

Ellenbarrie Industrial Gases | BUY

Earnings beat on faster ramp-up in Kurnool merchant ASU; reiterate BUY

Ellenbarrie Industrial Gases' (EIGL) standalone revenue was 3.6% higher than JMFe at INR 892mn in 2QFY26 (up 6.6% QoQ, but down 5.8% YoY on a high base as 2QFY25 revenue had one-off revenue of ~INR 150mn in the project engineering segment) led by higher gas revenue due to faster-than-expected ramp-up of its Kurnool merchant plant capacity utilisation and slight improvement in argon prices. Hence, EBITDA was also 4.8% higher than JMFe at INR 335mn while PAT was much higher than expected at INR 367mn, aided by higher other income (mostly due to interest on unused IPO proceeds) and lower taxes. The management said that Uluberia-2 ASU and East onsite plants are on track for Nov'25 and Mar'26 commissioning respectively while North India ASU completion has been delayed to 2H FY27 (vs. 2QFY27 earlier). We reiterate our BUY rating (unchanged TP of INR 550/share) based on 40x FY28E P/E as we expect EIGL to deliver a CAGR of ~30%/34%/32% in revenue/EBITDA/PAT over FY25-28, driven by 29% CAGR in merchant volume on account of strong capacity expansion and EBITDA margin improvement to 38% in FY28 (from 35% in FY25%) due to rise in proportion of revenue from high-margin argon.

- **Revenue 3.6% higher than JMFe at INR 892mn, led by higher gas revenue though it was partly offset by lower project engineering segment revenue:** Standalone revenue was 3.6% higher than JMFe at INR 892mn in 2QFY26 (up 6.6% QoQ, but down 5.8% YoY on a high base as 2QFY25 revenue had one-off revenue of ~INR 150mn in project engineering segment) led by higher gas revenue due to faster-than-expected ramp-up of its Kurnool merchant plant capacity utilisation (from 65% in 1QFY26 to 75-80% in 2QFY26) and slight improvement in argon prices. Gas revenue was 5.5% higher than JMFe at INR 879mn (up 8.7% QoQ and up 10.3% YoY), though it was slightly offset by lower project engineering segment revenue at INR 12mn (down 54.5% QoQ and down 91.7% YoY on a high base as there was one-off revenue of ~INR 150mn in 2QFY25).
- **EBITDA also 4.8% higher than JMFe at INR 335mn while PAT much higher than expected at INR 367mn, aided by higher other income and lower taxes:** Power expenses were also slightly higher at INR 184mn (up 4.5% QoQ but down 3.2% YoY) being 20.7% of revenue (vs. 21% of revenue in 1QFY26) and other expenses were higher at INR 224mn (up 13.7% QoQ and up 12.2% YoY). Hence, reported EBITDA was 4.8% higher than JMFe at INR 335mn (up 9.1% QoQ, but down 7.6% YoY on a high base as 2QFY25 EBITDA had one-off revenue of INR 150mn in the project engineering segment), leading to 84bps QoQ improvement in EBITDA margin to 37.5% in 2QFY26 (vs. 36.7% in 1QFY26). Further, PAT was significantly higher than JMFe at INR 367mn aided by higher other income (at INR 126mn vs JMFe of INR 70mn - mostly due to interest on unused IPO proceeds) and lower tax expense (at INR 32mn vs. JMFe of INR 74mn).
- **Repaid debt of INR 2.1bn using net IPO proceeds and kept unutilised IPO proceeds of INR 1.2bn in FDs; hence, net cash stood at INR 3.2bn at end-2QFY26:** The company has utilised net IPO proceeds received from fresh issue of INR 3.7bn: **a)** repaid debt of INR 2.1bn (as proposed in prospectus); **b)** utilised INR 0.2bn on setting up of 220TPD Uluberia-II merchant ASU (vs. INR 1bn proposed in prospectus; leaving INR 0.8bn unutilised at end-2QFY26); and **c)** utilised INR 0.15bn for general corporate purposes (vs. INR 0.55bn proposed in prospectus; leaving INR 0.4bn unutilised at end-2QFY26). Further, unutilised portion of IPO net proceeds of INR 1.2bn has been primarily held as fixed deposit and classified under Cash and cash equivalents. Hence, its gross debt declined to INR 1.1bn at end-2QFY26 (vs. INR 2.5bn at end-



