

Petronet LNG | BUY

Operationally in-line; normalisation of spot LNG price key for volume rebound

PLNG's 3QFY26 reported EBITDA of INR 12bn was above JMFe of INR 11.3bn (though in line with consensus of INR 12bn) as: a) regas volume was 1.3% above JMFe and b) implied marketing/inventory gain was above JMFe at ~INR 0.7bn. Further, the company recognised income of INR 0.5bn towards UoP charges for CY25 arising out of lower-than-contracted capacity utilisation by a customer, but that was offset by time-based provision of ~INR 0.8bn made towards UoP dues. However, employee cost was higher at INR 0.9bn in 3QFY26 (INR 0.6bn in 2QFY26) due to impact of INR 0.25bn on account of the new labour code. Hence, PAT was INR 8.5bn, above JMFe/consensus of INR 8.2bn/INR 8.3bn. We reiterate BUY (unchanged TP of INR 360) on valuation grounds, and due to improved visibility of regas volume growth anticipating likely moderation in spot LNG prices over the medium to long term (given 30–40% addition to global LNG supply capacity beginning 2HCY26). At CMP, the stock is trading at an attractive 9.2x FY28E PE (three-year average of 10.8x) and 1.7x FY28E P/B (three-year average of 2.1x).

- **3QFY26 regas volume was 1.3% above JMFe as Dahej utilisation was higher at 94% versus JMFe of 93%:** PLNG's overall 3QFY26 volume was 1.3% above JMFe at 233TBTU (up 2.2% QoQ and 2.2% YoY) with Dahej terminal utilisation higher at 94% (JMFe of 93%, and 93% in 2QFY26). Dahej terminal volume was 0.9% above JMFe at 214TBTU (up 1.4% QoQ and 0.5% YoY); of this, long-term volume was lower than JMFe at 91TBTU (95TBTU in 2QFY26) but was offset by short term/spot volume at 4TBTU (nil in 2QFY26) and higher regas service volume of 119TBTU (116TBTU in 2QFY26). Further, Kochi terminal volume was slightly better QoQ at 19TBTU (17TBTU in 2QFY26), implying utilisation of 29%. Dahej and Kochi regas margins were in line with contract. Separately, implied marketing/inventory gain was above JMFe at ~INR 0.7bn in 3QFY26 as per our calculations.
- **PLNG increased provision by INR 0.8bn in 3QFY26 towards UoP dues while gross UoP dues fell by INR 0.8bn QoQ to INR 13.1bn at end-3QFY26 (net of provision, it was INR 5.0bn); however, it recognised income of INR 0.5bn towards UoP charges for CY25:** PLNG has increased provision by INR 0.8bn in 3QFY26, resulting in net provision rising to INR 8.2bn at end-3QFY26 (versus provision of INR 7.4bn at end-2QFY26) as a matter of prudence based on its time-based accounting policy. Gross UoP dues fell by INR 0.8bn QoQ to INR 13.1bn at end-3QFY26 (net of provision, it was INR 5.0bn after adjusting for provision of INR 8.2bn) as one of the customers brought more-than-contracted LNG volume in 3QFY26. Separately, PLNG has obtained bank guarantees (BGs) to secure UoP dues for CY21 and CY22, while it has obtained BGs for CY23 from a majority of customers and is in the process of receiving them from all other customers. Gross UoP dues of INR 13.1bn at end-3QFY26 pertains to CY22 (of INR 6.4bn), CY23 (of INR 5.5bn) and CY24 (of INR 1.2bn). Further, the company highlighted that it recognised income of INR 0.5bn towards UoP charges for CY25 arising out of lower-than-contracted capacity utilisation by a customer.
- **Reiterate 'BUY' on Petronet LNG on valuation grounds and due to improved visibility of regas volume growth:** We have cut our FY26-27 EBITDA estimates by 7-15% accounting for muted volume and margins in 9MFY26. However, FY28 EBITDA is largely unchanged; DCF based TP of INR 360 is also unchanged. We maintain BUY on PLNG as a likely normalisation in spot LNG could improve its regas volume growth aided by: i) Dahej terminal capacity expansion (from 17.5mmtpa to 22.5mmtpa by Mar'26); and ii) government/regulator's initiatives to boost



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	360
Upside/(Downside)	21.2%
Previous Price Target	360
Change	0.0%

