

February 3, 2026

Q3FY26 Result Update

Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	70,614	63,346	69,596	82,443
EBITDA (Rs. m)	5,469	5,701	6,438	7,626
Margin (%)	7.7	9.0	9.3	9.3
PAT (Rs. m)	1,970	1,993	3,007	4,206
EPS (Rs.)	7.0	7.1	10.7	15.0
Gr. (%)	(28.7)	1.2	50.8	39.9
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	5.0	4.9	6.9	8.9
RoCE (%)	7.9	7.8	9.4	11.8
EV/Sales (x)	0.9	0.9	0.7	0.5
EV/EBITDA (x)	11.2	10.1	7.6	5.9
PE (x)	21.7	21.5	14.2	10.2
P/BV (x)	1.1	1.0	0.9	0.9

Key Data

ABDL.BO | ASBL IN

52-W High / Low	Rs.255 / Rs.140
Sensex / Nifty	83,739 / 25,728
Market Cap	Rs.43bn/ \$ 474m
Shares Outstanding	281m
3M Avg. Daily Value	Rs.204.44m

Shareholding Pattern (%)

Promoter's	54.48
Foreign	7.46
Domestic Institution	14.44
Public & Others	23.62
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(10.0)	(22.8)	(36.2)
Relative	(7.8)	(25.7)	(41.2)

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Balance sheet getting lean

Ashoka Buildcon (ASBL) delivered weak performance in Q3FY26/9MFY26, with standalone revenue declining 18% YoY / 21% YoY. However, a healthy order book of Rs159bn (2.7x TTM revenue) provides medium-term revenue visibility, with the management guiding for a return to revenue growth in FY27E. The order book is well diversified, led by roads and railways, which account for ~65%, while power T&D contributes a meaningful ~32%. Order inflows during 9MFY26 stood at Rs50bn, and the management expects further Rs30–35bn of inflows in Q4FY26. Crucially, the balance sheet has turned materially leaner following the monetization of 5 BOT assets, reducing consolidated debt from ~Rs49bn in Sep'25 to ~Rs27bn by Dec'25. Further, another tranche of HAM asset monetization is expected to lower net debt to Rs2–3bn by Mar/Apr'26. The stock is currently trading below its book value, offering valuation comfort with limited downside. We have 'BUY' rating with SoTP-based TP of Rs183.

- **Weak quarter for P/L:** On a standalone basis, Q3FY26 revenue declined 18% YoY to Rs14.9bn due to slower execution, while EBITDA margin improved marginally to 10.6%. Reported PAT stood at Rs1.0bn, aided by exceptional items. For 9MFY26, revenue declined 20% YoY to Rs41.3bn, EBITDA margin expanded to 11.3%, and PAT rose sharply to Rs2.7bn. On a consolidated basis, Q3FY26 revenue stood at Rs18.7bn (-23% YoY), EBITDA margin was 25.4%, and PAT surged to Rs21.1bn, largely driven by asset monetization gains and accounting reversals, rather than core operating performance.
- **Order book remains robust; roads & railways dominate:** As of Dec'25, Ashoka's order book stood at Rs159.3bn (Rs162.4bn, including post-Dec wins). Roads and railways account for ~65% of the order book at Rs102.9bn, comprising EPC roads of Rs70.3bn, HAM roads of Rs10.8bn and railways of Rs15.6bn. Power T&D forms a meaningful 32% at Rs51.1bn, while buildings contribute to Rs5.3bn.
- **Balance sheet de-leveraging:** ASBL materially deleveraged its balance sheet following the monetization of 5 BOT assets in Nov'25 through its subsidiary Ashoka Concessions. The transaction, valued at Rs18.1bn, resulted in consolidated debt declining sharply from ~Rs49.1bn in Sep'25 to ~Rs27.2bn by Dec'25. The management reiterated that further monetization of HAM assets should reduce consolidated debt to Rs2–3bn by Mar/Apr'26, significantly strengthening balance-sheet flexibility and lowering interest costs.
- **Opportunity in highway construction:** The highway sector is currently witnessing a moderation phase, with MoRTH/NHAI road construction in FY26 expected to decline by 10–15% YoY to 9,000–9,500km, the slowest pace since FY18. The management highlighted that the government has consciously shifted its focus away from pure kilometer addition toward higher quality infrastructure such as economic corridors, access-controlled highways and expressways, aimed at improving logistics efficiency and safety. While near-term awarding activity remains subdued, the medium-to-long-term outlook is supported by renewed emphasis on PPP models and monetization-led funding at NHAI. For FY27, MoRTH is aiming to accelerate highway construction to ~60 km per day, which translates into an implied target of 10,000km+ of national highways.

