## India

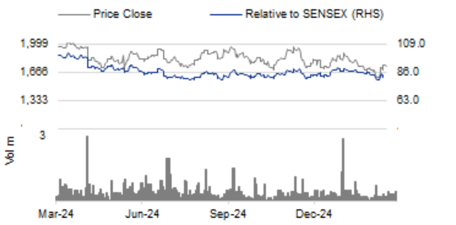
**ADD** *(no change)*

| Consensus ratings*: | Buy 18 Hold 10 Sell 8 |
|---|---|
| Current price: | Rs1,974 |
| Target price: ▲ | Rs2,180 |
| Previous target: | Rs2,000 |
| Up/downside: | 10.4% |
| InCred Research / Consensus: | 10.4% |
| Reuters: | DALB.NS |
| Bloomberg: | DALBHARA IN |
| Market cap: | US$4,342m |
| | Rs370,272m |
| Average daily turnover: | US$7.0m |
| | Rs595.1m |
| Current shares o/s: | 187.1m |
| Free float: | 39.3% |

**Source: Bloomberg*

### Key changes in this note

- Raise EBITDA estimate by ~2% for FY27F.
- Raise target price to Rs2,180 from Rs2,000 earlier.




*Source: Bloomberg*

| Price performance | 1M | 3M | 12M |
|---|---|---|---|
| Absolute (%) | 13.1 | 9.5 | 0.6 |
| Relative (%) | 10.6 | 4.5 | (6.3) |

| Major shareholders | % held |
|---|---|
| Promoter & Promoter Group | 55.8 |
| LIC - P & G Fund | 5.1 |
| Nippon Life India | 2.1 |

# Dalmia Bharat Ltd

## Growth lags; cost savings aid profitability

- 4QFY25 EBITDA stood at Rs7.9bn, ~4% below our estimate (down ~1% yoy), Volume growth was -3% yoy (ex-JPA assets +4% yoy). Realization was flat qoq.
- The focus remains on balancing growth & profitability in the coming year. DBL expects the industry to grow 7-8% in FY26F vs. no outlook on volume growth.
- We raise our EBITDA estimates by ~0-2% for FY26F-27F to reflect structural savings in the cost structure and improved pricing. Maintain our ADD rating.

### Volume growth remains off track; cautiously optimistic on pricing

Dalmia Bharat or DBL's volume in 4QFY25 witnessed a decline of ~3% yoy due to a mix of both subdued conditions in its markets and discontinuation of JPA assets' tolling arrangements. Ex-JPA assets, volume grew by ~4-5% yoy (below industry level). For FY25, overall volume growth was ~6% vs. industry average of ~4-5%. DBL expects cement demand in India to grow, irrespective of global uncertainty, aided by the revival in domestic capex. No specific outlook for now on DBL's targeted growth rate due to market volatility. Future expansions to improve its geographical presence. Realization remained flat qoq as the eastern region's price gains were offset by southern markets. DBL highlighted an average price hike of Rs10-15/bag, vs. qoq levels, in its markets. For the southern region, it highlighted that a quick exit of few players and prolonged stressed prices have supported the hike. DBL remains cautiously optimistic about price stickiness.

### Efficiency-driven profitability; targets Rs150-200/t savings by FY27F

A positive for DBL was savings in total costs/t, which declined ~7%/4% yoy/qoq and ~2% below our estimate, with savings from power and fixed costs. EBITDA/t was in line with our estimate, even with below-par topline. Fuel consumption costs, on a Kcal basis, fell to Rs1.30 vs. Rs1.31 qoq and DBL expects them to rise going ahead due to the rally in global pet-coke prices over the past few months. On the structural cost reduction target of Rs150-200/t by FY27F, it expects half of it to be realized in FY26F and gave guidance of maintaining its cost leadership. Any improvement in pricing contributes incrementally to profitability. The additional tax on limestone in Tamil Nadu to cost DBL ~Rs1.3bn annually.

### Long-term expansion roadmap to be out in next three months

DBL ended FY25F with a cement capacity of 49.5mtpa and is projected to touch 55.5mtpa by FY27F (adding 6mtpa in Maharashtra and Karnataka). Management will share its detailed capex timeline in Jul 2025F for the long-term capacity target. In FY25, DBL incurred capex amounting to ~Rs27bn vs. its Rs30bn target. Capex in FY26F is expected to be around Rs35bn, mostly on expansion. Debt to rise in FY26F due to planned capex.

### Retain ADD rating with a higher target price of Rs2,180

We retain our ADD rating on DBL with a Mar 2026F target price of Rs2,180 (Rs2,000 earlier), set at a one-year forward EV/EBITDA of 12x (earlier 11x). Downside risks: Weak demand & pricing scenario, rise in input costs, and any delay in expansion

