

**HOLD**  
 TP: Rs 450 | ▲ 4%

**AMBUJA CEMENTS**

| Cement

| 06 May 2026

**Consolidation pain continues no respite in medium term**

- Volumes up 10% YoY to ~13.2mt, realization down ~4% reflecting pricing pressure despite improved premium mix (~36%)
- EBITDA/t declined ~44% YoY to Rs491 as costs peaked (~Rs4,500/tn exit), with ~Rs250/t cost reduction targeted in FY27
- We value ACEM’s consolidated business at 14x (unchanged) 1YF, retaining earnings and TP revised to Rs 450 (vs Rs 567). Retain HOLD

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**Demand soft; pricing pressure weighs on realisations:** ACEM reported modest 5.4% YoY revenue growth to ~Rs69.7bn in Q4FY26, driven by 10% YoY volume growth (~13.2mt) supported by acquired assets. However, realisations declined by 4.2% YoY (+7.3% QoQ) to Rs5,284/tn amid weak pricing environment despite higher premium mix (~36% vs 32% YoY). Management indicated limited price hikes (~Rs10/bag) with demand softness restricting further cost pass-through.

**Cost inflation at peak; reduction Q1FY27 onwards:** Cost/t rose ~3.5% YoY to Rs4,792/t, driven by surge in other expenses (+34% YoY) led by branding and maintenance spends, and inefficiencies in acquired assets. Energy declined ~6.4% YoY to Rs1,017/t, supported by efficiency measures and higher RE share (32% vs 26% YoY), partially offsetting broader cost inflation. Management highlighted that costs have peaked, sustaining at current levels in Q1FY27. Reduction of ~Rs250/tn targeted thereafter.

**Margins compress sharply:** EBITDA declined ~39% YoY to ~Rs6.5bn, with margins contracting ~679bps YoY to 9.3%, as cost inflation and weak realisations weighed. EBITDA/tn fell ~44% YoY to Rs491, reflecting impact of acquired assets operating at sub-optimal utilisation (Sanghi ~57%, Penna ~46%).

**Growth recalibrated:** Capacity stood at ~109mtpa, with a target of ~119mtpa by H1FY27. However, management indicated a reset in timelines, prioritising utilisation (70–75% in FY27), cost control and capital discipline over aggressive expansion. FY27 volume guidance at ~80mt (~8% growth target vs 5.5% industry growth).

**Maintain HOLD:** We revise our EBITDA estimates for FY27/FY28, factoring in the consolidation impact on cost, though volume growth will be healthy. Realisation gains may be challenging, given the heightened competitive pressure in FY26/FY27. The full impact of inorganic growth (ORCMNT + Penna) transition is steady and will continue in medium term, pinching cost. We value consolidated business by assigning EV/EBITDA of 14x (no change 1YF earnings and revise TP to Rs 450 (Rs Rs567) on rollover to March 2028 earnings. We retain HOLD.

**Key changes**

| Target | Rating |
|--------|--------|
| ▼      | ◀ ▶    |

|                  |                |
|------------------|----------------|
| Ticker/Price     | ACEM IN/Rs 433 |
| Market cap       | US\$ 11.2bn    |
| Free float       | 37%            |
| 3M ADV           | US\$ 14.2mn    |
| 52wk high/low    | Rs 625/Rs 394  |
| Promoter/FPI/DII | 63%/11%/17%    |

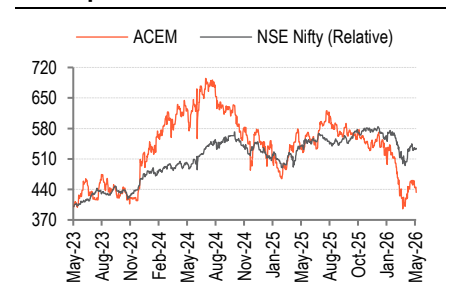
Source: NSE | Price as of 5 May 2026

**Key financials**

| Y/E 31 Mar              | FY25A    | FY26E    | FY27E    |
|-------------------------|----------|----------|----------|
| Total revenue (Rs mn)   | 3,33,833 | 4,04,460 | 5,25,771 |
| EBITDA (Rs mn)          | 59,707   | 65,389   | 72,100   |
| Adj. net profit (Rs mn) | 34,189   | 31,715   | 20,377   |
| Adj. EPS (Rs)           | 14.7     | 12.9     | 8.3      |
| Consensus EPS (Rs)      | 14.7     | 12.9     | 13.1     |
| Adj. ROAE (%)           | 8.8      | 6.0      | 4.2      |
| Adj. P/E (x)            | 29.5     | 33.6     | 52.4     |
| EV/EBITDA (x)           | 16.9     | 16.2     | 14.8     |
| Adj. EPS growth (%)     | (8.8)    | (12.2)   | (35.7)   |