Exhibit 1: Quarterly snapshot

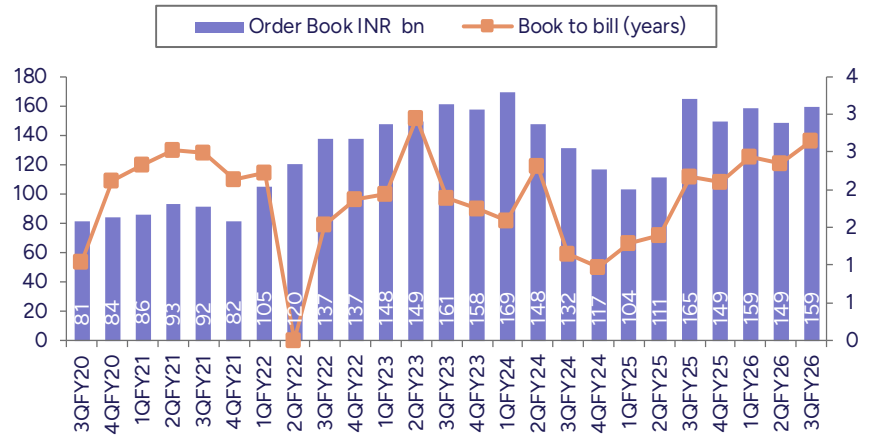
Particulars	3QFY26	3QFY25	YoY gr. (%)	2QFY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
Net Sales	14,630	17,920	(18.4)	12,661	15.6	40,398	50,866	(20.6)
Cost of sales ex Depri	13,345	16,287	(18.1)	11,428	16.8	36,657	46,829	(21.7)
EBITDA	1,286	1,633	(21.3)	1,233	4.3	3,741	4,037	(7.3)
<i>EBITDA margin (%)</i>	<i>8.8</i>	<i>9.1</i>	<i>-33bps</i>	<i>9.7</i>	<i>-95bps</i>	<i>9.3</i>	<i>7.9</i>	<i>-132bps</i>
Other income	289	237	21.5	365	(21.0)	939	888	5.7
PBITD	1,574	1,871	(15.8)	1,598	(1.5)	4,679	4,925	(5.0)
Depreciation	255	253	0.8	245	4.1	733	726	1.0
Interest	824	829	(0.6)	782	5.4	2,446	2,198	11.3
Exceptional items	527	-	NA	1,121	NA	1,647	2	NA
Pre-tax profit	1,023	789	29.7	1,693	(39.6)	3,149	2,001	57.3
Tax (current+deferred)	5	184	(97.2)	301	(98.3)	433	627	(30.9)
Profit after tax	1,018	605	68.2	1,392	(26.9)	2,716	1,374	97.6
Adj. profit after tax	491	605	(18.9)	271	80.9	1,069	1,374	(22.3)

