Om Infra Ltd — Jun 2025 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

The punchline. Read this first — it frames everything below.

Result: Inline (Strong Q4 Recovery) **One-line:** The core thesis—transitioning from generic water supply to high-moat hydro-mechanical engineering—is validated by a massive Q4 execution sprint that salvaged a stagnant year and de-risked the balance sheet through non-core monetization.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance	Inline (Revised)	FY25 Revenue hit □1,114 Cr, meeting the implied "hockey stick" recovery needed after a weak 9M.	□
Earnings Quality	High (Mix Shift)	PAT grew 21.3% YoY despite flat Revenue, driven by higher-margin Hydro/PSP projects and Real Estate realization.	□
Guidance Confidence	Strong	FY26 Revenue target of □1,000 Cr appears conservative/attainable given the current □2,361 Cr order book.	□
Management Credibility	Strong	Delivered the promised Q4 execution surge (□573 Cr in Q4 alone) after JJM funding delays in 9M.	□
Business Quality Signal	Improving	Pivot to niche Hydro-mechanical (30%+ of OB) and PSP creates higher barriers than legacy civil work.	□
Key Q&A Exchange	N/A — PPT_ONLY	No concall conducted or available.	□
The Street's Primary Anxiety	Execution Volatility	Management proved they can scale execution rapidly when government funding flows (Q4 performance).	□
Capital Cycle Stage	Harvesting	Monetizing real estate (□340 Cr remaining) and arbitration (□640 Cr) to fund the next growth leg.	□
Margin Trajectory	Stable	EBITDA margins held at 8% (Consolidated); FY26 guidance suggests expansion to 8-10%.	→
Pricing Power	Expanding	Unique status as a global leader in large gates/hoists provides bidding leverage in Hydro.	□
FCF Conversion & Quality	Strong	Net Debt/Equity dropped to 0.05x; Real Estate inflows (□330 Cr collected to date) support EPC WC.	□
Competitive Moat Signals	Widening	Track record of 70+ turnkey hydro projects; executing India's largest PSP (Kundah).	□
Balance Sheet Strength	Strong	Effectively net debt free (0.05x) with significant non-core asset buffers.	□
Working Capital Efficiency	Improving	Fixed Asset turnover increased to 10.00x in FY25 (from 15.00x in FY24, but up from 3.0x-5.0x in FY21-22).	□
Mgmt Guidance Track Record	Reliable	Hit revised targets despite significant macro headwinds in the first nine months.	□
Key Vulnerability	Order Concentration	20% of order book remains tied to JJM; state-level funding (UP/ Rajasthan) remains a swing factor.	□
Management Tone	Confident	Tone of presentation emphasizes "Sustainable Growth" and "Engineering Excellence."	□

Sentiment: □Positive

Key Takeaways (Positives & Negatives): * **Positives:** Management successfully navigated the FY25 JJM funding freeze, delivering a massive Q4 performance (□573 Cr, nearly 50% of annual revenue) to match FY24's top-line of □1,114 Cr. Quality of earnings improved as PAT grew 21% YoY on flat revenue, reflecting a shift toward higher-margin hydro-mechanical work and real estate realizations (Pallacia Jaipur). The balance sheet remains pristine with a 0.05x Debt/Equity ratio, providing ample headroom for the targeted □1,000 Cr order inflow in FY26. * **Negatives:** Top-line growth has stalled at the □1,100 Cr level for two consecutive years (FY24-FY25), suggesting that the transition to more complex hydro projects requires longer gestation periods. While JJM is extended to 2028, it still represents a 20% concentration risk in an environment where state-level funding can be erratic. * **Forward-looking Watchpoint:** The conversion of the □2,000 Cr Eastern Rajasthan Canal Project (ERCP) bid and the timing of the Bandra Real Estate JV launch will be the primary catalysts for a valuation re-rating in FY26.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS *DATA SOURCE: Concall not available — Mgmt Commentary column absent.*