Source: Company, Bloomberg, BOBCAPS Research

**Stock performance**



Source: NSE



**Fig 1 – Earnings call highlights**

|                          | Q4FY26   | Q3FY26   | Our view   |
|--------------------------|--|--|--|
| Volumes and realisations | <p>FY26 consolidated volumes reached 73.7mt (+16% YoY), outperforming industry. Q4FY26 cement volumes reached ~19.9mt (+10% YoY) however (excl. Orient) growth was muted. Trade mix improved sharply to 74% (vs 68% QoQ) with premium share at ~36% of trade sales (vs 32% UoY). However, realisations remained under pressure due to weak pricing environment despite favourable mix. Management reiterated continued focus on increasing trade mix towards 70:30 (trade:non-trade). There have been price hikes of Rs 10/bag (Rs 15-20 very few pockets) in the industry though persisting softness has kept further price increases under check.</p> <p>Management guided for ~8% demand growth in FY27 targetting around 80mnt. Focus remains on premiumisation, trade mix improvement and operational efficiency.</p> | <p>Consol. cement sales volumes stood at ~18.9mt (up ~17% YoY), supported by ramp-up of acquired assets and improving utilisation across regions. Utilization of acquired assets improved to 58% in Q3FY26 while utilization in December end was 65%. Base business (ex-acquisitions) still grew ~6%. Market share remained strong at ~16.6%. Premium products sustained at 35% of trade sales (volume growth 31% YoY). Consol. revenue at Rs 102.8bn (+20% YoY). Management highlighted that realizations have improved by Rs5/bag while pricing in January have been healthy. South non-trade price is up Rs15–20/bag, North Rs5–10/bag. Trade continues to outperform non-trade with delta of Rs31/bag. ACEM has guided that focus will be on moving channel mix to 70:30 trade:non-trade and eventually 75:25. As of December end mix ratio was 67:33. Industry is expected to grow at ~8% for FY26.</p> | <p>The recalibration of capacity expansion implies ACEM's lag to the industry growth will continue. The stabilisation of new assets depends on faster capex by ACEM. This collectively will imply slower growth rates for ACEM.</p>  |
| Margins & cost reduction | <p>Consol. EBITDA for Q4FY26 was at ~Rs 14.6bn with margin at ~13.4% vs 18.7% YoY and EBITDA/t ~Rs 735 (-29% YoY).</p> <p>Cost/t spiked to ~Rs4,500 while the full year average was ~Rs4,400 driven by higher freight costs, increased branding and advertisement spend, elevated repairs and maintenance at acquired assets (Penna and Sanghi), packaging cost disruptions tied to the West Asia conflict, and higher fuel consumption at underperforming plants. Green power share improved to ~32% vs 26% YoY. Management indicated cost peak reached, targeting ~Rs250/t reduction in FY27 (to ~Rs4,250/t) and further ~Rs250/t in FY28.</p>   | <p>Consol. EBITDA was at Rs 13.5bn (+53% YoY); EBITDA/t ~Rs718 (+31%). PAT Rs3.8bn (+258% YoY normalized) after adjusting for prior one-offs. Cost increased QoQ due to temporary items; management indicated that December exit cost is &lt;Rs4,000 level.</p> <p>Kiln fuel reduced by 6% YoY, power cost 15%, logistics 1%. However, one off costs from branding transition, maintenance preponement, higher freight, and legal expenses had impact of ~Rs150/t. Green power share now stands at ~37%. Management targets cost of Rs3,800/t by Mar-27 and Rs3,650/t by Mar-28. The levers for reduction are: Power savings Rs100–125/t, fuel ~Rs150/t, logistics ~Rs150/t, raw materials ~Rs100/t cumulatively this should lead to ~Rs300–350/t reduction visible.</p>   | <p>Cost impact will continue till the new capacities stabilises. This implies impact of overall operating efficiency and on the working capital of the company. This will further keep cash flows under strain. Transitional phase of acquired assets with weak operations is clearly hitting core performance and will be keenly watched.</p> |
| Capacity                 | <p>Cement capacity reached ~109mtpa post commissioning of ~10.7mt grinding and ~7mt clinker capacity in FY26. ACEM targets 119mtpa by H1FY27. Expansion plan is recalibrated, with focus on utilisation and returns over aggressive capacity addition. Acquired assets are operating at low utilisation: Sanghi ~57%, Penna ~46%</p>   | <p>Commissioned 2.4mt Marwar GU resulting in total capacity now ~109mt. FY26 exit revised to ~115mtpa (vs 118mtpa earlier) due to 3-month Warisaliganj delay. Post that expansion will come in phased ~132mtpa by FY27 and 155mtpa by FY28.</p>  | <p>Thus far, ACEM's growth has been driven by inorganic growth. Organic growth will testify to the company's execution capacity. Restating capacity expansion will imply limited growth for the company. The clinker back up only adds reassurance.</p>  |

