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India | Equity Research | Results Update

## GR Infraprojects

Construction

### Executable OB stands steady at INR 140bn; robust tender pipeline may push OI ahead

GR Infra continues to tread water on order inflow front, with total OI of INR 140bn in FY25 & FY24 combined - matching FY23's tally as the ordering in roads remained subdued. The impact was visible in FY25, with revenue declining 16% YoY to INR 65bn. EBITDA took a 20% hit to INR 9bn, as margin slipped 70bps. Adjusted PAT increased 31% YoY to INR 7.8bn. The executable orderbook holds steady at INR 140bn. With appointed dates likely for two projects by Q3FY26 and L1 status secured in four projects worth INR 52bn, GR Infra may soon see improvement in its OB. A robust INR 1.8trn tender pipeline offers opportunity for OI to pick up pace, aiding the company to deliver on its 10–15% revenue growth guidance for FY26. The stock is currently trading at 5x FY27E (considering 2x exit multiple on its HAM portfolio). We maintain **BUY** with a revised SoTP-based TP of **INR 1,420** per share (vs. INR 1,329 earlier).

### A sub-par set of Q4FY25 result

Revenue in Q4FY25 came in at INR 20bn, down 12% YoY. EBITDA margin remained flat YoY with EBITDA coming in at INR 3.5bn (down 13% YoY). On the flip side, other income comprising interest and dividend distribution from the InvIT (up to 50–55%) more than doubled YoY to INR 1.4bn. Adjusted PAT stood at INR 3.3bn. The year was impacted by lower order intake on account of subdued bidding activity in roads segment.

### Steady orderbook; strong OI guidance

OB stands at INR 192bn (+14% YoY). Two projects are yet to receive AD worth INR 57bn, hence, its executable OB stands at INR 140bn. Apart from this, the company is L1 in four projects worth INR 52bn. It has been looking to lower its dependence on road and diversify its OB. Road consists of 75% of the OB. The company has given a guidance of INR 200bn OI for FY26 (incl. L1).

### Order pipeline at INR 1.8trn for FY26

Order pipeline stands at INR 1.8trn spread across sectors – roads (INR 0.8trn), hydro (INR 0.5trn), power (INR 0.2trn). The company has given a guidance of 10–15% growth in revenue for FY26. Given the executable OB at INR 140bn, we believe bagging new orders would be key going forward.

### Maintain BUY with TP of INR 1,420

Maintain **BUY** with a revised TP of **INR 1,420** (earlier INR 1,329).

### Financial Summary

Y/E Mar-31 (INR mn)	FY24A	FY25E	FY26E	FY27E
Net Revenue	77,880	65,156	71,671	82,422
EBITDA	11,354	9,045	9,894	10,915
EBITDA Margin (%)	14.6	13.9	13.8	13.2
Net Profit	19,780	8,066	7,409	8,331
EPS (INR)	204.6	83.4	76.6	86.1
EPS % Chg YoY	0.1	0.3	(0.1)	0.1
P/E (x)	19.5	14.9	15.8	14.0
EV/EBITDA (x)	8.4	10.0	7.9	7.3
RoCE (%)	9.3	10.4	8.9	8.7
RoE (%)	9.6	10.4	9.0	9.3

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#### Market Data

Market Cap (INR)	117bn
Market Cap (USD)	1,365mn
Bloomberg Code	GRINFRA IN
Reuters Code	GINF BO
52-week Range (INR)	1,860 /901
Free Float (%)	25.0
ADTV-3M (mn) (USD)	2.6

Price Performance (%)	3m	6m	12m
Absolute	17.4	(23.1)	(21.2)
Relative to Sensex	9.0	(29.2)	(33.0)

ESG Score	2023	2024	Change
ESG score	64.0	64.2	0.2
Environment	48.7	50.5	1.8
Social	61.8	64.5	2.7
Governance	74.6	74.7	0.1

**Note** - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

#### Previous Reports

25-03-2025: [Initiating Coverage](#)

## Valuation and outlook

Over the past couple of years, GR Infra was struggling for execution growth on account of lower order inflow, and thus, low executable order backlog of INR 190bn as on FY25 (3.3x TTM revenue). However, executable orderbook stood at INR 140bn (in FY25) which is 1.7x of FY24 revenue.

It witnessed order inflow worth ~INR 89bn over FY25. With order pipeline worth INR 1.8trn, it is expected to add another INR 150bn (less than 10% of order pipeline) by the end of FY26.

Moreover, GR Infra has successfully launched its InvIT and has transferred eight operational HAM projects to the InvIT and had booked other income of INR 5bn in FY25, This InvIT will act as a platform for GR Infra to offload its operational assets to churn cash and invest in future projects, thus, improving its profitability.

Given a decent order build up, stable input price environment, improved bidding pipeline and the possibility of liquidation of operational assets, we maintain **BUY** on the stock with target price of **INR 1,420** (earlier INR 1,329) (SoTP based).

