

HSIE Results Daily

Contents

Results Reviews

- Tata Steel:** We maintain BUY on Tata Steel with a higher TP of INR 250/share (7.5x its FY28E consolidated EBITDA). In Q4FY26, Tata Steel delivered 15-quarter high EBIDA margin (INR 11.3k/MT, +1.3k QoQ) driven by steel price uptick across India and Europe, along with continued gains from cost transformation program. Robust 11% YoY domestic volume growth supported 5% total volume growth while Europe sales fell by 7%YoY. Steel prices have firmed further (~10%) in Q1 across geographies and Tata Steel expects additional cost savings in FY27 (INR 71bn vs INR 66/108bn in FY25/26) through its cost transformation program. With work on NINL expansion (by 4.8mn MT) to commence in FY27, capex outgo is expected to accelerate.
- Steel Authority of India:** We maintain ADD on Steel Authority of India (SAIL), with a revised target price of INR 190/share (6x FY28E standalone EBITDA). In Q4FY26, SAIL's total volume remained flattish YoY. Unit EBITDA expanded by INR 3.8k/MT QoQ to INR 8.2k/MT on strong pricing gain and lower employee cost. We expect SAIL to deliver 15% EBITDA CAGR during FY26-28E supported by favourable steel pricing outlook. The company is set to accelerate its capex outgo from FY27 onwards which is likely to result in higher debt and gearing on books.
- Endurance Technologies:** The company is on the right growth trajectory via expansion of the product portfolio and customer base, with reducing dependency on Bajaj Auto (35% of mix in FY26 vs 38% in FY25 and vs 39% in H1FY17 that was around the time of its IPO). The diversification has also been led by focus on business beyond two wheelers: into four wheelers (5.6% of standalone revenue mix in FY26) and non-auto segments. Four wheelers and non-auto segments formed ~60% of the total order wins in FY26. However, higher raw material, production, and freight costs, and with only gradual passing on of the costs to customers, are likely to impact margins over the near term at least. We value the company at 26x Mar-28 EPS for a TP of Rs 2,650 and maintain an ADD rating.
- Apollo Tyres:** The company is in a tough spot considering the highly unfavorable business environment: 1) rising cost inflation on raw material, energy, and freight; 2) higher price hikes that could slow volume growth; 3) lower control on marketing spends due to the BCCI sponsorship deal; 4) lesser room to delay capacity expansion as utilization hits 90%; 5) a heavyweight legacy tyre maker (Balkrishna Industries) moving forward as a new entrant in the company's core segments and is likely to strive to aggressively capture initial market share; 6) moderate demand in Europe along with some loss in volumes due to the company's manufacturing transition to another location; 7) lower control on price hikes in Europe as the company is a price follower. Considering the rising uncertainties, we remain cautious and lower our target multiple from 12x to 11x Mar-28 EPS (near -1SD of 5 year mean) for a TP of INR 376 and maintain a SELL rating.
- NCC:** NCC reported improved quarterly performance in Q4FY26, with revenue/EBITDA/APAT beat by 1.4/(1)/12.8% on the back of improved quarterly execution. JJM collection has improved with INR 10bn received from UP in Q4FY26 with JJM balance sheet exposure down from INR 37bn to

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HSIE Results Daily

INR 30bn QoQ. With Order Inflow (OI) of INR 319bn in FY26 (FY25: 329bn), the consolidated Order Book (OB) as of FY26 stands at INR 830bn (~4x FY26 revenue), while standalone OB stands at INR 715bn. Despite a strong order book, NCC has not given any guidance on order booking, margins, and revenue growth for FY27. Geopolitics uncertainty, increase in commodity prices (75% OB is variable pricing), and likely delays in client payments may impact execution. Whilst NCC works at site in Q1FY27 is progressing smoothly, it is cautious on future outlook and has desisted from giving any guidance. We believe growth should pick up in ensuing quarters as the entire OB has moved into execution from Q4FY26. We have cut estimates to factor in client-specific delays; maintain BUY with reduced TP of INR 243/sh (15x Mar-28E EPS).

Tata Steel

Margin firms up to a 15-quarter high

We maintain BUY on Tata Steel with a higher TP of INR 250/share (7.5x its FY28E consolidated EBITDA). In Q4FY26, Tata Steel delivered 15-quarter high EBIDA margin (INR 11.3k/MT, +1.3k QoQ) driven by steel price uptick across India and Europe, along with continued gains from cost transformation program. Robust 11% YoY domestic volume growth supported 5% total volume growth while Europe sales fell by 7%YoY. Steel prices have firmed further (~10%) in Q1 across geographies and Tata Steel expects additional cost savings in FY27 (INR 71bn vs INR 66/108bn in FY25/26) through its cost transformation program. With work on NINL expansion (by 4.8mn MT) to commence in FY27, capex outgo is expected to accelerate.

