FIRST LIGHT

17 August 2026

RESEARCH

BOB ECONOMICS RESEARCH | WPI

Wholesale inflation remains sticky

ALKEM LABS | TARGET: Rs 4,590 | -14% | SELL

US sales challenging; tax rate rising; valuations expensive

ASHOK LEYLAND | TARGET: Rs 192 | +12% | HOLD

Exports dip, cost rise, impacts show in an otherwise steady Q1

VOLTAS | TARGET: Rs 1,440 | +9% | HOLD

UCP growth accelerates; cost inflation limits margin recovery

AMBER ENTERPRISES | TARGET: Rs 8,500 | +18% | BUY

Electronics offsets CD moderation; Railway margins compress

INDRAPRASTHA GAS | TARGET: Rs 178 | +17% | BUY

Operational performance miss expectations on higher gas costs

JSW CEMENT | TARGET: Rs 150 | +15% | BUY

Growth, cost concerns in short term, intact structurally; BUY

SUMMARY

INDIA ECONOMICS: WPI

For Jul'26, headline WPI (2022-23=100) has come in at 9.8% from (-) 0.8% in Jul'25. At the same time, output PPI indicates that headline index rose by 9.6% versus (-) 0.5% last year. In the latest WPI series, all major group heads (food, fuel and manufactured products) have contributed to the elevated inflation print. Food inflation remains a major driver, with, fruits, milk, eggs and meat product all exhibiting upside pressures. Within fuel inflation, mineral oil index remains on the higher side, with index for crude petroleum, natural gas, ATF, LPG, Lube oils all rising notably.

Click here for the full report.

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ALKEM LABS

- Sales/EBITDA/PAT were 0.8%/5.9%/-0.3% above our estimates. EBITDA margin surpassed our estimate by 98 bps to 19.5%
- Consolidated business tax rate guidance mentioned at 30-32%.The earlier tax rate guidance of 27-29% was for the standalone business
- We reduce our EPS factoring higher tax rate. On roll forward to Jun'28 EPS, we ascribe a PE of 21x to arrive at a PT of Rs 4590 (earlier PT4638)

Click here **for the full report.**

ASHOK LEYLAND

- Strong LCV (~21%) & MHCV (~15%) drive volume growth (~10%) though exports drag (18%) impacted by temporary disruption in UAE
- Price hike (~1.25%) and cost savings provide partial respite though EBITDAM contracts ~105bps, further ASP hike of 1-2% taken in Q2FY27
- Retain FY27E/FY28E/FY29E earnings; SOTP value at 23x with a rollover to June 2028; TP of Rs192 vs Rs186 earlier. Maintain HOLD

Click here **for the full report.**

VOLTAS

- Revenue grew 19% YoY but was 9% below estimates; EBITDA rose 49% YoY, supported by UCP margin expansion and cost optimisation
- UCP growth accelerates on strong RAC demand; EMPS recovery remains constrained by execution challenges
- Cut FY27-29 estimates; assign 45x to Jun'28E EPS to arrive at Jun'27 TP of Rs 1440; maintain HOLD on limited upside

Click here **for the full report.**

AMBER ENTERPRISES

- Revenue grew 13% YoY, missed estimates by 16%; EBITDA rose 22% YoY, led by Electronics mix, with margin expanding 60bps YoY
- CD growth moderated on a high base, while Railway margins contracted on adverse mix and cost pressures
- Cut estimates, assign 40x (unchanged) multiple to Jun'28E EPS to arrive at Jun'27 TP of Rs 8500. Maintain BUY

Click here **for the full report.**

INDRAPRASTHA GAS

- Revenue grew by 17%YoY on the back of volume growth of 6%YoY & realization gr. of 11%YoY. However, higher gas costs impacted EBITDA
- Outlook remains positive on volumes, with growth driven by the areas outside of the Delhi region, and supported by PNG growth
- Maintain BUY; however, considering subdued EBITDA performance, revise TP downwards to Rs178 from Rs184

Click here for the full report.

