

# Clean Science and Technology | BUY



## Slightly weak quarter a blip

Clean Science's 1QFY26 EBITDA was in line with JMFe and 5% below consensus. During the quarter, although the company faced demand issues, it continued to retain its market share across its key products. We expect the subsidiary to start contributing positively from 3QFY26 driven by the ramp-up of value-added HALS grades. Besides HALS, the company's two new performance chemical capacities are on-track to be commercialised with one set to see commercial production in Sep'25 and the other in 4QFY26. We expect meaningful contribution from the two performance chemicals to flow through from FY27. Further, the company has built a pipeline of other smaller products to continue its growth momentum. Based on 1QFY26 results and management commentary, we have lowered our FY26/27/28 EBITDA estimates by ~2-3% and EPS estimates by ~2-4%. We now expect ~26% sales CAGR over FY25-28E on the back of – i) ~INR 3.2bn incremental sales from two new performance chemicals, ii) ~INR 4.4bn incremental contribution from HALS, and iii) ~INR 2bn from legacy products and new products like DHD, barbituric acid, etc. Further, with margin contraction due to new products, we expect ~23%/26% EBITDA/EPS CAGR over FY25-28E. In case of any delay in new product approvals, there could be a downside risk to our estimates. We maintain BUY with a revised Sep'26 TP of INR 1,780/share (from INR 1,820 earlier) (based on 40x Sep'27E EPS).

- **EBITDA in line with JMFe:** Clean Science's 1QFY26 consolidated gross profit came in line with JMFe at ~INR 1.6bn (down 5% QoQ, up 9% YoY) as gross margin was higher than anticipated at 65.5% (vs. JMFe of 63.5% and 63.7% in 4QFY25) while revenue came in 3%/7% below JMFe/consensus at ~INR 2.4bn (down 8% QoQ while up 8% YoY). During the quarter, other expenses were lower at ~INR 440mn (vs. JMFe of INR 450mn and INR 481mn in 4QFY25). As a result, EBITDA came in line with JMFe while 5% below consensus at ~INR 1bn (down 5% QoQ while up 5% YoY). Further, PAT was 2%/5% below JMFe/consensus at INR 701mn (down 5% QoQ while up 6% YoY).
- **Less-than-expected pharma and agro intermediates and FMCG chemicals sales:** During the quarter, performance chemicals sales stood at ~INR 1.8bn (slightly higher than JMFe of ~INR 1.75bn and ~INR 1.82bn in 4QFY25, down 1% QoQ, up 16% YoY). Pharma and agro intermediates sales declined to INR 389mn (vs. JMFe of INR 450mn and INR 571mn in 4QFY25, down 32%/4% QoQ/YoY). FMCG chemicals sales stood at INR 243mn (vs. JMFe of INR 315mn and INR 246mn in 4QFY25, down 1%/17% QoQ/YoY).
- **Expect 26% EPS CAGR over FY25-28E; maintain BUY:** In 1QFY26, the company's subsidiary registered a negative EBITDA of INR 8mn at an annualised revenue run rate of ~INR 0.9bn. The company continues to target subsidiary EBITDA breakeven at annualised revenue run rate of ~INR 1.2bn. For the full year FY26, we build in incremental sales of i) ~INR 1.3bn from HALS, ii) ~INR 350mn from the base business, and iii) ~INR 500mn from new products. Factoring in 1QFY26 results and management commentary, we have lowered our FY26/27/28 EBITDA estimates by ~2-3% and EPS estimates by ~2-4%. We expect Clean Science to register ~23%/26% EBITDA/EPS CAGR over FY25-28E. We maintain BUY with a revised Sep'26 TP of INR 1,780 (from INR 1,820 earlier) (based on 40x Sep'27E EPS).

