Aditya Birla Money Ltd.

Ceinsys Tech Ltd. – Q1 FY26 Result Update

5th August 2025

BEST EVER QUARTER DESPITE HURDLES

Ceinsys delivers the highest-ever quarterly performance in revenue and EBITDA. The revenue/ EBITDA/ PAT growing at 112%/ 130%/ 166% respectively on YoY basis. The margins improved by ~140 bps YoY reaching 19.3%. We re-iterate your BUY recommendation with a TP of ₹2,500/ share implying a valuation of 35x PE for FY27 indicating a 39% upside from CMP.

CMP (Rs)	**1,798**
Target (Rs)	**2,500**
Upside /Downside (%)	39%
High/Low (Rs)	2,105 / 538
Market cap (Cr)	3,208
No. of shares (Cr)	1.78

Financial Performance

In Q1FY26, Ceinsys reported a stellar financial performance across key metrics. Operational revenue rose to ₹157 cr, marking a 112% increase compared to ₹74 cr in Q1FY25. EBITDA for the quarter stood at ₹30 cr, up 130% from ₹13 cr a year ago, reflecting an improvement of 53 bps in the margins reaching 19.3% over the quarter. PAT rose to ₹32 cr from ₹12 cr in Q1FY25 marking 166% YoY growth. Segment revenues saw ₹84 crore from Technology Solutions and ₹72 crore from Geospatial & Engineering Services. However, the segmented split remained skewed toward domestic government contracts (around 85%), with domestic private clients contributing 15%, and international revenues accounting for ₹7.5 crore, or roughly 5% of the total turnover.

Rebranding & building capabilities with strong orderbook

Ceinsys Tech Ltd., rebranded as CS Tech AI, is evolving into a global infrastructure intelligence company with a strong focus on geospatial engineering, mobility, and manufacturing technologies while still operating under its legal name. Strategic acquisitions—Allygrow Technologies (2022) and the VTS geospatial business in the U.S. (2024)—have expanded its capabilities and international footprint. The company is now venturing into AI/ML-based software and embedded electronics, aligning with its broader vision of digital transformation. With offices across India, US, UK, and Germany, Ceinsys is positioning itself to serve a diverse global clientele.

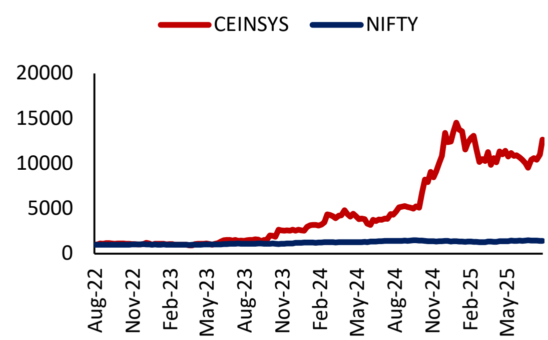
The company maintains a robust order book of ₹1,209 cr as of July 2025, supported by a high-visibility pipeline that continues to fuel future quarters. This strong backlog, coupled with an operational cash surplus of ₹127 cr, provides a solid foundation for executing strategic initiatives and scaling operations. Leadership transitions are underway, with Mr. Suraj K.P. set to take over as CEO from January 2026, actively steering strategy and M&A. Meanwhile, the company is strengthening its organizational bandwidth to support scale, following the departure of former M&A lead Rashid Mehta.

Shareholding (%)

	Dec-24	Mar-25	Jun-25
Promoters	51.86	51.86	51.86
FIIs	4.55	4.67	4.67
DIIs	0.25	0.87	1.00
Public	43.33	42.60	42.48

Financial & Valuations

Y/E Mar (Rs cr)	FY25	FY26E	FY27E
Revenue	418	645	968
EBITDA	78	119	184
EBITDA Margin (%)	18.7	18.5	19.0
Net Profit	63	102	147
ROE (%)	15.4	19.8	22.2
ROCE (%)	14.5	16.8	19.3



Research Team: -

Ninad Sarpotdar
Analyst
ninad.sarpotdar@adityabirlacapital.com
022-6819 0538

Expect revival in order inflow, execution lags

Key project wins included a ₹115 crore infrastructure monitoring contract from MMRDA, a ₹11.5 crore project management consultancy, and a ₹5.5 crore Autodesk development engagement. Operational efficiency further improved, with employee costs declining to 23% of revenue from 35% YoY, and the merger of subsidiary Allygrow Technologies paved way for streamlined reporting and delivery.

Despite missing out on over ₹250 crore in anticipated orders due to audit delays in the Jal Jeevan Mission, management expects order flow to revive in Q2 and Q3 FY26. Execution on the Vidarbha River Linking project was slower than expected, with ₹30–35 crore delivered against a ₹150 crore target. Nevertheless, the company maintained a healthy order book of ₹1,209 crore as of July 2025, backed by a high-visibility pipeline that continues to fuel future quarters.

Leveraging AI

Ceinsys is strategically positioning itself for long-term growth by expanding its presence in high-value, technology-led domains. The company is investing in **AI/ML-based software platforms**, **embedded electronics**, and **digital twin technologies** to enhance infrastructure intelligence. Its proprietary geospatial AI platform integrates real-time data from drones, satellites, and sensors to deliver actionable insights for planning, maintenance, and operations—setting it apart in the infrastructure space.

Expanding geographical footprint to improve high margin business

Looking ahead, Ceinsys plans to deepen its international footprint, particularly in the **U.S. market**, where it has already invested ₹10 crore in business development. The company is actively pursuing **two M&A opportunities** to accelerate its entry into new geographies and verticals. With a clear strategy to shift its revenue mix from **70% domestic government** to **60–70% international** over the next three years, the company aims to reduce dependency on government contracts and drive margin expansion through **technology solutions**, which currently yield margins of roughly 30% compared to 15–16% in geospatial services.

Aditya Birla Money Ltd.
10th Floor, R-Tech Park, Nirlon Knowledge Park, Off W.E. Highway,
Goregaon, Mumbai – 400 063
+91 22 6225 7600
care.stocksandsecurities@adityabirlacapital.com | www.stocksandsecurities.adityabirla.com

Registered Office:
Indian Rayon Compound, Veraval,
Gujarat – 362 266
CIN: L65993GJ1995PLC064810

Outlook-

Even with some execution hiccups & slowdown in tendering activity, Ceinsys managed to post its best every quarterly numbers. We believe the company will continue its execution pace & margin accretion with strategic expansions & acquisitions. We re-iterate our BUY recommendation with a TP of ₹2,500/ share indicating a 39% upside from CMP.

Particulars (in Cr)	Q1FY25	Q4FY25	FY25	Q1FY26	FY26E	FY27E
Operating Revenue	74	142	418	157	645	968
EBITDA	13	27	78	30	119	184
EBITDA margins (%)	17.9%	18.8%	18.7%	19.3%	18.5%	19.0%
Other Income	2	4	12	5	9	10
Interest	0	2	3	1	10	15
Depreciation	1	3	8	3	6	7
PAT	12	22	63	32	102	147

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Name of the Compliance officer: Mr. Murali Krishnan L R: 044-49490014 E-mail Address: abm-chn.compliance@adityabirlacapital.com. For any queries or grievances: Mr. Sathish Kumar Email address: care.stocksandsecurities@adityabirlacapital.com Contact Number: 18002707000.

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