

## India

## ADD (no change)

Consensus ratings\*: Buy 32 Hold 8 Sell 3

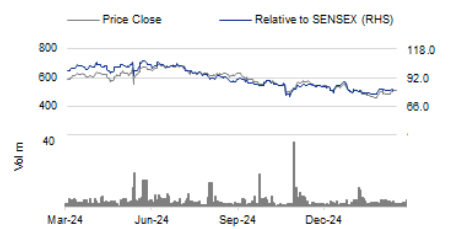
Current price: Rs534  
 Target price: ▼ Rs620  
 Previous target: Rs630  
 Up/downside: 16.1%  
 InCred Research / Consensus: 3.6%

Reuters: ABUJ.NS  
 Bloomberg: ACEM IN  
 Market cap: US\$15,426m  
 Rs1,315,185m  
 Average daily turnover: US\$18.7m  
 Rs1591.6m  
 Current shares o/s: 1,985.7m  
 Free float: 26.9%

\*Source: Bloomberg

## Key changes in this note

- EBITDA maintained for FY26F/27F.
- Maintain ADD rating with a marginally lower target price of Rs620.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(0.8)	4.1	(13.9)
Relative (%)	(4.4)	0.5	(20.1)

Major shareholders	% held
Promoter & Promoter Group	67.6
Life Insurance Corporation of India	5.6
ICICI Pru MF	2.2

## Research Analyst(s)



## Nishant BAGRECHA

T (91) 22 4161 1564

E nishant.bagrecha@incredresearch.com

## Saurabh SINGH

T (91) 2241611558

E saurabh.singh@incredresearch.com

## Rohan KALLE

T (91) 22 4161 1561

E rohan.kalle@incredresearch.com

## Ambuja Cements Ltd

## Cost synergy and pricing drives profitability

- 4Q consol. EBITDA was ~Rs18.7bn, up ~10% yoy, on lower-than-expected fixed costs. Blended unit EBITDA/t rose ~Rs462 qoq to Rs1,001 vs. estimated Rs810.
- ACEM to invest ~Rs90bn in capex in FY26F (~70% towards growth). Reiterates its guidance for reducing consol. costs/t to ~Rs3,650 by FY28F.
- We maintain our FY26F-27F EBITDA estimates. Retain our ADD rating with a marginally lower target price of Rs620 (vs. Rs630 earlier).

## Organic volume rise at par with industry; ambitious growth on track

Ambuja Cements or ACEM reported consolidated cement volume of 18.7mt in 4QFY25, up ~13% yoy and qoq (highest-ever quarterly volume). Standalone volume came in at 11.6mt. The growth was driven by its focus on ground strategy along with improvement in the blended mix, premiumization & trade sales. Combined volume from Sanghi and Penna were 1.6mt, with a significant ramp-up expected in FY26F. Penna's clinker utilization was ~80% (vs. 85% qoq), while cement utilization remained at ~40-45%. Sanghi's at ~40-45% (cement), and Orient Cement's ~60-75%. ACEM highlighted that industry demand grew by ~6.5-7% in 4Q. Management expects industry growth to grow at ~7-8% in FY26F. ACEM expects to outperform industry growth. Pricing improved, with further gains in the current month vs. 4Q avg. South India saw stronger pricing improvement. Blended realization rose by ~3% qoq to Rs5,288/t, driven by a higher share of premium cement sales (~29% in 4Q, targeting ~35% by FY26F) and trade sales. Closed FY25 with >100mtpa capacity and aims to reach ~118mtpa by FY26F, and 140mtpa by FY28F.

## Cost savings improve margin; aims ~Rs1,500/t EBITDA by FY28F

Consolidated adj. EBITDA/t was up by ~Rs462 qoq at Rs1,001/t. During 4Q, P&F costs declined by ~2% qoq and are expected to come down due to rising share of green energy and a reduction in the energy basket. Kiln fuel costs at Rs1.58/kcal vs. Rs1.85/kcal yoy. Freight costs savings to continue, with primary lead distance reduced to 265km (vs. 268 km qoq, 280km yoy) and is expected to decline with rising grinding unit or GU and direct dispatches (~58%). Of the total cost savings target of Rs500-550/t, it achieved ~Rs150-170/t, Rs100/t is expected in FY26F and Rs150/t in FY27F. Current WHRS capacity is 218MW, targeting ~30% of power needs at 140mtpa capacity. ACEM aims at ~Rs1,500/t EBITDA by FY28F, supported by integration of Sanghi (clinker advantage) and Penna.

## Maintain ADD rating with a marginally lower target price of Rs620

We maintain our ADD rating on ACEM with a slightly lower target price of Rs620 (Mar 2026F), based on implied consol. EV/EBITDA of 18x (unchanged). Though its current valuation is at a marginal premium vs. long-term median, the premium is to reflect the possibility of a potential rise, and cost-saving synergies with group companies. On the balance sheet, ACEM had a cash balance of Rs101.2bn in Mar 2025 vs. Rs87.3bn in Dec 2024 (not adjusted for Rs50bn+ payout for Orient Cement acquisition in Apr 2025). Capex to be ~Rs90bn in FY26F, with ~Rs60bn for growth and the rest for efficiency measures. ACC's cash outflow of ~Rs6.9bn was used to invest in land in respect of the purchase of coal mines, limestone blocks and grinding units. Downside risks: Pricing pressure, delay in projects, rise in input costs, and dismal demand growth.