- Q4FY26 performance:** Consolidated volume grew 5% YoY, led by 11% YoY growth in domestic sales, while Europe sales fell by 7% YoY. Domestic/Blended NSR grew 3/4% QoQ supported by improvement in steel prices. Opex transformation drove ~INR 2.8k/MT cost savings, limiting overall opex inflation to 3%. Blended unit EBITDA rose by INR 1.3k/MT QoQ to INR 11.3k/MT (15-quarter high). India operations delivered margin of INR 15.9k/MT (nine-quarter high, + INR 2.2k/MT QoQ). Netherlands reported subdued but steady margins (INR 3.7k/MT). The UK unit narrowed its EBITDA losses both QoQ and YoY. Tata Steel incurred INR 37bn capex during Q4FY26. It commissioned the 0.75mn MT EAF at Ludhiana and divested its ferro alloy business during Q4.
- FY26 performance:** While Indian units delivered 8% volume growth, Europe sales volume fell 5% YoY, resulting in consolidated volume growth of 3% YoY. Unit EBITDA improved by INR 2.6k/MT YoY to INR 10.7k/MT, driven by better performance across all units. Consolidated EBITDA/OCF rose by 36/52% YoY to INR 343/350bn. Capex stood at INR 140bn in FY26. Net debt declined by INR 22.6bn YoY to INR 803bn in Mar-26.
- Con call KTAs and outlook:** Tata Steel guided for ~6% sales volume growth in FY27, driven by full ramp-up of Kalinganagar plant and contribution from the EAF plant at Ludhiana. It noted steel prices have firmed across all its regions by ~10% in Q1. Coking coal prices have also increased by \$15/10 per MT in India/Netherlands. Tata Steel achieved opex savings of INR 66/109bn during FY25/26 and expected further savings of INR 71bn in FY27. As work on the 4.8mn MT NINL expansion would start in FY27, Tata Steel guided for higher capex outgo of INR 200bn in FY27. We raise our FY27/28E consolidated EBITDA estimates by 8/4%, factoring in robust steel prices, leading to 18% CAGR during FY26-28E. We have increased capex estimates in line with guidance. Factoring in healthy outlook across all regions, we also raise our valuation multiple to 7.5x FY28E (vs 6.5x earlier).

Quarterly/annual financial summary (consolidated)

| YE Mar | Q4 FY26 | Q4 FY25 | YoY (%) | Q3 FY26 | QoQ (%) | FY24 | FY25 | FY26P | FY27E | FY28E |
|-----------------|------------|------------|------------|------------|------------|---------|---------|---------|---------|---------|
| Sales (mn MT) | 8.7 | 8.3 | 4.7 | 8.2 | 6.2 | 29.4 | 31.0 | 32.0 | 33.9 | 35.6 |
| NSR (INR/MT) | 72,557 | 67,489 | 7.5 | 69,430 | 4.5 | 77,976 | 70,589 | 72,612 | 75,516 | 75,516 |
| EBITDA (INR/MT) | 11,271 | 7,874 | 43.1 | 9,987 | 12.9 | 7,590 | 8,171 | 10,745 | 12,354 | 13,350 |
| Net Sales | 632.7 | 562.2 | 12.5 | 570.0 | 11.0 | 2,291.7 | 2,185.4 | 2,321.4 | 2,559.1 | 2,687.1 |
| EBITDA | 98.3 | 65.6 | 49.8 | 82.0 | 19.9 | 223.1 | 253.0 | 343.5 | 418.7 | 475.0 |
| APAT | 31.8 | 15.9 | 99.8 | 27.9 | 13.9 | 14.2 | 40.6 | 115.7 | 148.4 | 184.8 |
| AEPS (INR) | 2.5 | 1.3 | 99.8 | 2.2 | 13.9 | 1.1 | 3.3 | 9.3 | 11.9 | 14.8 |
| EV/EBITDA (x) | | | | | | 12.2 | 10.8 | 8.2 | 7.9 | 6.7 |
| P/E (x) | | | | | | 149.2 | 52.3 | 18.4 | 18.2 | 14.6 |
| RoCE (%) pretax | | | | | | 6.8 | 8.0 | 11.0 | 13.3 | 15.1 |
| RoE (%) | | | | | | 1.4 | 4.4 | 11.9 | 13.8 | 16.0 |