|                            | Q4FY26   | Q3FY26  | Our view  |
|----------------------------|--|---|---|
|                            | (FY26). FY27 utilisation guidance: ~70–75% overall. Clinker capacity at ~69mtpa (to rise to ~73mtpa near-term).  | <p>Debottlenecking will be conducted to unlock 15mt low-cost capacity (~\$48/t capex).</p> <p>Penna clinker line is expected to be commissioned in Q4FY26 and Maratha clinker line in Q1-Q2FY27.</p>  |   |
| Green energy               | Green power share improved to ~32% (+6pp YoY). Focus continues on renewable capacity and WHRS to mitigate rising fuel costs. Management highlighted potential cost reduction of Rs250/tn partially supported by energy mix optimisation amid global volatility.  | Renewable capacity nearing ~900MW, targeting 1,122MW by FY27. Currently selling surplus power (reported under other operating income) due to pending approvals and upcoming plant ramp-ups. Power cost currently ~Rs6.1/unit, targeting ~Rs4.5/unit long term.  | ACEM's initiatives to shift to alternative energy sources, have picked up pace. However, thermal power remains key for core clinker/cement production. Effectively, Pet coke inflation may limit benefit of green energy initiatives.                                       |
| Capex                      | <p>FY26 capex at ~Rs75bn; FY27 guidance ~Rs60–65bn. Management highlighted pivoting strategy towards disciplined capital allocation, completing ongoing projects, debottlenecking and efficiency capex.</p> <p>Balance sheet remains healthy with debt free status.</p>  | <p>Capex spend in 9MFY26 was ~Rs 60bn. The target for FY26 stays stable at ~Rs90-100bn with ~Rs30 bn expect in Q4FY26. Net worth at end of Q3FY36 stood at ~Rs 699bn, company remains debt free with AAA rating.</p>  | <p>Capex guidance in line with the targeted capacity growth.</p> <p>Balance sheet impacted in the short term (cash flow) but remains healthy despite strong capex plans in the medium term. We will keenly watch the cash flow and balance sheet health of the company.</p> |
| Other relevant information | <p>Integration of Sanghi &amp; Penna completed. ACC &amp; Orient merger is ongoing with application filed with SEBI.</p> <p>RMC EBITDA came in at ~Rs3bn for FY26.</p> <p>Industry growth is expected at ~5.5% in FY27, softer outlook due to weaker monsoon predictions and geopolitical uncertainty. Management acknowledges execution gaps; timelines are being rested to focus on improving utilization and cost reduction before rapid expansion.</p> | <p>Proposed merger into “one cement platform” expected to drive logistics density, capital efficiency, EBITDA expansion and operational leverage over 24–36 months.</p> <p>Launched CiNOC: AI-enabled Cement Intelligence Network Operating Center. Reduced SKUs by 30–40%, ordered 7 logistics vessels, expanding rail infra and blending facilities.</p> <p>Engagement across 29 industry platforms, reaching 38,000+ stakeholders.</p> <p>FutureX has 750+ institutions engagement base, 1.3M students have joined under industry academic initiative.</p> | <p>RMC business gaining healthy pace only benefits ACEM at the aggregate level.</p> <p>Management acknowledges execution gaps is thus far the only relief for the company.</p>  |

Source: Company, BOBCAPS Research

**Fig 2 – Key quarterly metrics**

|                            | Q4FY26 | Q4FY25 | YoY (%) | Q3FY26 | QoQ (%) | Q4FY26E | Deviation (%) |
|----------------------------|--------|--------|---------|--------|---------|---------|---------------|
| Volumes (mn mt)            | 13.2   | 12.0   | 10.0    | 12.9   | 2.3     | 12.99   | 1.62          |
| Cement realisations (Rs/t) | 5,284  | 5,516  | (4.2)   | 4,924  | 7.3     | 5,034   | 4.97          |
| Operating costs (Rs/t)*    | 4,792  | 4,628  | 3.5     | 4,512  | 6.2     | 4,465   | 7.33          |
| EBITDA/t (Rs)              | 491    | 887    | (44.6)  | 412    | 19.4    | 569     | (13.60)       |