## Financial Summary

	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Revenue (Rsm)	389,370	331,596	342,184	414,727	478,462
Operating EBITDA (Rsm)	51,224	63,995	51,443	74,162	97,616
Net Profit (Rsm)	25,834	35,734	41,674	35,569	49,288
Core EPS (Rs)	14.2	17.0	15.5	14.4	20.0
Core EPS Growth	(1.2%)	20.1%	(8.9%)	(7.0%)	38.6%
FD Core P/E (x)	41.04	29.67	28.50	36.97	26.68
DPS (Rs)	2.5	2.0	2.1	3.4	4.4
Dividend Yield	0.47%	0.41%	0.37%	0.65%	0.90%
EV/EBITDA (x)	20.13	14.95	21.89	17.54	13.52
P/FCFE (x)	(7.71)	(31.85)	(18.37)	(20.68)	(30.69)
Net Gearing	(7.5%)	(20.3%)	(9.6%)	(2.1%)	0.7%
P/BV (x)	2.74	2.09	2.06	1.96	1.83
ROE	7.9%	7.6%	6.0%	5.4%	7.1%
% Change In Core EPS Estimates				(0.47%)	(0.41%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Cost synergy and pricing drives profitability

### 4QFY25 results review and earnings-call takeaways

#### Update on operational performance:

##### Demand & pricing:

- **Volume:** During 4Q, consol. cement volume came in at 18.7mt (broadly in line with our estimate), +13% yoy and +13% qoq. Standalone volume stood at 11.6mt. Penna clinker utilization came in at ~80% vs. ~85% qoq.
- **Pricing:** Price/bag improved by Rs7-10/bag in 4Q and a further improvement is seen in the current month. Overall healthy across pockets, south region saw better improvement while the eastern and north regions have been subdued.
- **Industry demand:** ~6.5-7% industry growth rate in 4QFY25, 4-5% in FY25. Expects better growth in FY26F with the infrastructure sector's revival, rural demand and construction activity. Expects the industry to grow by 7-8% in FY26F. ACEM to grow ahead of the industry.
- **Industry demand-supply balance:** Expects supply to post ~6% CAGR vs. demand growing by ~7-7.5% CAGR.
- For FY25, exit utilization level was ~40-45% at Sanghi, Penna clinker at 80-85%, cement at 40-45%, and Orient Cement at ~60-75%.
- The focus on ground strategy, blended mix, premium mix and trade sales is driving growth for the company.
- **Premium product sales:** Taken steps like network improvement, spending on branding, and trade sales to increase weightage of premium sales. Target of ~35% in FY26F vs. 29% in 4QFY25.
- Combined Sanghi and Penna volume was 1.6mt in 4QFY25, which is expected to be ramped up significantly in FY26F.
- As per management, the delta of improvement of ACEM was the best compared to other peers in 4QFY25.
- **Realization:** Blended realization was up by ~3% qoq to ~Rs5,288/t due to improved premium sales and trade sales (~in line with Incred estimate).

##### Costs & margin

- **Costs:** Overall blended costs/t were ~4% below our estimate at Rs4,289/t (down 7% qoq and 1% yoy on account of lower raw material costs and fixed costs).
- **Kiln fuel costs (on consol. basis)** came in at Rs1.58/kcal vs. Rs1.85/kcal yoy. Higher use of low-cost imported pet-coke and E-auction coal, along with the overall reduction in the cost of the fuel basket. Green power's share reached 26.1%.
- **Cost savings target of Rs500-550/t:** Savings of Rs150-170/t cost savings already achieved in the past few years, and more savings to come going ahead with power, fly ash (entered into long-term agreements with Adani Power), BCFC rakes (ordered 26) to remain a game changer for the company. Will order ~8 shipping vessels to improve marine shipments. Rs100/t savings in F26 and Rs150/t savings likely in FY27F.
- Capex will help to reduce ~8-10% in raw material costs.
- Current installed WHRS capacity at 218MW, to have ~30% of WHRS at 140mtpa capacity. To increase the consumption from captive coal mines, the company has started bidding for coal mines.
- Primary lead distance to reduce by commissioning of more grinding units or GUs.
- Secured more than 300mnt of limestone reserves from three mines, taking the total reserves to >9bnt.

- To achieve Rs1,500 EBITDA/t by FY28F. Integration of Sanghi and Penna Cements will help to reduce costs.
- **Freight costs:** Targeting to reduce primary lead distance by 100km to 170km. Primary lead distance was 265km vs. 268km qoq and 280km yoy, secondary lead distance at 46km vs. 48km yoy due to the rise in direct dispatches, which is now at 58%. Ordered rakes to further reduce lead costs and strengthen fly ash and clinker transportation.
- Large portion of cost savings to come in the end years, mainly due to coal mine savings.
- **EBITDA:** Consol. EBITDA for the quarter came in at ~Rs18.7bn (~21% above our estimate), up by ~78% qoq and 10% yoy. Unit EBITDA stood at Rs999/t during the quarter vs. Rs537/t qoq and Rs1,023/t yoy.
- **Reported PAT** of Rs9.6bn vs. our expectation of Rs7.9bn.

#### **Other updates**

- **Capex:** Expects capex of Rs90bn (Rs60bn for growth capex) in FY26F. Efficiency capex to be towards WHRS, and BCFC rakes.
- Northeast: Will review limestone investment in some time; nearby markets have a good brand image of ACEM.
- Impaired a few cement assets having a value of ~Rs2bn (~2.5mtpa) which were older – seen as a proactive measure.
- Other financial assets' value has increased due to increased value of fixed deposits and government grant (Rs1.09bn).
- Sanghi & Penna: South India market has been sluggish, and Penna Cement's utilization remains lower than clinker. Sanghi's plants, behind targets due to factors like being an island plant requiring power and dredging support, and maintenance needs, expect the utilization to ramp up significantly in FY26F.
- Both Sanghi kilns are now up and running, and Sanghi is expected to be a key clinker hub due to its cost advantages.
- Orient Cement: Open offer amount of Rs20bn deposited with SEBI.
- Post Orient Cement acquisition, Rs50bn is in the form of actual cash with additional arrears, incentives and improving cash flow, which will help to fund capex internally.
- ACC's cash reserve of ~Rs6.9bn was used to invest in land (Western India) where it aims to build a GU, which is close to coal and limestone mines.
- The company has ~40-50% new capacity share, which puts it at an advantage compared to peers.
- Will announce additional GUs to be commissioned in the coming years.
- The integration of recent acquisitions (Sanghi, Penna Cement, and Orient Cement) is progressing extremely well, unlocking synergies faster than expected.

