

August 8, 2025

Q1FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	1,366		1,268	
Sales (Rs. m)	2,32,331	2,84,232	2,31,413	2,80,542
% Chng.	0.4	1.3		
EBITDA (Rs. m)	20,329	26,007	20,249	25,670
% Chng.	0.4	1.3		
EPS (Rs.)	53.6	71.3	52.0	70.6
% Chng.	3.2	1.0		

Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	1,67,597	1,88,879	2,32,331	2,84,232
EBITDA (Rs. m)	13,653	15,870	20,329	26,007
Margin (%)	8.1	8.4	8.7	9.2
PAT (Rs. m)	5,583	6,718	9,153	12,182
EPS (Rs.)	32.7	39.3	53.6	71.3
Gr. (%)	13.2	20.3	36.2	33.1
DPS (Rs.)	7.6	7.6	10.7	14.3
Yield (%)	0.6	0.6	0.9	1.2
RoE (%)	10.1	10.4	12.1	14.4
RoCE (%)	11.5	12.3	14.4	17.5
EV/Sales (x)	1.4	1.2	1.0	0.8
EV/EBITDA (x)	16.6	13.9	10.9	8.6
PE (x)	36.2	30.1	22.1	16.6
P/BV (x)	3.5	2.8	2.5	2.2

Key Data

KAPT.BO | KPIL IN

52-W High / Low	Rs.1,449 / Rs.770
Sensex / Nifty	79,858 / 24,363
Market Cap	Rs.202bn/ \$ 2,306m
Shares Outstanding	171m
3M Avg. Daily Value	Rs.348.56m

Shareholding Pattern (%)

Promoter's	33.52
Foreign	11.60
Domestic Institution	45.02
Public & Others	9.86
Promoter Pledge (Rs bn)	24.73

Stock Performance (%)

	1M	6M	12M
Absolute	(0.5)	13.7	(4.9)
Relative	4.3	10.9	(6.1)

Amit Anwani

amitanwani@plindia.com | 91-22-66322250

Prathmesh Salunkhe

prathmeshsalunkhe@plindia.com | 91-22-66322324

Hitesh Agarwal

hiteshagarwal@plindia.com | 91-22-66322535

Strong Q1; execution momentum accelerating

Quick Pointers:

- Order intake grew by 211% YoY to Rs99.0bn in Q1FY26 vs a low base due to general elections in Q1FY25. Order book stands at Rs654.8bn (3.2x TTM sales).
- The management has guided 20-25% revenue growth with PBT margin of 5%-5.5% on a standalone basis along with order intake of Rs260-280bn in FY26.

Kalpataru Projects International (KPIL) reported revenue growth of 35.4% YoY driven by strong execution across T&D, B&F and O&G, while EBITDA margin remained flat YoY at 8.5%. The management has reiterated its guidance for 20-25% revenue growth in FY26, supported by a robust tendering pipeline of ~Rs1.2trn in the T&D segment over the next 12-18 months. The B&F segment continues to deliver strong performance, aided by significant order wins, despite persistent labor constraints. In the O&G segment, execution ramp-up of the large Saudi Aramco order is expected to act as a key growth catalyst. The Water segment, however, remains affected by collection delays. For FY26, the management anticipates total order intake of Rs260-280bn, ensuring healthy multi-year revenue visibility. Balance sheet strength is also expected to improve, driven by debt reduction and targeted reduction in NWC days to below 100. We revise our FY26/FY27E EPS estimates by +3.2%/+1.0% factoring in strong execution momentum in the T&D segment. We maintain 'Accumulate' rating with a revised SoTP-based TP of Rs1,366 (Rs1,268 earlier) valuing the core business at a PE of 18x on Mar'27E (17x Mar'27E earlier).

Long-term view: We remain positive on KPIL in the long run owing to 1) strong order pipeline across segments, 2) focus on geographical expansion for segments such as Water, Railways and Civil, 3) increasing pre-qualification for large contracts, and 4) operational & cost synergies arising from the merger with JMC. The stock is trading at a P/E of 22.1x/16.6x on FY25/26E core-EPS.

