

H.G. Infra Engineering Ltd.

BUY

Sector: Infrastructure

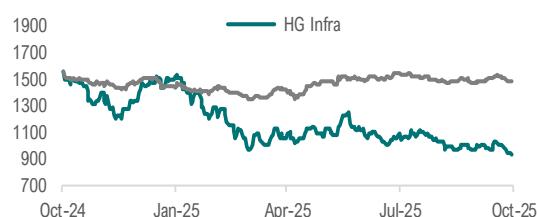
08th October 2025

Key Changes	Target	Rating	Earnings	Target	Rs.1,247
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Small Cap	HGINFRA:IN	81,774	HGINFRA	541019	12 Months
				CMP	Rs.932
				Return	+34%

Data as of: 08-10-2025, 16:00 hrs

Company Data			
Market Cap (Rs Cr)	6,074		
52 Week High — Low (Rs.)	1,561-918		
Enterprise Value (cr)	6,320		
Outstanding Shares (Rs cr)	6.5		
Free Float (%)	28		
Dividend Yield (%)	0.2		
6m average volume (cr)	0.02		
Beta	1.2		
Face value (Rs)	10		
Shareholding (%)	Q3FY25	Q4FY25	Q1FY26
Promoters	71.8	71.8	71.8
FII's	2.8	2.9	2.4
MFs/Insti	12.1	12.0	11.7
Public	13.3	13.3	14.1
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-9%	-13%	-38%
Absolute Sensex	-3%	6%	-4%
Relative Return*	-7%	-19%	-34%

*over or under performance to benchmark index



Standalone (Rs cr)	FY25A	FY26E	FY27E
Sales	6,052	6,967	8,032
Growth (%)	18.2	15.1	15.3
EBITDA	951	1,059	1,213
EBITDA Margin(%)	15.7	15.2	15.1
PAT Adj.	520	602	711
Growth (%)	18.5	15.9	18.1
Adj.EPS	79.8	92.4	109.2
Growth (%)	18.5	15.9	18.1
P/E	11.7	10.1	8.5
P/B	2.2	1.8	1.5
EV/EBITDA	6.7	6.0	5.3
ROE (%)	23.4	20.0	19.4
D/E	0.2	0.1	0.1

Author: Antu Eapan Thomas - Sr. Research Analyst

Recent appointed dates signalling execution momentum...

HG Infra Engineering Ltd. (HG Infra) is one of the emerging EPC players in India, with over two decades of rich experience in road construction. It is primarily engaged in roads and allied sectors like flyovers, bridges, and irrigation.

- HG Infra has received a pending appointed date for Varanasi-Kolkata Package-13 with a project cost of Rs. 925 cr, signaling execution momentum in H2FY26.
- HG Infra has a strong order book of Rs.14,656cr in Q1FY26 (2.4x TTM revenue) and is targeting an order inflow of Rs.11,000 cr in FY26 due to a solid tender pipeline from NHAI.
- The company expects the remaining 4 projects (22% of the OB) to receive appointed dates in Q3FY26. With the progress in execution, we expect revenue to grow at a CAGR of 15% over FY25-FY27E.
- The company plans to derive 30–40% of its order book over the next 2–3 years from non-road segments, including railways, metros, renewable energy, and transmission projects.
- During the quarter, HG Infra has received its first transmission projects worth Rs.350 cr in Odisha and one BESS project from GUVNL for 300 MW.
- The company has guided for a revenue growth of 16-17% for FY26 with an EBITDA margin of 15-16%

Outlook & Valuation

The management is prioritizing the diversification of the order book and maintaining a healthy margin profile to drive future growth. We remain optimistic about the upcoming project pipeline and execution, despite the recent slowdown in awarding new contracts. **Therefore, we reiterate our BUY rating on the stock & value standalone businesses at a P/E of 11x FY27E EPS and HAM projects at 0.3x P/BV with a target price of Rs.1,247.**

Quarterly Financials Standalone.