## 4QFY25 results review

Figure 1: consolidated quarterly performance

Particulars (Rs m)	4QFY25	4QFY25F	3QFY25	4QFY24	% Change		
					4QFY25F	3QFY25	4QFY24
Net Sales	98,886	1,00,100	85,022	88,940	-1%	16%	11%
Raw Materials Consumed	18,268	19,671	18,054	17,551	-7%	1%	4%
Freight and Forwarding Expenses	23,361	22,462	20,438	21,191	4%	14%	10%
Power and Fuel Costs	22,988	22,601	20,623	19,942	2%	11%	15%
Employee Costs	3,555	4,399	3,823	3,142	-19%	-7%	13%
Other Expenses	12,039	15,513	13,229	10,128	-22%	-9%	19%
<b>Total Expenditure</b>	<b>80,211</b>	<b>84,647</b>	<b>76,167</b>	<b>71,953</b>	<b>-5%</b>	<b>5%</b>	<b>11%</b>
<b>EBITDA</b>	<b>18,676</b>	<b>15,453</b>	<b>8,855</b>	<b>16,987</b>	<b>21%</b>	<b>111%</b>	<b>10%</b>
Depreciation	7,864	7,249	6,640	4,592	8%	18%	71%
<b>EBIT</b>	<b>10,812</b>	<b>8,204</b>	<b>2,215</b>	<b>12,395</b>	<b>32%</b>	<b>388%</b>	<b>-13%</b>
Interest	143	692	670	929	-79%	-79%	-85%
Other Income	5,733	3,268	19,891	2,335	75%	-71%	146%
<b>PBT</b>	<b>17,796</b>	<b>10,781</b>	<b>23,361</b>	<b>15,950</b>	<b>65%</b>	<b>-24%</b>	<b>12%</b>
Tax	4,973	2,911	-2,840	738	71%	-275%	574%
<b>Recurring PAT</b>	<b>9,563</b>	<b>7,870</b>	<b>21,153</b>	<b>15,212</b>	<b>22%</b>	<b>-55%</b>	<b>-37%</b>
Extraordinary Items	1,866	0	3,123	2,556			
<b>Reported PAT</b>	<b>9,563</b>	<b>7,870</b>	<b>21,153</b>	<b>15,212</b>	<b>22%</b>	<b>-55%</b>	<b>-37%</b>
EPS (Rs)	6.5	4.0	13.2	7.7	63%	-51%	-16%
<b>Margins (%)</b>							
Gross Margin	32.4%	33.1%	27.7%	31.4%	-71bp	468bp	101bp
EBITDA Margin	18.9%	15.4%	10.4%	19.1%	345bp	847bp	-21bp
EBIT Margin	10.9%	8.2%	2.6%	13.9%	274bp	833bp	-300bp
PBT Margin	18.0%	10.8%	27.5%	17.9%	723bp	-948bp	6bp
PAT Margin	9.7%	7.9%	24.9%	17.1%	181bp	-1,521bp	-743bp
Tax Rate	27.9%	27.0%	-12.2%	4.6%			
<b>Cost Items as a % of Sales</b>							
RM + Freight + P&F Costs	65.3%	64.7%	69.5%	66.0%	68bp	-418bp	-64bp
Employee Costs	3.6%	4.4%	4.5%	3.5%	-80bp	-90bp	6bp
Other Expenses	12.2%	15.5%	15.6%	11.4%	-332bp	-339bp	79bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

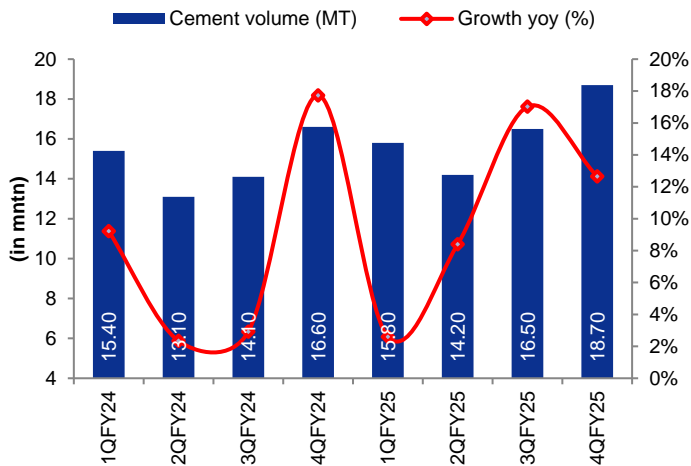
Figure 2: 4QFY25 results: Per tonne analysis

Per tonne analysis	4QFY25	4QFY25F	3QFY25	4QFY24	% Change		
					4QFY25F	3QFY25	4QFY24
<b>Sales volume (Cement)</b>	<b>18.70</b>	<b>19.00</b>	<b>16.50</b>	<b>16.60</b>	<b>-1.6%</b>	<b>13.3%</b>	<b>12.7%</b>
Realization	5,288	5,268	5,153	5,358	0.4%	2.6%	-1.3%
<b>EBITDA/t</b>	<b>999</b>	<b>813</b>	<b>537</b>	<b>1,023</b>	<b>22.8%</b>	<b>86.1%</b>	<b>-2.4%</b>
RM Costs/t	977	1,035	1,094	1,057	-5.6%	-10.7%	-7.6%
P&F Costs/t	1,229	1,190	1,250	1,201	3.3%	-1.6%	2.3%
Freight Costs/t	1,249	1,182	1,239	1,277	5.7%	0.9%	-2.1%
Employee Costs/t	190	232	232	189	-17.9%	-18.0%	0.4%
Other Expenses/t	644	816	802	610	-21.2%	-19.7%	5.5%
<b>Total Costs/t</b>	<b>4,289</b>	<b>4,455</b>	<b>4,616</b>	<b>4,335</b>	<b>-3.7%</b>	<b>-7.1%</b>	<b>-1.0%</b>