Source: Company, PL

Q3FY26 Earnings Call Highlights

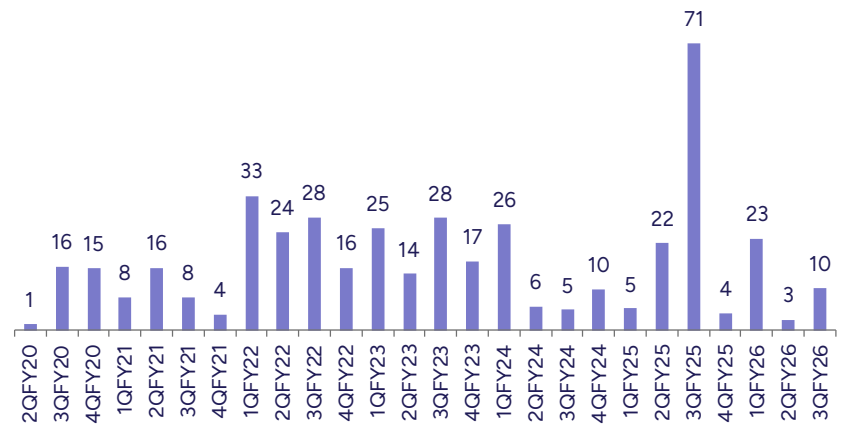
- **Management guidance on revenue growth, margins and inflows:** The management has guided that FY26 revenue is likely to be 8–10% lower YoY owing to delayed project starts and slow execution. For FY27, revenue growth of ~15% YoY is expected, assuming normalization in execution and incremental order inflows. EBITDA margin is expected to remain ~9% in the near term, with gradual improvement toward 9.5–10.5% in FY27. Order inflows are guided at Rs80–85bn for FY26 and Rs110–120bn for FY27 across roads, power T&D, railways and buildings.
- **Status on court order related to banning issue:** The management clarified that the current legal matter related to banning remains under status quo, with a stay in place from the court. ASBL continues to bid for NHAI and other government projects without any operational restrictions. While the matter is under review by relevant committees, the management indicated that there is no immediate impact on business operations or order inflows.
- **Future monetization plans:** ASBL plans to monetize its remaining 6 HAM assets in phases. The management expects proceeds of ~Rs7.5 bn by Mar'26, followed by additional ~Rs4.0bn by Jun'26. In addition, contingent consideration of up to ~Rs 5.0 bn is linked to toll concession extensions and is expected to materialize over the next 1–2 years, subject to approvals. Chennai ORR continues to be evaluated for monetization, while Jaora–Nayagaon is currently being retained due to strong cash flows.
- **Bid pipeline visibility:** The company highlighted a robust bidding environment, with the overall NHAI bid pipeline estimated at ~Rs650bn. Of this, Ashoka is selectively targeting opportunities worth ~Rs200bn, maintaining a disciplined approach focused on returns rather than aggressive volume growth. The management also indicated that the company is L1 in select projects, though details were not disclosed.
- **Equity investment in HAM projects and future infusion:** The balance equity commitment across ongoing HAM projects stands at ~Rs3.2bn, of which ~Rs2.2bn relates primarily to the Bowaichandi project and Tumkur–Shivamogga packages (TS-III & TS-IV). Equity infusion is planned at ~Rs1.8bn by Mar'26, followed by ~Rs0.7bn each in FY27 and FY28. The timing of these investments is linked to the receipt of appointed dates and progress on individual projects.

Exhibit 2: Order book visibility



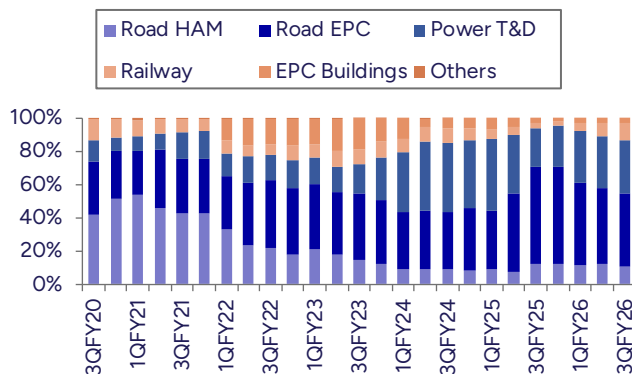
Source: Company, PL

Exhibit 3: Order inflow trajectory (Rs bn)



