ADD | Hindalco

Broad-based 1Q strength; Oswego recovery to sustain momentum

Metals & Mining | Result Update | **August 07, 2026**

CMP (Rs): 1,060 | TP (Rs): 1,150

HNDL posted a strong 1Q, with adjusted EBITDA of Rs139.3bn, coming in 23.4% above our estimate, driven by broad-based strength; this was led by upstream EBITDA on higher aluminium (Al) prices and premiums. Novelis's profitability was also sturdy, while downstream Al EBITDA rose 17% qoq despite lower volumes. We expect 2Q earnings to remain healthy, supported by Oswego normalization, firm aluminium realization, and strong India upstream performance, though both higher costs and elevated tariff hit are likely to moderate sequential improvement. We remain constructive on medium-term outlook and raise FY27E EBITDA by ~11% on inclusion of insurance recoveries, while FY28/29 estimates are broadly unchanged; retain ADD and TP of Rs1,150.

Strong upstream business drives overall EBITDA beat

HNDL posted a strong 1Q, with adjusted EBITDA of Rs139.3bn (+23.4% vs Emkay; +26.5% vs consensus; +37.0% qoq, +72.6% yoy), driven by broad-based strength across segments. While Novelis's execution was already known, upstream EBITDA rose 36% qoq to Rs73.9bn, supported by 11.6% qoq rise in Al prices and higher premiums, improving EBITDA/t by 33% qoq to $2,331 vs $1,756 in 4Q. Novelis's EBITDA increased 16% qoq to Rs48.7bn, with EBITDA/t at $563 (read: *Novelis 1Q*). Downstream Al EBITDA increased 17% qoq to Rs3.0bn despite a 7% decline in volumes, while EBITDA/t improved to $303 on strong MJP premium. Copper EBITDA was flat at Rs9.2bn amid an 18% decline in shipments, though EBITDA/t came in at $920 vs $749 in 4QFY26, on lower conversion costs. Consolidated net debt increased 19.5% qoq to Rs775bn, with net debt-to-EBITDA at 2x, driven by higher cost-to-serve and working capital requirements.

Outlook for 2Q remains healthy

We expect HNDL's earnings momentum to remain healthy in 2QFY27, supported by continued normalization of Oswego operations, higher aluminium realizations (albeit lower sequentially), and sustained strength in the India upstream business. However, near-term costs are likely to remain elevated, with cash costs expected to rise 5-6% qoq due to higher coal prices during the monsoons. At Novelis, sequential improvement is likely to remain moderated due to the elevated tariff impact. Even as the gradual reduction in imports (as Oswego ramps up) should help reduce the ~$70mn tariff burden, while higher MJP premiums should continue to support upstream/downstream realizations. Overall, we remain constructive on 2Q earnings, with improving Oswego utilization, structural cost savings, and strong India aluminium profitability providing support, although higher costs and elevated net debt remain key monitorables.

Earnings recovery intact; maintain ADD

We believe our medium-term investment thesis is intact, supported by sustained earnings momentum from firm aluminium prices and gradual recovery at Novelis. Incorporating the 1QFY27 results, we raise FY27E adjusted EBITDA by ~11%, mainly reflecting the inclusion of insurance recoveries, while FY28/29 estimates are broadly unchanged. We maintain ADD on Hindalco and TP of Rs1,150.

Hindalco: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	2,384,960	2,749,440	3,356,850	3,442,447	4,021,979
EBITDA	354,960	380,970	522,388	503,779	590,257
Adj. PAT	168,810	203,540	298,019	253,383	304,942
Adj. EPS (Rs)	75.9	91.5	134.0	113.9	137.1
EBITDA margin (%)	14.9	13.9	15.6	14.6	14.7
EBITDA growth (%)	38.0	7.3	37.1	(3.6)	17.2
Adj. EPS growth (%)	66.5	20.6	46.4	(15.0)	20.3
RoE (%)	14.7	15.6	19.8	14.4	15.1
RoIC (%)	14.3	15.1	18.7	14.2	15.4
P/E (x)	14.7	17.6	8.9	8.1	7.7
EV/EBITDA (x)	7.8	7.2	5.3	5.5	4.7
P/B (x)	1.9	1.7	1.4	1.3	1.1
FCFF yield (%)	1.4	(7.2)	0.4	3.8	5.2

