

# JK Cement | BUY

## Strong execution justifies premium valuation

JK Cement (JKCE) delivered its highest-ever standalone EBITDA in 4QFY25, registering a robust 35% YoY and 50% QoQ growth to INR 7.4bn—beating our and consensus estimates by ~7% and 16%, respectively—driven largely by lower-than-expected cost/tn. Blended EBITDA/tn rose 17% YoY and 22% QoQ to INR 1,265 (JMFe: INR 1,220). The company remains on track to expand its grey cement capacity to ~30mt by FY26 and 50mt by FY30, supporting strong volume growth and market share gains in the coming years. With structural cost-saving levers of INR 150–200/tn (INR 40/tn already achieved in FY25), and despite planned capex of INR 57bn through FY28E, we expect net debt to remain contained at INR 30bn–35bn, supported by healthy cash flow generation. Incorporating the 4Q outperformance and a positive pricing outlook, we raise our FY26–27 EBITDA estimates by 4–5% and revise our target multiple to 16.5x (from 16x) with revised Mar'26 target price of INR 5,850/sh. JKCE remains our top pick in the mid-cap cement space.

- **Result summary:** On a standalone basis, JKCE reported overall volume growth of 15%YoY/ 24% QoQ to 5.8mt in 4QFY25. Grey cement volume grew 15% YoY/ 25% QoQ to 5.4mt led by higher volume growth in the Central region, while realisation declined ~1% YoY/ grew 3% QoQ to INR 4,899; broadly in line with our estimate. Volume for white cement and wall putty grew 7% YoY/ 5% QoQ to 0.43mt. Further, total cost/tn fell 5% YoY/ 5% QoQ to INR 4,478 (JMFe: INR 4,534). Blended EBITDA/tn improved 17% YoY/ 22% QoQ to INR 1,265 (an increase of INR 225/tn sequentially). Other operating income increased 42% YoY/ 8% QoQ to INR 1.2bn (INR 203/tn). On a consolidated basis, overall volume grew by 16% YoY/ 23% QoQ to ~6.1mt in 4QFY25 while blended realisation declined ~1% YoY/ flat QoQ to INR 5,722 with blended EBITDA/tn of INR 1,263. Subsidiaries' implied EBITDA +2.3x YoY/ +11.4x QoQ to INR 284mn on improvement in profitability of UAE operations.
- **What we liked:** Better-than-expected profitability, decline in net debt, turnaround in UAE operations
- **Earnings Call KTAs:** 1) JKCE expects grey/ total volume growth of ~20mt (+11% YoY/ 22mt (+9% YoY) in FY26E. Majority of incremental volume growth likely to be driven by the Central region. The company expects incremental volume of 2-2.5mt (+9-11% YoY) to be easily achievable in FY27; 2) From exit of Mar'25, spot prices have increased by 1% in North and Central and 5-7% in the South respectively; 3) The company maintains its cost/tn reduction target of INR 150-200/tn over the next 2-3 years. On exit basis, it achieved overall cost savings/tn of ~INR 75/tn (incl. INR 35-40/tn in logistics) in FY25. Average cost savings stood at INR 40/tn in FY25, and it targets incremental savings of INR 25/tn in FY26, 4) Guided for capex of INR 18bn-20bn in FY26; 5) Project updates - i) 3.3mt clinker/ 1mt cement expansion at Panna, ii) 1mt cement capacities at Hamirpur and Prayagraj and iii) 3mtpa split grinding unit at Bihar are on track and expected to be commissioned by Dec'25-Jan'26. In FY25, capex of INR 12.2bn was incurred for the Panna, Hamirpur, and Prayagraj expansions, and INR 1.6bn for the Bihar split GU.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,12,030	1,14,930	1,29,644	1,45,877	1,64,467
Sales Growth (%)	17.9	2.6	12.8	12.5	12.7
EBITDA	20,598	20,271	24,889	29,467	34,423
EBITDA Margin (%)	17.8	17.1	18.6	19.6	20.3
Adjusted Net Profit	7,963	7,588	10,979	13,558	16,934
Diluted EPS (INR)	103.1	98.2	142.1	175.5	219.2
Diluted EPS Growth (%)	86.8	-4.7	44.7	23.5	24.9
ROIC (%)	12.5	11.2	14.0	14.9	16.3
ROE (%)	15.8	13.2	16.7	17.8	19.0
P/E (x)	50.6	53.1	36.7	29.7	23.8
P/B (x)	7.5	6.6	5.7	4.9	4.2
EV/EBITDA (x)	20.9	21.4	17.5	14.8	12.5
Dividend Yield (%)	0.4	0.3	0.4	0.5	0.6

