

December 19, 2025

Analyst Meet Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	2,263		2,372	
Sales (Rs. m)	1,70,719	1,90,721	1,74,815	1,94,344
% Chng.	(2.3)	(1.9)		
EBITDA (Rs. m)	38,039	43,039	40,214	43,975
% Chng.	(5.4)	(2.1)		
EPS (Rs.)	82.9	103.3	89.6	102.0
% Chng.	(7.5)	1.2		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	1,39,800	1,53,532	1,70,719	1,90,721
EBITDA (Rs. m)	24,070	32,263	38,039	43,039
Margin (%)	17.2	21.0	22.3	22.6
PAT (Rs. m)	7,240	13,523	15,549	19,363
EPS (Rs.)	38.6	72.1	82.9	103.3
Gr. (%)	(6.1)	86.8	15.0	24.5
DPS (Rs.)	9.0	9.9	11.0	12.0
Yield (%)	0.4	0.5	0.5	0.6
RoE (%)	4.3	7.5	8.1	9.3
RoCE (%)	4.9	7.8	8.7	9.4
EV/Sales (x)	2.8	2.6	2.4	2.1
EV/EBITDA (x)	16.2	12.2	10.6	9.3
PE (x)	52.4	28.1	24.4	19.6
P/BV (x)	2.2	2.0	1.9	1.8

Key Data DALB.BO | DALBHARA IN

52-W High / Low	Rs.2,496 / Rs.1,601
Sensex / Nifty	84,482 / 25,816
Market Cap	Rs.380bn/ \$ 4,207m
Shares Outstanding	188m
3M Avg. Daily Value	Rs.692.77m

Shareholding Pattern (%)

Promoter's	55.84
Foreign	8.76
Domestic Institution	17.81
Public & Others	17.60
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	1.7	(1.2)	7.7
Relative	1.9	(4.8)	2.2

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Waiting for price uptick across key regions

Quick Pointers:

- Demand showing signs of recovery in Dec'25 across regions; Near-term volumes to grow in high single digits YoY
- Long-term cost saving program (Rs150-200/t) on track; near-term cost curve flattish due to elevated marketing spends and few kiln shutdowns

We attended the analyst day of Dalmia Bharat (DALBHARA). The management highlighted demand weakness in key eastern states, while positive trends are seen across rest of the regions with a seasonally strong period rolling in. With demand in the South remaining stable and strong non-trade demand in the North-East, the management expects volumes to grow in line with the industry in H2FY26. Due to muted demand in the recent past amid GST rationalization, attempts to hike prices in the eastern region did not fructify in Dec'25. Further, going forward, pricing actions will solely depend on demand intensity. The management reiterated its confidence in the medium-term volume growth trajectory aided by ongoing capacity addition plans via the brownfield/greenfield route and aims to reach its FY28E goal of ~70mtpa. The company maintained its cost reduction target of Rs150-200/t by FY28E, to be achieved via cost saving initiatives, fuel-mix optimization, and higher RE share. Prudent capital allocation remains its top priority post delays in the JPA deal.

We believe DALBHARA, in the near term, remains a price play on the eastern (having 60% of capacities, incl. North-East) and southern (34%) regions as intense competition from leaders continues to limit market share expansion. DALBHARA faces the risk of missing its medium-term capacity target due to issues in the JPA deal. However, we expect it to re-focus on organic expansion as it has enough capacity to cater to any surge in near-term demand. We cut our EBITDA estimates by 6%/5%/2% for FY26/27/28E and expect EBITDA CAGR of ~21% over FY25-28E. At CMP, the stock is trading at 10.6x/9.3x EV of FY27/FY28E EBITDA. Maintain 'Accumulate' with revised TP of Rs2,263 (earlier Rs2,372) valuing at 11x EV of Sep'27E EBITDA.