Source: Company, Emkay Research

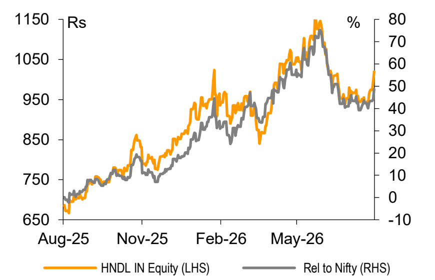
Target Price – 12M	Jun-27
Change in TP (%)	-
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	8.5

Stock Data	**HNDL IN**
52-week High (Rs)	1,179
52-week Low (Rs)	657
Shares outstanding (mn)	2,247.2
Market-cap (Rs bn)	2,381
Market-cap (USD mn)	25,009
Net-debt, FY27E (Rs mn)	908,329.1
ADTV-3M (mn shares)	6.4
ADTV-3M (Rs mn)	6,284.0
ADTV-3M (USD mn)	66.0
Free float (%)	64.9
Nifty-50	24,570.7
INR/USD	95.2
Shareholding,Jun-26	
Promoters (%)	34.7
FPIs/MFs (%)	31.4/24.1

Price Performance

(%)	1M	3M	12M
Absolute	9.3	0.4	54.3
Rel. to Nifty	8.5	(0.6)	54.4

1-Year share price trend (Rs)



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Key takeaways from the conference call

Novelis

- Oswego restarted in June and is ramping up steadily; Management views the disruption as temporary and retains the $600/t long-term EBITDA target.
- Run-rate cost savings have reached $225mn, with the broader $300–400mn structural cost-reduction program progressing well.
- The 600kt Bay Minette facility remains on track for completion this year.

India Aluminium

- Upstream and downstream delivered record-high EBITDA/t and margins, supported by strong operations and cost discipline.
- The Aditya alumina refinery and smelter expansions remain on track, supporting company strategy to double upstream capacity.
- Captive coal mines should provide further cost benefits as Chakla, Banda, and Meenakshi ramp up operations.

Downstream

- Aditya FRP is ramping up well, while Battery Foil and Taloja AC Fin are progressing through customer qualification.
- Management targets a 4x increase in downstream EBITDA by FY30, implying meaningful scope for mix improvement.
- Specialty alumina and other value-added projects are progressing toward commercialization.

Copper

- Copper delivered a record-high EBITDA, with the smelter expansion and e-waste recycling projects progressing as planned.
- Volumes should improve from 2Q, as the planned smelter shutdown reverses.
- Inner Groove Tubes should further strengthen the value-added product portfolio.

Balance Sheet / Capital Allocation

- Consolidated net leverage stood at 1.95x, broadly around Management's ~2x comfort level.
- High India capex should keep leverage broadly stable in the near term; meaningful deleveraging is likely only as Novelis leverage declines from 4Q.

Hedging

- For FY27, 29% of aluminium is hedged at $3,004/t, while 18% of the currency exposure is hedged at Rs91.63 vs the USD
- For FY28, aluminium hedging stands at 21%, ie at $3,160/t, with Management looking to add further hedges of around $3,200/t.
- Management remains comfortable adding hedges at current levels, given expectations of Middle East smelter capacity returning to the market.

Oswego / Insurance

- The Oswego-related exceptional impact should fade as the plant normalizes, with insurance recoveries expected to start flowing through.
- Management expects a significant portion of current-year headwinds to be recovered over the following fiscal year

Exhibit 1: Adjusted EBITDA of Rs139.3bn in 1Q was supported by robust upstream performance

