

# Retail Equity Research



## PNC Infratech Ltd.

BUY

Sector: Construction & Engineering

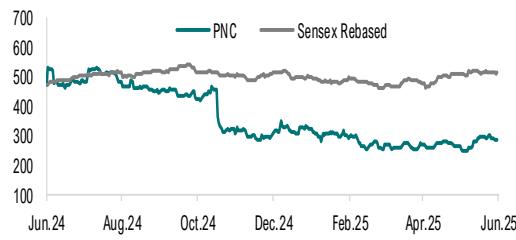
09<sup>th</sup> June 2025

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

Data as of: 06-06-2025

Company Data			
	Q2FY25	Q3FY25	Q4FY25
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



### 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 highways, 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

Author: Antu Eapan Thomas - Sr. Research Analyst



## 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.

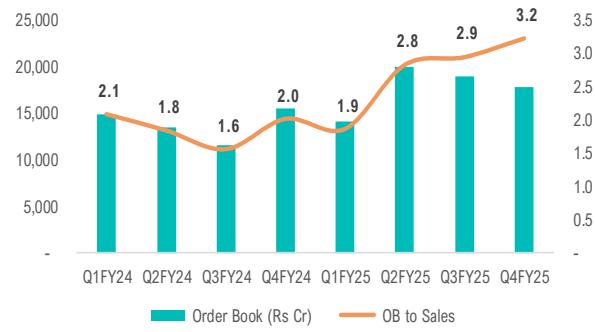
## SOTP Valuation

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
<b>Total Value per share</b>	<b>386</b>		

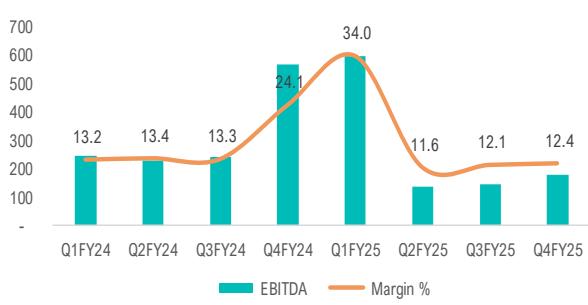
### Revenue



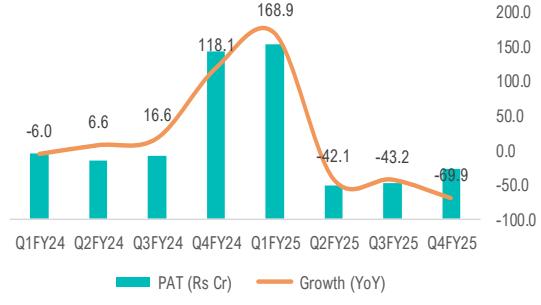
### Order Book



### EBITDA



### PAT



## Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	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

### 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	-	-	-	-	-
<b>Total Assets</b>	<b>6,070</b>	<b>6,651</b>	<b>7,001</b>	<b>7,650</b>	<b>8,359</b>
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
<b>Total Liabilities</b>	<b>6,070</b>	<b>6,651</b>	<b>7,001</b>	<b>7,650</b>	<b>8,359</b>
<b>BVPS (Rs.)</b>	<b>154</b>	<b>186</b>	<b>212</b>	<b>233</b>	<b>257</b>

### 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
<b>C.F. Operation</b>	<b>85</b>	<b>756</b>	<b>1,361</b>	<b>620</b>	<b>615</b>
Capital exp.	-214	-118	-120	-120	-120
Change in inv.	-164	-103	-911	-205	-225
Other invest.CF	0	0	0	0	0
<b>C.F – Investment</b>	<b>-416</b>	<b>-249</b>	<b>-1097</b>	<b>-390</b>	<b>-415</b>
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
<b>C.F – Finance</b>	<b>217</b>	<b>-421</b>	<b>-520</b>	<b>-4</b>	<b>-97</b>
Chg. in cash	-114	85	-256	226	102
Closing cash	293	378	122	348	449

### RATIOS

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Profitab. &amp; Return</b>					
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
<b>W.C &amp; Liquidity</b>					
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
<b>Turnover &amp; Leverage</b>					
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
<b>Valuation</b>					
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)



Dates	Rating	Target
01-Jun-2022	Buy	315
02-Mar-2023	Buy	328
13-Jun-2023	Buy	379
03-Oct-2023	Buy	438
25-Jun-2024	Hold	525
13-Sep-2024	Accumulate	526
22-Oct-2024	Neutral	NA
12-Mar-2025	Buy	305
09-Jun-2025	Buy	386

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.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

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

## DISCLAIMER & DISCLOSURES

Certification: I, Antu Eapan Thomas, author of this Report, hereby certify that all the views expressed in this research report reflect our personal views about any or all of the subject issuer or securities. This report has been prepared by the Research Team of Geojit Investments Limited, hereinafter referred to as GIL.