| Financial Summary | Mar-23A | Mar-24A | Mar-25A | Mar-26F | Mar-27F |
|---|---|---|---|---|---|
| Revenue (Rsm) | 135,520 | 146,910 | 139,800 | 152,460 | 168,874 |
| Operating EBITDA (Rsm) | 23,280 | 26,390 | 24,070 | 30,727 | 36,934 |
| Net Profit (Rsm) | 13,270 | 8,270 | 6,830 | 10,232 | 13,388 |
| Core EPS (Rs) | 64.4 | 43.9 | 41.0 | 53.9 | 70.5 |
| Core EPS Growth | 48.7% | (31.9%) | (6.4%) | 31.2% | 30.8% |
| FD Core P/E (x) | 27.84 | 45.01 | 54.92 | 36.66 | 28.02 |
| DPS (Rs) | 5.0 | 5.0 | 5.0 | 4.3 | 5.6 |
| Dividend Yield | 0.25% | 0.25% | 0.25% | 0.22% | 0.29% |
| EV/EBITDA (x) | 16.14 | 14.21 | 15.91 | 13.19 | 11.19 |
| P/FCFE (x) | 62.29 | 47.91 | 75.77 | (126.40) | 54.87 |
| Net Gearing | 3.3% | 1.1% | 3.7% | 15.7% | 18.7% |
| P/BV (x) | 2.36 | 2.29 | 2.16 | 2.05 | 1.92 |
| ROE | 7.6% | 5.2% | 4.6% | 5.7% | 7.1% |
| % Change In Core EPS Estimates | | | | (0.58%) | (0.54%) |
| InCred Research/Consensus EPS (x) | | | | | |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

### Research Analyst(s)

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# Growth lags; cost savings aid profitability

**Figure 1: Consolidated quarterly performance**

| Particulars (Rs m) | 4QFY25 | 4QFY25F | 3QFY25 | 4QFY24 | % Change | | |
|---|---|---|---|---|---|---|---|
| | | | | | 4QFY25F | 3QFY25 | 4QFY24 |
| **Net Sales** | **40,910** | **43,350** | **31,810** | **43,070** | **-6%** | **29%** | **-5%** |
| Raw Materials Consumed | 7,660 | 6,846 | 5,120 | 9,780 | 12% | 50% | -22% |
| Freight and Forwarding Expenses | 9,720 | 10,078 | 7,480 | 10,200 | -4% | 30% | -5% |
| Power and Fuel Costs | 7,730 | 8,927 | 6,660 | 7,900 | -13% | 16% | -2% |
| Employee Costs | 2,150 | 2,262 | 2,230 | 2,020 | -5% | -4% | 6% |
| Other Expenses | 5,720 | 6,962 | 5,210 | 6,630 | -18% | 10% | -14% |
| **Total Expenditure** | **32,980** | **35,075** | **26,700** | **36,530** | **-6%** | **24%** | **-10%** |
| | | | | | | | |
| **EBITDA** | **7,930** | **8,275** | **5,110** | **6,540** | **-4%** | **55%** | **21%** |
| Depreciation | 3,140 | 3,510 | 3,640 | 3,280 | -11% | -14% | -4% |
| | | | | | | | |
| **EBIT** | **4,790** | **4,766** | **1,470** | **3,260** | **1%** | **226%** | **47%** |
| Interest | 1,050 | 1,034 | 1,010 | 940 | 2% | 4% | 12% |
| Other Income | 930 | 360 | 370 | 1,200 | 158% | 151% | -23% |
| | | | | | | | |
| **PBT** | **4,670** | **4,092** | **830** | **3,520** | **14%** | **463%** | **33%** |
| Tax | 280 | 982 | 170 | 320 | -71% | 65% | -13% |
| | | | | | | | |
| **PAT before MI & Associates** | **4,390** | **3,110** | **660** | **3,200** | **41%** | **565%** | **37%** |
| Minority Interest | 40 | 0 | 50 | 50 | | | |
| Profit from Associate Cos | 0 | 0 | 0 | 0 | | | |
| **Recurring PAT** | **4,350** | **3,110** | **610** | **3,150** | **40%** | **613%** | **38%** |
| Extraordinary Items | 0 | 0 | 0 | 0 | | | |
| **Reported PAT** | **4,350** | **3,110** | **610** | **3,150** | **40%** | **613%** | **38%** |
| EPS (Rs) | 23.3 | 16.6 | 3.3 | 16.9 | 40% | 613% | 38% |
| | | | | | | | |
| Gross Margin | 38.6% | 40.4% | 39.5% | 35.3% | -175bp | -83bp | 335bp |
| EBITDA Margin | 19.4% | 19.1% | 16.1% | 15.2% | 29bp | 332bp | 420bp |
| EBIT Margin | 11.7% | 11.0% | 4.6% | 7.6% | 71bp | 709bp | 414bp |
| PBT Margin | 11.4% | 9.4% | 2.6% | 8.2% | 198bp | 881bp | 324bp |
| PAT Margin | 10.6% | 7.2% | 1.9% | 7.3% | 346bp | 872bp | 332bp |
| Tax Rate | 6.0% | 24.0% | 20.5% | 9.1% | -1,800bp | -1,449bp | -310bp |
| **Cost Items as % of Sales** | | | | | | | |
| Raw Material Costs | 18.7% | 15.8% | 16.1% | 22.7% | 293bp | 263bp | -398bp |
| Freight Costs | 23.8% | 23.2% | 23.5% | 23.7% | 51bp | 24bp | 8bp |
| P&F Costs | 18.9% | 20.6% | 20.9% | 18.3% | -170bp | -204bp | 55bp |

