motilal oswal Financial Services

05 November 2025

2QFY26 Results Update | Sector: Cement

# The Ramco Cements

| | |
|---|---|
| Estimate change | ⟷ |
| TP change | ⟷ |
| Rating change | ⟷ |

| | |
|---|---|
| Bloomberg | TRCL IN |
| Equity Shares (m) | 236 |
| M.Cap.(INRb)/(USDb) | 243.3 / 2.7 |
| 52-Week Range (INR) | 1209 / 788 |
| 1, 6, 12 Rel. Per (%) | 1/4/11 |
| 12M Avg Val (INR M) | 557 |

**Financial Snapshot (INR b)**

| Y/E Mar | FY26E | FY27E | FY28E |
|---|---|---|---|
| Sales | 92.1 | 100.5 | 109.5 |
| EBITDA | 16.4 | 19.9 | 23.4 |
| Adj. PAT | 3.8 | 5.8 | 8.2 |
| EBITDA Margin (%) | 17.8 | 19.8 | 21.4 |
| Adj. EPS (INR) | 16.0 | 24.6 | 34.6 |
| EPS Gr. (%) | 309.6 | 53.6 | 40.3 |
| BV/Sh. (INR) | 329 | 349 | 383 |
| **Ratios** | | | |
| Net D:E | 0.5 | 0.5 | 0.4 |
| RoE (%) | 5.0 | 7.3 | 9.4 |
| RoCE (%) | 5.7 | 7.2 | 8.7 |
| Payout (%) | 24.9 | 0.0 | 0.0 |
| **Valuations** | | | |
| P/E (x) | 64.1 | 41.8 | 29.8 |
| P/BV (x) | 3.1 | 2.9 | 2.7 |
| EV/EBITDA(x) | 16.7 | 13.9 | 11.6 |
| EV/ton (USD) | 128 | 110 | 108 |
| Div. Yield (%) | 0.4 | 0.0 | 0.0 |
| FCF Yield (%) | 3.3 | 1.9 | 4.0 |

**Shareholding pattern (%)**

| As On | Sep-25 | Jun-25 | Sep-24 |
|---|---|---|---|
| Promoter | 42.6 | 42.6 | 42.3 |
| DII | 31.9 | 31.2 | 34.3 |
| FII | 8.2 | 8.4 | 6.6 |
| Others | 17.4 | 17.8 | 16.9 |

FII Includes depository receipts

**CMP: INR1,030 TP: INR1,060 (+3%) Neutral**

## Higher volume drives EBITDA beat

### Reiterates capacity target of 30mtpa by Mar'26

- The Ramco Cements' (TRCL) 2QFY26 EBITDA grew 24% YoY to INR3.9b (12% beat), led by higher-than-estimated volume (5% beat) and lower-than-estimated opex/t. EBITDA/t rose 22% YoY (down 12% QoQ) to INR851 (6% beat). Adj PAT surged 191% YoY to INR743m (55% beat), albeit on a low base.
- Management indicated that muted volume growth was due to early monsoons, excess rainfall, and run-up to GST 2.0. The construction chemicals business, however, registered strong performance, with sales volume up ~72% YoY on a low base. TRCL has reiterated its target to reach 30mtpa cement capacity by Mar'26 through the commissioning of the line II at Kolimigundla and debottlenecking/grinding capacity additions at existing sites with minimal capex. It has monetized non-core assets worth INR5b out of the targeted value of INR10b. The balance is yet to be monetized, subject to necessary approvals.
- We maintain our EBITDA estimates for FY26-28. The stock is currently trading at 14x/12x FY27E/FY28E EV/EBITDA. We value the stock at 13x Sep'27E EV/EBITDA to arrive at our TP of INR1,060. **Reiterate Neutral.**