Key Data – PLNG IN

Current Market Price	INR297
Market cap (bn)	INR445.7/US\$4.9
Free Float	50%
Shares in issue (mn)	1,500.0
Diluted share (mn)	1,500.0
3-mon avg daily val (mn)	INR722.4/US\$8.0
52-week range	327/264
Sensex/Nifty	83,675/25,807
INR/US\$	90.6

Price Performance

%	1M	6M	12M
Absolute	3.8	6.3	-1.4
Relative*	3.7	2.3	-10.3

* To the BSE Sensex

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

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

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	5,27,284	5,09,796	4,02,132	4,44,201	5,36,915
Sales Growth (%)	-12.0	-3.3	-21.1	10.5	20.9
EBITDA	52,065	55,241	46,708	62,214	75,532
EBITDA Margin (%)	9.9	10.8	11.6	14.0	14.1
Adjusted Net Profit	35,362	39,264	33,871	41,793	48,478
Diluted EPS (INR)	23.6	26.2	22.6	27.9	32.3
Diluted EPS Growth (%)	9.1	11.0	-13.7	23.4	16.0
ROIC (%)	37.4	38.1	26.1	23.9	20.5
ROE (%)	22.2	21.6	16.6	18.4	19.1
P/E (x)	12.6	11.3	13.2	10.7	9.2
P/B (x)	2.6	2.3	2.1	1.9	1.7
EV/EBITDA (x)	7.1	6.2	7.7	6.5	6.0
Dividend Yield (%)	3.4	3.4	3.0	3.7	4.3

Source: Company data, JM Financial. Note: Valuations as of 12/Feb/2026

natural gas consumption. Furthermore, we expect no significant diversion of LNG volume from PLNG's Dahej terminal to other competing terminals as it offers the lowest regas charges and enjoys significant advantage due to its unmatched evacuation capabilities—capacity of 35–36mmtpa due to its connectivity with five–six natural gas pipelines. Also, it is trading at an attractive 9.2x FY28E PE (three-year average of 10.9x) and 1.7x FY28E P/B (three-year average of 2.1x). However, capital misallocation risk persists amid management's INR 27bn capex plans w.r.t. the non-core petchem business—although we argue the concern is largely priced in as we value it at only 0.5x investment. **Key risks:** **a)** Sustained high spot LNG continuing to impact PLNG's regas volume growth; **b)** Sharp cut in Dahej regas margin post-expiry of current contract by Apr'28E—we assume Dahej regas margin stays flat at INR 74/mmbtu from FY29E given peers are likely to charge regas margin significantly above INR 80/mmbtu to justify project viability.

3QFY26 result review

Exhibit 1. PLNG quarterly snapshot

INR Mn	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	% YoY	% QoQ
Sales	134,151	130,218	122,269	123,158	118,799	110,091	111,638	(8.7)	1.4
EBITDA	15,630	12,005	12,477	15,129	11,597	11,173	11,988	(3.9)	7.3
EBITDA margin (%)	11.7	9.2	10.2	12.3	9.8	10.1	10.7	53bps	59bps
Interest	667	654	651	609	590	609	559	(14.1)	(8.3)
Depreciation	1,946	1,963	2,096	2,058	2,070	2,108	2,150	2.6	2.0
Other income	2,181	2,016	1,961	1,995	2,423	2,371	2,158	10.1	(9.0)
Exceptional item									
PBT	15,199	11,404	11,691	14,458	11,361	10,827	11,438	(2.2)	5.6
Tax	3,783	2,928	3,021	3,757	2,855	2,769	2,955	(2.2)	6.7
Tax rate	25%	26%	26%	26%	25%	26%	26%		
PAT	11,416	8,476	8,670	10,702	8,506	8,058	8,483	(2.2)	5.3
EPS (INR/ share)	7.6	5.7	5.8	7.1	5.7	5.4	5.7	(2.2)	5.3