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 (Cement + Clinker) | 8.60 | 8.95 | 6.70 | 8.82 | -3.9% | 28.4% | -2.5% |
| Realization | 4,757 | 4,844 | 4,748 | 4,883 | -2% | 0.2% | -2.6% |
| EBITDA/t | 922 | 925 | 763 | 741 | 0% | 21% | 24% |
| Raw Material Costs/t | 891 | 765 | 764 | 1,109 | 16% | 17% | -20% |
| P&F Costs/t | 899 | 997 | 994 | 896 | -10% | -10% | 0% |
| Freight Costs/t | 1,130 | 1,126 | 1,116 | 1,156 | 0% | 1% | -2% |
| Employee Costs/t | 250 | 253 | 333 | 229 | -1% | -25% | 9% |
| Other Expenses/t | 665 | 778 | 778 | 752 | -14% | -14% | -12% |
| Cost/t | 3,835 | 3,919 | 3,985 | 4,142 | -2.1% | -3.8% | -7.4% |

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

InCred Equities

## 4QFY25 results review and earnings-call takeaways

**Volume & prices:**

- **Volume:** Cement sales volume Cement sales volume stood at 8.7mt, down ~3% yoy and up 28.4% qoq (~4% below Incred estimate). As per management, the year has been subdued, resulting in a slowdown in GDP growth, and it expects the real GDP growth rate to bounce back. Management expects some slippage in budget allocation for capex, while doubling down investment and private capex amid the focus on fiscal consolidation.
- According to management, economic activity was stronger in 4QFY25, supporting full-year growth. India appears better positioned compared to global economies. Cement demand is unlikely to be affected by global disruption. Both government and private consumption are expected to increase over the next few years.
- For DBL, volume grew by ~4-5% yoy in 4Q, excluding JPA assets.
- During 4Q, cement demand grew by approximately 7-8% yoy, driven by increased government capital expenditure and stronger trade demand. The industry is expected to grow by 7-8% in FY26F. The company will focus on growth and profitability, aiming to outperform industry growth. No specific outlook on the company's growth rate.
- In FY25, DBL's plant volume grew by 6% compared to the industry's 4-5%.
- Realization/t: It stood at Rs4,757/t, flat qoq and -3% yoy vs. -2% below our estimate. Realization in FY25 was at Rs4,755/t, down ~7% yoy. There was an increased share of trade and premium cement sales.
- South India prices: They remained at unsustainable levels for the past 15 months. A combination of market exits, and a low-price environment led to improved prices in South India in Apr 2025. However, caution persists due to the fragmented markets in Andhra Pradesh and Telangana.
- Pricing: It improved during 4Q, and the company remains optimistic about price stickiness and consolidation benefiting pricing. Spot prices averaged approximately Rs10-15/bag higher compared to the 4QFY25 average.
- Prices improved in the eastern region but declined in the southern region, keeping the overall realization flat qoq in 4QFY25.
- Over the past few years, the top four players' capacity share was approximately 57%. As large players continue to expand capacities faster than others, the top four are expected to achieve a 60% share over the next few years.

**Costs & margin:**

- **Costs/t:** Total costs declined by ~7% yoy and ~4% qoq to Rs3,835/t (~2% lower than our estimate), mainly on account of lower P&F costs and other expenses.
- Energy costs stood at Rs1.3/kcal vs. Rs1.31/kcal qoq and Rs1.45/kcal yoy. Spot fuel prices remain volatile, and DBL will continue investing in renewable energy (RE) to meet energy needs. A marginal increase in energy costs is expected going ahead.
- Fuel consumption costs stood at US$95/t in 4QFY25 vs. US$114/t yoy and US$96/t qoq. Green energy's share stood at 36.4% in 4QFY25 vs. 39%/33% in 3QFY25/4QFY24, respectively.
- Raw material costs decreased due to lower fly ash prices. Additional taxes imposed by various state governments will cost the company Rs1.6bn annually.
- Direct dispatches were approximately 61% compared to 56% yoy. The lead distance was 277km compared to 269km qoq and 289km yoy. Logistics cost savings were partially offset by clinker movement in the northeast region due to an unplanned shutdown.
- **On Rs150-200/t cost savings by FY27F:** DBL expects to achieve savings through various initiatives (e.g., green energy, logistics) and anticipates meeting half of the efficiency target by FY26F.

- Tamil Nadu's Rs160/t limestone tax became effective in the first week of Apr 2025. It will cost the company Rs1.3bn annually on the raw material front.
- **EBITDA and unit EBITDA:** Consolidated EBITDA improved by ~21% yoy and ~55% qoq to ~Rs7.9bn (vs. our expectation of ~Rs8.2bn); EBITDA/t stood at Rs922 during the quarter (up by Rs159/t qoq and Rs181/t yoy), broadly in line with our estimate.
- **Reported PAT** was up 6.1x qoq at ~Rs4.35bn vs. our expectation of ~Rs3.1bn. Depreciation was down by ~14% yoy to ~Rs3.14bn. Other income came in at Rs930m and was higher due to the reversal of a provision for income-tax adjustment in an earlier year and recognition of the interest on the same.