JSW CEMENT

- Volume momentum led by North ramp up drive cement volumes ~27% YoY (excl. North ~8% YoY); GGBS subdued at ~3% YoY
- EBITDA was down ~8% as higher fuel cost (Rs 1.8/kcal) and marketing cost (Rs330mn) offsetting the volume led operating leverage
- We value JSWCEMEN at 14x EV/EBIDTA, revise FY27E/FY28E/FY29E EBITDA and arrive at a revised TP of Rs150 (Rs148) on rollover. BUY

Click here for the full report.

WPI

14 August 2026

Wholesale inflation remains sticky

For Jul'26, headline WPI (2022-23=100) has come in at 9.8% from (-) 0.8% in Jul'25. At the same time, output PPI indicates that headline index rose by 9.6% versus (-) 0.5% last year. In the latest WPI series, all major group heads (food, fuel and manufactured products) have contributed to the elevated inflation print. Food inflation remains a major driver, with, fruits, milk, eggs and meat product all exhibiting upside pressures. Within fuel inflation, mineral oil index remains on the higher side, with index for crude petroleum, natural gas, ATF, LPG, Lube oils all rising notably.

Sonal Badhan
Economist

Similar trends can be noted in output PPI as well. In contrast, input PPI shows that upside pressure (MoM) was visible in only 10 of the 21 manufactured product indices (basic metals, machinery, beverages, furniture, other non-metallic mineral products, etc.). Going forward, as hopes of a peace deal between US and Iran diminish and 2 key waterways remain under threat (Strait of Hormuz and Bab al-Mandeb Strait), volatility in oil prices can be expected. Higher cost of insurance will add to the total freight cost, which in turn will pose upside pressures on imported commodities. Also, the effect of El Nino is expected to get stronger in Aug-Sep period. This will also maintain pressure on food inflation and headline WPI.

New WPI series (2022-23=100)

Food inflation maintaining upward momentum:

Headline WPI inflation remained broadly steady at 9.8% in Jul'26 versus 9.9% in Jun'26, and up from (-) 0.8% in Jul'25. Compared to Jul'25, food inflation was much higher at 6.6% versus (-) 2.1% last year. A broad-based increase was visible across majority of the sub-segments: food grains, fruits, milk, eggs, meat & fish, and condiments & spices. Vegetable inflation fell by (-) 0.3% from (-) 30.5% last year. Within vegetables, price index for onion, ginger, drumstick, pointer gourd and pumpkin has risen sharply. Amongst the fruits, lemon, guava, amla, sapota and almonds added to significant upside pressures.

Milk inflation was up from 2.3% last year to 3.7% this year, and eggs, meat and fish component registered a rise from 2.7% in Jul'25 to 12.5% in Jul'26. Amongst the meat items, price index for eggs, beef & buffalo meat, chicken and pork rose the most. Index for condiments was driven up by all sub-heads except for cumin and tamarind. Food grain inflation too rose to 2.4% from (-) 2.5% last year, due to rise in index for paddy, jowar, barley, and pulses (all sub-heads). On the other hand, wheat inflation softened (1.1% versus 3.4%).

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SELL
TP: Rs 4,590 | ∀ 14%

ALKEM LABS | Pharmaceuticals | 14 August 2026

US sales challenging; tax rate rising; valuations expensive

- **Sales/EBITDA/PAT were 0.8%/5.9%/-0.3% above our estimates. EBITDA margin surpassed our estimate by 98 bps to 19.5%**
- **Consolidated business tax rate guidance mentioned at 30-32%.The earlier tax rate guidance of 27-29% was for the standalone business**
- **We reduce our EPS factoring higher tax rate. On roll forward to Jun'28 EPS, we ascribe a PE of 21x to arrive at a PT of Rs 4590 (earlier PT4638)**

