

**RESEARCH****STAR CEMENT | TARGET: Rs 308 | +43% | BUY**

Cost impact likely to be relatively lower, structurally intact; BUY

**GREENLAM INDUSTRIES | TARGET: Rs 280 | +20% | BUY**

Strong Q4: Laminates recovery drives earnings beat

**SUMMARY****STAR CEMENT**

- Strong performance in Q4FY26 driven by healthy cement volumes (~10% YoY); non-Northeast markets volumes growth of 31% YoY
- Sharp reduction (~24% YoY) in energy costs provide cost tailwinds; However, cost pressure of Rs250-300/tn expected in near term
- Revise FY27E/FY28E EBITDA downwards by 7% and 5%; value STRCEM at 11x Mar 28 EV/EBITDA with revised TP of Rs308 (Rs327)

[Click here](#) for the full report.

**GREENLAM INDUSTRIES**

- Beat estimates. Revenue/EBITDA grew 26%/69% YoY, led by laminates recovery and particleboard ramp-up
- Laminates margins rebound sharply by 442bps YoY to 18.1%; particleboard losses narrow with utilisation ramp-up
- Revise estimates, roll forward to Mar-28EPS, ascribe unchanged 1YF multiple of 35x and arrive at TP of Rs 280. Maintain BUY

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**BUY**

TP: Rs 308 | ▲ 43%

**STAR CEMENT**

| Cement

| 27 May 2026

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**Healthy volume momentum sustains growth:** Star Cement (STRCEM) reported a healthy show in Q4FY26, with revenues rising ~12%/33% YoY/QoQ to ~Rs11.7bn. Cement volumes increased ~10%/31% YoY/QoQ to ~1.62mt. North-East volumes were largely stable (~1.13mt); other markets saw strong growth (~31% YoY). Average realisations were flat YoY at ~Rs6,437/t. Prices are hiked across the Northeast (~Rs6-7/bag) and East markets (~Rs10/bag) in Q1FY27.

**Lower energy and logistics costs support profitability:** Overall cost/tn fell ~4%/6% YoY/QoQ to ~Rs4,954/t. The fall was the result of a sharp ~24% YoY fall in energy cost to ~Rs910/t; aided by favourable fuel mix (~79% FSA & ~22% biomass) and lower fuel prices (~Rs1.24/kcal vs Rs1.54/kcal YoY). Freight cost came down ~2% YoY on improved lead distance (~220km vs ~229km YoY); partly offset by higher diesel-linked logistics costs. Management indicated temporary fuel cost pressures of Rs250-300/tn; though pricing actions should partly offset the impact

**Operating leverage drives margin expansion:** EBITDA increased ~21%/56% YoY/QoQ to ~Rs3.2bn. EBITDA/t improved sharply by ~21%/20% YoY/QoQ to ~Rs1,483/t. Management expects Northeast EBITDA/t to remain healthy at ~Rs1,500-1,700/t over the medium term, despite the near-term cost inflation.

**Expansion pipeline:** North expansion will be key long-term growth driver with planned ~3.3/5.5mnt clinker/grinding capacity in Rajasthan and Haryana. STRCEM expects approvals/land acquisition for this project and Bihar to complete by Oct'26

**Growth prospects stay intact; value at 11x; maintain BUY:** We cut our FY27E/FY28E EBITDA estimates, factoring in the revised business dynamics. However, STRCEM stays structurally healthy with capacity addition plans, market leadership, regional spread and strong niche presence. We introduce FY29 earnings estimates, with EBITDA/PAT 3Y CAGR at 30%/40%, given the healthy topline growth and cost-saving initiatives. We assign an 11x March 2028, EV/EBITDA and revise TP to Rs 308 versus Rs327 to factor in healthy growth visibility, no. 1 position and regional spread. Our TP implies replacement of Rs 7.5bn/mt. Maintain BUY.

**Key changes**

Target	Rating
▼	◀ ▶

Ticker/Price	STRCEM IN/Rs 215
Market cap	US\$ 943.2mn
Free float	33%
3M ADV	US\$ 0.6mn
52wk high/low	Rs 309/Rs 197
Promoter/FPI/DII	67%/1%/6%