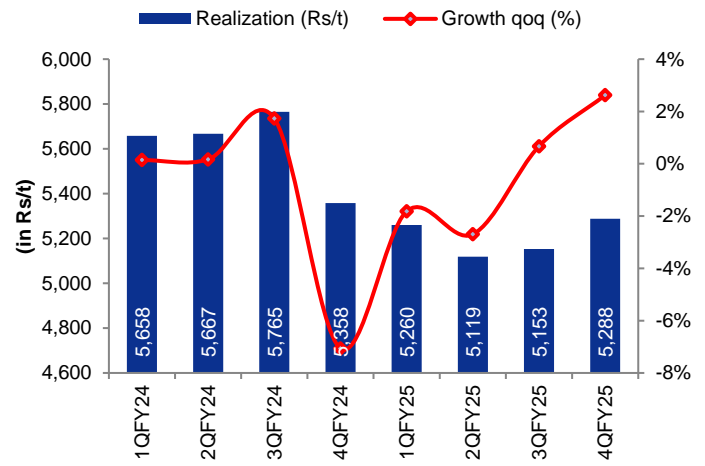
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

## Key charts ➤

**Figure 3: Cement sales volume, including clinker, up by ~13% yoy** **Figure 4: Realization was up by ~3% qoq during 4QFY25**

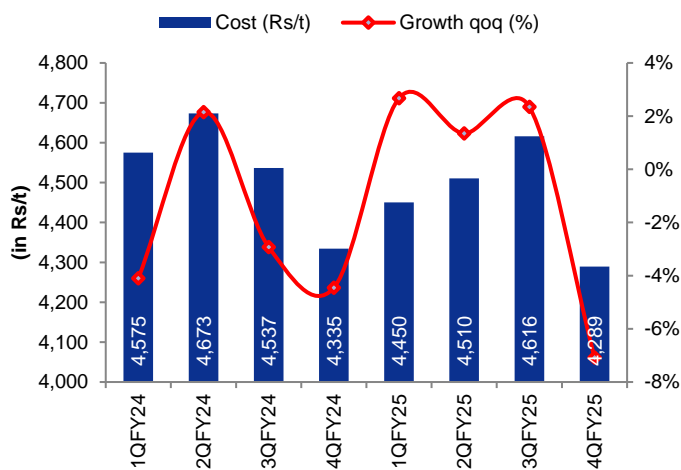


SOURCE: INCRED RESEARCH, COMPANY REPORTS



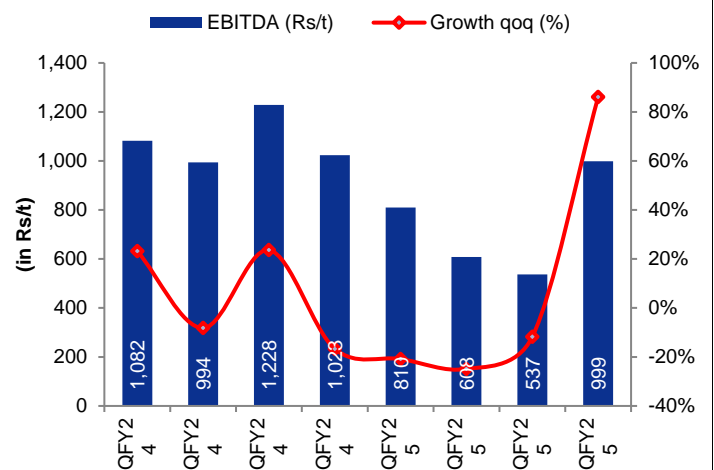
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 5: Total operating costs/t down by ~7% qoq and ~1% yoy**



SOURCE: INCRED RESEARCH, COMPANY REPORTS

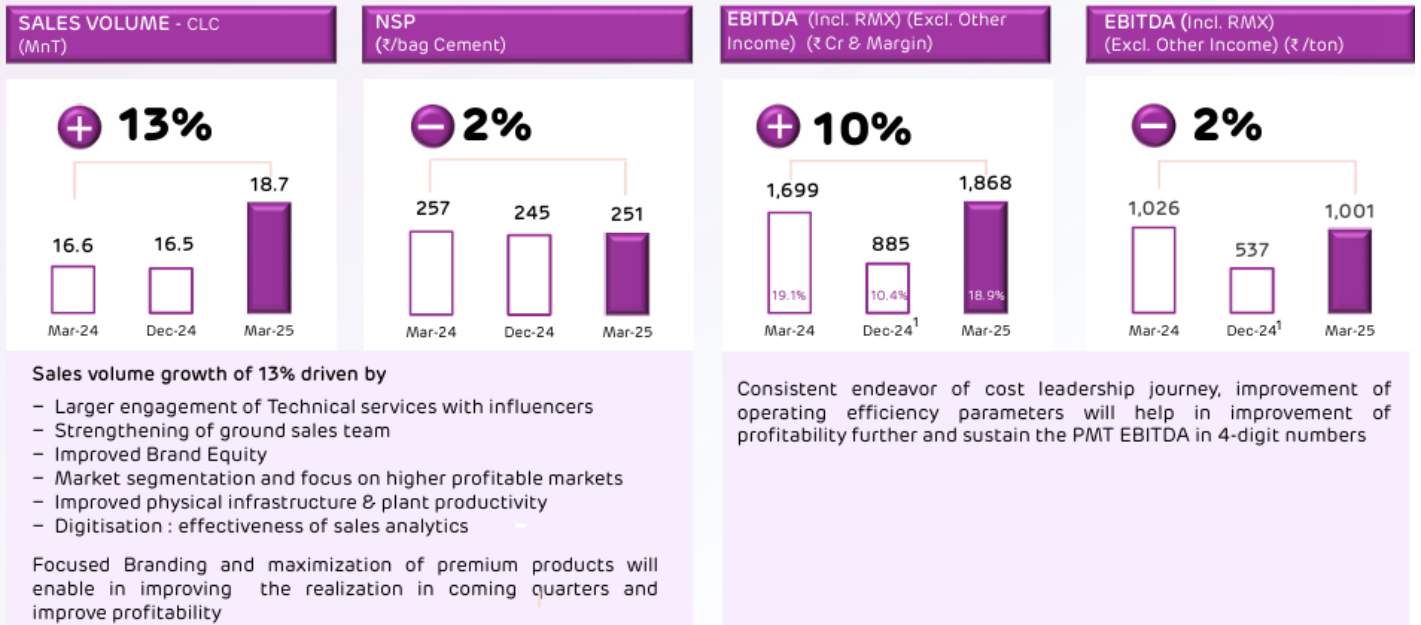
**Figure 6: Unit EBITDA contracts by Rs462/t qoq to Rs999/t during the quarter**