Source: Company, HSIE Research

BUY

| | |
|-------------------------|---------|
| CMP (as on 15 May 2026) | INR 217 |
| Target Price | INR 250 |
| NIFTY | 23,644 |

| KEY CHANGES | OLD | NEW |
|--------------|---------|---------|
| Rating | BUY | BUY |
| Price Target | INR 208 | INR 250 |
| FY28E EBITDA | FY27E | FY28E |
| Change % | 8.2 | 3.8 |

KEY STOCK DATA

| | |
|------------------------------|--------------|
| Bloomberg code | TATA IN |
| No. of Shares (mn) | 12,484 |
| MCap (INR bn) / (\$ mn) | 2,707/28,206 |
| 6m avg traded value (INR mn) | 6,143 |
| 52 Week high / low | INR 224/150 |

STOCK PERFORMANCE (%)

| | 3M | 6M | 12M |
|--------------|------|------|------|
| Absolute (%) | 6.7 | 24.4 | 37.8 |
| Relative (%) | 15.7 | 35.5 | 46.6 |

SHAREHOLDING PATTERN (%)

| | Dec-25 | Mar-26 |
|-----------------|--------|--------|
| Promoters | 33.19 | 33.19 |
| FIs & Local MFs | 26.98 | 26.67 |
| FPIs | 17.49 | 18.58 |
| Public & Others | 22.34 | 21.56 |
| Pledged Shares | - | - |

Source : BSE

Pledged shares as % of total shares

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Steel Authority of India

Margin improves on better pricing and cost controls

We maintain ADD on Steel Authority of India (SAIL), with a revised target price of INR 190/share (6x FY28E standalone EBITDA). In Q4FY26, SAIL's total volume remained flattish YoY. Unit EBITDA expanded by INR 3.8k/MT QoQ to INR 8.2k/MT on strong pricing gain and lower employee cost. We expect SAIL to deliver 15% EBITDA CAGR during FY26-28E supported by favourable steel pricing outlook. The company is set to accelerate its capex outgo from FY27 onwards which is likely to result in higher debt and gearing on books.

- Q4FY26 performance:** SAIL's volume remained flat YoY at 5.32mn MT. Adjusted for traded sales volume, own volume rose 4% YoY. NSR firmed up 9% QoQ on account of increase in steel prices, which drove up unit EBITDA by INR 3.8k/MT QoQ to INR 8.3k/MT. Its coking coal cost remained flattish QoQ at ~INR 18.5k/MT. Employee cost continued to decline amid falling headcounts. SAIL incurred INR 36.72bn of capex during Q4FY26.
- FY26 performance:** Consolidated volume grew 11% YoY (7% own growth, rest through traded sales). Blended NSR/opex fell 3/3% YoY, each leading to flattish unit EBITDA of INR 6k/MT in FY26. Adjusted for prior-period rail price revision gains recorded in FY25, margin expanded by INR 1k/MT in FY26. SAIL reported EBITDA/OCF growth of 12/92% YoY to INR 120/190bn. OCF accelerated on continued inventory liquidation. Capex during the year stood at INR 91bn in FY26 and net debt fell by INR 47bn YoY to INR 313bn.
- Con call KTAs and outlook:** SAIL guided for 13% total volume growth in FY27. Steel prices have firmed up by ~INR 5k/MT QoQ in Q1FY27 and even coking coal prices are higher by ~INR 3.5k/MT. Its capex outgo run rate will accelerate to INR 150/200bn during FY27/28 towards its planned expansions. Factoring in robust pricing gain and healthy volume outlook, raise our FY27/28E EBITDA estimates by 13/8%. We have also raised capex estimates in line management guidance. Factoring in healthy outlook, we raise valuation multiple to 6x FY28E EBITDA (vs 5.5x earlier).

Quarterly/annual financial summary (standalone)

