7.0%	7.2%
<b>Efficiency Ratio</b>				
Capital Turnover	1.8	1.9	2.0	2.0
Total Asset Turnover	1.7	1.7	1.8	1.8
Fixed Asset Turnover	4.5	5.0	4.8	5.1
Debtor days	89	89	89	89
Inventory days	42	42	42	42
Creditor days	51	51	51	51
Cash Conversion Cycle (days)	80	80	80	80
<b>Leverage Ratios</b>				
Debt to equity	0.2	0.2	0.2	0.2
Net debt to equity	0.0	-0.1	0.0	-0.1
Interest coverage	6	5	6	6
<b>Per Share Data</b>				
Diluted EPS (Rs)	43	52	62	75
Book value per share (Rs)	349	397	455	527
DPS (Rs)	3.5	4.0	4.0	4.0
<b>Return Ratios</b>				
Return on equity	13%	14%	14%	15%
Return on capital employed	21%	22%	22%	24%
<b>Valuation Ratio</b>				
P/E	17	14	12	9
P/BV	2.1	1.8	1.6	1.4
EV/EBITDA	7.9	6.7	5.6	4.7

Source: Company, Axis Securities Research

## J Kumar Infraprojects Price Chart and Recommendation History



Date	Reco	TP	Research
05-Mar-24	BUY	800	Initiating Coverage
30-May-24	BUY	845	Result Update
03-Jun-24	BUY	845	Top Picks
01-Jul-24	BUY	920	Company Update
01-Jul-24	BUY	920	Top Picks
01-Aug-24	BUY	950	Top Picks
08-Aug-24	BUY	950	Result Update
02-Sep-24	BUY	950	Top Picks
05-Sep-24	BUY	950	AAA
01-Oct-24	BUY	950	Top Picks
29-Oct-24	BUY	950	Result Update
04-Nov-24	BUY	950	Top Picks
02-Dec-24	BUY	950	Top Picks
01-Jan-25	BUY	950	Top Picks
06-Feb-25	BUY	940	Result Update
22-May-25	BUY	905	Result Update

Source: Axis Securities Research

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HOLD	Between 10% and -10%
SELL	Less than -10%
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NO STANCE	We do not have any forward-looking estimates, valuation or recommendation for the stock

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