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	550
Upside/(Downside)	24.3%
Previous Price Target	550
Change	-0.1%

Key Data – ELLEN IN

Current Market Price	INR442
Market cap (bn)	INR62.3/US\$0.7
Free Float	21%
Shares in issue (mn)	140.9
Diluted share (mn)	140.9
3-mon avg daily val (mn)	INR129.0/US\$1.5
52-week range	638/430
Sensex/Nifty	84,467/25,876
INR/US\$	88.6

Price Performance

%	1M	6M	12M
Absolute	-0.7	0.0	0.0
Relative*	-3.0	0.0	0.0

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	2,695	3,125	4,010	5,322	6,802
Sales Growth (%)	31.4	16.0	28.3	32.7	27.8
EBITDA	615	1,097	1,462	2,027	2,615
EBITDA Margin (%)	22.8	35.1	36.5	38.1	38.4
Adjusted Net Profit	453	833	1,128	1,549	1,937
Diluted EPS (INR)	3.5	6.4	8.0	11.0	13.7
Diluted EPS Growth (%)	60.9	83.9	25.9	37.3	25.0
ROIC (%)	9.7	14.4	16.1	17.2	17.4
ROE (%)	11.7	18.4	15.3	14.7	15.8
P/E (x)	127.8	69.5	55.2	40.2	32.2
P/B (x)	14.1	11.7	6.4	5.5	4.7
EV/EBITDA (x)	101.3	57.2	40.3	29.5	22.9
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 12/Nov/2025

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.

FY25) while there was net cash (after reducing investment and Loans & Advances) of INR 3.2bn at end-2QFY26 (vs. net debt of INR 0.5bn at end-FY25). Further, cash capex was INR 542mn in 1HFY26 (vs. INR 489mn in 1HFY25).

- **Uluberia-2 ASU and East onsite plant on track for Nov'25 and Mar'26 commissioning respectively; North India ASU completion delayed to 2HFY27 (vs. 2QFY27 earlier):** The management reiterated that: **a)** Uluberia 2 (220TPD merchant plant in West Bengal) project will be operational by end-Nov'25 (expects full capacity utilisation in the next 18-24 months) and **b)** East onsite plant (320TPD onsite plant under construction) will be operational by Mar'26. Hence, it expects 2HFY26 to be better than 1HFY26. However, 220TPD merchant plant in North India, is now expected to be completed by 2HFY27 (earlier expected to be completed in 2QFY27). Hence, the management reiterated that its total plant capacity was 1,370TPD at end-FY25, and expects plant capacity to grow to 1,910TPD by end-FY26 and 2,130TPD by end-FY27 (excluding any new projects that could be announced later). Separately, the company is looking to build merchant capacity in West India and may come up with some related announcement soon.
- **Reiterate BUY rating on EIGL with unchanged TP of INR 550:** We reiterate BUY with unchanged TP of INR 550/share based on 40x FY28E P/E as we expect EIGL to deliver a CAGR of ~30%/34%/32% in revenue/EBITDA/PAT over FY25-28, driven by: **a)** 29% CAGR in merchant volume on account of strong capacity expansion; and **b)** EBITDA margin improvement to 38% in FY28 (from 35% in FY25% and 24% in FY24) due to rise in proportion of revenue from high-margin argon. At CMP, EIGL is trading at ~32x FY28 P/E and 23.8x FY28 EV/EBITDA. (vs. Linde India trading at valuation of ~54x FY28 P/E and 28.2x FY28 EV/EBITDA despite its EBITDA/PAT CAGR expectation being lower than EIGL with a similar RoE profile). Key risks: **a)** decline in price/volume of argon; **b)** lower volume growth due to delay in start of new capacity and/or slower ramp-up; **c)** high customer, industry and region concentration.