For general disclosures and disclaimer: Please [Click here.](#)

#### Regulatory Disclosures:

Group companies/ Fellow subsidiaries of Geojit Investments Ltd (GIL ) are Geojit Financial Services Limited (GFSL), Geojit Technologies Private Limited (Software Solutions provider), Geojit Credits Private Limited (NBFC), Geojit Fintech Private Ltd, Geojit IFSC Ltd (a company incorporated under IFSC Regulations), Qurum Business Group Geojit Securities LLC ( a subsidiary of holding company in Oman engaged in Financial Services ), Barjeel Geojit Financial Services LLC (a joint venture of holding company in UAE engaged in Financial Services), and BBK Geojit Consultancy and Information KSC (C) (a joint venture in Kuwait-engaged in Financial services). In the context of the SEBI Regulations on Research Analysts (2014), GIL affirms that we are a SEBI registered Research Entity and in the course of our business as a stock market intermediary, we issue research reports /research analysis etc. that are prepared by our Research Analysts. We also affirm and undertake that no disciplinary action has been taken against us or our Analysts in connection with our business activities.

In compliance with the above-mentioned SEBI Regulations, the following additional disclosures are also provided which may be considered by the reader before making an investment decision:

#### 1. Disclosures regarding Ownership:

GIL confirms that:

(i)It/its associates have no financial interest or any other material conflict in relation to the subject company (ies) covered herein, at the time of publication of the research report.  
(ii)It/its associates have no actual beneficial ownership of 1% or more in relation to the subject company (ies) covered herein, at the end of the month immediately preceding the date of publication of the research report.

Further, the Analyst confirms that:

(i) He, his associates and his relatives shall take reasonable care to ensure that they do not have any financial interest in the subject company (ies) covered herein, and they have no other material conflict in the subject company, at the time of publication of the research report.

(ii) He, his associates and his relatives have no actual/beneficial ownership of 1% or more in the subject company covered, at the end of the month immediately preceding the date of publication of the research report.

#### 2. Disclosures regarding Compensation:

During the past 12 months, GIL or its Associates:

(a) Have not received any compensation from the subject company; (b) Have not managed or co-managed public offering of securities for the subject company (c) Have not received any compensation for investment banking or merchant banking or brokerage services from the subject company. (d) Have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company. e) Have not received any compensation or other benefits from the subject company or third party in connection with the research report (f) The subject company is / was not a client during twelve months preceding the date of distribution of the research report.

#### 3. Disclosure by GIL regarding the compensation paid to its Research Analyst:

GIL hereby confirms that no part of the compensation paid to the persons employed by it as Research Analysts is based on any specific brokerage services or transactions pertaining to trading in securities of companies contained in the Research Reports.

#### 4. Disclosure regarding the Research Analyst's connection with the subject company:

It is affirmed that I, Antu Eapan Thomas, Research Analyst (s) of GIL have not served as an officer, director or employee of the subject company.

#### 5. Disclosure regarding Market Making activity:

Neither GIL/its Analysts have engaged in market making activities for the subject company.

#### 6. Disclosure regarding conflict of interests:

GIL shall abide by the applicable regulations/ circulars/ directions specified by SEBI and Research Analyst Administration and Supervisory Body (RAASB) from time to time in relation to disclosure and mitigation of any actual or potential conflict of interest. GIL will endeavour to promptly inform the client of any conflict of interest that may affect the services being rendered to the client.

7. "Registration granted by SEBI, membership of BASL (in case of IAS) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors."

8. Clients are required to keep contact details, including email id and mobile number/s updated with the GIL at all times.

9. In the course of providing research services by GIL, GIL cannot execute/carry out any trade (purchase/sell transaction) on behalf of, the client. Thus, the clients are advised not to permit GIL to execute any trade on their behalf.

10. GIL will never ask for the client's login credentials and OTPs for the client's Trading Account Demat Account and Bank Account. The Clients are advised not to share such information with anyone including GIL.

## 11. Standard Warning: "Investment in securities market are subject to market risks. Read all the related documents carefully before investing."

#### 12. Disclosures regarding Artificial Intelligence tools.

Neither Geojit Investments Limited nor its Analysts have utilized any AI tools in the preparation of the research reports.

Please ensure that you have read the "Risk Disclosure Documents for Capital Market and Derivatives Segments" as prescribed by the Securities and Exchange Board of India before investing.

**Geojit Investments Ltd.** Registered Office: 7th Floor 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website : [www.geojit.com/GIL](http://www.geojit.com/GIL) . For investor queries: [customer-care@geojit.com](mailto:customer-care@geojit.com)

#### GRIEVANCES

**Step 1:** The client should first contact the RA using the details on its website or following

contact details: Compliance officer: Ms. Indu K. Address: 7th Floor, 34/659-P, Civil Line Road, Padivattom, Ernakulam.; Phone: +91 484-2901367; Email: [compliance@geojit.com](mailto:compliance@geojit.com). For Grievances: [grievances@geojit.com](mailto:grievances@geojit.com). **Step 2:** If the resolution is unsatisfactory, the client can also lodge grievances through SEBI's SCORES platform at [www.scores.sebi.gov.in](http://www.scores.sebi.gov.in) **Step 3:** The client may also consider the Online Dispute Resolution (ODR) through the Smart ODR portal at <https://smartodr.in>

Corporate Identity Number: U66110KL2023PLC080586, SEBI Stock Broker Registration No: INH000019567; Depository Participant : IN-DP-781-2024.

ANTU EAPAN  
THOMAS

  
Digitally signed by ANTU EAPAN  
THOMAS  
Date: 2025.06.09 11:07:03 +05'30'