Aditya Birla Money Ltd.

ADITYA BIRLA CAPITAL
STOCKS & SECURITIES

Ceinsys Tech Ltd. – Q4 FY25 Result Update

7th May, 2025

Strong Execution, Operating Leverage Ahead

Ceinsys Tech Ltd. posted a robust Q4FY25 performance with revenue/EBITDA/PAT rising 82%/117%/88% YoY. It recorded its highest-ever quarterly revenue of ₹142 cr., with EBITDA at ₹26.7 cr. and margin improving by ~285 bps YoY to 18.8%. The closing orderbook of ₹1,197 cr. as of 31st March 2025 provides strong revenue visibility. Management remains optimistic about order inflows driven by the extension of the Jal Jeevan Mission, river-linking projects, and the Government's land digitization initiatives, while maintaining focus on execution and margins. We reiterate our BUY at a CMP of ₹1,524 with a target of ₹2,500 (35x FY27 P/E), implying 64% upside.

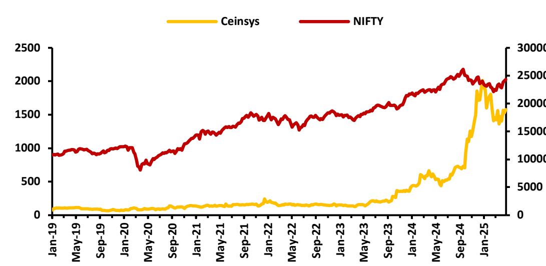
CMP (Rs)	**1,530**
Target (Rs)	**2,500**
Upside /Downside (%)	64%
High/Low (Rs)	2,105/ 396
Market cap (Cr)	2,662
No. of shares (Cr)	1.74

Shareholding (%)

	23-Mar	24-Mar	25-Mar
Promoter	58.6	55.3	51.9
FIIs	0.0	0.0	4.7
DIIs	7.1	0.0	0.9
Retail	34.3	44.6	42.6

Financial & Valuations

Y/E Mar (Rs cr)	FY25	FY26E	FY27E
Net Sales	429	654	978
EBITDA	78	119	184
Net Profit	63	102	147
EPS (Rs)	39.1	49.7	71.7
PER (x)	40.0	31.4	21.8
ROE (%)	15.4	19.8	22.2
ROCE (%)	14.5	16.8	19.3



Con-call Highlights:

Robust pipeline of ~3x book-to-bill with marquee projects-

Total order book stood at ₹1,197 cr. of which ~₹500 cr. is for technology business and the balance for geospatial. Order intake during the year was ₹786 cr. Orders to be executed in **18-20 months**; a few (~₹60-70 cr.) extending to **3-4 years**. Order pipeline to maintain a run rate of 300-400 cr. every quarter.

Major projects:

- River linking – ₹381 Cr
- IoT-based water & sanitation – ₹332 Cr
- GIS enterprise for SIDCO – ₹29 Cr
- Digital transformation of MADA – ₹29 Cr

Strong operational performance indicates continuous improving efficiency-

The **current ratio improved** to **2.82** (from 2.6), while **turnover to net working capital** rose to **4.4x** (from 3.2x). The company maintained a **surplus cash balance of ₹110 cr.** (net of borrowings). **Technology solutions execution grew 3.5x** YoY to **₹213 Cr**, with its revenue share rising from **24% to 51%**. **Employee cost** reduced to **30%** of revenue (from 35%), boosting **turnover per employee** to **₹3.34 Mn** (vs ₹2.29 Mn). An investment of **₹120 Mn** towards **US expansion** was expensed through the P&L.

Management rejigs to bring in new talent with strategic objectives-

The company appointed Mr. Phaneesh Murthy & Mr. Surej Poyil as additional directors in May. Mr. Murthy has successfully structured and managed large outsourcing deals for Fortune 500 companies. Mr. KP Surej was earlier appointed as the CEO Designate of the Company and the CEO of the Wholly Owned Subsidiary Technology Associates Inc USA. He will be replacing Mr. Prashant Kamat as the CEO. Mr. Prashant will remain as an advisor to the board. The changes come in the light of increasing international business for the company.

Research Team: -

Ninad Sarpotdar
Analyst
ninad.sarpotdar@adityabirlacapital.com
022-6819 0538

Collectability not an issue, execution on track-

The LoA for river linking project in Vidarbha was delayed & received in January. The work was promptly started on this project from February. 80+ people & required equipment & infra has been set up. Maintaining a coverage rate of 150-170 km daily for LiDAR flying. Expect the aerial **LiDAR work to be completed by May & processing of this data to be completed by June**. Can expect **~₹150 cr. of revenue in Q1 from this project**. Further, some compounding delays on account of rains may be expected but this is as per the agreement.

The receivables include ~₹135 cr. of unbilled revenue, which is expected to be collected in H1FY26. This portion of receivables is expected to keep building up on account of ramping up of business. The net receivables position has improved while Q4 accounted for collection of ₹88 cr. & the management said that collections from Govt. are smooth.

Other Future Outlook-

Management is focused on scaling the Technology segment, given its higher margins, while noting that larger projects will continue to include a Geospatial component. It is also actively pursuing strategic acquisitions to enhance global presence, with announcements expected soon. These opportunities are being assessed for both capability enhancement and customer base expansion.

Changes in Jal Jeevan Mission budgets are unlikely to impact the company materially, as its involvement is limited to the geospatial portion, which constitutes only 7–8% of the overall project value.

While the company is exploring new-age businesses and AI innovation, these initiatives are still in early stages. Additionally, it has shelved data center plans, choosing instead to concentrate on existing high-potential areas without diluting focus.