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	7,915	9,666	11,799	15,568	19,316
Sales Growth (%)	-15.4	22.1	22.1	31.9	24.1
EBITDA	3,321	3,876	4,592	5,926	7,256
EBITDA Margin (%)	42.0	40.1	38.9	38.1	37.6
Adjusted Net Profit	2,440	2,644	3,320	4,273	5,305
Diluted EPS (INR)	23.0	24.9	31.3	40.2	49.9
Diluted EPS Growth (%)	-17.3	8.4	25.6	28.7	24.2
ROIC (%)	27.4	24.3	25.0	27.0	29.4
ROE (%)	22.1	20.2	21.0	21.9	22.0
P/E (x)	62.9	58.0	46.2	35.9	28.9
P/B (x)	12.8	10.8	8.8	7.1	5.7
EV/EBITDA (x)	45.2	38.6	32.5	24.8	19.8
Dividend Yield (%)	0.2	0.3	0.1	0.1	0.1

Source: Company data, JM Financial. Note: Valuations as of 17/Jul/2025

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### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,780
Upside/(Downside)	23.2%
Previous Price Target	1,820
Change	-2.2%

### Key Data – CLEAN IN

Current Market Price	INR1,445
Market cap (bn)	INR153.6/US\$1.8
Free Float	25%
Shares in issue (mn)	106.2
Diluted share (mn)	106.2
3-mon avg daily val (mn)	INR202.9/US\$2.4
52-week range	1,690/1,062
Sensex/Nifty	82,259/25,111
INR/US\$	86.1

### Price Performance

%	1M	6M	12M
Absolute	0.5	1.4	-2.1
Relative*	-0.5	-5.6	-3.2

\* To the BSE Sensex

JM Financial Research is also available on:  
Bloomberg - JMFR <GO>,  
Thomson Publisher & Reuters,  
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

## 1QFY26 Result Review

### Key takeaways from post-results conference call

- **EBITDA growth guidance at 15–18% for FY26:** The management indicated that EBITDA growth for FY26 is now expected at 15–18%, lower than the earlier guidance of 18–20%. Robust performance is expected from 3QFY26 onwards, supported by contributions from one performance chemical, ramp-up of high-realisation HALS grades and other new products.
- **Two new advanced HALS grades to be commercialised by 3QFY26:** The company plans to commercialise two new advanced grades of HALS by 3QFY26. Expected realisation is ~USD 11/kg for one grade and USD 30–35/kg for the other, one of which will be HALS-2020. HALS exports continue to rise MoM, with recent shipments commencing to Vietnam and other markets expected to open up. Export share of HALS sales in 1QFY26 stood at 84%, up from 73% in 4QFY25.
- **Ramp-up in high-realisation HALS to support margins:** EBITDA margin for 1QFY26 stood at ~41%, driven by lower raw material costs and a favourable product mix with higher share of established, high-margin products. Established products contributed to 83% of the standalone sales as against 75% in 4QFY25 and 80% in 1QFY25. Further, the new, advanced HALS grades with USD 11-35/kg realisation is likely to support margins along with reduction in fixed costs due to HALS ramp-up.
- **Two performance chemicals' commercialisation on track:** The management informed that the construction of performance chemical one capacity remains on track, with commercialisation expected in Sept'26. Water trials for this are expected to begin within the next 3–4 weeks, following which production and dispatch of commercial samples will commence. Capex execution for performance chemical two is progressing well, with commissioning expected by 4QFY26, as per the management. These performance chemicals will be sold both domestically and internationally, with a large part of the sales expected in Asian markets like Taiwan, China, and South Korea. The timeline from sampling to commercial production is expected to be 2–6 months, with faster approvals expected in Asian markets compared to Europe.
- **DHDT production stabilises; barbituric acid commercialisation by Aug'26:** The management said that the new pharma intermediate DHDT has been commercialised, with its production process stabilised and samples currently under validation with customers. Conversion of the existing PBQ facility for barbituric acid production is progressing on schedule, with commercialization expected by Aug'26.
- **TAM to expand by ~USD 1.7bn with new products:** The management expects the commercialisation of new products, including performance chemical one and two and HALS grades, over the next 3 quarters, to expand the company's total addressable market by ~USD 1.7bn. This is set to provide the company visibility in terms of accelerated revenue growth.
- **Promoter holding to reduce from ~75% to 51% via stake sale:** The management informed that the promoter family is set to reduce holding by ~24% from 75% to ~51% through a stake sale for estate planning purposes. No changes are expected in business operations.
- **Subsidiary capex of INR 2bn planned for FY26; EBITDA breakeven targeted at ~INR 1.2bn sales:** The company informed that the parent company invested ~INR 800mn in its subsidiary, Clean Fino Chem in 1QFY26, with a further ~INR 1.2bn planned. The company continues to target EBITDA breakeven in the subsidiary at a monthly sales run-rate of ~INR 100mn (~INR 1.2bn annually).

