Sical Logistics Ltd — May 2026 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

Result: Strong Beat **One-line:** Sical has successfully pivoted from a distressed legacy entity to a high-growth infrastructure platform under Pristine Group ownership, driven by a massive □4,600 Cr order book and the commissioning of the Chennai MMLP.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance	Strong Beat	Revenue grew 74% YoY (□385.7 Cr) and EBITDA expanded 264% YoY (□77 Cr).	□
Earnings Quality	Low (Working Capital)	Negative OCF (□63.8 Cr) despite EBITDA growth; P&L reflects scale but cash is tied in execution.	□
Guidance Confidence	Strong	□4,600 Cr order book provides multi-year visibility; SECL Porda-Chimtapani alone is □3,422.2 Cr.	□
Management Credibility	Strong	Successful turnaround post-acquisition; delivered Chennai MMLP in Dec 2025 as planned.	□
Business Quality Signal	Improving	Shift toward asset-heavy but high-moat rail-linked infrastructure (MMLP) and long-term mining contracts.	□
Key Q&A Exchange	N/A	PPT_ONLY: Not applicable.	□
The Street's Primary Anxiety	Leverage & Cash Flow	High debt (□651.3 Cr) and negative operating cash flow during heavy execution phase.	□
Capital Cycle Stage	Investment	Developing Bangalore MMLP and expanding mining fleet to service the new order book.	□
Margin / Return Trajectory	Improving	EBITDA margins doubled YoY from 10% to 20% due to operational leverage in Mining & MMLP.	□
Pricing Power	Stable	Contractual escalations in Mining; competitive but infrastructure-moated pricing in MMLPs.	□
FCF Conversion & Quality	Weak	CFO is negative (□63.8 Cr) vs positive EBITDA; indicative of high working capital in mining OBR.	□
Competitive Moat Signals	Widening	1st Private Rail-linked logistics park in Chennai; rare integrated rail-mining-CFS capability.	□
Balance Sheet Strength	Adequate	Supported by Pristine Group/BlackRock (57.5%); Net Debt/EBITDA is high but assets are productive.	□
Working Capital Efficiency	Deteriorating	Negative OCF suggests DSO or inventory (spares/consumables) build-up for large mining projects.	□
Mgmt Guidance Track Record	Reliable	First entry - baseline established with major terminal commissioning.	□
Key Vulnerability / Red Flag	Cash Burn	Operating cash flow divergence from EBITDA; execution risk on the □3,422 Cr SECL contract.	□
Management Tone	Confident	Tone reflects aggressive growth positioning and structural policy tailwinds (Gati Shakti).	□

Key Takeaways: * **Positives:** Massive revenue growth (+74% YoY) and significant margin expansion (1,000 bps expansion to 20%) demonstrate high operating leverage as new terminals ramp up. The order book of

□4,600 Cr (11.9x FY26 Revenue) provides exceptional long-term revenue visibility. Ownership by Pristine/ BlackRock has successfully de-risked the balance sheet compared to the pre-acquisition era. * **Negatives:** The business remains cash-consumptive in the current growth phase, with negative operating cash flow of □63.8 Cr. Debt levels remain significant at □651.3 Cr to fund infrastructure and mining equipment. * **Watchpoint:** Monitoring the ramp-up of the Chennai MMLP (target 50-70 rakes/month) and the timely development of the Bangalore MMLP will be the primary drivers for the FY27 thesis.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: Concall not available — commentary absent.

Metric	Current Qtr (Q4FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Total Income (□ Cr)	□105.2 Cr	↑ 30%	↑ 1.9%	↑	Volume driven by Mining & CFS growth.
EBITDA (□Cr)	□21.0 Cr	↑ 127%	↑ 7%	↑	Significant margin expansion from 11% to 20% YoY.
EBITDA Margin %	20%	↑ 900 bps	↑ 100 bps	↑	Realized efficiency in Overburden (OB) removal.
PAT (□Cr)	Not in doc	-	-	-	Equity grew by □140 Cr during FY26.
Net Debt (□Cr)	□651.3 Cr	First entry	First entry	→	Includes □357.2 Cr non-current borrowings.
Order Book (□Cr)	□4,600 Cr	First entry	First entry	↑	Massive □3,422 Cr SECL contract win.
Execution Rate (%)	~8.4%	First entry	First entry	→	Based on FY26 revenue vs opening order book.
Book-to-bill (x)	11.9x	First entry	First entry	↑	Strongest pipeline in company history.
ROCE (%)	Not in doc	-	-	-	Slide mentions "Improving ROCE" but no figure.
Cash Flow (OCF)	(□63.8 Cr)	First entry	First entry	↓	Negative due to working capital in Mining.
Interest Coverage (x)	1.8x	First entry	First entry	→	(EBITDA □77 Cr / Est. Interest from debt).

2B. SEGMENT BREAKDOWN

Segment	Revenue (□ Cr)	YoY Growth	Margin	Trend	vs Co. Avg	Key Development
Mining Logistics	□165.8 Cr	↑ 29%	High	↑	Above Avg	SECL Porda-Chimtapani (140 months).
Terminals (CFS/ MMLP)	□138.8 Cr	↑ 16.5%	Moderate	↑	In-line	Chennai MMLP commenced Dec 2025.
Warehousing & 3PL	□80.9 Cr	First entry	Growing	↑	Below Avg	Expansion into National Super Stockist model.

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3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate	Historical Delivery	Risk Flag
Guidance	Revenue	Scalable growth via Mining & MMLP.	Needs ~₹1,150 Cr/year to hit 4-year order book avg.	Delivered 74% YoY growth.	Low
Guidance	Margins	Margin improvement as volumes scale.	Maintain 20% EBITDA margin.	Margins rose from 10% to 20%.	Medium
Guidance	Volume	50-70 rakes/month at Chennai MMLP.	~2 rakes/day.	Commenced operations Dec '25.	High
Guidance	Capex Plan	Bangalore MMLP development.	Not quantified in ₹Cr.	Land parcel secured (65+ acres).	Medium
Strategy	Competitive	Southern Rail-linked logistics leader.	Ramp up Chennai/Bangalore assets.	Chennai MMLP is 1st private rail park.	Low
Macro	Policy	National Logistics Policy (8% GDP goal).	N/A	Leveraging Gati Shakti terminals.	Low
Balance	Debt	Limited incremental capex needs.	N/A	Net Debt remains high (₹651.3 Cr).	High

4. ANALYST Q&A

Section not applicable — investor presentation only. No concall conducted or available.

5. WHAT CHANGED vs PRIOR QUARTER

First entry — no prior quarter to compare.

EARNINGS QUALITY & FORENSIC CHECK: * **CFO-to-PAT Divergence:** The company reported a significant EBITDA of ₹77 Cr for FY26, yet Net Cash from Operating Activities was negative (₹63.8 Cr). This indicates a massive working capital drag (likely unbilled revenue or mobilization advances in the Mining segment). * **Thesis Impact:** The business is scaling rapidly, but the quality of earnings is currently low as cash generation lags P&L recognition. The thesis rests on whether the massive Mining order book can convert to cash before the ₹651 Cr debt requires refinancing or causes liquidity stress.

STOP HERE.