

India

HOLD (no change)

Consensus ratings*: Buy 22 Hold 4 Sell 2

Current price:	Rs5,213
Target price: ▲	Rs5,500
Previous target:	Rs4,900
Up/downside:	5.5%
InCred Research / Consensus:	0.9%
Reuters:	JKCE.BO
Bloomberg:	JKCE IN
Market cap:	US\$4,734m Rs402,800m
Average daily turnover:	US\$6.2m Rs527.7m
Current shares o/s:	77.3m
Free float:	44.7%

*Source: Bloomberg

Key changes in this note

- Raise EBITDA by 3-6% for FY26F-27F.
- Maintain HOLD rating with a higher target price of Rs5,500.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(0.6)	13.9	30.8
Relative (%)	(4.2)	3.5	20.0

Major shareholders	% held
Promoter & Promoter Group	45.7
Kotak Small Cap Fund	5.3
Canara Robeco MF	2.3

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J K Cement Ltd

Strong execution-backed performance

- 4Q consol. EBITDA stood at ~Rs7.6bn, up ~37% yoy and ~12% above our expectation, led by improved realization, volume and a reduction in fuel costs.
- JKCE expects grey cement volume growth of ~11% in FY26F. Unit EBITDA improvement to be better than FY24 levels with cost-savings benefits.
- We raise EBITDA estimates by ~3-6% for FY26F-27F to reflect a quick recovery in pricing and costs. Retain HOLD rating with a higher TP of Rs5,500.

Central India to remain the growth driver; FY26F outlook is better

JK Cement or JKCE's 4QFY25 grey cement volume grew by ~16% yoy to 5.46mt, while the combined volume was ~5% above expectation as its volume share in central India continues to increase. JKCE highlighted that central India will remain its key growth enabler and its volume share (currently at ~30-35%) to rise in the region aided by faster ramp-up of expanded facilities, while maintaining its market share in other markets. A mix comprising improved prices, higher trade share (71%) and premium product sales (~16%) improved grey cement realization by ~2% qoq in 4Q. White cement realization was flat qoq, with the competitive intensity yet to bottom out. Currently, cement prices in the southern region are up by ~5-7% and up by 1% in the northern and central regions vs. 4Q average prices, as per management. JKCE expects to grow by 11% in standalone grey cement in FY26F and have 22mt in consolidated sales in FY26F.

Stabilizing ops improve efficiency; cost-saving benefits to continue

Blended costs were down by ~5% yoy & ~7% qoq to Rs4,647/t. Blended fuel consumption costs stood at Rs1.4/kcal vs. Rs1.5 qoq. JKCE achieved cost-savings of Rs75/t (Rs35-40/t in logistics) on an exit basis & Rs40/t in FY25 on an avg. basis. Expects incremental benefit of Rs25/t in FY26F (higher on exit basis). JKCE is increasing its brand spending as it enters new markets and intends to sustain this spending level going ahead with the visibility of an increase in volume from them. EBITDA/t stood at Rs1,262 during the quarter (up Rs252/t qoq and Rs191/t yoy), with turnaround at the UAE plant (sustainable now) and its Toshiali unit's losses narrowing. For FY26F, it aims to have profitability better than the FY24 level.

Capex of Rs18-20bn for FY26F; to reach ~30mtpa capacity by FY26F

Capex in FY26F to be at Rs18-20bn. All expansion plans are progressing as per schedule and JKCE expects to add 6mtpa of grey cement capacity in FY26F, taking the total capacity to 30mtpa. JKCE to share the roadmap to ~50mtpa capacity by FY30F soon.

Retain HOLD rating with a higher TP of Rs5,500 amid rich valuation

We like JKCE's presence and new expansion into regions having favourable demand and pricing, but we feel the current EV/t limits further upside in the stock price. We retain our HOLD rating on it with a Mar 2026F TP of Rs5,500, set at an EV/EBITDA of 16x (15x earlier). **Downside risks:** Weak demand, pricing pressure, and delay in commissioning. **Upside risks:** Strong demand & pricing, sharp deleveraging, and cost control.