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In-line earnings - Sales grew by 11% YoY to Rs 37.4bn, driven by 10% YoY growth in domestic sales and 16% YoY growth in international sales. Raw material cost grew by a modest 3% YoY to Rs 12bn, thus leading to 15% YoY growth in gross profit to Rs 25.3bn. Gross margin increased by 262 bps YoY to 67.9% in 1QFY27 due to a healthy product mix on account of lower trade generics sales and currency benefit. Employee cost grew by 17% YoY due to 1)annual salary hikes, 2) addition of 1,200 MRs in the last few quarters, and 3) opex from Enzene CDMO. Other expenses (ex-R&D) grew by 25% YoY due to Rs 600mn arising from Enzene CDMO and due diligence costs from the Occlutech acquisition cost, and a ~10% increase in subsidized cost — leading to 4% YoY growth in EBITDA to Rs 7.7bn. Thus, EBITDA margin decreased by 140 bps YoY to 20.5%. Subsequently, PBT grew by 2% YoY to Rs 7.7bn in 1QFY27. Tax rate increased to 32.4% in 1QFY27 vs 13.5% in 1QFY26, leading to a 144% YoY increase in tax to Rs 2.5bn in 1QFY27. Thus, PAT declined by 21.7% YoY to Rs 5.2bn.

US sales impacted by lower volume growth – US sales grew by 7% YoY to Rs 7.4bn, primarily due to no volume growth and flattish NRV price erosion. The company is not witnessing volume growth in the new products launched and has received an OAI for the Daman plant (contributes 45% of US sales), which would impact new launches. However, this is likely to be offset by the Tolvaptan launch in Sep-Oct (a 4-player market with a TAM of USD 1bn) and a USD 30mn sales from Enzene CDMO, where ALKEM develops batches and conducts clinical trials for antibodies. Factoring in the above parameters, we expect US sales to grow at a CAGR of 6% for FY27-29E to Rs 36.1bn in FY29E.

Valuation – We lower our EPS factoring in the higher guided tax rate. On roll forward to Jun'28 EPS, at CMP, the stock trades at a PE of 25x on EPS of Rs 219 per share, and we continue to ascribe 21x (in line with domestic-focused acute companies) to arrive at a PT of Rs 4,590 on the stock (earlier PT of Rs 4638), implying 15% downside from CMP. We maintain Sell on the stock.

Key changes

Target	Rating
▼	◄ ►

Ticker/Price	ALKEM IN/Rs 5,368
Market cap	US$ 6.8bn
Free float	41%
3M ADV	US$ 9.3mn
52wk high/low	Rs 5,934/Rs 5,075
Promoter/FPI/DII	57%/6%/16%

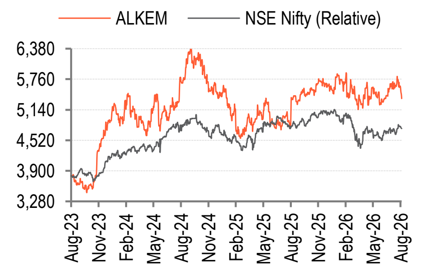
Source: NSE | Price as of 14 Aug 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	147,123	165,039	184,097
EBITDA (Rs mn)	30,052	32,583	38,299
Adj. net profit (Rs mn)	24,766	21,664	25,239
Adj. EPS (Rs)	207.2	181.2	211.1
Consensus EPS (Rs)	192.5	195.8	227.7
Adj. ROAE (%)	22.3	17.0	17.6
Adj. P/E (x)	25.9	29.6	25.4
EV/EBITDA (x)	21.7	19.9	17.1
Adj. EPS growth (%)	14.4	(12.5)	16.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

RESULT REVIEW

HOLD
TP: Rs 192 | ⮝ 12%

ASHOK LEYLAND | Automobiles | 14 August 2026

Exports dip, cost rise, impacts show in an otherwise steady Q1

- **Strong LCV (~21%) & MHCV (~15%) drive volume growth (~10%) though exports drag (18%) impacted by temporary disruption in UAE**
- **Price hike (~1.25%) and cost savings provide partial respite though EBITDAM contracts ~105bps, further ASP hike of 1-2% taken in Q2FY27**
- **Retain FY27E/FY28E/FY29E earnings; SOTP value at 23x with a rollover to June 2028; TP of Rs192 vs Rs186 earlier. Maintain HOLD**