Healthy execution across T&D, B&F and O&G leads to strong growth: Standalone revenue grew 35.4% YoY to Rs50.4bn (PL: Rs45.5bn) primarily driven by strong execution in T&D, B&F and O&G. Gross margin remained flat YoY at 23.2%. EBITDA grew by 36.7% YoY to Rs4.3bn (PL: Rs3.9bn). EBITDA margin was flat at 8.5% (PL: 8.5%). PBT grew by 67.1% YoY to Rs2.7bn (PL: Rs2.3bn) driven by improved operating performance. PAT grew by 72.1% YoY to Rs2.0bn (PL: Rs1.7bn; consensus: Rs1.5bn) aided by lower effective tax rate (26.8% vs 28.9% in Q1FY25).

Strong order book of Rs654.8bn (3.2x TTM revenue): Quarterly order intake jumped 211% YoY to Rs99.0bn against a lower base. T&D order intake stood at Rs31.9bn, while B&F order intake stood at Rs67.1bn. Domestic/Export mix of order intake stood at 77%/23% (vs 64%/36% YoY). Order book stands at Rs654.8bn (3.2x TTM sales) with domestic/export mix of 60%/40% (vs 54%/46% YoY).

Exhibit 1: PAT increased by 72.1% YoY to Rs2.0bn on account of better operating performance despite lower other income

Y/e March (Rs mn)	Q1FY26	Q1FY25	YoY gr.	Q1FY26E	% Var.	Q4FY25	QoQ gr.	FY26E	FY25	YoY gr.
Revenue	50,397	37,219	35.4%	45,514	10.7%	62,042	-18.8%	232,331	188,879	23.0%
Gross Profit	11,706	8,687	34.8%	10,332	13.3%	13,191	-11.3%	51,810	41,486	24.9%
Margin (%)	23.2	23.3	(11)	22.7	52.7	21.3	197	22.3	22.0	34
Employee Cost	4,273	3,123	36.8%	3,368	26.9%	4,081	4.7%	15,566	13,955	11.5%
as % of sales	8.5	8.4	9	7.4	107.8	6.6	190	6.7	7.4	(69)
Other expenditure	3,149	2,429	29.7%	3,095	1.8%	3,878	-18.8%	15,915	11,661	36.5%
as % of sales	6.2	6.5	(28)	6.8	(55.1)	6.3	(0)	6.9	6.2	68
EBITDA	4,284	3,135	36.7%	3,869	10.7%	5,232	-18.1%	20,329	15,870	28.1%
Margin (%)	8.5	8.4	8	8.5	0.0	8.4	7	8.7	8.4	35
Depreciation	936	929	0.8%	900	4.0%	949	-1.3%	4,390	3,749	17.1%
EBIT	3,348	2,206	51.8%	2,969	12.8%	4,283	-21.8%	15,939	12,121	31.5%
Margin (%)	6.6	5.9	72	6.5	12.0	6.9	(26)	6.9	6.4	44
Other Income	234	295	-20.7%	270	-13.4%	235	-0.5%	1,162	979	18.6%
Interest	840	861	-2.4%	910	-7.7%	877	-4.3%	4,389	3,807	15.3%
PBT (ex. Extra-ordinaries)	2,742	1,640	67.1%	2,329	17.7%	3,641	-24.7%	12,712	9,294	36.8%
Margin (%)	5.4	4.4	103	5.1	32.3	5.9	(43)	5.5	4.9	55
Extraordinary Items	-	-	-	-	-	(330)	-	-	(330)	-
PBT	2,742	1,640	67.1%	2,329	17.7%	3,311	-17.2%	12,712	8,964	41.8%
Total Tax	734	474	54.9%	652	-	894	-17.9%	3,559	2,485	43.2%
Effective Tax Rate (%)	26.8	28.9	(212)	28.0	-	27.0	-	28.0	27.7	28
Reported PAT	2,008	1,166	72.1%	1,677	19.7%	2,416	-16.9%	9,153	6,479	41.3%
Adj. PAT	2,008	1,166	72.1%	1,677	19.7%	2,657	-24.4%	9,153	6,718	36.2%
Margin (%)	4.0	3.1	85	3.7	29.9	4.3	(30)	3.9	3.6	38
Adj. EPS	12.4	7.2	72.1%	9.8	26.5%	14.9	-16.9%	53.6	37.9	41.3%