SOURCE: INCRED RESEARCH, COMPANY REPORTS

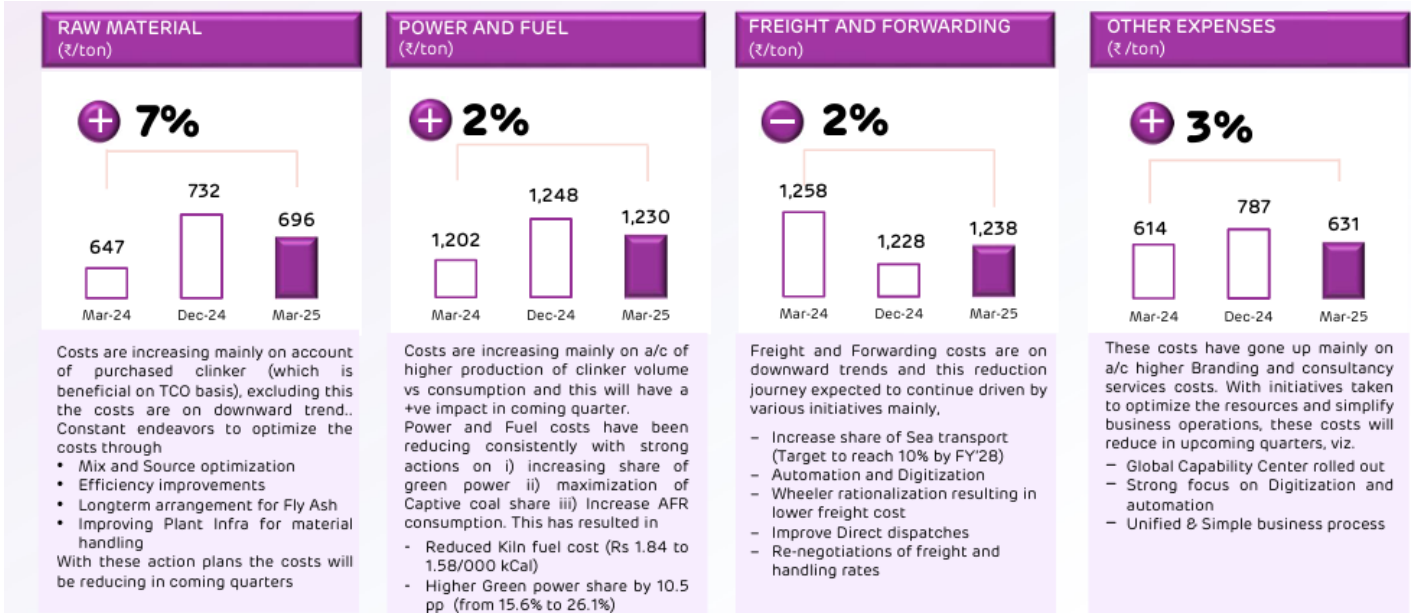
**Figure 7: ACEM (consolidated) cement business - 4Q operational performance overview**

## Ambuja Cement (Consolidated) Cement Business (% Change YoY)



SOURCE: INCRED RESEARCH, ACC-ACEM 4QFY25 INVESTOR PRESENTATION

**Figure 8: ACEM (consolidated) cement business –4Q cost performance**



SOURCE: INCRED RESEARCH, ACC-ACEM 4QFY25 INVESTOR PRESENTATION



Figure 9: Adani Group's cements (ACC+ACEM) planned capacity expansion status

Expansion project	Capacity MTPA		Expeded timeline for completion	Current Status
	Clinker	Cement		
Bathinda	NA	1.2	3QFY26F	Civil & mechanical work is in progress; delivery of major equipment commences.
Bhatapara Line 3 (CU)	4	NA	1QFY26F	In last stage of completion
Maratha Line 2 (CU)	4	NA	4QFY26F	Civil & mechanical work is in progress; delivery of major equipment commences.
Sankrail (GU)	NA	2.4	1QFY26F	In last stage of completion
Marwar (GU)	NA	2.4	3QFY26F	Civil & mechanical work is in progress; delivery of major equipment commences.
Sindri (GU)	NA	1.6	1QFY26F	In last stage of completion
Salai Banwa (GU)	NA	2.4	2QFY26F	67 % ordering completed by EPC partner; 11% civil work completed
Warishaliganj (GU)	NA	2.4	4QFY26F	Contract awarded for major equipment; project work started
Dahej Line-2 (GU)	NA	1.2	3QFY26F	Contract awarded for major equipment; civil piling work started.
Kalamboli (Blending)	NA	1	3QFY26F	Contract awarded for major equipment; project work started
Jodhpur (Penna IU)	3	2	3QFY26F	EPC contract awarded, 66 % civil work & 75% engg. work completed
Krishnapatnam Penna (GU)	NA	2	2QFY26F	Project under execution
<b>Total</b>	<b>11</b>	<b>18.6</b>		

SOURCE: INCRED RESEARCH, ACC-ACEM 4QFY25 INVESTOR PRESENTATION  
\*EC: ENVIRONMENT CLEARANCE; EPC: ENGINEERING PROCUREMENT CONTRACT