Financial Summary

	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Revenue (Rsm)	97,202	115,560	118,792	131,434	145,347
Operating EBITDA (Rsm)	13,143	20,598	20,271	25,106	29,343
Net Profit (Rsm)	4,236	7,908	8,611	10,775	13,126
Core EPS (Rs)	54.8	102.8	102.1	139.4	169.9
Core EPS Growth	(38.4%)	87.6%	(0.7%)	36.5%	21.8%
FD Core P/E (x)	95.10	50.93	46.78	37.38	30.69
DPS (Rs)	15.0	20.0	15.0	25.0	35.0
Dividend Yield	0.29%	0.38%	0.29%	0.58%	0.81%
EV/EBITDA (x)	33.73	21.60	21.86	17.87	15.33
P/FCFE (x)	91.10	135.71	69.44	43.34	19.17
Net Gearing	88.2%	79.9%	67.2%	67.0%	60.1%
P/BV (x)	8.60	7.50	6.62	5.81	5.09
ROE	9.4%	15.8%	13.8%	16.5%	17.7%
% Change In Core EPS Estimates				(0.38%)	(0.37%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Strong execution-backed performance

Figure 1: Consolidated quarterly performance

Particulars (Rs Mn)	4QFY25	4QFY25F	3QFY25	4QFY24	% Change		
					4QFY25F	3QFY25	4QFY24
Net Sales	35,812	34,081	29,303	31,058	5%	22%	15%
Raw Materials Consumed	6,097	5,480	4,774	5,269	11%	28%	16%
Freight and Forwarding Expenses	8,244	7,286	6,604	6,810	13%	25%	21%
Power and Fuel Costs	5,644	6,464	5,531	6,156	-13%	2%	-8%
Employee Costs	2,298	2,443	2,288	2,182	-6%	0%	5%
Other Expenses	5,881	5,596	5,184	5,041	5%	13%	17%
Total Expenditure	28,163	27,270	24,382	25,458	3%	16%	11%
EBITDA	7,649	6,811	4,921	5,599	12%	55%	37%
Depreciation	1,623	1,561	1,457	1,530	4%	11%	6%
EBIT	6,026	5,250	3,465	4,069	15%	74%	48%
Interest	1,135	1,126	1,124	1,149	1%	1%	-1%
Other Income	459	466	446	457	-2%	3%	0%
PBT	5,350	4,590	2,786	3,472	17%	92%	54%
Tax	1,736	1,102	894	1,275	58%	94%	36%
PAT before MI & Associates	3,614	3,488	1,892	2,197	4%	91%	65%
Minority Interest	-10	0	-3	1			
Profit from Assoc.	-1	0	7	0			
Recurring PAT	3,604	3,488	1,896	2,198	3%	90%	64%
Extraordinary Items	0	0	0	95			
Reported PAT	3,604	3,488	1,896	2,198	3%	90%	64%
EPS (Rs)	46.8	45.1	24.5	28.4	4%	91%	65%
Gross Margin	44.2%	43.6%	42.3%	41.3%	62bp	190bp	291bp
EBITDA Margin	21.4%	20.0%	16.8%	18.0%	137ps	456ps	333bp
EBIT Margin	16.8%	15.4%	11.8%	13.1%	142bp	500bp	372bp
PBT Margin	14.9%	13.5%	9.5%	11.2%	147bp	543bp	376bp
PAT Margin	10.1%	10.2%	6.5%	7.1%	-17bp	359bp	299bp
Tax Rate	32.5%	24.0%	32.1%	36.7%	845bp	37bp	-427bp
Cost items as % of Sales							
RM Costs	17.0%	16.1%	16.3%	17.0%	94bp	73bp	6bp
Freight Costs	23.0%	21.4%	22.5%	21.9%	164bp	48bp	109bp
P&F Costs	15.8%	19.0%	18.9%	19.8%	-321bp	-312bp	-406bp

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 2: 4QFY25 results on per tonne analysis

Per tonne analysis	4QFY25	4QFY25F	3QFY25	4QFY24	% Change		
					4QFY25F	3QFY25	4QFY24
Sales volume (grey+white)	6.06	5.76	4.87	5.21	5.2%	24.4%	16.3%
Blended realization/t	5,910	5,917	6,017	5,962	-0.1%	-1.8%	-0.9%
EBITDA/t	1,262	1,182	1,011	1,075	6.7%	24.9%	17.4%
RM Cost/t	1,006	951	980	1,012	5.7%	2.6%	-0.5%
P&F costs/t	931	1,122	1,136	1,182	-17.0%	-18.0%	-21.2%
Freight Costs/t	1,360	1,265	1,356	1,307	7.5%	0.3%	4.1%
Employee Costs/t	379	424	470	419	-10.6%	-19.3%	-9.4%
Other Expenses/t	970	972	1,065	968	-0.1%	-8.8%	0.3%
Total cost/t	4,647	4,734	5,006	4,887	-1.8%	-7.2%	-4.9%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Key takeaways from 4QFY25 results, presentation and earnings call ➤