Consolidated	Units	1Q FY26A	2Q FY26A	3Q FY26A	4Q FY26A	1Q FY27A	1Q FY27E	1Q FY27 Consensus	vs Emkay	vs Consensus	QoQ	YoY
Revenue	Rs mn	642,320.0	660,580.0	665,210.0	781,330.0	848,250.0	922,498.5	864,760.1	-8.0%	-1.9%	8.6%	32.1%
Rep EBITDA	Rs mn	86,730.0	96,840.0	85,430.0	111,970.0	149,890.0	120,135.4	-	24.8%	na	33.9%	72.8%
Adj EBITDA	**Rs mn**	**80,710.0**	**89,710.0**	**79,940.0**	**101,720.0**	**139,320.0**	**112,885.4**	**110,107.5**	**23.4%**	**26.5%**	**37.0%**	**72.6%**
Rep EBITDA margin	%	13.5	14.7	12.8	14.3	17.7	13.0	-	-465bps	-	334bps	417bps
Adj Net profit	Rs mn	40,020.0	49,220.0	46,620.0	67,720.0	93,060.0	58,828.2	58,520.4	58.2%	59.0%	37.4%	132.5%
Adj EPS	Rs	18.0	21.3	9.2	11.7	31.5	26.4	24.3	19.2%	29.8%	170.0%	75.1%
Net debt	Rs mn	342,570.0	414,150.0	594,610.0	648,410.0	774,950.0	-	-	na	na	19.5%	126.2%
Net debt-to-EBITDA	x	1.0	1.2	1.7	1.8	2.0	-	-	na	na	6.6%	91.2%
Segment EBITDA												
Novelis	Rs mn	35,570.0	36,850.0	31,020.0	42,020.0	48,740.0	46,232.9	-	5.4%	na	16.0%	37.0%
Aluminium Upstream	Rs mn	40,800.0	45,240.0	48,320.0	54,480.0	73,900.0	60,403.1	-	22.3%	na	35.6%	81.1%
Aluminium Downstream	Rs mn	2,290.0	2,610.0	2,330.0	2,550.0	2,980.0	3,203.8	-	-7.0%	na	16.9%	30.1%
Copper	Rs mn	6,730.0	6,340.0	5,950.0	9,070.0	9,180.0	8,595.5	-	6.8%	na	1.2%	36.4%
Business segment EBITDA	**Rs mn**	**85,390.0**	**91,040.0**	**87,620.0**	**108,120.0**	**134,800.0**	**118,435.4**	-	**13.8%**	na	**24.7%**	**57.9%**
Inter segment	Rs mn	-110.0	-1,780.0	-1,640.0	-1,590.0	-7,780.0	0.0	-	na	na	-389.3%	-6972.7%
Unallocable	Rs mn	1,450.0	7,580.0	-550.0	5,440.0	22,870.0	1,700.0	-	12.5	na	320.4%	1477.2%
Total	**Rs mn**	**86,730.0**	**96,840.0**	**85,430.0**	**111,970.0**	**149,890.0**	**120,135.4**	**110,107.5**	**24.8%**	**36.1%**	**33.9%**	**72.8%**
Shipments												
Novelis	kt	963.0	941.0	809.0	844.0	916.0	930.0	-	-1.5%	na	8.5%	-4.9%
Aluminium Upstream	kt	325.0	341.0	345.0	339.0	335.0	335.0	-	0.0%	na	-1.2%	3.1%
Aluminium Downstream	kt	101.0	113.0	108.0	124.0	104.0	127.5	-	-18.4%	na	-16.1%	3.0%
Copper	kt	124.0	113.0	122.0	128.0	105.0	118.0	-	-11.0%	na	-18.0%	-15.3%

Source: Company, Emkay Research

Exhibit 2: EBITDA estimates for FY27 increased 12%, factoring in insurance recoveries from the Oswego fire

	Units	FY27E			FY28E			FY29E		
		New	Old	Chg	New	Old	Chg	New	Old	Chg
Financial metrics										
Net sales	Rs mn	3,356,849.9	3,390,416.2	-1.0%	3,442,446.9	3,460,784.1	-0.5%	4,021,978.7	4,052,520.6	-0.8%
Rep EBITDA	Rs mn	522,387.6	466,592.1	12.0%	503,778.8	495,603.1	1.6%	590,256.9	582,192.3	1.4%
Adj EBITDA	Rs mn	483,386.1	436,835.4	10.7%	468,677.4	464,358.5	0.9%	553,400.5	549,385.5	0.7%
EBIT	Rs mn	418,833.3	358,873.7	16.7%	389,694.7	376,841.7	3.4%	461,168.5	452,534.8	1.9%
Net profit	Rs mn	298,019.4	225,046.5	32.4%	253,383.1	233,993.6	8.3%	304,941.7	286,527.8	6.4%
EPS	Rs	134.0	101.1	32.5%	113.9	105.2	8.3%	137.1	128.8	6.5%
DPS	Rs	9.4	7.1	32.5%	8.0	7.4	8.3%	9.6	9.0	6.5%
Net debt / (cash)	Rs mn	715,109.1	790,777.4	-9.6%	680,477.1	791,800.6	-14.1%	612,797.6	758,423.9	-19.2%