2QFY26 concall takeaways

1) Guided for **gas segment revenue to grow at CAGR of 20-25%** (on FY25 revenue base) and **gas segment EBITDA margin to improve to ~40% over the next 4-5 years vs. 35% in FY25 and 37% in 1H FY26**.

2) Reiterated that: a) **Uluberia 2 (220TPD merchant plant in West Bengal) project will be operational by end-Nov'25** (expects full capacity utilisation in the next 18-24 months) and b) **East onsite plant (320TPD onsite plant under construction) will be operational by Mar'26**. Hence, expects 2H FY26 to be better than 1H FY26.

However, **220TPD merchant plant in North India is now expected to be completed by 2H FY27** (earlier expected to be completed in 2Q FY27).

Reiterated that its **total plant capacity was 1,370TPD at end-FY25, and expects plant capacity to grow to 1,910TPD by end-FY26 and 2,130TPD by end-FY27** (excluding any new projects that could be announced later).

3) Reiterated its **focus on geographical expansion to become a pan-India player in the long term via organic and inorganic growth opportunities**. It is **looking to build merchant capacity in West India and may come up with some related announcement soon**.

4) **EBITDA margin expansion to 37.5% in 2Q FY26 (vs 36.7% in 1Q FY26) was due to: a) ramp-up in Kurnool merchant capacity to 75-80% in 2Q FY26 (from 65% in 1Q FY26); and b) rise in share of high margin argon to 13% of gas revenue in 2Q FY26 (from 11% in 1Q FY26)**, aided by QoQ improvement in argon prices. Earlier, the management had shared that it expects **Kurnool merchant capacity utilisation to reach optimum level of 85-90% by 2H FY26**.

5) **Remains bullish on argon prices in the long term**, as it expects its demand to grow much faster than its supply. It expects Argon's revenue contribution to inch up further from 13% in 2Q FY26.

6) **Gearing up to cater to demand for speciality gases in solar cell manufacturing and semiconductor industries** (with initial focus on solar cell manufacturing industries). **In discussions with a few of the solar cell manufacturers** (already having a relationship with EIGL) for supply of required speciality gases.

Said that solar cell manufacturing requires various specialty gases like UHP nitrogen, UHP oxygen, UHP ammonia, etc. The company already **has the capability to produce and supply UHP nitrogen and UHP oxygen while for remaining speciality gases (which it intends to import), it plans to set up a proper supply chain by building warehouses in its existing and upcoming facilities** (requiring no additional land). It has even started working on such a warehouse in one of its facilities.

The **margin on manufactured speciality gases will be higher than overall gas portfolio margin while traded speciality gases will have lower margin in range of 15-20%**.

7) **Impact of recent GST rationalisation: a) GST rate reduced on medical gases (liquid oxygen) from 12% to 5%; and b) GST rate unchanged for industrial gases**.

8) Downplayed its focus on hydrogen by saying that it **doesn't foresee hydrogen as a meaningful revenue contributor, but** said it intends to build a hydrogen electrolyser alongside new ASUs in the future.

2QFY26 result review

Exhibit 1. Standalone quarterly snapshot

(INR Mn)	1QFY25	2QFY25	4QFY25	1QFY26	2QFY26	% QoQ	% YoY
Net Sales	673	947	825	836	892	6.6%	-5.8%
Operating expenditure	454	585	579	529	557	5.2%	-4.8%
Cost of materials consumed	8	8	11	9	9	4.6%	6.0%
Purchase of stock-in-trade	65	127	104	78	104	32.6%	-18.5%
Decrease/ (Increase) in inventories	3	-2	5	6	-29	-552.1%	1110.1%
Staff expenses	49	62	55	63	65	3.3%	5.4%
Power expenses	187	191	197	176	184	4.5%	-3.2%
Administrative, O&M & Other expense	142	199	207	197	224	13.7%	12.2%
EBIDTA	219	362	246	307	335	9.1%	-7.6%
EBITDA Margin %	32.5%	38.2%	29.8%	36.7%	37.5%	84bps	-70bps
Depreciation	-49	-48	-65	-51	-51	-0.2%	5.6%
Interest	-39	-42	-54	-46	-11		
Other Income	79	72	114	68	126	84.7%	74.3%
Exceptional income/(expense)	0	0	0	0	0		
PBT	211	345	241	278	400	43.6%	15.8%
Tax	-49	-48	-59	-91	-32	-64.4%	-33.1%
PAT	162	297	182	187	367	96.2%	23.8%
EPS (INR)	1.2	2.3	1.4	1.3	2.6	96.2%	15.0%
Tax rate	23.2%	14.0%	24.3%	32.8%	8.1%		

Source: Company, JM Financial.

