India Metals & Mining

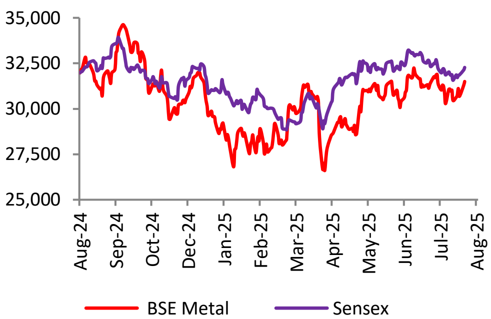
26 August 2025

Sector performance broadly in line, majorly driven by ferrous names

1QFY26 RESULT REVIEW

Industry	Metals & Mining

Relative performance: BSE Metals v/s Sensex



Source: Company, Systematix Institutional Research

Sector Rating (Rs)

Company	CMP	TP	Reco
Tata Steel	157	181	BUY
JSW Steel	1,054	1,187	BUY
SAIL	121	114	HOLD
NMDC	70	83	BUY
Coal India	375	371	HOLD
MOIL	325	404	BUY
Hindalco	706	727	HOLD
NALCO	188	206	HOLD
Vedanta	432	510	BUY
Hindustan Zinc	432	462	HOLD
APL Apollo Tubes	1,636	1,718	HOLD
Jindal SAW	201	272	BUY
Jai Balaji Industries	103	133	BUY
Welspun Corp	879	1146	BUY

Source: Company, Systematix Institutional Research

Shweta Dikshit
shwetadikshit@systematixgroup.in
+91 22 6704 8042

Umang Saraiya
umangsaraiya@systematixgroup.in
+91 22 6704 8019

Our coverage companies posted mixed earnings this quarter, broadly aligning with our expectations. Better steel prices supported topline and profitability growth for steel companies in 1Q, while operating leverage, disciplined cost control, and robust domestic demand helped margin expansion. JSW Steel (JSTL BUY), Tata Steel (TATA BUY), and SAIL (HOLD) reported a combined sales volume of 18mt during the quarter, registering 5% YoY growth. At the same time, EBITDA margins expanded by 269bps YoY and 194bps QoQ. In the steel pipes and tubes segment, Welspun Corp (WLCO BUY) exceeded expectations and delivered robust 40% YoY EBITDA growth led by capacity ramp-ups and favorable macros in key operating regions. APL Apollo Tubes (APAT HOLD) witnessed demand headwinds during the quarter led by widened Patra pipe spreads resulting in weaker realisations, offsetting product mix benefits, while Jindal Saw (JSAW BUY) posted weaker volumes due to various maintenance shutdowns. Mining companies under our coverage posted mixed performance, where NMDC posted robust 6% YoY EBITDA growth while MOIL (BUY) and Coal India (COAL HOLD) posted a weak quarter due to lower offtake led by early onset of monsoon. Non-ferrous companies posted stable volumes, and a better value-added product (VAP) mix partially offset by lower commodity prices, translating to a 105bps/339bps (YoY/QoQ) EBITDA margin contraction. Overall, every company in our coverage faces its unique challenges, from regulatory uncertainties to commodity price volatility. However, a select few have implemented effective measures to mitigate these risks, offering attractive multiples supported by resilient cash flows and strong balance sheets. Our pecking order of top picks under our coverage is WLCO, NMDC, JSAW, JSTL, and TATA.

1QFY26 summarised

Primary steel producers: The steel sector, as illustrated by JSTL, TATA, and SAIL under coverage, continues on an upward growth trajectory as incremental capacity comes on stream from expansions underway and domestic demand is sufficiently absorbing these volumes. During 1QFY26, the government implemented a provisional 12% safeguard duty on flat steel imports, aimed at discouraging excessive imports and protect domestic producers. While the measure was expected to act as an effective deterrent, its impact was only partially realised. A surge in global trade flows, triggered by the US's tariff actions, redirected incremental steel volumes to India, which led to a reversal in steel price increases by primary steel producers. Recent proposal by the DGTR to implement safeguard duty for a period of three years may be able to meet the purpose. For 2QFY26, we expect spreads to drop seqeuntially, impacted by weaker volumes in the monsoon quarter and downward steel price revisions. **JSTL** is leveraging its product mix and new capacity ramp-ups to drive revenue growth, **TATA** is positioning its India business to benefit from strong domestic demand with incremental volumes from new expansions and parallely taking out costs across business segments to improve cost efficiency, and **SAIL** is intensifying efforts to modernize and debottleneck operations while shifting towards a higher share of finished products. Overall, the outlook remains optimistic on JSTL and TATA with continued investments, cost optimization, and capacity enhancements poised to unlock long-term value, despite ongoing global trade uncertainties.

