BUY National Aluminium Co

Robust Q2; lean-and-clean play on aluminium strength

Emkay
Your success is our success

Metals & Mining | Result Update | **November 09, 2025**

CMP (Rs): 235 | TP (Rs): 270

We upgrade NACL to BUY from Add and revise our TP by ~13% to Rs270 (vs Rs240 earlier), which is premised on five factors: 1) net cash balance sheet allows it to run a hedge-free exposure, which helps in playing the aluminium cycle with limited consideration to company-specific constraints; 2) 50% of alumina is sold through long-term contracts that are typically priced at 14-16% of LME, essentially making the alumina exposure directionally linked to LME; 3) the business has delivered structural improvement in the cost base and is generating USD150/t alumina and USD1,200/t aluminium margins; 4) consensus estimates are too low and are due for a capitulation; 5) valuations have turned attractive on earnings upgrades. However, the commissioning timeline for the 1mt alumina project remains a key monitorable, given persistent delays in the past. NACL delivered a strong Q2 with EBITDA of Rs19.3bn (+29% QoQ; +28% vs Emkay; +30% vs consensus), led by robust alumina performance supported by lower caustic soda costs and higher volume.

Strong Q2 performance

NACL delivered strong Q2 results, with standalone EBITDA of Rs19.3bn (+29% QoQ; +28% vs Emkay; +30% vs consensus); the beat was led by the alumina segment (up 19.8% QoQ), which saw better-than-expected volumes, supported by lower alumina costs from reduced caustic soda consumption and cost. As a result, alumina EBITDA/t increased to USD149 in Q2 (up 17.8% QoQ). Aluminium segment profitability was also healthy, at Rs13.0bn of EBITDA, up 29.0% QoQ, aided by 7.1% QoQ increase in average aluminium prices during 2Q. NACL's operating performance remained healthy in Q2—in terms of production volumes and cost profile, with EBITDA margin of 44.9% in Q2 vs 39.2% in Q1. The company announced interim dividend of Rs4/share.

Key takeaways from the earnings call

1) Alumina Project: NACL's alumina refinery project is ~80% complete and on track for a Jun-26 commissioning, with Rs45bn spent and Rs6-7bn more to be incurred by March. The Pottangi mine is also slated to start by then. The refinery will add ~500kt output in FY27, deliver USD100–110/t steady-state margin, and operate with higher efficiency and lower manpower. 2) Q2 performance: Was volume-led, aided by sustainably lower alumina costs from reduced caustic-soda consumption and cost. Alumina margins stood at ~USD150/t, with ~50% spot sales and term contracts at USD350/t. 3) Q3 outlook: The outlook for Q3 is stable, with continued benefits from lower caustic-soda cost and steady alumina margin. The mgmt expects cost efficiencies to sustain, supported by captive coal availability and operational discipline. Employee costs are expected to decline to 15% (from 18%) of total the base, with productivity gains. 4) Others: Captive coal output was ~2mt in H1, meeting part of the 8.3mt requirement, with the rest sourced from MCL linkages. Landed coal cost stands at Rs1,600-1,700/t for both, captive and linkages, and no e-auction purchases were made.

National Aluminium Co: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	131,492	167,876	163,358	179,143	199,781
EBITDA	28,729	75,646	66,165	68,336	74,746
Adj. PAT	16,331	53,247	48,099	48,591	52,195
Adj. EPS (Rs)	8.9	29.0	26.2	26.5	28.4
EBITDA margin (%)	21.8	45.1	40.5	38.1	37.4
EBITDA growth (%)	17.3	163.3	(12.5)	3.3	9.4
Adj. EPS growth (%)	5.8	225.9	(9.7)	1.0	7.4
RoE (%)	11.9	32.8	24.7	21.7	20.5
RoIC (%)	17.7	61.8	50.4	42.2	37.3
P/E (x)	20.9	8.1	9.0	8.9	8.3
EV/EBITDA (x)	14.1	5.0	5.7	5.5	5.1
P/B (x)	3.0	2.4	2.1	1.8	1.6
FCFF yield (%)	2.9	12.2	9.0	7.5	7.7

Source: Company, Emkay Research

Target Price – 12M	Sep-26
Change in TP (%)	**12.5**
Current Reco.	BUY
Previous Reco.	ADD
Upside/(Downside) (%)	14.9

Stock Data	**NACL IN**
52-week High (Rs)	263
52-week Low (Rs)	138
Shares outstanding (mn)	1,836.6
Market-cap (Rs bn)	431
Market-cap (USD mn)	4,862
Net-debt, FY26E (Rs mn)	(67,832.8)
ADTV-3M (mn shares)	10
ADTV-3M (Rs mn)	2,043.0
ADTV-3M (USD mn)	23.0
Free float (%)	48.7
Nifty-50	25,492.3
INR/USD	88.7