Source: Company, JM Financial

Exhibit 2. PLNG volume details

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	% YoY	% QoQ
Sales volume (TBTU)									
Dahej Terminal									
Dahej long term	97	96	96	99	105	95	91	(5.2)	(4.2)
Dahej short term and spot	7	6	3	1	0	0	4	33.3	NM
Dahej Regas	144	123	114	89	102	116	119	4.4	2.6
Total Dahej	248	225	213	189	207	211	214	0.5	1.4
Kochi Terminal									
Kochi long term	14	14	15	15	13	14	15	-	7.1
Kochi short term and spot	0	0	0	1	0	0	0		
Kochi Regas	0	0	0	0	0	3	4		
Total Kochi	14	14	15	16	13	17	19	26.7	11.8
Overall									
Total long term	111	110	111	114	118	109	106	(4.5)	(2.8)
Total short term and spot	7	6	3	2	0	0	4	33.3	NM
Total Regas	144	123	114	89	102	119	123	7.9	3.4
Total volumes	262	239	228	205	220	228	233	2.2	2.2
Sales volume (m mtpa)									
Dahej	4.8	4.3	4.1	3.6	4.0	4.1	4.1	0.5	1.4
Kochi	0.3	0.3	0.3	0.3	0.3	0.3	0.4	26.7	11.8
Total	5.0	4.6	4.4	3.9	4.2	4.4	4.5	2.2	2.2
Capacity utilization (%)									
Dahej	109%	99%	94%	83%	91%	93%	94%		
Kochi	22%	22%	23%	25%	20%	26%	29%		
Total	90%	82%	78%	70%	75%	78%	80%		

Source: Company, JM Financial

Exhibit 3. PLNG margin details

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	% YoY	% QoQ
Key margins (INR/mmbtu)									
Dahej regas margin	62.9	62.9	62.9	66.0	66.0	66.0	66.0	4.9	0.0
Regas service margin	59.1	59.4	73.7	66.2	63.0	63.4	63.4	-14.0	0.0
Kochi regas margin	89.4	89.4	89.4	89.4	93.9	93.9	93.9	5.0	0.0
P&L break-up (INR/mmbtu)									
Regas Sales	1064.8	1059.6	998.8	1010.9	952.3	940.8	944.0	-5.5	0.3
Less: Raw material cost (incl import duty)	971.7	986.0	926.5	933.8	3430.2	2550.0	1683.1	81.7	-34.0
Regas margin	93.0	73.6	72.3	77.2	72.0	73.9	77.0	6.4	4.1
Re-gas services Margins	59.1	59.4	73.7	66.2	63.0	63.4	63.4	-14.0	0.0
Blended regas margins	74.4	66.3	73.0	72.4	67.9	68.4	69.8	-4.4	2.0
Less: Operating expense	14.7	16.1	18.3	-1.4	15.1	19.4	18.3	0.3	-5.5
EBITDA	59.7	50.2	54.7	73.8	52.7	49.0	51.5	-6.0	5.0
Less: Depreciation	7.4	8.2	9.2	10.0	9.4	9.2	9.2	0.4	-0.2
Less: Interest and other income	10.9	11.2	11.5	12.7	51.5	37.8	24.7	116.1	-34.6
Less: Tax	14.4	12.2	13.3	18.3	13.0	12.1	12.7	-4.3	4.4
PAT	43.6	35.5	38.0	52.2	38.7	35.3	36.4	-4.3	3.0