| YE Mar | Q4 FY26 | Q4 FY25 | YoY (%) | Q3 FY26 | QoQ (%) | FY24 | FY25 | FY26P | FY27E | FY28E |
|---------------------|------------|------------|------------|------------|------------|----------|----------|----------|----------|----------|
| Sales vol (mn MT) | 5.32 | 5.33 | (0.2) | 5.15 | 3.3 | 17.02 | 17.90 | 19.93 | 21.10 | 22.13 |
| NSR (INR/MT) | 57,920 | 55,002 | 5.3 | 53,148 | 9.0 | 61,919 | 57,266 | 55,600 | 58,213 | 57,922 |
| EBITDA (INR/MT) | 8,282 | 6,530 | 26.8 | 4,463 | 85.6 | 6,541 | 5,940 | 6,018 | 7,216 | 7,230 |
| Adj EBITDA (INR/MT) | - | 5,242 | (100.0) | 4,463 | (100.0) | 4,508 | 4,794 | 6,018 | 7,216 | 7,230 |
| Net Sales (INR bn) | 308.13 | 293.16 | 5.11 | 273.71 | 12.58 | 1,053.75 | 1,024.78 | 1,108.10 | 1,228.29 | 1,281.52 |
| EBITDA (INR bn) | 44.06 | 34.81 | 26.58 | 22.98 | 91.70 | 111.32 | 106.29 | 119.95 | 152.26 | 159.96 |
| APAT (INR bn) | 19.27 | 12.07 | 59.59 | 4.42 | 336.23 | 35.74 | 24.61 | 37.35 | 51.34 | 58.31 |
| AEPS (INR) | 4.7 | 2.9 | 59.6 | 1.1 | 336.2 | 8.7 | 6.0 | 9.0 | 12.4 | 14.1 |
| EV/EBITDA (x) | | | | | | 7.9 | 8.3 | 6.8 | 6.5 | 6.2 |
| P/E (x) | | | | | | 15.6 | 22.6 | 14.9 | 15.4 | 13.6 |
| RoCE (%) | | | | | | 6.9 | 5.7 | 6.8 | 8.8 | 9.2 |
| RoE (%) | | | | | | 6.7 | 4.5 | 6.6 | 8.5 | 9.1 |

Source: Company, HSIE Research; Adj EBITDA: ex of gains from revision of provisional rail price

ADD

| | |
|-------------------------|---------|
| CMP (as on 15 May 2026) | INR 192 |
| Target Price | INR 190 |
| NIFTY | 23,644 |

| KEY CHANGES | OLD | NEW |
|-------------------|---------------|--------------|
| Rating | ADD | ADD |
| Price Target | INR 150 | INR 190 |
| EBITDA revision % | FY27E 13.1 | FY28E 7.6 |

KEY STOCK DATA

| | |
|------------------------------|-------------|
| Bloomberg code | SAIL IN |
| No. of Shares (mn) | 4,130 |
| MCap (INR bn) / (\$ mn) | 795/8,280 |
| 6m avg traded value (INR mn) | 3,954 |
| 52 Week high / low | INR 210/118 |

STOCK PERFORMANCE (%)

| | 3M | 6M | 12M |
|--------------|------|------|------|
| Absolute (%) | 20.8 | 35.5 | 56.8 |
| Relative (%) | 29.7 | 46.5 | 65.6 |

SHAREHOLDING PATTERN (%)

| | Dec-25 | Mar-26 |
|-----------------|--------|--------|
| Promoters | 65.00 | 65.00 |
| FIs & Local MFs | 17.84 | 18.40 |
| FPIs | 4.54 | 5.01 |
| Public & Others | 12.62 | 11.59 |
| Pledged Shares | - | - |

Source : BSE

Pledged shares as % of total shares

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Endurance Technologies

Passing on of cost inflation has been challenging

The company is on the right growth trajectory via expansion of the product portfolio and customer base, with reducing dependency on Bajaj Auto (35% of mix in FY26 vs 38% in FY25 and vs 39% in H1FY17 that was around the time of its IPO). The diversification has also been led by focus on business beyond two wheelers: into four wheelers (5.6% of standalone revenue mix in FY26) and non-auto segments. Four wheelers and non-auto segments formed ~60% of the total order wins in FY26. However, higher raw material, production, and freight costs, and with only gradual passing on of the costs to customers, are likely to impact margins over the near term at least. We value the company at 26x Mar-28 EPS for a TP of Rs 2,650 and maintain an ADD rating.

- Quarterly performance:** Consolidated EBITDA margin at 13.9% declined 36bps YoY but improved 67bps QoQ, 113bps above our estimate and 53bps above Bloomberg consensus estimate, where the subsidiary margin made up for the hit in the standalone margin. Standalone EBITDA margin at 12.0% declined 163bps YoY and 41bps QoQ, impacted by higher RM costs.
- Europe business challenges are on the rise:** Management indicated a challenging operating environment in Europe on the back of rising energy costs, uncertainty around policies regarding electrification and localization, and increasing competition from Chinese OEMs.
- Difficult to pass on all costs to customers:** It mentioned that it has been regularly interacting with customers to update them on input cost increases, including that of gas and oil. As the cost increases are getting larger, some OEMs are yet to accept further cost increases. It also highlighted that energy cost increases are much tougher to pass on as compared to raw material costs. In FY26, the impact on standalone operations, mainly on account of higher aluminium alloy and steel prices, was to the tune of INR 737mn.
- ABS:** It mentioned that work has commenced on the 1.2mn pa capacity expansion of ABS with SOP expected in Sep'26. It added that the project will go on irrespective of the final ABS regulations, as there is increasing demand for ABS. It is enhancing the product offering with integrating new features such as traction control to cater to the 160-250cc segment. It is also in the process of backward integrating and has started in-house SOP of the ECU for single channel ABS, with dual channel expected in Jun'26.
- Other key business updates:** It is adding assembly lines to take monthly sales of inverted front forks from 60k units per month to 75k by Jun'26 and to 100k by end of FY27. Total business won for solar dampers is INR 1.18bn and for solar actuators is INR 2.27bn. In the transmission segment, it introduced the assist and slipper clutch assembly for Kawasaki and Royal Enfield.