Shareholding,Sep-25	
Promoters (%)	51.3
FPIs/MFs (%)	16.2/15.4

Price Performance

(%)	1M	3M	12M
Absolute	8.1	23.7	(1.6)
Rel. to Nifty	6.5	19.3	(6.6)

1-Year share price trend (Rs)

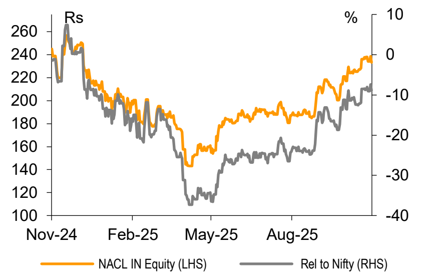

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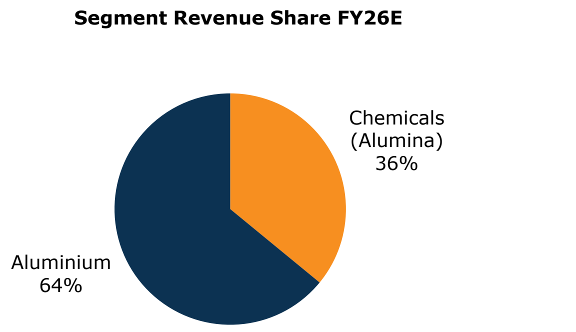
Exhibit 1: Standalone EBITDA of Rs19.3bn; up 27.8% vs Emkay estimate and 30.3% vs consensus

Standalone	Units	Q2 FY25A	Q3 FY25A	Q4 FY25A	Q1 FY26A	Q2 FY26A	Q2 FY26E	Q2FY26 Consensus	vs Emkay	vs Consensus	QoQ	YoY
Revenue	Rs mn	40,014.8	46,622.2	52,678.3	38,069.4	42,923.4	39,196.0	39,037.0	9.5%	10.0%	12.8%	7.3%
EBITDA	Rs mn	15,490.2	23,275.4	27,538.8	14,921.4	19,258.7	15,072.2	14,777.3	27.8%	30.3%	29.1%	24.3%
EBITDA margin	%	38.7	49.9	52.3	39.2	44.9	38.5	37.9	641bp	701bp	567bp	616bp
Net profit	Rs mn	10,621.8	15,829.0	20,783.7	10,632.7	14,331.7	10,525.1	10,486.9	36.2%	36.7%	34.8%	34.9%
EPS	Rs	5.8	8.6	11.3	5.8	7.8	5.7	7.3	36.1%	7.6%	34.7%	34.9%
Segment EBITDA												
Alumina	Rs mn	6,651.2	13,563.1	13,997.8	6,257.1	7,496.1	5,434.4		37.9%		19.8%	12.7%
Aluminium	Rs mn	9,589.8	10,541.6	15,380.7	10,047.2	12,965.2	10,970.3		18.2%		29.0%	35.2%
Others	Rs mn	-750.8	-829.2	-1,839.7	-1,382.8	-1,202.7	-1,332.5		-9.7%		-13.0%	60.2%
Total	**Rs mn**	**15,490.2**	**23,275.4**	**27,538.8**	**14,921.4**	**19,258.7**	**15,072.2**	**14,777.3**	**27.8%**	**30.3%**	**29.1%**	**24.3%**

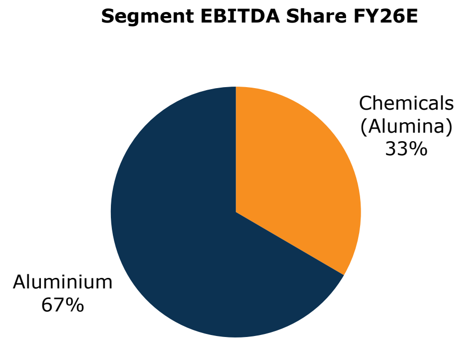
Source: Company, Emkay Research

Exhibit 2: The aluminium segment is estimated to contribute 64% of NALCO's FY26 revenue…