Source: Company data, JM Financial. Note: Valuations as of 26/May/2025



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### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	5,850
Upside/(Downside)	12.2%
Previous Price Target	5,300
Change	10.4%

### Key Data – JKCE IN

Current Market Price	INR5,213
Market cap (bn)	INR402.8/US\$4.7
Free Float	45%
Shares in issue (mn)	77.3
Diluted share (mn)	77.3
3-mon avg daily val (mn)	INR500.5/US\$5.9
52-week range	6,100/3,635
Sensex/Nifty	82,176/25,001
INR/US\$	85.1

### Price Performance

%	1M	6M	12M
Absolute	-0.6	24.6	30.8
Relative*	-4.2	21.7	20.0

\* 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.

## Exhibit 1. Actual vs. Estimates (Q4FY25)

INR mn	Actual	Estimates		Variation (%)		Comments
		JMFe	Consensus	JMFe	Consensus	
Net sales	32,250	31,607	31,689	2.0	1.8	
<b>EBITDA</b>	<b>7,364</b>	<b>6,905</b>	<b>6,378</b>	<b>6.7</b>	<b>15.5</b>	Better than our estimates led by lower opex
PAT	3,629	3,074	3,374	18.1	7.6	
Volumes (mt)	5.82	5.66		2.8		
Blended realisation (INR/tn)	5,444	5,450		(0.1)		
Blended EBITDA (INR/tn)	1,265	1,220		3.8		

Source: Company, JM Financial

## Exhibit 2. Standalone – Quarterly results

INR mn	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
Net Sales	28,560	25,550	23,220	26,060	32,250	12.9	23.8	105,631	107,080	1.4
Other operating income	829	881	697	1,095	1,180	42.2	7.7	3,550	3,852	8.5
<b>Revenue</b>	<b>29,389</b>	<b>26,431</b>	<b>23,917</b>	<b>27,155</b>	<b>33,430</b>	<b>13.7</b>	<b>23.1</b>	<b>109,180</b>	<b>110,932</b>	<b>1.6</b>
<b>Expenditure</b>	<b>23,914</b>	<b>21,641</b>	<b>21,189</b>	<b>22,259</b>	<b>26,065</b>	<b>9.0</b>	<b>17.1</b>	<b>89,130</b>	<b>91,154</b>	<b>2.3</b>
Total RM	4,916	4,471	4,364	4,405	5,705	16.1	29.5	17,184	18,945	10.2
Power & Fuel	5,873	5,369	4,587	5,151	5,276	(10.2)	2.4	24,597	20,381	(17.1)
Freight	6,484	5,908	5,368	6,118	7,686	18.5	25.6	23,016	25,079	9.0
Staff cost	1,963	1,992	2,037	2,041	2,072	5.5	1.5	7,098	8,141	14.7
Other expenditure	4,678	3,902	4,835	4,545	5,327	13.9	17.2	17,235	18,608	8.0
<b>EBITDA</b>	<b>5,475</b>	<b>4,790</b>	<b>2,727</b>	<b>4,896</b>	<b>7,364</b>	<b>34.5</b>	<b>50.4</b>	<b>20,050</b>	<b>19,778</b>	<b>(1.4)</b>
Depreciation	1,307	1,245	1,263	1,247	1,329	1.7	6.6	4,859	5,083	4.6
EBIT	4,169	3,545	1,465	3,649	6,035	44.8	65.4	15,191	14,695	(3.3)
Other Income	431	438	368	441	442	2.5	0.2	1,353	1,689	24.8
Interest	1,112	1,066	1,196	1,142	1,089	(2.0)	(4.6)	4,366	4,493	2.9
PBT	3,488	2,918	636	2,948	5,388	54.5	82.7	12,179	11,890	(2.4)
Total Tax	1,223	891	185	900	1,758	43.7	95.3	3,817	3,734	(2.2)
<b>Adjusted PAT</b>	<b>2,265</b>	<b>2,027</b>	<b>452</b>	<b>2,048</b>	<b>3,629</b>	<b>60.3</b>	<b>77.2</b>	<b>8,361</b>	<b>8,156</b>	<b>(2.5)</b>
Extra ordinary items	95	-	-	-	544	472.4	NA	(55)	544	
<b>Reported PAT</b>	<b>2,360</b>	<b>2,027</b>	<b>452</b>	<b>2,048</b>	<b>4,173</b>	<b>76.9</b>	<b>103.8</b>	<b>8,306</b>	<b>8,700</b>	<b>4.7</b>
Adjusted EPS (INR)	29.3	26.2	5.8	26.5	47.0	60.3	77.2	108	106	(2.5)
Margins (%)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (bps)	QoQ (bps)	FY24	FY25	YoY (bps)
<b>EBIDTA</b>	<b>18.6</b>	<b>18.1</b>	<b>11.4</b>	<b>18.0</b>	<b>22.0</b>	<b>340</b>	<b>400</b>	<b>18.4</b>	<b>17.8</b>	<b>(54)</b>
EBIT	14.2	13.4	6.1	13.4	18.1	387	461	13.9	13.2	(67)
EBT	11.9	11.0	2.7	10.9	16.1	425	526	11.2	10.7	(44)
PAT	7.7	7.7	1.9	7.5	10.9	315	331	7.7	7.4	(31)
Effective Tax rate	35.1	30.5	29.0	30.5	32.6			31.3	31.4	