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Volume growth is resilient despite temporary export disruption: AL was steady with net revenue up ~10% YoY to Rs96.3bn, helped by broad-based volume growth. Overall CV volumes grew ~10% YoY to 48.7k units. MHCV truck volumes up ~15% and LCV gained ~21% YoY outpacing the industry. Exports fell ~18% YoY to 2.5k units due to temporary UAE plant/logistics disruptions, while SAARC and Africa stayed strong. ASPs were hiked by 1.25% YoY to partly offset commodity inflation.

Price and cost actions partly alleviate commodity pressure: Inventory-adjusted raw material cost increased ~12% YoY, with RM cost-to-sales rising ~90bps to 71.5%, resulting in gross margin compression to ~28.5% vs ~29.4% YoY. AL pointed the highlight of opening inventory that helped defer part of the commodity impact, while pricing, favourable mix and intense cost savings provided further mitigation. Other expenses remained stable at ~11.2% of sales.

Cost pressure outweighs operating leverage: EBITDA remained flat YoY at Rs9.7bn, with margin contracting ~105bps YoY to 10.1%, as commodity inflation offset benefits from volume growth, pricing and cost savings. PAT grew ~3% YoY to Rs6.1bn, aided by a ~61% YoY increase in other income to Rs0.85bn. AL expects commodity pressure to intensify in Q2 before moderating from H2FY27, with further price hikes, mix improvement and cost optimisation providing offsets.

Retain estimates, Maintain HOLD: We retain FY27E/FY28E/FY29E earnings to factor in the resilient Q1FY27 show. The current recovery in MHCV and traction in the non-cyclical business are relief in a cost hit quarter. Our Revenue/EBITDA CAGR is 11% each over FY25-FY29. New launches, industry-beat growth in MHCVs and the leadership in buses augur well. The steady LCV market share on a broad based portfolio and in-roads into EVs will help cyclical risk in high tonnage segment. The improved balance sheet with net cash of ~Rs 22.5bn (~vs Rs 18bn QoQ), will be impacted due to capex and stress on working capital (weak earnings). To factor this, we assign 23x P/E to the SA business and value the vehicle finance arm at Rs 14/sh, to arrive at TP of Rs 192 (vs Rs 186). Retain HOLD.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	AL IN/Rs 172
Market cap	US$ 5.3bn
Free float	49%
3M ADV	US$ 41.6mn
52wk high/low	Rs 215/Rs 119
Promoter/FPI/DII	52%/17%/15%

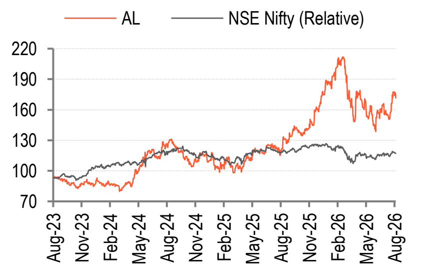
Source: NSE | Price as of 14 Aug 2026

Key financials

Y/E 31 Mar	FY26P	FY27E	FY28E
Total revenue (Rs mn)	4,40,070	4,83,849	5,33,089
EBITDA (Rs mn)	57,322	58,183	66,202
Adj. net profit (Rs mn)	39,140	38,989	44,827
Adj. EPS (Rs)	6.1	6.6	7.6
Consensus EPS (Rs)	6.1	7.0	8.1
Adj. ROAE (%)	29.8	26.0	26.0
Adj. P/E (x)	28.3	25.9	22.5
EV/EBITDA (x)	9.2	8.9	7.7
Adj. EPS growth (%)	(38.9)	(0.4)	15.0