Quarterly/annual financial summary

| YE Mar (INR mn) | 4Q FY26 | 4Q FY25 | YoY (%) | 3Q FY26 | QoQ (%) | FY26 | FY27E | FY28E |
|-------------------|------------|------------|------------|------------|------------|----------|----------|----------|
| Net Sales | 40,860 | 29,635 | 37.9 | 36,082 | 13.2 | 1,45,959 | 1,61,375 | 1,86,609 |
| EBITDA | 5,678 | 4,225 | 34.4 | 4,771 | 19.0 | 19,656 | 19,878 | 26,808 |
| EBITDA % | 13.9 | 14.3 | -36bps | 13.2 | 68bps | 13.5 | 12.3 | 14.4 |
| APAT | 2,764 | 2,330 | 18.7 | 2,216 | 24.7 | 9,727 | 9,494 | 14,339 |
| Diluted EPS (INR) | 19.7 | 16.6 | 18.7 | 15.8 | 24.7 | 69.1 | 67.5 | 101.9 |
| P/E (x) | | | | | | 36.9 | 37.8 | 25.0 |

Source: Company, HSIE Research

ADD

| | |
|-------------------------|-----------|
| CMP (as on 15 May 2026) | INR 2,549 |
| Target Price | INR 2,650 |
| NIFTY | 23,644 |

| KEY CHANGES | OLD | NEW |
|--------------|----------------|----------------|
| Rating | ADD | ADD |
| Price Target | INR 2,689 | INR 2,650 |
| EPS % | FY27E -0.7% | FY28E -1.5% |

KEY STOCK DATA

| | |
|------------------------------|-----------------|
| Bloomberg code | ENDU IN |
| No. of Shares (mn) | 141 |
| MCap (INR bn) / (\$ mn) | 358/3,735 |
| 6m avg traded value (INR mn) | 254 |
| 52 Week high / low | INR 3,080/2,136 |

STOCK PERFORMANCE (%)

| | 3M | 6M | 12M |
|--------------|------|-------|------|
| Absolute (%) | 2.6 | (5.1) | 17.4 |
| Relative (%) | 11.5 | 5.9 | 26.3 |

SHAREHOLDING PATTERN (%)

| | Dec-25 | Mar-26 |
|-----------------|--------|--------|
| Promoters | 75.00 | 75.00 |
| FIs & Local MFs | 9.20 | 9.78 |
| FPIs | 13.72 | 13.14 |
| Public & Others | 2.08 | 2.08 |
| Pledged Shares | - | - |

Source : BSE

Pledged shares as % of total shares

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Apollo Tyres

Unabated cost inflation could impede volume growth

The company is in a tough spot considering the highly unfavorable business environment: 1) rising cost inflation on raw material, energy, and freight; 2) higher price hikes that could slow volume growth; 3) lower control on marketing spends due to the BCCI sponsorship deal; 4) lesser room to delay capacity expansion as utilization hits 90%; 5) a heavyweight legacy tyre maker (Balkrishna Industries) moving forward as a new entrant in the company's core segments and is likely to strive to aggressively capture initial market share; 6) moderate demand in Europe along with some loss in volumes due to the company's manufacturing transition to another location; 7) lower control on price hikes in Europe as the company is a price follower. Considering the rising uncertainties, we remain cautious and lower our target multiple from 12x to 11x Mar-28 EPS (near -1SD of 5 year mean) for a TP of INR 376 and maintain a SELL rating.