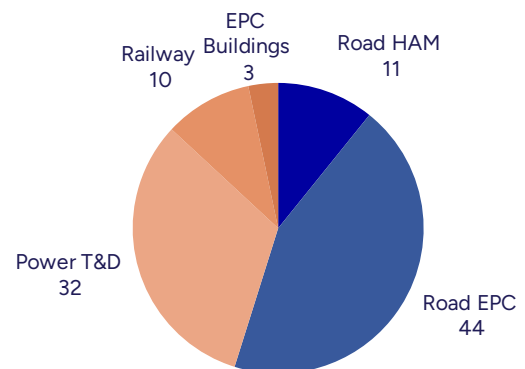
Source: Company, PL

Exhibit 4: Order book – Sector-wise exposure over the years



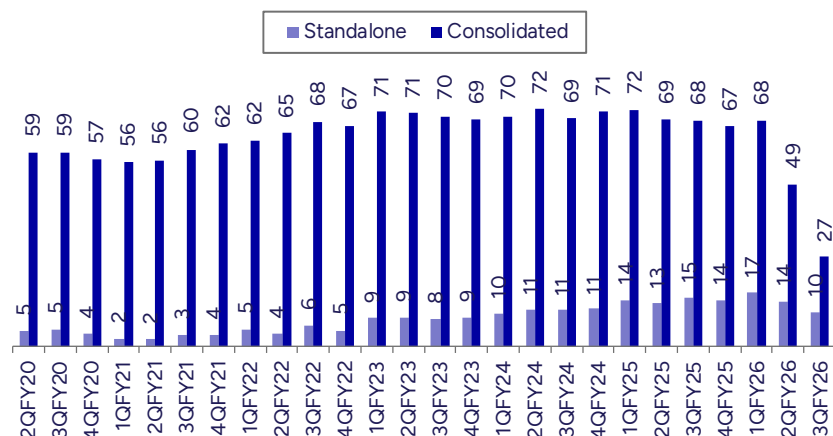
Source: Company, PL

Exhibit 5: Segment-wise order book



Source: Company, PL

Exhibit 6: Debt has fallen in the last 3 quarters, led by asset monetization



Source: Company, PL

Exhibit 7: Operational and financial metrics

(Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Order Book	81,669	1,37,309	1,58,050	1,16,970	1,49,050	1,65,704	2,06,108	2,33,665
Order Inflow	36,052	1,01,555	84,365	36,187	95,000	80,000	1,10,000	1,10,000
Book to bill x	2.2	2.4	2.3	1.8	1.9	2.5	2.7	2.7
Revenue	38,175	45,915	63,723	77,267	70,614	63,346	69,596	82,443
Change YoY, %	-3%	20%	39%	21%	-9%	-10%	10%	18%
EBITDA	5,195	5,025	5,337	5,765	5,469	5,701	6,438	7,626
EBITDA Margin %	14%	11%	8%	7%	8%	9%	9%	9%
Interest Cost	772	697	1,410	2,281	2,964	3,313	2,636	2,168
PAT	4,081	4,610	3,221	2,761	1,970	1,993	3,007	4,206
Change YoY, %	5%	13%	-30%	-14%	-29%	1%	51%	40%
PAT Margin %	11%	-7%	11%	6%	3%	3%	4%	5%
WC as a % of sales	17%	43%	45%	27%	44%	52%	46%	39%
Net debt (Rs bn)	3,023	4,153	8,109	9,320	18,182	14,881	6,017	2,463
Net debt/ equity (x)	0.1	0.2	0.2	0.2	0.5	0.4	0.1	0.0
Capex	297	767	820	1548	788	1141	1000	1000
Yearly Investment	473	-3957	2909	1263	-2178	2500	1120	1120

Source: Company, PL

Outlook & Valuations

We value ASBL using the SoTP framework to appropriately capture the earnings potential of its core EPC business and the underlying value of investments in subsidiaries. The core EPC business is valued at 10x FY28E PAT of Rs3.2bn, translating into an equity value of Rs32.0bn, or Rs114 per share, reflecting improving margins, a leaner balance sheet and normalization in execution. To this, we add the book value of investments in subsidiaries, estimated at Rs69 per share (H1FY26), which largely comprises road assets and concession holdings. This results in a SoTP-based TP of Rs183 per share.

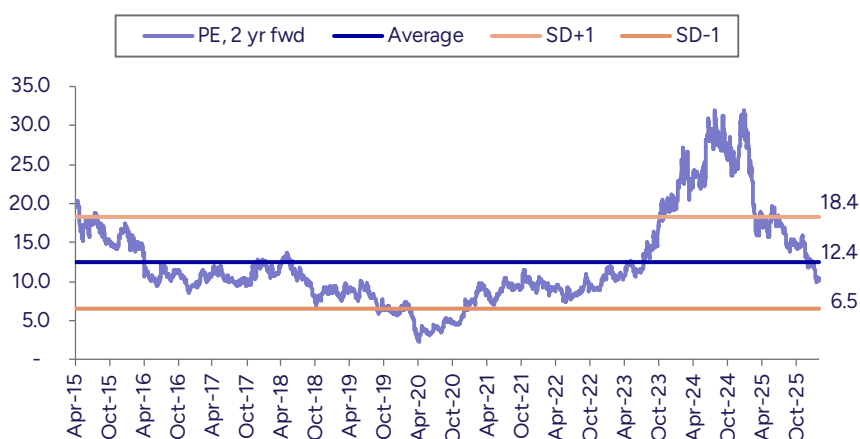
Notably, the stock is currently trading around its book value, implying limited downside and offering valuation comfort, particularly in the context of sharp deleveraging, ongoing asset monetization and improving return ratios. As execution normalizes and monetization-led value unlocks play out, we see scope for re-rating toward our SoTP-derived fair value.