Exhibit 2. Quarterly segmental snapshot

	1QFY25	2QFY25	4QFY25	1QFY26	2QFY26	% QoQ	% YoY
Segment Revenue (INR Mn)							
Gases, related products & services	658	797	795	809	879	8.7%	10.3%
Project Engineering	14	150	30	27	12	-54.5%	-91.7%
Total	673	947	825	836	892		
Segment Revenue Contribution (%)							
Gases, related products & services	98%	84%	96%	97%	99%		
Project Engineering	2%	16%	4%	3%	1%		
Total	100%	100%	100%	100%	100%		
Segment EBIT (INR Mn)							
Gases, related products & services	203	393	264	304	362	19.2%	-8.0%
Project Engineering	-1	118	-14	3	3	13.7%	-97.1%
Total	202	512	249	307	365		
Segment EBIT Margin (%)							
Gases, related products & services	30.9%	49.3%	33.2%	37.5%	41.2%		
Project Engineering	-6.0%	78.9%	-47.0%	11.0%	27.5%		
Segment Assets (INR Mn)							
Gases, related products & services	4,696	5,121	5,964	6,172	6,421		
Project Engineering	155	163	151	156	133		
Unallocated	2,259	2,498	2,345	10,816	4,906		
Total	7,110	7,782	8,460	17,145	11,460		
Segment Liabilities (INR Mn)							
Gases, related products & services	1,542	420	2,283	2,368	1,015		
Project Engineering	4	2	5	4	0		
Unallocated	1,303	2,775	1,238	5,652	1,227		
Total	2,849	3,197	3,526	8,024	2,242		

Source: Company, JM Financial.

Assumptions and Estimates

Exhibit 3. EIGL – Key operational assumptions

Particulars	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Key operational assumptions (bulk and packaged)								
Volume details								
Normal capacity (TPD)		378	378	500	624	675	829	1,040
Capacity utilisation (%)		96%	94%	75%	70%	84%	88%	92%
Production volume (TPD)		364	357	376	436	569	728	954
Sales Volume (TPD)		356	353	394	440	569	728	954
Realisation details (INR/scm)								
Oxygen		22.1	16.4	17.6	17.5	17.7	17.9	18.1
Nitrogen		11.9	12.6	12.8	13.5	13.9	14.3	14.8
Argon		82.9	71.5	120.4	119.7	70.0	73.5	77.2
Financials (INR Mn)								
Revenue	1,751	2,446	2,051	2,695	3,125	4,010	5,322	6,802
YoY Growth (%)	1%	40%	-16%	31%	16%	28%	33%	28%
Reported EBITDA	459	805	336	615	1,097	1,462	2,027	2,615
Reported EBITDA Margin (%)	26%	33%	16%	23%	35%	36%	38%	38%
EBITDA Growth YoY (%)	88%	75%	-58%	83%	78%	33%	39%	29%
OCF	709	314	387	437	43	2,057	1,206	1,635
Cash Capex	168	171	949	870	692	2,206	2,484	1,910
FCF	541	143	-562	-433	-649	-149	-1,278	-275
YoY Growth (%)	-37%	-74%	NM	NM	NM	NM	NM	-79%
Net Debt/(cash)	458	-895	-244	34	480	-3,386	-2,447	-2,512
Net Debt/Reported EBITDA (x)	1.0	-1.1	-0.7	0.1	0.4	-2.3	-1.2	-1.0

Source: Company, JM Financial.