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

Stock performance



Source: NSE

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HOLD
TP: Rs 1,440 | ⮝ 9%

VOLTAS | Consumer Durables | 17 August 2026

UCP growth accelerates; cost inflation limits margin recovery

- **Revenue grew 19% YoY but was 9% below estimates; EBITDA rose 49% YoY, supported by UCP margin expansion and cost optimisation**
- **UCP growth accelerates on strong RAC demand; EMPS recovery remains constrained by execution challenges**
- **Cut FY27-29 estimates; assign 45x to Jun'28E EPS to arrive at Jun'27 TP of Rs 1440; maintain HOLD on limited upside**

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Revenue growth holds; cost pressures constrain profitability: Voltas reported Q1FY27 revenue of Rs 46.7bn, up 19% YoY as seasonal demand normalised after Q4 channel restocking. EBITDA rose 49% YoY to Rs 2.7bn but missed estimates by 25%, with margin expanding 110bps YoY to 5.7%. Adjusted PAT grew 51% YoY to Rs 2.1bn, partly supported by higher other income.

UCP growth scales; cost inflation remains a margin headwind: UCP revenue grew 32% YoY to Rs 37.9bn, while EBIT rose 93% to Rs 2.0bn and margin expanded 168bps to 5.3%. Management indicated BEE table changes increased costs by ~7-8%, while commodity prices, INR depreciation, freight and plastics added another ~4-5%; while overall cost inflation was ~10-12%, with price increases broadly matching the increase.

EMPS revenue softens; selective booking protects project economics: EMPS revenue declined 27% YoY to Rs 6.7bn, while EBIT stood at Rs 378mn versus Rs 492mn a year ago, with margin at 5.6%. The carry-forward order book stood at Rs 63.5bn as of June, spanning domestic and international projects. Management is focusing on faster-gestation private-sector projects and selective order booking, with escalation clauses providing protection against cost inflation.

Engineering Products grows; textile machinery shows early recovery: Engineering Products and Services revenue grew 17% YoY to Rs 1.6bn, led by mining and construction equipment, O&M and Mozambique operations, while textile machinery saw double-digit growth and early improvement in order bookings despite geopolitical uncertainty.

Cut estimates; maintain HOLD: We cut FY27-29E PAT estimates by 6%/1%/3%, factoring in UCP margin pressures and a slower recovery in EMPS. We assign 45x to Jun'28E EPS to arrive at a Jun'27 TP of Rs 1440. The ascribed multiple reflects near-term margin uncertainty, offset by strong RAC demand, market-share gains and structural cooling demand tailwinds. Maintain HOLD.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	VOLT IN/Rs 1,321
Market cap	US$ 4.6bn
Free float	70%
3M ADV	US$ 13.5mn
52wk high/low	Rs 1,583/Rs 1,187
Promoter/FPI/DII	30%/21%/33%

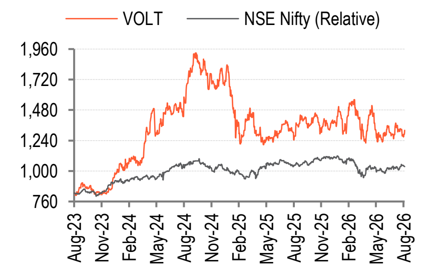
Source: NSE | Price as of 14 Aug 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	1,42,445	1,62,457	1,88,959
EBITDA (Rs mn)	6,469	10,579	13,975
Adj. net profit (Rs mn)	4,024	7,884	10,516
Adj. EPS (Rs)	12.2	23.8	31.8
Adj. ROAE (%)	6.2	11.8	14.3
Adj. P/E (x)	108.6	55.4	41.5
EV/EBITDA (x)	67.5	41.3	31.3
Adj. EPS growth (%)	(52.2)	95.9	33.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BUY
TP: Rs 8,500 | ⮝ 18%