Source: Company, JM Financial

## Exhibit 3. Standalone quarterly analysis on a per-tonne basis

INR/tn	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
Grey Cement volumes (mt)	4.7	4.3	3.8	4.3	5.4	15.3	25.4	16.9	17.8	5.7
White Cement + Wall putty volumes (mt)	0.4	0.4	0.4	0.4	0.4	7.2	5.1	1.6	1.6	0.7
<b>Total volume (mt)</b>	<b>5.1</b>	<b>4.7</b>	<b>4.2</b>	<b>4.7</b>	<b>5.8</b>	<b>14.6</b>	<b>23.6</b>	<b>18.5</b>	<b>19.5</b>	<b>5.3</b>
Grey Cement realization	4,928	4,670	4,707	4,757	4,899	(0.6)	3.0	5,009	4,768	(4.8)
White Cement realization	12,981	12,521	12,136	12,103	12,271	(5.5)	1.4	12,589	12,256	(2.7)
<b>Blended Realization (incl. paints)</b>	<b>5,625</b>	<b>5,408</b>	<b>5,527</b>	<b>5,535</b>	<b>5,541</b>	<b>(1.5)</b>	<b>0.1</b>	<b>5,715</b>	<b>5,504</b>	<b>(3.7)</b>
Raw Material	968	946	1,039	936	980	1.2	4.8	930	974	4.7
Power & Fuel	1,157	1,136	1,092	1,094	906	(21.6)	(17.1)	1,331	1,048	(21.3)
Freight	1,277	1,251	1,278	1,299	1,321	3.4	1.6	1,245	1,289	3.5
Staff cost	387	422	485	433	356	(7.9)	(17.9)	384	418	9.0
Other expenditure	921	826	1,151	965	915	(0.7)	(5.2)	932	957	2.6
<b>Operating cost</b>	<b>4,710</b>	<b>4,581</b>	<b>5,044</b>	<b>4,728</b>	<b>4,478</b>	<b>(4.9)</b>	<b>(5.3)</b>	<b>4,822</b>	<b>4,686</b>	<b>(2.8)</b>
Other operating income	163	186	166	233	203	24.1	(12.8)	192	198	3.1
<b>Blended EBITDA</b>	<b>1,078</b>	<b>1,014</b>	<b>649</b>	<b>1,040</b>	<b>1,265</b>	<b>17.3</b>	<b>21.7</b>	<b>1,085</b>	<b>1,017</b>	<b>(6.3)</b>

