

May 18, 2026

## Respite on Balance sheet front; execution pickup awaited

**About the stock:** NCC is one of the leading infrastructure companies with presence across varied verticals such as building, roads, water, mining and electrical. The standalone order book stood at ₹72,259 crore as of Q4FY26, 4.1x TTM book to bill.

- Well-diversified order backlog, robust execution capabilities, and a strong focus on working capital to be key over next few years

**Q4FY26 Performance:** NCC on standalone basis, reported revenue at ₹ 5315.7 crore, down 1.1% YoY. Subdued revenues were due to slowdown in the water and irrigation segment. EBITDA reported at ₹449 crore was down 9.4% YoY along with margins reported at 8.4%, down 77 bps YoY. PAT reported at ₹ 203 crore, was down 5.4% YoY. For FY25, revenues were reported at ₹17463.4 crore, down 9.1% YoY. EBITDA at ₹1448 crore was down 17% YoY along with margins at 8.3% were down 79 bps YoY. PAT was reported at ₹577 crore, down 24% YoY.

### Investment Rationale

- Healthy order book; Execution key ahead:** The standalone orderbook stood at ₹72,259 crore as of Q4FY26, 4.1x TTM book to bill. The consolidated orderbook stood at ₹83,004 crore as of Q4FY26, 3.9x TTM book to bill. The management refrained from giving formal revenue or margin guidance for FY27, due to macro uncertainty, commodity inflation, logistics risks and payment visibility concerns. It expects to revisit and issue formal guidance post Q1FY27. **We expect revenue CAGR of 11.7% over FY26-28E to ₹21,794 crore, with recovery likely from H2FY27, onwards**
- Margin to gradually improve ahead; Some easing of JJM receivables seen:** We Bake in EBITDA margins at 8.5%/9% in FY27/FY28 vs. 8.3% in FY26, led by improved execution ahead. This will translate into earnings CAGR of 17.8% over FY26-FY28. Total Jal Jeevan Mission (JJM) receivables (trade and unbilled) fell to ₹3,015 crore (from ₹3,700 crore as of Q3FY26), while a ₹1,000 crore collection in April drastically reduced unpaid bills to ₹695 crore from ₹1,700 crore, signalling a sharp working capital recovery. **On working capital front, working capital days which stood at 97 days (119 days in Q3) resulting in decrease in gross debt to ₹2,251 crore from ₹2,980 crore in Q3, with net debt at ₹1,667 crore (₹2,846 crore in Q3).**

### Rating and Target Price

- NCC is a key beneficiary of the tailwinds in the buildings, roads, water, mining and electrical segments. Given the strong order book visibility, execution is likely to improve ahead, despite interim weakness as seen currently
- We value NCC at ₹180 at 13x FY28 P/E and maintain our BUY rating on the stock.**

### Key Financial Summary

₹ crore	FY24	FY25	FY26	5 year CAGR (FY21-26)	FY27E	FY28E	3 year CAGR (FY26-28E)
Net Sales	18,314	19,205	17,463	19.2%	18,479	21,794	11.7%
EBITDA	1,648	1,746	1,448	11.1%	1,579	1,972	16.7%
EBITDA Margin (%)	9.0	9.1	8.3		8.5	9.0	
Adj. PAT	837	800	631	19.3%	631	876	17.8%
Adj. EPS (₹)	10.1	12.1	9.2		10.1	14.0	
P/E (x)	16.0	13.3	17.5		16.0	11.5	
EV/EBITDA(x)	5.9	5.7	7.5		6.7	5.2	
RoNW (%)	12.3	10.8	8.3		7.8	10.0	
RoCE (%)	20.1	19.4	14.6		14.8	17.3	

Source: Company, ICICI Direct Research



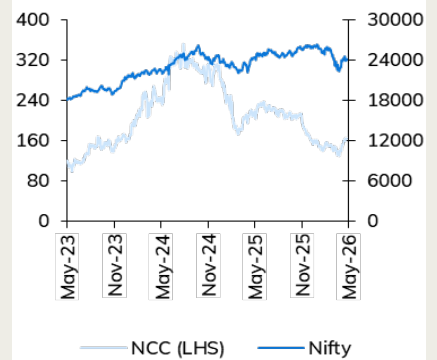
### Particulars

Particular	₹ crore
Market Capitalisation	9,587
Total Debt (FY26)	2,251
Cash (FY26)	1,165
EV	10,674
52 week H/L (₹)	242 / 130
Equity capital	125.6
Face value	2.0