AMBER ENTERPRISES | EMS | 17 August 2026

Electronics offsets CD moderation; Railway margins compress

- **Revenue grew 13% YoY, missed estimates by 16%; EBITDA rose 22% YoY, led by Electronics mix, with margin expanding 60bps YoY**
- **CD growth moderated on a high base, while Railway margins contracted on adverse mix and cost pressures**
- **Cut estimates, assign 40x (unchanged) multiple to Jun'28E EPS to arrive at Jun'27 TP of Rs 8500. Maintain BUY**

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Electronics mix supports margins; Iljin fire weighs on PAT: Amber reported Q1FY27 revenue of Rs 38.9bn (+13% YoY), on softer EMS growth and a high Consumer Durables base. EBITDA rose 22% YoY to Rs 3.1bn, with margin expanding 60bps YoY to 8.0%, led by a better Electronics mix. Adjusted PAT rose 75% YoY to Rs 1.8bn, supported by lower tax and higher other income. Reported PAT declined 43% YoY to Rs 0.6bn, impacted by the Rs 1.2bn exceptional loss related to the Iljin fire.

CD growth moderates on high base; pre-stocking supports margins: Consumer Durables revenue grew 8% YoY to Rs 27.6bn, supported by (a) pre-stocking of compressors and copper ahead of QCO enforcement, (b) richer premium mix skewed towards five-star and 2-ton categories and (c) growth in Light Commercial AC. EBITDA grew 14% YoY to Rs 2.1bn, with margin at 7.7% (+42bps YoY).

Electronics profitability improves; CCL inflation weighs on bare PCB: Electronics revenue grew 29% YoY to Rs 9.8bn, driven by EMS/PCBA scale-up, bare PCB contribution and newer verticals including power electronics and industrial automation. EBITDA rose 67% YoY to Rs 0.8bn, with margin expanding to 8.3% from 6.4% in Q1FY26. Bare PCB margins remained under pressure from elevated CCL costs, with price pass-through underway.

Railway execution supports growth; margins remain under pressure: Revenue grew 18% YoY to Rs 1.4bn, led by railways, metro and defence, while EBITDA declined 26% YoY to Rs 162mn, with margin contracting 666bps YoY to 11.2% on adverse product mix, along with copper inflation, INR depreciation and a 35% increase in Haryana minimum wages.

Cut estimates; maintain BUY: We cut FY27/28E EBITDA by 3-4**%**, factoring in Railway margin pressure and the lag in Bare PCB price pass-through through H1FY27, partly offset by stronger Electronics contribution. We assign 40x (unchanged) to Jun'28E EPS to arrive at a Jun'27 TP of Rs 8,500 (vs Rs 9,300 earlier). Maintain BUY.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	AMBER IN/Rs 7,222
Market cap	US$ 2.6bn
Free float	60%
3M ADV	US$ 32.4mn
52wk high/low	Rs 8,974/Rs 5,401
Promoter/FPI/DII	40%/24%/14%

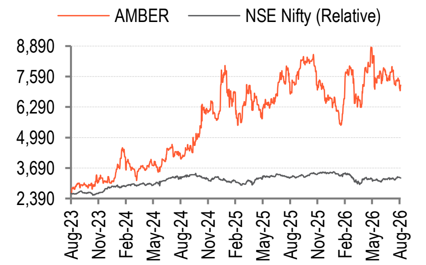
Source: NSE | Price as of 14 Aug 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	1,21,865	1,45,414	1,83,282
EBITDA (Rs mn)	9,523	11,500	15,290
Adj. net profit (Rs mn)	2,172	4,677	6,733
Adj. EPS (Rs)	64.5	138.8	199.8
Adj. ROAE (%)	6.5	10.2	13.0
Adj. P/E (x)	112.0	52.0	36.1
EV/EBITDA (x)	25.6	21.2	15.9
Adj. EPS growth (%)	(10.8)	115.3	44.0

