Engineers India Ltd — Nov 2025 Quarterly Analysis

1. VERDICT

Result: Strong Beat
One-line: Exceptional revenue and profit growth driven by record-high order book and robust execution in both consultancy and turnkey segments reinforce the long-term thesis of steady growth and margin expansion. Management maintains conservative revenue guidance but acknowledges visible upside potential, affirming confidence in execution and order pipeline.

Dimension	Rating	Evidence
Beat/Miss vs Guidance / Prior Quarter	Strong Beat	Revenue +37% H1 YoY, PAT +38% H1 YoY, order book at all-time high □13,131 Cr vs □12,145 Cr QoQ
Guidance Confidence	Neutral	Management reiterates 15-20% revenue growth guidance but notes potential upside beyond that
Management Credibility	Strong	Transparent on JV losses, margin fluctuations, and conservative guidance; consistent outlook
Tone vs Prior Quarter	More Confident	Confident outlook on order inflows, international expansion, and diversification
Business Quality Signal	Improving	Strong order inflows, margin expansion in consultancy, growing international and non-oil & gas segments
Most Tense Q&A Exchange	Q1 - JV losses and recovery timeline	
Topics Pressed But Absent from Opening	None material	

2. BUSINESS PERFORMANCE

2A. KEY METRICS

Metric	Current Qtr (Q2 FY25-26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Revenue (□Cr)	900	+33%	+5%	↑	Strong execution in consultancy (□411 Cr) and turnkey (□489 Cr) segments
EBITDA (□Cr)	160	+45%	+6%	↑	EBITDA margin improved to 17% from 15% YoY, driven by consultancy margin expansion
EBITDA Margin %	17%	+2 ppt	+1 ppt	↑	Consultancy margins at ~28% this quarter; annual guidance 20-25%
PAT (□Cr)	115	+45%	+10%	↑	PAT margin improved to ~13% from ~12% YoY
EPS (□)	2.04	+45%	+10%	↑	EPS growth aligned with PAT growth
Order Book (□Cr)	13,131	+8%	+8%	↑	All-time high order book; consultancy 57%, turnkey 43%
Order Inflow (□Cr, H1 FY25-26)	3,765 (Q2 alone)	+10%+ (vs last year)	N/A	↑	Strong order inflow with □4,000 Cr secured so far in FY25-26, targeting >□8,000 Cr full year

2B. SEGMENT BREAKDOWN

Segment	Revenue (₹Cr)	YoY Growth	Margin (%)	Trend	vs Company Avg	Key Development
Consultancy	411 (Q2)	Not in document	~28% EBIT (Q2), 25%+ annual guidance	↑	Above avg	Margin expansion driven by strong execution; international consultancy orders growing; 50%+ order inflow share expected
Turnkey	489 (Q2)	Not in document	6-7% segment profit guidance	→	Below avg	Turnkey revenue higher this quarter; margins stable; strong order inflow domestically

2C. PPT vs CONCALL ALIGNMENT

Metric	PPT Figure	Concall Figure	Match?	Delta / Note
Order Book	₹13,131 Cr	₹13,131 Cr	Yes	Perfect alignment
Revenue Q2	₹900 Cr	₹900 Cr	Yes	Perfect alignment
PAT Q2	₹115 Cr	₹115 Cr	Yes	Perfect alignment
Consultancy EBIT Margin	Not explicitly in PPT	28% (Q2), 25% annual guidance	Yes	Margin expansion confirmed in concall, consistent with PPT segment profit growth

3. MANAGEMENT OUTLOOK

Dimension	Category	What Management Said	Status	Risk Flag	Linked Q#
Guidance	Revenue	Conservative 15-20% growth guidance reaffirmed; upside potential to 30-35% if change orders materialize	Reaffirmed	Moderate	Q1, Q3
Guidance	Margins	Consultancy margins expected 20-25%; turnkey margins 6-7%; quarterly fluctuations normal	Reaffirmed	Low	Q1, Q6
Strategy	Capacity / Expansion	Expanding international footprint (Middle East, Africa, UAE); increasing non-oil & gas segment share	On Track	Low	Q5, Q8
Industry & Macro	Demand Outlook	Positive outlook on domestic and international CapEx; large projects in refining, petrochemicals, and infrastructure	Positive	Low	Q11
Industry & Macro	Input Costs / Inflation	No material impact noted	Neutral	N/A	N/A