Source: Company, JM Financial

**Exhibit 4. Consolidated – Quarterly basis**

INR mn	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
Net Sales	30,170	27,190	24,900	28,190	34,660	14.9	23.0	112,030	114,940	2.6
Other operating income	888	886	701	1,113	1,152	29.8	3.5	3,530	3,852	9.1
<b>Revenue</b>	<b>31,058</b>	<b>28,076</b>	<b>25,601</b>	<b>29,303</b>	<b>35,812</b>	<b>15.3</b>	<b>22.2</b>	<b>115,560</b>	<b>118,792</b>	<b>2.8</b>
<b>Expenditure</b>	<b>25,458</b>	<b>23,214</b>	<b>22,762</b>	<b>24,382</b>	<b>28,163</b>	<b>10.6</b>	<b>15.5</b>	<b>94,962</b>	<b>98,520</b>	<b>3.7</b>
Total RM	5,269	4,789	4,516	4,774	6,097	15.7	27.7	18,347	20,175	10.0
Power & Fuel	6,156	5,697	4,928	5,531	5,644	(8.3)	2.0	25,904	21,801	(15.8)
Freight	6,810	6,195	5,755	6,604	8,244	21.1	24.8	24,162	26,797	10.9
Staff cost	2,182	2,186	2,245	2,288	2,298	5.4	0.5	7,838	9,017	15.1
Other expenditure	5,041	4,347	5,318	5,184	5,881	16.6	13.4	18,712	20,730	10.8
<b>EBITDA</b>	<b>5,599</b>	<b>4,862</b>	<b>2,840</b>	<b>4,921</b>	<b>7,649</b>	<b>36.6</b>	<b>55.4</b>	<b>20,598</b>	<b>20,271</b>	<b>(1.6)</b>
Depreciation	1,530	1,473	1,463	1,457	1,623	6.0	11.4	5,653	6,015	6.4
EBIT	4,069	3,389	1,377	3,465	6,026	48.1	73.9	14,945	14,257	(4.6)
Other Income	457	447	378	446	459	0.4	3.0	1,451	1,730	19.2
Interest	1,149	1,105	1,228	1,124	1,135	(1.3)	0.9	4,531	4,592	1.3
PBT	3,377	2,732	527	2,786	5,350	58.4	92.0	11,865	11,395	(4.0)
Total Tax	1,275	884	189	894	1,736	36.2	94.2	3,855	3,702	(4.0)
Share of JV	-	-	-	-	-	-	-	-	-	-
Minority Interest	(1)	(5)	103	(4)	10	-	-	(9)	105	-
<b>Adjusted PAT</b>	<b>2,103</b>	<b>1,853</b>	<b>235</b>	<b>1,896</b>	<b>3,604</b>	<b>71.4</b>	<b>90.0</b>	<b>8,018</b>	<b>7,588</b>	<b>(5.4)</b>
Extra ordinary items	95	-	1,024	-	-	-	-	(55)	1,024	-
<b>Reported PAT</b>	<b>2,198</b>	<b>1,853</b>	<b>1,258</b>	<b>1,896</b>	<b>3,604</b>	<b>64.0</b>	<b>90.0</b>	<b>7,963</b>	<b>8,611</b>	<b>8.1</b>
Adjusted EPS (INR)	27.2	24.0	3.0	24.5	46.6	71.4	90.0	104	98	(5.4)
Margins (%)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (bps)	QoQ (bps)	FY24	FY25	YoY (bps)
<b>EBIDTA</b>	<b>18.0</b>	<b>17.3</b>	<b>11.1</b>	<b>16.8</b>	<b>21.4</b>	<b>333</b>	<b>456</b>	<b>17.8</b>	<b>17.1</b>	<b>(76)</b>
EBIT	13.1	12.1	5.4	11.8	16.8	372	500	12.9	12.0	(93)
EBT	10.9	9.7	2.1	9.5	14.9	407	543	10.3	9.6	(68)
PAT	6.8	6.6	0.9	6.5	10.1	329	359	6.9	6.4	(55)
Effective Tax rate	37.8	32.3	35.8	32.1	32.5			32.5	32.5	

Source: Company, JM Financial

**Exhibit 5. Consolidated quarterly analysis on a per-tonne basis**

INR/tn	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (%)	QoQ (%)	FY24	FY25	YoY (%)
Grey Cement volumes (mt)	4.7	4.4	3.8	4.4	5.5	16.5	25.5	16.9	18.0	6.8
White Cement + Wall putty volumes (mt)	0.5	0.5	0.5	0.6	0.6	12.4	5.3	2.2	2.2	0.6
<b>Total volume (mt)</b>	<b>5.2</b>	<b>4.9</b>	<b>4.4</b>	<b>4.9</b>	<b>6.1</b>	<b>16.1</b>	<b>23.2</b>	<b>19.1</b>	<b>20.2</b>	<b>6.1</b>
Grey Cement realization	4,930	4,675	4,709	4,754	4,901	(0.6)	3.1	5,009	4,770	(4.8)
White Cement realization	12,309	12,076	11,996	11,719	11,950	(2.9)	2.0	11,836	11,930	0.8
<b>Blended Realization</b>	<b>5,780</b>	<b>5,576</b>	<b>5,703</b>	<b>5,730</b>	<b>5,719</b>	<b>(1.1)</b>	<b>(0.2)</b>	<b>5,875</b>	<b>5,684</b>	<b>(3.3)</b>
Raw Material	1,010	982	1,034	970	1,006	(0.4)	3.7	962	998	3.7
Power & Fuel	1,180	1,168	1,129	1,124	931	(21.0)	(17.2)	1,359	1,078	(20.6)
Freight	1,305	1,270	1,318	1,342	1,360	4.3	1.3	1,267	1,325	4.6
Staff cost	418	448	514	465	379	(9.3)	(18.4)	411	446	8.5
Other expenditure	966	891	1,218	1,054	970	0.5	(7.9)	981	1,025	4.5
<b>Operating cost</b>	<b>4,878</b>	<b>4,760</b>	<b>5,213</b>	<b>4,956</b>	<b>4,647</b>	<b>(4.7)</b>	<b>(6.2)</b>	<b>4,980</b>	<b>4,872</b>	<b>(2.2)</b>
Other operating income	170	182	161	226	190	11.8	(16.0)	185	190	2.9
<b>Blended EBITDA</b>	<b>1,073</b>	<b>997</b>	<b>650</b>	<b>1,000</b>	<b>1,262</b>	<b>17.6</b>	<b>26.2</b>	<b>1,080</b>	<b>1,002</b>	<b>(7.2)</b>