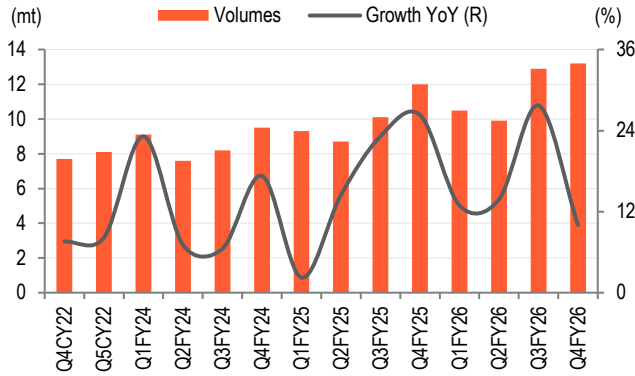
Source: Company, BOBCAPS Research

**Fig 3 – Key quarterly metrics**

| (Rs mn)                         | Q4FY26        | Q4FY25        | YoY (%)        | Q3FY26        | QoQ (%)             | Q4FY26E       | Deviation (%)  |
|---------------------------------|---------------|---------------|----------------|---------------|---------------------|---------------|----------------|
| <b>Net Sales</b>                | <b>69,743</b> | <b>66,189</b> | <b>5.4</b>     | <b>63,514</b> | <b>9.8</b>          | <b>65,386</b> | <b>6.7</b>     |
| <b>Expenditure</b>              |               |               |                |               |                     |               |                |
| Change in stock                 | 1,230         | 885           | 38.9           | (1,193)       |                     | 1,115         |                |
| Raw material                    | 9,680         | 11,398        | (15.1)         | 11,479        | (15.7)              | 10,145        | (4.6)          |
| Purchased products              | 12,271        | 8,255         | 48.6           | 11,581        | 6.0                 | 13,077        | (6.2)          |
| Power & fuel                    | 14,612        | 14,199        | 2.9            | 14,288        | 2.3                 | 10,405        | 40.4           |
| Freight                         | 14,269        | 12,001        | 18.9           | 11,932        | 19.6                | 12,691        | 12.4           |
| Employee costs                  | 1,764         | 1,768         | (0.2)          | 1,584         | 11.4                | 1,345         | 31.2           |
| Other exp                       | 9,430         | 7,033         | 34.1           | 8,535         | 10.5                | 9,218         | 2.3            |
| <b>Total Operating Expenses</b> | <b>63,256</b> | <b>55,540</b> | <b>13.9</b>    | <b>58,205</b> | <b>8.7</b>          | <b>57,996</b> | <b>9.1</b>     |
| <b>EBITDA</b>                   | <b>10,382</b> | <b>10,382</b> | <b>0.0</b>     | <b>10,382</b> | <b>0.0</b>          | <b>10,382</b> | <b>0.0</b>     |
| <b>EBITDA margin (%)</b>        | <b>14.9</b>   | <b>15.7</b>   | <b>(80bps)</b> | <b>16.3</b>   | <b>(146bps)</b>     | <b>15.9</b>   | <b>(99bps)</b> |
| Other Income                    | 2,326         | 4,023         | (42.2)         | 662           | 251.3               | 4,100         | (43.3)         |
| Interest                        | 48            | (84)          | (157.4)        | 750           | (93.6)              | 685           | (93.0)         |
| Depreciation                    | 5,966         | 5,177         | 15.2           | 5,207         | 14.6                | 3,010         | 98.2           |
| PBT                             | 6,694         | 9,312         | (28.1)         | 5,087         | 31.6                | 10,787        | (37.9)         |
| Non-recurring items             | (984)         | 0             | 0.0            | (397)         | 0.0                 | 0             | NM             |
| PBT (after non-recurring items) | 7,678         | 9,312         | (17.5)         | 5,484         | 40.0                | 10,787        | (28.8)         |
| Tax                             | 14,620        | (2,682)       | (645.1)        | (25)          | (58,115.1)          | (1,716)       | 0.0            |
| Reported PAT                    | 16,437        | 6,897         | 138.3          | (408)         | (4,125.6)           | 6,080         | 170.4          |
| <b>Adjusted PAT</b>             | <b>17,420</b> | <b>6,897</b>  | <b>152.6</b>   | <b>(11)</b>   | <b>(1,54,260.2)</b> | <b>6,080</b>  | <b>186.5</b>   |
| <b>NPM (%)</b>                  | <b>25.0</b>   | <b>10.4</b>   | <b>1456bps</b> | <b>(0.0)</b>  | <b>2500bps</b>      | <b>9.3</b>    | <b>1568bps</b> |
| <b>Adjusted EPS (Rs)</b>        | <b>7.0</b>    | <b>3.5</b>    | <b>102.9</b>   | <b>(0.0)</b>  | <b>(1,54,260.2)</b> | <b>2.5</b>    | <b>186.5</b>   |

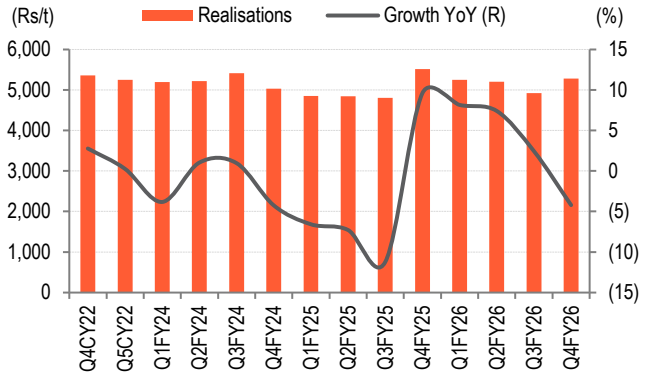
Source: Company, BOBCAPS Research

**Fig 4 – Volume growth muted excluding acquired assets**



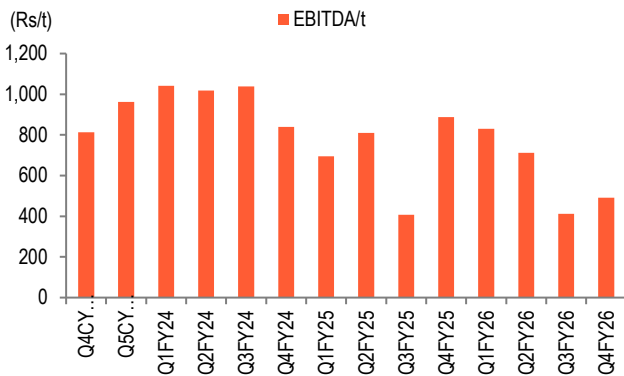
Source: Company, BOBCAPS Research | Note: Number restated for Sanghi & Penna

