

February 5, 2026

Q3FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	1,489		1,494	
Sales (Rs. m)	2,81,329	3,27,494	2,83,309	3,25,432
% Chng.	(0.7)	0.6		
EBITDA (Rs. m)	24,616	29,638	25,923	30,753
% Chng.	(5.0)	(3.6)		
EPS (Rs.)	69.7	86.4	71.4	85.3
% Chng.	(2.4)	1.3		

Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	1,88,879	2,36,026	2,81,329	3,27,494
EBITDA (Rs. m)	15,870	19,803	24,616	29,638
Margin (%)	8.4	8.4	8.8	9.1
PAT (Rs. m)	6,718	9,318	11,908	14,751
EPS (Rs.)	39.3	54.6	69.7	86.4
Gr. (%)	20.3	38.7	27.8	23.9
DPS (Rs.)	7.6	10.9	13.9	17.3
Yield (%)	0.7	1.0	1.3	1.6
RoE (%)	10.4	12.3	14.0	15.4
RoCE (%)	12.3	14.1	16.5	18.3
EV/Sales (x)	1.1	0.9	0.7	0.6
EV/EBITDA (x)	13.0	10.4	8.4	7.0
PE (x)	28.0	20.2	15.8	12.7
P/BV (x)	2.6	2.4	2.1	1.8

Key Data

KAPT.BO | KPIL IN

52-W High / Low	Rs.1,336 / Rs.770
Sensex / Nifty	83,314 / 25,643
Market Cap	Rs.188bn / \$ 2,079m
Shares Outstanding	171m
3M Avg. Daily Value	Rs.199.22m

Shareholding Pattern (%)

Promoter's	33.57
Foreign	11.73
Domestic Institution	43.90
Public & Others	10.80
Promoter Pledge (Rs bn)	24.73

Stock Performance (%)

	1M	6M	12M
Absolute	(8.3)	(2.7)	5.7
Relative	(6.0)	(5.8)	(0.7)

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Healthy Q3; sustained momentum in T&D and B&F

Quick Pointers:

- Management retained its revenue growth guidance of 25%+ with standalone PBT margins improving by 50bps and order intake worth ~Rs260bn in FY26.
- Collections in the Water segment have begun to improve, with 9MFY26 collections at Rs12.5bn and Jan'26 collections of Rs2.2bn.

Kalpataru Projects International (KPIL) reported healthy 19.9% YoY revenue growth and flattish YoY EBITDA margin of 8.3%. Backed by sustained momentum in T&D and B&F, a healthy L1 position of ~Rs70bn underpins management's FY26 order intake guidance of ~Rs260bn. Improving collections in the water segment further support growth visibility and strengthening balance sheet metrics. Steady execution ramp-up of the Saudi Aramco project (with ~50% completion) is driving growth in the O&G segment, while the company's proven execution capabilities continue to support momentum in B&F and Smart Infrastructure. Additionally, anticipated domestic T&D tendering of ~Rs900bn annually provides strong multi-year revenue visibility, despite near-term headwinds in certain key subsidiaries such as Fasttel. The stock is trading at a P/E of 16.3x/13.1x on FY27/28E core-EPS. We maintain our 'Buy' rating valuing the core business at a PE of 18x Sep'27E (same as earlier) arriving at a revised SoTP derived TP of Rs1,489 (Rs1,494 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.

Broad-based growth (ex. Water) drove top line to Rs57.9bn in Q3FY26:

Standalone revenue grew by 19.9% YoY to Rs57.9bn (PL: Rs57.1bn) driven by broad based growth across segments except water. EBITDA increased by 19.8% YoY to Rs4.8bn (PL: Rs4.9bn) while EBITDA margin remained flattish YoY at 8.3% as higher employee costs (+27.1% YoY to Rs4.4bn) was offset by lower other expenses (+9.9% YoY to Rs3.6bn). Adj. PBT rose by 44.1% YoY to Rs3.1bn aided by higher other income (+37.6% YoY to Rs255mn) and lower interest expenses (-13.5% YoY to Rs926mn). Adj. PAT increased by 48.2% YoY to Rs2.3bn (PL: Rs2.3bn) aided by lower effective tax rate (-204bps YoY to 25.7%). Company reported exceptional loss of Rs295mn, reflecting new labour codes.

Strong order book of Rs632.9bn (2.8x TTM revenue):

Order inflow declined by ~46% YoY to ~Rs45.1bn (against a higher base) with additional L1 positions worth ~Rs70bn. T&D order intake stood at Rs9.6bn, while B&F order intake stood at Rs28.2bn. Domestic/Export mix of order intake stood at 74%/26% (vs 72%/28% YoY). Order book stands at Rs632.9bn (2.8x TTM sales) with domestic/export mix of 63%/37% (vs 58%/42% YoY).

