Company Name: Ceinsys Tech Ltd

Quarter under review: Q4-FY26/FY26

Ceinsys Tech Ltd – Q4-FY26 / FY26 Concall Highlights:

Ceinsys Tech ltd(Consolidated)								
INR In Mn	Q4-FY26	Q4-FY25	Y-o-Y	Q3-FY26	Q-o-Q	FY26	FY25	Y-o-Y
Operational Income	1,707	1,424	19.9%	1,699	0.5%	6,607	4,181	58.0%
EBITDA	402	268	50.30%	399	0.8%	1,460	779	87.4%
EBITDA M (%)	23.50%	18.80%	475 Bps	23.50%	7 Bps	22.10%	18.60%	347 Bps
PAT	372	219	69.90%	389	-4.4%	1,334	632	NA
PAT M (%)	21.80%	15.50%	631 Bps	22.90%	111bps	20.20%	15.10%	507 Bps
Diluted EPS	18.87	11.23	68.0%	19.94	-5.4%	67.87	35.27	92.4%

Operational Highlights:

- Delivered best-ever quarterly performance with INR 171 Cr revenue, marking the 8th consecutive quarter of sequential growth.
- Geospatial Engineering Services surged 76% YoY to INR 359 Cr for FY26, becoming the dominant revenue driver.
- Technology Solutions grew 41% YoY to INR 301 Cr for FY26, with AI/ML-enabled offerings increasingly contributing to the mix.
- Closed FY26 with a healthy order book of INR 876 Cr, providing strong revenue visibility for the next 12–18 months.
- Secured a INR 41 Cr MADA contract for development of an integrated GIS-based project management and digital platform.
- Won a INR 21 Cr international order for design and installation of the Georgia Land Information System.
- US subsidiary VTS, which contributed only INR 7–8 Cr in FY26, is now projected to deliver over INR 20 Cr in FY27 with positive EBITDA.
- Revenue per employee doubled from INR 24 lakh to INR 55 lakh over two years, reflecting significant workforce upskilling and productivity gains.
- Net cash balance nearly doubled to INR 248 Cr from INR 123 Cr a year ago, backed by strong operational cash generation.
- Mobility and Product Solutions segments now contribute a recurring run-rate revenue of over INR 150 Cr annually, not captured in the formal order book.
- Net working capital cycle improved to 157 days from 162 days in the previous quarter, reflecting better capital discipline.
- Three large projects are currently at the L1 stage across infrastructure, transport, and energy domains, with closure expected in Q1–Q2 FY27.
- Two proprietary IPs have been filed and commercially deployed, with INR 12–15 Cr budgeted for development of three new IPs in FY27.
- JJM (Jal Jeevan Mission) now accounts for less than 15% of the order book, with new pipeline increasingly diversified into infrastructure, transport, ports, energy, and defense.
- Restructured US operations with three senior hires and COO Rahul leading delivery, resulting in the first meaningful international orders — INR 21 Cr (Georgia) and INR 4 Cr (hybrid power transfer case).

Key Questions & Answers discussed during the Concall:

- **What is the status of the planned acquisition and when can we expect closure?** We discontinued two earlier acquisition opportunities due to concerns around business continuity and are currently evaluating new prospects. We expect to complete a transaction within the next 1–2 quarters. We have also revised our fund utilisation plan to include joint venture opportunities, for which a postal ballot resolution will be circulated.

- **How are we managing after the exit of the US leadership (Suraj)?** We strengthened our US operations by onboarding three senior professionals across business development and execution functions, while Rahul has taken over responsibility for US delivery as COO. The new team has already delivered results, including the INR 21 Cr Georgia order and the INR 4 Cr hybrid power transfer case order.

- **Can we maintain our 58% CAGR growth momentum over the next 2–3 years?** We remain confident of sustaining our growth trajectory, supported by expanding capabilities, a strong order pipeline, and entry into new domains. The capabilities developed over the last three years provide a solid foundation for continued growth.

- **What is the status of government receivables and aging debt recovery?** Trade receivables stand at INR 153 Cr, of which INR 94 Cr is within 90 days and INR 27 Cr is over one year old due to delays in government milestone approvals and fund sanctions. We remain optimistic about recovering most of these dues, including receivables related to JJM projects, during FY26–27.

- **Why have trade payables increased significantly during the year?** Most of our contracts operate on a back-to-back basis, where payments to suppliers are released only after collections are received from clients. This has temporarily increased payables, which we expect to clear substantially during Q1 and Q2 FY27 as milestones are achieved and billing is completed.

- **What is the current revenue and profitability status of the VTS acquisition?** VTS contributed around INR 7–8 Cr of revenue during FY26 and remained EBITDA negative due to business development investments. However, Q1 FY27 has already shown positive momentum, and we expect revenue to exceed INR 20 Cr in FY27 while generating meaningful positive EBITDA.

- **What is the order book execution timeline and what does the pipeline look like?** Our INR 876 Cr order book carries an execution cycle of approximately 12–18 months. Most projects are expected to be completed within FY27, although some could extend into Q1–Q2 FY28. Three projects are currently at the L1 stage, and we expect Q2 FY27 order inflows to match or exceed the entire FY26 inflow.

- **What are the key drivers behind the sustained EBITDA margin improvement?** Margins have improved due to three key factors: increasing focus on higher-value solution segments instead of low-margin data acquisition work, workforce upskilling that increased revenue per employee from INR 24 lakh to INR 55 lakh, and rising contributions from AI/ML-enabled technology products. We believe these factors will continue to support sustainable margins.

- **Do we see meaningful opportunities in India's oil and gas GIS and digital twin space?** We possess the technical expertise required for 3D mapping and digital twin solutions in the oil and gas sector, although our exposure has been limited apart from one US contract. At present, infrastructure and transport offer larger and faster-growing opportunities and therefore remain our primary focus.

- **Why has the order book been shrinking year on year with FY26 inflows below execution?** Order closures during Q3 and Q4 FY26 were delayed because of extended government procurement timelines and code-of-conduct restrictions, although three L1 projects remain active. We expect Q2 FY27 order inflows alone to match or exceed FY25 levels, with Q3 likely surpassing FY26 inflows.

- **What is the reason for the high and rapidly growing unbilled revenue of ~INR 330 Cr?** Unbilled revenue remains elevated because several government project milestones required for billing were not completed by March 31, 2026, and are expected to be achieved during Q1–Q2 FY27. This reflects normal accounting treatment rather than aggressive revenue recognition, and the increase is consistent with our 58% revenue growth.

- **When will the loss-making US subsidiary turn profitable and stop dragging consolidated margins?** We expect the US subsidiary to reach breakeven during FY27 as business development investments are now converting into orders and most IP development expenses have already been absorbed. Consequently, consolidated margins should progressively move closer to standalone margins from FY27 onward.

- **What is the long-term vision for our revenue mix between government and international business?** We aim to reduce dependence on government business from approximately 70% of revenue to below 50% over the next 2–3 years while continuing to grow both domestic and international operations. International business is expected to expand at a faster pace, supported by a fully established US team and the early flow of new orders.

Key Participants:
Kaushal Sharma - Equinox Capital Venture
Gunit Singh - Counter Cyclical PMS
Maitri Shah - Sapphire Capital