Exhibit 8: TP of ASBL, valued at 2.5x FY28 BV in base case

Particulars		FY28E
Core EPC PAT (Rs mn)		3,202
Multiple (x)		10
Equity value (Rs mn)		32,025
No. of shares (mn)		281
Equity value (Rs/sh)	A	114
BV Investments in Subs 1H FY26 (Rs/sh)	B	69
Target price (Rs)	A + C	183

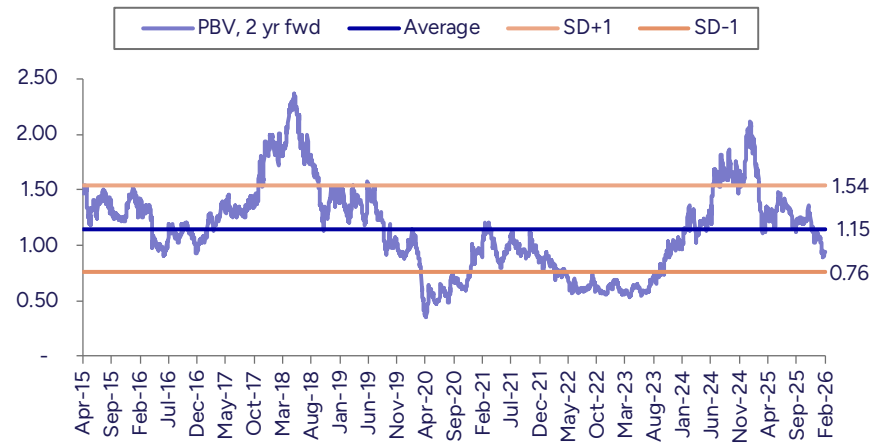
Source: Company, PL

Exhibit 9: ASBL PE band below historical averages



Source: Company, PL

Exhibit 10: ASBL is trading below book value



Source: Company, PL

Key Risks

- **Execution risk:** Large under-construction pipeline (~Rs1.5trn as of Q3FY26) across RTM and TBCB projects may face RoW, land acquisition and approval-related delays. This risk is partially mitigated by ASBL's proven execution capabilities and experience in complex projects.
- **Regulatory risk:** Operations are subject to CERC regulations; any adverse changes in allowed RoE, tariff norms or incentive structures could affect profitability and return metrics.
- **Capitalization risk:** Delays in project commissioning or capitalization could defer revenue recognition and RoE accruals, impacting near-term earnings visibility.
- **Competition risk:** Increasing participation of private players in TBCB projects could lead to aggressive bidding and lower project IRRs.
- **Counterparty risk:** Exposure to financially weak state DISCOMs could impact cash flows; however, risk is mitigated by strong collection efficiency (98–104% over the past 5 years), LC coverage of ~1.05x monthly billing, and regulatory mechanisms such as TPA invocation and power regulation.

Annexure

ASBL – Play on Infra construction

- Established in 1993 and headquartered in Nashik, Ashoka Buildcon Ltd (ASBL) is a Fortune India 500 company and one of India's leading infrastructure development and construction firms. Part of the Ashoka Buildcon Group, the company operates as an integrated EPC, BOT and HAM player with strong presence across the roads, power T&D, railways, buildings, and sewage water sectors.
- ABL began with building construction projects and subsequently expanded into highway development, marking a significant milestone with its first BOT project in 1997. Over the years, the company has built a robust and diversified infrastructure portfolio in India and overseas.
- ABL's growth has been driven by its unwavering commitment to quality, safety, consistency, and environmental consciousness, supported by a strong pool of technical and support professionals. The company's ability to execute complex, large-scale projects has enabled it to consistently push the boundaries of conventional construction practices.
- As of Dec'25, ASBL order book stood at Rs159.3bn (Rs162.4bn, including post-Dec wins). Roads and railways account for ~65% of the order book at Rs102.9bn, comprising EPC roads of Rs70.3bn, HAM roads of Rs10.8bn and railways of Rs15.6bn. Power T&D forms a meaningful 32% at Rs51.1bn, while buildings contribute to Rs5.3bn.