Source: Company, PL

Exhibit 2: Strong growth across Standalone T&D, O&G and B&F segments, while collection delays continue to impact Water

Revenue (Rs mn)	Q1FY26	Q1FY25	YoY gr.	Q4FY25	QoQ gr.	FY26E	FY25	YoY gr.
Standalone T&D	18,820	11,640	61.7%	27,790	-32.3%	85,662	72,460	18.2%
O&G	5,880	2,540	131.5%	5,980	-1.7%	33,413	17,590	90.0%
Railways	2,540	2,420	5.0%	3,540	-28.2%	8,627	10,190	-15.3%
B&F	13,830	12,260	12.8%	16,830	-17.8%	68,409	58,540	16.9%
Water	6,700	7,040	-4.8%	5,110	31.1%	26,317	22,830	15.3%
Urban Infra	2,570	1,810	42.0%	2,570	0.0%	8,289	7,780	6.5%
Total	50,340	37,710	33.5%	61,820	-18.6%	230,716	189,390	21.8%

Source: Company, PL

Exhibit 3: Strong consolidated order book of Rs654.8bn (3.2x of TTM sales)

Order Book (Rs mn)	Q1FY26	Q1FY25	YoY gr.	Q4FY25	QoQ gr.	FY26E	FY25	YoY gr.
Standalone T&D	226,800	163,210	39.0%	222,400	2.0%	299,519	222,400	34.7%
O&G	71,480	87,910	-18.7%	76,990	-7.2%	47,577	76,990	-38.2%
Railways	32,110	37,960	-15.4%	33,830	-5.1%	25,203	33,830	-25.5%
B&F	166,950	113,660	46.9%	140,950	18.4%	165,484	140,950	17.4%
Water	89,030	98,000	-9.2%	95,730	-7.0%	83,556	95,730	-12.7%
Urban Infra	27,920	28,450	-1.9%	30,740	-9.2%	31,514	30,740	2.5%
Total	614,290	529,190	16.1%	600,640	2.3%	652,854	600,640	8.7%

Source: Company, PL

Exhibit 4: SoTP valuation - Valuing the core company at 18x

Rs mn	Equity Investment/P AT (Mar-27)	Fwd multiple (x)	Basis of Investment	Market Cap	KPTL Share (%)	Value for KPTL	Value per share
KPP+JMC (Merged)	12,182	18	PE	219,281	100%	219,281	1,284
Linjemontage (100% stake)	3,125	1.5	PBV	4,687	100%	4,687	27
Fasttel (100% stake)	1,051	1.5	PBV	1,576	100%	1,576	9
Energylink (Indore Commercial-residential project)	1,540	0.8	PBV	1,232	100%	1,232	7
Shree Shubham Logistics	3,877	0.65	PBV	2,520	100%	2,520	15
Total Investment in Road BOOT Assets	8,040	1	PBV	8,040	50%	4,020	24
Total				237,335		233,315	1,366