## Exhibit 1. Clean Science Quarterly Financial Snapshot

Consolidated (INR mn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	1QFY26E	% QoQ	% YoY	% difference
Net Sales	1,881	1,811	1,947	2,275	2,240	2,381	2,408	2,637	2,429	2,515	-8%	8%	-3%
COGS	726	618	646	780	775	895	879	958	839	918	-12%	8%	
<b>Gross Profit</b>	<b>1,155</b>	<b>1,193</b>	<b>1,301</b>	<b>1,495</b>	<b>1,465</b>	<b>1,486</b>	<b>1,529</b>	<b>1,679</b>	<b>1,590</b>	<b>1,597</b>	<b>-5%</b>	<b>9%</b>	<b>0%</b>
Gross margin	61.4%	65.9%	66.8%	65.7%	65.4%	62.4%	63.5%	63.7%	65.5%	63.5%	180 bps	6 bps	
Employee cost	117	119	116	135	130	142	141	150	152	145	1%	17%	
Employee cost as % of sales	6%	7%	6%	6%	6%	6%	6%	6%	6%	6%	56 bps	47 bps	
Other expenditure	277	326	319	415	389	447	402	481	440	450	-9%	13%	
Other expenditure as % of sales	15%	18%	16%	18%	17%	19%	17%	18%	18%	18%	-13 bps	73 bps	
<b>EBIDTA</b>	<b>761</b>	<b>748</b>	<b>866</b>	<b>945</b>	<b>947</b>	<b>897</b>	<b>985</b>	<b>1,048</b>	<b>999</b>	<b>1,002</b>	<b>-5%</b>	<b>5%</b>	<b>0%</b>
EBITDA margin	40%	41%	44%	41.5%	42.3%	37.7%	40.9%	39.7%	41.1%	39.8%	137 bps	-114 bps	
Depreciation	108	111	113	127	158	175	183	174	187	178	7%	18%	
EBIT	653	637	753	818	789	722	802	873	812	824	-7%	3%	
Interest expense	0.5	2.5	0.5	5.7	1.1	0.5	1.3	1.4	0.7	1.0	-49%	-35%	
Other income	134	60	78	141	99	111	52	124	134	130	9%	35%	
PBT	787	695	830	953	887	832	853	996	945	953	-5%	7%	
Tax	198	173	204	250	228	245	196	255	245	238	-4%	8%	
<b>PAT</b>	<b>589</b>	<b>522</b>	<b>626</b>	<b>703</b>	<b>659</b>	<b>587</b>	<b>656</b>	<b>741</b>	<b>701</b>	<b>715</b>	<b>-5%</b>	<b>6%</b>	<b>-2%</b>
PAT margin	31%	29%	32%	30.9%	29.4%	24.7%	27.3%	28.1%	28.8%	28.4%	75 bps	-58 bps	
Basic EPS (INR)	5.55	4.91	5.90	6.62	6.21	5.53	6.18	6.98	6.60	6.73	-5%	6%	
Tax rate	25.1%	24.9%	24.6%	26.3%	25.7%	29.4%	23.0%	25.6%	25.9%	25.0%	30 bps	23 bps	

