Aditya Birla Money Ltd.

ADITYA BIRLA CAPITAL
STOCKS & SECURITIES

Ceinsys Tech Ltd. – Company Update

Strong Execution with healthy growth prospects

We had initiated coverage on the Indian Geospatial Industry (see here) with coverage including Ceinsys Tech at CMP of ₹1,876 per share. We saw some positive development during the past quarter which the report highlights & there is no fundamental change in our thesis. We like to highlight that since our initiation then, the stock has corrected ~17% indicating an additional upside and lucrative opportunity to enter/ average in the stock. We re-iterate our BUY at the CMP of 1,562 per share with target of 2,500/ share (35x FY27 P/E) indicating 60% upside.

CMP (Rs)	**1,562**
Target (Rs)	**2,500**
Upside /Downside (%)	60%
High/Low (Rs)	2,105/ 396
Market cap (Cr)	2,709
No. of shares (Cr)	1.74

Shareholding (%)

	24-Jun	24-Sep	Dec.24
Promoter	55.35	51.86	51.86
FIIs	0.00	4.27	4.55
DIIs	0.00	0.00	0.25
Retail	44.66	43.88	43.33

Financial & Valuations

Y/E Mar (Rs cr)	FY25E	FY26E	FY27E
Net Sales	379	645	967
EBITDA	68	119	184
Net Profit	68	102	147
EPS (Rs)	39.1	49.7	71.7
PER (x)	40	31.4	21.8
ROE (%)	20.9%	23.8%	25.6%
ROCE (%)	15.5%	19.2%	21.2%

Key Highlights:

Solution-Agnostic Approach: Ceinsys leverages geospatial platforms to develop customized solutions based on problem statements or deliver predefined solutions. Ceinsys outsources geospatial mapping in projects, focusing on processing captured data to develop solutions on its various platforms. It provides technology solutions to all kinds of infrastructure projects.

Mobility Solutions: The company provides technology solutions to leading OEMs in a fully international business. Its clientele includes brands like Mercedes, BMW, and Rolls-Royce.

Margin Structure: Both the geospatial and mobility segments generate similar margins.

Acquisition Strategy & Fundraising: Ceinsys is actively exploring acquisition opportunities. It raised ₹235 Cr through QIP, with 38% subscribed by promoters. Tranche I of ₹105 Cr has been deployed, and investors are prepared to fund the remaining amount before March 2026 if required.

Strategic Advisory Appointment: Mr. Tarun Soni has joined as a strategic advisor to strengthen Ceinsys' global position in engineering, geospatial, and digital solutions. As the co-founder and former CEO of Rashi Systems, he led its expansion to 25+ countries before its acquisition by Wesco International. His expertise in technology and business strategy will support Ceinsys in driving growth, partnerships, and innovation.

International Expansion: The company is exploring high-margin projects in Saudi Arabia and the Middle East and recently participated in the MENA Geospatial Forum in Dubai.

Technology Partnerships: The company remains open to technology collaborations to bring domain expertise for project execution.

Research Team: -

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Major Project Win: Ceinsys, in partnership with Nippon Koei India (20% stake), secured a ₹381 Cr project for the Wainganga-Nalganga River Link in Maharashtra. The project includes surveys, hydrology studies, conceptual planning, cost estimation, and DPR preparation. Nippon Koei's expertise will enhance execution and delivery. Ceinsys has commenced LiDAR surveys for the river-linking project.

Project Extensions: The company received an extension worth ~₹60 Cr for three major projects under the State Water and Sanitation Mission (SWSM), Uttar Pradesh, where it serves as a Consultant for Third Party Inspection (TPI).

Unexecuted Order Book as of December End (75% Orderbook consists of water infrastructure projects). The company maintains a quarterly run rate of ₹300-₹350 Cr. of bidding pipeline with a 75-80% of success rate:

₹220 Cr – IoT-based Maharashtra State Water and Sanitation project (execution over 12-18 months).
₹381 Cr – River-linking project (execution over 18-24 months).
₹100 Cr – TPI project, including the ₹60 Cr extension (execution over 12 months).
₹60 Cr – O&M business (post-project completion over three years).
Remaining Value – Other smaller projects.

Billing & Collections: The bill-to-collection cycle is 45 days, with an average retention of 7% per project, received within three months post-completion.

Future Growth Drivers: Land digitization is expected to be the next major growth theme post the water-related opportunities. Key industry tailwinds include the extension of the Jal Jeevan Mission, the ₹20,000 Cr allocation for Geospatial & AI in the budget, and upcoming river-linking projects, all of which position Ceinsys for strong near-to-mid-term growth.

Outlook & Valuation:

We had initiated coverage on Ceinsys Tech with a target price of ₹2,500/ share in January. The stock has corrected ~17% in past two months. Our thesis on the company remains intact and we saw improvement in the orderbook & execution in line with our expectations. The company's orderbook has grown from ₹1,210 Cr to ₹1,390 Cr (~4x book to bill) as on Q3FY25 and reported 24%/ 78% growth in revenues QoQ/ YoY indicating robust executions. We re-iterate our BUY at the CMP of ₹1,562/ share with target of ₹2,500/ share indicating 60% upside.

Particulars	FY22	FY23	FY24	FY25E	FY26E	FY27E
Operating Revenue	203	219	253	379	645	967
EBITDA	24	33	46	68	119	184
EBITDA margins (%)	11.8%	15.0%	18.0%	18.0%	18.5%	19.0%
Other Income	2	2	4	9	9	10
Interest	11	10	6	2	10	15
Depreciation	3	4	5	5	6	7
PBT	12	21	38	70	112	172
JV/ Exceptional items	2	8	12	28	33	38
PAT	10	31	35	68	102	147
No. of Shares	1.54	1.54	1.63	1.74	2.05	2.05
EPS	6.17	20.02	21.42	39.10	49.71	71.68

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