**Fig 5 – Pricing pressure and demand softness keeps realization under check**



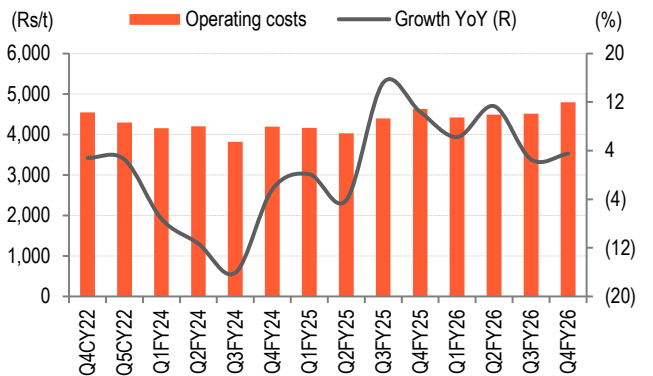
Source: Company, BOBCAPS Research | Note: Number restated for Sanghi & Penna

**Fig 6 – EBITDA/tn subdued due to cost volatility; pressure expected in near term**



Source: Company, BOBCAPS Research | Note: Number restated for Sanghi & Penna

**Fig 7 – Increased brand expense and inefficient acquired assets to impact Operating costs**



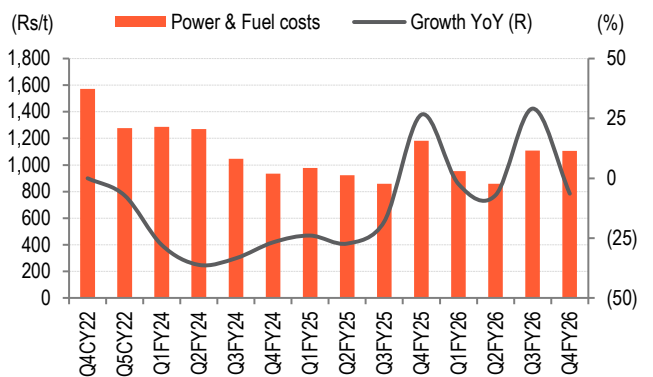
Source: Company, BOBCAPS Research | Note: Number restated for Sanghi & Penna

**Fig 8 – Focus on bulk terminal and integrated units to improve logistic efficiency and costs**



Source: Company, BOBCAPS Research | Note: Number restated for Sanghi & Penna

**Fig 9 – Green energy savings expected to partially offset fuel inflation in near terms**



Source: Company, BOBCAPS Research | Note: Number restated for Sanghi & Penna

## Valuation Methodology

We revise our EBITDA estimates for FY27/FY28, factoring in the consolidation impact on cost, though volume growth will be healthy. Realisation gains may be challenging, given the heightened competitive pressure in FY27/FY28. The full impact of inorganic growth (ORCMNT + Penna) transition is steady and will continue in medium term, pinching cost. We have introduced FY29E with an EBITDA CAGR of 9% though PAT may be under pressure due to higher depreciation given the capex plans by ACEM.

New clear road up for cement and clinker addition till FY28/FY29 is calculated with new challenges. Green energy initiatives by ACEM are commendable and will likely benefit in the medium term. However, full impact of inorganic growth (ORCMNT + Penna) transition is steady and will continue in the medium term, pinching cost. Current phase of transition of the newly-acquired assets, pressure in overcrowded markets on prices and excessive volume push may have some impact on performance in the interim period. We will keenly watch this and accordingly, remain vigilant to the changing business environment and performance of ACEM.

We value consolidated business by assigning EV/EBITDA of 14x (no change 1YF earnings and revise TP to Rs 450 (Rs 567) on rollover to March 2028 earnings. We retain HOLD.

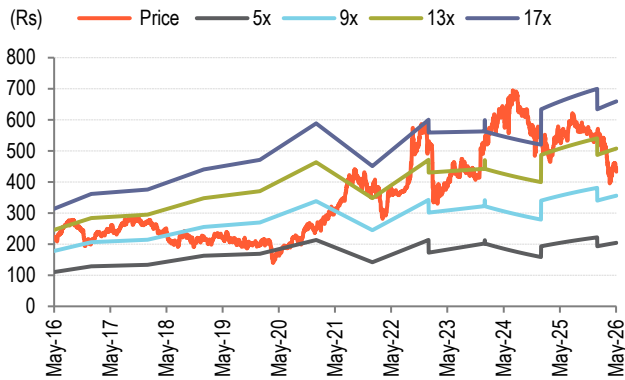
Our TP implies a replacement cost of Rs 10bn/mt – ~33% premium to the industry. We retain HOLD.

### Fig 10 – Valuation summary

| Business (Rs mn)             | FY28E        |
|------------------------------|--------------|
| Target EV/EBITDA (x)         | 14           |
| EBITDA                       | 80,250       |
| Target EV                    | 1084171.49   |
| Total EV                     | 1084171.49   |
| Net debt                     | 2,392        |
| Target market capitalisation | 10,81,779    |
| <b>Target price (Rs/sh)</b>  | <b>450.0</b> |
| Weighted average shares (mn) | 2463.1       |