Source: Company, JM Financial

Assumptions and estimates

Exhibit 4. Key assumptions

	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	Comments
VOLUME DETAILS								
Sales volume (TBTU)								
Dahej Terminal								
Dahej long term	405	416	403	388	388	388	388	8.5 mmtpa of long-term contract with RasGas
Dahej short term and spot	18	9	18	17	6	16	52	
Dahej Regas	370	278	443	470	450	510	560	7.25mmtpa (and 1mmtpa included in long-term contract volumes) of re-gas service contract
Total Dahej	793	704	864	875	844	914	1,000	
Kochi Terminal								
Kochi long term	49	48	55	58	58	58	58	
Kochi short term and spot	3	0	0	1	1	14	27	
Kochi Regas	2	0	0	0	0	13	26	
Total Kochi	54	48	55	59	59	85	111	Gradual ramp-up post commissioning of Kerala section of the pipeline
Overall								
Total long term	454	464	458	446	446	446	446	
Total short term and spot	21	9	18	18	7	30	79	
Total Regas	372	278	443	470	450	523	586	
Total volumes	847	752	919	934	903	999	1,111	
Sales volume (mmtpa)								
Dahej	15.3	13.5	16.6	16.8	16.2	17.6	19.2	
Kochi	1.0	0.9	1.1	1.1	1.1	1.6	2.1	
Total	16.3	14.5	17.7	18.0	17.4	19.2	21.4	
Installed capacity (mmtpa)								
Dahej	17.5	17.5	17.5	17.5	22.5	22.5	22.5	
Kochi	5.0	5.0	5.0	5.0	5.0	5.0	5.0	
Total	22.5	22.5	22.5	22.5	27.5	27.5	27.5	
Capacity utilization (%)								
Dahej	87%	77%	95%	96%	72%	78%	85%	
Kochi	21%	18%	21%	23%	23%	33%	43%	
Total	72%	64%	79%	80%	63%	70%	78%	
MARGIN DETAILS								
LNG price (USD/mmbtu)	11.5	15.1	12.7	12.2	9.3	9.4	10.2	
Key margins								
Dahej regas margins (INR/mmbtu)	55.0	57.8	60.6	63.7	66.9	70.2	73.7	Assumed 5% annual escalation till FY28 and no escalation thereafter
Regas service margin (INR/mmbtu)	64.6	87.9	59.0	64.1	66.9	70.9	74.8	Assumed 5% annual escalation till FY28 and no escalation thereafter
Kochi regas margin (INR/mmbtu)	79.1	81.0	85.1	89.3	93.8	98.5	98.5	
P&L break-up (INR/mmbtu)								
Regas Sales	858.5	1213.6	1052.9	1033.8	821.3	855.3	939.2	
Less: Raw material cost (incl import duty)	780.6	1139.7	976.1	954.7	748.3	770.7	846.6	
Regas margin	77.9	74.0	76.7	79.1	73.0	84.6	92.6	
Re-gas services Margins	64.2	87.9	59.0	64.1	66.9	70.9	74.8	
Blended regas margins	71.9	79.1	68.2	71.5	70.0	77.4	83.2	
Less: Operating expense	9.9	14.5	11.5	12.4	18.2	15.1	15.2	
EBITDA	62.0	64.6	56.7	59.1	51.7	62.3	68.0	
Less: Depreciation	9.1	10.2	8.5	8.6	9.5	9.5	9.5	
Less: Interest and other income	7.4	12.0	9.9	11.5	13.2	13.4	16.9	
Less: Tax	13.2	14.6	13.3	14.4	12.6	14.1	14.7	
PAT	39.6	43.1	38.5	42.0	37.5	41.8	43.6	

Source: JM Financial, Company

Exhibit 5. Change in estimates

	New	Old	Divergence
TP (INR)	360	360	0%
Rating	BUY	BUY	
Revenue (INR Mn)			
FY26	402,132	422,405	-4.8%
FY27	444,201	457,456	-2.9%
FY28	536,915	533,522	0.6%
EBITDA (INR Mn)			
FY26	46,708	54,934	-15.0%
FY27	62,214	66,514	-6.5%
FY28	75,532	75,951	-0.6%
PAT (INR Mn)			
FY26	33,871	37,081	-8.7%
FY27	41,793	42,560	-1.8%
FY28	48,478	45,242	7.2%
EPS (INR)			
FY26	22.6	24.7	-8.7%
FY27	27.9	28	-1.8%
FY28	32	30	7.2%

Source: JM Financial

Valuation

Exhibit 6. Valuation

Terminal FCF of core Regas business (INR Mn)	47,942
Terminal Growth Rate	4.0%
WACC	12.0%
Terminal Value of core Regas business (INR Mn)	622,454
PV of Terminal Value (INR Mn)	251,215
PV of Cash Flow of core Regas business (INR Mn)	146,867
EV of core Regas business (INR Mn)	398,082
EV of Petchem business (at 0.5x of investment of INR 207bn)	103,500
Total EV	501,582
Net Debt/(Net cash) (INR Mn)	(38,454)
Equity Value (INR Mn)	540,036
No of shares (Mn)	1,500
Valuation (INR)	360

Source: JM Financial

Every 0.5mmtpa increase/decrease in Dahej terminal re-gas volume has a positive/negative impact of INR 8/share (2.1% of our valuation). Likewise, any 1% rise/dip in Dahej terminal re-gas margin has a positive/negative impact of INR 4.3/share (1.2% of our valuation).

