



STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Capital Goods

COMPANY DETAILS

Market cap:	Rs. 7,960 cr
52-week high/low:	Rs. 1,679 / 1,033
NSE volume: (No of shares)	3.8 lakh
BSE code:	533269
NSE code:	WABAG
Free float: (No of shares)	5.0 cr

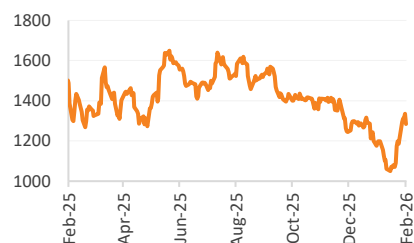
Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	19.1
FII	19.0
DII	4.3
Others	57.6

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	8.2	-8.9	-18.9	-14.4
Relative to Sensex	9.1	-6.6	-21.4	-23.2

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **BUY**

CMP: **Rs. 1,280**

Price Target: **Rs. 1,800**

Quick Snapshot

- Adjusted net profit rose 37% y-o-y to Rs. 96 crore. Revenue grew 18.5% y-o-y to Rs. 961 crore, while operating profit grew 21% y-o-y to Rs. 122 crore.
- Order backlog stands strong at Rs. 16,342 crore ensuring revenue visibility for the next five years. The company is also preferred bidder for Rs. ~3,000 crore worth of projects.
- Focus on technologically advanced EP projects, industrial and international projects, and increasing share of O&M contracts would improve margins, cash flows, and working capital cycle. Company has guided for a revenue growth CAGR of 15-20% and margins of 13-15% for the next 3-5 years.
- We maintain a Buy with a revised PT of Rs. 1,800, valuing it at 21x its FY28 EPS. The stock trades at a P/E of ~21x/18x its FY27E/28E EPS.

Result overview

- Strong order book to drive revenues:** Order book at Rs 16,432 crore provides comfort for 5 years revenues visibility over FY25 revenue base. Additionally, company also has L1 order of Rs 3,000 crore. Order inflows were at Rs 4,748 crore over 9MFY26 particularly driven by desalination, reuse and industrial water projects. Company has Secured break-through orders in "Future Energy Solutions" sector for, CBG plant in Uttar Pradesh and UPW, ETP & ZLD for Renewsys in Hyderabad. Management highlighted a strong pipeline across Middle East desalination, solar manufacturing water systems and CBG-related opportunities in India. The current order book is more inclined towards EPC projects carrying lower margins, but going forward management focus is on bidding for higher-margin projects. Focus remains on profitable growth and overseas markets. Middle East remains at the top, followed by CIS and African markets. Indian market is also gaining momentum, with tenders in advanced stages of finalization.
- Guidance:** Management reaffirmed its earlier growth guidance of CAGR 15-20% over 3-5 years with sustainable EBIDTA margins of 13-15%. Additionally, company is targeting to reach an RoE of 20%. Management focus is majorly to pick up projects which have higher margins. Management highlights skewness towards the exports business and see Middle East, Africa and Southeast Asia and CIS as a key growth engine, supported by sustained investments in desalination, wastewater, and reuse projects.

Our Call

The company is optimistic about growth opportunities present in desalination, ultrapure water, and water treatment solutions in both domestic and export markets. A well-funded and strong order book of Rs. 16,723 crore (5x TTM revenue) provides good visibility. We maintain a Buy rating on the stock with a revised price target of Rs. 1,800, valuing it at 21x FY28 EPS. At CMP, the stock trades at a P/E of ~21x/18x its FY27E/28E earnings.

Key Risks

- Lumpiness in order book execution could impact revenues and cash flows.
- Non-payment of dues can affect the profitability.

Valuation

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue from Operations	2,856	3,294	3,827	4,431	4,950
Operating Profit Margin (%)	13.2	12.8	12.3	13.3	13.9
Adjusted PAT	246	295	360	463	536
Adjusted EPS (Rs.)	39.5	47.5	57.8	74.4	86.1
P/E (x)	38.5	32.1	26.3	20.5	17.7
P/BV (x)	5.2	4.4	3.8	3.3	2.8
EV/EBITDA (x)	25.3	22.5	20.0	16.1	13.8
RoCE (%)	18.5	17.0	18.0	19.9	19.9
RoE (%)	14.5	14.9	15.6	17.2	17.1

Source: Company; Mirae Asset Sharekhan estimates

Results

Particulars	Rs cr				
	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Q-o-Q %
Revenue	961	811	18.5	835	15.2
Operating Profit	122	100	21.0	89	36.1
Depreciation	2	1	23.1	2	-5.9
Interest	18	20	-11.8	20	-8.7
Other Income	23	15	56.8	42	-44.2
PBT	125	94	33.8	110	14.2
Exceptional item	-5	0	NA	0	NA
Tax Expense	30	21	44.9	26	15.4
Reported PAT	91	70	30.1	85	7.7
Adjusted PAT	96	70	36.8	85	13.2
EPS (Rs.)	13.5	11.1	20.8	13	0.0
Margins			BPS		BPS
OPM (%)	12.6	12.4	26	11	194
NPM (%)	10.0	8.7	133	10	-18
Tax Rate (%)	24.0	22.1	185	24	24

Source: Company; Mirae Asset Sharekhan Research

Additional Data
Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Jhunjhunwala Rekha Rakesh	8.03
2	Vanguard Group Inc/The	2.96
3	Blackrock Inc	2.77
4	Motilal Oswal Asset Management Co	2.31
5	Federated Hermes Inc	1.98
6	Dimensional Fund Advisors LP	1.51
7	Basera Home Finance Pvt Ltd	1.24
8	Norges Bank	1.21
9	ISHARES II PUBLIC LTD CO	1.16
10	Quadrant Televentures Ltd	0.87

Source: Bloomberg

Key management personnel

Name	Designation
Rajiv Mittal	Chairman and Managing Director
Skandaprasad Seetharaman	Chief Financial Officer
Anup Kumar Samal	Company Secretary and Compliance Officer

Source: Company Website

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