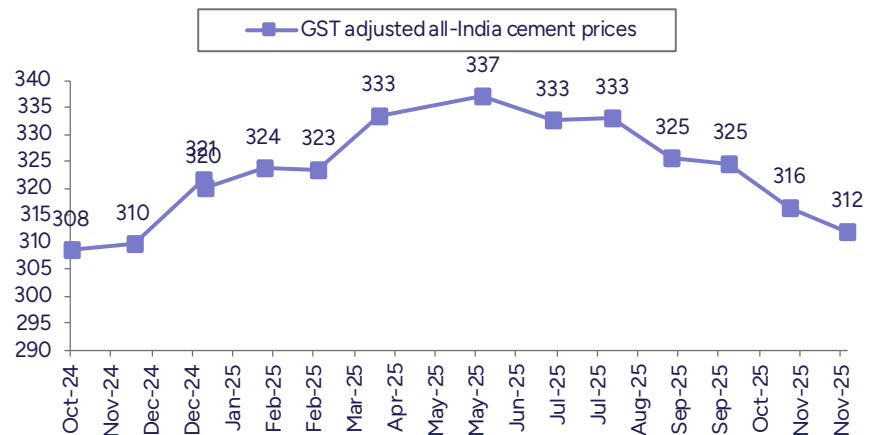
Demand recovery visible from Dec'25; East remains muted

The management highlighted that post-monsoon demand recovery was muted, impacted by festive disruptions and GST rationalization. However, demand has begun to improve from Dec'25 in the South. DALBHARA expects to grow in line with the industry in H2FY26, aiming at high single-digit YoY volume growth in the near term. Regionally, South India demand remains steady, while the East continues to be relatively muted, with Odisha, Bihar and West Bengal seeing slower project execution and muted trade demand. The North-East remains its strongest market, with significant capital inflows driving robust non-trade demand, while trade demand remains stable. Overall, the management highlighted that demand drivers are present across segments, but regional disturbances continue to drive near-term volatility.

Price erosion due to muted demand post monsoon

Pricing pressure persisted during Q2FY26, with QoQ price erosion across most regions. The East/South witnessed ~4%/3% QoQ decline, mainly due to the non-trade segment. The North-East remained largely stable, resulting in a blended price decline of 3-4% QoQ. The management reiterated that GST rationalization has had no material impact on cement demand, as cement remains a largely price-inelastic product; however, premiumization has been observed in a few regions. The expected pent-up demand post Sep'25 also did not play out, leading to disappointment on near-term volumes and pricing traction.

Exhibit 1: All-India cement prices weaken post GST 2.0

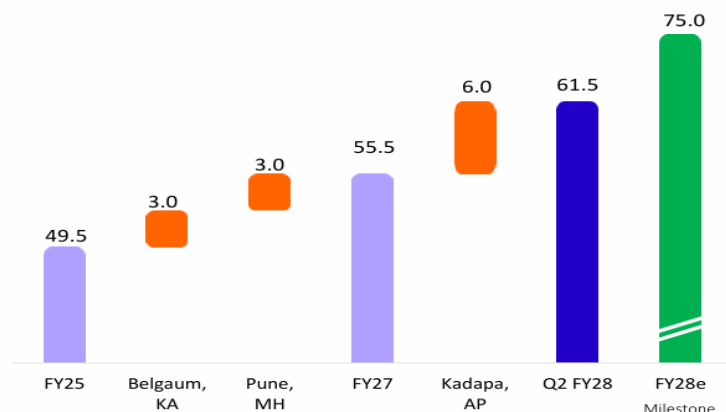


Source: PL, Industry

Capacity expansion: ~70mtpa target remains in sight

DLABHARA's current installed capacity stands at 49.5mtpa, with expansion planned through ongoing projects totaling 6mtpa at Belgaum and Kadapa, addition of 2-2.5mtpa grinding units at locations with surplus clinker availability, and 6mtpa greenfield expansion planned at Jaisalmer, which would together take total capacity to ~70mtpa by FY28E-end. Land acquisition at Jaisalmer is underway, with environmental clearance awaited. Commissioning is targeted by end-FY28E. The management clarified that it did not participate in Round 2 of JPA asset process as the acquisition economics were not feasible.