- Consolidated performance:** Consolidated EBITDA margin at 14.6% declined 75bps QoQ, hit mainly by higher advertising and promotion spends (4% of sales in Q4) related to the BCCI sponsorship that included higher activation spends. EBITDA margin was, however, 45bps and 68bps above ours and Bloomberg consensus estimate, as gross margins improved 200bps QoQ.
- Standalone performance:** Standalone EBITDA margin at 14.6% was flattish QoQ and was a 54bps and 49bps beat to ours and Bloomberg consensus estimate. Revenue grew 14.3% YoY, driven by strong underlying demand and efforts toward better brand visibility.
- Outlook turning uncertain:** In Q4, in the standalone segment, volume growth was in high teens across replacement and OEM segments, while exports grew in mid-single digits. Similar growth in the European operations was in low single digits. While it expects demand to sustain in Q1, the outlook beyond that is uncertain considering rising inflation. However, since capacity utilization is ~90% across India and Europe, it will progress with the capacity expansion plan, with FY27 budgeted capex at INR 35bn.
- Unabated cost inflation:** Management indicated that higher inflation from costs such as raw material, energy, and freight is expected to impact margins over the near term. **India:** It has guided from RM cost inflation to rise in the high teens on a sequential basis. To mitigate the impact, it has already implemented a price hike of 3-5% in Q1 and expects to take another price hike of ~3% in May. It will also look for opportunities to take more calibrated price hikes and focus on cost reduction. **Europe:** While it expects RM costs to go up by low to mid-teens sequentially, it has announced a 2% price hike, while also indicating that the company is a price follower there. Besides elevated energy costs, the operations in Europe have also been facing high wage inflation over the last 2-3 years (12-13% per year vs earlier normal of 4-5%).

Quarterly/annual financial summary

| YE Mar (INR mn) | 4Q FY26 | 4Q FY25 | YoY (%) | 3Q FY26 | QoQ (%) | FY26 | FY27E | FY28E |
|-------------------|------------|------------|------------|------------|------------|----------|----------|----------|
| Net Sales | 73,357 | 64,236 | 14.2 | 77,431 | -5.3 | 2,84,706 | 2,95,615 | 3,32,819 |
| EBITDA | 10,688 | 8,374 | 27.6 | 11,859 | -9.9 | 41,432 | 40,475 | 49,396 |
| EBITDA Margin (%) | 14.6 | 13.0 | 154bps | 15.3 | -75bps | 14.6 | 13.7 | 14.8 |
| APAT | 9,503 | 2,678 | 254.8 | 4,895 | 94.1 | 24,066 | 16,381 | 21,713 |
| Diluted EPS (INR) | 15.0 | 4.2 | 254.8 | 7.7 | 94.1 | 21.6 | 25.8 | 34.2 |
| P/E (x) | | | | | | 18.3 | 15.3 | 11.5 |

Source: Company, HSIE Research

SELL

| | |
|-------------------------|---------|
| CMP (as on 15 May 2026) | INR 395 |
| Target Price | INR 376 |
| NIFTY | 23,644 |

| KEY CHANGES | OLD | NEW |
|--------------|---------|---------|
| Rating | SELL | SELL |
| Price Target | INR 416 | INR 376 |
| EPS % | FY27E | FY28E |
| | -6.7% | -1.4% |

KEY STOCK DATA

| | |
|------------------------------|--------------|
| Bloomberg code | APTY IN |
| No. of a Shares (mn) | 635 |
| MCap (INR bn) / (\$ mn) | 251/2,611 |
| 6m avg traded value (INR mn) | 483 |
| 52 Week high / low | INR 541/ 392 |

STOCK PERFORMANCE (%)

| | 3M | 6M | 12M |
|--------------|--------|--------|--------|
| Absolute (%) | (19.4) | (23.9) | (17.9) |
| Relative (%) | (10.5) | (12.9) | (9.1) |

SHAREHOLDING PATTERN (%)

| | Dec-25 | Mar-26 |
|-----------------|--------|--------|
| Promoters | 36.93 | 36.93 |
| FIs & Local MFs | 27.90 | 27.56 |
| FPIs | 12.26 | 12.15 |
| Public & Others | 22.91 | 23.36 |
| Pledged Shares | 0.00 | 0.00 |

Source : BSE

Pledged shares as % of total shares

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NCC

Strong order backlog; cautious outlook

NCC reported improved quarterly performance in Q4FY26, with revenue/EBITDA/APAT beat by 1.4/(1)/12.8% on the back of improved quarterly execution. JJM collection has improved with INR 10bn received from UP in Q4FY26 with JJM balance sheet exposure down from INR 37bn to INR 30bn QoQ. With Order Inflow (OI) of INR 319bn in FY26 (FY25: 329bn), the consolidated Order Book (OB) as of FY26 stands at INR 830bn (~4x FY26 revenue), while standalone OB stands at INR 715bn. Despite a strong order book, NCC has not given any guidance on order booking, margins, and revenue growth for FY27. Geopolitics uncertainty, increase in commodity prices (75% OB is variable pricing), and likely delays in client payments may impact execution. Whilst NCC works at site in Q1FY27 is progressing smoothly, it is cautious on future outlook and has desisted from giving any guidance. We believe growth should pick up in ensuing quarters as the entire OB has moved into execution from Q4FY26. We have cut estimates to factor in client-specific delays; maintain BUY with reduced TP of INR 243/sh (15x Mar-28E EPS).