Source: Company, PL

Conference Call Highlights

- Guidance:** The management has guided for revenue growth of 20-25% for both consolidated as well as standalone business in FY26 with a PBT margin of 5-5.5% at the standalone level. The management expects total order intake of Rs260-280bn in FY26 along with a capex of Rs6-7bn. NWC days are expected to be below 100 days in FY26, while tax rate is likely to remain in the range of 28-30%.
- T&D business clocks revenue growth of 56% YoY:** Growth was driven by robust project execution and healthy order backlog in domestic as well as international markets. Domestically, there is a huge tender pipeline worth ~Rs1.2trn for the next 12-18 months. Of this, Rs500-600bn is to be tendered out in the next 6 months. **The management expects this segment to grow at 25%-30% over the next 3-5 years.**
- LMG grows by 72% YoY, while Fasttel declines 6% YoY:** LMG reported 8%+ EBITDA margin in Q1FY26; the management expects it to continue to see good execution in FY26. The company is assessing the IPO option for LMG to unlock shareholder value. Meanwhile, Fasttel reported EBITDA loss during the quarter; the management expects to break even from Q3FY26. Further, the management remains selective in order booking in Fasttel.
- B&F grows by 13% YoY:** The management expects **B&F business to growth by 20-25% in FY26**, despite continued labor availability challenges. The company expanded its presence in data centers by building competencies to provide end-to-end solutions. 60-65% of the B&F order book consists of projects in southern India, while remaining projects are in the north-western regions.
- Water declines 5% YoY:** Water business continued to face challenges, primarily due to delayed fund flows in JJM projects. The management expects the collections to improve going forward. It **expects the business to post single-digit revenue growth in FY26**, while the current order book execution timeline is 2-2.5 years.
- O&G grew by 132% YoY** driven by strong order backlog and significant progress in the Saudi Aramco order. **O&G segment is expected to growth at 20%+ YoY in FY26** supported by improving presence in international markets and focus on execution.

- **Railways grew by 5% YoY** as the management prioritizes project completion and selective order booking in a competitive market. Meanwhile, international prospects exist in Africa. **The management does not expect material YoY growth in the Railways segment in FY26.**
- **Urban Infra posted growth of 42% YoY** led by the execution of elevated and underground metro rail projects. The management remains focused on improving capabilities and bidding for orders in metro projects, elevated corridors and tunneling infrastructure.

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	1,67,597	1,88,879	2,32,331	2,84,232
YoY gr. (%)	16.9	12.7	23.0	22.3
Cost of Goods Sold	1,29,979	1,47,393	1,80,521	2,20,848
Gross Profit	37,617	41,486	51,810	63,384
Margin (%)	22.4	22.0	22.3	22.3
Employee Cost	11,943	13,955	15,566	17,622
Other Expenses	12,022	11,661	15,915	19,754
EBITDA	13,653	15,870	20,329	26,007
YoY gr. (%)	17.5	16.2	28.1	27.9
Margin (%)	8.1	8.4	8.7	9.2
Depreciation and Amortization	3,679	3,749	4,390	4,978
EBIT	9,974	12,121	15,939	21,029
Margin (%)	6.0	6.4	6.9	7.4
Net Interest	3,370	3,807	4,389	5,341
Other Income	1,135	979	1,162	1,279
Profit Before Tax	7,388	8,964	12,712	16,967
Margin (%)	4.4	4.7	5.5	6.0
Total Tax	2,058	2,485	3,559	4,785
Effective tax rate (%)	27.9	27.7	28.0	28.2
Profit after tax	5,330	6,480	9,153	12,182
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	5,583	6,718	9,153	12,182
YoY gr. (%)	13.2	20.3	36.2	33.1
Margin (%)	3.3	3.6	3.9	4.3
Extra Ord. Income / (Exp)	(253)	(239)	-	-
Reported PAT	5,330	6,480	9,153	12,182
YoY gr. (%)	0.2	21.6	41.3	33.1
Margin (%)	3.2	3.4	3.9	4.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	5,330	6,480	9,153	12,182
Equity Shares O/s (m)	171	171	171	171
EPS (Rs)	32.7	39.3	53.6	71.3