**Capex & expansion:**

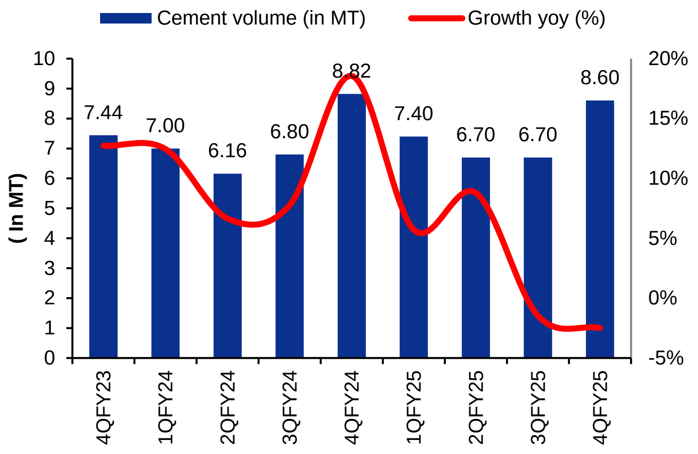
- **Capex:** In FY25, Rs26.6bn capex was incurred vs. the target of Rs30bn. A sum of Rs980m was invested in group companies (through an SPV) for renewable energy. FY26F capex is projected at Rs35bn, primarily for expansion (in western and northeast regions), land costs, and maintenance. A long-term capacity roadmap will be shared in 1QFY26F.
- New expansions are scheduled to be commissioned by the end of FY27F, supporting DBL's pan-India presence.
- During 4QFY25, DBL announced the next phase of expansion for western region markets with a total installed capacity of 6mtpa costing Rs35.2bn. It comprises a 3.6mtpa clinker unit with a 3mtpa grinding unit or GU at the existing Belgaum plant in Karnataka, and a new 3mtpa greenfield split GU at Pune in Maharashtra.

**Other updates:**

- **Incentives:** During 4Q, Rs990m was accrued, while Rs1.19bn was collected. Total accruals in FY25 stood at Rs3.36bn, with the collections being approximately Rs3.07bn. In FY26F, the company expects Rs3bn in incentives. The incentive outstanding at the year-end was Rs7.43bn, which is expected to remain at a similar level or increase marginally. The northeast region's incentives will continue for 15-20 years, while Bihar benefits will expire in FY26F. No significant reduction in incentives is expected in the coming years.
- Clinker movement for the Pune grinding unit will be supported by rail.
- Depreciation in FY26F is expected to be Rs32bn.
- **Debt:** The company will focus on managing its debt level while supporting growth. Net debt/EBITDA ratio is expected to remain below 2x.
- **Net debt-to-EBITDA ratio** stood at 0.3x in 4QFY25 vs. 0.55x in 3QFY25 and 0.18x in 4QFY24. Net debt stood at Rs7.16bn vs. Rs12.42bn in 3QFY25 and Rs4.9bn in FY24.
- **ED PMLA case:** The case involves a legal notice against DBL's subsidiary. No material impact on operations is likely. A sum of Rs950m was invested in Bharti Cement (now Raghuram Cement). DBL sold investment shares to a French company. No timeline for settlement has been provided. The Kadapa unit expansion remains unaffected by the Enforcement Directorate or ED's actions.
- The Dalmia network rebranding was completed to enhance brand visibility.
- Clinker capacity at the end of FY25 was 23.5mtpa. An additional 3.6mtpa will be commissioned in the northeast region by 2QFY26F, touching 27.1mtpa by FY26F.
- The landed cost of group captive power is Rs3-4/unit, varying across states.
- The CC ratio was 1.67x compared to 1.72x qoq and 1.69x yoy.
- Premium sales were 24% vs. 24.1% qoq.
- The blended ratio was 84% vs. 85.1% qoq.
- The trade mix was ~60% vs. 66.2% qoq.
- The road-to-rail mix was 84% road and 16% rail.

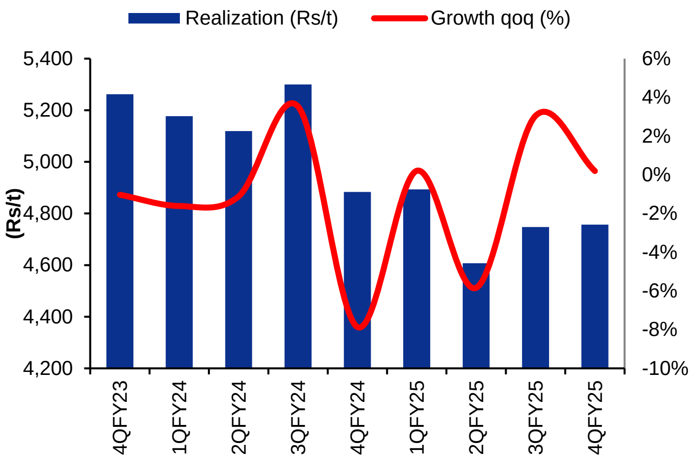
## Key quarterly charts

**Figure 3: Cement sales volume declined by ~3% yoy in 4QFY25**



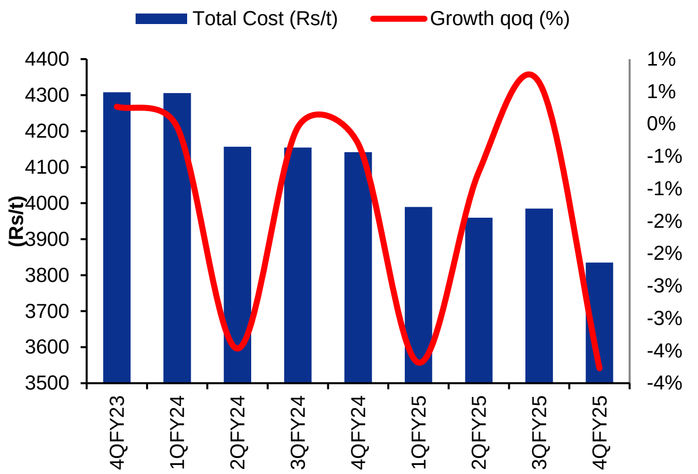

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 4: Cement realization was flat qoq in 4QFY25**