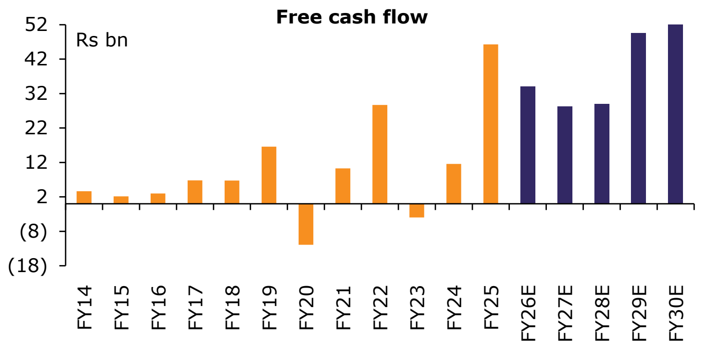
Source: Company, Emkay Research

Exhibit 3: …and 67% of its EBITDA



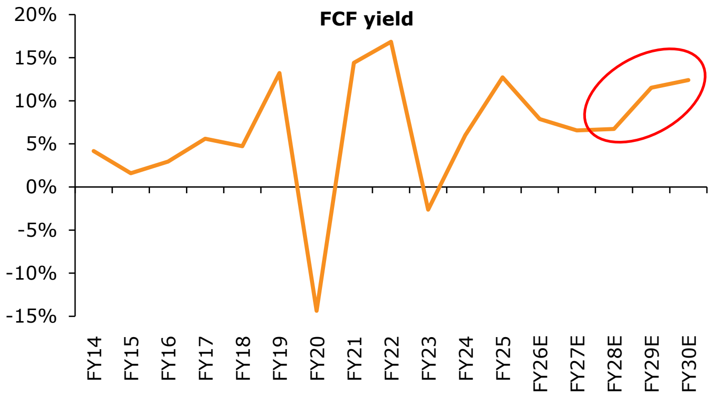
Source: Company, Emkay Research

Exhibit 4: NALCO is expected to generate positive free cash flows in the coming years; however, we have not yet incorporated the proposed Rs300bn capex, pending project approvals…



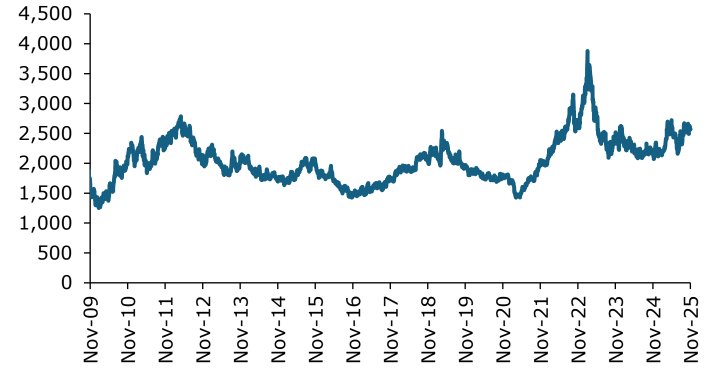
Source: Company, Emkay Research

Exhibit 5: …FCF yield is also expected to reach a high single digit after commissioning of the 1mt alumina refinery



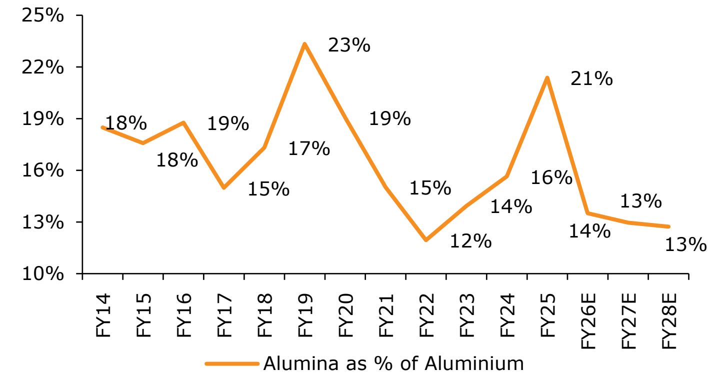
Source: Company, Emkay Research

Exhibit 6: Aluminium spot prices have run up to USD2,850/t in recent weeks



Source: Company, Emkay Research

Exhibit 7: Alumina prices generally trade in the 14-16% range of LME aluminium prices



Source: Company, Emkay Research

Exhibit 8: Alumina and Aluminium price sensitivity on FY27E EBITDA

FY27 EBITDA		Alumina Price (USD/t)						
	68,335.7	300.0	320.0	340.0	360.0	380.0	400.0	420.0
Aluminium Price (USD/t)	2,400.0	51,223.7	53,337.5	55,451.2	57,565.0	59,678.7	61,792.5	63,906.2
	2,550.0	57,137.5	59,251.3	61,365.0	63,478.8	65,592.5	67,706.3	69,820.0
	2,700.0	63,051.3	65,165.0	67,278.8	69,392.5	71,506.3	73,620.0	75,733.8
	2,850.0	68,965.1	71,078.8	73,192.6	75,306.3	77,420.1	79,533.8	81,647.6
	3,000.0	74,878.9	76,992.6	79,106.4	81,220.1	83,333.9	85,447.6	87,561.4
	3,150.0	80,792.6	82,906.4	85,020.1	87,133.9	89,247.6	91,361.4	93,475.1
	3,300.0	86,706.4	88,820.2	90,933.9	93,047.7	95,161.4	97,275.2	99,388.9