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	29,881	34,104	40,104	44,604
Tangibles	-	-	-	-
Intangibles	-	-	-	-
Acc: Dep / Amortization	13,524	15,180	19,570	24,548
Tangibles	-	-	-	-
Intangibles	-	-	-	-
Net fixed assets	16,358	18,924	20,534	20,056
Tangibles	16,358	18,924	20,534	20,056
Intangibles	-	-	-	-
Capital Work In Progress	320	265	465	568
Goodwill	201	201	201	201
Non-Current Investments	15,872	17,171	17,536	21,454
Net Deferred tax assets	1,411	1,953	1,953	1,953
Other Non-Current Assets	1,377	1,466	2,091	2,558
Current Assets				
Investments	-	-	-	-
Inventories	12,397	13,708	15,913	19,468
Trade receivables	53,933	72,180	80,202	1,01,233
Cash & Bank Balance	8,488	15,885	14,891	14,591
Other Current Assets	75,357	79,704	96,777	1,10,951
Total Assets	1,99,893	2,34,662	2,66,759	3,12,171
Equity				
Equity Share Capital	325	342	342	342
Other Equity	57,176	71,508	79,361	89,712
Total Networth	57,500	71,849	79,702	90,054
Non-Current Liabilities				
Long Term borrowings	11,726	13,166	13,166	13,166
Provisions	473	525	697	853
Other non current liabilities	53	63	116	142
Current Liabilities				
ST Debt / Current of LT Debt	21,576	21,443	21,943	22,443
Trade payables	52,360	60,914	75,110	92,668
Other current liabilities	55,050	65,907	75,070	91,678
Total Equity & Liabilities	1,99,893	2,34,662	2,66,759	3,12,171

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	7,388	8,964	12,712	16,967
Add. Depreciation	3,679	3,749	4,390	4,978
Add. Interest	3,370	3,807	4,389	5,341
Less Financial Other Income	1,135	979	1,162	1,279
Add. Other	529	(603)	-	-
Op. profit before WC changes	14,966	15,916	21,491	27,286
Net Changes-WC	(5,796)	(5,189)	(7,057)	(6,975)
Direct tax	(2,033)	(2,356)	(3,559)	(4,785)
Net cash from Op. activities	7,136	8,371	10,874	15,527
Capital expenditures	(2,889)	(5,493)	(6,200)	(4,604)
Interest / Dividend Income	400	460	-	-
Others	(2,176)	(2,708)	(480)	(4,552)
Net Cash from Invt. activities	(4,665)	(7,740)	(6,680)	(9,156)
Issue of share cap. / premium	-	9,822	-	-
Debt changes	2,540	472	500	500
Dividend paid	(1,137)	(1,300)	(1,300)	(1,831)
Interest paid	(3,163)	(3,570)	(4,389)	(5,341)
Others	-	-	-	-
Net cash from Fin. activities	(1,760)	5,424	(5,188)	(6,672)
Net change in cash	711	6,054	(994)	(300)
Free Cash Flow	4,077	2,397	4,674	10,923

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	32.7	39.3	53.6	71.3
CEPS	54.2	61.3	79.3	100.5
BVPS	336.7	420.7	466.7	527.3
FCF	23.9	14.0	27.4	64.0
DPS	7.6	7.6	10.7	14.3
Return Ratio(%)				
RoCE	11.5	12.3	14.4	17.5
ROIC	9.2	10.6	12.0	14.3
RoE	10.1	10.4	12.1	14.4
Balance Sheet				
Net Debt : Equity (x)	0.4	0.3	0.3	0.2
Net Working Capital (Days)	30	48	33	36
Valuation(x)				
PER	36.2	30.1	22.1	16.6
P/B	3.5	2.8	2.5	2.2
P/CEPS	21.8	19.3	14.9	11.8
EV/EBITDA	16.6	13.9	10.9	8.6
EV/Sales	1.4	1.2	1.0	0.8
Dividend Yield (%)	0.6	0.6	0.9	1.2