Source: Company, Emkay Research

Exhibit 3: Summary of estimates

Consolidated (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
P&L					
Net sales	2,384,960.0	2,749,440.0	3,356,849.9	3,442,446.9	4,021,978.7
Cost of sales	2,057,080.0	2,397,360.0	2,873,463.8	2,973,769.4	3,468,578.3
Adj EBITDA	**327,880.0**	**352,080.0**	**483,386.1**	**468,677.4**	**553,400.5**
EBITDA margin	**14.9%**	**13.9%**	**15.6%**	**14.6%**	**14.7%**
Depreciation	88,640.0	91,540.0	103,554.3	114,084.1	129,088.4
EBIT	266,320.0	289,430.0	418,833.3	389,694.7	461,168.5
Interest and taxes	34,190.0	34,800.0	46,309.1	51,850.5	54,579.5
PBT	232,130.0	254,630.0	372,524.2	337,844.2	406,589.0
Tax	63,350.0	51,050.0	74,504.8	84,461.0	101,647.2
Net earnings post MI	**160,020.0**	**133,910.0**	**265,029.4**	**292,143.1**	**304,941.7**
EPS (Rs)	**72.1**	**60.3**	**119.4**	**114.1**	**137.3**
Dividend (Rs/sh)	5.0	5.0	9.4	8.0	9.6
Dividend Payout (%)	6.9%	8.3%	7.9%	7.0%	7.0%
Number of shares	2,225.3	2,224.8	2,224.8	2,224.8	2,224.8
Balance sheet					
Gross block	**2,301,780.0**	**2,751,560.0**	**3,145,975.2**	**3,503,612.9**	**3,794,996.7**
Inventories	488,010.0	755,170.0	597,795.2	565,881.7	661,147.2
Receivables	198,340.0	272,220.0	229,921.2	235,784.0	275,478.0
Payables	413,680.0	715,150.0	472,350.2	488,838.8	570,177.2
Net working capital	**272,670.0**	**312,240.0**	**355,366.2**	**312,826.9**	**366,447.9**
Cash	**108,460.0**	**148,080.0**	**183,260.9**	**256,652.9**	**324,332.4**
Total assets	2,659,910.0	3,477,950.0	3,637,308.2	3,889,443.1	4,254,377.4
Total liabilities	1,422,700.0	2,112,000.0	1,994,200.2	2,010,688.8	2,092,027.2
Total Equity	**1,237,210.0**	**1,365,950.0**	**1,643,108.0**	**1,878,754.3**	**2,162,350.1**
Cash flow					
Operating cash before WC	321,980.0	309,630.0	522,387.6	503,778.8	590,256.9
Working capital and other	-77,880.0	-207,130.0	-117,631.0	-41,921.7	-155,268.3
Operating cash flow	**244,100.0**	**102,500.0**	**404,756.6**	**461,857.0**	**434,988.6**
Capex	-206,490.0	-300,960.0	-394,415.2	-357,637.7	-291,383.8
Investing cash flow	**-247,390.0**	**-265,830.0**	**-427,405.2**	**-318,877.7**	**-291,383.8**
Borrowings/(repayments)	62,370.0	281,930.0	125,000.0	0.0	0.0
Equity changes	-7,780.0	-11,100.0	-20,861.4	-17,736.8	-21,345.9
Financing cash flow	**-18,160.0**	**200,870.0**	**57,829.6**	**-69,587.3**	**-75,925.4**
Net change in cash	**-21,450.0**	**37,540.0**	**35,180.9**	**73,392.0**	**67,679.4**
Ending cash	**108,460.0**	**148,080.0**	**183,260.9**	**256,652.9**	**324,332.4**
Free cash flow	37,610.0	-198,460.0	10,341.3	104,219.4	143,604.8