Source: Company, JM Financial

## Exhibit 6. Annual analysis (Consolidated)

Key Assumptions	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	CAGR	
										FY20-25	FY25-28E
<b>Grey</b>	16.8	16.8	17.4	23.2	24.7	26.8	33.2	37.7	42.2	9.8	16.4
Capacity (mt)	14.7	14.7	15.0	20.7	22.2	24.3	30.8	35.3	39.8	10.7	17.8
Volumes (mt)	8.4	10.3	12.1	14.2	16.9	18.0	20.2	22.8	25.8	16.4	12.7
Utilisation (%)	58	70	81	69	76	74	66	65	65		
Realisations	4,527	4,495	4,774	4,971	5,013	4,770	4,854	4,931	5,006		
<b>White</b>											
Capacity (mt)	2.1	2.1	2.5	2.5	2.5	2.5	2.5	2.5	2.5	3.1	-
Volumes (mt)	1.8	1.7	1.9	2.0	2.2	2.2	2.2	2.3	2.3	4.3	1.7
Utilisation (%)	85	79	77	84	91	90	92	93	95		
<b>Total</b>											
Volumes (mt)	10.2	11.9	14.0	16.2	19.1	20.2	22.4	25.1	28.1	14.6	11.6
Blended Realisation (INR/tn)	5,603	5,449	5,592	5,854	5,868	5,684	5,782	5,816	5,856	0.3	1.0
EBITDA/tn (INR)	1,186	1,320	1,057	810	1,079	1,002	1,110	1,175	1,226	(3.3)	6.9
<b>P&amp;L (INR bn)</b>											
Revenue	58	66	80	97	116	119	134	151	170	15.4	12.6
EBITDA	12	16	15	13	21	20	25	29	34	10.8	19.3
Adj. Net Profit	5	8	7	4	8	8	11	14	17	9.0	30.7
<b>Balance Sheet (INR bn)</b>											
Equity	30	37	43	47	54	61	70	82	96		
Net Debt	23	17	22	34	30	32	35	34	29		
Net Debt/EBITDA	1.9	1.1	1.5	2.6	1.5	1.6	1.4	1.2	0.9		
Net Debt/Equity	0.8	0.4	0.5	0.7	0.6	0.5	0.5	0.4	0.3		
<b>Cash Flow (INR bn)</b>											
OCF before NWC change	9	12	16	7	10	13	18	23	27		
Change in NWC	3	2	(4)	2	1	0	(0)	(1)	(1)		
Capex	(12)	(8)	(15)	(19)	(12)	(17)	(19)	(19)	(19)		
FCF	(1)	7	(4)	(9)	(1)	(4)	(1)	3	7		
<b>Return ratios (%)</b>											
RoE	17.2	22.8	17.0	9.5	15.8	13.2	16.7	17.8	19.0		
RoCE	10.9	13.3	10.5	6.6	10.0	8.6	10.9	11.8	12.9		
RoIC	12.8	15.8	13.2	7.9	11.9	10.9	13.7	14.1	15.6		
<b>Valuations (x)</b>											
PE (x)					49.6	52.0	36.0	29.1	23.3		
<b>EV/EBITDA (x)</b>					<b>20.8</b>	<b>21.0</b>	<b>17.1</b>	<b>14.6</b>	<b>12.5</b>		
EV/tn (x)					212	195	157	138	121		