- Q4FY26 financial highlights:** Revenue: INR 53.2bn (-1.1/+31.5% YoY/QoQ, a 1.4% beat). EBITDA: INR 4.5bn (-9.4/+37% YoY/QoQ, a 1% miss). EBITDA margin: 8.4% (-77/+35bps YoY/QoQ), vs. our estimate of 8.6%. APAT: INR 2.2bn (-10/+105% YoY/QoQ, a 12.8% beat).
- All-time high order backlog, supported by strong robust inflows:** The consolidated OI of INR 319bn (-3% YoY) in FY26 has resulted in strong order backlog of INR 830bn (+16% YoY, 4x FY26 revenue). Order inflow is spread across mining/building/transportation/water & rail/Electrical (T&D) at 36/24/8/23/4% respectively. Business-wise, the consolidated OB is well-diversified into building/transportation/electrical (T&D)/irrigation/water & rail/mining segments, each contributing 36/17/20/4/8/15%. Capex outlay stands at INR 9.1bn for FY26 (FY27: ~INR5bn guidance).
- JJM receivable recovery aid deleveraging:** Gross standalone debt decreased to INR 22.5bn (Q3FY26/Q4FY25: 29.8/14.8bn). NCC received INR 10bn from JJM, which resulted in debtor reduction from INR 17bn to INR 7bn. JJM total balance sheet exposure as of Dec'25 stood at INR 37bn and has come down to INR 30bn as of Mar-26 end. Pending order book is INR 62bn. NWC as of Dec'25 stood at 119 days and have reduced to 97days by end of FY26.

Standalone Financial Summary (INR mn)

| Particulars | 3Q | | YoY (%) | 2Q | | FY25 | FY26E | FY27E | FY28E |
|---------------|--------|--------|---------|--------|---------|---------|---------|---------|---------|
| | FY26 | FY25 | | FY26 | QoQ (%) | | | | |
| Revenue | 40,429 | 46,710 | (13.4) | 37,264 | 8.5 | 192,053 | 176,849 | 215,756 | 248,119 |
| EBITDA | 3,273 | 4,095 | (20.1) | 2,774 | 18.0 | 17,456 | 14,908 | 19,267 | 22,579 |
| APAT | 1,069 | 1,854 | (42.4) | 1,018 | 4.9 | 7,611 | 6,208 | 9,090 | 11,273 |
| EPS (INR) | 1.8 | 3.0 | (42.4) | 1.67 | 4.9 | 12.1 | 9.9 | 14.5 | 18.0 |
| P/E (x) | | | | | | 12.9 | 15.8 | 10.8 | 8.7 |
| EV/EBIDTA (x) | | | | | | 5.7 | 6.0 | 4.8 | 4.0 |
| RoE (%) | | | | | | 10.7 | 8.1 | 10.9 | 12.3 |

Source: Company, HSIE Research

Change in Estimates (INR mn)

| Particulars | FY26E | | | FY27E | | | FY28E | | |
|-------------|---------|---------|--------|---------|---------|--------|---------|---------|--------|
| | New | Old | % Chg. | New | Old | % Chg. | New | Old | % Chg. |
| Revenue | 176,849 | 190,983 | (7.4) | 215,756 | 213,901 | 0.9 | 248,119 | 245,986 | 0.9 |
| EBIDTA | 14,908 | 16,749 | (11.0) | 19,267 | 19,529 | (1.3) | 22,579 | 22,705 | (0.6) |
| EBIDTA (%) | 8.4 | 8.8 | (34.0) | 8.9 | 9.1 | (20.0) | 9.1 | 9.2 | (13.0) |
| APAT | 6,208 | 7,841 | (20.8) | 9,090 | 9,286 | (2.1) | 11,273 | 11,478 | (1.8) |

Source: HSIE Research

BUY

| | |
|-------------------------|---------|
| CMP (as on 15 May 2026) | INR 161 |
| Target Price | INR 243 |
| NIFTY | 23,644 |

| KEY CHANGES | OLD | NEW | |
|--------------|---------|---------|-------|
| Rating | BUY | BUY | |
| Price Target | INR 265 | INR 243 | |
| EPS | FY26E | FY27E | FY28E |
| Change % | -20.8 | -2.1 | -1.8 |