### Overall volume increased ~1% YoY; realization/t up 8% YoY

- Revenue/EBITDA/adj. PAT stood at INR22.3b/INR3.9b/INR743m (+10%/+24%/+191% YoY and +6%/+12%/+55% vs. estimates) in 2Q. Sales volume inched up ~1% YoY to 4.5mt (~5% beat). Realization/t was up 8% YoY/down ~2% QoQ at INR4,914/t (in line).
- Opex/t was up 6% YoY (1% below our estimate), led by 5%/14%/3% increase in variable cost/other expenses/freight cost. OPM surged 2pp YoY to ~17% (vs. estimate of ~16%), and EBITDA/t increased ~22% YoY to INR851.
- Depreciation increased ~8% YoY, while interest cost declined 7% YoY. Other income declined ~38% YoY. ETR stood at 25.9% vs. 26.9% in 2QFY25.
- In 1HFY26, revenue/EBITDA/adj. PAT stood at INR43.1b/INR7.8b/INR1.6b (up ~4%/24%/162% YoY). OPM surged 2.9pp YoY to ~18.2%. OCF stood at INR6.5b vs. INR4.4b in 1HFY25. Capex stood at INR6b vs. INR5.4b. Net cash inflow stood at INR451m vs. INR1b in 1HFY25.

### Highlights from the management commentary

- The share of premium products was ~30% in 2QFY26 vs. ~27%/29% in 2QFY25/1QFY26 in the south region. In the east region, it was ~24% in 2QFY26 vs. ~23%/22% in 2QFY25/1QFY26. OPC share was ~35% of total volumes in 2QFY26 vs. 30%/31% in 2QFY25/1QFY26.
- Blended coal consumption cost was USD122/t (INR1.49/kcal) vs. USD130/USD126 (INR1.60/INR1.55 per kcal) in 2QFY25/1QFY26.
- In 2Q, TRCL incurred capex of INR2.8b, including maintenance capex. FY26 capex guidance is INR12b.

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## View and valuation

- TRCL's operating performance was above our estimates due to higher-than-estimated volume and lower opex/t. We estimate a CAGR of ~9%/24% in revenue/EBITDA over FY25-28 and ~107% in PAT (on a low base). We believe that net debt peaked in FY25 at INR44.3b (net debt-to-EBITDA at 3.6). We estimate its net debt to decline to INR36.6b (net debt-to-EBITDA at 1.6x) by FY28.
- The stock is currently trading at 14x/12x FY26E/FY27E/FY28E EV/EBITDA (vs. its long-term average of 15x) and USD110/108 EV/t (vs. long-term average of USD130). We value the stock at 13x Sep'27E EV/EBITDA to arrive at our TP of INR1,060. **Reiterate Neutral.**