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

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BUY
TP: Rs 178 | ⮝ 17%

INDRAPRASTHA GAS | Oil & Gas | 14 August 2026

Operational performance miss expectations on higher gas costs

- **Revenue grew by 17%YoY on the back of volume growth of 6%YoY & realization gr. of 11%YoY. However, higher gas costs impacted EBITDA**
- **Outlook remains positive on volumes, with growth driven by the areas outside of the Delhi region, and supported by PNG growth**
- **Maintain BUY; however, considering subdued EBITDA performance, revise TP downwards to Rs178 from Rs184**

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Operational performance lower than expectations: Indraprastha Gas (IGL) reported revenue at Rs45bn (+17.1%YoY, +10.1%QoQ) in Q1FY27 – 2.6% above our estimates. EBITDA came at Rs3bn (-42.3%YoY, -30.1%QoQ) and was 31.5% below our estimates. EBITDA spread was Rs3.4/scm for the quarter; lower by 45.4%YoY. Operational performance was lower than expected on account of higher gas costs.

Volumes: Volumes came at 879mnscm — higher by 5.8%YoY and 0.7%QoQ. It is 9.7mmscmd on daily basis. CNG volumes growth was at 6.3%YoY, while PNG domestic (D-PNG) volume growth was 5.2%YoY. Management is positive on CNG growth; it will likely come on the back of volumes from the new areas outside of Delhi region which are growing at +27%YoY

Operational performance and outlook: EBITDA was lower by 42.3%YoY due to higher gas costs. Gas costs, as % of sales, stood at 83% vs 75% in Q1FY26. Gas cost % was 77% in Q4FY26. EBITDA spread was Rs3.4/scm vs Rs6.2 in Q1FY26. Given the gas production constraints for ONGC, we expect the allocation to gradually reduce for CGD companies over long term. IGL had guided for an EBITDA spread of Rs7/scm over long term.

Capex intensity: IGL incurred a capex of Rs3bn Q1FY27. Guided a capex of Rs15bn for FY27E.

Maintain BUY; revise TP downwards: We remain positive on the volume growth that is driven by the areas outside of Delhi region. We maintain BUY. However, considering the subdued operational performance & rollover to June'28E EPS, we revise TP down to Rs178 from Rs184, based on 13.5x P/E on June'28E EPS.

Key changes

Target	Rating
▼	◄ ►

Ticker/Price	IGL IN/Rs 152
Market cap	US$ 2.2bn
Free float	55%
3M ADV	US$ 4.9mn
52wk high/low	Rs 224/Rs 142
Promoter/FPI/DII	45%/17%/23%

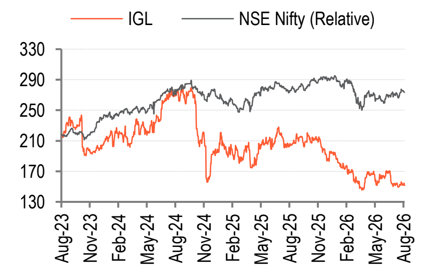
Source: NSE | Price as of 14 Aug 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	161,670	186,006	196,730
EBITDA (Rs mn)	18,500	19,278	23,066
Adj. net profit (Rs mn)	13,641	13,797	16,292
Adj. EPS (Rs)	9.7	9.9	11.6
Adj. ROAE (%)	9.2	8.7	9.8
Adj. P/E (x)	15.6	15.4	13.0
EV/EBITDA (x)	9.3	8.8	7.4
Adj. EPS growth (%)	(7.1)	1.1	18.1

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BUY
TP: Rs 150 | ⮝ 15%

JSW CEMENT | Cement | 14 August 2026

Growth, cost concerns in short term, intact structurally; BUY

- **Volume momentum led by North ramp up drive cement volumes ~27% YoY (excl. North ~8% YoY); GGBS subdued at ~3% YoY**
- **EBITDA was down ~8% as higher fuel cost (Rs 1.8/kcal) and marketing cost (Rs330mn) offsetting the volume led operating leverage**
- **We value JSWCEMEN at 14x EV/EBIDTA, revise FY27E/FY28E/FY29E EBITDA and arrive at a revised TP of Rs150 (Rs148) on rollover. BUY**