Mining: MOIL (BUY), COAL (HOLD) posted weaker volumes, falling short of expectations, while NMDC's (BUY) strong volumes were supported by enhanced EC limits. Weaker realisations offset this quarter's profitability for all three companies under coverage. We retain a positive demand outlook from key industries such as steel and infrastructure.

- **NMDC** is capitalizing on strong domestic iron ore demand, **COAL** is witnessing higher growth in non-power sectors like steel and cement, offset by lower/flat fuel supply to power utilities as renewable energy share continues to rise, and **MOIL** is leveraging its market dominance in manganese ore to cater to growing steel production needs.
- NMDC and MOIL are strategically investing in capacity expansion and efficiency improvements to sustain long-term growth. For COAL, we may be a looking at stagnant growth with falling coal offtake.
- NMDC's push towards higher iron ore output and enhanced logistics infrastructure will be key to unlocking further value. COAL, despite facing competition from renewable energy, remains crucial for India's power sector, with higher offtake being the key to future growth, however, notable incremental growth may only come from new thermal power projects currently in pipeline and may take 5 to 6 years to come on stream. MOIL's production growth and exploration efforts align with the rising manganese demand from the steel and ferroalloys industry.

Steel pipes and tubes: The steel pipes sector showed mixed performance during the quarter, underpinned by consistent volume growth and a strategic shift toward higher value-added products. **WLCO** recorded strong EBITDA growth driven by capacity expansions and a rising high-margin product mix. In contrast, **APAT** and **JSAW** posted weaker volumes due to demand headwinds and maintenace activity resulting in profit reduction. **Jai Balaji Industries** (JBIL BUY), faced margin compression due to lower sales realizations and a weaker product mix, however, strategic capex should bolster the product mix going forward, helping margin expansion.

Non-ferrous: Select players in the non-ferrous metals sector in India have demonstrated robust fundamentals and promising medium-term growth, driven by strong domestic demand and strategic capacity enhancements. **Hindalco** (HNDL HOLD) delivered a strong performance this quarter, leveraging its strategic downstream portfolio in India, helping offset weaker performance at Novelis. **Hindustan Zinc** (HZ HOLD) has delivered a tepid quarter due to mine preparation activities carried out during 1Q, however, it recorded 112bps EBITDA margin expansion YoY through cost efficiencies. **Vedanta** (VEDL BUY) also posted below expectation earnings this quarter primarily due to weaker commodity prices of aluminium, zinc, and crude oil. **NALCO** (HOLD) fared below expectations due to lower sales volume, but posted YoY EBITDA margin improvement of 649bps led by higher alumina sales.

Outlook and view

Primary steel: JSTL (8.2x FY27E EV/EBITDA) commands a valuation premium reflecting its strong earnings outlook and expansion initiatives. TATA (5.8x FY27E EV/EBITDA) offers an attractive entry point with disciplined cost management and a favorable domestic growth despite demand challenges, and the green steel transition in Europe and UK. We remain cautious on SAIL (5.7x FY27E EV/EBITDA), with distant expansion plans relative to its peers.

Mining: NMDC, COAL, and MOIL are trading at attractive multiples (4.5x, 4.6x, 7.4x FY27E EV/EBITDA), reflecting their stable cash flows, high dividend yields, and strategic expansion plans. Lower coal offtake and long-term energy transition risk are negative for COAL, partially offset by a consistent dividend yield. NMDC's growth trajectory is well-supported by domestic demand and its planned capex to execute enhanced EC limits. MOIL, with a niche market and strong demand fundamentals, presents a re-rating opportunity as volume expansion materializes. Attractive valuations, solid balance sheets, and consistent returns make NMDC and MOIL attractive at this level, however, we closely watch volume growth and guidance deliveries for COAL with a HOLD rating on the stock.