Rs.cr	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Sales	1,575	1,506	4.6	1,973	-20.2
EBITDA	261	243	7.3	283	-7.7
Margin (%)	16.6	16.2	42bps	14.3	224bps
EBIT	226	209	8.4	246	-8.0
PBT	200	190	5.5	268	-25.4
Rep. PAT	148	140	6.1	212	-30.3
Adj PAT	148	140	6.1	212	-30.3
EPS (Rs)	22.7	21.4	6.1	32.6	-30.3



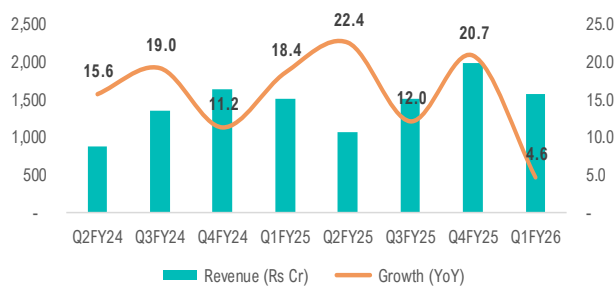
Key Highlights

- The appointed date for Varanasi-Ranchi Packages-10 is expected in Q3FY26, where significant development for forest clearance has been done.
- Kosi-Parikrama Package 6, Ayodhya: the construction agreement is signed, and execution stands at 2.2%, and the appointed date is expected very soon.
- The company has already bid for orders worth Rs.17,000 cr (highway Rs.9,000cr, railway Rs.6,000cr, solar Rs.1,100cr).
- The equity commitments for FY26 are at Rs.420cr – HAM: Rs.290cr, BESS: Rs.120cr, Transmission: Rs.10cr.

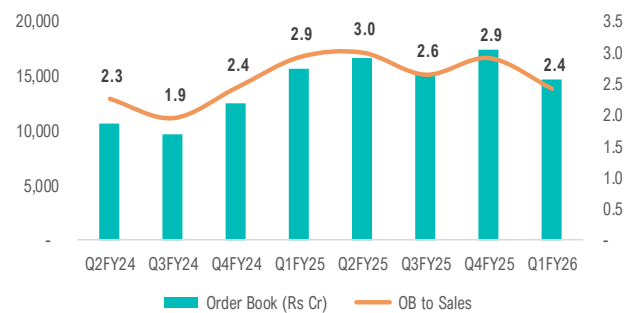
SOTP Valuation

Particulars	Invested Equity	Value per share	Rationale
Standalone FY27 EPS		1,201	P/E11x FY27E EPS
HAM Projects	997	46	0.3x P/BV
Total		1,247	

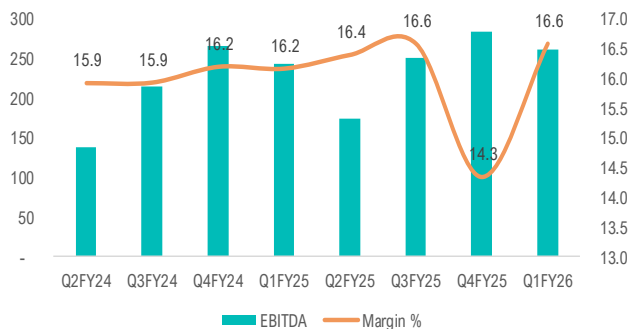
Revenue



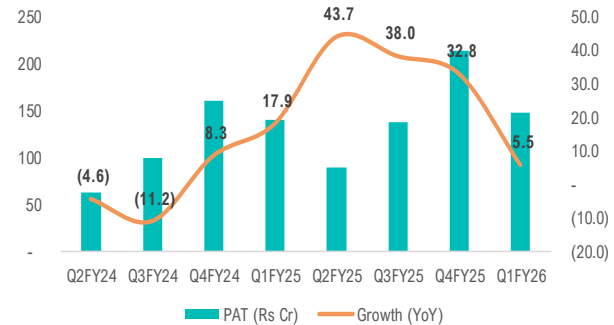
Order Book



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	6,947	8,105	6,967	8,032	0.3	-0.9
EBITDA	1,077	1,272	1,059	1,213	-1.7	-4.7
Margins (%)	15.5	15.7	15.2	15.1	-30bps	-60bps
Adj. PAT	616	759	602	711	-2.2	-6.2
EPS	94.5	116.4	92.4	109.2	-2.2	-6.2



Standalone Financials

PROFIT & LOSS

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Revenue	4,419	5,122	6,052	6,967	8,032
% change	22.2	15.9	18.2	15.1	15.3
EBITDA	710	822	951	1,059	1,213
% change	9.2	15.7	15.7	11.4	14.5
Depreciation	96	141	144	155	162
EBIT	614	681	807	904	1,051
Interest	63	81	116	106	108
Other Income	18.1	12.6	15.2	16.0	18.0
PBT	569	719	763	814	961
% change	9.6	26.5	6.1	6.6	18.1
Tax	147	174	186	212	250
Tax Rate (%)	26	24	24	26	26
Reported PAT	421	545	577	602	711
Adj*	0	107	57	0	0
Adj PAT	421	439	520	602	711
% change	4.5	4.1	18.5	15.9	18.1
No. of shares (cr)	7	7	7	7	7
Adj EPS (Rs.)	65	67	80	92	109
% change	4.5	4.1	18.5	15.9	18.1
DPS (Rs.)	1.0	1.3	1.5	1.7	1.9