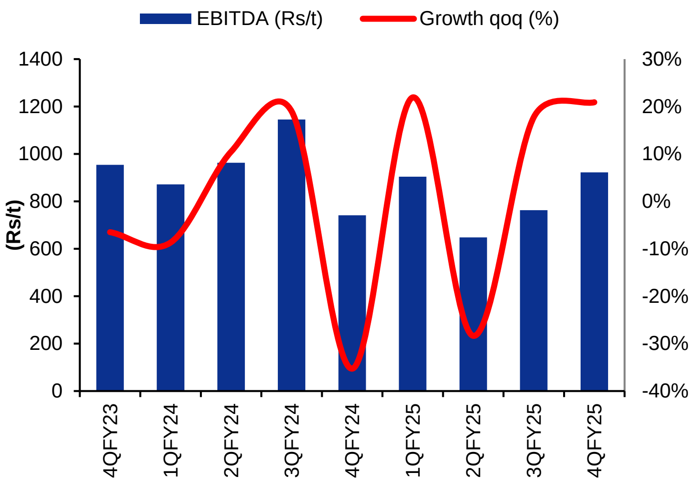

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 5: Operating costs/t declined by ~4% qoq in 4QFY25**



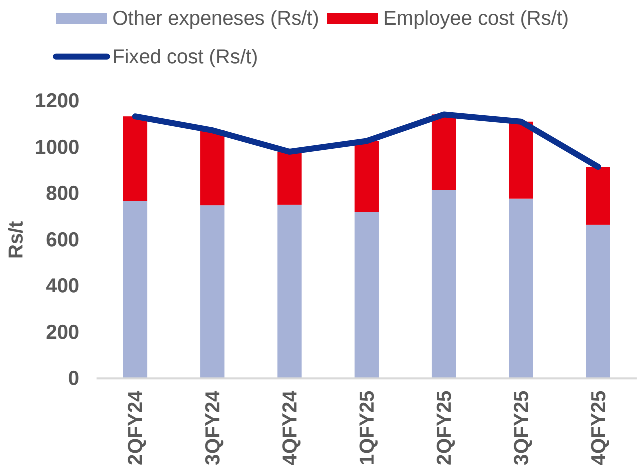

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 6: Unit EBITDA improved by 24% yoy and 21% qoq to Rs922/t in 4QFY25**



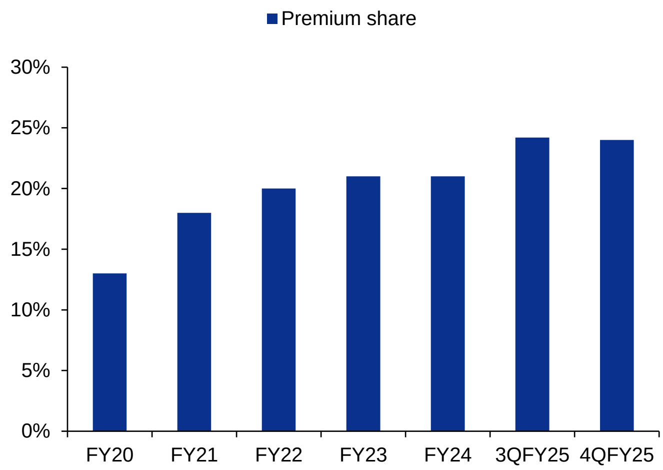

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 7: Fixed costs/t declined by 18% qoq and ~7% yoy**



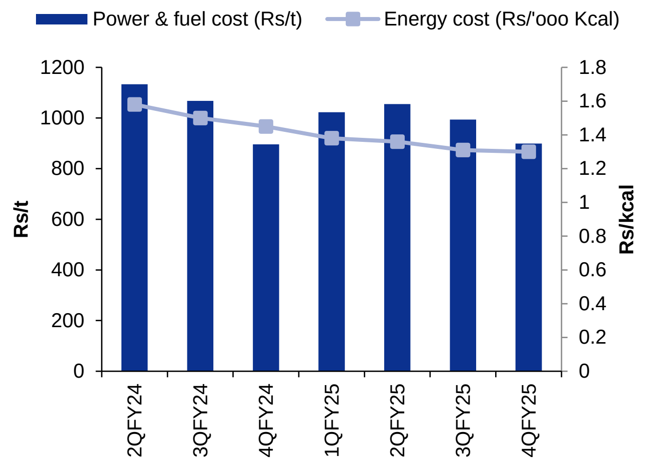

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 8: Premium product mix continued to increase and touched 24% in 4QFY25**