Exhibit 7. Valuation sensitivity to Dahej terminal volume/margin

		Dahej FY27 regas volume (mmtpa)						
		16.1	16.6	17.1	17.6	18.1	18.6	19.1
Dahej FY27 Re-gas margin (INR/mmbtu)	59.7	277	283	289	295	301	307	313
	63.2	297	304	310	317	323	330	336
	66.7	317	324	331	338	345	352	359
	70.2	337	345	352	360	368	375	383
	73.7	358	366	374	382	390	398	406
	77.2	378	386	395	403	412	420	429
	80.7	398	407	416	425	434	443	452

Source: Company, JM Financial

Every 0.5mmtpa increase/decrease in Kochi terminal re-gas volume has a positive/negative impact of INR 10.9/share (3.0% of our valuation). Likewise, any 5% rise/dip in Kochi terminal re-gas margins has a positive/negative impact of INR 4/share (1.2% of our valuation).

Exhibit 8. Valuation sensitivity to Kochi terminal volume/margin

		Kochi FY27 regas volume (mmtpa)						
		1.1	1.6	2.1	2.6	3.1	3.6	4.1
Kochi FY27 regas margin (INR/mmbtu)	79.7	347	356	364	373	382	391	400
	84.4	351	361	370	380	389	399	408
	89.1	356	366	376	386	396	407	417
	93.8	360	371	382	393	403	414	425
	98.5	364	376	387	399	410	422	433
	103.2	369	381	393	405	418	430	442
	107.9	373	386	399	412	425	437	450