KEY STOCK DATA

| | |
|------------------------------|-------------|
| Bloomberg code | NJCC IN |
| No. of Shares (mn) | 628 |
| MCap (INR bn) / (\$ mn) | 101/1,051 |
| 6m avg traded value (INR mn) | 591 |
| 52 Week high / low | INR 242/130 |

STOCK PERFORMANCE (%)

| | 3M | 6M | 12M |
|--------------|------|--------|--------|
| Absolute (%) | 5.8 | (12.7) | (30.0) |
| Relative (%) | 14.7 | (1.7) | (21.1) |

SHAREHOLDING PATTERN (%)

| | Sept-25 | Dec-25 |
|-----------------|---------|--------|
| Promoters | 22.11 | 22.25 |
| FIs & Local MFs | 16.65 | 15.30 |
| FPIs | 12.87 | 11.49 |
| Public & Others | 48.37 | 50.96 |
| Pledged Shares | 2.87 | - |

Source: BSE

Pledged shares as % of total shares

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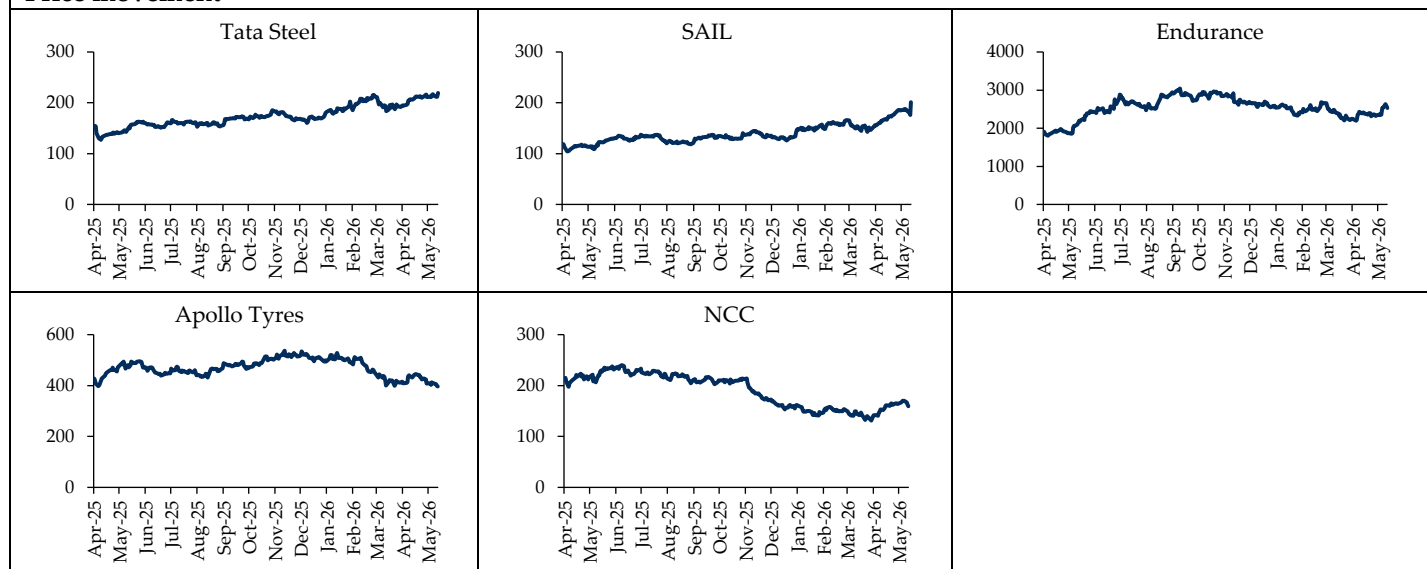
Rating Criteria

BUY: >+15% return potential
 ADD: +5% to +15% return potential
 REDUCE: -10% to +5% return potential
 SELL: > 10% Downside return potential

Disclosure:

| Analyst | Company Covered | Qualification | Any holding in the stock |
|--------------------|--------------------------------------|---------------|--------------------------|
| Rajesh Ravi | Tata Steel, Steel Authority of India | MBA | NO |
| Keshav Lahoti | Tata Steel, Steel Authority of India | CA, CFA | NO |
| Riddhi Shah | Tata Steel, Steel Authority of India | MBA | NO |
| Mahesh Nagda | Tata Steel, Steel Authority of India | CA | NO |
| Hitesh Thakurani | Endurance Technologies, Apollo Tyres | MBA | NO |
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| Parikshit Kandpal | NCC | CFA | NO |
| Aditya Sahu | NCC | MBA | NO |
| Jay Shah | NCC | CA | NO |

Price movement



Disclosure:

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