**Quarterly Performance** (INR b)

| Y/E March | FY25 | | | | FY26 | | | | FY25 | FY26E | FY26 | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 1QE | (%) |
| Sales volume (m ton) | 4.36 | 4.49 | 4.37 | 5.29 | 4.12 | 4.5 | 4.54 | 5.47 | 18.50 | 18.69 | 4.32 | 5 |
| YoY Change (%) | 1.3 | (2.6) | 9.3 | (3.7) | (5.5) | 1.3 | 4.0 | 3.5 | 0.5 | 1.0 | (3.7) | |
| Realization (INR/ton) | 4,792 | 4,539 | 4,523 | 4,522 | 5,027 | 4,914 | 4,864 | 4,915 | 4,592 | 4,927 | 4,897 | 0 |
| YoY Change (%) | (8.1) | (10.2) | (14.1) | (7.1) | 4.9 | 8.2 | 7.5 | 8.7 | (9.6) | 7.3 | 7.9 | |
| QoQ Change (%) | (1.6) | (5.3) | (0.4) | (0.0) | 11.2 | (2.3) | (1.0) | 1.0 | | | (2.6) | |
| **Net Sales** | **20.9** | **20.4** | **19.8** | **23.9** | **20.7** | **22.3** | **22.1** | **26.9** | **85.0** | **92.1** | **21.2** | 6 |
| YoY Change (%) | (6.8) | (12.5) | (6.2) | (10.5) | (0.9) | 9.6 | 11.8 | 12.5 | (9.1) | 8.4 | 3.9 | |
| **Total Expenditure** | 17.7 | 17.3 | 17.0 | 20.7 | 16.7 | 18.5 | 18.7 | 21.8 | 72.6 | 75.6 | 17.7 | 4 |
| **EBITDA** | **3.2** | **3.1** | **2.8** | **3.2** | **4.0** | **3.9** | **3.4** | **5.1** | **12.3** | **16.4** | **3.5** | 12 |
| YoY Change (%) | (6.5) | (21.7) | (29.3) | (23.1) | (74.4) | 21.1 | 10.0 | 84.0 | (20.7) | 33.3 | 8.4 | |
| Margins (%) | 15.3 | 15.3 | 14.1 | 13.4 | 19.2 | 17.3 | 15.5 | 19.1 | 14.5 | 17.8 | 16.4 | 96 |
| Depreciation | 1.7 | 1.7 | 1.7 | 1.8 | 1.8 | 1.8 | 1.9 | 1.9 | 6.9 | 7.4 | 1.8 | (1) |
| Interest | 1.1 | 1.2 | 1.1 | 1.1 | 1.0 | 1.1 | 1.1 | 1.0 | 4.6 | 4.3 | 1.1 | 4 |
| Other Income | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.4 | 0.4 | 0.1 | (40) |
| **PBT before EO expense** | **0.5** | **0.3** | **0.0** | **0.4** | **1.2** | **1.0** | **0.6** | **2.3** | **1.3** | **5.1** | **0.7** | 51 |
| Extra-Ord expense/(Income) | - | - | (3.3) | (0.1) | - | - | - | - | (3.4) | - | - | |
| **PBT** | **0.5** | **0.3** | **3.3** | **0.5** | **1.2** | **1.0** | **0.6** | **2.3** | **4.7** | **5.1** | **0.7** | 51 |
| Tax | 0.1 | 0.1 | 0.1 | 0.2 | 0.3 | 0.3 | 0.2 | 0.6 | 0.5 | 1.3 | 0.2 | |
| Prior year tax | - | - | - | - | - | - | - | - | - | - | - | |
| Rate (%) | 26.3 | 26.9 | 2.4 | 37.1 | 26.2 | 25.9 | 26.0 | 26.0 | 10.4 | 26.0 | 28.0 | |
| **Reported PAT** | **0.4** | **0.3** | **3.3** | **0.3** | **0.9** | **0.7** | **0.5** | **1.7** | **4.2** | **3.8** | **0.5** | 55 |
| **Adj PAT** | **0.4** | **0.3** | **0.0** | **0.3** | **0.9** | **0.7** | **0.5** | **1.7** | **0.9** | **3.8** | **0.5** | 55 |
| YoY Change (%) | (55.0) | (74.7) | (96.6) | (76.7) | 142.3 | 190.5 | 1,321.7 | 514.2 | (76.6) | 309.6 | 87.2 | |
| Margins (%) | 1.7 | 1.3 | 0.2 | 1.2 | 4.2 | 3.3 | 2.0 | 6.4 | 1.1 | 4.1 | 2.3 | |

**Per ton analysis (incl. Dry mortar)** (INR/t)

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Net realization** | **4,792** | **4,539** | **4,523** | **4,522** | **5,027** | **4,914** | **4,864** | **4,915** | **4,592** | **4,927** | **4,897** | 0 |
| RM Cost | 835 | 894 | 933 | 1,038 | 871 | 1,093 | 1,040 | 1,054 | 931 | 1,020 | 1,070 | 2 |
| Employee Expenses | 314 | 303 | 301 | 234 | 345 | 318 | 317 | 264 | 285 | 308 | 332 | (4) |
| Power, Oil & Fuel | 1,300 | 1,121 | 1,060 | 1,030 | 1,221 | 1,029 | 1,120 | 1,092 | 1,123 | 1,112 | 1,130 | (9) |
| Freight cost | 1,064 | 1,018 | 1,066 | 1,068 | 1,038 | 1,045 | 1,035 | 1,021 | 1,055 | 1,034 | 1,018 | 3 |
| Other Expenses | 546 | 509 | 523 | 546 | 586 | 578 | 596 | 545 | 532 | 574 | 546 | 6 |
| **Total Expenses** | **4,059** | **3,844** | **3,884** | **3,916** | **4,061** | **4,063** | **4,108** | **3,976** | **3,926** | **4,048** | **4,096** | (1) |
| **EBITDA** | **733** | **695** | **639** | **607** | **966** | **851** | **755** | **939** | **666** | **879** | **801** | 6 |

Source: Company, MOFSL Estimates

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## Highlights from the management commentary

### Capex and project update

- The company aims to reach a cement capacity of 30mtpa by Mar'26 through the commissioning of line II at Kolimigundla and undertaking debottlenecking and grinding capacity expansions at existing sites with minimal capex.
- TRCL has monetized INR5.0b out of its targeted INR10b from non-core assets. The balance is expected to be monetized soon, following necessary approvals.
- A WHRS plant of 10MW capacity at R R Nagar was commissioned during Sep'25. An additional 15 MW of WHRS at Kolimigundla, AP, is expected to be commissioned in tandem with Kiln line II in FY27.
- At Kolimigundla, AP, a railway siding has been commissioned in Jul'25. The construction chemicals capacity in Odisha was commissioned in Jul'25.
- The company has acquired ~57% of the mining land and ~13% of factory land for the proposed greenfield project in Karnataka.
- The total capex was INR2.8b in 2QFY26, and it is pegged at INR12.0b for FY26.