Exhibit 4. Consolidated revenue breakup for EIGL

Particulars	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue break-up (INR Mn)							
Gases, related products & services	2,161	1,892	2,262	2,925	3,910	5,217	6,692
Onsite	51	51	99	457	552	775	788
Bulk and Packaged	2,110	1,841	2,162	2,464	3,358	4,442	5,904
Oxygen	1,191	801	936	1,024	1,628	2,323	3,174
Nitrogen	604	694	816	966	950	1,038	1,311
Argon	127	131	191	236	469	678	933
Other products	188	215	219	239	310	404	484
Project engineering services	285	158	433	200	100	105	110
Total	2,446	2,051	2,695	3,125	4,010	5,322	6,802
Revenue proportion (%)							
Gases, related products & services	88%	92%	84%	94%	98%	98%	98%
Onsite	2%	2%	4%	15%	14%	15%	12%
Bulk and Packaged	86%	90%	80%	79%	84%	83%	87%
Oxygen	49%	39%	35%	33%	41%	44%	47%
Nitrogen	25%	34%	30%	31%	24%	19%	19%
Argon	5%	6%	7%	8%	12%	13%	14%
Other products	8%	11%	8%	8%	8%	8%	7%
Project engineering services	12%	8%	16%	6%	2%	2%	2%
Total	100%	100%	100%	100%	100%	100%	100%
Revenue growth (%)							
Gases, related products & services		-12%	20%	29%	34%	33%	28%
Onsite		-1%	94%	362%	21%	40%	2%
Bulk and Packaged		-13%	17%	14%	36%	32%	33%
Oxygen		-33%	17%	9%	59%	43%	37%
Nitrogen		15%	18%	18%	-2%	9%	26%
Argon		3%	46%	23%	99%	45%	38%
Other products		15%	2%	9%	30%	30%	20%
Project engineering services		-44%	173%	-54%	-50%	5%	5%
Overall		-16%	31%	16%	28%	33%	28%

Source: Company, JM Financial.

Exhibit 5. Consolidated EBITDA breakup for EIGL

Particulars	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
EBITDA break-up (INR Mn)							
Gases, related products & services	749	302	585	971	1,446	2,010	2,597
Onsite	41	32	69	308	372	522	531
Bulk and Packaged	708	270	516	663	1,074	1,488	2,066
Project engineering services	56	35	30	126	16	17	18
Total	805	337	615	1,097	1,462	2,027	2,615
EBITDA proportion (%)							
Gases, related products & services	93%	90%	95%	89%	99%	99%	99%
Onsite	5%	9%	11%	28%	25%	26%	20%
Bulk and Packaged	88%	80%	84%	60%	73%	73%	79%
Project engineering services	7%	10%	5%	11%	1%	1%	1%
Total	100%	100%	100%	100%	100%	100%	100%
EBITDA growth (%)							
Gases, related products & services		-60%	94%	66%	49%	39%	29%
Onsite		-22%	116%	346%	21%	40%	2%
Bulk and Packaged		-62%	91%	29%	62%	39%	39%
Project engineering services		-38%	-14%	320%	-87%	5%	5%
Overall		-58%	82%	78%	33%	39%	29%
EBITDA margin (%)							
Gases, related products & services	35%	16%	26%	33%	37%	39%	39%
Onsite	80%	63%	70%	67%	67%	67%	67%
Bulk and Packaged	34%	15%	24%	27%	32%	34%	35%
Project engineering services	20%	22%	7%	63%	16%	16%	16%
Overall	33%	16%	23%	35%	36%	38%	38%

Source: Company, JM Financial.