Source: Company, JM Financial

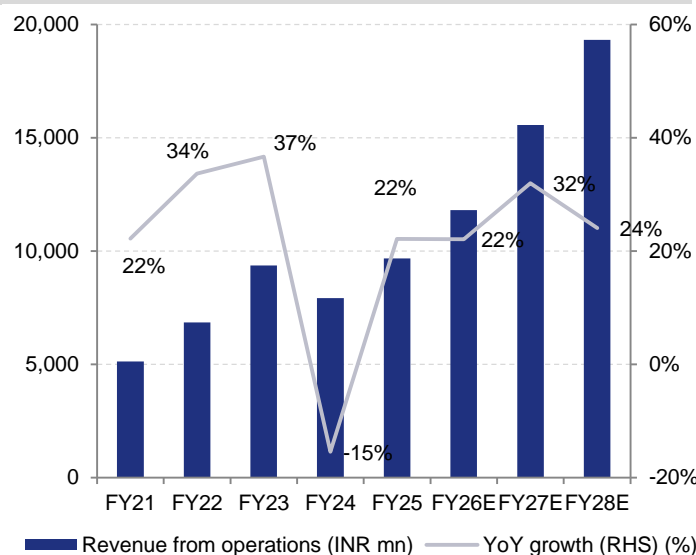
## Exhibit 2. Clean Science Quarterly Segmental Snapshot

INR mn	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	1QFY26E	%QoQ	%YoY	% diff vs JMFe
Performance chemicals	1,260	1,213	1,304	1,525	1,546	1,643	1,662	1,819	1,797	1,750	-1%	16%	3%
Pharma and agro intermediates	357	344	370	432	403	429	433	571	389	450	-32%	-4%	-14%
FMCG chemicals	245	272	216	296	291	310	313	246	243	315	-1%	-17%	-23%
<b>Total</b>	<b>1,881</b>	<b>1,811</b>	<b>1,947</b>	<b>2,275</b>	<b>2,240</b>	<b>2,381</b>	<b>2,408</b>	<b>2,637</b>	<b>2,429</b>	<b>2,515</b>	<b>-8%</b>	<b>8%</b>	<b>-3%</b>
<b>% of overall revenues</b>													
Performance chemicals	67%	67%	67%	67%	69%	69%	69%	69%	74%	70%	500bps	500bps	
Pharma and agro intermediates	19%	19%	19%	19%	18%	18%	18%	22%	16%	18%	-567bps	-200bps	
FMCG chemicals	13%	15%	11%	13%	13%	13%	13%	9%	10%	13%	67bps	-300bps	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>			