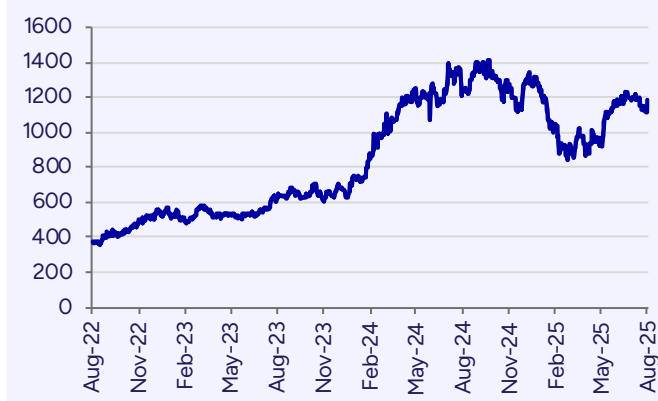
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	41,361	48,257	62,042	50,397
YoY gr. (%)	(0.3)	(6.2)	66.7	21.8
Raw Material Expenses	32,544	37,466	48,851	38,691
Gross Profit	8,818	10,791	13,191	11,706
Margin (%)	21.3	22.4	21.3	23.2
EBITDA	3,485	4,019	5,232	4,284
YoY gr. (%)	1.3	0.5	66.9	22.9
Margin (%)	8.4	8.3	8.4	8.5
Depreciation / Depletion	914	956	949	936
EBIT	2,570	3,062	4,283	3,348
Margin (%)	6.2	6.3	6.9	6.6
Net Interest	998	1,071	877	840
Other Income	264	185	235	234
Profit before Tax	1,836	2,177	3,311	2,742
Margin (%)	4.4	4.5	5.3	5.4
Total Tax	513	604	894	734
Effective tax rate (%)	27.9	27.7	27.0	26.8
Profit after Tax	1,323	1,574	2,416	2,008
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	1,323	1,574	2,657	2,008
YoY gr. (%)	(8.1)	(10.1)	127.8	51.7
Margin (%)	3.2	3.3	4.3	4.0
Extra Ord. Income / (Exp)	-	-	(241)	-
Reported PAT	1,323	1,574	2,416	2,008
YoY gr. (%)	(8.1)	4.9	107.2	51.7
Margin (%)	3.2	3.3	3.9	4.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,323	1,574	2,416	2,008
Avg. Shares O/s (m)	171	171	171	171
EPS (Rs)	7.7	9.2	15.6	11.8

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Jul-25	Accumulate	1,268	1,190
2	19-May-25	Accumulate	1,268	1,116
3	09-Apr-25	BUY	1,105	876
4	14-Feb-25	BUY	1,178	880
5	09-Jan-25	Accumulate	1,306	1,245
6	30-Oct-24	Accumulate	1,368	1,242
7	07-Oct-24	Accumulate	1,413	1,348

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Accumulate	5,600	5,093
2	Apar Industries	Hold	9,540	9,682
3	BEML	Hold	4,142	4,522
4	Bharat Electronics	Hold	374	387
5	BHEL	Hold	215	228
6	Carborundum Universal	Hold	1,028	994
7	Cummins India	BUY	3,647	3,478
8	Elgi Equipments	Accumulate	559	535
9	Engineers India	Accumulate	250	242
10	GE Vernova T&D India	Accumulate	2,706	2,473
11	Grindwell Norton	Hold	1,739	1,635
12	Harsha Engineers International	Hold	402	423
13	Hindustan Aeronautics	Accumulate	5,500	5,003
14	Ingersoll-Rand (India)	BUY	4,522	4,045
15	Kalpataru Projects International	Accumulate	1,268	1,190
16	KEC International	Accumulate	911	860
17	Kirloskar Pneumatic Company	BUY	1,636	1,316
18	Larsen & Toubro	BUY	4,144	3,496
19	Praj Industries	BUY	545	497
20	Siemens	Accumulate	3,497	3,291
21	Thermax	Hold	3,633	3,779
22	Triveni Turbine	BUY	650	533
23	Voltamp Transformers	BUY	10,285	8,892

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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(Indian Clients)

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3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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