PRIVATE CLIENT GROUP | kotak Securities

Dated: 17 Nov 2025

# NBCC (NBCC) - ADD

## Q2FY26 Result Update

| Current Market Price (CMP) | Fair Value (FV) |
|---|---|
| **Rs.114** | **Rs.130** |

## Rationale:

- NBCC's Q2FY26 performance was a mixed bag, with PMC revenues surpassing expectations but margins trailing estimates.
- Operates on self-funding model in redevelopment which leads to strong balance sheet with net cash on its book.
- Robust order backlog of Rs 1.12 lakh cr (standalone) & Rs 1.28 lakh cr (consolidated).
- NBCC aims to achieve ~ Rs25k cr revenue and Rs2k cr PAT by FY28.
- Our FY26E/FY27E EPS estimates are revised by +12% and –11%, respectively.
- Maintain our ADD rating with revised SoTP-based FV of Rs130 (vs. Rs115 earlier).

### Positives:

- Reported standalone revenue/EBITDA/PAT growth of 12.3%/5.5%/39.5% yoy.
- Management expects a strong pickup in H2FY26, supported by a healthy pipeline, and maintains its guidance of over Rs 20,000 cr in inflows.
- Reiterated its revenue guidance of Rs 11,000 cr standalone and Rs 15,000 cr consolidated for FY26.
- Plans to award Rs14-15k cr in FY26 and Rs20k–25k cr in FY27.

### Negatives:

- EBITDA margin at 3.9% (-30bps yoy) was lower than our estimates.
- Lower margins driven by reduced real estate contribution—largely due to the Odisha project shifting to a lease model from outright sale.

(SoTP: sum of the parts, EBITDA: Earnings before Interest, tax, Depreciation and Amortization, PAT: Profit after tax, k: thousand, PMC: Project management and consultancy, EPS: Earnings per share)



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. |
| **SUBSCRIBE** | – | We advise investor to subscribe to the IPO. |
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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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