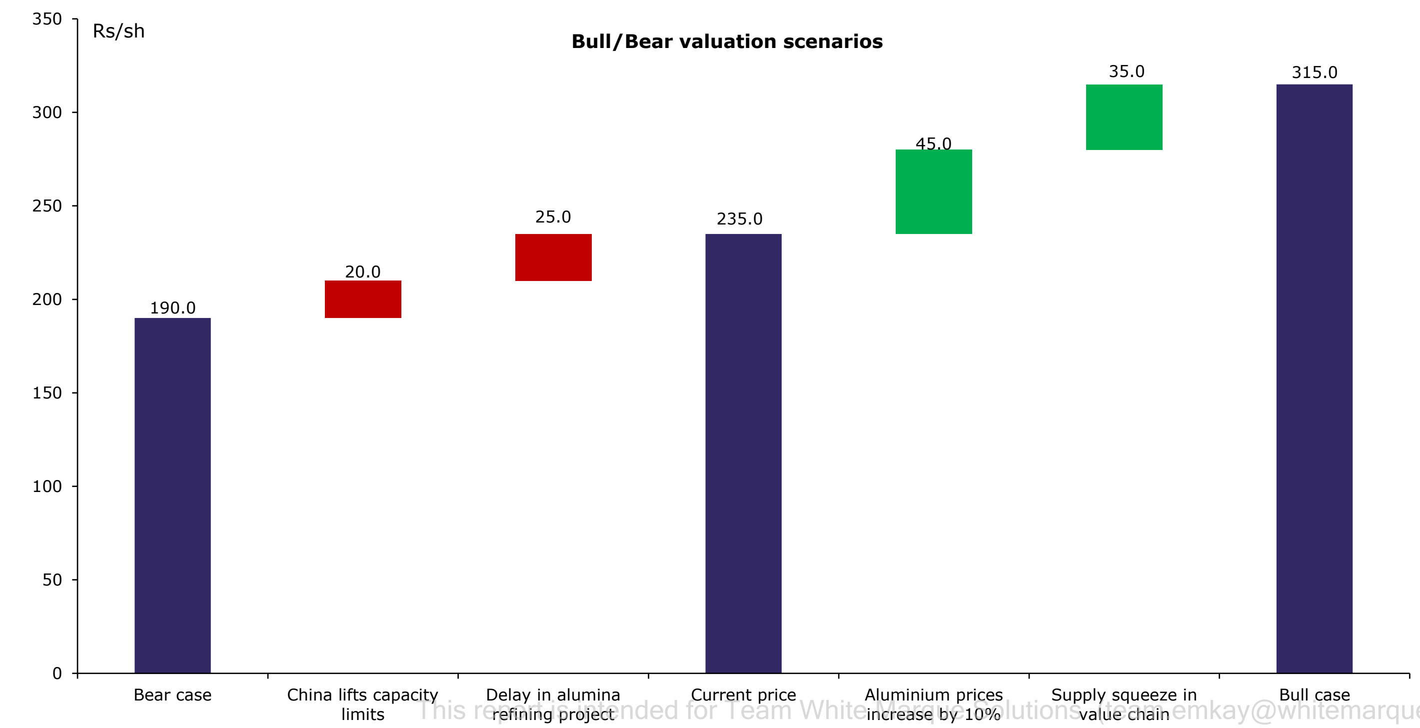
Source: Company, Emkay Research

Exhibit 9: % change sensitivity over FY27E EBITDA

FY27 EBITDA		Alumina Price (USD/t)						
		300.0	350.0	400.0	450.0	500.0	550.0	600.0
Aluminium Price (USD/t)	2,400.0	-25%	-22%	-19%	-16%	-13%	-10%	-6%
	2,550.0	-16%	-13%	-10%	-7%	-4%	-1%	2%
	2,700.0	-8%	-5%	-2%	2%	5%	8%	11%
	2,850.0	1%	4%	7%	10%	13%	16%	19%
	3,000.0	10%	13%	16%	19%	22%	25%	28%
	3,150.0	18%	21%	24%	28%	31%	34%	37%
	3,300.0	27%	30%	33%	36%	39%	42%	45%

Source: Company, Emkay Research

Exhibit 10: Bull/Bear case scenarios indicate a favorably placed risk/reward proposition