Shareholding

- As of Dec'25, promoters' holding stood at 54.5%
- DILs owns 14.45%, within which HDFC MF, Kotak MF, and SBI MF own 1%+ each.

Management team

- **Mr. Ashok Katariya, Chairman:** He laid the foundation of the company in 1976. A gold medalist from the College of Engineering, Pune, he is widely regarded as a visionary leader with deep technical expertise. He is a recipient of the Lifetime Achievement Award from the Association of Consulting Civil Engineers and was conferred the *Civil Engineer of the Year (2017)* award by the Institute of Engineers (India).
- **Mr. Satish Parakh, Managing Director:** He has been associated with the Ashoka Group since 1982. Under his leadership, the company has consolidated its position among India's leading highway developers and EPC players, while successfully diversifying into multiple infrastructure sectors beyond roads.

- **Mr. Sanjay Londhe, Whole Time Director:** He heads project execution across the value chain, from design and engineering to final completion. He brings over 37 years of experience in infrastructure execution and is a member of the National Safety Council's Governing Body as well as the CII National Committee on Roads & Highways (2025–26).
- **Mr. Ashish A. Kataria, Whole Time Director:** He is an MBA with a civil engineering background and has over 18 years of experience. He has been closely involved in the successful execution of several road projects at Ashoka and also serves as a whole time director of Ashoka Concessions Ltd.
- **Mr. Paresh Mehta, Chief Financial Officer:** He heads the Finance, Taxation and Accounting functions of the group. A chartered accountant by qualification, he has over 33 years of experience across corporates and sectors and has been associated with the Ashoka Buildcon Group for more than 26 years.

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	70,614	63,346	69,596	82,443
YoY gr. (%)	(8.6)	(10.3)	9.9	18.5
Cost of Goods Sold	28,822	25,866	28,969	33,660
Gross Profit	41,792	37,481	40,626	48,783
Margin (%)	59.2	59.2	58.4	59.2
Employee Cost	2,405	1,965	2,178	2,635
Other Expenses	2,515	1,729	2,065	2,539
EBITDA	5,469	5,701	6,438	7,626
YoY gr. (%)	(5.1)	4.2	12.9	18.5
Margin (%)	7.7	9.0	9.3	9.3
Depreciation and Amortization	982	1,013	1,099	1,179
EBIT	4,487	4,688	5,339	6,447
Margin (%)	6.4	7.4	7.7	7.8
Net Interest	2,964	3,313	2,636	2,168
Other Income	1,264	1,289	1,315	1,341
Profit Before Tax	2,789	2,664	4,017	5,620
Margin (%)	3.9	4.2	5.8	6.8
Total Tax	817	670	1,011	1,414
Effective tax rate (%)	29.3	25.2	25.2	25.2
Profit after tax	1,972	1,993	3,007	4,206
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	1,970	1,993	3,007	4,206
YoY gr. (%)	(28.7)	1.2	50.8	39.9
Margin (%)	2.8	3.1	4.3	5.1
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,970	1,993	3,007	4,206
YoY gr. (%)	(28.7)	1.2	50.8	39.9
Margin (%)	2.8	3.1	4.3	5.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,970	1,993	3,007	4,206
Equity Shares O/s (m)	281	281	281	281
EPS (Rs)	7.0	7.1	10.7	15.0

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	12,097	13,238	14,238	15,238
Tangibles	-	-	-	-
Intangibles	-	-	-	-
Acc: Dep / Amortization	9,017	10,031	11,130	12,309
Tangibles	-	-	-	-
Intangibles	-	-	-	-
Net fixed assets	3,079	3,207	3,108	2,929
Tangibles	3,079	3,207	3,108	2,929
Intangibles	-	-	-	-
Capital Work In Progress	163	163	163	163
Goodwill	-	-	-	-
Non-Current Investments	13,409	15,909	17,029	18,149
Net Deferred tax assets	869	869	869	869
Other Non-Current Assets	6,236	6,236	6,236	6,236
Current Assets				
Investments	-	-	-	-
Inventories	3,487	3,474	3,807	4,510
Trade receivables	12,720	11,010	10,016	11,455
Cash & Bank Balance	2,405	2,206	3,002	3,472
Other Current Assets	50,870	46,047	42,060	44,163
Total Assets	93,916	89,801	86,970	92,625
Equity				
Equity Share Capital	1,404	1,404	1,404	1,404
Other Equity	38,690	40,684	43,690	47,897
Total Network	40,094	42,088	45,094	49,300
Non-Current Liabilities				
Long Term borrowings	10,307	10,307	6,307	4,307
Provisions	596	655	721	793
Other non current liabilities	7,595	7,595	7,595	7,595
Current Liabilities				
ST Debt / Current of LT Debt	10,280	6,780	2,712	1,627
Trade payables	10,070	8,911	9,763	11,565
Other current liabilities	14,975	13,466	14,778	17,437
Total Equity & Liabilities	93,916	89,801	86,970	92,625