	FY25	FY26	FY27E	FY28E	FY29E
Operational metrics					
Aluminium (USD/t)	2,525.3	2,772.9	3,225.0	3,100.0	3,100.0
Copper (USD/t)	9,365.9	10,819.5	12,500.0	11,250.0	11,500.0
Production (kt)					
Novelis	3,757.0	3,557.0	3,696.0	3,895.0	4,200.0
Alumina	3,857.0	3,784.0	3,740.0	3,740.0	4,590.0
Aluminium Upstream	1,323.0	1,336.0	1,333.3	1,333.3	1,512.4
Aluminium Downstream	403.0	446.0	510.0	510.0	510.0
Copper	491.0	487.0	470.1	470.1	644.4
Realization (USD/t)					
Novelis	4,564.5	5,182.5	5,967.0	5,818.1	5,812.0
Aluminium Upstream	2,971.3	3,144.7	3,700.0	3,550.0	3,550.0
Aluminium Downstream	3,761.5	3,942.1	4,375.0	4,250.0	4,275.0
Copper	13,174.8	15,819.3	17,500.0	16,250.0	16,500.0
Cost of Production (USD/t)					
Novelis	4,084.9	4,720.0	5,339.5	5,283.5	5,243.1
Aluminium Upstream	1,754.8	1,680.6	1,752.1	1,724.4	1,747.6
Aluminium Downstream	3,575.8	3,700.2	4,110.0	3,975.0	4,000.0
Copper	12,446.2	15,183.0	16,822.8	15,567.1	15,792.7
Financial metrics					
EBITDA margin	14.9%	13.9%	15.6%	14.6%	14.7%
Net margin	6.7%	4.9%	7.9%	8.5%	7.6%
ROE	13.9%	10.3%	17.6%	16.6%	15.1%
ROCE	14.3%	13.4%	16.7%	13.8%	14.9%
ROIC	14.4%	14.2%	17.2%	13.4%	14.5%
Gross debt (Rs mn)	619,310.0	966,590.0	1,091,590.0	1,091,590.0	1,091,590.0
Net debt/(cash) (Rs mn)	335,820.0	658,280.0	715,109.1	680,477.1	612,797.6
Net debt-to-EBITDA (x)	0.9	1.7	1.4	1.4	1.0
Net debt-to-Equity	27.1%	48.2%	43.5%	36.2%	28.3%
Valuation					
P/E (x)	9.1	17.6	7.9	9.3	7.7
EV/EBITDA (x)	5.1	7.9	5.9	6.0	5.0
FCF yield	-0.2%	-10.5%	-1.5%	2.2%	3.8%
Dividend yield	0.8%	0.5%	0.9%	0.8%	0.9%
Methodology	**Rs mn**	**Rs/sh**			
DCF	2,725,821.0	1,225.2			
EV/EBITDA	2,465,755.9	1,108.3			
Blended fair value	**2,595,788.4**	**1,166.8**			
Target price		**1,150.0**			
Current price		1,059.6			
Price return		8.5%			
Dividend return		0.5%			
Expected total return		**9.0%**			
WACC		**11.0%**			