Outlook & Valuation:

We had initiated coverage on Ceinsys Tech with a target price of ₹2,500/ share in January (click here). The company has reported strong results for FY25, with revenue growing by 65% to ₹418 Cr, EBITDA rising 71% to ₹78 Cr with a margin of 18.7%, and net profit surging 81% to ₹63 Cr. We expect the company to maintain its growth pace with improvement in margins, we re-iterate our BUY at the CMP of ₹1,530/ share with target of ₹2,500/ share indicating 64% upside.

Particulars	FY22	FY23	FY24	FY25	FY26E	FY27E
Operating Revenue	203	219	253	418	645	968
Growth (%)		8%	15%	65%	54%	50%
EBITDA	24	33	46	78	119	184
EBITDA margins (%)	11.8%	15.0%	18.0%	18.7%	18.5%	19.0%
Interest	11	10	6	3	10	15
Depreciation	3	4	5	8	6	7
Tax	4	-2	15	26	44	63
Tax Rate	29%	-7%	30%	29%	30%	30%
PAT	10	31	35	63	102	147
No. of Shares	1.54	1.54	1.63	1.74	2.05	2.05
EPS	6.17	20.02	21.42	36.26	49.71	71.68

Disclaimer:

I, **Ninad Sarpotdar**, hereby certify that all the views expressed in this research report reflect our personal views about any or all of the subject issuer or securities. This report has been prepared by the Research Team of Aditya Birla Money Limited, hereinafter referred to as ABML. Further, I **Ninad Sarpotdar**, have not served / do not serve as an officer, director or employee of the companies mentioned in the report. Further, I **Ninad Sarpotdar** have not been engaged in market making activity in the Subject Company. AI tools were not used for research services.

Aditya Birla Money Limited (ABML) is in the business of offering stock broking and depository services in securities through its various affiliations with Stock Exchanges and Depositories. It offers Portfolio Management Services to HNI and Corporate investors. ABM also caters to investments in Mutual Funds through it digital platform to diversify asset allocation.

This document is not for public distribution and is meant solely for the personal information of the authorized recipient. No part of the information must be altered, transmitted, copied, distributed or reproduced in any form to any other person. Persons into whose possession this document may come are required to observe these restrictions. This document is for general information purposes only and does not constitute an investment advice or an offer to sell or solicitation of an offer to buy / sell any security and is not intended for distribution in countries where distribution of such material is subject to any licensing, registration or other legal requirements.

The information, opinion, views contained in this document are as per prevailing conditions and are of the date of appearing on this material only and are subject to change. No reliance may be placed for any purpose whatsoever on the information contained in this document or on its completeness. Neither ABML, its group companies, its directors, associates, employees nor any person connected with it accepts any liability or loss arising from the use of this document. The views and opinions expressed herein by the author in the document are his own and do not reflect the views of Aditya Birla Money Limited or any of its associate or group companies. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. Past performance is no guarantee and does not indicate or guide to future performance.

Nothing in this document is intended to constitute legal, tax or investment advice, or an opinion regarding the appropriateness of any investment, or a solicitation of any type. The contents in this document are intended for general information purposes only. This document or information mentioned therefore should not form the basis of and should not be relied upon in connection with making any investment. The investment may not be suited to all the categories of investors. The recipients should therefore obtain your own professional, legal, tax and financial advice and assessment of their risk profile and financial condition before considering any decision.

ABML, its associate and group companies, its directors, associates, employees from time to time may have various interests/ positions in any of the securities of the Company (ies) mentioned therein or be engaged in any other transactions involving such securities or otherwise in other securities of the companies / organization mentioned in the document or may have other interest with respect of any recommendation and / related information and opinions.

Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

ABML may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Neither the Research Analysts nor ABML have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ABML by any Regulatory Authority impacting Equity Research Analysis activities during the past 1 year.

In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report Research Analysts, ABML or any of its associates

(i) have not received any compensation from the Subject Company

(ii) may have managed or co-managed public offering of securities from subject company of this research report, or

(iii) may have received compensation for investment banking or merchant banking or brokerage services from subject company of this research report, or

(iv) may have received compensation for products or services other than investment banking or merchant banking or brokerage services as applicable from the subject company of this research report or

(v) the Subject Company may have been a client of ABML or its associates during twelve months preceding the date of distribution of the research report.

ABML and it's associates have not received any compensation or other benefits from the subject company or third party in connection with the research report. Accordingly, neither ABML nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

The company follows employee trading policy which regulates the trading activities of the research analyst. The company policy do not restrict the compensation of research analyst linked with the recommendations provided therein.

Name of the Compliance officer: Mr. Murali Krishnan L R: 044-49490014 E-mail Address: abm-chn.compliance@adityabirlacapital.com. For any queries or grievances: Mr. Sathish Kumar Email address: care.stocksandsecurities@adityabirlacapital.com Contact Number: 18002707000.

Securities Broking is through Aditya Birla Money Limited: SEBI Registration No. NSE/BSE/MCX/NCDEX:INZ000172636 ; NSDL /CDSL: IN-DP-17-2015. PMS - INP 000003757, Research Analyst –INH000002145. Central Insurance Repository Limited: IRDA/IR2/2014/312. Investments in securities market are subject to market risks, read all the related documents carefully before investing. Please read the risk disclosure document, rights and obligations, guidance note, Do's and Don'ts and policies and procedure carefully before making any investment decision. Brokerage will not exceed the SEBI prescribed limit. Margins as prescribed by Exchange / SEBI will be applicable.