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	2,789	2,664	4,017	5,620
Add. Depreciation	982	1,013	1,099	1,179
Add. Interest	2,964	3,313	2,636	2,168
Less Financial Other Income	1,264	1,289	1,315	1,341
Add. Other	(557)	-	-	-
Op. profit before WC changes	6,177	6,990	7,752	8,967
Net Changes-WC	(11,134)	(2,054)	889	289
Direct tax	(956)	(670)	(1,011)	(1,414)
Net cash from Op. activities	(5,913)	4,266	7,630	7,842
Capital expenditures	(1,579)	(1,141)	(1,000)	(1,000)
Interest / Dividend Income	337	-	-	-
Others	1,749	3,490	4,870	(1,120)
Net Cash from Invst. activities	506	2,348	3,870	(2,120)
Issue of share cap. / premium	-	-	-	-
Debt changes	6,175	(3,500)	(8,068)	(3,085)
Dividend paid	-	-	-	-
Interest paid	(2,965)	(3,313)	(2,636)	(2,168)
Others	(29)	-	-	-
Net cash from Fin. activities	3,181	(6,813)	(10,704)	(5,253)
Net change in cash	(2,225)	(199)	796	470
Free Cash Flow	(6,789)	3,125	6,630	6,842

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	7.0	7.1	10.7	15.0
CEPS	10.5	10.7	14.6	19.2
BVPS	142.8	149.9	160.6	175.6
FCF	(24.2)	11.1	23.6	24.4
DPS	-	-	-	-
Return Ratio(%)				
RoCE	7.9	7.8	9.4	11.8
ROIC	5.9	6.1	7.4	9.4
RoE	5.0	4.9	6.9	8.9
Balance Sheet				
Net Debt : Equity (x)	0.5	0.4	0.1	0.0
Net Working Capital (Days)	32	32	21	19
Valuation(x)				
PER	21.7	21.5	14.2	10.2
P/B	1.1	1.0	0.9	0.9
P/CEPS	14.5	14.2	10.4	7.9
EV/EBITDA	11.2	10.1	7.6	5.9
EV/Sales	0.9	0.9	0.7	0.5
Dividend Yield (%)	-	-	-	-

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenue	19,748	13,106	12,661	14,630
YoY gr. (%)	(21.0)	(30.2)	(10.7)	(18.4)
Raw Material Expenses	6,819	4,645	3,915	4,491
Gross Profit	12,929	8,461	8,746	10,139
Margin (%)	65.5	64.6	69.1	69.3
EBITDA	1,432	1,222	1,233	1,286
YoY gr. (%)	(23.0)	0.7	3.6	(21.3)
Margin (%)	7.3	9.3	9.7	8.8
Depreciation / Depletion	256	234	245	255
EBIT	1,175	989	988	1,031
Margin (%)	6.0	7.5	7.8	7.0
Net Interest	766	841	782	824
Other Income	376	285	365	289
Profit before Tax	786	433	1,693	496
Margin (%)	4.0	3.3	13.4	3.4
Total Tax	190	127	301	5
Effective tax rate (%)	24.1	29.4	17.8	1.1
Profit after Tax	596	306	1,392	491
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	596	306	1,392	491
YoY gr. (%)	(77.8)	(25.0)	284.9	(18.9)
Margin (%)	3.0	2.3	11.0	3.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	596	306	1,392	491
YoY gr. (%)	(77.8)	(25.0)	284.9	(18.9)
Margin (%)	3.0	2.3	11.0	3.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	596	306	1,392	491
Avg. Shares O/s (m)	-	-	-	-
EPS (Rs)	2.1	-	-	-

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
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Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Indian Energy Exchange	Hold	135	127
2	NTPC	BUY	423	356
3	Power Grid Corporation of India	BUY	324	270
4	PSP Projects	BUY	1,028	750

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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