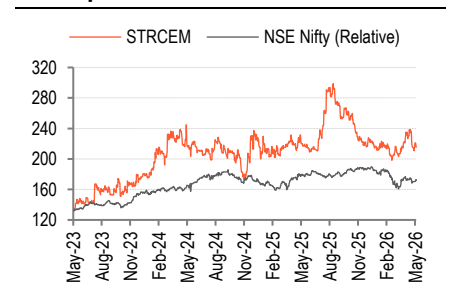
Source: NSE | Price as of 26 May 2026

**Key financials**

Y/E 31 Mar	FY26P	FY27E	FY28E
Total revenue (Rs mn)	37,414	44,991	52,242
EBITDA (Rs mn)	9,359	10,287	12,389
Adj. net profit (Rs mn)	4,018	4,231	4,967
Adj. EPS (Rs)	9.6	10.1	11.8
Consensus EPS (Rs)	9.6	10.5	12.1
Adj. ROAE (%)	13.3	12.4	12.9
Adj. P/E (x)	22.5	21.3	18.2
EV/EBITDA (x)	10.1	9.2	7.7
Adj. EPS growth (%)	138.0	5.3	17.4

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

**Stock performance**



Source: NSE



**BUY**

TP: Rs 280 | ▲ 20%

**GREENLAM INDUSTRIES**

Building Materials

27 May 2026

### Strong Q4: Laminates recovery drives earnings beat

- **Beat estimates.** Revenue/EBITDA grew 26%/69% YoY, led by laminates recovery and particleboard ramp-up
- **Laminates margins rebound sharply by 442bps YoY to 18.1%;** particleboard losses narrow with utilisation ramp-up
- **Revise estimates, roll forward to Mar-28EPS,** ascribe unchanged 1YF multiple of 35x and arrive at TP of Rs 280. Maintain BUY

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**Strong Q4 beat led by laminates; margins expand sharply:** GRLM reported strong Q4FY26 revenue/EBITDA/APAT growth of 26%/69%/1824% YoY, beating our estimates by 11%/46%/186% respectively. The performance was driven by healthy growth across key segments, improving realisations and operating leverage. Consolidated EBITDA margin expanded 323bps YoY to 12.6%, aided by strong margin recovery in the laminates segment and lower employee/other cost ratios.

**Laminates drive earnings recovery:** Laminate revenue grew 14% YoY driven by 5% volume growth and 10% improvement in realisations, while EBITDA margin expanded sharply by 442bps YoY to 18.1% aided by better mix, premiumisation and improved spreads. The segment remained the key profitability driver during the quarter, supporting overall margin expansion.

**Plywood and particleboard performance improves:** Plywood revenue grew 18% YoY led by strong volume growth of 44% YoY, though the segment remained loss-making at EBITDA level amid continued cost pressures. Particleboard revenue increased sharply to Rs 798mn (vs. Rs 51mn in Q4FY25) driven by ramp-up in volumes and improving utilisation, while losses narrowed sequentially. Recent price hikes across laminates, plywood and particleboard are expected to partly offset elevated chemical and freight inflation. Net debt declined to Rs 940mn as of Mar'26 versus Rs 1.01bn in Dec'25.

**Maintain BUY; revised TP to Rs 280:** We expect GREENLAM to deliver strong earnings recovery over FY26-29E, driven by utilisation ramp-up across laminates and particleboard, operating leverage benefits and gradual deleveraging following completion of the heavy capex cycle. We raise FY27E/FY28E revenue estimates by 4-5% to factor in stronger growth across laminates and particleboard, while cutting EPS by 4-5% owing to lower near-term margin assumptions amid continued chemical inflation. We roll forward to Mar'28E and retain our unchanged 35x P/E multiple, resulting in a revised TP of Rs 280 (vs Rs 290 earlier). Maintain BUY.

### Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	GRLM IN/Rs 234
Market cap	US\$ 624.2mn
Free float	49%
3M ADV	US\$ 0.6mn
52wk high/low	Rs 279/Rs 198
Promoter/FPI/DII	51%/2%/15%

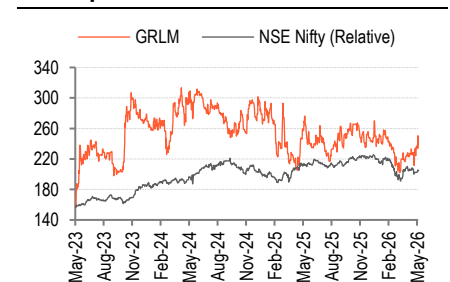
Source: NSE | Price as of 26 May 2026

### Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	30,461	37,044	41,786
EBITDA (Rs mn)	3,249	4,039	4,874
Adj. net profit (Rs mn)	580	1,433	2,021
Adj. EPS (Rs)	2.3	5.6	7.9
Consensus EPS (Rs)	2.3	6.4	9.4
Adj. ROAE (%)	5.0	11.6	14.7
Adj. P/E (x)	103.0	41.7	29.6
EV/EBITDA (x)	21.3	17.2	14.1
Adj. EPS growth (%)	(20.7)	147.1	41.0

Source: Company, Bloomberg, BOBCAPS Research

### Stock performance



Source: NSE



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**BUY** – Expected return >+15%

**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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