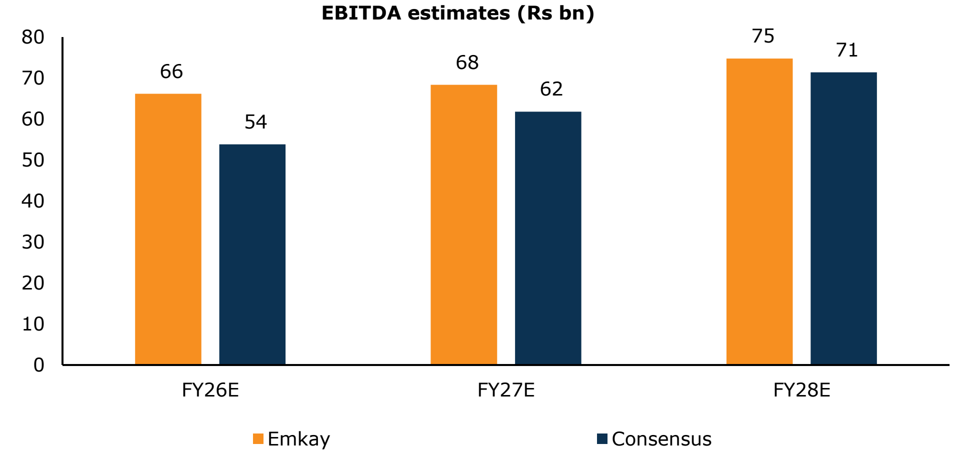
Source: Emkay Research

Exhibit 11: Target Price of Rs270, using blended valuation

VALUATION	Period	Multiple (x)	Rs mn	Per-share value (Rs)	Weight
DCF					
Enterprise Value		DCF	**415,330.1**	**226.1**	
less Net debt/(cash)			-67,832.8	-36.9	
Equity value			**483,162.8**	**263.1**	**50.0%**
EV/EBITDA					
Enterprise Value	FY27/28	6.0	429,244.7	233.7	
less net debt, minorities, other			-67,832.8	-36.9	
Equity value			**497,077.5**	**270.6**	**50.0%**
Blended equity value			**490,120.2**	**266.8**	
Rounded target price				**270.0**	
Current share price				234.7	
Expected price return				15.0%	
Expected dividend yield				3.4%	
Expected total return				**18.4%**	

Source: Company, Emkay Research

Exhibit 12: Consensus estimates are too low and are due for a capitulation



Source: Bloomberg, Emkay Research

Exhibit 13: FY26-28E EBITDA has been revised upward by 9-14% on account of structural improvement in the cost base

		FY26E			FY27E			FY28E		
	Units	New	Old	Chg	New	Old	Chg	New	Old	Chg
Financial metrics										
Net sales	Rs mn	163,357.8	159,809.3	2.2%	179,143.2	169,489.4	5.7%	199,781.0	188,863.0	5.8%
EBITDA	Rs mn	66,165.3	58,141.1	13.8%	68,335.7	61,807.7	10.6%	74,745.9	68,661.0	8.9%
EBIT	Rs mn	61,612.9	51,475.2	19.7%	61,513.6	50,579.4	21.6%	65,870.5	56,483.1	16.6%
Net profit	Rs mn	48,099.1	40,495.8	18.8%	48,591.0	40,320.8	20.5%	52,195.1	45,109.4	15.7%
EPS	Rs	26.2	22.0	18.8%	26.5	22.0	20.5%	28.4	24.6	15.7%
DPS	Rs	10.5	6.6	58.3%	10.6	8.8	20.5%	11.4	9.8	15.8%
Net debt / (cash)	Rs mn	-67,832.8	-66,014.8	-2.8%	-76,628.3	-75,449.1	-1.6%	-84,796.0	-91,077.6	6.9%
Operating metrics										
Aluminium	USD/t	2,616.4	2,616.4	0.0%	2,700.0	2,700.0	0.0%	2,750.0	2,750.0	0.0%
Alumina	USD/t	353.3	353.3	0.0%	350.0	350.0	0.0%	350.0	350.0	0.0%
Production										
Aluminium	kt	470.0	460.0	2.2%	460.0	460.0	0.0%	460.0	460.0	0.0%
Alumina	kt	2,200.0	2,150.0	2.3%	2,500.0	2,400.0	4.2%	3,100.0	3,000.0	3.3%
Sales										
Aluminium	kt	470.0	460.0	2.2%	460.0	460.0	0.0%	460.0	460.0	0.0%
Alumina	kt	1,260.0	1,230.0	2.4%	1,580.0	1,480.0	6.8%	2,180.0	2,080.0	4.8%