Exhibit 1: Healthy growth across all segments (ex. Water) drove top line growth while higher other income aided adj. PAT

Y/e March (Rs mn)	Q3FY26	Q3FY25	YoY gr.	Q3FY26E	% Var.	Q2FY26	QoQ gr.	9MFY26	9MFY25	YoY gr.
Revenue	57,876	48,257	19.9%	57,122	1.3%	54,188	6.8%	162,461	126,838	28.1%
Gross Profit	12,854	10,791	19.1%	13,309	-3.4%	13,033	-1.4%	37,593	28,295	32.9%
Margin (%)	22.2	22.4	(15)	23.3	(109.0)	24.1	(184)	23.1	22.3	83
Employee Cost	4,423	3,481	27.1%	4,455	-0.7%	4,602	-3.9%	13,297	9,875	34.7%
as % of sales	7.6	7.2	43	7.8	(15.8)	8.5	(85)	8.2	7.8	40
Other expenditure	3,618	3,291	9.9%	3,999	-9.5%	3,960	-8.6%	10,727	7,783	37.8%
as % of sales	6.3	6.8	(57)	7.0	(74.9)	7.3	(106)	6.6	6.1	47
EBITDA	4,813	4,019	19.8%	4,855	-0.9%	4,472	7.6%	13,568	10,638	27.5%
Margin (%)	8.3	8.3	(1)	8.5	(18.4)	8.3	6	8.4	8.4	(4)
Depreciation	1,005	956	5.1%	970	3.6%	966	4.0%	2,907	2,800	3.8%
EBIT	3,808	3,062	24.3%	3,885	-2.0%	3,506	8.6%	10,661	7,838	36.0%
Margin (%)	6.6	6.3	23	6.8	(22.3)	6.5	11	6.6	6.2	38
Other Income	255	185	37.6%	240	6.3%	242	5.4%	731	744	-1.8%
Interest	926	1,071	-13.5%	1,050	-11.9%	1,025	-9.7%	2,790	2,929	-4.7%
PBT (ex. Extra-ordinaries)	3,138	2,177	44.1%	3,075	2.0%	2,723	15.2%	8,602	5,653	52.1%
Margin (%)	5.4	4.5	91	5.4	3.7	5.0	40	5.3	4.5	84
Extraordinary Items	(295)	-	-	-	-	-	-	(295)	-	-
PBT	2,843	2,177	30.6%	3,075	-7.6%	2,723	4.4%	8,307	5,653	46.9%
Total Tax	730	604	21.0%	821	-	724	0.9%	2,188	1,590	37.6%
Effective Tax Rate (%)	25.7	27.7	(204)	26.7	-	26.6	-	26.3	28.1	(179)
Reported PAT	2,112	1,574	34.2%	2,254	-6.3%	1,999	5.7%	6,119	4,063	50.6%
Adj. PAT	2,331	1,574	48.2%	2,254	3.4%	1,999	16.6%	6,338	4,063	56.0%
Margin (%)	4.0	3.3	77	3.9	8.2	3.7	34	3.9	3.2	70
Adj. EPS	13.7	9.2	48.2%	13.2	3.4%	11.7	16.6%	37.1	23.8	56.0%

Source: Company, PL

Exhibit 2: Broad-based growth was partially offset by continued collection challenges in Water segment

Revenue (Rs mn)	Q3FY26	Q3FY25	YoY gr. (%)	Q2FY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
Standalone T&D	22,940	19,580	17.2%	21,570	6.4%	63,330	44,670	41.8%
O&G	6,910	4,440	55.6%	5,590	23.6%	18,380	11,610	58.3%
Railways	3,010	2,300	30.9%	2,100	43.3%	7,650	6,650	15.0%
B&F	17,890	15,280	17.1%	16,980	5.4%	48,700	41,710	16.8%
Water	3,860	5,210	-25.9%	5,170	-25.3%	15,730	17,720	-11.2%
Urban Infra	3,000	1,680	78.6%	2,830	6.0%	8,400	5,210	61.2%
Total	57,610	48,490	18.8%	54,240	6.2%	162,190	127,570	27.1%

Source: Company, PL

Exhibit 3: Consolidated order book stands strong at Rs632.9bn (2.8x TTM sales)