Exhibit 2: Expansion projects on track



Source: Company

Exhibit 3: Clinker capacity expansion plan (mtpa)

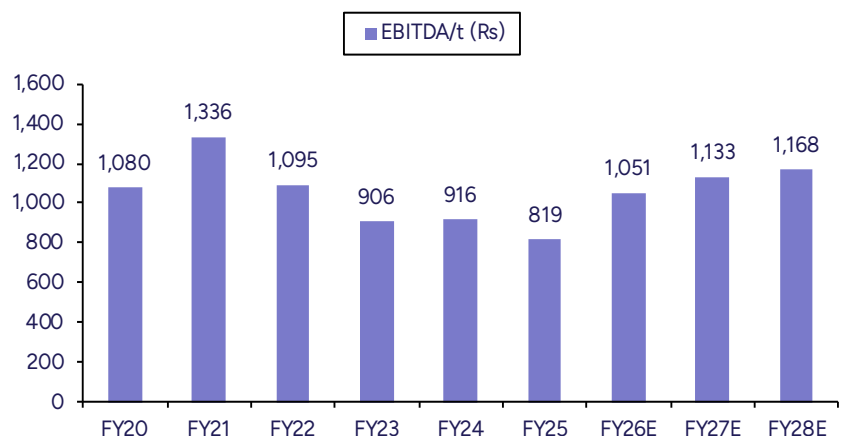
Figures in MnT	South	East	North East	West	Total
FY25	10.4	8.3	2.7	2.1	23.5
FY26	10.4	8.3	6.3	2.1	27.1
FY27	14.0	8.3	6.3	2.1	30.7
Q2 FY28	17.6	8.3	6.3	2.1	34.3

Source: Company

Cost savings projects on track

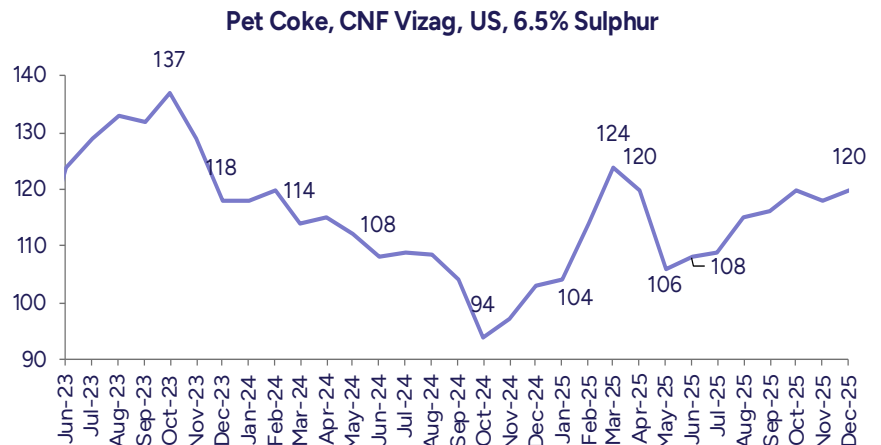
The management indicated that the cost trajectory remained broadly flat on a QoQ basis, as benefits from ongoing efficiency initiatives were offset by higher marketing spends and planned shutdown costs. The company reiterated that its cost-saving program remains on track, with targeted savings of Rs150–200/t, of which ~Rs50/t has already been achieved. Fuel cost volatility is being managed through a gradual shift in the fuel mix from pet coke to coal, aimed at improving stability rather than chasing short-term gains. In addition, the management expects ~Rs500mn full-year benefit from coal compensation cess, which should provide marginal support to margins over the medium term.

