PRIVATE CLIENT GROUP | kotak Securities

Dated: 14th Nov 2025

PNC Infratech (FIL) – ADD

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs. 278	**Rs. 315**

Rationale:

- PNC's Q2FY26 standalone result missed our estimates due to weak execution impacted by delayed appointed date (AD) in HAM projects and extended monsoon.
- PNC had Rs20100cr of order backlog at the end of H1FY26, which is ~3.6xFY25 revenue.
- Added ~Rs6k cr of new projects in H1FY26 & expects another 6k cr of new projects in H2FY26 largely expected from road sector.
- Anticipates 20% growth in FY27 (with aspirations of 30%) as new projects gain traction.
- We have downgraded for FY26–27E earnings by 7–12%.
- Maintain ADD with revised sum of the parts based fair value of Rs315 (Vs Rs325 earlier).

Positives:

- The EBITDA margin at 13.9% grew 220bps yoy.
- Execution momentum is likely to pick up in H2FY26 as appointed dates are received.
- Identified around 70 projects worth nearly Rs1 lakh cr for bidding over next few months.
- PNC completed monetization of 11 of its 12 HAM assets.
- Company remains focused on a healthy balance sheet, prudent leverage, and diversification into other infra sectors.

Negatives:

- Standalone revenue in Q2FY26 declined by 14.5% yoy, primarily due to weak execution.
- Cut revenue growth guidance for FY26E from 15-20% to 5%.

(EBITDA- Earnings Before Interest, Taxes, Depreciation, and Amortization, K: Thousand, HAM: Hybrid Annuity Model)

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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