### Capacity utilization and volume

- Cement capacity utilization stood at ~71% vs. ~75%/~68% in 2QFY25/1QFY26. Cement volume was flat YoY at 4.4mt in 2QFY26. The decline in cement capacity utilization in 2Q was due to the addition of 1.3mtpa capacity through debottlenecking undertaken in 2HFY25.
- Volume share from South/East was ~83%/~17% in 2QFY26 vs. ~82%/~18% in 2QFY25.

### Operational highlights

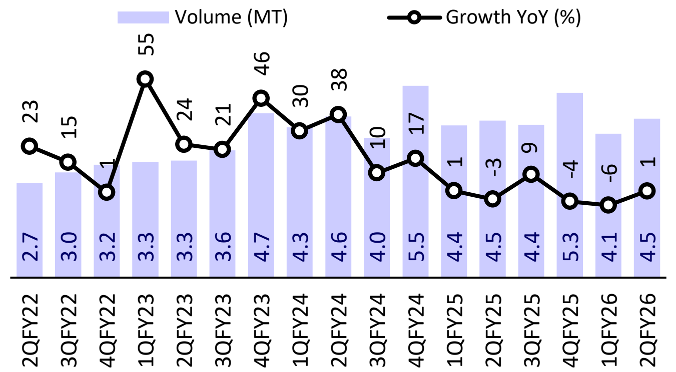
- The share of premium products was ~30% in 2QFY26 vs. ~27%/29% in 2QFY25/1QFY26 in the South region. In the East region, the share of premium products was ~24% in 2QFY26 vs. ~23%/22% in 2QFY25/1QFY26. The OPC share was ~35% of total volumes in 2QFY26 vs. 30%/31% in 2QFY25/1QFY26.
- Blended coal consumption cost was USD122/t (INR1.49/kcal) vs. USD130/ USD126 (INR1.60/INR1.55 per kcal) in 2QFY25/1QFY26.
- TRCL used 50% petcoke vs. 58%/54% in 2QFY25/1QFY26. Alternative fuel share remains low at 1-2%. Green energy contributed 48% of power requirements vs. ~39%/31% in 2QFY25/1QFY26. Avg. lead distance was 253kms in 2QFY26 vs. 244kms in 2QFY25 and 244kms in 1QFY26.
- RM cost/t rose ~10% YoY to INR995/t due to the new mineral bearing land tax (MBT) of INR160/t on limestone in Tamil Nadu, impacting variable cost by INR400m in 2Q. Tamil Nadu remains the only state with such a levy, and industry representations for its reduction are pending with the state government.
- Revenue from the Construction Chemicals business stood at INR2.1b in FY25, with plans to scale it up to INR20b over the next 4-5 years using existing production facilities.

### Debt and other highlights

- Gross debt stood at INR46.8b vs. INR46.5b as of Mar'25. The cost of debt for 2QFY26 was at 7.18% as against 7.96% in 2QFY25.