Demand and pricing outlook:

- **Combined cement sales volume (grey + white):** 6.06mt, +16% yoy and +24% qoq, +5% vs. Incred estimates.
- **Central region to be a catalyst:** The company highlighted strong volume from Central India, with the existing capacity running at higher utilization level. Central India remains a key market for the company, and going ahead, its volume share is expected to increase in this market, while the market share in other markets will be maintained (no market loss).
- **Volume outlook:** Expects FY26F volume of 20 mtpa (+11% YoY) in grey cement and 22 mtpa of combined (grey and white) volume.
- **Pricing:** Post-Mar 2025, central and northern region prices are up by 1%, while the southern region prices are up by ~5-7%.
- **The volume mix will be northern and southern region at ~60-65% and the central region at ~30-35%.**
- The trade segment remains the focus channel for the company. Premium product sales are expected to reach 15-17% in FY26F.
- **Blended realization/t:** Stood at Rs5,910/t, -2% qoq and -1% yoy, in line with Incred estimate. Standalone grey cement realization at +2% qoq, with improvement in realization in northern and central regions. White cement realization declined by ~1% yoy.

Cost & margin:

- **Costs:** Overall blended costs were down by ~5% yoy and ~7% qoq to Rs4,647/t (~2% below our estimate) on savings from P&F and fixed costs.
- **P&F costs** were down 18% qoq and ~21% yoy to Rs931/t, where fuel consumption costs stood at Rs1.4/kcal vs. Rs1.5 qoq and Rs1.8 yoy.
- **Fixed costs** declined by 12% qoq to Rs1,350/t.
- **Consolidated EBITDA:** It increased by ~37% yoy and ~55% qoq to ~Rs7.6bn (vs. our expectation of ~Rs6.8bn); EBITDA/t stood at Rs1,262 during the quarter (up by Rs252/t qoq and Rs191/t yoy) vs. our estimate of Rs1,182, and Rs1,011 in 3QFY25 and Rs1,075 in 4QFY24.
- Reported PAT was up 90% qoq at ~Rs3.6bn vs. our expectation of ~Rs3.5bn. Depreciation was up by ~6% yoy at ~Rs1.6bn.
- **Guidance regarding cost savings:** Achieved exit cost savings of Rs35-40/t in logistics costs and Rs75/t on a total cost/t basis. Savings stood at Rs40/t in terms of FY25 average. These benefits are expected to continue in FY26F. Expects incremental benefit of Rs25/t in FY26F, which should be higher on an exit basis.
- Green energy's share is expected to touch 60% by FY26F.
- JKCE has entered Bihar, a new market, which led to an increase in lead distance.
- **Freight expenses** were flat qoq and up~4% yoy at Rs1,360/t as lead distance stood at 434km vs. 422km qoq & 419km yoy.
- **Other expenses:** Incurred higher advertising expenses during the quarter. Extra spending on brand creation in new markets led to higher fixed expenses. The company will continue with its brand strategy, as it is crucial in the trade segment, and investments are generating decent volume growth.
- **EBITDA/t in FY26F:** Aiming at profitability better than the FY24 level.

Expansion and capex update:

- **Expansion update: a) 3.3mtpa clinker line 2 & 3mtpa cement expansion at Panna, Hamirpur, Prayagraj units:** Construction progressing as per plan; incurred capex of Rs12.17bn till Mar 2025. b) **3mtpa grinding unit or GU at Bihar:** Construction progressing as per plan; incurred capex of Rs1.59bn till Mar 2025.