Source: Company, Emkay Research

Exhibit 14: Summary of estimates

Rs mn	FY24	FY25	FY26E	FY27E	FY28E
P&L					
Net sales	131,491.5	167,876.3	163,357.8	179,143.2	199,781.0
Operating expenses	102,762.4	92,229.9	97,192.6	110,807.5	125,035.1
EBITDA	**28,729.1**	**75,646.4**	**66,165.3**	**68,335.7**	**74,745.9**
Depreciation	7,496.5	7,275.8	7,052.4	9,125.8	11,639.1
EBIT	22,426.4	70,627.4	61,612.9	61,513.6	65,870.5
Interest and taxes	7,408.3	18,694.0	16,281.5	16,445.4	17,646.8
Net earnings	**16,331.4**	**53,246.7**	**48,099.1**	**48,591.0**	**52,195.1**
EPS (Rs)	**8.9**	**29.0**	**26.2**	**26.5**	**28.4**
Dividend (Rs/sh)	5.0	8.0	10.5	10.6	11.4
Number of shares	1,836.0	1,836.7	1,836.7	1,836.7	1,836.7
Balance sheet					
Gross block	**165,566.4**	**186,229.1**	**146,265.8**	**167,535.6**	**191,458.7**
Inventories	18,297.2	19,088.3	20,140.0	22,086.1	24,630.5
Receivables	1,535.0	1,863.9	3,132.9	3,435.6	3,831.4
Payables	14,962.5	7,381.0	7,988.4	9,107.5	10,276.9
Net working capital	**4,869.7**	**13,571.2**	**15,284.5**	**16,414.3**	**18,185.1**
Cash	**25,751.4**	**54,267.3**	**69,075.0**	**77,870.5**	**86,038.2**
Total assets	192,350.2	231,224.8	260,737.5	290,978.3	323,495.9
Total liabilities	48,469.4	50,767.2	51,374.6	52,493.7	53,663.1
Total Equity	**143,880.8**	**180,457.6**	**209,362.9**	**238,484.6**	**269,832.9**
Cash flow					
Operating cash before WC	33,624.5	76,004.7	71,184.5	73,913.8	81,232.6
Working capital and other	-6,431.3	-17,943.7	-17,746.3	-17,326.8	-19,169.2
Operating cash flow	**27,193.2**	**58,061.0**	**53,438.2**	**56,587.0**	**62,063.5**
Capex	-15,605.3	-11,755.8	-19,436.7	-28,322.1	-33,048.9
Other investing items	-4,399.4	-27,949.5	0.0	0.0	0.0
Investing cash flow	**-20,004.7**	**-39,705.3**	**-19,436.7**	**-28,322.1**	**-33,048.9**
Borrowings/(repayments)	0.0	0.0	0.0	0.0	0.0
Equity changes	-7,346.5	-18,366.4	-19,193.8	-19,469.3	-20,846.8
Other financing items	-40.0	789.8	0.0	0.0	0.0
Financing cash flow	**-7,386.5**	**-17,576.6**	**-19,193.8**	**-19,469.3**	**-20,846.8**
Net change in cash	**-198.0**	**779.1**	**14,807.7**	**8,795.5**	**8,167.7**
Ending cash	**25,751.4**	**54,267.3**	**69,075.0**	**77,870.5**	**86,038.2**
Free cash flow	11,587.9	46,305.2	34,001.4	28,264.8	29,014.5

	FY24	FY25	FY26E	FY27E	FY28E
Operational metrics					
Aluminium (USD/t)	2,205.6	2,525.3	2,616.4	2,700.0	2,750.0
Alumina (USD/t)	345.1	539.9	353.3	350.0	350.0
Production (kt)					
Aluminium (kt)	463.4	460.0	470.0	460.0	460.0
Alumina (kt)	2,124.0	2,076.0	2,200.0	2,500.0	3,100.0
Sales volumes (kt)					
Aluminium (kt)	470.1	460.3	470.0	460.0	460.0
Alumina (kt)	1,168.2	1,105.8	1,260.0	1,580.0	2,180.0
Financial metrics					
EBITDA margin	21.8%	45.1%	40.5%	38.1%	37.4%
Net margin	12.4%	31.7%	29.4%	27.1%	26.1%
ROE	11.9%	32.8%	24.7%	21.7%	20.5%
ROCE	14.6%	39.6%	29.2%	25.7%	24.4%
ROIC	12.2%	38.2%	29.5%	26.4%	25.0%
Gross debt (Rs mn)	391.6	1,242.2	1,242.2	1,242.2	1,242.2
Net debt/(cash) (Rs mn)	-25,359.8	-53,025.1	-67,832.8	-76,628.3	-84,796.0
Net debt to EBITDA (x)	-0.9	-0.7	-1.0	-1.1	-1.1
Net debt to Equity	-17.6%	-29.4%	-32.4%	-32.1%	-31.4%
Valuation					
P/E (x)	11.8	6.8	9.0	8.9	8.3
EV/EBITDA (x)	5.8	4.1	5.5	5.2	4.6
FCF yield	6.0%	12.7%	7.9%	6.6%	6.7%
Dividend yield	4.8%	4.0%	4.5%	4.5%	4.8%
Methodology	**Rs/sh**				
DCF	262.1				
EV/EBITDA	270.6				
Blended fair value	**270.0**				
Target price	**270.0**				
Current price	234.7				
Price return	15.0%				
Dividend return	3.4%				
Expected total return	**18.4%**				
WACC	**11.5%**				