Figure 10: Adani Cements – strong cash profile



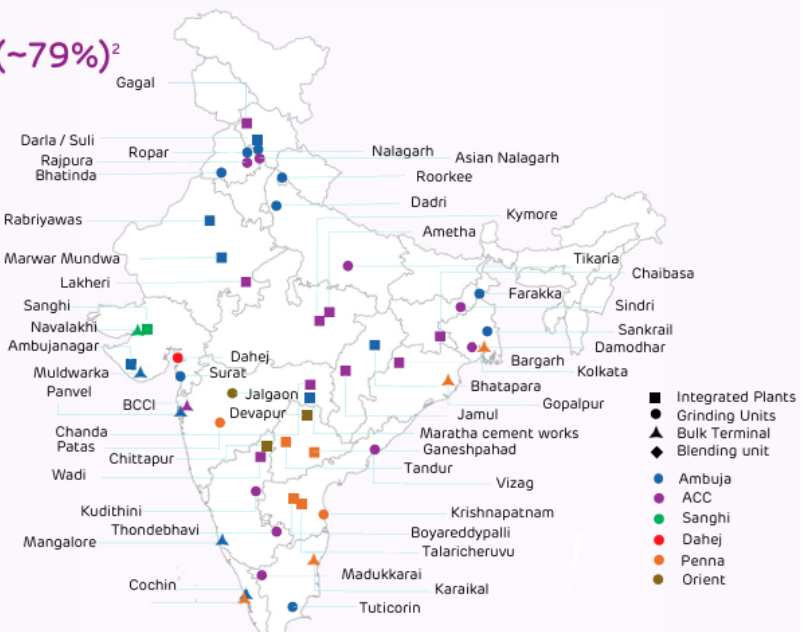
SOURCE: INCRED RESEARCH, ACC-ACEM 4QFY25 INVESTOR PRESENTATION

Figure 11: Adani Cements - presence in 31 states and 635+ districts (~79%)

## Presence in 31 states & union territories and 635+ districts (~79%)<sup>2</sup>

For the Quarter Ended March 31, 2025

100+ MTPA <sup>1</sup> Cement Capacity	64.9% Clinker Factor
24 <sup>1</sup> Integrated Units	22 <sup>1</sup> Grinding Units
82% Share of Blended Cement	101 Ready-Mix Concrete plants
10 Bulk Cement Terminals	11 Captive Ships
8.2% Thermal Substitution Rate	1,10,000+ Channel partners across India



SOURCE: INCRED RESEARCH, ACC-ACEM 4QFY25 INVESTOR PRESENTATION

## Key changes ➤

**Figure 12: Changes in our estimates vs. Bloomberg consensus estimates**

Rs. m	Incred		Consensus		Change (%)	
	FY26F	FY27F	FY26F	FY27F	FY26F	FY27F
Sales	4,14,727	4,78,462	4,32,215	4,94,640	-4%	-3%
EBITDA	74,161	97,615	83,466	1,06,873	-11%	-9%
PAT	27,032	37,458	40,418	53,280	-33%	-30%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

**Figure 13: Key assumptions**

	15MFY23A	FY24A	FY25A	FY26F	FY27F
Volume (in mtpa)	69	59	65	78	89
Yoy	30%	-14%	10%	20%	14%
Realization (per t)	5,635	5,601	5,248	5,301	5,364
Yoy	3%	-1%	-6%	1%	1%
Cost (per t)	4,894	4,520	4,459	4,353	4,270
Yoy	14%	-8%	-1%	-2%	-2%
EBITDA (per t)	741	1,081	789	948	1,094
Yoy	-37%	46%	-27%	20%	15%
EBITDA (Rs m)	51,224	63,995	51,443	74,161	97,615
Yoy	-18%	25%	-20%	44%	32%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

\*NOTE: FINANCIAL YEAR IS FOR 15 MONTHS; YEAR-END CHANGES FROM DEC-MAR

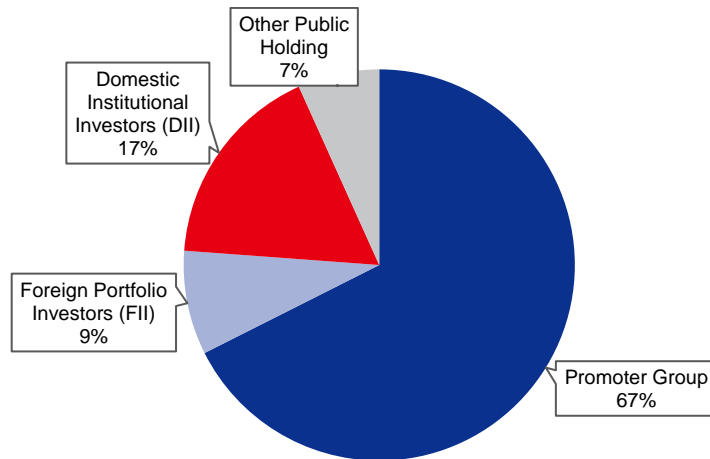
**Figure 14: Maintain ADD rating on Ambuja Cements with a Mar 2026F target price of Rs620**

Particulars	Unit	Valuation
Consolidated FY27F EBITDA	Rs m	97,615
1- year Forward Multiple	x	18
End FY27F EV	Rs m	17,57,072
End FY26F Net Debt	Rs m	(14,189)
End FY27F Equity Value	Rs m	17,71,260
ACC's Equity Value at our TP	Rs m	4,15,453
ACEM's share in ACC	%	50
ACEM's share in ACC Market Cap	Rs m	2,07,768
Orient Cement - 30% Stake	Rs m	20,000
End FY27F Equity Value	Rs m	15,43,492
End FY27F Equity Value	Rs/share	620
Mar 2026 Target Price	Rs/share	620