Exhibit 6. Industrial gases revenue split for EIGL

Particulars	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total sales volume (in ton p.a.)								
Oxygen	59,948	69,986	63,469	68,979	76,125	119,249	168,462	227,920
Nitrogen	62,436	57,484	62,477	72,329	81,219	77,614	82,274	100,942
Argon	4,131	2,468	2,945	2,558	3,174	10,798	14,874	19,509
Total	126,515	129,938	128,891	143,866	160,518	207,661	265,610	348,371
Average Selling Price (INR/SM3)								
Oxygen	16	22	16	18	17	18	18	18
Nitrogen	12	12	13	13	14	14	14	15
Argon	50	83	71	120	120	70	74	77
Sales (INR Mn)								
Oxygen	760	1,191	801	936	1,024	1,628	2,323	3,174
Nitrogen	654	604	694	816	966	950	1,038	1,311
Argon	127	127	131	191	236	469	678	933
Other products	0	188	215	219	239	310	404	484
Total	1,541	2,110	1,841	2,162	2,464	3,358	4,442	5,904
Sales volume proportion (%)								
Oxygen	47%	54%	49%	48%	47%	57%	63%	65%
Nitrogen	49%	44%	48%	50%	51%	37%	31%	29%
Argon	3.3%	1.9%	2.3%	1.8%	2.0%	5.2%	5.6%	5.6%
Total	100%	100%	100%	100%	100%	100%	100%	100%
Sales Value proportion (%)								
Oxygen	49%	56%	44%	43%	42%	48%	52%	54%
Nitrogen	42%	29%	38%	38%	39%	28%	23%	22%
Argon	8%	6%	7%	9%	10%	14%	15%	16%
Other products	0%	9%	12%	10%	10%	9%	9%	8%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Source: Company, JM Financial.

Exhibit 7. Change in estimates and TP

	New	Old	Divergence
TP (INR)	550	550	0.0%
Rating	BUY	BUY	
Revenue (INR Mn)			
FY26	4,010	4,010	0.0%
FY27	5,322	5,322	0.0%
FY28	6,802	6,802	0.0%
EBITDA (INR Mn)			
FY26	1,462	1,462	0.0%
FY27	2,027	2,027	0.0%
FY28	2,615	2,615	0.0%
PAT (INR Mn)			
FY26	1,128	1,128	0.0%
FY27	1,549	1,549	0.0%
FY28	1,937	1,937	0.0%
EPS (INR)			
FY26	8.0	8.0	0.0%
FY27	11.0	11.0	0.0%
FY28	13.7	13.7	0.0%

Source: JM Financial

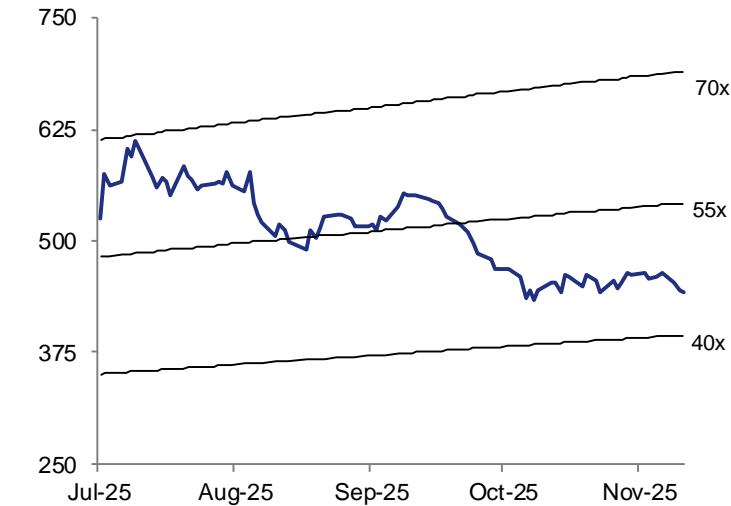
Valuation

Exhibit 8. Valuation

Particulars	
P/E multiple (x)	40.0
FY28 EPS (INR/share)	13.7
1-year TP (INR/share)	550