Source: Company, JM Financial

## Exhibit 7. Annual analysis on a per-tonne basis

INR/tn	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Grey Cement realisation	4,527	4,495	4,774	4,971	5,013	4,770	4,854	4,931	5,006
White Cement realisation	10,686	11,403	10,821	11,968	11,647	11,928	12,035	12,074	12,114
<b>Blended realisation</b>	<b>5,603</b>	<b>5,449</b>	<b>5,592</b>	<b>5,854</b>	<b>5,868</b>	<b>5,684</b>	<b>5,782</b>	<b>5,816</b>	<b>5,856</b>
<b>% YoY</b>	<b>10.5</b>	<b>(2.8)</b>	<b>2.6</b>	<b>4.7</b>	<b>0.2</b>	<b>(3.1)</b>	<b>1.7</b>	<b>0.6</b>	<b>0.7</b>
Raw materials consumed	851	896	918	981	961	998	1,002	1,010	1,016
Power & fuel costs	1,069	975	1,178	1,579	1,357	1,078	1,062	1,041	1,041
Freight costs	1,077	1,089	1,179	1,252	1,265	1,325	1,338	1,327	1,316
Staff cost	445	387	399	393	410	446	438	440	437
Other expenses	1,040	860	967	973	980	1,025	1,022	1,009	1,002
<b>Total Operating Cost</b>	<b>4,483</b>	<b>4,208</b>	<b>4,641</b>	<b>5,178</b>	<b>4,974</b>	<b>4,872</b>	<b>4,862</b>	<b>4,827</b>	<b>4,813</b>
Other operating income	65	79	107	134	185	191	189	186	183
<b>Blended EBITDA</b>	<b>1,186</b>	<b>1,320</b>	<b>1,057</b>	<b>810</b>	<b>1,079</b>	<b>1,002</b>	<b>1,110</b>	<b>1,175</b>	<b>1,226</b>
<b>% YoY</b>	<b>45.2</b>	<b>11.4</b>	<b>(19.9)</b>	<b>(23.4)</b>	<b>33.2</b>	<b>(7.1)</b>	<b>10.7</b>	<b>5.8</b>	<b>4.3</b>

Source: Company, JM Financial

**Exhibit 8. We increase our EBITDA estimates by 4-5% for FY6E-FY7E**

INR bn	FY26E			FY27E		
	Old	New	% chg	Old	New	% chg
Revenue	131.7	133.9	1.7	147.5	150.5	2.0
<b>EBITDA</b>	<b>23.9</b>	<b>24.9</b>	<b>4.3</b>	<b>28.0</b>	<b>29.5</b>	<b>5.1</b>
PAT	10.4	11.0	5.5	12.9	13.6	4.9

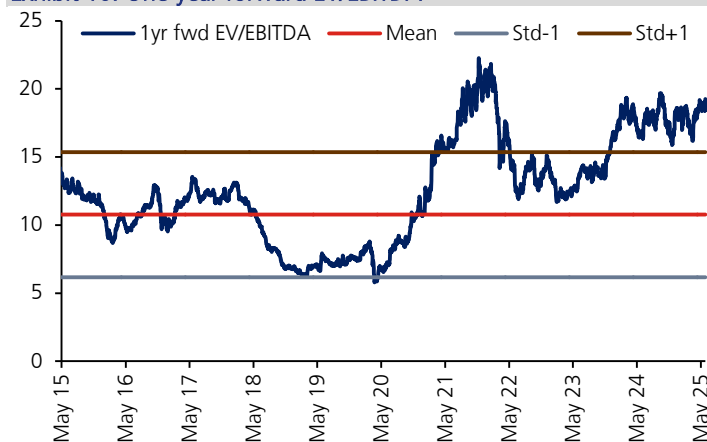
Source: JM Financial

**Exhibit 9. Maintain Buy with revised Mar'26 TP of INR 5,850 based on 16.5x FY27 EV/E****EV/E method**

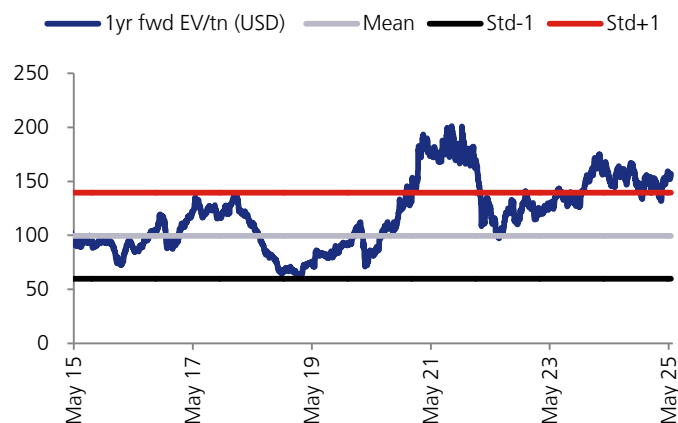
Mar'27E EBITDA (INR bn)	29
Implied EV/E multiple (x)	16.5
EV (INR bn)	487
Mar'26 Net debt (INR bn)	35
Equity value	452
No. of shares (mn)	77