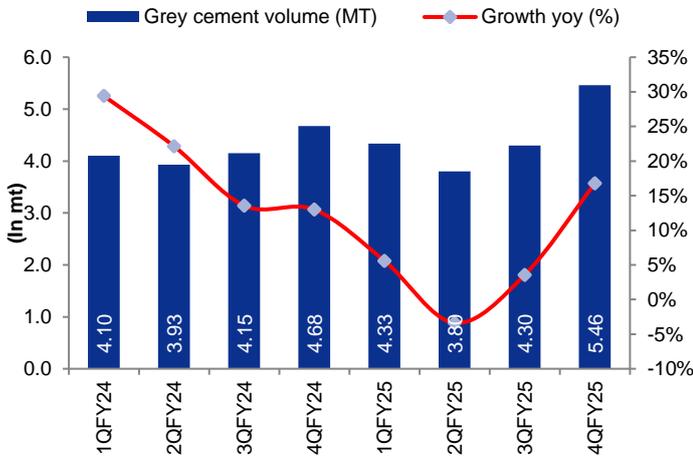
- **Capex:** For FY26F, capex is planned at Rs18-20bn (from Rs18.75bn earlier).

Other business highlights:

- The clinker produced in FY25 stood 11.92mt. Clinker utilization was 82% in FY25.
- Around 6mtpa of capacity under the ongoing expansion plan is expected to commence by 3QFY26F.
- The trade mix stood at 71% vs. 66% QoQ.
- New markets like Bihar are entirely trade-based; post-GU expansion, the company will compete in the non-trade segment.
- The Panna plant is nearing completion, and JKCE is working on long-term expansions. The company will provide a detailed roadmap in the next three-to-four months. Available options include Jaisalmer, Odisha, Panah, and others.
- Odisha mining arrangements are still in the discussion stage with the government.
- **Incentives:** Incentives are booked on an accrual basis and are expected to remain steady at Rs70-80cr/quarter in the coming year. An exceptional Prayagraj plant incentive of Rs120m was recorded during 4Q.
- The fuel mix was ~70% in the case of pet coke.
- As per management, consolidated debt is at a level like that of standalone debt.
- The company is working on bulk transport of cement for some key clients, with discussions ongoing with Container Corporation of India for the same.
- **Paints:** Paints business loss was Rs450m in FY25. The company expects a revenue of Rs4-4.5bn in FY26F. The margin profile is expected to improve going ahead. The company is not competing with top players. It should achieve breakeven by FY27F.
- The rail mix was 12% in 4Q.
- **White cement/putty:** Putty competitive intensity remains unchanged, which is dragging realization on a qoq basis. Asian Paints is set to establish a white cement plant in the UAE soon, which is one of the company's major customers.
- Consolidated and standalone EBITDA difference was the highest due to turnaround in the UAE plant; Toshali plant's loss has also reduced. Profitability at Rs150-200m per quarter for the UAE plant appears sustainable (adjusting for seasonality) going ahead.
- The paints business achieved Rs2.73bn in sales in FY25 vs. Rs1.53bn in FY24.