Source: Company, Emkay Research

National Aluminium Co: Standalone Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	**131,492**	**167,876**	**163,358**	**179,143**	**199,781**
Revenue growth (%)	(7.8)	27.7	(2.7)	9.7	11.5
EBITDA	**28,729**	**75,646**	**66,165**	**68,336**	**74,746**
EBITDA growth (%)	17.3	163.3	(12.5)	3.3	9.4
Depreciation & Amortization	7,497	7,276	7,052	9,126	11,639
EBIT	**21,233**	**68,371**	**59,113**	**59,210**	**63,107**
EBIT growth (%)	22.4	222.0	(13.5)	0.2	6.6
Other operating income	-	-	-	-	-
Other income	1,194	2,257	2,500	2,304	2,764
Financial expense	(1,141)	(724)	(2,519)	(3,274)	(3,723)
PBT	**23,568**	**71,351**	**64,132**	**64,788**	**69,593**
Extraordinary items	4,268	0	0	0	0
Taxes	7,236	18,104	16,033	16,197	17,398
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	**20,600**	**53,247**	**48,099**	**48,591**	**52,195**
PAT growth (%)	33.4	158.5	(9.7)	1.0	7.4
Adjusted PAT	**16,331**	**53,247**	**48,099**	**48,591**	**52,195**
Diluted EPS (Rs)	**8.9**	**29.0**	**26.2**	**26.5**	**28.4**
Diluted EPS growth (%)	5.8	225.9	(9.7)	1.0	7.4
DPS (Rs)	**(4.0)**	**(10.0)**	**(10.5)**	**(10.6)**	**(11.4)**
Dividend payout (%)	**(35.7)**	**(34.5)**	**(39.9)**	**(40.1)**	**(39.9)**
EBITDA margin (%)	21.8	45.1	40.5	38.1	37.4
EBIT margin (%)	16.1	40.7	36.2	33.1	31.6
Effective tax rate (%)	30.7	25.4	25.0	25.0	25.0
NOPLAT (pre-IndAS)	**14,713**	**51,023**	**44,335**	**44,407**	**47,330**
Shares outstanding (mn)	1,836	1,837	1,837	1,837	1,837