Source: Company, JM Financial

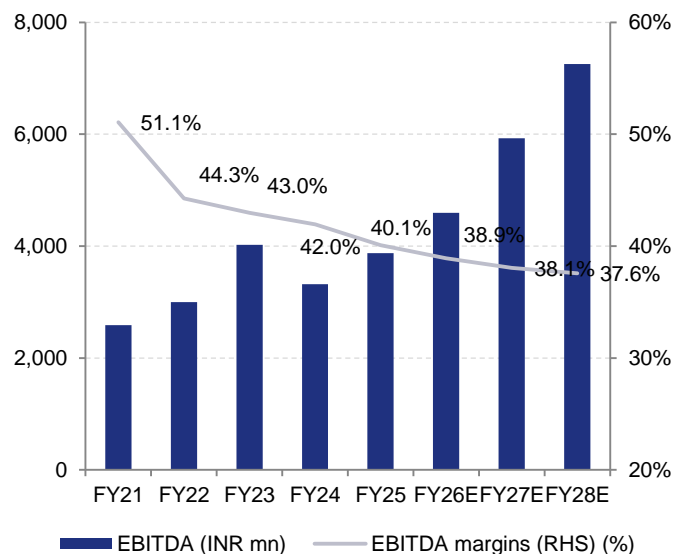
## Assumptions and Estimates

**Exhibit 3. Clean's revenue likely to witness 26% CAGR over FY25-28E**



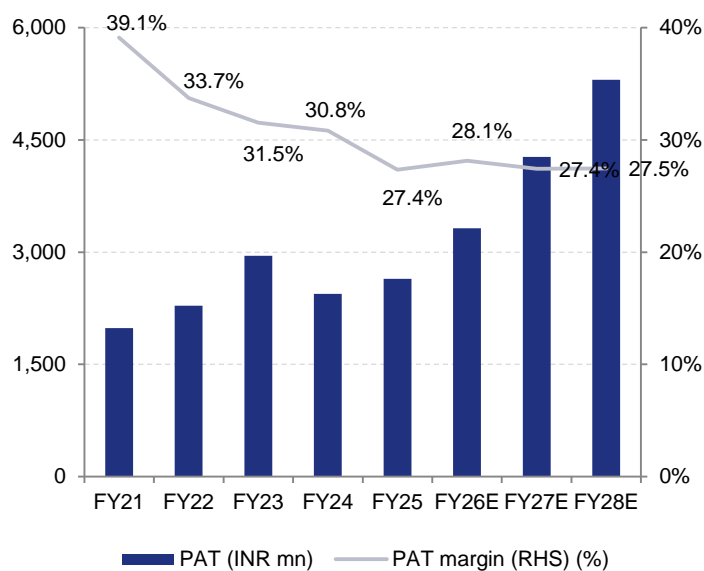
Source: Company, JM Financial

**Exhibit 4. Clean's EBITDA likely to see 23% CAGR over FY25-28E**



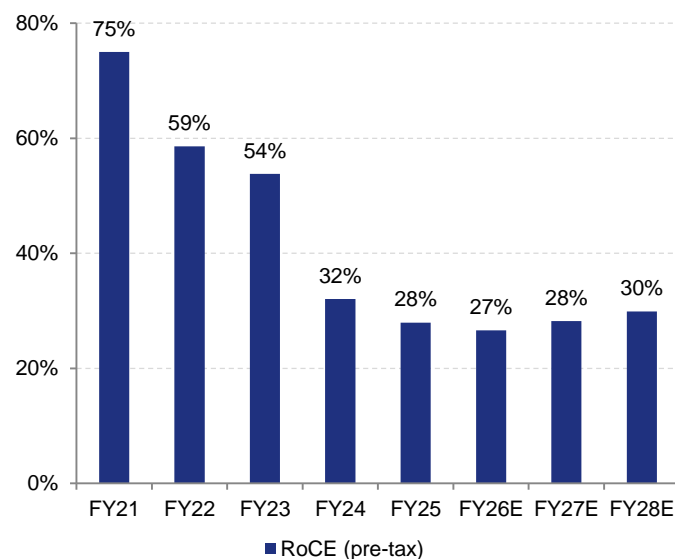
Source: Company, JM Financial

**Exhibit 5. Clean's PAT likely to register 26% CAGR over FY25-28E**



Source: Company, JM Financial

**Exhibit 6. Clean's RoCE likely to improve to ~30% in FY28E**



Source: Company, JM Financial

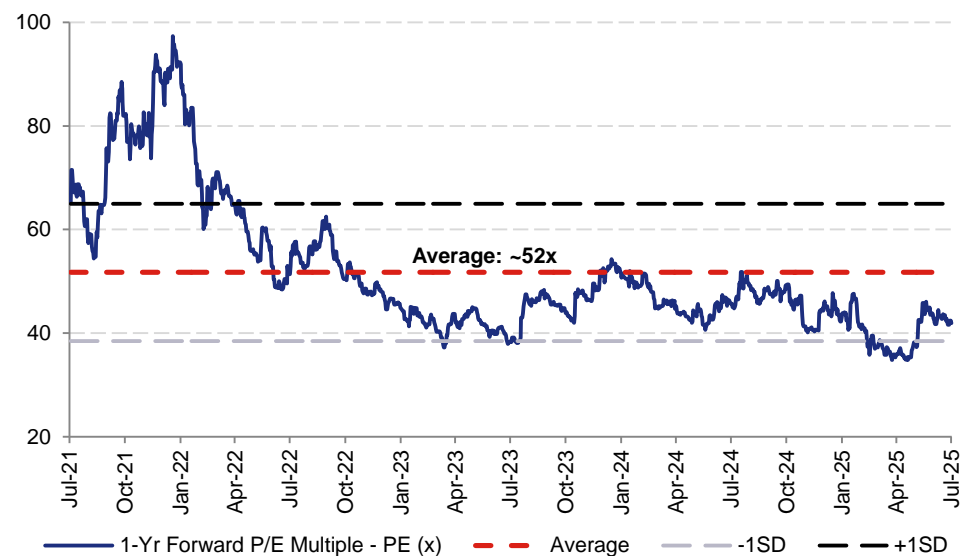
**Exhibit 7. Change in estimates**

	New	Old	Change
<b>EBITDA (INR Mn)</b>			
FY26	4,592	4,748	-3.3%
FY27	5,926	6,078	-2.5%
FY28	7,256	7,407	-2.0%
<b>PAT (INR Mn)</b>			
FY26	3,320	3,443	-3.6%
FY27	4,273	4,393	-2.7%
FY28	5,305	5,424	-2.2%
<b>EPS (INR)</b>			
FY26	31.3	32.4	-3.6%
FY27	40.2	41.4	-2.7%
FY28	49.9	51.1	-2.2%

Source: JM Financial

## Valuation

**Exhibit 8. Clean Science is currently trading at ~42x 1-year forward consensus P/E multiple**



Source: Bloomberg, JM Financial

**Exhibit 9. Chemical companies peer valuation**

Company	M.Cap (USD mn)	Rating	CMP (INR)	TP (INR)	P/E (x)				P/B (x)				EV/EBITDA (x)				ROE (%)			
					FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
SRF	11,056	BUY	3,202	3,470	75.7	50.4	36.5	34.3	7.5	6.7	5.8	5.1	36.1	28.4	21.8	18.9	10.4	14.0	17.0	15.8