**Downside risks:** a) Delay in order inflow, b) lower bidding activity, c) delay in execution of projects in hand.

### Exhibit 1: Maintain BUY with TP of INR 1,420

(INR mn)	Basis of valuation	PAT/Equity value	Multiple	Valuation	Per share
EPC	10x FY27E	6,254	10	65,040	672
BOT & HAM	1.5 x FY27E equity invested	34,096	1.5	51,144	529
INVIT Value		48,559	43.6%	21,152	219
<b>Total</b>				<b>1,37,337</b>	<b>1,420</b>
Shares outstanding (mn)					97

Source: I-Sec research, Company data

### Exhibit 2: Standalone quarterly trend

Income Statement (INR mn)	Q3FY25	Q4FY24	Q4FY25	YoY (%)	QoQ (%)
Net sales	15,005	22,554	19,904	-12%	33%
EBITDA	1,923	3,990	3,484	-13%	81%
OPM (%)	12.8	17.7	17.5	-19 bps	469 bps
Other inc.	1,222	550	1,389	153%	14%
Interest	207	250	155	-38%	-25%
Dep. & Amort.	612	612	572	-6%	-6%
PBT	2,326	3,678	4,146	13%	78%
PAT	1,686	1,188	3,339	181%	98%
Reported PAT	1,686	14,908	3,712	-75%	120%
EPS (INR)	17.4	12.3	34.5	181%	98%

Source: I-Sec research, Company data

## Q4FY25: Key conference call highlights

### Orderbook

- OB at the end of the year stands at INR 243bn (incl. L1 of INR 52bn).
- OI for the quarter stood at INR 42bn (flat YoY).
- OI for FY25 stood at INR 97bn (+146% YoY).
- 75% of OB comprises roads; the company is looking to diversify its OB further.
- Book-to-bill stood at 3.6x for FY25, but the executable orderbook stood at INR 140bn.
- 7 projects are operational currently with 5 road HAM projects (2 projects commissioned recently).
- The company is keen on monetising its HAM assets with opportunity available from InvIT.

### Under-construction portfolio

- It consists of 15 UC HAM projects, 1 ropeway project, 3 transmission projects and 1 multimodal project.
- It expects to receive AD for Varanasi-Ranchi-Kolkata (HAM) worth INR 11bn by Jun'26.
- It also expects to receive AD for Agra-Gwalior (Toll) worth INR 40bn by Q3FY26.

### Tender pipeline

- Tender pipeline stands healthy at INR 1.8trn with opportunities in roads (INR 0.8trn), hydro (INR 0.5trn), power (INR 0.2trn), ropeway and tunnel (INR 0.2trn), and railway (INR 0.1trn).

### Guidance

- The management has given a revenue growth guidance of 10-15% for FY26.
- Expect no growth in margins as the competition is too high.
- OI is expected to be INR 200bn in FY26.
- Capex guidance of INR 1.3bn (flat YoY) for FY26.
- The company will continue to get InVIT dividend of INR 2 bn p.a.
- The company expects to get COD for 2-3 HAM projects in coming quarters.

### Others

- WC days stood at 124 days in FY25 (vs 112 days in FY24).
- Equity requirement of INR 28bn by FY28 including BOT project. BOT project equity requirement is of INR 10bn.
- INR 10bn will be infused each in FY26 & FY27 as per the current OB.

### Exhibit 3: Shareholding pattern

%	Sep'24	Dec'24	Mar'25
Promoters	74.7	74.7	74.7
Institutional investors	22.2	22.3	22.0
MFs and other	20.1	19.7	19.1
Banks/ FIs	0.1	0.1	0.1
Insurance Cos.	0.0	0.0	0.0
FIIIs	2.1	2.6	2.9
Others	3.1	3.0	3.3

Source: Bloomberg, I-Sec research

### Exhibit 4: Price chart



Source: Bloomberg, I-Sec research

## Financial Summary

### Exhibit 5: Profit & Loss

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
<b>Net Sales</b>	<b>77,880</b>	<b>65,156</b>	<b>71,671</b>	<b>82,422</b>
Operating Expenses	1,552	1,396	1,452	1,597
<b>EBITDA</b>	<b>11,354</b>	<b>9,045</b>	<b>9,894</b>	<b>10,915</b>
EBITDA Margin (%)	14.6	13.9	13.8	13.2
Depreciation & Amortization	2,442	2,448	2,728	2,942
EBIT	8,912	6,597	7,166	7,973
Interest expenditure	1,032	857	1,037	1,164
Other Non-operating Income	2,253	5,003	3,750	4,298
<b>Recurring PBT</b>	<b>10,133</b>	<b>10,744</b>	<b>9,879</b>	<b>11,108</b>
<b>Profit / (Loss) from Associates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less: Taxes	4,155	2,913	2,470	2,777
PAT	5,978	7,830	7,409	8,331
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	13,803	236	-	-
<b>Net Income (Reported)</b>	<b>19,780</b>	<b>8,066</b>	<b>7,409</b>	<b>8,331</b>
<b>Net Income (Adjusted)</b>	<b>19,780</b>	<b>8,066</b>	<b>7,409</b>	<b>8,331</b>