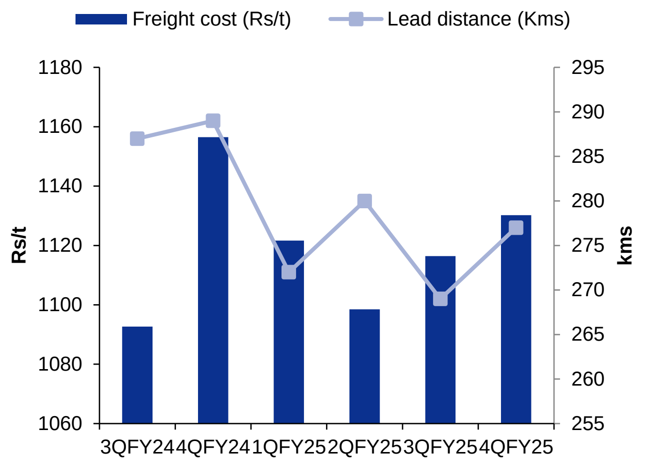

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 9: Power & fuel costs have bottomed out and are now expected to increase in the coming quarters**




SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 10: Freight costs/t were up 1% qoq while the lead distance was down by 12km yoy**




SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Key changes

Figure 11: Our revised earnings estimates

| Rs.m | New | | Old | | Change (%) | |
|---|---|---|---|---|---|---|
| | FY26F | FY27F | FY26F | FY27F | FY26F | FY27F |
| Volume (mt) | 31.3 | 34.1 | 33.1 | 36.1 | -6% | -6% |
| Sales | 1,52,460 | 1,68,874 | 1,62,477 | 1,80,642 | -7% | -7% |
| EBITDA | 30,727 | 36,934 | 30,787 | 36,267 | 0% | 2% |
| Recurring PAT | 10,232 | 13,388 | 9,872 | 12,661 | 4% | 5% |
| EPS (Rs.) | 54.7 | 71.3 | 53.4 | 68.1 | 2% | 5% |

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

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

| Rs.m | Incred | | Consensus | | Change (%) | |
|---|---|---|---|---|---|---|
| | FY26F | FY27F | FY26F | FY27F | FY26F | FY27F |
| Sales | 1,52,460 | 1,68,874 | 1,59,444 | 1,74,904 | -4% | -3% |
| EBITDA | 30,727 | 36,934 | 30,208 | 35,110 | 2% | 5% |
| PAT | 10,232 | 13,388 | 9,737 | 12,585 | 5% | 6% |

SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

Figure 13: Key assumptions

| | FY23 | FY24 | FY25A | FY26F | FY27F |
|---|---|---|---|---|---|
| **Volume (in mtpa)** | 26 | 29 | 29 | 31 | 34 |
| Yoy | 16% | 12% | 2% | 6% | 9% |
| **Realization (per tonne)** | 5,141 | 5,105 | 4,755 | 4,869 | 4,948 |
| Yoy | 1% | -1% | -7% | 2% | 2% |
| **Cost (per tonne)** | 4,367 | 4,188 | 3,936 | 3,888 | 3,866 |
| Yoy | 9% | -4% | -6% | -1% | -1% |
| **EBITDA (per tonne)** | 906 | 917 | 819 | 981 | 1082 |
| Yoy | -16% | 1% | -11% | 20% | 10% |
| **EBITDA (Rs m)** | 23,280 | 26,390 | 24,070 | 30,727 | 36,934 |
| Yoy | -4% | 13% | -9% | 28% | 20% |

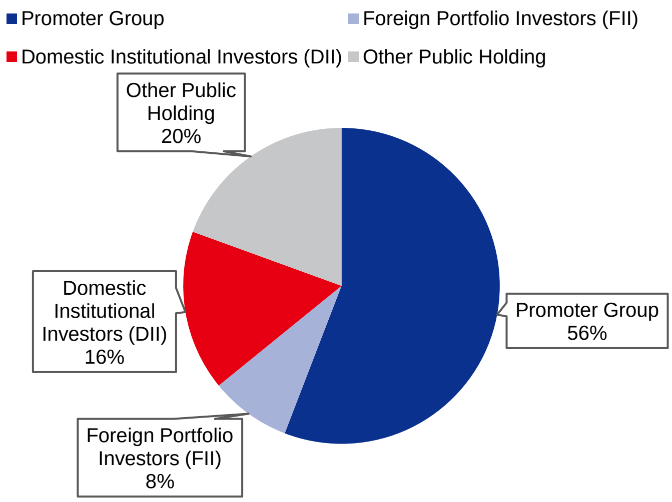
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 14: Maintain ADD rating on DBL with a Mar 2026F target price of Rs2,180, set at 12x (earlier 11x) EV/EBITDA

| Valuation | Target price |
|---|---|
| Target EV/EBITDA (x) | 12 |
| Target EV (Rs m) | 4,43,203 |
| Net debt / (cash) (Rs m) | 28,946 |
| No. of shares (m) | 190 |
| **Fair value per share (Rs)** | **2,180** |