Exhibit 4: EBITDA/t to grow at 21% CAGR over FY25-28E



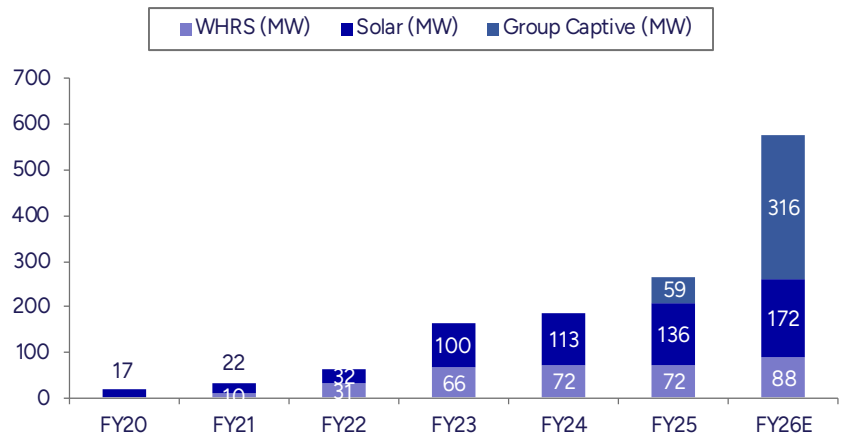
Source: Company, PL

Exhibit 5: Inch-up in pet coke costs to be offset by shift in energy mix



Source: CoalMint, PL

Exhibit 6: RE capacity to reach 576MW by FY26E



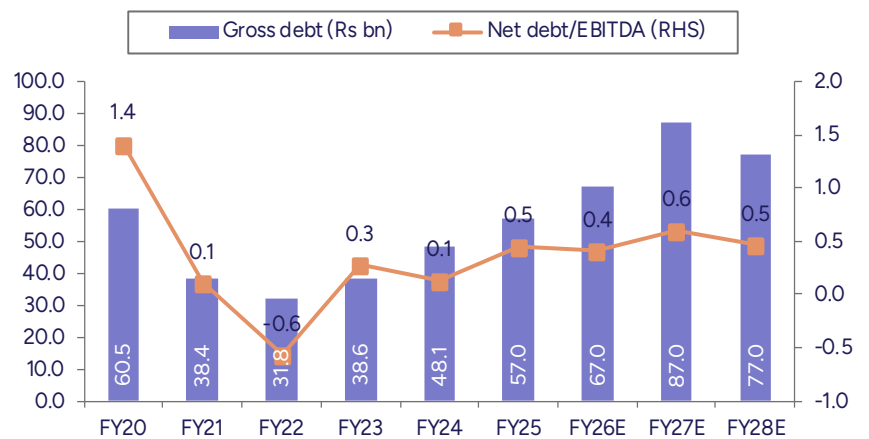
Source: Company, PL

Others

- Government incentives, which were at ~Rs3bn per year run-rate prior to GST rationalization, have structurally elongated and now are at ~Rs2bn per year. This translates to a Rs30–35/t impact. The management does not expect any new incentives for the next 2 years. Outstanding incentive receivables stand at Rs7.5–8bn, which the management expects to realize over time without any major change in the near-term trajectory.
- The company reiterated its commitment to maintaining net debt/EBITDA below 2x, with flexibility only under extreme scenarios.
- Murli plant is operating at higher utilization with 25+ years of limestone reserves, serving Eastern Maharashtra and Madhya Pradesh; upcoming Pune grinding unit will cater to Western Maharashtra and southern markets.
- Long-term tie-ups ensure slag availability, thus supporting the blended cement strategy.
- Cement dispatch via bulk rail remains limited and is not a near-term strategic focus.

- On the 2011 CBI case, the management remains optimistic of a favorable outcome. Even in a downside scenario, land attachment can be replaced with alternate security without impacting Kadapa expansion.
- The management reiterated its focus on growth, channel engagement, EBITDA maximization, and disciplined capital allocation.

Exhibit 7: Leverage to remain below guidance despite expansion



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	1,39,800	1,53,532	1,70,719	1,90,721
YoY gr. (%)	(4.8)	9.8	11.2	11.7
Cost of Goods Sold	23,280	23,611	26,063	29,346
Gross Profit	1,16,520	1,29,921	1,44,656	1,61,375
Margin (%)	83.3	84.6	84.7	84.6
Employee Cost	8,850	9,381	9,991	10,590
Other Expenses	6,770	6,548	7,431	7,893
EBITDA	24,070	32,263	38,039	43,039
YoY gr. (%)	(8.8)	34.0	17.9	13.1
Margin (%)	17.2	21.0	22.3	22.6
Depreciation and Amortization	13,310	13,347	14,565	15,783
EBIT	10,760	18,915	23,474	27,256
Margin (%)	7.7	12.3	13.7	14.3
Net Interest	3,990	5,062	5,879	6,254
Other Income	2,530	2,455	2,667	4,615
Profit Before Tax	8,170	16,308	20,262	25,617
Margin (%)	5.8	10.6	11.9	13.4
Total Tax	1,180	2,936	4,863	6,404
Effective tax rate (%)	14.4	18.0	24.0	25.0
Profit after tax	6,990	13,373	15,399	19,213
Minority interest	160	150	150	150
Share Profit from Associate	-	300	300	300
Adjusted PAT	7,240	13,523	15,549	19,363
YoY gr. (%)	(6.1)	86.8	15.0	24.5
Margin (%)	5.2	8.8	9.1	10.2
Extra Ord. Income / (Exp)	(1,130)	-	-	-
Reported PAT	6,830	13,523	15,549	19,363
YoY gr. (%)	(17.3)	98.0	15.0	24.5
Margin (%)	4.9	8.8	9.1	10.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	6,990	13,673	15,699	19,513
Equity Shares O/s (m)	188	188	188	188
EPS (Rs)	38.6	72.1	82.9	103.3