BALANCE SHEET

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	216	149	116	132	91
Accounts Receivable	908	1,052	1,244	1,431	1,628
Inventories	223	248	331	380	426
Other Cur. Assets	605	716	945	1,088	1,232
Investments	545	817	1,144	1,601	2,242
Gross Fixed Assets	1,059	1,139	1,189	1,239	1,289
Net Fixed Assets	602	541	447	342	230
CWIP	3	3	3	3	3
Intangible Assets	2	2	2	2	2
Def. Tax (Net)	12	13	14	14	14
Other Assets	47	54	63	72	83
Total Assets	3,163	3,595	4,308	5,066	5,952
Current Liabilities	893	936	1,109	1,277	1,462
Provisions	53	50	60	69	79
Debt Funds	435	395	415	405	395
Other Liabilities	3	3	4	4	5
Equity Capital	65	65	65	65	65
Reserves & Surplus	1,714	2,145	2,655	3,246	3,946
Shareholder's Fund	1,779	2,210	2,720	3,312	4,011
Total Liabilities	3,163	3,595	4,308	5,066	5,952
BVPS (Rs.)	273	339	417	508	615

CASH FLOW

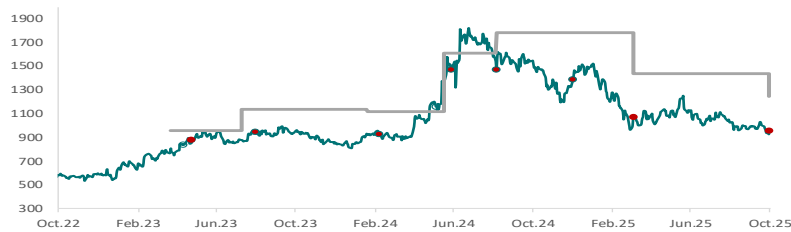
Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	665	860	907	969	1,123
Non-cash adj.	81	136	151	190	235
Changes in W.C	-244	-236	-330	-213	-201
C.F. Operation	475	709	701	871	1,038
Capital exp.	-251	-80	-50	-50	-50
Change in inv.	-182	-272	-327	-458	-641
Other invest.CF	-12	5	-3	-2	-3
C.F - Investment	-444	-348	-380	-509	-694
Issue of equity	0	0	0	0	0
Issue/repay debt	167	-121	-96	-116	-118
Dividends paid	-7	-8	-9	-11	-12
Other finance.CF	-7	-6	-8	-8	-10
C.F - Finance	27	-429	-354	-345	-385
Chg. in cash	57	-67	-33	17	-41
Closing cash	216	149	116	132	91

RATIOS

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	16.1	16.0	15.7	15.2	15.1
EBIT margin (%)	13.9	13.3	13.3	13.0	13.1
Net profit mgn.(%)	9.5	10.7	9.5	8.6	8.9
ROE (%)	26.8	27.3	23.4	20.0	19.4
ROCE (%)	25.3	26.0	24.1	20.7	20.2
W.C & Liquidity					
Receivables (days)	66.4	69.9	69.2	70.1	69.5
Inventory (days)	16.8	16.8	17.4	18.6	18.3
Payables (days)	92.7	97.4	92.2	93.4	93.7
Current ratio (x)	1.8	1.9	2.0	2.0	2.0
Quick ratio (x)	1.1	1.1	1.0	1.0	1.0
Turnover & Leverage					
Gross asset T.O (x)	4.7	4.7	5.2	5.7	6.4
Total asset T.O (x)	1.6	1.5	1.5	1.5	1.5
Int. coverage ratio (x)	9.7	8.4	7.0	8.6	9.8
Adj. debt/equity (x)	0.2	0.2	0.2	0.1	0.1
Valuation					
EV/Sales (x)	1.4	1.2	1.1	0.9	0.8
EV/EBITDA (x)	8.9	7.7	6.7	6.0	5.3
P/E (x)	14.4	13.8	11.7	10.1	8.5
P/BV (x)	3.4	2.7	2.2	1.8	1.5



Recommendation Summary (last 3 years)



Source: Bloomberg, Geojit Research.

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:



Upgrade



No Change



Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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GRIEVANCES

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