PI Industries	7,307	HOLD	4,134	3,960	38.1	36.5	32.6	29.4	6.2	5.4	4.7	4.1	27.3	24.3	21.5	19.3	17.5	15.8	15.5	15.0
Deepak Nitrite	3,114	BUY	1,960	2,375	38.3	32.3	25.8	24.4	4.9	4.3	3.8	3.3	25.0	21.4	16.9	15.6	13.6	14.3	15.6	14.4
Clean Science	1,790	BUY	1,446	1,780	58.1	46.3	35.9	28.9	10.8	8.8	7.1	5.7	38.7	32.6	24.9	19.9	20.2	21.0	21.9	22.0
Fine Organic	1,937	SELL	5,422	4,000	40.5	43.4	43.1	38.8	7.2	6.4	5.7	5.1	30.6	31.4	29.2	24.9	19.5	15.6	13.9	13.8
Galaxy Surfactants	1,074	HOLD	2,601	2,585	30.1	26.9	24.7	23.4	3.9	3.6	3.3	3.0	18.2	16.3	14.9	13.7	13.4	13.9	13.8	13.4
PCBL Chemical	1,857	HOLD	422	430	36.7	28.9	22.8	20.2	4.3	3.9	3.5	3.1	15.7	14.6	12.6	11.5	12.5	14.3	16.3	16.4
Aether Industries	1,267	BUY	820	1,025	63.9	48.7	36.6	27.5	4.9	4.4	4.0	3.5	44.9	33.6	25.1	18.9	7.9	9.6	11.5	13.4
Acutaas Chemicals	1,152	BUY	1,208	1,465	61.6	42.6	32.2	26.7	7.6	6.5	5.5	4.6	41.6	29.4	22.1	18.2	16.2	16.4	18.4	18.6
Anupam Rasayan	1,472	SELL	1,149	665	135.3	104.5	63.3	44.0	4.4	4.0	3.7	3.4	35.0	28.4	23.1	18.7	3.3	4.1	6.1	8.0
Archean Chemicals	988	HOLD	687	645	41.9	27.4	17.7	13.9	4.5	4.0	3.3	2.7	26.7	17.5	11.7	8.9	11.3	15.5	20.3	21.3
Tatva Chintan Pharma Chem	255	SELL	935	460	386.0	152.9	70.7	56.0	3.0	2.9	2.8	2.7	65.1	45.9	30.6	26.1	0.8	1.9	4.1	4.9
Paradeep Phosphates	1,623	HOLD	171	170	25.3	22.0	15.7	15.0	3.4	3.0	2.5	2.1	13.8	12.2	9.6	9.0	14.4	14.4	17.2	15.4
Gujarat Fluorochemicals	4,407	HOLD	3,444	3,600	69.4	54.8	40.9	34.2	5.2	4.8	4.3	3.8	34.0	26.5	20.8	17.5	8.3	9.1	11.1	11.9