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	2,92,830	3,20,830	3,48,830	3,76,830
Tangibles	2,92,830	3,20,830	3,48,830	3,76,830
Intangibles	-	-	-	-
Acc: Dep / Amortization	1,19,770	1,33,117	1,47,682	1,63,465
Tangibles	1,19,770	1,33,117	1,47,682	1,63,465
Intangibles	-	-	-	-
Net fixed assets	1,73,060	1,87,713	2,01,148	2,13,365
Tangibles	1,73,060	1,87,713	2,01,148	2,13,365
Intangibles	-	-	-	-
Capital Work In Progress	30,900	32,900	44,900	46,900
Goodwill	-	-	-	-
Non-Current Investments	9,520	9,520	9,520	9,520
Net Deferred tax assets	(20,360)	(21,020)	(23,056)	(23,056)
Other Non-Current Assets	5,490	5,490	5,490	5,490
Current Assets				
Investments	44,440	44,440	44,440	44,440
Inventories	13,860	12,619	14,032	17,243
Trade receivables	8,890	9,254	11,693	13,063
Cash & Bank Balance	1,580	9,421	19,574	12,422
Other Current Assets	7,810	7,810	7,810	7,810
Total Assets	3,02,260	3,25,877	3,65,316	3,76,963
Equity				
Equity Share Capital	380	380	380	380
Other Equity	1,73,360	1,85,026	1,98,513	2,15,626
Total Network	1,73,740	1,85,406	1,98,893	2,16,006
Non-Current Liabilities				
Long Term borrowings	57,020	67,020	87,020	77,020
Provisions	3,130	3,130	3,130	3,130
Other non current liabilities	1,540	1,540	1,540	1,540
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	15,390	14,722	16,370	18,288
Other current liabilities	29,820	31,629	33,748	36,214
Total Equity & Liabilities	3,02,260	3,25,877	3,65,316	3,76,963

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	8,170	16,308	20,262	25,617
Add. Depreciation	13,310	13,347	14,565	15,783
Add. Interest	3,990	5,062	5,879	6,254
Less Financial Other Income	2,530	2,455	2,667	4,615
Add. Other	(1,290)	(1,183)	(1,314)	(3,173)
Op. profit before WC changes	24,180	33,535	39,392	44,481
Net Changes-WC	(2,300)	2,018	(85)	(198)
Direct tax	(710)	(2,276)	(2,827)	(6,404)
Net cash from Op. activities	21,170	33,277	36,480	37,879
Capital expenditures	(26,260)	(30,000)	(40,000)	(30,000)
Interest / Dividend Income	1,360	1,483	1,614	3,473
Others	2,200	-	-	-
Net Cash from Invst. activities	(22,700)	(28,518)	(38,386)	(26,527)
Issue of share cap. / premium	-	-	-	-
Debt changes	5,940	10,000	20,000	(10,000)
Dividend paid	(1,690)	(1,856)	(2,063)	(2,250)
Interest paid	(4,640)	(5,062)	(5,879)	(6,254)
Others	-	-	-	-
Net cash from Fin. activities	(390)	3,082	12,058	(18,504)
Net change in cash	(1,920)	7,841	10,153	(7,152)
Free Cash Flow	(5,470)	3,277	(3,520)	7,879