Source: Company, Emkay Research

Hindalco: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**2,384,960**	**2,749,440**	**3,356,850**	**3,442,447**	**4,021,979**
Revenue growth (%)	10.4	15.3	22.1	2.5	16.8
EBITDA	**354,960**	**380,970**	**522,388**	**503,779**	**590,257**
EBITDA growth (%)	38.0	7.3	37.1	(3.6)	17.2
Depreciation & Amortization	88,640	91,540	103,554	114,084	129,088
EBIT	**266,320**	**289,430**	**418,833**	**389,695**	**461,168**
EBIT growth (%)	49.2	8.7	44.7	(7.0)	18.3
Other operating income	-	-	-	-	-
Other income	27,080	28,890	39,002	35,101	36,856
Financial expense	34,190	34,800	46,309	51,851	54,580
PBT	**232,130**	**254,630**	**372,524**	**337,844**	**406,589**
Extraordinary items	(8,790)	(69,630)	(32,990)	38,760	0
Taxes	63,350	51,050	74,505	84,461	101,647
Minority interest	0	0	0	0	0
Income from JV/Associates	30	(40)	0	0	0
Reported PAT	**160,020**	**133,910**	**265,029**	**292,143**	**304,942**
PAT growth (%)	57.6	(16.3)	97.9	10.2	4.4
Adjusted PAT	**168,810**	**203,540**	**298,019**	**253,383**	**304,942**
Diluted EPS (Rs)	**75.9**	**91.5**	**134.0**	**113.9**	**137.1**
Diluted EPS growth (%)	66.5	20.6	46.4	(15.0)	20.3
DPS (Rs)	**3.5**	**5.0**	**9.4**	**8.0**	**9.6**
Dividend payout (%)	**4.9**	**8.3**	**7.9**	**6.1**	**7.0**
EBITDA margin (%)	14.9	13.9	15.6	14.6	14.7
EBIT margin (%)	11.2	10.5	12.5	11.3	11.5
Effective tax rate (%)	27.3	20.0	20.0	25.0	25.0
NOPLAT (pre-IndAS)	**193,639**	**231,403**	**335,067**	**292,271**	**345,876**
Shares outstanding (mn)	2,225	2,225	2,225	2,225	2,225

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	2,220	2,220	2,220	2,220	2,220
Reserves & Surplus	1,234,870	1,363,610	1,640,768	1,876,414	2,160,010
Net worth	**1,237,090**	**1,365,830**	**1,642,988**	**1,878,634**	**2,162,230**
Minority interests	120	120	120	120	120
Non-current liab. & prov.	87,800	45,650	45,650	45,650	45,650
Total debt	**619,310**	**966,590**	**1,091,590**	**1,091,590**	**1,091,590**
Total liabilities & equity	**2,048,730**	**2,496,670**	**2,898,828**	**3,134,474**	**3,418,070**
Net tangible fixed assets	1,087,620	1,388,570	1,679,431	1,922,984	2,085,280
Net intangible assets	326,480	379,300	379,300	379,300	379,300
Net ROU assets	25,430	29,900	29,900	29,900	29,900
Capital WIP	270,230	475,690	475,690	475,690	475,690
Goodwill	-	-	-	-	-
Investments [JV/Associates]	183,880	238,740	238,740	238,740	238,740
Cash & equivalents	**108,460**	**148,080**	**183,261**	**256,653**	**324,332**
Current assets (ex-cash)	911,130	1,262,220	1,095,536	1,030,726	1,165,685
Current Liab. & Prov.	594,270	950,140	707,340	723,829	805,167
NWC (ex-cash)	**316,860**	**312,080**	**388,196**	**306,897**	**360,518**
Total assets	**2,048,730**	**2,496,670**	**2,898,828**	**3,134,474**	**3,418,070**
Net debt	510,850	818,510	908,329	834,937	767,258
Capital employed	2,048,730	2,496,670	2,898,828	3,134,474	3,418,070
Invested capital	**1,460,730**	**1,604,260**	**1,971,237**	**2,133,491**	**2,349,408**
BVPS (Rs)	555.9	613.9	738.5	844.4	971.9
Net Debt/Equity (x)	0.4	0.6	0.6	0.4	0.4
Net Debt/EBITDA (x)	1.4	2.1	1.7	1.7	1.3
Interest coverage (x)	7.8	8.3	9.0	7.5	8.4
RoCE (%)	**15.4**	**13.8**	**16.5**	**13.7**	**14.8**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	223,370	184,960	372,524	337,844	406,589
Others (non-cash items)	(4,680)	13,050	0	0	0
Taxes paid	(54,670)	(64,760)	(74,505)	(84,461)	(101,647)
Change in NWC	(23,210)	(142,370)	(43,126)	42,539	(53,621)
Operating cash flow	**244,100**	**102,500**	**404,757**	**461,857**	**434,989**
Capital expenditure	(206,490)	(300,960)	(394,415)	(357,638)	(291,384)
Acquisition of business	(120)	(1,370)	0	0	0
Interest & dividend income	8,570	12,010	0	0	0
Investing cash flow	**(247,390)**	**(265,830)**	**(427,405)**	**(318,878)**	**(291,384)**
Equity raised/(repaid)	(1,040)	(1,170)	0	0	0
Debt raised/(repaid)	62,370	281,930	125,000	0	0
Payment of lease liabilities	(3,970)	(3,580)	0	0	0
Interest paid	(40,440)	(47,910)	(46,309)	(51,851)	(54,580)
Dividend paid (incl tax)	(7,780)	(11,100)	(20,861)	(17,737)	(21,346)
Others	(27,300)	(17,300)	0	0	0
Financing cash flow	**(18,160)**	**200,870**	**57,830**	**(69,587)**	**(75,925)**
Net chg in Cash	(21,450)	37,540	35,181	73,392	67,679
OCF	244,100	102,500	404,757	461,857	434,989
Adj. OCF (w/o NWC chg.)	267,310	244,870	447,883	419,318	488,610
FCFF	37,610	(198,460)	10,341	104,219	143,605
FCFE	11,990	(221,250)	(35,968)	52,369	89,025
OCF/EBITDA (%)	68.8	26.9	77.5	91.7	73.7
FCFE/PAT (%)	7.5	(165.2)	(13.6)	17.9	29.2
FCFF/NOPLAT (%)	**19.4**	**(85.8)**	**3.1**	**35.7**	**41.5**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	14.7	17.6	8.9	8.1	7.7
EV/CE(x)	1.5	1.2	1.0	0.9	0.8
P/B (x)	1.9	1.7	1.4	1.3	1.1
EV/Sales (x)	1.2	1.0	0.8	0.8	0.7
EV/EBITDA (x)	7.8	7.2	5.3	5.5	4.7
EV/EBIT(x)	10.3	9.5	6.6	7.1	6.0
EV/IC (x)	1.9	1.7	1.4	1.3	1.2
FCFF yield (%)	1.4	(7.2)	0.4	3.8	5.2
FCFE yield (%)	0.5	(9.3)	(1.5)	2.2	3.7
Dividend yield (%)	0.3	0.5	0.9	0.8	0.9
DuPont-RoE split					
Net profit margin (%)	7.1	7.4	8.9	7.4	7.6
Total asset turnover (x)	1.3	1.2	1.3	1.2	1.2
Assets/Equity (x)	1.6	1.7	1.8	1.7	1.6
RoE (%)	**14.7**	**15.6**	**19.8**	**14.4**	**15.1**
DuPont-RoIC					
NOPLAT margin (%)	8.1	8.4	10.0	8.5	8.6
IC turnover (x)	1.8	1.8	1.9	1.7	1.8
RoIC (%)	**14.3**	**15.1**	**18.7**	**14.2**	**15.4**
Operating metrics					
Core NWC days	48.5	41.4	42.2	32.5	32.7
Total NWC days	**48.5**	**41.4**	**42.2**	**32.5**	**32.7**
Fixed asset turnover	1.2	1.3	1.4	1.2	1.3
Opex-to-revenue (%)	85.1	86.1	84.4	85.4	85.3