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	9,183	9,183	9,183	9,183	9,183
Reserves & Surplus	134,698	171,274	200,180	229,301	260,650
Net worth	**143,881**	**180,458**	**209,363**	**238,485**	**269,833**
Minority interests	0	0	0	0	0
Non-current liab. & prov.	5,813	6,252	6,252	6,252	6,252
Total debt	**392**	**1,242**	**1,242**	**1,242**	**1,242**
Total liabilities & equity	**158,426**	**195,892**	**224,797**	**253,918**	**285,267**
Net tangible fixed assets	70,202	67,990	80,375	99,571	120,981
Net intangible assets	3,625	9,492	9,492	9,492	9,492
Net ROU assets	0	0	0	0	0
Capital WIP	39,615	49,347	49,347	49,347	49,347
Goodwill	-	-	-	-	-
Investments [JV/Associates]	8,876	11,328	11,328	11,328	11,328
Cash & equivalents	**25,751**	**54,267**	**69,075**	**77,870**	**86,038**
Current assets (ex-cash)	35,563	37,126	39,447	41,695	44,636
Current Liab. & Prov.	31,323	33,674	34,281	35,400	36,570
NWC (ex-cash)	**4,240**	**3,452**	**5,165**	**6,295**	**8,066**
Total assets	**158,426**	**195,892**	**224,797**	**253,918**	**285,267**
Net debt	(25,360)	(53,025)	(67,833)	(76,628)	(84,796)
Capital employed	158,426	195,892	224,797	253,918	285,267
Invested capital	**84,184**	**80,950**	**95,047**	**115,373**	**138,554**
BVPS (Rs)	78.4	98.2	114.0	129.8	146.9
Net Debt/Equity (x)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)
Net Debt/EBITDA (x)	(0.9)	(0.7)	(1.0)	(1.1)	(1.1)
Interest coverage (x)	(19.7)	(97.6)	(24.5)	(18.8)	(17.7)
RoCE (%)	**16.3**	**43.3**	**31.4**	**27.3**	**25.8**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	19,885	71,351	64,132	64,788	69,593
Others (non-cash items)	8,084	416	2,768	3,523	3,971
Taxes paid	(6,348)	(17,191)	(16,033)	(16,197)	(17,398)
Change in NWC	(84)	(753)	(1,713)	(1,130)	(1,771)
Operating cash flow	**27,193**	**58,061**	**53,438**	**56,587**	**62,063**
Capital expenditure	(15,605)	(11,756)	(19,437)	(28,322)	(33,049)
Acquisition of business	(270)	0	0	0	0
Interest & dividend income	2,018	2,340	0	0	0
Investing cash flow	**(20,005)**	**(39,705)**	**(19,437)**	**(28,322)**	**(33,049)**
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	0	851	0	0	0
Payment of lease liabilities	(37)	(38)	0	0	0
Interest paid	0	(23)	0	0	0
Dividend paid (incl tax)	(7,347)	(18,366)	(19,194)	(19,469)	(20,847)
Others	(3)	0	0	0	0
Financing cash flow	**(7,387)**	**(17,577)**	**(19,194)**	**(19,469)**	**(20,847)**
Net chg in Cash	(198)	779	14,808	8,796	8,168
OCF	27,193	58,061	53,438	56,587	62,063
Adj. OCF (w/o NWC chg.)	27,277	58,814	55,151	57,717	63,834
FCFF	11,588	46,305	34,001	28,265	29,015
FCFE	13,434	48,056	33,753	28,016	28,766
OCF/EBITDA (%)	94.7	76.8	80.8	82.8	83.0
FCFE/PAT (%)	65.2	90.3	70.2	57.7	55.1
FCFF/NOPLAT (%)	**78.8**	**90.8**	**76.7**	**63.6**	**61.3**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	20.9	8.1	9.0	8.9	8.3
EV/CE(x)	2.8	2.1	1.8	1.6	1.4
P/B (x)	3.0	2.4	2.1	1.8	1.6
EV/Sales (x)	3.1	2.3	2.3	2.1	1.9
EV/EBITDA (x)	14.1	5.0	5.7	5.5	5.1
EV/EBIT(x)	19.1	5.5	6.4	6.4	6.0
EV/IC (x)	4.8	4.7	4.0	3.3	2.7
FCFF yield (%)	2.9	12.2	9.0	7.5	7.7
FCFE yield (%)	3.1	11.1	7.8	6.5	6.7
Dividend yield (%)	(1.7)	(4.3)	(4.5)	(4.5)	(4.8)
DuPont-RoE split					
Net profit margin (%)	12.4	31.7	29.4	27.1	26.1
Total asset turnover (x)	0.9	0.9	0.8	0.7	0.7
Assets/Equity (x)	1.1	1.1	1.1	1.1	1.1
RoE (%)	**11.9**	**32.8**	**24.7**	**21.7**	**20.5**
DuPont-RoIC					
NOPLAT margin (%)	11.2	30.4	27.1	24.8	23.7
IC turnover (x)	1.6	2.0	1.9	1.7	1.6
RoIC (%)	**17.7**	**61.8**	**50.4**	**42.2**	**37.3**
Operating metrics					
Core NWC days	11.8	7.5	11.5	12.8	14.7
Total NWC days	**11.8**	**7.5**	**11.5**	**12.8**	**14.7**
Fixed asset turnover	1.0	1.3	1.1	1.1	1.0
Opex-to-revenue (%)	78.2	54.9	59.5	61.9	62.6

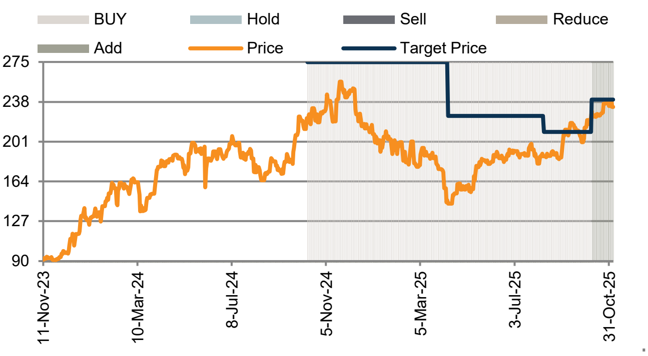
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
27-Oct-25	238	240	Add	Amit Lahoti
09-Oct-25	230	240	Add	Amit Lahoti
10-Sep-25	209	210	Buy	Amit Lahoti
27-Aug-25	186	210	Buy	Amit Lahoti
18-Aug-25	188	210	Buy	Amit Lahoti
09-Aug-25	187	210	Buy	Amit Lahoti
10-Jul-25	189	225	Buy	Amit Lahoti
28-Jun-25	191	225	Buy	Amit Lahoti
02-Jun-25	181	225	Buy	Amit Lahoti
31-May-25	180	225	Buy	Amit Lahoti
29-May-25	184	225	Buy	Amit Lahoti
22-May-25	185	225	Buy	Amit Lahoti
28-Apr-25	160	225	Buy	Amit Lahoti
25-Apr-25	157	225	Buy	Amit Lahoti
09-Apr-25	143	225	Buy	Amit Lahoti
19-Mar-25	186	275	Buy	Amit Lahoti
20-Feb-25	193	275	Buy	Amit Lahoti
11-Feb-25	183	275	Buy	Amit Lahoti
15-Jan-25	195	275	Buy	Amit Lahoti
07-Jan-25	206	275	Buy	Amit Lahoti

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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