Sector: Waste Management **RESULT REVIEW Q2FY26** **Declared On: 14 Nov 2025**

EMS Limited

RECOMMENDATION SNAPSHOT				
*CMP	MCap (Rsbn)	Recommendation	Target	Potential Upside
Rs461	25.6	Hold	Rs550	19%

as on 18th Nov, 2025

About the Company:

EMS Ltd. (EMSL), incorporated in 2010, formerly known as EMS Infracon, is in the business of sewerage solution providers, water supply systems, water and waste treatment plants, electrical transmission and distribution, road and allied works, operation and maintenance of WWSPs and WSSPs for govt. authorities/bodies. WWSPs include STPs along with sewage network schemes and CETPs and WSSPs include WTPs along with pumping stations and laying of pipelines for the supply of water (collectively, projects). The treatment process installed at STPs and CETPs is compliant with the Ministry of Environment, Forest and Climate Change of India norms and the treated water can be used for horticulture, washing, refrigeration and other process industries. The scope of EMS services includes the design and engineering of the projects, procurement of raw materials, and execution at the site, with overall project management up to the commissioning of projects. The company also handles maintenance post work. Mr. Ashish Tomar is the Managing Director of the company.

Results: Quick Glance:

- The net sales for the quarter reported a de-growth of 26.1% to Rs1,725mn as compared to Rs2,335mn in Q2FY25
- The Ebitda margins for the quarter under review stood at 21.0% as compared to 29.4% in Q2FY25
- The company reported profit of Rs281mn as compared to Rs497mn in the same quarter last year
- The EPS for the quarter stood at Rs5.08 as compared to Rs8.94 in the corresponding period of last year
- For H1FY26, the revenues came in at Rs4,114mn as compared to Rs4,397mn; de-growth of 6.5% while the PAT stood at Rs662mn as against Rs868mn. The EPS came in at Rs11.91 as against Rs15.63 in H1FY25

Conference Call Highlights:

- EMSL has received a two Letter of Awards: (a) for the work valuing Rs1040.552mn for surveying, soil investigation, engineering, design and supply of all materials, labour, T&P etc. required for construction, completion, testing & commissioning of following work: (i) Intake Well Cum Pump House & Approach Bridge and associated works, (ii) Raw water rising main (1100mmdia) from Intake well to WTP, (iii) Water Treatment Plant (with advanced treatment process)-55MLD under Agra Water Supply Reorganization Scheme (Trans Yamuna Zone-I & 11)-Package 1 from UP Jal Nigam (Urban) basis to be executed within a period of 24 months, (b) for the work valuing Rs1838.149mn from UP Jal Nigam (Urban) for construction of various components for Fatehpur sewerage and sewage treatment scheme Zone-1 Dist. Fatehpur to be executed within a period of 24 months
- The unexecuted **order book** stands at Rs23,880mn as of Sept'25. The pipeline includes orders worth Rs40bn and the company expects to add another Rs5-6bn worth of orders in the rest of FY26E. EMSL is eyeing big projects worth another Rs10bn. Currently also it stands at 2.5x of unexecuted order book of FY25. The average winning rate is approx. 10-15% for the company. The company has been increasing its geographical presence by tendering across different states. Most of the projects in the current order book have a 2-3 years' timeline for completion, ensuring stable revenue generation. The order size generally is in the range of Rs2-2.5bn (90% of the projects)
- In terms of the **acquisition of M/s Brijbihari Pulp and Paper Private Ltd** (manufacturer of flex sheets); the company had completed the acquisition of 6,000 equity shares on a premium of Rs12,905 per equity shares for an aggregate amount of Rs77.5mn; becoming 60% holding subsidiary of EMSL

Financials:

Performance (Q2FY26)									
Q2FY26 Result (Rs mn)	Sept-25	Sept-24	y-o-y	Jun-25	q-o-q	H1FY26	H1FY25	y-o-y	FY26E
Total Revenue	1725	2335	(26.1%)	2389	(27.8%)	4114	4397	(6.5%)	10624
EBITDA	362	685	(47.2%)	541	(33.2%)	903	1188	(24.0%)	2444
Other Income	54	20	-	23	-	77	43	80.1%	109
Interest	27	8	-	31	(13.1%)	57	17	-	122
Depreciation	25	24	4.3%	25	(2.7%)	50	45	10.8%	102
Tax	83	178	(53.3%)	128	(35.2%)	211	300	(29.8%)	582
Net Profit	**281**	**497**	**(43.3%)**	**381**	**(26.1%)**	**662**	**868**	**(23.7%)**	**1746**

Outlook and Recommendations:

Q2 generally is a weak quarter for the company in terms of execution; with the conditions that got aggravated even more this quarter mainly due to prolonged rainfall leading to restrictions and constraints in execution of work. The prolonged and intense precipitation severely affected on-ground construction activities, particularly sewerage work. As a result, excavation sites became waterlogged and work progress was repeatedly interrupted. In some areas, excessive moisture also caused partial collapse of sewerage trenches and structural instability. The company has reported revenue drop of 26.1% y-o-y impacting the overall margins as well that stood at 20.9% for the quarter. In accordance, the PAT reported drop of 43.3% y-o-y. However, the Management is of the view that although Q2 was affected by heavy prolonged rainfall but the year as a whole will result in satisfactory growth in terms of execution of work, revenue generation as well as the margins. The company has retained its guidance of 20-25% revenue growth for FY26E; with pick up expected in H2FY26 as the cost overruns (in terms of key procurements) are yet to be recognised. The segmental performance reported 34.9% drop in the contractor segment while sales of Rs205.4mn was reported in the manufacturing of flex sheets and paper products. Despite the challenges faced, the company has received two significant Letter of Awards amounting to a total of ~Rs2879mn. In a significant management change, the company has appointed Mr. Harish Kumar Kansal as the new CEO of the company. The unexecuted **order book** stands at Rs23,880mn as of Sept'25. The pipeline includes orders worth Rs40bn and the company expects to add another Rs5-6bn worth of orders in the rest of FY26E. EMSL is eyeing big projects worth another Rs10bn. The Indian water and wastewater treatment sector is witnessing significant growth driven by a multitude of factors shaping the market landscape; EMSL is well placed to capitalize on the same; the primary focus being to strengthen prospects in executing WWSP and WSSP projects. There has been an increasing push by the govt. towards the water sector (Rs5lk-cr budget from 2021-26), which has worked well for the company in terms of steady order flow seen across the quarters. It is also present in the electrical contracting business, undertaking turnkey projects across India. It specializes in construction of 33/11KV, 66/33KV, and 132/133KV substations, internal and external electrification work, and the erection, testing, and commissioning of transformers. The company's strength lies in its in-house design, engineering, and execution team, which boasts strong capabilities and industry experience. It has maintained a robust order book, featuring projects funded by the World Bank which is the main reason for company's robust cash flows/timely payments. The strong performance helps EMSL take on more projects with the help of internal accruals itself, keeping the company debt free at net level, supported by the asset-light model of business. It is very selective in bidding for high-margin projects only with a conversion ratio of around 10-15%. We are positive on EMSL from a long term perspective as domestically India's Water & Waste Water Solutions market offers a massive runway for growth over the next 3-5 years ahead. The company foresees continued growth on infrastructure development especially water supply and sewerage, to enhance urban living and connectivity to provide ample growth opportunities in coming quarters. We have toned down the numbers to factor in the H1 performance and accordingly, maintain Hold on the stock for a revised target of Rs550.

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Registered Office Address:

Progressive Share Brokers Pvt. Ltd,

122-124, Laxmi Plaza, Laxmi Indl Estate,

New Link Rd, Andheri West,

Mumbai—400053, Maharashtra

www.progressiveshares.com | Contact No.:022-40777500.

Compliance Officer:

Ms. Neha Oza,

Email: compliance@progressiveshares.com,

Contact No.:022-40777500.

Grievance Officer:
Email: grievancecell@progressiveshares.com