Management emphasized steady execution with a balanced mix of consultancy and turnkey projects to maintain margins and cash flow. International consultancy orders have grown significantly, contributing ~40% of consultancy inflows. The company expects to surpass last year's ₹8,000 Cr order inflow mark. Shutdown-related losses in Ramagundam Fertilizer JV are expected to reverse with plant stabilization in Q3. Management remains prudent on guidance but optimistic on upside from large domestic and international projects, including greenfield refineries and petrochemical expansions.

4. ANALYST Q&A

Q#	Theme Cluster	Underlying Concern	Management's Key Points	Evaded / Not Addressed	Credibility	Verdict
Q1	JV Losses	Losses in Ramagundam Fertilizer JV and recovery timeline	Shutdown caused losses (~₹25 Cr loss in Q2 due to 45-day shutdown); plant now stabilized; profit expected from Q3 onwards	No	Strong	Credible
Q3	Revenue Growth Guidance	Whether conservative guidance will be revised given strong H1 execution	Reiterated 15-20% guidance but acknowledged potential upside; order inflow already ₹4,000 Cr in H1, targeting >₹8,000 Cr full year	No	Neutral	Credible but cautious
Q4	Consultancy Margins	Sustainability of 28% EBIT margin in consultancy segment	28% margin in Q2 is strong; annual guidance remains 20-25%; last year's 30% margin included one-offs	No	Strong	Credible
Q5	International Orders	Pipeline size and order inflow from overseas markets	Overseas consultancy orders ₹1,600 Cr in H1; pipeline strong in Middle East, Africa, and UAE; mix of small and large projects	No	Strong	Credible
Q6	Capital Investments	Returns and outlook on equity investments (Ramagundam, NRL)	Ramagundam invested ₹491 Cr; expected annual profit share ~₹130 Cr; losses due to shutdown temporary; NRL dividend ~₹20 Cr next quarter	No	Strong	Credible
Q7	Order Pipeline	Timing of large domestic orders (e.g., IOCL Paradip Phase-2)	Phase-2 order expected by end of FY26 or early FY27 after Phase-1 completion and approvals	No	Strong	Credible
Q8	Business Mix & ROCE	Impact of consultancy vs turnkey mix on margins and ROCE	Consultancy delivers higher margins (~25%), turnkey lower (~6-7%); strategy to maintain ~50% consultancy share to balance top line and bottom line	No	Strong	Credible
Q9	Provision Write-backs	Details on ₹35 Cr write-back from Dangote project and net impact	Provision reversal is routine as defect liability periods end; ₹35 Cr reversed this quarter; net impact after provisions made is small	No	Strong	Credible
Q10	Cash & Capital Allocation	Use of ₹900-1,000 Cr cash on books and dividend policy	Cash deployed per DPE guidelines; management open to investments with low CapEx and standalone facilities; dividends declared at 80% payout	No	Strong	Credible

5. INVESTOR NOTES — BUSINESS QUALITY ASSESSMENT

Dimension	This Quarter's Read	Trajectory Signal
Management Credibility	Strong	Improving
Margin / Return Ratio Trajectory	Consultancy margins expanded to 28% this quarter; annual guidance 20-25%	Improving
Pricing Power	Stable; consultancy margins resilient despite rising international mix	Stable
Capital Allocation Quality	Investments in Ramagundam and NRL JV stable; losses temporary; cash balance healthy	Stable to Improving
Competitive Moat Signals	Strong order book growth, international expansion, and diversification into non-oil & gas sectors	Improving
FCF Conversion	Not explicitly stated; strong execution and order inflows imply healthy cash flow	Stable to Improving
Red Flags (if any)	Temporary losses in JV; conservative guidance may understate near-term upside	None material

Overall Thesis Verdict:
- Conviction Increasing
- Strong execution, record order book, and margin expansion reinforce the thesis of steady, sustainable growth with improving business quality.
- Management credibility remains strong with transparent communication on JV losses and conservative guidance.
- Watchpoint: Monitor execution on large international orders and timely recovery of JV profitability in Ramagundam next quarter.