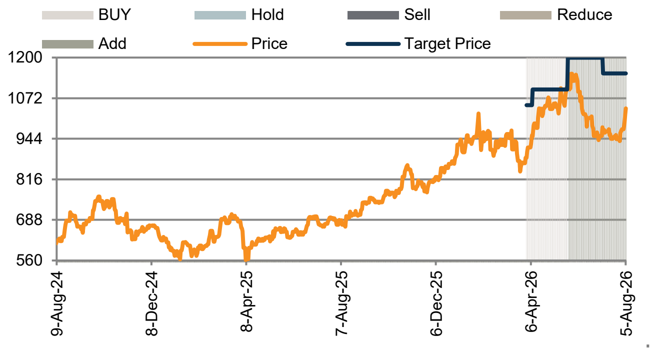
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
05-Aug-26	1,040	1,150	Add	Akhilesh Kumar
07-Jul-26	970	1,150	Add	Akhilesh Kumar
16-Jun-26	982	1,200	Add	Akhilesh Kumar
29-May-26	1,127	1,200	Add	Akhilesh Kumar
23-May-26	1,109	1,200	Add	Akhilesh Kumar
19-May-26	1,048	1,100	Buy	Akhilesh Kumar
08-Apr-26	952	1,100	Buy	Akhilesh Kumar
31-Mar-26	884	1,050	Buy	Akhilesh Kumar

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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