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

NOTE: INCLUDES VALUE OF SANGHI INDUSTRIES AT RS13/SHARE

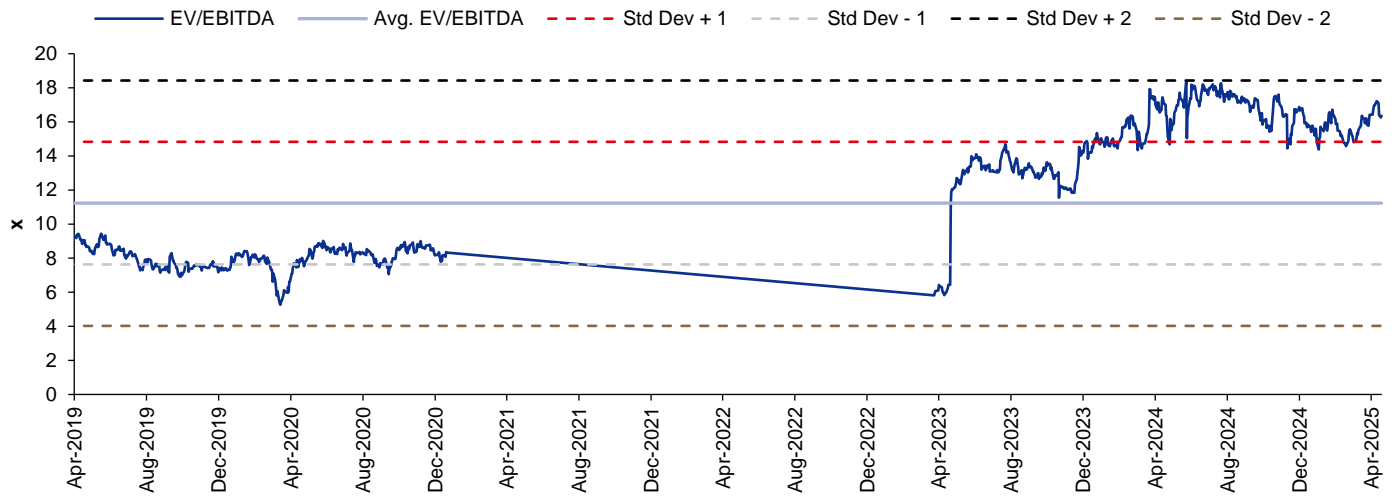
**Figure 15: Ambuja Cements' shareholding pattern (as of end-Mar 2025)**



SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

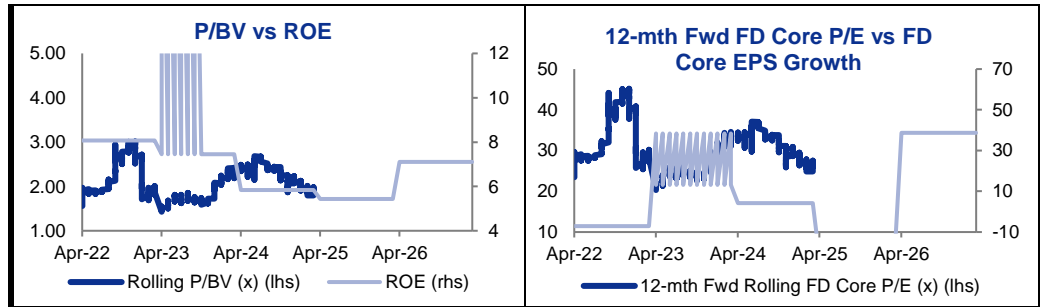


Figure 16: ACEM's one-year forward EV/EBITDA trades above +1SD level



SOURCE: INCRED RESEARCH, BLOOMBERG

## BY THE NUMBERS



### Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
<b>Total Net Revenues</b>	<b>389,370</b>	<b>331,596</b>	<b>342,184</b>	<b>414,727</b>	<b>478,462</b>
<b>Gross Profit</b>	<b>389,370</b>	<b>331,596</b>	<b>342,184</b>	<b>414,727</b>	<b>478,462</b>
<b>Operating EBITDA</b>	<b>51,224</b>	<b>63,995</b>	<b>51,443</b>	<b>74,162</b>	<b>97,616</b>
Depreciation And Amortisation	(16,447)	(16,279)	(24,783)	(30,979)	(34,697)
<b>Operating EBIT</b>	<b>34,777</b>	<b>47,716</b>	<b>26,660</b>	<b>43,183</b>	<b>62,919</b>
Financial Income/(Expense)	(1,949)	(2,764)	(2,159)	(2,203)	(2,247)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	7,377	11,664	26,543	6,636	5,309
<b>Profit Before Tax (pre-EI)</b>	<b>40,205</b>	<b>56,616</b>	<b>51,043</b>	<b>47,616</b>	<b>65,981</b>
Exceptional Items	(2,910)	2,345	8,181		
<b>Pre-tax Profit</b>	<b>37,295</b>	<b>58,961</b>	<b>59,224</b>	<b>47,616</b>	<b>65,981</b>
Taxation	(7,051)	(11,615)	(7,640)	(12,046)	(16,693)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>30,244</b>	<b>47,346</b>	<b>51,584</b>	<b>35,569</b>	<b>49,288</b>
Minority Interests	(4,410)	(11,612)	(9,910)		
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>25,834</b>	<b>35,734</b>	<b>41,674</b>	<b>35,569</b>	<b>49,288</b>
Recurring Net Profit	28,194	33,851	34,549	35,569	49,288
<b>Fully Diluted Recurring Net Profit</b>	<b>28,194</b>	<b>33,851</b>	<b>34,549</b>	<b>35,569</b>	<b>49,288</b>

### Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
<b>EBITDA</b>	<b>51,224</b>	<b>63,995</b>	<b>51,443</b>	<b>74,162</b>	<b>97,616</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	106,845	(32,801)	(18,036)	(7,853)	4,433
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	7,377	11,664	26,543	6,636	5,309
Other Operating Cashflow	(149,096)	27,979	(27,777)	(28,777)	(29,777)
Net Interest (Paid)/Received	(1,949)	(2,764)	(2,159)	(2,203)	(2,247)
Tax Paid	(7,051)	(11,615)	(7,640)	(12,046)	(16,693)
<b>Cashflow From Operations</b>	<b>7,349</b>	<b>56,458</b>	<b>22,374</b>	<b>29,919</b>	<b>58,642</b>
Capex	(40,659)	(39,611)	(85,915)	(102,500)	(106,500)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(104,148)	(49,893)	10,604	(1,000)	
<b>Cash Flow From Investing</b>	<b>(144,808)</b>	<b>(89,504)</b>	<b>(75,311)</b>	<b>(103,500)</b>	<b>(106,500)</b>
Debt Raised/(repaid)	(36)	(241)	(11,711)	10,000	5,000
Proceeds From Issue Of Shares	50,000	66,610	83,391	4,999	9,999
Shares Repurchased					
Dividends Paid	(4,964)	(4,395)	(5,135)	(8,464)	(10,820)
Preferred Dividends					
Other Financing Cashflow	(15,690)	(5,086)	(10,624)	29,704	29,767
<b>Cash Flow From Financing</b>	<b>29,310</b>	<b>56,888</b>	<b>55,920</b>	<b>36,239</b>	<b>33,947</b>
Total Cash Generated	(108,148)	23,842	2,983	(37,342)	(13,912)
<b>Free Cashflow To Equity</b>	<b>(137,494)</b>	<b>(33,287)</b>	<b>(64,648)</b>	<b>(63,581)</b>	<b>(42,858)</b>
<b>Free Cashflow To Firm</b>	<b>(135,509)</b>	<b>(30,282)</b>	<b>(50,778)</b>	<b>(71,378)</b>	<b>(45,611)</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## BY THE NUMBERS...cont'd

### Balance Sheet

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Total Cash And Equivalents	29,610	103,691	61,799	24,457	10,545
Total Debtors	11,544	11,896	15,903	17,044	19,663
Inventories	32,728	36,086	42,480	47,722	53,745
Total Other Current Assets	118,612	88,209	76,990	84,604	97,606
<b>Total Current Assets</b>	<b>192,494</b>	<b>239,882</b>	<b>197,172</b>	<b>173,827</b>	<b>181,560</b>
Fixed Assets	229,633	314,360	411,130	496,798	568,102
Total Investments	31,712	20,706	37,556	37,556	37,556
Intangible Assets	25,259	26,585	98,204	99,204	99,204
Total Other Non-Current Assets	38,117	49,505	65,393	51,245	51,745
<b>Total Non-current Assets</b>	<b>324,721</b>	<b>411,155</b>	<b>612,283</b>	<b>684,803</b>	<b>756,607</b>
Short-term Debt	135	179	124	124	124
Current Portion of Long-Term Debt					
Total Creditors	27,739	29,641	27,595	28,349	31,796
Other Current Liabilities	87,263	91,469	110,734	116,124	138,754
<b>Total Current Liabilities</b>	<b>115,137</b>	<b>121,289</b>	<b>138,453</b>	<b>144,597</b>	<b>170,675</b>
Total Long-term Debt	342	189	144	10,144	15,144
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	14,170	21,134	32,743	33,743	34,743
<b>Total Non-current Liabilities</b>	<b>14,512</b>	<b>21,323</b>	<b>32,887</b>	<b>43,887</b>	<b>49,887</b>
Total Provisions					
<b>Total Liabilities</b>	<b>129,649</b>	<b>142,612</b>	<b>171,340</b>	<b>188,484</b>	<b>220,562</b>
Shareholders Equity	387,566	508,425	638,114	670,146	717,604
Minority Interests					
<b>Total Equity</b>	<b>387,566</b>	<b>508,425</b>	<b>638,114</b>	<b>670,146</b>	<b>717,604</b>

### Key Ratios

	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Revenue Growth	34.4%	(14.8%)	3.2%	21.2%	15.4%
Operating EBITDA Growth	(17.5%)	24.9%	(19.6%)	44.2%	31.6%
Operating EBITDA Margin	13.2%	19.3%	15.0%	17.9%	20.4%
Net Cash Per Share (Rs)	14.67	52.03	24.98	5.76	(1.92)
BVPS (Rs)	195.18	256.05	259.08	272.09	291.35
Gross Interest Cover	17.84	17.26	12.35	19.61	28.01
Effective Tax Rate	18.9%	19.7%	12.9%	25.3%	25.3%
Net Dividend Payout Ratio	17.3%	13.2%	14.7%	24.0%	24.0%
Accounts Receivables Days	8.31	12.90	14.83	14.50	14.00
Inventory Days	28.17	37.87	41.90	39.69	38.70
Accounts Payables Days	30.69	39.13	35.93	29.98	28.82
ROIC (%)	10.2%	11.8%	4.7%	6.6%	8.7%
ROCE (%)	9.7%	10.6%	4.6%	6.5%	8.9%
Return On Average Assets	7.2%	8.2%	6.2%	4.5%	5.7%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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#### **InCred Research Services Private Limited**

##### **Research Analyst SEBI Registration Number: INH000011024**

Registered Office: Unit No 1203, 12th Floor, B Wing, The Capital, C-70, G Block, BKC, Bandra (E), Mumbai – 400051

Phone: +91-22-6844-6100

Corporate Office: 05<sup>th</sup> floor, Laxmi Towers, Plot No. C-25, G Block, Bandra – Kurla Complex, Bandra (East), Mumbai – 400051

Phone: +91-22-4161-1500

Name of the Compliance Officer: Mr. Yogesh Kadam

Email ID: compliance@incredresearch.com, Phone No: +91-22-41611539

For any queries or grievances, you may contact the Grievance Officer.

Name of the Grievance Officer: Mr. Rajarshi Maitra

Phone no. +91-022-41611546

Email ID: rajarshi.maitra@incredresearch.com

CIN: U74999MH2016PTC287535

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### Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

### Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

### Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.