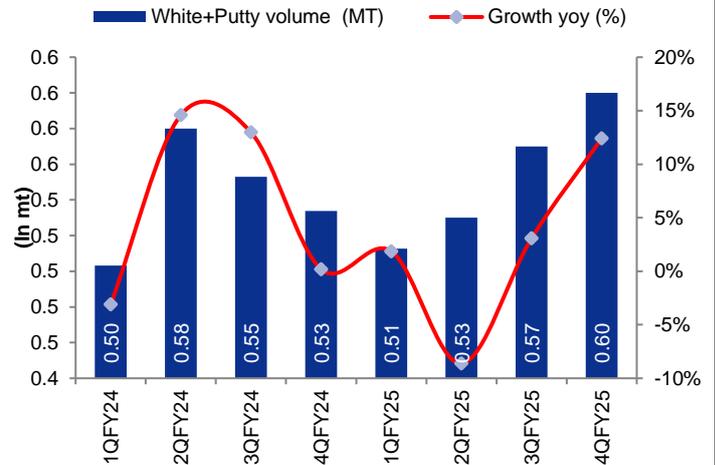
Key charts ➤

Figure 3: Consol. grey cement sales volume grew by ~17% yoy



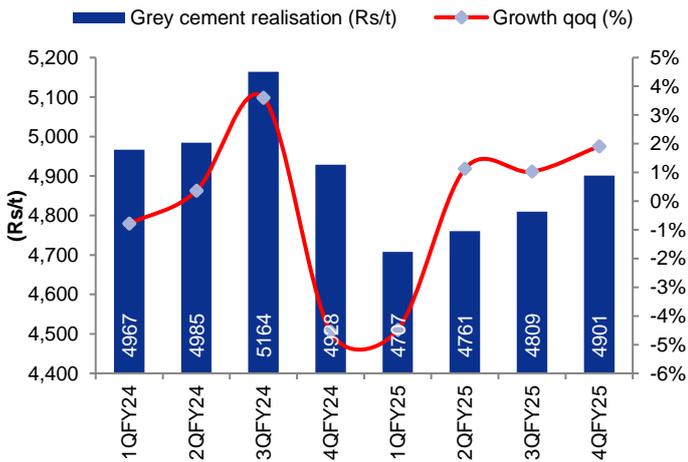
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: White cement (including putty) volume was up by 12% yoy



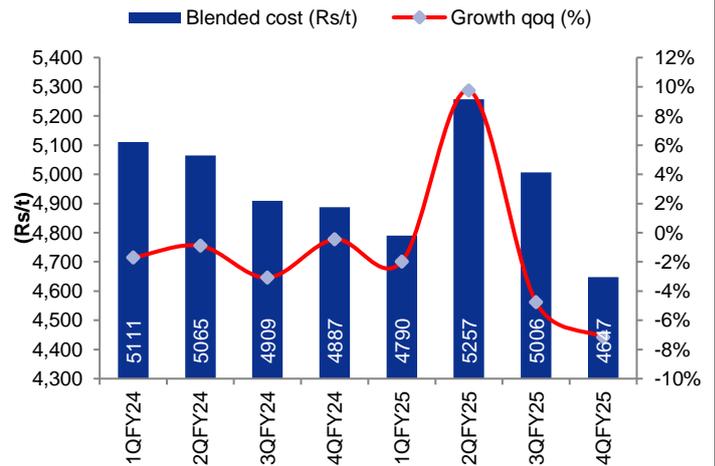
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Grey cement realization improved by 2% qoq and fell by 1% yoy in 4QFY25



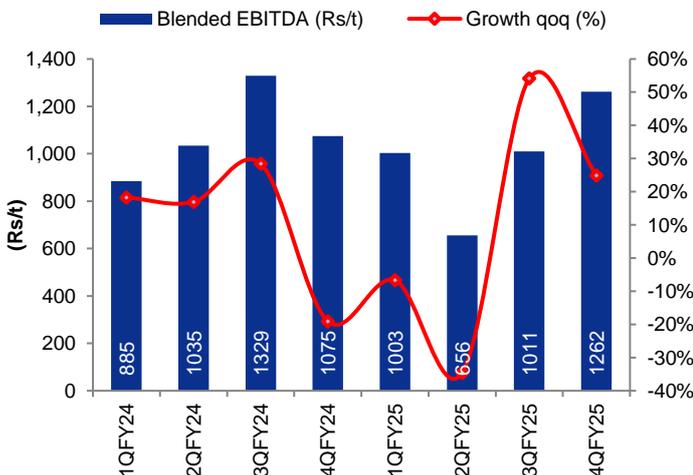
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Blended costs/t were down by ~5% yoy and ~7% qoq



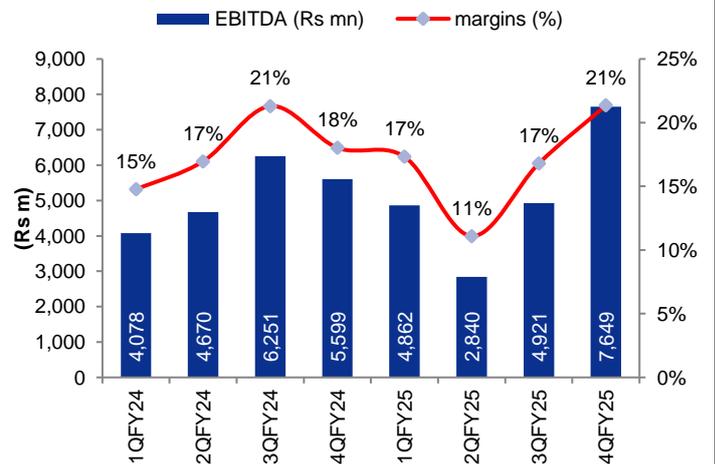
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: Blended EBITDA/t improved by Rs252 qoq and Rs187 yoy to Rs1,262