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	31,810	40,910	36,360	34,170
YoY gr. (%)	(11.7)	(5.0)	0.4	10.7
Raw Material Expenses	5,120	7,660	4,670	5,050
Gross Profit	26,690	33,250	31,690	29,120
Margin (%)	83.9	81.3	87.2	85.2
EBITDA	5,110	7,930	8,830	6,960
YoY gr. (%)	(34.4)	21.3	32.0	60.4
Margin (%)	16.1	19.4	24.3	20.4
Depreciation / Depletion	3,640	3,140	3,220	3,220
EBIT	1,470	4,790	5,610	3,740
Margin (%)	4.6	11.7	15.4	10.9
Net Interest	1,010	1,050	1,080	1,220
Other Income	370	930	490	660
Profit before Tax	830	4,670	5,180	3,180
Margin (%)	2.6	11.4	14.2	9.3
Total Tax	170	280	1,230	790
Effective tax rate (%)	20.5	6.0	23.7	24.8
Profit after Tax	660	4,390	3,950	2,390
Minority interest	50	40	20	10
Share Profit from Associates	-	-	-	-
Adjusted PAT	610	4,350	3,930	2,380
YoY gr. (%)	(76.8)	38.1	178.7	417.4
Margin (%)	1.9	10.6	10.8	7.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	610	4,350	3,930	2,380
YoY gr. (%)	(76.8)	38.1	178.7	417.4
Margin (%)	1.9	10.6	10.8	7.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	610	4,350	3,930	2,380
Avg. Shares O/s (m)	188	188	188	188
EPS (Rs)	3.3	23.2	21.0	12.7

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	38.6	72.1	82.9	103.3
CEPS	109.6	143.3	160.6	187.4
BVPS	926.5	988.7	1,060.6	1,151.9
FCF	(29.2)	17.5	(18.8)	42.0
DPS	9.0	9.9	11.0	12.0
Return Ratio(%)				
RoCE	4.9	7.8	8.7	9.4
ROIC	5.2	8.3	8.7	8.8
RoE	4.3	7.5	8.1	9.3
Balance Sheet				
Net Debt : Equity (x)	0.1	0.1	0.1	0.1
Net Working Capital (Days)	19	17	20	23
Valuation(x)				
PER	52.4	28.1	24.4	19.6
P/B	2.2	2.0	1.9	1.8
P/CEPS	18.5	14.1	12.6	10.8
EV/EBITDA	16.2	12.2	10.6	9.3
EV/Sales	2.8	2.6	2.4	2.1
Dividend Yield (%)	0.4	0.5	0.5	0.6

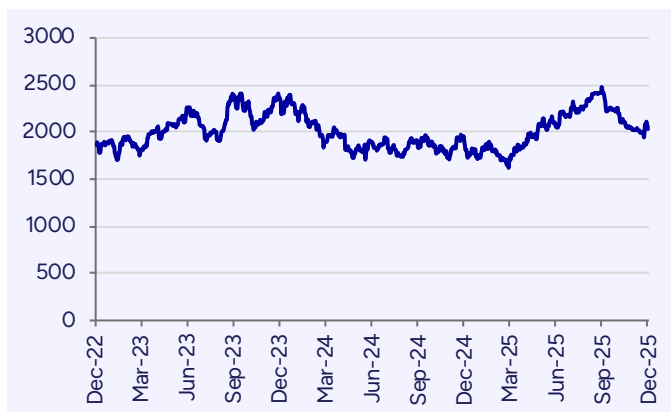
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Cement Volumes (mt)	29	31	34	37
Cement Realisations (Rs/t)	4,612	4,796	4,916	5,039
Cement EBITDA (Rs/t)	819	1,051	1,133	1,168

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	19-Oct-25	Accumulate	2,372	2,250
2	08-Oct-25	Accumulate	2,372	2,243
3	23-Jul-25	Accumulate	2,395	2,270
4	07-Jul-25	Accumulate	2,303	2,156
5	26-Jun-25	Accumulate	2,273	2,100
6	25-Apr-25	Accumulate	2,117	1,974
7	07-Apr-25	Accumulate	2,003	1,845
8	22-Jan-25	Accumulate	1,988	1,799
9	08-Jan-25	Accumulate	2,017	1,800

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,374	1,882
2	Adani Port & SEZ	BUY	1,777	1,444
3	Ambuja Cement	BUY	718	577
4	Dalmia Bharat	Accumulate	2,372	2,250
5	Hindalco Industries	Accumulate	846	790
6	Jindal Stainless	Hold	748	743
7	Jindal Steel	Accumulate	1,151	1,071
8	JSW Infrastructure	BUY	336	265
9	JSW Steel	Hold	1,118	1,166
10	National Aluminium Co.	BUY	281	235
11	NMDC	Accumulate	86	77
12	Nuvoco Vistas Corporation	Accumulate	459	412
13	Shree Cement	Accumulate	29,850	26,100
14	Steel Authority of India	Hold	143	137
15	Tata Steel	Accumulate	188	166
16	Ultratech Cement	Accumulate	13,425	12,370

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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