### Shareholding pattern

	Jun-25	Sep-25	Dec-25	Mar-26
Promoters	22.1	22.1	22.3	22.8
FIIs	12.7	12.9	11.5	12.1
DII	17.5	16.7	15.3	16.4
Other	47.7	48.4	51.0	48.7

### Price Chart



### Key risks

- Continued weak execution.
- Heightened competitive intensity impacting margins

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## Performance highlights and outlook

- **Guidance:** The management refrained from giving formal revenue or margin guidance for FY27, due to macro uncertainty, commodity inflation, logistics risks and payment visibility concerns. It expects to revisit and issue formal guidance post Q1FY27.
- **Orderbook and Order Pipeline:** The standalone orderbook stood at ₹72,259 crore as of Q4FY26, 4.1x TTM book to bill. The consolidated orderbook stood at ₹83,004 crore as of Q3FY26, 3.9x TTM book to bill. The management has indicated that it has bid for projects worth ₹1,700 crore in April and has identified a prospective bidding pipeline of ~₹2.5 lakh crore for FY27. The consolidated order book breakdown is as follows:
  - The **building division** is worth ₹22,411 crore (27% of total order book).
  - The **transportation division** is worth ₹16,600 crore (20% of total order book).
  - The **Water & Railways business** is worth ₹9,960 crore (12% of total order book).
  - The **electrical T&D business** is worth ₹14,110 crore (17% of total order book).
  - The **mining divisions** is worth ₹14,940 crore (18% of total order book).
  - The **irrigation** is worth ₹4,980 crore (6% of total order book).
- **JJM Projects:** As of Q4FY26, the company's Jal Jeevan Mission (JJM) order book stood at ₹6,181 crore (groundwater: ₹3,619 crore; surface water: ₹2,562 crore), with ₹1,730 crore executed in FY26. **Total receivables (trade and unbilled) fell to ₹3,015 crore (from ₹3,700 crore as of Q3FY26), while a ₹1,000 crore collection in April drastically reduced unpaid bills to ₹695 crore from ₹1,700 crore, signalling a sharp working capital recovery.**
- **Project-level updates:**
  - **Smart meters update:** Investment in smart meter Special Purpose Vehicles (SPVs) has **successfully capped out at ~₹460 crore, with management strategically reassuring the market that no further equity infusions will be required going forward.** Standalone smart meter order book stood at ~₹4,456 crore.
  - **Goregaon-Mulund Link Road (GMLR) Tunnel Project:** NCC has **deployed ~₹320 crore in TBM-related capex for its ₹3,000 crore share of the project,** which carries a five-year execution timeline. Tunnel Boring Machine (TBM) **operations are scheduled to commence within the next two months.**
  - **BSNL Project:** NCC's execution is progressing well with ₹430 crore worth of work executed to date.
  - **International Projects:** NCC is nearing the completion of its sole overseas project in Qatar, with a minimal remaining balance work of ₹20-25 crore.
- **Debt Position:** NCC reported a **meaningful reduction in debt during Q4FY26, with gross debt declining to ~₹2,251 crore from ~₹2,980 crore QoQ, while net debt reduced to ~₹1,667 crore from ~₹2,830 crore in Q3FY26,** with D/E ratio improving to 0.30x versus 0.40x in the previous quarter.
- **Capex:** Management has **guided for an FY27 capex of ~₹500 crore, a significant reduction from ~₹912 crore in FY26.** The allocation includes

**₹100-150 crore for mining equipment earmarked for a newly awarded project, with the remaining ₹350-400 crore directed toward regular equipment replacement, refurbishment, formwork, and project-specific machinery across ongoing operations.**

- Working Capital:** At the end of Q4FY26, working capital (excluding cash and margin deposits) stood at **~₹4,847 crore, improving to 97 days**. Trade receivables declined to **~₹3,336 crore (73 days vs. 87 days in Q3FY26)** and unbilled revenue moderated to **~₹6,675 crore (vs. ~₹7,129 crore QoQ)**. While retention money increased to **~₹2,253 crore**, mobilization advances rose to **~₹3,386 crore**, providing liquidity buffers with 64% structured as interest-bearing at an average cost of 9.2%.