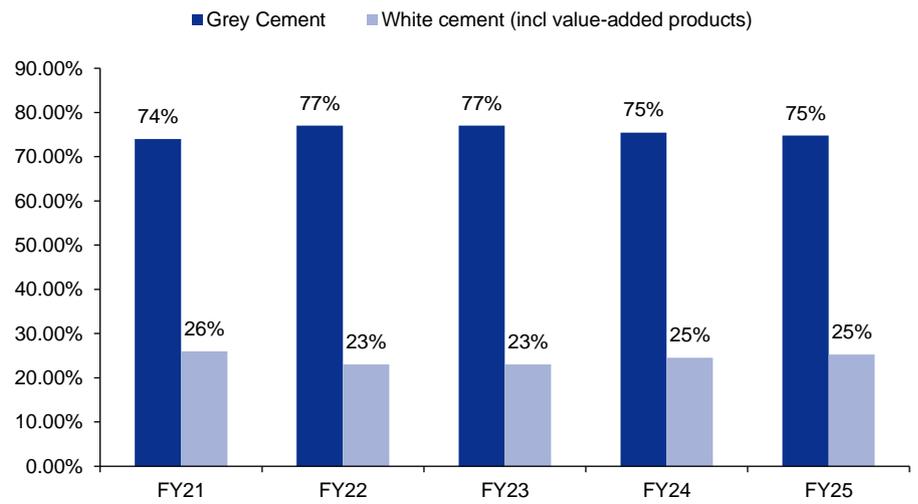
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: Consolidated EBITDA at ~Rs7.6bn, up by ~55% qoq and 37% yoy



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: JKCE's revenue mix



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: JKCE's key ESG metrics and sustainability goals

	CO ₂ Emission (kg/ton of cementitious material)	Green Power Mix (%)	Thermal Substitution Rate (%)	Water Positivity (in times)
FY24	512	51	16.3	4.5
FY25	518	51	11.3	4.7
TARGET FY30	465	75	35	5
	Specific Net Scope 1 emission reduced by 11% from 580 in base year FY20	Green Power mix was 19% in base year FY20, now stood at 51% moving towards Green Clean Energy	TSR was 6% in base year FY20, now stood at 11.3%	In line with the target as compared to 3 times in base year FY20

SOURCE: INCRED RESEARCH, JKCE 4QFY25 PRESENTATION

Key changes ➤

Figure 11: Our revised earnings estimates

Rs. m	New		Old		Change (%)	
	FY26F	FY27F	FY26F	FY27F	FY26F	FY27F
Sales	1,31,434	1,45,347	1,27,799	1,43,515	3%	1%
EBITDA	25,106	29,343	23,517	28,393	6%	3%
PAT	10,775	13,126	9,473	12,218	12%	7%
EPS (Rs.)	139.4	169.9	122.6	158.1	12%	7%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

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

Rs. Mn	Incred		Consensus		Change (%)	
	FY26F	FY27F	FY26F	FY27F	FY26F	FY26F
Sales	1,31,434	1,45,347	1,31,553	1,48,478	0%	-2%
EBITDA	25,106	29,343	25,029	29,739	0%	-1%
PAT	10,775	13,126	10,384	13,327	4%	-2%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

Figure 13: Key assumptions

	FY23A	FY24A	FY25A	FY26F	FY27F
Volume (mtpa) (Grey + White)	16	19	20	22	24
Yoy	16%	18%	6%	10%	10%
Blended realization (per tonne)	5,854	5,865	5,875	5,934	5,963
Yoy	5%	0%	-3%	1%	0%
Blended cost (per tonne)	5,178	4,974	4,872	4,800	4,759
Yoy	12%	-4%	-2%	-1%	-1%
Blended EBITDA (per tonne)	810	1,079	1,003	1,133	1,204
Yoy	-23%	33%	-7%	13%	6%
EBITDA (Rs m)	13,143	20,598	20,271	25,106	29,343
Yoy	-11%	57%	-2%	24%	17%

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 14: Maintain HOLD rating on the stock with a Mar 2026F target price of Rs5,500, set at an EV/EBITDA of 16x (15x earlier)

Valuation	TP
Target EV/EBITDA (x)	16.0
Target EV (Rs m)	4,69,487
Net debt / (cash) (Rs m)	44,548
No. of shares (m)	77
Fair value per share (Rs)	5,500