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Steady volume growth led by North ramp-up: Revenue jumped ~22% YoY to ~Rs19bn (flat QoQ), driven by total volume growth of ~15% YoY to 3.8mnt. Cement volumes surged by ~27% YoY to 2.34mnt, with ex-North cement volumes up ~8% YoY (~6% industry growth). North utilization was at ~55% in Q1 and reached ~68% in June. GGBS volumes grew ~3% YoY, impacted by temporary RMC closures in West India and supply disruptions. Cement realisations were flattish ~1% YoY (up 6% QoQ) to Rs4,951/t, aided by change in regional mix (Northern presence).

Front loading and cost pressure weighs: Overall cost/tn increased 13.5%9.4% YoY/QoQ, primarily due to higher raw material, fuel and packaging costs. Blended fuel cost rose to Rs1.8/kcal vs Rs1.55/kcal YoY amid elevated fuel prices, logistics cost was flat (-1% YoY) on lower lead distance and improved direct dispatches. Other expenses jumped ~53% YoY, due to higher packaging costs and North-related marketing expenses (Rs330mn). JSWCEMEN expects cost benefits from greater domestic coal/lignite usage, WHRS, AFR and OLBC commissioning from Q2/Q3FY27.

New capacity stabilization impact hit margins: EBITDA fell ~8% YoY to ~Rs3bn, and EBITDA margin contracting 505bps YoY to 15.6%. EBITDA/tn also slipped ~20% YoY to Rs778/tn. Management highlighted that ex of North EBITDA grew ~4% to Rs3.4bn. EBITDA breakeven in North India unit is likely in Q2FY27.

Capacity expansion progresses: Additional 1mtpa grinding capacity is expected to be commissioned in Q2YF27 alongside WHRS, OLBC and AFR systems. With the 56MW wind capacity addition the green energy share has inched up to 30%.

Earnings cut; Retain BUY: We cut EBITDA estimates for FY27E/FY28E/FY29E by 2%/3%/4% respectively to factor in the capacity stabilisation at Nagaur including new capacity. We further factor sub-dued GGBS outlook. The 3Y EBITDA CAGR is at a healthy 18%, backed by capacity additions and cost savings. We continue to value JSWCEMEN at 14x FY28 EV/EBIDTA to arrive at a revised TP of Rs150 (vs Rs 148), an upside of 15% over the CMP on rollover. The diversified earnings pool, well-spread regional mix and strong backward integration will aid earnings. BUY

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	JSWCEMEN IN/Rs 130
Market cap	US$ 1.8bn
Free float	28%
3M ADV	US$ 7.1mn
52wk high/low	Rs 162/Rs 107
Promoter/FPI/DII	72%/3%/8%

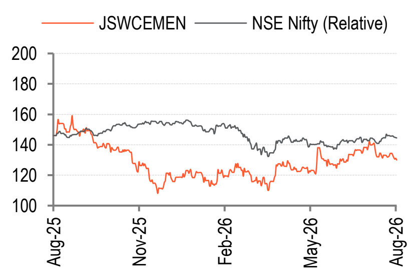
Source: NSE | Price as of 14 Aug 2026

Key financials

Y/E 31 Mar	FY26P	FY27E	FY28E
Total revenue (Rs mn)	65,125	77,000	85,575
EBITDA (Rs mn)	13,122	14,542	17,623
Adj. net profit (Rs mn)	6,749	4,218	5,304
Adj. EPS (Rs)	5.0	3.1	4.0
Consensus EPS (Rs)	5.0	3.9	5.8
Adj. ROAE (%)	15.9	6.1	7.3
Adj. P/E (x)	25.8	41.3	32.9
EV/EBITDA (x)	16.8	15.3	13.1
Adj. EPS growth (%)		(37.5)	25.7

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

Stock performance



Source: NSE

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HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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