**Exhibit 1: Quarter Performance**

	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ(%)	Comments
Net Sales	5,315.7	5,376.1	-1.1	4,042.9	31.5	Subdued revenues were due to slowdown in the water and irrigation segment
Other Income	66.5	69.1	-3.8	39.4	68.8	
Total Construction Expenses	2,465.4	2,706.6	-8.9	2,006.3	22.9	
Employee cost	216.3	200.2	8.0	199.5	8.4	
Other expenditure	2,184.5	1,974.0	10.7	1,509.7	44.7	
EBITDA	449.5	495.3	-9.2	327.3	37.3	
EBITDA Margin (%)	8.5	9.2	-76 bps	8.1	36 bps	
Depreciation	62.1	53.0	17.1	56.7	9.4	
Interest	173.1	174.0	-0.6	168.4	2.8	
Exceptional items	-21.5	-38.6	NA	-33.2	0.0	
PBT	259.3	298.7	-13.2	108.5	139.1	
Taxes	55.7	84.3	-33.9	26.5	110.6	
Adjusted PAT	225.1	253.0	-11.0	115.2	95.4	

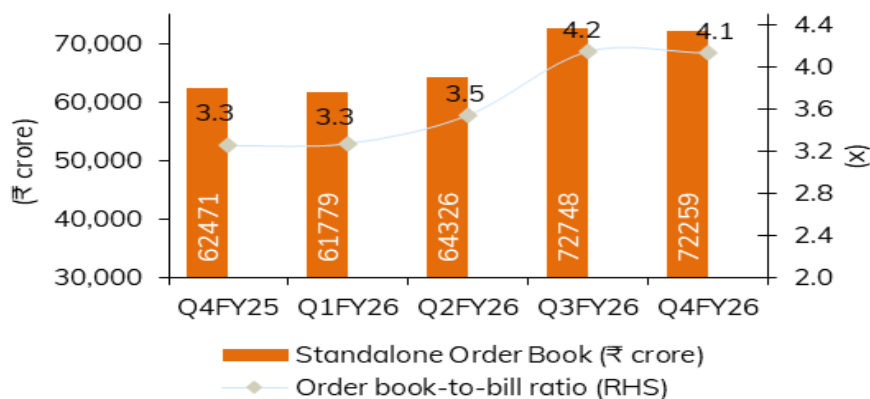
Source: Company, ICICI Direct Research

**Exhibit 2: Change in Estimates**

(₹ Crore)	FY27E			FY28E			
	Old	New	% Change	Old	New	% Change	
Revenue	19,876	18,479	-7.0	22,677	21,794	-3.9	Lower the execution
EBITDA	1,789	1,579	-11.7	2,041	1,972	-3.4	
EBITDA Margin (	9.0	8.5	-45 bps	9.0	9.0	5 bps	
PAT	786	631	-19.7	940	876	-6.7	
EPS (₹)	12.5	10.1	-19.7	15.0	14.0	-6.7	

Source: Company, ICICI Direct Research

**Exhibit 3: Order Book Trend**



Source: Company, ICICI Direct Research

## Financial Summary

### Exhibit 4: Profit and loss statement

₹ crore	FY25	FY26	FY27E	FY28E
Net Sales	19,205	17,463	18,479	21,794
Other Income	187	206	216	227
Total revenues	19,392	17,669	18,695	22,021
RM Exp.	7,778	6,938	7,299	8,500
Employee exp	759	812	859	1,013
Constr. exp	8,579	7,912	8,372	9,873
Other Exp	344	353	370	436
Total op exp.	17,460	16,015	16,900	19,821
EBITDA	1,746	1,448	1,579	1,972
Interest	653	645	665	721
Depreciation	213	228	277	294
PBT	1,028	726	853	1,184
Taxes	267	149	222	308
PAT	761	577	631	876
Adjusted PAT	800	631	631	876
EPS	10.1	12.1	9.2	10.1