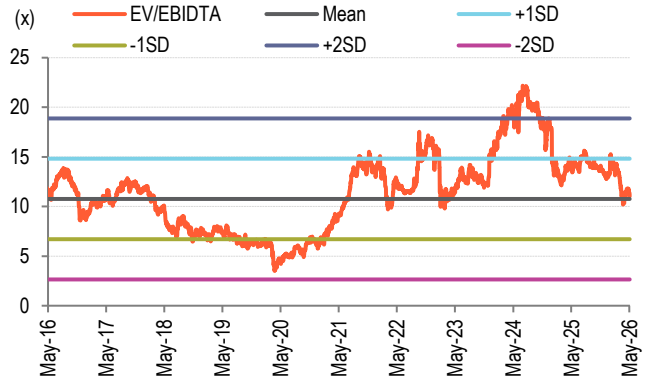
Source: BOBCAPS Research| Valuations are FY28E

**Fig 11 – EV/EBITDA band: Current valuations reflect earnings trajectory**



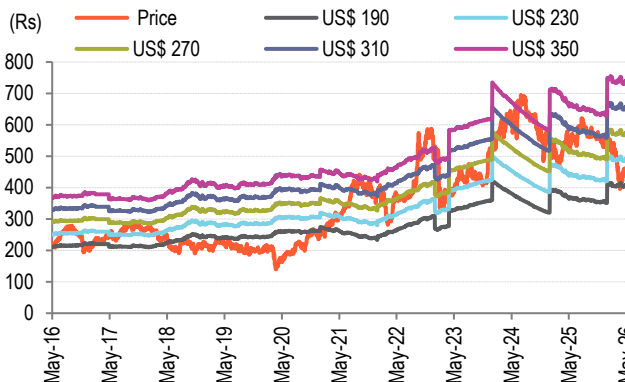
Source: Company, Bloomberg, BOBCAPS Research

**Fig 12 – EV/EBITDA 1YF: Valuations reflect competitive intensity impacting earnings**



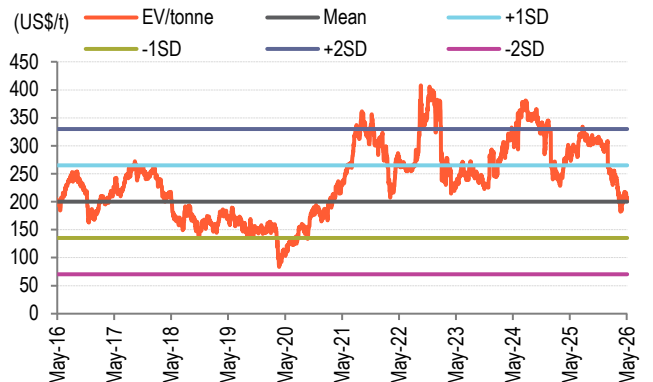
Source: Company, Bloomberg, BOBCAPS Research

**Fig 13 – EV/tonne: Replacement cost will stay range bound**



Source: Company, Bloomberg, BOBCAPS Research

**Fig 14 – EV/tonne 1YF: Valuations ahead can moderate**



Source: Company, Bloomberg, BOBCAPS Research

### Key risks

Key risks to our estimates:

- Faster-than-expected demand revival can raise growth ahead of our estimates, representing an upside risk.
- Increased competitive pressure in the next two years can pose downside risks to our estimates.
- Rising fuel costs due to geo-political issues can pose downside risk to earnings.

## Financials

### Income Statement

| Y/E 31 Mar (Rs mn)         | FY25A           | FY26E           | FY27E           | FY28E           | FY29E           |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Total revenue</b>       | <b>3,33,833</b> | <b>4,04,460</b> | <b>5,25,771</b> | <b>5,70,324</b> | <b>6,20,535</b> |
| EBITDA                     | 59,707          | 65,389          | 72,100          | 80,250          | 83,418          |
| Depreciation               | (24,784)        | (35,704)        | (39,275)        | (41,238)        | (43,300)        |
| EBIT                       | 61,465          | 39,421          | 43,775          | 50,202          | 51,565          |
| Net interest inc./(exp.)   | (2,159)         | (3,628)         | (3,562)         | (4,114)         | (4,431)         |
| Other inc./(exp.)          | 26,543          | 9,736           | 10,949          | 11,190          | 11,446          |
| Exceptional items          | 28,334          | 27,705          | 0               | 0               | 0               |
| EBT                        | 87,639          | 63,497          | 40,213          | 46,087          | 47,134          |
| Income taxes               | (15,338)        | 7,132           | (9,618)         | (10,450)        | (10,198)        |
| Extraordinary items        | 0               | 0               | 0               | 0               | 0               |
| Min. int./Inc. from assoc. | (9,778)         | (11,210)        | (10,218)        | (10,817)        | (11,731)        |
| <b>Reported net profit</b> | <b>62,523</b>   | <b>59,420</b>   | <b>20,377</b>   | <b>24,821</b>   | <b>25,205</b>   |
| Adjustments                | (28,334)        | (27,705)        | 0               | 0               | 0               |
| <b>Adjusted net profit</b> | <b>34,189</b>   | <b>31,715</b>   | <b>20,377</b>   | <b>24,821</b>   | <b>25,205</b>   |