Steel pipes and tubes: WLCO (7.9x FY7E EV/EBITDA) is our top pick top pick featuring notable expansion pipeline and potential margin growth with the shift to a superior product mix. JSAW (4.4x FY27E EV/EBITDA) is a strong candidate for re-rating with its diverse operations and improved balance sheet. Higher EBITDA/t and consistent volume growth could drive APAT to re-rate (23x FY27E EV/EBITDA). Clear execution is necessary for JBIL (6.7x FY27E EV/EBITDA) given the revised capex and commissioning timelines.

Non-ferrous: HZ's steady growth plans are fully priced at about 9.3x FY27E EBITDA (after factoring in a premium for the silver segment), offering only a modest upside. VEDL remains attractive at 4x FY27E EV/EBITDA, offering meaningful value unlocking potential from the demerger. However, delays or regulatory bottlenecks in the demerger process could cap near term upside despite favorable valuation. NALCO's delayed expansion plans make it fairly valued at roughly 4.5x FY27E EV/EBITDA, with limited upside. HNDL, currently trading at 5.2x FY27E EV/EBITDA, offers limited upside in the near to medium term as strong performance at India operations is partially offset by weaker performance at Novelis.

Rating: We have BUY on WLCO, TATA, JSTL, NMDC, MOIL, VEDL, JSAW, JBIL, and HOLD on SAIL, APAT, HZ, HNDL, NACL, and COAL.

Exhibit 1: Quarterly review (Rs bn)

Tata Steel	1QFY25	4QFY25	1QFY26	vs est	YoY	QoQ	Key highlights
Revenue	547.7	562.2	531.8	5%	-3%	-5%	• Standalone operations posted EBITDA of Rs 71.2bn (+5.1%/+2% YoY/QoQ) during the quarter • EBITDA loss at Tata Steel UK narrowed to Rs 4.7bn vs loss of Rs 8.7bn in 4QFY25 and Rs 9.6bn in 1QFY25; lower costs and better NSRs supported profitability improvement at the Europe and UK operations • FY26 production is expected to be higher by 1.5-1.6mt YoY, with Kalinganagar forecasted to produce around 6.7-6.8mt of crude steel. • The company successfully reduced costs by Rs 29bn across its three main geographies, comprising Rs 11bn in India, Rs 14bn in Netherlands and Rs 4bn in UK • TATA purchased residual stake in NINL on July 24, 2025, making it a 100% subsidiary
EBITDA	66.9	65.6	74.3	16%	11%	13%	
EBITDA margin	12.2%	11.7%	14.0%	133	174	230	
PAT	9.2	12.0	20.1	27%	119%	67%	
Sales volume (mt)	7.4	8.3	7.1	-21%	-4%	-15%	
NSR (Rs/t)	74,116	67,489	74,688		1%	11%	

JSW Steel	1QFY25	4QFY25	1QFY26	vs est	YoY	QoQ	Key highlights
Revenue	429.4	448.2	431.5	6%	0%	-4%	• 1QFY26 cons. EBITDA of Rs 75.8bn (+37.5%/+18.8% YoY/QoQ) due to better blended realisations and strong performance at overseas operations. • JSTL reported crude steel production of 7.3mt this quarter, registering 14.3% YoY growth as new capacities at Bhushan Power & Steel Limited (BPSL) and Jindal Vijayanagar Metallics Ltd. (JVML) ramped up versus last year, but fell 4.8% QoQ due to high base and seasonality • The company is working towards 2.5 GW of RE capacity, of which around 800 MW is operational as of 1QFY26 and another 200 MW set to be commissioned in 2QFY26 will take the operational RE capacity to 1GW. • JSTL has entered a 89:11 (JSTL's share at 89%) joint venture with APDMC to set up a magnetite ore beneficiation plant at a project cost of Rs 10.75bn
EBITDA	55.1	63.8	75.8	7%	37%	19%	
EBITDA margin	12.8%	14.2%	17.6%	17	473	333	
PAT	8.7	15.0	22.1	6%	155%	47%	
Sales volume (mt)	6.1	7.5	6.7	1%	9%	-11%	
NSR (Rs/t)	70,168	59,838	64,495	5%	-8%	8%	