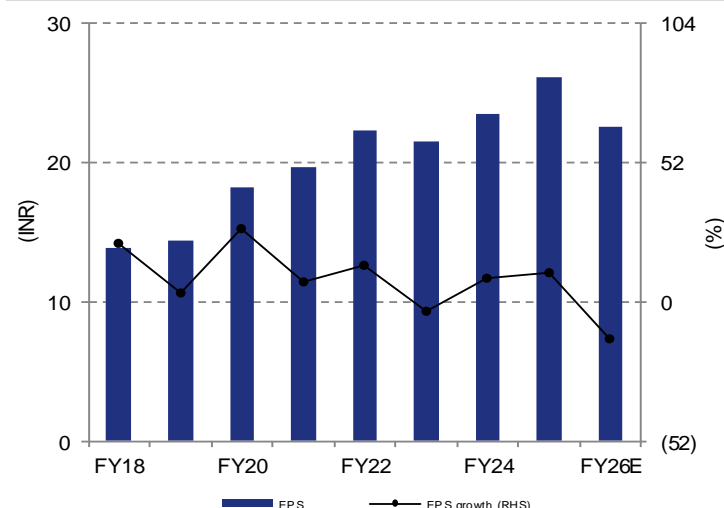
Source: Company, JM Financial

Exhibit 9. PLNG 1-year forward PE band



Source: Company, JM Financial

Exhibit 10. EPS versus EPS growth



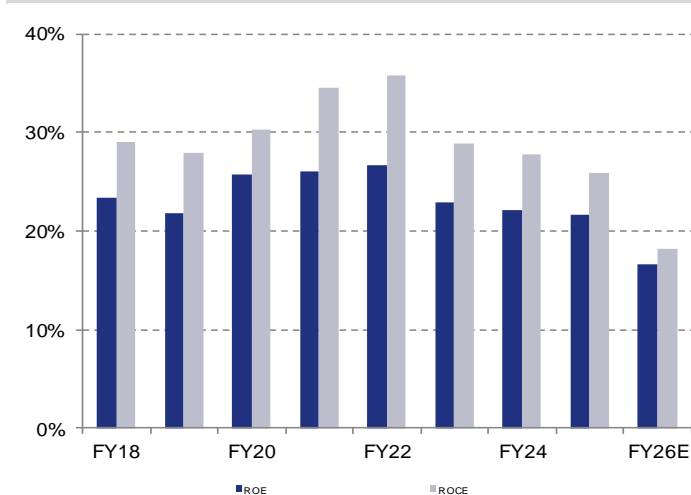
Source: Company, JM Financial

Exhibit 11. PLNG 1-year forward PB band



Source: Company, JM Financial

Exhibit 12. RoE versus RoCE



Source: Company, JM Financial

Exhibit 13. Global gas companies' valuation snapshot

Company	EV/EBITDA (x)			P/E (x)			P/B (x)			EBITDA Margins (%)			ROE (%)			FY26-FY28 CAGR (%)	
	FY26/CY25	FY27/CY26	FY28/CY27	FY26/CY25	FY27/CY26	FY28/CY27	FY26/CY25	FY27/CY26	FY28/CY27	FY26/CY25	FY27/CY26	FY28/CY27	FY26/CY25	FY27/CY26	FY28/CY27	EBITDA CAGR	PAT CAGR
US Peers																	
Sempra Energy	17.2	15.8	15.9	19.8	17.8	16.5	1.6	1.5	1.5	41.7	43.4	44.2	8.4	9.2	9.4	3.8	10.2
Nisource	13.6	12.1	11.0	23.7	21.8	20.1	2.1	2.0	1.8	47.7	50.0	52.7	9.4	9.7	9.8	11.3	11.3
Atmos Energy	14.5	12.8	11.4	21.2	19.8	18.2	2.0	1.9	1.8	50.8	52.3	55.5	9.3	9.2	9.2	12.9	11.7
US peers average	15.1	13.6	12.8	21.6	19.8	18.3	1.9	1.8	1.7	46.8	48.6	50.8	9.0	9.4	9.5	9.4	11.1
European Peers																	
Enagas	9.6	10.4	9.9	13.4	16.4	15.3	1.6	1.6	1.6	75.3	77.6	78.8	11.8	9.8	10.3	-1.4	NM
European peers average	9.6	10.4	9.9	13.4	16.4	15.3	1.6	1.6	1.6	75.3	77.6	78.8	11.8	9.8	10.3	-1.4	NM
Asian peers																	
ENN Energy	7.2	6.8	6.3	10.3	9.6	8.9	1.4	1.3	1.2	10.7	11.0	11.4	13.9	14.0	14.0	6.7	8.2
Towngas China	9.5	8.9	7.2	8.2	7.9	7.5	0.5	0.5	0.5	15.4	15.9	19.4	6.7	6.8	6.9	14.6	5.0
Hong Kong & China Gas	16.6	15.8	14.8	24.1	22.8	21.3	2.5	2.5	2.5	22.1	22.5	23.2	10.3	10.9	11.7	5.7	6.2
China Resources Gas	8.1	7.8	7.4	12.8	11.9	10.9	1.2	1.1	1.1	10.8	10.9	11.3	9.0	9.4	9.7	4.4	8.2
China Gas Holdings	10.8	10.4	10.1	13.6	12.8	11.9	0.8	0.8	0.8	12.0	12.3	12.5	5.6	6.0	6.3	3.3	8.0
Beijing Enterprises	8.5	9.4	10.0	8.1	7.7	7.5	0.5	0.5	0.4	15.2	13.3	11.8	6.2	6.2	6.3	-8.1	3.3
Korea Gas	9.1	9.2	9.3	4.9	4.5	4.2	0.3	0.3	0.3	12.2	12.7	12.5	7.2	7.4	7.4	-0.9	7.4
Petronas Gas BHD	10.7	10.3	10.1	20.1	19.2	18.7	2.6	2.5	2.4	53.2	54.7	54.9	12.8	13.1	13.0	2.8	3.6
IGL	9.4	8.0	7.3	15.7	13.3	12.0	2.3	2.1	1.9	12.7	13.6	13.9	15.7	16.5	16.5	13.3	13.1
IGL	6.9	6.4	6.0	12.1	11.5	10.9	1.7	1.6	1.4	18.7	18.0	17.5	15.4	14.6	14.1	6.8	5.0
Gujarat Gas	15.5	13.9	12.3	25.6	22.7	20.9	3.2	2.9	2.7	12.3	12.3	12.6	12.9	13.4	13.9	12.3	12.9
Petronet LNG	6.7	5.8	5.2	12.0	10.6	10.2	2.1	1.8	1.6	11.0	11.5	11.6	18.0	18.2	17.2	13.3	9.0
GAIL	10.3	8.3	7.6	13.9	11.7	10.7	1.4	1.3	1.2	8.8	10.3	10.6	10.5	11.7	12.0	16.4	14.4
GSP	21.2	18.8	17.3	23.4	21.9	20.4	1.6	1.5	1.4	66.9	69.8	70.0	6.6	6.9	7.1	10.5	7.5
Asian peers average	10.7	10.0	9.4	14.6	13.4	12.5	1.6	1.5	1.4	20.1	20.6	20.9	10.8	11.1	11.1	7.2	8.0
Global peers average	11.4	10.6	10.0	15.7	14.6	13.6	1.6	1.5	1.5	27.6	28.5	29.1	10.5	10.7	10.8	7.1	8.5
Global peers median	9.9	9.8	9.9	13.7	13.0	12.0	1.6	1.6	1.5	15.3	14.8	15.7	9.9	9.7	10.1	6.7	8.2