Source: Companies, JM Financial

## Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	7,915	9,666	11,799	15,568	19,316
Sales Growth	-15.4%	22.1%	22.1%	31.9%	24.1%
Other Operating Income	0	0	0	0	0
<b>Total Revenue</b>	<b>7,915</b>	<b>9,666</b>	<b>11,799</b>	<b>15,568</b>	<b>19,316</b>
Cost of Goods Sold/Op. Exp	2,771	3,507	4,484	6,149	7,726
Personnel Cost	485	564	688	908	1,127
Other Expenses	1,339	1,719	2,035	2,584	3,206
<b>EBITDA</b>	<b>3,321</b>	<b>3,876</b>	<b>4,592</b>	<b>5,926</b>	<b>7,256</b>
EBITDA Margin	42.0%	40.1%	38.9%	38.1%	37.6%
EBITDA Growth	-17.4%	16.7%	18.5%	29.0%	22.4%
Depn. & Amort.	459	691	763	941	1,083
EBIT	2,861	3,186	3,829	4,985	6,173
Other Income	413	386	427	492	628
Finance Cost	9	4	0	0	0
PBT before Excep. & Forex	3,265	3,567	4,256	5,478	6,802
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	3,265	3,567	4,256	5,478	6,802
Taxes	825	923	936	1,205	1,496
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	2,440	2,644	3,320	4,273	5,305
<b>Adjusted Net Profit</b>	<b>2,440</b>	<b>2,644</b>	<b>3,320</b>	<b>4,273</b>	<b>5,305</b>
Net Margin	30.8%	27.4%	28.1%	27.4%	27.5%
Diluted Share Cap. (mn)	106.2	106.2	106.2	106.2	106.2
<b>Diluted EPS (INR)</b>	<b>23.0</b>	<b>24.9</b>	<b>31.3</b>	<b>40.2</b>	<b>49.9</b>
Diluted EPS Growth	-17.3%	8.4%	25.6%	28.7%	24.2%
Total Dividend + Tax	319	425	85	110	136
Dividend Per Share (INR)	3.0	4.0	0.8	1.0	1.3

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	3,265	3,567	4,256	5,478	6,802
Depn. & Amort.	459	691	763	941	1,083
Net Interest Exp. / Inc. (-)	-20	-39	-43	-43	-43
Inc (-) / Dec in WCap.	-279	-885	-637	-990	-984
Others	-307	-241	0	0	0
Taxes Paid	-755	-955	-936	-1,205	-1,496
<b>Operating Cash Flow</b>	<b>2,364</b>	<b>2,138</b>	<b>3,403</b>	<b>4,180</b>	<b>5,360</b>
Capex	-2,323	-1,420	-3,001	-2,001	-2,001
Free Cash Flow	42	719	402	2,179	3,360
Inc (-) / Dec in Investments	385	-121	0	0	0
Others	86	23	43	43	43
<b>Investing Cash Flow</b>	<b>-1,852</b>	<b>-1,517</b>	<b>-2,957</b>	<b>-1,957</b>	<b>-1,957</b>
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	0	0	0	0	0
Others	-532	-525	-85	-110	-136
<b>Financing Cash Flow</b>	<b>-532</b>	<b>-525</b>	<b>-85</b>	<b>-110</b>	<b>-136</b>
<b>Inc / Dec (-) in Cash</b>	<b>-20</b>	<b>96</b>	<b>360</b>	<b>2,113</b>	<b>3,267</b>
Opening Cash Balance	124	104	200	561	2,674
Closing Cash Balance	104	200	561	2,674	5,940