Standalone Order Book (Rs mn)	Q3FY26	Q3FY25	YoY gr. (%)	Q2FY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
Standalone T&D	222,690	189,190	17.7%	226,520	-1.7%	676,010	537,230	25.8%
O&G	52,820	80,400	-34.3%	58,260	-9.3%	182,560	253,050	-27.9%
Railways	27,130	37,130	-26.9%	29,770	-8.9%	89,010	110,780	-19.7%
B&F	185,960	133,050	39.8%	187,580	-0.9%	540,490	378,270	42.9%
Water	79,880	100,000	-20.1%	83,790	-4.7%	252,700	303,190	-16.7%
Urban Infra	29,560	33,120	-10.7%	24,670	19.8%	82,150	88,010	-6.7%
Total	598,040	572,890	4.4%	610,590	-2.1%	1,822,920	1,670,530	9.1%

Source: Company, PL

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

Rs mn	Equity Investment /PAT (Sep-27)	Fwd multiple (x)	Basis of Investment	Market Cap	KPTL Share (%)	Value for KPTL	Value per share
KPP+JMC (Merged)	13,330	18	PE	239,931	100%	239,931	1,405
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	8,750	1	PBV	8,750	50%	4,375	26
Total				258,696		254,321	1,489

Source: Company, PL

Conference Call Highlights

- **Guidance:** Management maintained their revenue growth guidance of 25%+ for FY26 on both standalone and consolidated levels. Consolidated PBT margin is expected to improve by 100bps while standalone PBT margin to see 50bps YoY growth in FY26. Management remained confident of securing order intake worth ~Rs260bn with net working capital (NWC) days of ~100 days in FY26.
- **Domestic T&D:** Visibility continues to improve on the back of strong energy transition and infrastructure spending, with FY26 order intake guided at ~Rs150bn and expected to grow at 15-20% annually, supported by a healthy L1 pipeline of ~Rs58bn and domestic T&D capex of ~Rs900bn per annum. Current capacity of over 2.75 lakh tonnes is largely booked, and management believes the capacity between ~2.75-3.0 lakh tonnes will be sufficient for the next 2-3 years, with focus remaining on the domestic market.
- **International T&D:** Order inflow for 9M stood at Rs36bn with an L1 pipeline of ~Rs45bn; for FY26, management expects order intake of ~Rs80bn excluding LMG, which could increase to ~Rs90-100 bn including LMG, compared to Rs55bn in 9MFY25.
- **B&F:** Revenue growth of 17.1% YoY to Rs17.9bn was driven by good progress on large size orders particularly on the residential buildings projects. B&F segment has a current L1 position of ~Rs11bn with EBITDA margin in the double digits and capex intensity of 5-6% of total revenue.
- **Water:** Collections have begun to improve, led by UP, with 9MFY26 collections at Rs12.5bn and January 2026 collections of Rs2.2bn, and management remains confident of further improvement. Of the ~Rs80bn order book, Rs55bn pertains to projects under execution while Rs25bn relates to O&M; margins on these projects remain stable, with interest costs being the key headwind. Improvement in receivable momentum is visible across UP, Jharkhand, Punjab, and Orissa.
- **O&G:** Growth was driven by strong execution of the Saudi project, with ~50% completed and the balance expected over the next ~18 months, while maintaining double-digit EBITDA margins. The company is now qualified to bid for most projects in Saudi Arabia and Qatar and has already participated in 4-

5 large Saudi tenders, positioning the region as a key driver of order book growth over the next 2-3 years.

- **Road Boot Assets:** Company received monetization worth Rs350mn in Jan'26 relating to Indore real estate project while remaining monetization of Rs400mn is expected by Mar'26. Company is also selling specific warehouses in Shubham logistics to reduce its debt while it has appointed bankers to raise money in LMG, Sweden. With divestment of VEPL, company does not expect to do any more loss funding in its road boot assets in Q4FY26.