### Balance Sheet

| Y/E 31 Mar (Rs mn)              | FY25A           | FY26E           | FY27E           | FY28E           | FY29E           |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Accounts payables               | 69,671          | 83,606          | 84,442          | 85,286          | 86,139          |
| Other current liabilities       | 66,569          | 47,380          | 65,363          | 67,238          | 69,253          |
| Provisions                      | 3,139           | 3,296           | 3,461           | 3,634           | 3,815           |
| Debt funds                      | 8,416           | 8,659           | 8,707           | 8,755           | 8,805           |
| Other liabilities               | 24,076          | 34,663          | 35,357          | 36,064          | 36,785          |
| Equity capital                  | 4,395           | 4,926           | 4,926           | 4,926           | 4,926           |
| Reserves & surplus              | 4,93,687        | 5,74,411        | 5,89,357        | 6,08,476        | 6,27,693        |
| Shareholders' fund              | 6,01,764        | 7,18,462        | 7,29,715        | 7,59,875        | 7,91,048        |
| <b>Total liab. and equities</b> | <b>7,73,635</b> | <b>8,96,065</b> | <b>9,27,044</b> | <b>9,60,851</b> | <b>9,95,845</b> |
| Cash and cash eq.               | 25,904          | 9,586           | 5,069           | 2,436           | 5,016           |
| Accounts receivables            | 15,903          | 18,685          | 24,488          | 28,126          | 30,602          |
| Inventories                     | 42,480          | 45,523          | 61,940          | 67,970          | 73,954          |
| Other current assets            | 1,45,600        | 1,47,302        | 1,50,313        | 1,69,501        | 1,93,221        |
| Investments                     | 18,511          | 396             | 1,196           | 1,316           | 1,447           |
| Net fixed assets                | 2,19,136        | 3,00,921        | 3,27,558        | 3,47,509        | 3,66,819        |
| CWIP                            | 2,70,278        | 3,37,851        | 3,20,699        | 3,08,234        | 2,89,046        |
| Intangible assets               | 35,823          | 35,802          | 35,780          | 35,760          | 35,740          |
| Deferred tax assets, net        | 0               | 0               | 0               | 0               | 0               |
| Other assets                    | 0               | 0               | 0               | 0               | 0               |
| <b>Total assets</b>             | <b>7,73,635</b> | <b>8,96,066</b> | <b>9,27,044</b> | <b>9,60,851</b> | <b>9,95,845</b> |

### Cash Flows

| Y/E 31 Mar (Rs mn)                 | FY25A             | FY26E             | FY27E           | FY28E           | FY29E           |
|------------------------------------|-------------------|-------------------|-----------------|-----------------|-----------------|
| <b>Cash flow from operations</b>   | <b>1,02,410</b>   | <b>1,02,589</b>   | <b>65,975</b>   | <b>51,620</b>   | <b>51,827</b>   |
| Capital expenditures               | (1,99,553)        | (1,85,040)        | (48,739)        | (48,704)        | (43,402)        |
| Change in investments              | (10,026)          | 18,115            | (800)           | (120)           | (132)           |
| Other investing cash flows         | 0                 | 0                 | 0               | 0               | 0               |
| <b>Cash flow from investing</b>    | <b>(2,09,578)</b> | <b>(1,66,925)</b> | <b>(49,539)</b> | <b>(48,824)</b> | <b>(43,533)</b> |
| Equities issued/Others             | 420               | 24,764            | (13,910)        | 225             | 225             |
| Debt raised/repaid                 | 1,002             | 244               | 47              | 49              | 50              |
| Interest expenses                  | 0                 | 0                 | 0               | 0               | 0               |
| Dividends paid                     | (4,973)           | (3,466)           | (7,090)         | (5,703)         | (5,988)         |
| Other financing cash flows         | 25,935            | 26,477            | 0               | 0               | 0               |
| <b>Cash flow from financing</b>    | <b>22,383</b>     | <b>48,018</b>     | <b>(20,953)</b> | <b>(5,430)</b>  | <b>(5,714)</b>  |
| <b>Chg in cash &amp; cash eq.</b>  | <b>(84,785)</b>   | <b>(16,317)</b>   | <b>(4,517)</b>  | <b>(2,633)</b>  | <b>2,580</b>    |
| <b>Closing cash &amp; cash eq.</b> | <b>25,904</b>     | <b>9,586</b>      | <b>5,069</b>    | <b>2,436</b>    | <b>5,016</b>    |

### Per Share

| Y/E 31 Mar (Rs)      | FY25A | FY26E | FY27E | FY28E | FY29E |
|----------------------|-------|-------|-------|-------|-------|
| Reported EPS         | 26.8  | 24.1  | 8.3   | 10.1  | 10.2  |
| Adjusted EPS         | 14.7  | 12.9  | 8.3   | 10.1  | 10.2  |
| Dividend per share   | 2.1   | 2.1   | 2.2   | 2.3   | 2.4   |
| Book value per share | 258.2 | 291.7 | 296.3 | 308.5 | 321.2 |

### Valuations Ratios

| Y/E 31 Mar (x) | FY25A | FY26E | FY27E | FY28E | FY29E |
|----------------|-------|-------|-------|-------|-------|
| EV/Sales       | 3.0   | 2.6   | 2.0   | 1.9   | 1.7   |
| EV/EBITDA      | 16.9  | 16.2  | 14.8  | 13.4  | 12.8  |
| Adjusted P/E   | 29.5  | 33.6  | 52.4  | 43.0  | 42.3  |
| P/BV           | 1.7   | 1.5   | 1.5   | 1.4   | 1.3   |