**Mar'26 Target Price (INR)** **5,850**

Source: JM Financial

**Exhibit 10. One-year forward EV/EBITDA**

Source: Bloomberg, JM Financial

**Exhibit 11. One-year forward EV/tonne**

Source: Bloomberg, JM Financial

## Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	1,12,030	1,14,930	1,29,644	1,45,877	1,64,467
Sales Growth	17.9%	2.6%	12.8%	12.5%	12.7%
Other Operating Income	3,530	3,862	4,248	4,672	5,140
<b>Total Revenue</b>	<b>1,15,560</b>	<b>1,18,792</b>	<b>1,33,891</b>	<b>1,50,549</b>	<b>1,69,607</b>
Cost of Goods Sold/Op. Exp	18,347	20,175	22,459	25,329	28,537
Personnel Cost	7,838	9,017	9,810	11,027	12,287
Other Expenses	68,778	69,327	76,733	84,726	94,360
<b>EBITDA</b>	<b>20,598</b>	<b>20,271</b>	<b>24,889</b>	<b>29,467</b>	<b>34,423</b>
EBITDA Margin	17.8%	17.1%	18.6%	19.6%	20.3%
EBITDA Growth	56.7%	-1.6%	22.8%	18.4%	16.8%
Depn. & Amort.	5,726	6,015	6,625	7,884	8,523
EBIT	14,872	14,257	18,264	21,583	25,900
Other Income	1,451	1,730	1,739	1,791	1,845
Finance Cost	4,531	4,592	5,179	5,111	4,973
PBT before Excep. & Forex	11,791	11,395	14,824	18,264	22,772
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	11,791	11,395	14,824	18,264	22,772
Taxes	3,837	3,702	3,750	4,621	5,761
Extraordinary Inc./Loss(-)	-55	1,024	0	0	0
Assoc. Profit/Min. Int.(-)	-9	105	94	85	76
Reported Net Profit	7,908	8,611	10,979	13,558	16,934
<b>Adjusted Net Profit</b>	<b>7,963</b>	<b>7,588</b>	<b>10,979</b>	<b>13,558</b>	<b>16,934</b>
Net Margin	6.9%	6.4%	8.2%	9.0%	10.0%
Diluted Share Cap. (mn)	77.3	77.3	77.3	77.3	77.3
<b>Diluted EPS (INR)</b>	<b>103.1</b>	<b>98.2</b>	<b>142.1</b>	<b>175.5</b>	<b>219.2</b>
Diluted EPS Growth	86.8%	-4.7%	44.7%	23.5%	24.9%
Total Dividend + Tax	1,545	1,159	1,647	2,034	2,540
Dividend Per Share (INR)	20.0	15.0	21.3	26.3	32.9

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	11,791	11,395	14,824	18,264	22,772
Depn. & Amort.	5,726	6,015	6,625	7,884	8,523
Net Interest Exp. / Inc. (-)	4,435	4,507	5,179	5,111	4,973
Inc (-) / Dec in WCap.	631	92	-593	-171	-243
Others	-1,450	-616	-1,092	-963	-783
Taxes Paid	-1,542	-2,004	-3,750	-4,621	-5,761
<b>Operating Cash Flow</b>	<b>19,591</b>	<b>19,388</b>	<b>21,192</b>	<b>25,504</b>	<b>29,481</b>
Capex	-11,782	-16,983	-19,000	-19,000	-19,000
Free Cash Flow	7,809	2,405	2,193	6,504	10,481
Inc (-) / Dec in Investments	-4,116	127	0	0	0
Others	931	1,627	1,739	1,791	1,845
<b>Investing Cash Flow</b>	<b>-14,967</b>	<b>-15,229</b>	<b>-17,260</b>	<b>-17,209</b>	<b>-17,155</b>
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-1,158	-1,544	-1,647	-2,034	-2,540
Inc / Dec (-) in Loans	1,201	6,594	0	-1,500	-1,500
Others	-4,200	-4,312	-5,314	-5,267	-5,156
<b>Financing Cash Flow</b>	<b>-4,157</b>	<b>738</b>	<b>-6,961</b>	<b>-8,800</b>	<b>-9,196</b>
<b>Inc / Dec (-) in Cash</b>	<b>467</b>	<b>4,897</b>	<b>-3,029</b>	<b>-505</b>	<b>3,130</b>
Opening Cash Balance	8,333	8,800	13,697	10,668	10,163
Closing Cash Balance	8,800	13,697	10,668	10,163	13,293