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	1,88,879	2,36,026	2,81,329	3,27,494
YoY gr. (%)	12.7	25.0	19.2	16.4
Cost of Goods Sold	1,47,393	1,81,976	2,16,905	2,52,498
Gross Profit	41,486	54,050	64,424	74,996
Margin (%)	22.0	22.9	22.9	22.9
Employee Cost	13,955	17,844	20,256	22,925
Other Expenses	11,661	16,404	19,552	22,433
EBITDA	15,870	19,803	24,616	29,638
YoY gr. (%)	16.2	24.8	24.3	20.4
Margin (%)	8.4	8.4	8.8	9.1
Depreciation and Amortization	3,749	4,137	4,765	5,318
EBIT	12,121	15,666	19,851	24,320
Margin (%)	6.4	6.6	7.1	7.4
Net Interest	3,807	4,038	4,522	5,077
Other Income	979	1,015	1,210	1,244
Profit Before Tax	8,964	12,643	16,539	20,488
Margin (%)	4.7	5.4	5.9	6.3
Total Tax	2,485	3,325	4,631	5,737
Effective tax rate (%)	27.7	26.3	28.0	28.0
Profit after tax	6,480	9,318	11,908	14,751
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	6,718	9,318	11,908	14,751
YoY gr. (%)	20.3	38.7	27.8	23.9
Margin (%)	3.6	3.9	4.2	4.5
Extra Ord. Income / (Exp)	(239)	-	-	-
Reported PAT	6,480	9,318	11,908	14,751
YoY gr. (%)	21.6	43.8	27.8	23.9
Margin (%)	3.4	3.9	4.2	4.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	6,480	9,318	11,908	14,751
Equity Shares O/s (m)	171	171	171	171
EPS (Rs)	39.3	54.6	69.7	86.4

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	34,104	40,104	44,604	49,104
Tangibles	-	-	-	-
Intangibles	-	-	-	-
Acc: Dep / Amortization	15,180	19,317	24,082	29,400
Tangibles	-	-	-	-
Intangibles	-	-	-	-
Net fixed assets	18,924	20,786	20,522	19,704
Tangibles	18,924	20,786	20,522	19,704
Intangibles	-	-	-	-
Capital Work In Progress	265	472	563	655
Goodwill	201	201	201	201
Non-Current Investments	17,171	17,556	20,926	24,360
Net Deferred tax assets	1,953	1,953	1,953	1,953
Other Non-Current Assets	1,466	2,124	2,532	2,947
Current Assets				
Investments	-	-	-	-
Inventories	13,708	17,459	20,811	24,226
Trade receivables	72,180	87,297	1,04,053	1,21,128
Cash & Bank Balance	15,885	17,119	17,096	18,511
Other Current Assets	79,704	88,851	1,02,800	1,16,144
Total Assets	2,34,662	2,69,282	3,09,305	3,50,111
Equity				
Equity Share Capital	342	342	342	342
Other Equity	71,508	79,526	89,570	1,01,940
Total Networth	71,849	79,867	89,912	1,02,281
Non-Current Liabilities				
Long Term borrowings	13,166	13,166	13,166	14,166
Provisions	525	708	844	982
Other non current liabilities	63	71	84	98
Current Liabilities				
ST Debt / Current of LT Debt	21,443	21,943	22,443	23,443
Trade payables	60,914	76,304	90,950	1,05,875
Other current liabilities	65,907	76,252	90,749	1,01,919
Total Equity & Liabilities	2,34,662	2,69,282	3,09,305	3,50,111

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	8,964	12,643	16,539	20,488
Add. Depreciation	3,749	4,137	4,765	5,318
Add. Interest	3,807	4,038	4,522	5,077
Less Financial Other Income	979	1,015	1,210	1,244
Add. Other	(603)	-	-	-
Op. profit before WC changes	15,916	20,818	25,826	30,883
Net Changes-WC	(5,189)	(4,410)	(6,769)	(9,631)
Direct tax	(2,356)	(3,325)	(4,631)	(5,737)
Net cash from Op. activities	8,371	13,083	14,426	15,515
Capital expenditures	(5,493)	(6,207)	(4,591)	(4,592)
Interest / Dividend Income	460	-	-	-
Others	(2,708)	(804)	(3,973)	(4,049)
Net Cash from Invst. activities	(7,740)	(7,011)	(8,564)	(8,641)
Issue of share cap. / premium	9,822	-	-	-
Debt changes	472	500	500	2,000
Dividend paid	(1,300)	(1,300)	(1,864)	(2,382)
Interest paid	(3,570)	(4,038)	(4,522)	(5,077)
Others	-	-	-	-
Net cash from Fin. activities	5,424	(4,837)	(5,886)	(5,459)
Net change in cash	6,054	1,234	(24)	1,416
Free Cash Flow	2,397	6,875	9,835	10,923

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	39.3	54.6	69.7	86.4
CEPS	61.3	78.8	97.6	117.5
BVPS	420.7	467.7	526.5	598.9
FCF	14.0	40.3	57.6	64.0
DPS	7.6	10.9	13.9	17.3
Return Ratio(%)				
RoCE	12.3	14.1	16.5	18.3
ROIC	10.6	12.3	13.9	15.3
RoE	10.4	12.3	14.0	15.4
Balance Sheet				
Net Debt : Equity (x)	0.3	0.2	0.2	0.2
Net Working Capital (Days)	48	44	44	44
Valuation(x)				
PER	28.0	20.2	15.8	12.7
P/B	2.6	2.4	2.1	1.8
P/CEPS	17.9	14.0	11.3	9.4
EV/EBITDA	13.0	10.4	8.4	7.0
EV/Sales	1.1	0.9	0.7	0.6
Dividend Yield (%)	0.7	1.0	1.3	1.6