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

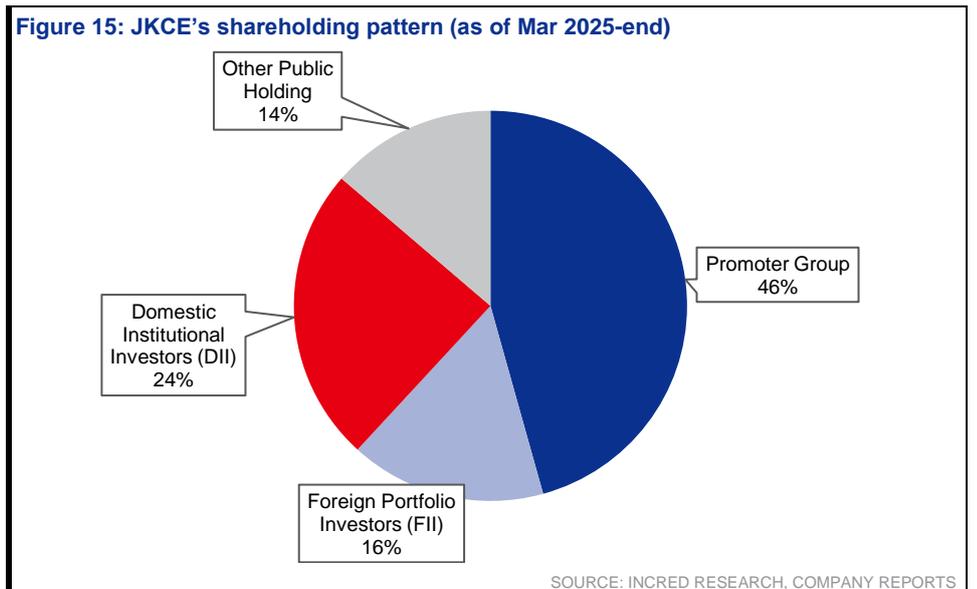
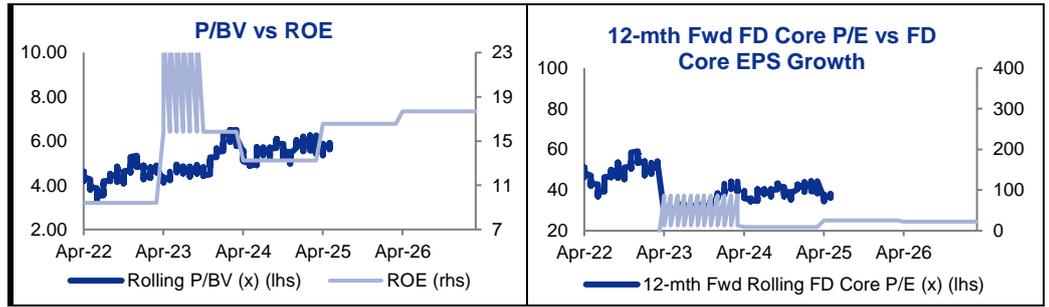


Figure 16: JKCE's one-year forward EV/EBITDA trades above the +1 SD level



BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Total Net Revenues	97,202	115,560	118,792	131,434	145,347
Gross Profit	97,202	115,560	118,792	131,434	145,347
Operating EBITDA	13,143	20,598	20,271	25,106	29,343
Depreciation And Amortisation	(4,619)	(5,726)	(6,015)	(6,616)	(7,608)
Operating EBIT	8,524	14,872	14,257	18,490	21,734
Financial Income/(Expense)	(3,122)	(4,531)	(4,592)	(4,913)	(4,864)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	874	1,451	1,730	1,747	1,764
Profit Before Tax (pre-EI)	6,276	11,791	11,395	15,323	18,635
Exceptional Items		(55)	1,024		
Pre-tax Profit	6,276	11,736	12,418	15,323	18,635
Taxation	(2,113)	(3,837)	(3,702)	(4,444)	(5,404)
Exceptional Income - post-tax					
Profit After Tax	4,163	7,899	8,716	10,880	13,231
Minority Interests	73	9	(105)	(105)	(105)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	4,236	7,908	8,611	10,775	13,126
Recurring Net Profit	4,236	7,945	7,893	10,775	13,126
Fully Diluted Recurring Net Profit	4,236	7,945	7,893	10,775	13,126