Source: Company, ICICI Direct Research

### Exhibit 5: Cash flow statement

₹ crore	FY25	FY26	FY27E	FY28E
Profit after Tax	761	577	631	876
Depreciation	213	228	277	294
Prov for Taxes	71	78	118	216
CF before wc changes	1,376	1,142	1,336	1,689
Change in WC	231	(181)	130	(721)
Taxes Paid	(131)	(209)	(291)	(249)
Net CF from op. activities	271	201	905	585
(Purchase)/Sale of FA	(302)	(901)	(350)	(250)
(Purchase)/Sale of Inv.	(18)	198	-	-
Net CF from inv. activities	(320)	(702)	(350)	(250)
Change in Debt	479	767	-	-
Other	-	-	-	-
Net CF from fin. activities	342	328	(157)	(157)
Net Cash flow	293	(173)	398	178
Opening Cash	1,044	1,338	1,165	1,563
Closing Cash	1,338	1,165	1,563	1,741

Source: Company, ICICI Direct Research

### Exhibit 6: Balance Sheet

₹ crore	FY25	FY26	FY27E	FY28E
Equity Capital	126	126	126	126
Reserve and Surplus	7,311	7,449	7,923	8,642
Shareholders funds	7,437	7,574	8,049	8,768
Total Debt	1,484	2,251	2,251	2,251
Other Non-curr. Liab.	-	-	-	-
Def. Tax Liability	(41)	(38)	(38)	(38)
Source of Funds	8,880	9,788	10,262	10,981
Gross Block	3,013	3,606	3,956	4,206
Less: Acc. Dep	1,750	1,978	2,255	2,550
Net Block	1,263	1,628	1,701	1,657
Capital WIP	37	349	349	349
Total Fixed Assets	1,300	1,977	2,050	2,005
Investments	1,304	1,106	1,106	1,106
Inventory	1,392	1,787	1,620	1,911
Sundry Debtors	3,098	3,336	3,544	3,881
Loans & Advances	468	599	608	717
Cash & Bank	1,338	1,165	1,563	1,741
Other Current Assets	10,141	12,254	12,967	15,292
Total Current Assets	16,436	19,141	20,301	23,542
Trade Payable	7,643	6,991	7,398	8,725
Provisions	167	202	214	252
Other Curr. Liabilities	3,103	5,858	6,198	7,310
Total Curr. Liabilities	10,913	13,051	13,810	16,287
Net Current Assets	5,522	6,090	6,491	7,254
Application of Funds	8,880	9,788	10,262	10,981

Source: Company, ICICI Direct Research

### Exhibit 7: Key ratios

	FY25	FY26	FY27E	FY28E
<b>Per Share Data</b>				
Reported EPS	12.1	9.2	10.1	14.0
BVPS	118.4	120.6	128.2	139.6
<b>Operating Ratios</b>				
EBITDA / Net Sales	9.1	8.3	8.5	9.0
PAT / Net Sales	4.2	3.6	3.4	4.0
<b>Return Ratios</b>				
RoE	10.8	8.3	7.8	10.0
RoCE	19.4	14.6	14.8	17.3
RoIC	20.4	14.7	15.6	18.9
<b>Valuation Ratios</b>				
EV / EBITDA	5.4	7.2	6.3	5.0
P/E	12.6	16.6	15.1	10.9
EV / Net Sales	0.5	0.6	0.5	0.4
Market Cap / Sales	0.5	0.5	0.5	0.4
Price to Book Value	1.3	1.3	1.2	1.1
<b>Turnover Ratios</b>				
Asset turnover	2.2	1.8	1.8	2.0
Debtors Turnover Ratio	4.5	6.6	6.2	5.2
Creditors Turnover Ratio	2.8	3.0	2.5	2.5
<b>Solvency Ratios</b>				
Net Debt / Equity	0.0	0.1	0.1	0.1
Current Ratio	1.4	1.4	1.4	1.3
Quick Ratio	1.3	1.2	1.2	1.2

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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