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	53,671	60,890	70,222	81,747	96,141
Share Capital	773	773	773	773	773
Reserves & Surplus	52,899	60,117	69,449	80,974	95,368
Preference Share Capital	0	0	0	0	0
Minority Interest	-455	-338	-422	-528	-659
Total Loans	52,412	58,955	58,955	57,455	55,955
Def. Tax Liab. / Assets (-)	10,756	12,215	12,956	13,869	15,008
<b>Total - Equity &amp; Liab.</b>	<b>1,16,384</b>	<b>1,31,723</b>	<b>1,41,712</b>	<b>1,52,544</b>	<b>1,66,445</b>
Net Fixed Assets	97,746	1,08,472	1,20,897	1,32,063	1,42,590
Gross Fixed Assets	1,29,641	1,37,389	1,62,398	1,80,398	1,98,398
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	36,535	42,092	48,667	56,500	64,973
Capital WIP	4,639	13,175	7,166	8,166	9,166
Investments	16,151	14,739	14,739	14,739	14,739
Current Assets	34,124	43,605	42,011	42,765	47,553
Inventories	11,816	11,751	13,337	14,970	16,833
Sundry Debtors	5,663	7,867	8,430	9,011	9,652
Cash & Bank Balances	8,800	13,697	10,668	10,163	13,293
Loans & Advances	7,846	10,290	9,576	8,620	7,775
Other Current Assets	0	0	0	0	0
Current Liab. & Prov.	31,637	35,093	35,935	37,023	38,438
Current Liabilities	8,804	10,981	11,203	11,325	11,520
Provisions & Others	22,834	24,112	24,732	25,697	26,918
Net Current Assets	2,487	8,512	6,076	5,742	9,115
<b>Total - Assets</b>	<b>1,16,384</b>	<b>1,31,723</b>	<b>1,41,712</b>	<b>1,52,544</b>	<b>1,66,445</b>

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	6.9%	6.4%	8.2%	9.0%	10.0%
Asset Turnover (x)	1.0	1.0	1.0	1.0	1.1
Leverage Factor (x)	2.2	2.2	2.1	1.9	1.8
RoE	15.8%	13.2%	16.7%	17.8%	19.0%

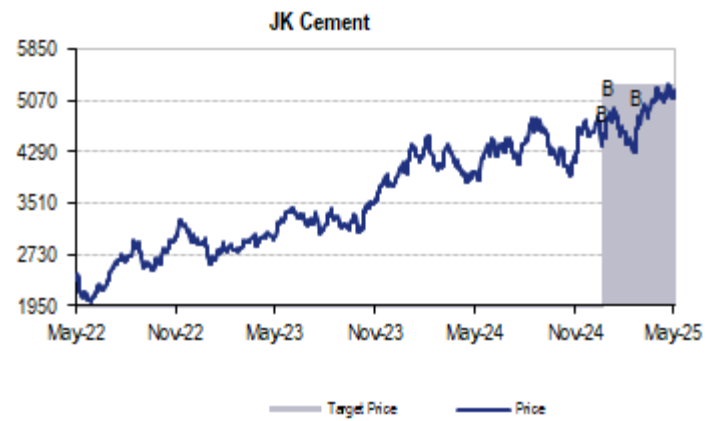
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	694.6	788.0	908.8	1,057.9	1,244.2
ROIC	12.5%	11.2%	14.0%	14.9%	16.3%
ROE	15.8%	13.2%	16.7%	17.8%	19.0%
Net Debt/Equity (x)	0.6	0.5	0.5	0.4	0.3
P/E (x)	50.6	53.1	36.7	29.7	23.8
P/B (x)	7.5	6.6	5.7	4.9	4.2
EV/EBITDA (x)	20.9	21.4	17.5	14.8	12.5
EV/Sales (x)	3.7	3.6	3.3	2.9	2.5
Debtor days	18	24	23	22	21
Inventory days	37	36	36	36	36
Creditor days	34	41	38	34	31

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
14-Jan-25	Buy	5,300	
27-Jan-25	Buy	5,300	0.0
19-Mar-25	Buy	5,300	0.0

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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\* REITs refers to Real Estate Investment Trusts.

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