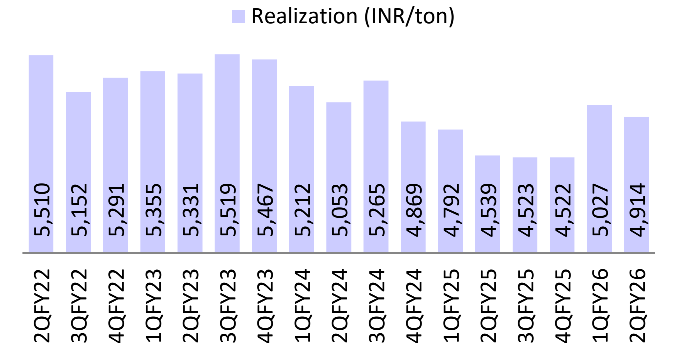
## Story in charts

**Exhibit 1: Sales volume inched up 1% YoY**



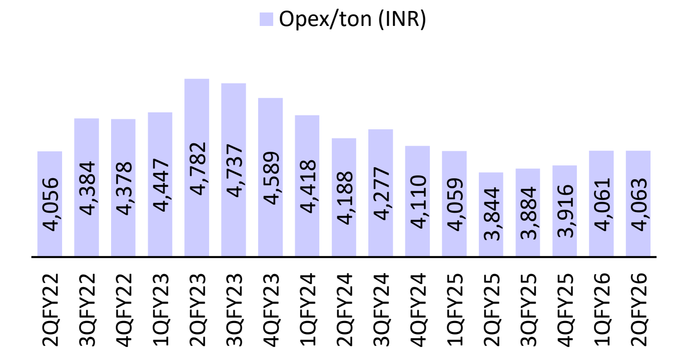

Source: MOFSL, Company

**Exhibit 2: Realization up 8% YoY and down 2% QoQ**



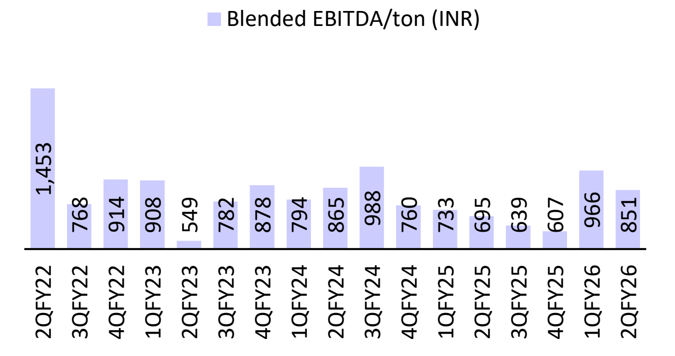

Source: MOFSL, Company

**Exhibit 3: Opex/t was up 6% YoY (flat QoQ)**




Source: MOFSL, Company

**Exhibit 4: EBITDA/t increased 22% YoY**



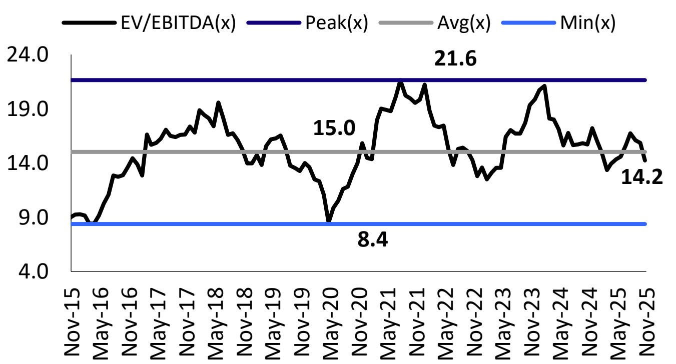

Source: MOFSL, Company

**Exhibit 5: Key performance indicators – per ton analysis**

| INR/t | 2QFY26 | 2QFY25 | YoY (%) | 1QFY26 | QoQ (%) |
|---|---|---|---|---|---|
| **Net realization** | **4,914** | **4,539** | **8.2** | **5,027** | **(2.3)** |
| RM Cost | 1,093 | 894 | 22.3 | 871 | 25.5 |
| Employee Expenses | 318 | 303 | 5.2 | 345 | (7.6) |
| Power, Oil & Fuel | 1,029 | 1,121 | (8.2) | 1,221 | (15.8) |
| Freight and Handling Outward | 1,045 | 1,018 | 2.6 | 1,038 | 0.6 |
| Other Expenses | 578 | 509 | 13.6 | 586 | (1.3) |
| **Total Expenses** | **4,063** | **3,844** | **5.7** | **4,061** | **0.0** |
| **EBITDA** | **851** | **695** | **22.4** | **966** | **(11.9)** |