Source Company data, I-Sec research

### Exhibit 6: Balance sheet

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
Total Current Assets	54,239	59,080	82,291	94,705
of which cash & cash eqv.	2,594	4,335	28,715	29,475
Total Current Liabilities & Provisions	12,526	11,943	14,962	17,248
<b>Net Current Assets</b>	<b>41,713</b>	<b>47,136</b>	<b>67,329</b>	<b>77,457</b>
Investments	25,871	26,797	25,241	25,241
Net Fixed Assets	13,081	11,074	9,845	9,903
ROU Assets	-	-	-	-
Capital Work-in-Progress	754	1,376	594	594
Total Intangible Assets	-	-	-	-
Other assets	-	-	-	-
Deferred Tax Assets	-	-	-	-
<b>Total Assets</b>	<b>81,419</b>	<b>86,382</b>	<b>1,03,009</b>	<b>1,13,195</b>
<b>Liabilities</b>				
<b>Borrowings</b>	<b>7,389</b>	<b>5,123</b>	<b>15,015</b>	<b>17,218</b>
<b>Deferred Tax Liability</b>	<b>2,072</b>	<b>2,056</b>	<b>2,056</b>	<b>2,056</b>
provisions	-	-	-	-
other Liabilities	-	-	-	-
Equity Share Capital	483	484	484	484
Reserves & Surplus	71,474	78,394	85,454	93,437
<b>Total Net Worth</b>	<b>71,957</b>	<b>78,877</b>	<b>85,938</b>	<b>93,921</b>
Minority Interest	-	-	-	-
<b>Total Liabilities</b>	<b>81,419</b>	<b>86,382</b>	<b>1,03,009</b>	<b>1,13,195</b>

Source Company data, I-Sec research

### Exhibit 7: Cashflow statement

(INR mn, year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
<b>Operating Cashflow</b>	<b>31,194</b>	<b>6,903</b>	<b>14,323</b>	<b>1,906</b>
Working Capital Changes	7,598	(3,682)	4,186	(9,367)
Capital Commitments	(1,174)	(737)	(1,043)	(3,000)
<b>Free Cashflow</b>	<b>32,367</b>	<b>7,640</b>	<b>15,367</b>	<b>4,906</b>
<b>Other investing cashflow</b>	<b>(25,014)</b>	<b>(926)</b>	<b>1,556</b>	<b>-</b>
Cashflow from Investing Activities	(26,187)	(1,663)	512	(3,000)
Issue of Share Capital	-	-	-	-
Interest Cost	(1,032)	(857)	(1,037)	(1,164)
Inc (Dec) in Borrowings	-	-	-	-
Dividend paid	-	-	(348)	(348)
Others	(28,578)	(4,305)	11,441	367
Cash flow from Financing Activities	(29,610)	(5,162)	10,056	(1,145)
<b>Chg. in Cash &amp; Bank balance</b>	<b>1,584</b>	<b>1,742</b>	<b>24,379</b>	<b>760</b>
Closing cash & balance	2,594	4,335	28,715	29,475

Source Company data, I-Sec research

### Exhibit 8: Key ratios

(Year ending Mar-31)

	FY24A	FY25E	FY26E	FY27E
<b>Per Share Data (INR)</b>				
Reported EPS	61.8	81.0	76.6	86.1
Adjusted EPS (Diluted)	204.6	83.4	76.6	86.1
Cash EPS	229.8	108.7	104.8	116.5
Dividend per share (DPS)	-	-	3.6	3.6
Book Value per share (BV)	744.2	815.6	888.3	970.8
Dividend Payout (%)	-	-	4.7	4.2
<b>Growth (%)</b>				
Net Sales	0.0	(0.2)	0.1	0.2
EBITDA	0.2	(0.2)	0.1	0.1
EPS (INR)	0.1	0.3	(0.1)	0.1
<b>Valuation Ratios (x)</b>				
P/E	19.5	14.9	15.8	14.0
P/CEPS	5.3	11.1	11.5	10.4
P/BV	1.6	1.5	1.4	1.2
EV / EBITDA	8.4	10.0	7.9	7.3
P / Sales	1.5	1.8	1.6	1.4
Dividend Yield (%)	-	-	0.3	0.3
<b>Operating Ratios</b>				
Gross Profit Margins (%)	16.6	16.0	15.8	15.2
EBITDA Margins (%)	14.6	13.9	13.8	13.2
Effective Tax Rate (%)	41.0	27.1	25.0	25.0
Net Profit Margins (%)	7.7	12.0	10.3	10.1
NWC / Total Assets (%)	48.0	49.5	37.5	42.4
Net Debt / Equity (x)	(29.3)	(33.0)	(45.3)	(39.9)
Net Debt / EBITDA (x)	(185.6)	(287.5)	(393.6)	(343.5)
<b>Profitability Ratios</b>				
RoCE (%)	9.3	10.4	8.9	8.7
RoE (%)	9.6	10.4	9.0	9.3
RoC (%)	9.3	10.4	8.9	8.7
Fixed Asset Turnover (x)	5.7	5.4	6.9	8.3
Inventory Turnover Days	37	27	52	54
Receivables Days	83	94	68	75
Payables Days	38	43	47	48

Source Company data, I-Sec research

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