Metric	Current FY25	YoY Change	Trend	Implied Q4 FY25 Performance
Total Income (□Cr)	1,114	→ 0%	→	□573 Cr (vs 9M avg of □180 Cr/qtr)
EBITDA (□Cr)	90	→ 0%	→	Maintains 8% annual margin
EBITDA Margin %	8%	→ 0 bps	→	In line with guidance
PAT (Owner) (□Cr)	57	↑ 21.3%	↑	Driven by higher realization and RE mix
Order Book (□Cr)	2,361	↑ 12.4%	↑	Up from □2,100 Cr in Q3
Order Inflows (□Cr)	700-1000 (FY26 Target)	N/A	□	Targeting Hydro & Water infra
Execution Rate (%)	53.0%	↓	↓	Based on opening OB; slowed by 9M freeze
Book-to-bill (x)	2.12x	↑	□	Visibility for next 2 years
Net Debt / Equity (x)	0.05x	↓	□	Down from 0.06x in FY24; extremely lean
Fixed Asset Turnover	10.00x	↓	□	Down from 15.0x (FY24) but historically high
ROE (%)	7%	↑	□	Improved from 5% (FY24)
ROCE (%)	10%	↑	□	Improved from 5% (FY24)

2B. SEGMENT BREAKDOWN

Segment	Order Book (□ Cr)	% of Total OB	Target Margin	Trend	Key Development
Hydro Mechanical	~708	30%+	15-20%	↑	KWAR (J&K) and Shapurkandi (Punjab) active.
Water Supply (JJM)	~472	20%	7-10%	□	Extension to 2028 de-risks execution timeline.
Other EPC/Irrigation	~1,181	50%	8-10%	→	Includes major UP and Rajasthan projects.
Real Estate	340 (Realizable)	N/A	High	□	Pallacia Jaipur: □310 Cr remaining value.
Pumped Storage (PSP)	Marquee	N/A	Premium	□	Executing Kundah (1,000 MW); 50GW India pipeline.

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3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Revenue (FY26)	₹1,000 Cr	Needs ₹250 Cr/qtr. Highly feasible given FY25 exit run-rate (₹573 Cr Q4).	Delivered (on FY25)	Low
Guidance	EBITDA Margins	8% - 10%	Mix of Hydro and RE inflows makes this the baseline.	Consistent	Low
Guidance	Order Inflow	₹700 - 1,000 Cr	Requires winning ~30% of bidded pipeline (ERCP/JJM).	Delivered	Moderate
Strategy	Asset Monetization	₹700+ Cr (2-3 years)	Requires ₹230-350 Cr/year from Arbitration + RE.	On Track	Moderate
Strategy	Sector Pivot	Focus on PSP/ Hydro	Shifting away from low-margin general civil construction.	Credible	Low
Balance	Debt Target	Maintain low leverage	Current 0.05x D/E is best-in-class for EPC.	Exemplary	Low

(N/A — no concall conducted or available for Q# column)

5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q3FY25)	This Quarter (FY25 Full Year)	Direction
Execution Confidence	Low (9M Revenue only ₹541 Cr)	High (Q4 delivered ₹573 Cr to reach ₹1,114 Cr)	↑
Order Book Size	₹2,100 Cr	₹2,361 Cr	↑
Profitability	PAT hit by standalone loss in Q3	FY25 Consol PAT grew 21% YoY to ₹57 Cr	↑
Return Profile	ROCE 5%	ROCE 10%	↑
Monetization Target	₹300-400 Cr (2 years)	₹700+ Cr (2-3 years) — expanded scope	↑
Asset Turnover	15.00x	10.00x (Reflects capital intensity of new Hydro projects)	↓
JJM Outlook	Policy uncertainty/Shelf fear	Strategic 20% OB component with 2028 extension	↑

CFO-to-PAT Analysis: FY25 PAT (attributable) is ₹57 Cr. While a full cash flow statement was not in the summary, the Debt/Equity improvement (0.06x to 0.05x) and the collection of ₹330 Cr in Real Estate considerations indicate strong cash generation. The "hockey stick" recovery in Q4 suggests JJM receivables were likely liquidated, addressing the primary working capital anxiety from Q3.

Investment Note: The thesis is intact and strengthened. Om Infra has successfully transitioned through a macro-induced execution dip. The company now enters FY26 with a leaner balance sheet, a higher-margin order mix, and a massive liquidity buffer from non-core assets. The primary catalyst is no longer just "survival of JJM," but the "monetization of real estate/arbitration" which could return more than 50% of the current market cap in cash over 3 years.