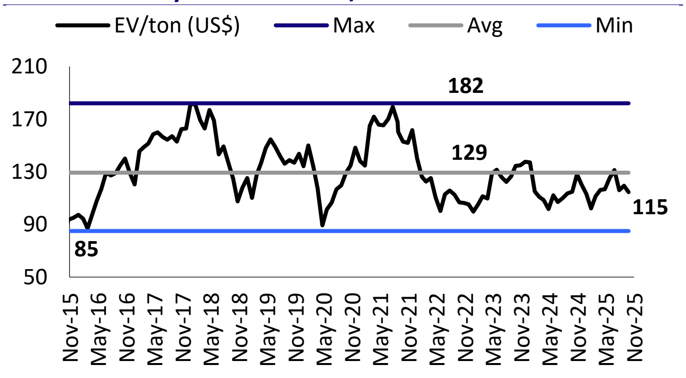
Source: MOFSL, Company

**Exhibit 6: One-year forward EV/EBITDA chart**




Source: MOFSL, Company, Bloomberg

**Exhibit 7: One-year forward EV/ton chart**




Source: MOFSL, Company, Bloomberg

# Financials and valuations

| Income Statement | | | | | | | | (INR m) |
|---|---|---|---|---|---|---|---|---|
| **Y/E March** | **FY21** | **FY22** | **FY23** | **FY24** | **FY25** | **FY26E** | **FY27E** | **FY28E** |
| **Net Sales** | **52,684** | **59,800** | **81,353** | **93,498** | **84,951** | **92,060** | **1,00,503** | **1,09,464** |
| Change (%) | -1.4 | 13.5 | 36.0 | 14.9 | -9.1 | 8.4 | 9.2 | 8.9 |
| **EBITDA** | **15,480** | **12,838** | **11,820** | **15,525** | **12,319** | **16,419** | **19,896** | **23,383** |
| Margin (%) | 29.4 | 21.5 | 14.5 | 16.6 | 14.5 | 17.8 | 19.8 | 21.4 |
| Depreciation | 3,553 | 4,008 | 5,044 | 6,359 | 6,912 | 7,404 | 8,005 | 8,515 |
| **EBIT** | **11,927** | **8,830** | **6,775** | **9,167** | **5,407** | **9,016** | **11,892** | **14,868** |
| Int. and Finance Charges | 876 | 1,124 | 2,405 | 4,155 | 4,588 | 4,253 | 4,262 | 4,041 |
| Other Income - Rec. | 346 | 306 | 367 | 423 | 440 | 360 | 400 | 440 |
| **PBT bef. EO Exp.** | **11,397** | **8,012** | **4,737** | **5,435** | **1,259** | **5,122** | **8,029** | **11,268** |
| EO Expense/(Income) | 0 | 0 | 0 | 0 | -3,398 | 0 | 0 | 0 |
| **PBT after EO Exp.** | **11,397** | **8,012** | **4,737** | **5,435** | **4,657** | **5,122** | **8,029** | **11,268** |
| Current Tax | 2,440 | 1,768 | 257 | 409 | 3 | 1,332 | 2,208 | 3,099 |
| Deferred Tax | 1,346 | -2,682 | 1,045 | 1,076 | 481 | 0 | 0 | 0 |
| Tax Rate (%) | 33.2 | -11.4 | 27.5 | 27.3 | 10.4 | 26.0 | 27.5 | 27.5 |
| **Reported PAT** | **7,611** | **8,927** | **3,435** | **3,950** | **4,174** | **3,791** | **5,821** | **8,169** |
| **PAT Adj for EO items** | **7,611** | **5,899** | **3,435** | **3,950** | **925** | **3,791** | **5,821** | **8,169** |
| Change (%) | 26.6 | -22.5 | -41.8 | 15.0 | -76.6 | 309.6 | 53.6 | 40.3 |
| Margin (%) | 14.4 | 9.9 | 4.2 | 4.2 | 1.1 | 4.1 | 5.8 | 7.5 |