Source: Bloomberg, JM Financial

Financial Tables (Standalone)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	5,27,284	5,09,796	4,02,132	4,44,201	5,36,915
Sales Growth	-12.0%	-3.3%	-21.1%	10.5%	20.9%
Other Operating Income	0	0	0	0	0
Total Revenue	5,27,284	5,09,796	4,02,132	4,44,201	5,36,915
Cost of Goods Sold/Op. Exp	4,64,641	4,42,979	3,38,966	3,66,861	4,44,467
Personnel Cost	1,917	2,194	2,852	3,137	3,451
Other Expenses	8,661	9,382	13,606	11,988	13,465
EBITDA	52,065	55,241	46,708	62,214	75,532
EBITDA Margin	9.9%	10.8%	11.6%	14.0%	14.1%
EBITDA Growth	7.2%	6.1%	-15.4%	33.2%	21.4%
Depn. & Amort.	7,766	8,062	8,545	9,525	10,505
EBIT	44,300	47,179	38,163	52,689	65,026
Other Income	6,167	8,153	9,510	8,270	9,276
Finance Cost	2,897	2,580	2,409	5,109	9,519
PBT before Excep. & Forex	47,570	52,752	45,264	55,850	64,784
Excep. & Forex Inc/Loss(-)	0	0	0	0	0
PBT	47,570	52,752	45,264	55,850	64,784
Taxes	12,208	13,488	11,393	14,058	16,306
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	35,362	39,264	33,871	41,793	48,478
Adjusted Net Profit	35,362	39,264	33,871	41,793	48,478
Net Margin	6.7%	7.7%	8.4%	9.4%	9.0%
Diluted Share Cap. (mn)	1,500.0	1,500.0	1,500.0	1,500.0	1,500.0
Diluted EPS (INR)	23.6	26.2	22.6	27.9	32.3
Diluted EPS Growth	9.1%	11.0%	-13.7%	23.4%	16.0%
Total Dividend + Tax	15,000	15,000	13,500	16,650	19,350
Dividend Per Share (INR)	10.0	10.0	9.0	11.1	12.9

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	47,570	52,752	45,264	55,850	64,784
Depn. & Amort.	7,766	8,062	8,545	9,525	10,505
Net Interest Exp. / Inc. (-)	-2,417	-4,867	-7,101	-3,162	243
Inc (-) / Dec in WCap.	5,654	-1,730	4,018	-1,656	-3,524
Others	2,525	3,143	0	0	0
Taxes Paid	-12,373	-13,383	-11,393	-14,058	-16,306
Operating Cash Flow	48,725	43,977	39,333	46,501	55,702
Capex	-8,414	-14,569	-50,000	-80,000	-80,000
Free Cash Flow	40,311	29,408	-10,667	-33,499	-24,298
Inc (-) / Dec in Investments	-7,314	-23,321	-758	-796	-835
Others	5,113	5,997	9,510	8,270	9,276
Investing Cash Flow	-10,615	-31,893	-41,248	-72,525	-71,559
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	0	0	10,417	50,426	48,434
Others	-21,545	-21,516	-15,909	-21,759	-28,869
Financing Cash Flow	-21,545	-21,516	-5,491	28,667	19,565
Inc / Dec (-) in Cash	16,565	-9,433	-7,406	2,642	3,708
Opening Cash Balance	623	17,189	7,756	350	2,993
Closing Cash Balance	17,189	7,756	350	2,993	6,700