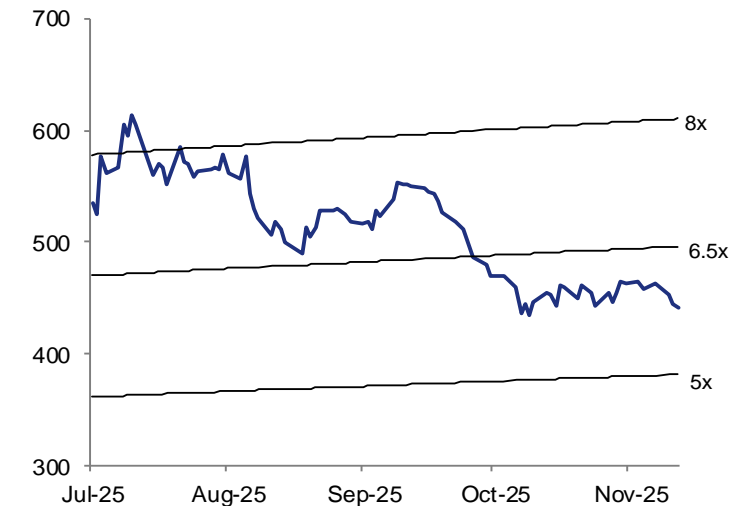
Source: Company

Exhibit 9. EIGL 1-year forward PE chart (since listing in Jul'25)



Source: Company, JM Financial

Exhibit 10. EIGL 1-year forward EV/EBITDA chart (since listing in Jul'25)



Source: Company, JM Financial

Exhibit 11. Global comparable peers valuation snapshot

Company	EV/EBITDA (x)				EBITDA Margins (%)				P/E (x)				P/B (x)				ROE (%)			
	FY25/ CY24	FY26/ CY25	FY27/ CY26	FY28/ CY27	FY25/ CY24	FY26/ CY25	FY27/ CY26	FY28/ CY27	FY25/ CY24	FY26/ CY25	FY27/ CY26	FY28/ CY27	FY25/ CY24	FY26/ CY25	FY27/ CY26	FY28/ CY27	FY25/ CY24	FY26/ CY25	FY27/ CY26	FY28/ CY27
Indian listed companies																				
Ellenbarrie (JMFe)	54.9	42.1	30.8	23.8	35.1	36.5	38.1	38.4	69.4	55.1	40.2	32.1	11.7	6.4	5.5	4.7	18.4	15.3	14.7	15.8
Linde India	63.8	56.2	34.2	28.2	29.0	33.4	34.7	35.3	107.7	100.8	67.7	54.3	13.1	11.9	10.2	8.5	12.7	12.3	19.0	20.3
Global listed companies																				
Linde PLC	17.4	16.7	15.7	14.7	37.8	39.4	39.9	40.3	27.0	26.0	23.9	21.9	5.2	5.1	4.8	4.7	16.9	19.5	20.3	23.6
Air Liquide	13.7	13.6	12.6	11.7	27.5	30.0	31.3	31.9	27.3	26.3	23.7	21.6	3.4	3.5	3.3	3.1	12.9	14.0	14.7	14.9
Air Products	13.2	15.2	14.1	13.2	49.9	41.8	43.4	44.0	24.9	21.9	20.2	18.8	3.9	3.4	3.2	2.9	24.4	16.0	16.6	16.6
Taiyo Nippon Sanso	9.9	9.4	8.9	8.5	22.8	23.8	24.0	24.4	20.6	18.2	17.0	16.0	2.2	2.0	1.9	1.7	11.1	11.7	11.3	11.2

Source: Company, JM Financial.