| Balance Sheet | | | | | | | | (INR m) |
|---|---|---|---|---|---|---|---|---|
| **Y/E March** | **FY21** | **FY22** | **FY23** | **FY24** | **FY25** | **FY26E** | **FY27E** | **FY28E** |
| Equity Share Capital | 236 | 236 | 236 | 236 | 236 | 236 | 236 | 236 |
| Total Reserves | 56,032 | 65,012 | 67,699 | 71,205 | 74,701 | 77,547 | 82,187 | 90,356 |
| **Net Worth** | **56,268** | **65,249** | **67,935** | **71,441** | **74,938** | **77,783** | **82,423** | **90,592** |
| Deferred Liabilities | 10,877 | 8,240 | 9,285 | 10,304 | 10,759 | 10,759 | 10,759 | 10,759 |
| Total Loans | 31,017 | 39,300 | 44,874 | 49,168 | 46,521 | 43,021 | 43,521 | 38,521 |
| **Capital Employed** | **98,162** | **1,12,789** | **1,22,095** | **1,30,914** | **1,32,218** | **1,31,563** | **1,36,703** | **1,39,872** |
| Gross Block | 1,06,223 | 1,18,037 | 1,47,329 | 1,72,397 | 1,81,501 | 1,93,366 | 2,06,866 | 2,18,866 |
| Less: Accum. Deprn. | 38,720 | 42,728 | 47,772 | 54,131 | 61,043 | 68,446 | 76,451 | 84,966 |
| **Net Fixed Assets** | **67,503** | **75,309** | **99,557** | **1,18,266** | **1,20,458** | **1,24,919** | **1,30,415** | **1,33,900** |
| Capital WIP | 23,255 | 30,340 | 19,873 | 13,784 | 13,865 | 9,500 | 8,000 | 8,000 |
| **Total Investments** | **4,369** | **4,220** | **4,209** | **4,397** | **4,272** | **4,272** | **4,272** | **4,272** |
| **Curr. Assets, Loans&Adv.** | **18,331** | **20,687** | **21,530** | **25,235** | **25,146** | **26,143** | **28,035** | **31,058** |
| Inventory | 5,979 | 8,333 | 8,823 | 9,823 | 10,150 | 11,000 | 12,009 | 13,079 |
| Account Receivables | 3,752 | 3,498 | 4,650 | 8,522 | 7,219 | 7,567 | 8,261 | 8,997 |
| Cash and Bank Balance | 1,419 | 1,760 | 1,686 | 1,352 | 2,074 | 1,396 | 1,019 | 1,633 |
| Loans and Advances | 7,181 | 7,095 | 6,371 | 5,539 | 5,703 | 6,180 | 6,747 | 7,349 |
| **Curr. Liability & Prov.** | **15,296** | **17,767** | **23,074** | **30,770** | **31,523** | **33,269** | **34,019** | **37,358** |
| Account Payables | 14,655 | 16,985 | 22,141 | 29,635 | 30,158 | 32,682 | 33,042 | 35,988 |
| Provisions | 641 | 782 | 933 | 1,135 | 1,365 | 587 | 976 | 1,370 |
| **Net Current Assets** | **3,035** | **2,920** | **-1,545** | **-5,535** | **-6,377** | **-7,126** | **-5,983** | **-6,300** |
| **Appl. of Funds** | **98,162** | **1,12,789** | **1,22,095** | **1,30,914** | **1,32,218** | **1,31,563** | **1,36,703** | **1,39,872** |

Source: Company, MOFSL Estimates

# Financials and valuations

**Ratios**

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|---|---|---|
| **Basic (INR)** | | | | | | | | |
| **EPS** | **32.3** | **25.0** | **14.5** | **16.7** | **3.9** | **16.0** | **24.6** | **34.6** |
| Cash EPS | 47.3 | 41.9 | 35.9 | 43.6 | 33.2 | 47.4 | 58.5 | 70.6 |
| BV/Share | 238.5 | 276.1 | 287.5 | 302.3 | 317.1 | 329.2 | 348.8 | 383.4 |
| DPS | 3.0 | 3.0 | 2.0 | 2.5 | 2.0 | 4.0 | 0.0 | 0.0 |
| Payout (%) | 9.3 | 7.9 | 13.8 | 15.0 | 11.3 | 24.9 | 0.0 | 0.0 |
| **Valuation (x)** | | | | | | | | |
| P/E | 31.9 | 41.2 | 70.7 | 61.5 | 262.6 | 64.1 | 41.8 | 29.8 |
| Cash P/E | 21.7 | 24.5 | 28.7 | 23.6 | 31.0 | 21.7 | 17.6 | 14.6 |
| P/BV | 4.3 | 3.7 | 3.6 | 3.4 | 3.2 | 3.1 | 2.9 | 2.7 |
| EV/Sales | 4.7 | 4.2 | 3.3 | 3.0 | 3.2 | 3.0 | 2.8 | 2.5 |
| EV/EBITDA | 16.1 | 19.5 | 22.5 | 17.8 | 22.2 | 16.7 | 13.9 | 11.6 |
| EV/Ton (USD) | 152 | 153 | 144 | 143 | 135 | 128 | 110 | 108 |
| Dividend Yield (%) | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 | 0.4 | 0.0 | 0.0 |
| **Return Ratios (%)** | | | | | | | | |
| RoIC | 11.9 | 13.5 | 5.7 | 6.4 | 4.3 | 5.8 | 7.2 | 8.6 |
| RoE | 14.4 | 9.7 | 5.2 | 5.7 | 1.3 | 5.0 | 7.3 | 9.4 |
| RoCE | 9.8 | 10.6 | 4.8 | 6.0 | 3.5 | 5.7 | 7.2 | 8.7 |
| **Working Capital Ratios** | | | | | | | | |
| Asset Turnover (x) | 0.5 | 0.5 | 0.7 | 0.7 | 0.6 | 0.7 | 0.7 | 0.8 |
| Inventory (Days) | 41.4 | 50.9 | 39.6 | 38.3 | 43.6 | 43.6 | 43.6 | 43.6 |
| Debtor (Days) | 26.0 | 21.3 | 20.9 | 33.3 | 31.0 | 30.0 | 30.0 | 30.0 |
| Creditor (Days) | 101.5 | 103.7 | 99.3 | 115.7 | 129.6 | 129.6 | 120.0 | 120.0 |
| **Leverage Ratio (x)** | | | | | | | | |
| Current Ratio | 1.2 | 1.2 | 0.9 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Debt/Equity | 0.6 | 0.6 | 0.7 | 0.7 | 0.6 | 0.6 | 0.5 | 0.4 |