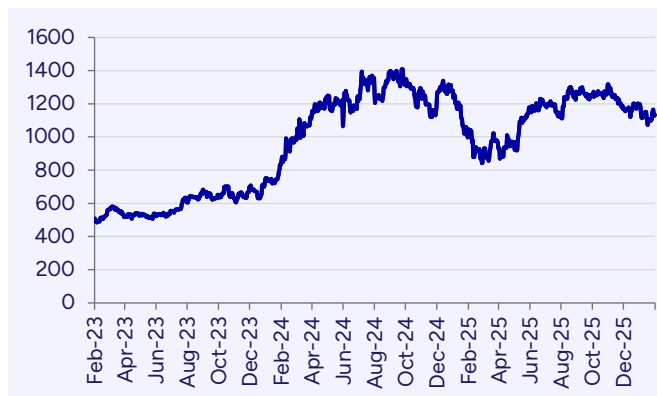
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenue	62,042	50,397	54,188	57,876
YoY gr. (%)	66.7	21.8	12.3	(6.7)
Raw Material Expenses	48,851	38,691	41,155	45,022
Gross Profit	13,191	11,706	13,033	12,854
Margin (%)	21.3	23.2	24.1	22.2
EBITDA	5,232	4,284	4,472	4,813
YoY gr. (%)	66.9	22.9	11.3	(8.0)
Margin (%)	8.4	8.5	8.3	8.3
Depreciation / Depletion	949	936	966	1,005
EBIT	4,283	3,348	3,506	3,808
Margin (%)	6.9	6.6	6.5	6.6
Net Interest	877	840	1,025	926
Other Income	235	234	242	255
Profit before Tax	3,311	2,742	2,723	2,843
Margin (%)	5.3	5.4	5.0	4.9
Total Tax	894	734	724	730
Effective tax rate (%)	27.0	26.8	26.6	25.7
Profit after Tax	2,416	2,008	1,999	2,112
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	2,657	2,008	1,999	2,331
YoY gr. (%)	127.8	51.7	27.0	(12.3)
Margin (%)	4.3	4.0	3.7	4.0
Extra Ord. Income / (Exp)	(241)	-	-	(219)
Reported PAT	2,416	2,008	1,999	2,112
YoY gr. (%)	107.2	51.7	27.0	(12.6)
Margin (%)	3.9	4.0	3.7	3.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,416	2,008	1,999	2,112
Avg. Shares O/s (m)	171	171	171	171
EPS (Rs)	15.6	11.8	11.7	13.7

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Jan-26	BUY	1,494	1,174
2	31-Oct-25	BUY	1,494	1,256
3	07-Oct-25	Accumulate	1,366	1,273
4	08-Aug-25	Accumulate	1,366	1,184
5	09-Jul-25	Accumulate	1,268	1,190
6	19-May-25	Accumulate	1,268	1,116
7	09-Apr-25	BUY	1,105	876
8	14-Feb-25	BUY	1,178	880

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	Accumulate	5,540	4,695
2	Apar Industries	BUY	9,629	7,695
3	BEML	Hold	1,982	1,861
4	Bharat Electronics	Reduce	411	453
5	BHEL	Hold	245	263
6	Carborundum Universal	Hold	825	788
7	Cummins India	Hold	4,172	4,148
8	Elgi Equipments	Accumulate	561	472
9	Engineers India	BUY	255	205
10	GE Vernova T&D India	BUY	4,050	2,911
11	Grindwell Norton	Hold	1,744	1,576
12	Harsha Engineers International	Hold	407	395
13	Hindustan Aeronautics	BUY	5,507	4,525
14	Ingersoll-Rand (India)	Accumulate	4,271	3,395
15	Kalpataru Projects International	BUY	1,494	1,174
16	KEC International	Accumulate	748	669
17	Kirloskar Pneumatic Company	BUY	1,557	1,068
18	Larsen & Toubro	BUY	4,806	3,794
19	Praj Industries	Hold	353	322
20	Siemens	Accumulate	3,470	3,134
21	Siemens Energy India	Accumulate	3,312	2,603
22	Thermax	Accumulate	3,513	3,069
23	Triveni Turbine	Accumulate	585	509
24	Voltamp Transformers	BUY	10,318	7,720

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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