### DuPont Analysis

| Y/E 31 Mar (%)               | FY25A | FY26E | FY27E | FY28E | FY29E |
|------------------------------|-------|-------|-------|-------|-------|
| Tax burden (Net profit/PBT)  | 82.5  | 111.2 | 76.1  | 77.3  | 78.4  |
| Interest burden (PBT/EBIT)   | 96.5  | 90.8  | 91.9  | 91.8  | 91.4  |
| EBIT margin (EBIT/Revenue)   | 18.4  | 9.7   | 8.3   | 8.8   | 8.3   |
| Asset turnover (Rev./Avg TA) | 46.8  | 48.4  | 57.7  | 60.4  | 63.4  |
| Leverage (Avg TA/Avg Equity) | 1.3   | 1.3   | 1.3   | 1.3   | 1.3   |
| Adjusted ROAE                | 8.8   | 6.0   | 4.2   | 4.8   | 4.8   |

### Ratio Analysis

| Y/E 31 Mar                                   | FY25A | FY26E  | FY27E  | FY28E | FY29E |
|--|-------|--------|--------|-------|-------|
| <b>YoY growth (%)</b>                        |       |        |        |       |       |
| Revenue                                      | 2.6   | 21.2   | 30.0   | 8.5   | 8.8   |
| EBITDA                                       | (6.7) | 9.5    | 10.3   | 11.3  | 3.9   |
| Adjusted EPS                                 | (8.8) | (12.2) | (35.7) | 21.8  | 1.5   |
| <b>Profitability &amp; Return ratios (%)</b> |       |        |        |       |       |
| EBITDA margin                                | 17.0  | 16.1   | 13.6   | 13.9  | 13.3  |
| EBIT margin                                  | 17.5  | 9.7    | 8.2    | 8.7   | 8.2   |
| Adjusted profit margin                       | 10.2  | 7.8    | 3.9    | 4.4   | 4.1   |
| Adjusted ROAE                                | 8.8   | 6.0    | 4.2    | 4.8   | 4.8   |
| ROCE   | 10.6  | 5.6    | 5.7    | 6.4   | 6.3   |
| <b>Working capital days (days)</b>           |       |        |        |       |       |
| Receivables                                  | 17    | 17     | 17     | 18    | 18    |
| Inventory                                    | 46    | 41     | 43     | 44    | 44    |
| Payables                                     | 87    | 89     | 67     | 63    | 58    |
| <b>Ratios (x)</b>                            |       |        |        |       |       |
| Gross asset turnover                         | 0.9   | 0.8    | 0.9    | 0.9   | 0.9   |
| Current ratio                                | 1.6   | 1.6    | 1.6    | 1.7   | 1.9   |
| Net interest coverage ratio                  | 28.5  | 10.9   | 12.3   | 12.2  | 11.6  |
| Adjusted debt/equity                         | 0.0   | 0.0    | 0.0    | 0.0   | 0.0   |

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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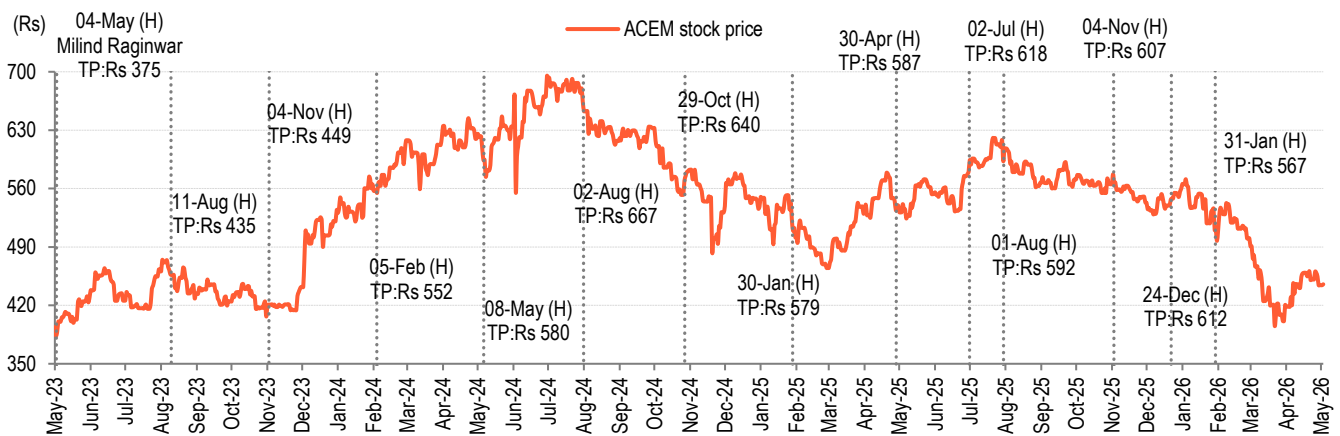
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- BUY** – Expected return >+15%
- HOLD** – Expected return from -6% to +15%
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**Note:** Recommendation structure changed with effect from 21 June 2021

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