**Cash Flow Statement** (INR m)

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|---|---|---|
| OP/(Loss) before Tax | 11,397 | 8,012 | 4,737 | 5,435 | 4,657 | 5,122 | 8,029 | 11,268 |
| Depreciation | 3,553 | 4,008 | 5,044 | 6,359 | 6,912 | 7,404 | 8,005 | 8,515 |
| Interest & Finance Charges | 876 | 1,124 | 2,405 | 4,155 | 4,588 | 4,253 | 4,262 | 4,041 |
| Direct Taxes Paid | -3,786 | 915 | -1,302 | -419 | -202 | -1,332 | -2,208 | -3,099 |
| (Inc)/Dec in WC | 5,507 | 457 | 4,390 | 3,587 | 1,662 | 74 | -1,522 | 931 |
| **CF from Operations** | **17,547** | **14,516** | **15,275** | **19,117** | **17,617** | **15,521** | **16,566** | **21,655** |
| Others | 143 | 30 | -166 | -245 | -3,595 | 0 | 0 | 0 |
| **CF from Operating incl EO** | **17,690** | **14,546** | **15,109** | **18,872** | **14,022** | **15,521** | **16,566** | **21,655** |
| (Inc)/Dec in FA | -17,434 | -18,900 | -18,826 | -19,224 | -10,240 | -7,500 | -12,000 | -12,000 |
| **Free Cash Flow** | **256** | **-4,354** | **-3,717** | **-352** | **3,782** | **8,021** | **4,566** | **9,655** |
| (Pur)/Sale of Investments | -94 | 150 | 11 | 28 | 3,758 | 0 | 0 | 0 |
| Others | 1,150 | -1,904 | 935 | 197 | 1,031 | 0 | 0 | 0 |
| **CF from Investments** | **-16,378** | **-20,654** | **-17,880** | **-18,999** | **-5,452** | **-7,500** | **-12,000** | **-12,000** |
| Issue of Shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Inc/(Dec) in Debt | 776 | 8,282 | 5,575 | 4,258 | -2,708 | -3,500 | 500 | -5,000 |
| Interest Paid | -876 | -1,124 | -2,405 | -4,063 | -4,517 | -4,253 | -4,262 | -4,041 |
| Dividend Paid | -708 | -709 | -473 | -473 | -591 | -945 | -1,182 | 0 |
| Others | 0 | 0 | 0 | -2 | -3 | 0 | 0 | 0 |
| **CF from Fin. Activity** | **-808** | **6,450** | **2,697** | **-280** | **-7,819** | **-8,698** | **-4,944** | **-9,041** |
| **Inc/Dec of Cash** | **504** | **342** | **-74** | **-407** | **751** | **-677** | **-378** | **615** |
| Opening Balance | 915 | 1,419 | 1,761 | 1,759 | 1,322 | 2,074 | 1,396 | 1,019 |
| **Closing Balance** | **1,419** | **1,761** | **1,686** | **1,351** | **2,074** | **1,396** | **1,019** | **1,633** |

| Explanation of Investment Rating | |
|---|---|
| **Investment Rating** | **Expected return (over 12-month)** |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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