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	1,69,628	1,93,824	2,14,195	2,39,338	2,68,466
Share Capital	15,000	15,000	15,000	15,000	15,000
Reserves & Surplus	1,54,628	1,78,824	1,99,195	2,24,338	2,53,466
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	0	0	10,000	60,000	1,08,000
Def. Tax Liab. / Assets (-)	6,172	5,938	5,938	5,938	5,938
Total - Equity & Liab.	1,75,800	1,99,762	2,30,133	3,05,276	3,82,403
Net Fixed Assets	96,994	1,04,778	1,46,232	2,16,707	2,86,202
Gross Fixed Assets	1,17,464	1,49,393	1,74,393	1,94,393	2,14,393
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	35,994	61,033	69,579	79,104	89,609
Capital WIP	15,524	16,418	41,418	1,01,418	1,61,418
Investments	58,656	95,462	95,462	95,462	95,462
Current Assets	95,109	67,770	51,088	57,795	70,351
Inventories	14,654	12,044	9,341	10,222	12,380
Sundry Debtors	36,261	32,669	25,338	27,727	33,581
Cash & Bank Balances	17,189	7,756	350	2,993	6,700
Loans & Advances	237	240	245	249	254
Other Current Assets	26,767	15,061	15,814	16,605	17,435
Current Liab. & Prov.	74,959	68,248	62,649	64,688	69,611
Current Liabilities	54,610	47,384	41,368	42,981	47,470
Provisions & Others	20,349	20,864	21,281	21,707	22,141
Net Current Assets	20,150	-478	-11,561	-6,893	740
Total - Assets	1,75,800	1,99,762	2,30,133	3,05,276	3,82,403

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	6.7%	7.7%	8.4%	9.4%	9.0%
Asset Turnover (x)	2.7	2.4	1.7	1.5	1.5
Leverage Factor (x)	1.2	1.2	1.2	1.3	1.4
RoE	22.2%	21.6%	16.6%	18.4%	19.1%

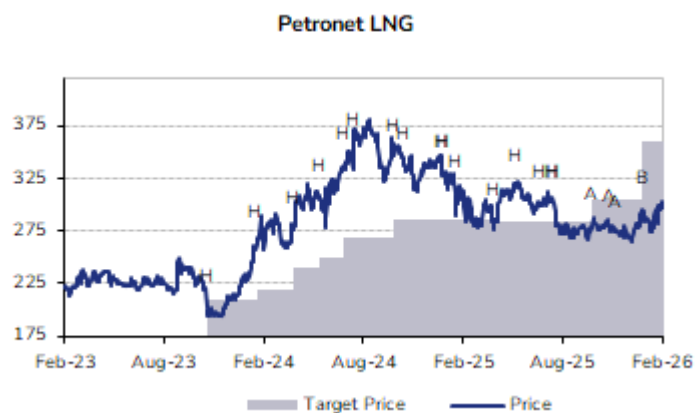
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	113.1	129.2	142.8	159.6	179.0
ROIC	37.4%	38.1%	26.1%	23.9%	20.5%
ROE	22.2%	21.6%	16.6%	18.4%	19.1%
Net Debt/Equity (x)	-0.4	-0.5	-0.4	-0.2	0.0
P/E (x)	12.6	11.3	13.2	10.7	9.2
P/B (x)	2.6	2.3	2.1	1.9	1.7
EV/EBITDA (x)	7.1	6.2	7.7	6.5	6.0
EV/Sales (x)	0.7	0.7	0.9	0.9	0.8
Debtor days	25	23	23	23	23
Inventory days	10	9	8	8	8
Creditor days	22	21	20	20	20

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
30-Oct-23	Hold	210	
29-Jan-24	Hold	220	4.8
5-Apr-24	Hold	240	9.1
23-May-24	Hold	250	4.4
7-Jul-24	Hold	270	7.8
24-Jul-24	Hold	270	0.0
7-Oct-24	Hold	285	5.7
24-Oct-24	Hold	285	0.0
3-Jan-25	Hold	285	0.0
7-Jan-25	Hold	285	0.0
27-Jan-25	Hold	285	0.0
8-Apr-25	Hold	285	0.0
20-May-25	Hold	285	-0.1
3-Jul-25	Hold	285	0.1
25-Jul-25	Hold	285	0.0
28-Jul-25	Hold	285	0.0
6-Oct-25	Add	305	7.2
7-Nov-25	Add	305	-0.2
16-Nov-25	Add	305	0.1
6-Jan-26	Buy	360	18.0

Recommendation History



APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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Rating	Meaning
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REDUCE	Expected return \geq -10% and $<$ 5% over the next twelve months.
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