Financial Tables (Standalone)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	2,695	3,125	4,010	5,322	6,802
Sales Growth	31.4%	16.0%	28.3%	32.7%	27.8%
Other Operating Income	0	0	0	0	0
Total Revenue	2,695	3,125	4,010	5,322	6,802
Cost of Goods Sold/Op. Exp	549	357	397	480	568
Personnel Cost	161	228	229	297	377
Other Expenses	1,370	1,443	1,922	2,519	3,242
EBITDA	615	1,097	1,462	2,027	2,615
EBITDA Margin	22.8%	35.1%	36.5%	38.1%	38.4%
EBITDA Growth	83.2%	78.3%	33.2%	38.6%	29.0%
Depn. & Amort.	100	207	232	323	409
EBIT	515	890	1,230	1,704	2,206
Other Income	207	359	338	319	319
Finance Cost	80	171	108	16	17
PBT before Excep. & Forex	642	1,078	1,461	2,006	2,507
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	642	1,078	1,461	2,006	2,507
Taxes	189	245	332	456	571
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	453	833	1,128	1,549	1,937
Adjusted Net Profit	453	833	1,128	1,549	1,937
Net Margin	16.8%	26.7%	28.1%	29.1%	28.5%
Diluted Share Cap. (mn)	130.9	130.9	140.9	140.9	140.9
Diluted EPS (INR)	3.5	6.4	8.0	11.0	13.7
Diluted EPS Growth	60.9%	83.9%	25.9%	37.3%	25.0%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	642	1,078	1,461	2,006	2,507
Depn. & Amort.	100	207	232	323	409
Net Interest Exp. / Inc. (-)	-73	-99	-230	-302	-302
Inc (-) / Dec in WCap.	-172	-1,053	944	-348	-392
Others	1	-17	-17	-17	-17
Taxes Paid	-61	-74	-332	-456	-571
Operating Cash Flow	437	43	2,057	1,206	1,635
Capex	-870	-692	-2,206	-2,484	-1,910
Free Cash Flow	-433	-649	-149	-1,278	-275
Inc (-) / Dec in Investments	-511	-230	-777	163	0
Others	164	353	342	322	322
Investing Cash Flow	-1,217	-569	-2,641	-1,999	-1,587
Inc / Dec (-) in Capital	0	0	3,750	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	758	684	-2,222	38	40
Others	-83	-165	-108	-16	-17
Financing Cash Flow	675	519	1,420	21	23
Inc / Dec (-) in Cash	-105	-7	836	-772	70
Opening Cash Balance	114	9	2	838	66
Closing Cash Balance	9	2	838	66	137

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	4,099	4,934	9,799	11,335	13,258
Share Capital	65	262	282	282	282
Reserves & Surplus	4,033	4,672	9,517	11,053	12,976
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	1,769	2,453	200	205	210
Def. Tax Liab. / Assets (-)	261	310	310	310	310
Total - Equity & Liab.	6,129	7,697	10,309	11,850	13,778
Net Fixed Assets	3,312	3,842	5,816	7,977	9,478
Gross Fixed Assets	4,562	4,840	7,046	9,530	11,440
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	1,269	1,464	1,696	2,019	2,428
Capital WIP	19	466	466	466	466
Investments	1,725	1,971	2,749	2,585	2,585
Current Assets	1,688	2,646	2,578	2,213	2,741
Inventories	110	142	182	242	309
Sundry Debtors	453	826	1,060	1,407	1,798
Cash & Bank Balances	9	2	838	66	137
Loans & Advances	180	98	98	98	98
Other Current Assets	935	1,579	400	400	400
Current Liab. & Prov.	597	763	834	926	1,027
Current Liabilities	177	141	180	239	306
Provisions & Others	419	623	654	686	721
Net Current Assets	1,091	1,883	1,744	1,287	1,715
Total - Assets	6,129	7,697	10,309	11,850	13,778

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	16.8%	26.7%	28.1%	29.1%	28.5%
Asset Turnover (x)	0.5	0.5	0.4	0.5	0.5
Leverage Factor (x)	1.4	1.5	1.2	1.0	1.0
RoE	11.7%	18.4%	15.3%	14.7%	15.8%
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	31.3	37.7	69.5	80.4	94.1
ROIC	9.7%	14.4%	16.1%	17.2%	17.4%
ROE	11.7%	18.4%	15.3%	14.7%	15.8%
Net Debt/Equity (x)	0.0	0.1	-0.3	-0.2	-0.2
P/E (x)	127.8	69.5	55.2	40.2	32.2
P/B (x)	14.1	11.7	6.4	5.5	4.7
EV/EBITDA (x)	101.3	57.2	40.3	29.5	22.9
EV/Sales (x)	23.1	20.1	14.7	11.2	8.8
Debtor days	61	97	97	97	97
Inventory days	15	17	17	17	17
Creditor days	31	25	26	27	27

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
13-Oct-25	Buy	550	

Recommendation History

APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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New Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return \geq 15% over the next twelve months.
ADD	Expected return \geq 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return \geq -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
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.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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