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
EBITDA	13,143	20,598	20,271	25,106	29,343
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(4,112)	2,728	(4,899)	(2,754)	474
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	874	1,451	1,730	1,747	1,764
Other Operating Cashflow	5,366	(2,197)	4,880	12,850	21,850
Net Interest (Paid)/Received	(3,122)	(4,531)	(4,592)	(4,913)	(4,864)
Tax Paid	1,622	1,542	2,004	(4,444)	(5,404)
Cashflow From Operations	13,771	19,591	19,394	27,592	43,163
Capex	(18,697)	(11,782)	(16,983)	(19,700)	(19,800)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(1,451)	(4,576)	(2,114)	1,402	(350)
Cash Flow From Investing	(20,148)	(16,358)	(19,097)	(18,298)	(20,150)
Debt Raised/(repaid)	10,799	(265)	5,504		(2,000)
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(1,159)	(1,545)	(1,159)	(2,337)	(3,272)
Preferred Dividends					
Other Financing Cashflow	(2,226)	(2,347)	(3,607)	(12,455)	(20,955)
Cash Flow From Financing	7,413	(4,157)	738	(14,792)	(26,227)
Total Cash Generated	1,036	(924)	1,035	(5,498)	(3,214)
Free Cashflow To Equity	4,422	2,968	5,801	9,294	21,013
Free Cashflow To Firm	(3,255)	7,764	4,888	14,208	27,877

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	9,041	9,892	18,264	12,766	9,552
Total Debtors	4,801	5,663	7,866	8,282	5,376
Inventories	9,741	11,816	11,751	12,963	14,734
Total Other Current Assets	13,800	16,792	12,155	14,063	17,296
Total Current Assets	37,382	44,163	50,035	48,075	46,958
Fixed Assets	83,071	91,381	93,586	105,969	117,361
Total Investments	215	2,681	1,442	1,642	1,992
Intangible Assets	7,522	6,242	14,777	13,175	13,175
Total Other Non-Current Assets	4,877	3,554	6,976	7,676	8,476
Total Non-current Assets	95,686	103,858	116,780	128,462	141,003
Short-term Debt	8,941	10,638	12,952	12,952	12,952
Current Portion of Long-Term Debt					
Total Creditors	8,221	8,804	11,583	10,613	11,604
Other Current Liabilities	12,305	14,924	14,545	16,298	17,878
Total Current Liabilities	29,468	34,366	39,079	39,863	42,433
Total Long-term Debt	41,010	41,774	46,003	46,003	44,003
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	16,194	18,665	21,181	21,681	22,681
Total Non-current Liabilities	57,204	60,439	67,184	67,684	66,684
Total Provisions					
Total Liabilities	86,672	94,805	106,263	107,547	109,118
Shareholders Equity	46,840	53,671	60,890	69,327	79,181
Minority Interests	(444)	(455)	(338)	(338)	(338)
Total Equity	46,396	53,216	60,552	68,990	78,844

Key Ratios					
	Mar-23A	Mar-24A	Mar-25A	Mar-26F	Mar-27F
Revenue Growth	21.6%	18.9%	2.8%	10.6%	10.6%
Operating EBITDA Growth	(11.3%)	56.7%	(1.6%)	23.8%	16.9%
Operating EBITDA Margin	13.5%	17.8%	17.1%	19.1%	20.2%
Net Cash Per Share (Rs)	(529.46)	(550.28)	(526.62)	(597.78)	(613.49)
BVPS (Rs)	606.20	694.61	788.03	897.23	1,024.75
Gross Interest Cover	2.73	3.28	3.10	3.76	4.47
Effective Tax Rate	33.7%	32.7%	29.8%	29.0%	29.0%
Net Dividend Payout Ratio	27.4%	19.4%	15.3%	21.7%	24.9%
Accounts Receivables Days	17.03	16.53	20.78	22.42	17.15
Inventory Days	40.98	34.04	36.21	34.32	34.78
Accounts Payables Days	33.38	32.72	37.76	38.10	34.95
ROIC (%)	8.3%	13.3%	11.8%	13.7%	14.8%
ROCE (%)	9.6%	14.7%	12.7%	14.9%	16.5%
Return On Average Assets	5.9%	8.9%	7.8%	9.2%	9.9%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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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.

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Definition:

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- 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.

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Definition:

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- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
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