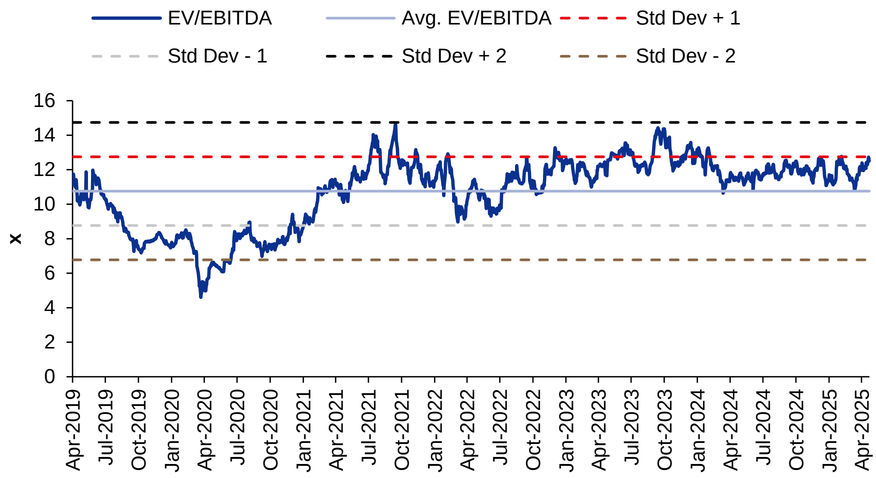
SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Figure 15: DBL's shareholding pattern (as of end-Mar 2025)



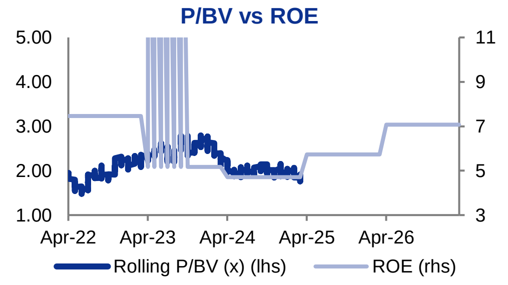

SOURCE: INCRED RESEARCH, COMPANY REPORTS

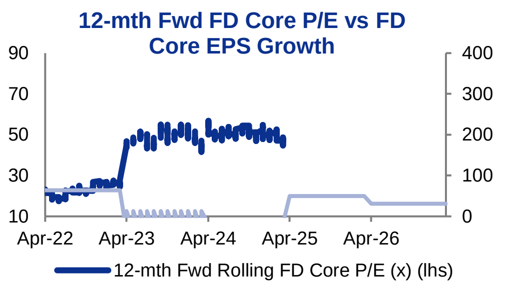
**Figure 16: DBL's one-year forward EV/EBITDA trades close to +1 SD level**




SOURCE: INCRED RESEARCH, BLOOMBERG

# BY THE NUMBERS




### Profit & Loss

| (Rs mn) | Mar-23A | Mar-24A | Mar-25A | Mar-26F | Mar-27F |
|---|---|---|---|---|---|
| **Total Net Revenues** | **135,520** | **146,910** | **139,800** | **152,460** | **168,874** |
| **Gross Profit** | **135,520** | **146,910** | **139,800** | **152,460** | **168,874** |
| **Operating EBITDA** | **23,280** | **26,390** | **24,070** | **30,727** | **36,934** |
| Depreciation And Amortisation | (13,050) | (14,980) | (13,310) | (14,375) | (15,525) |
| **Operating EBIT** | **10,230** | **11,410** | **10,760** | **16,352** | **21,409** |
| Financial Income/(Expense) | (2,340) | (3,860) | (3,990) | (4,788) | (5,506) |
| Pretax Income/(Loss) from Assoc. | 5,540 | | | | |
| Non-Operating Income/(Expense) | 1,260 | 3,150 | 2,530 | 2,479 | 2,405 |
| **Profit Before Tax (pre-EI)** | **14,690** | **10,700** | **9,300** | **14,043** | **18,308** |
| Exceptional Items | 1,440 | | (1,130) | | |
| **Pre-tax Profit** | **16,130** | **10,700** | **8,170** | **14,043** | **18,308** |
| Taxation | (2,420) | (2,160) | (1,180) | (3,651) | (4,760) |
| Exceptional Income - post-tax | | | | | |
| **Profit After Tax** | **13,710** | **8,540** | **6,990** | **10,392** | **13,548** |
| Minority Interests | (440) | (270) | (160) | (160) | (160) |
| Preferred Dividends | | | | | |
| FX Gain/(Loss) - post tax | | | | | |
| Other Adjustments - post-tax | | | | | |
| **Net Profit** | **13,270** | **8,270** | **6,830** | **10,232** | **13,388** |
| Recurring Net Profit | 12,046 | 8,270 | 7,797 | 10,232 | 13,388 |
| **Fully Diluted Recurring Net Profit** | **12,046** | **8,270** | **7,797** | **10,232** | **13,388** |