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	12,032	14,164	17,399	21,562	26,731
Share Capital	106	106	106	106	106
Reserves & Surplus	11,925	14,058	17,292	21,456	26,625
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	0	0	0	0	0
Def. Tax Liab. / Assets (-)	346	358	358	358	358
<b>Total - Equity &amp; Liab.</b>	<b>12,378</b>	<b>14,522</b>	<b>17,757</b>	<b>21,920</b>	<b>27,089</b>
Net Fixed Assets	6,935	7,447	9,685	10,745	11,663
Gross Fixed Assets	7,770	9,251	12,251	14,251	16,251
Intangible Assets	16	16	17	18	19
Less: Depn. & Amort.	1,791	2,482	3,245	4,186	5,269
Capital WIP	573	302	302	302	302
Investments	3,026	3,442	3,442	3,442	3,442
Current Assets	4,027	5,188	6,327	9,815	14,450
Inventories	1,237	1,494	1,824	2,407	2,986
Sundry Debtors	1,637	2,034	2,483	3,276	4,064
Cash & Bank Balances	104	200	561	2,674	5,940
Loans & Advances	0	0	0	0	0
Other Current Assets	1,049	1,460	1,460	1,460	1,460
Current Liab. & Prov.	1,609	1,556	1,697	2,083	2,466
Current Liabilities	1,057	989	1,207	1,593	1,976
Provisions & Others	553	567	490	490	490
Net Current Assets	2,417	3,633	4,630	7,733	11,984
<b>Total - Assets</b>	<b>12,378</b>	<b>14,522</b>	<b>17,757</b>	<b>21,920</b>	<b>27,089</b>

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	30.8%	27.4%	28.1%	27.4%	27.5%
Asset Turnover (x)	0.7	0.7	0.7	0.8	0.8
Leverage Factor (x)	1.0	1.0	1.0	1.0	1.0
RoE	22.1%	20.2%	21.0%	21.9%	22.0%

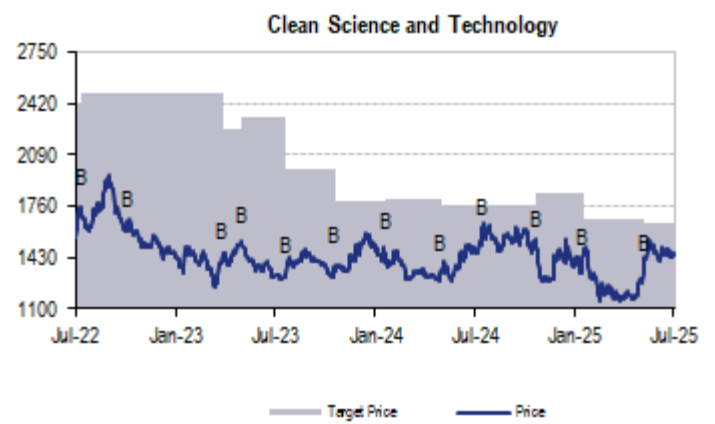
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	113.3	133.3	163.8	203.0	251.7
ROIC	27.4%	24.3%	25.0%	27.0%	29.4%
ROE	22.1%	20.2%	21.0%	21.9%	22.0%
Net Debt/Equity (x)	-0.3	-0.3	-0.2	-0.3	-0.4
P/E (x)	62.9	58.0	46.2	35.9	28.9
P/B (x)	12.8	10.8	8.8	7.1	5.7
EV/EBITDA (x)	45.2	38.6	32.5	24.8	19.8
EV/Sales (x)	19.0	15.5	12.6	9.4	7.4
Debtor days	76	77	77	77	77
Inventory days	57	56	56	56	56
Creditor days	84	62	61	60	60

Source: Company, JM Financial

## History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
1-Sep-21	Buy	1,820	
11-Nov-21	Buy	2,195	20.6
7-Feb-22	Buy	2,500	13.9
30-May-22	Buy	2,425	-3.0
7-Jun-22	Buy	2,425	0.0
27-Jul-22	Buy	2,485	2.5
20-Oct-22	Buy	2,485	0.0
11-Apr-23	Buy	2,255	-9.2
18-May-23	Buy	2,325	3.1
4-Aug-23	Buy	1,995	-14.2
2-Nov-23	Buy	1,790	-10.3
4-Feb-24	Buy	1,805	0.8
15-May-24	Buy	1,765	-2.2
1-Aug-24	Buy	1,760	-0.3
7-Nov-24	Buy	1,845	4.8
30-Jan-25	Buy	1,670	-9.5
22-May-25	Buy	1,650	-1.2

## Recommendation History





## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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