### Cash Flow

| (Rs mn) | Mar-23A | Mar-24A | Mar-25A | Mar-26F | Mar-27F |
|---|---|---|---|---|---|
| EBITDA | 23,280 | 26,390 | 24,070 | 30,727 | 36,934 |
| Cash Flow from Invt. & Assoc. | | | | | |
| Change In Working Capital | 7,180 | (10,750) | 300 | (2,834) | (1,176) |
| (Incr)/Decr in Total Provisions | | | | | |
| Other Non-Cash (Income)/Expense | 1,260 | 3,150 | 2,530 | 2,479 | 2,405 |
| Other Operating Cashflow | (4,440) | 13,580 | (560) | (560) | (560) |
| Net Interest (Paid)/Received | (2,340) | (3,860) | (3,990) | (4,788) | (5,506) |
| Tax Paid | (2,420) | (2,160) | (1,180) | (3,651) | (4,760) |
| **Cashflow From Operations** | **22,520** | **26,350** | **21,170** | **21,373** | **27,336** |
| Capex | (27,010) | (27,230) | (26,260) | (35,500) | (35,500) |
| Disposals Of FAs/subsidiaries | | | | | |
| Acq. Of Subsidiaries/investments | | | | | |
| Other Investing Cashflow | 3,750 | (270) | 3,560 | (8,840) | |
| **Cash Flow From Investing** | **(23,260)** | **(27,500)** | **(22,700)** | **(44,340)** | **(35,500)** |
| Debt Raised/(repaid) | 6,670 | 8,920 | 6,480 | 20,000 | 15,000 |
| Proceeds From Issue Of Shares | | | | | |
| Shares Repurchased | | | | | |
| Dividends Paid | (936) | (950) | (950) | (819) | (1,071) |
| Preferred Dividends | | | | | |
| Other Financing Cashflow | (4,054) | (5,750) | (5,920) | 1,400 | 1,400 |
| **Cash Flow From Financing** | **1,680** | **2,220** | **(390)** | **20,581** | **15,329** |
| Total Cash Generated | 940 | 1,070 | (1,920) | (2,386) | 7,165 |
| **Free Cashflow To Equity** | **5,930** | **7,770** | **4,950** | **(2,967)** | **6,836** |
| **Free Cashflow To Firm** | **1,600** | **2,710** | **2,460** | **(18,179)** | **(2,658)** |

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 | 32,200 | 44,540 | 46,020 | 43,634 | 50,799 |
| Total Debtors | 7,000 | 8,360 | 8,890 | 9,607 | 10,641 |
| Inventories | 13,160 | 12,180 | 13,860 | 14,202 | 15,731 |
| Total Other Current Assets | 21,140 | 13,480 | 14,520 | 15,856 | 17,056 |
| **Total Current Assets** | **73,500** | **78,560** | **83,290** | **83,299** | **94,227** |
| Fixed Assets | 140,540 | 152,050 | 169,320 | 189,945 | 209,420 |
| Total Investments | 5,890 | 5,900 | 6,750 | 6,750 | 6,750 |
| Intangible Assets | 26,010 | 29,220 | 29,900 | 38,740 | 38,740 |
| Total Other Non-Current Assets | 9,490 | 11,760 | 13,000 | 13,500 | 14,000 |
| **Total Non-current Assets** | **181,930** | **198,930** | **218,970** | **248,935** | **268,910** |
| Short-term Debt | 5,320 | 1,990 | 6,530 | 11,530 | 16,530 |
| Current Portion of Long-Term Debt | | | | | |
| Total Creditors | 11,350 | 13,160 | 15,390 | 14,768 | 15,762 |
| Other Current Liabilities | 27,930 | 29,590 | 30,310 | 30,492 | 32,086 |
| **Total Current Liabilities** | **44,600** | **44,740** | **52,230** | **56,791** | **64,378** |
| Total Long-term Debt | 32,100 | 44,310 | 46,050 | 61,050 | 71,050 |
| Hybrid Debt - Debt Component | | | | | |
| Total Other Non-Current Liabilities | 21,290 | 23,370 | 28,980 | 29,980 | 30,980 |
| **Total Non-current Liabilities** | **53,390** | **67,680** | **75,030** | **91,030** | **102,030** |
| Total Provisions | | | | | |
| **Total Liabilities** | **97,990** | **112,420** | **127,260** | **147,821** | **166,408** |
| Shareholders Equity | 156,280 | 163,970 | 173,740 | 183,154 | 195,470 |
| Minority Interests | 1,160 | 1,100 | 1,260 | 1,260 | 1,260 |
| **Total Equity** | **157,440** | **165,070** | **175,000** | **184,414** | **196,730** |

### Key Ratios

| | Mar-23A | Mar-24A | Mar-25A | Mar-26F | Mar-27F |
|---|---|---|---|---|---|
| Revenue Growth | 20.1% | 8.4% | (4.8%) | 9.1% | 10.8% |
| Operating EBITDA Growth | (4.0%) | 13.4% | (8.8%) | 27.7% | 20.2% |
| Operating EBITDA Margin | 17.2% | 18.0% | 17.2% | 20.2% | 21.9% |
| Net Cash Per Share (Rs) | (27.90) | (9.26) | (34.53) | (152.35) | (193.58) |
| BVPS (Rs) | 835.20 | 863.00 | 914.42 | 963.97 | 1,028.79 |
| Gross Interest Cover | 4.37 | 2.96 | 2.70 | 3.42 | 3.89 |
| Effective Tax Rate | 15.0% | 20.2% | 14.4% | 26.0% | 26.0% |
| Net Dividend Payout Ratio | 7.9% | 11.5% | 11.9% | 8.0% | 8.0% |
| Accounts Receivables Days | 18.49 | 19.08 | 22.52 | 22.14 | 21.88 |
| Inventory Days | 30.45 | 31.48 | 33.99 | 33.59 | 32.35 |
| Accounts Payables Days | 32.28 | 37.11 | 45.02 | 45.21 | 42.23 |
| ROIC (%) | 5.7% | 6.2% | 5.3% | 6.9% | 8.3% |
| ROCE (%) | 5.3% | 5.6% | 4.9% | 6.7% | 7.9% |
| Return On Average Assets | 5.8% | 4.7% | 4.2% | 4.8% | 5.5% |

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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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. |