SAIL	1QFY25	4QFY25	1QFY26	vs est	YoY	QoQ	Key highlights
Revenue	240.0	293.2	259.2	-2%	8%	-12%	• SAIL reported 1QFY26 consolidated EBITDA of Rs 27.68bn, up 25% YoY and down by 21% QoQ, driven by higher YoY volumes. • Realizations for the quarter averaged Rs 56,971/t (-5%/+4% YoY/QoQ), supported by notable increase in flat steel prices over the quarter • The FY26 capex target is Rs 75bn, higher than Rs 60bn spent in FY25 • SAIL reduced borrowings roughly by Rs 11bn during the quarter at Rs 287bn and spent Rs 16bn in capex out of the annual guidance of Rs 75bn.
EBITDA	22.2	34.8	27.7	-26%	25%	-21%	
EBITDA margin	9.3%	11.9%	10.7%	-353	143.01	-120	
PAT	3.9	12.8	7.4	-46%	89%	-42%	
Sales volume (mt)	4.0	5.3	4.6	-1%	13%	21%	
NSR (Rs/t)	59,815	55,002	56,971	-1%	-5%	4%	

NMDC	1QFY25	4QFY25	1QFY26	vs est	YoY	QoQ	Key highlights
Revenue	54.1	70.0	67.4	-7%	24%	-4%	• NMDC reported 1QFY26 EBITDA of Rs 24.8bn (+6%/+21% YoY/QoQ). Increase in EBITDA was majorly driven by reduced other expenditure, employee benefits and lower than expected realizations during the quarter. • EBITDA margin during the quarter was 36.8% compared to 29.3% in 4QFY25 and 43.2% in 1QFY25. • Employee costs per ton decreased to Rs 357/t this quarter versus Rs 432/t in 4QFY25.
EBITDA	23.4	20.5	24.8	4%	6%	21%	
EBITDA margin	43.2%	29.3%	36.8%	361	-644	750	
PAT	19.6	14.8	19.7	7%	0%	33%	
Sales volume (mt)	10.1	12.7	11.5	0%	14%	-9%	
NSR (Rs/t)	5,371	5,528	5,850		9%	6%	

Coal India	1QFY25	4QFY25	1QFY26	vs est	YoY	QoQ	Key highlights
Revenue	364.6	378.2	358.4	3%	-2%	-5%	• EBITDA for the quarter at Rs 111bn (-5% YoY, flat QoQ), due to lower costs. • EBITDA margin for the quarter was 31% fell 61bps YoY but was higher by 135bps QoQ. • The company sold 191mt of coal during the quarter, which fell 4% YoY and 5% QoQ. • COAL realized a 50% e-auction premium over FSA this quarter, compared to 69% in 4QFY25 and 58% in 1QFY25. • India's total electricity generation fell 3% YoY 472bn units in 1QFY26, of which coal-fired generation has decreased by 7% YoY and 3% QoQ to 333bn units. Renewable energy (RE - wind + solar) generation increased by 19%/17% YoY/QoQ to 76bn units during the quarter, with a total share of 16% in India's electricity generation versus 15% in 4QFY25 and 13% in 1QFY25.
EBITDA	115.4	112.3	111.3	8%	-4%	-1%	
EBITDA margin	31.7%	29.7%	31.0%	121	-61.11	135.60	
PAT	109.4	95.9	87.3	-6%	-20%	-9%	
Sales volume (mt)	198.5	200.7	190.6	1%	-4%	-5%	
NSR (Rs/t)	1,837	1,885	1,881		2%	0%	

MOIL	1QFY25	4QFY25	1QFY26	vs est	YoY	QoQ	Key highlights
Revenue	4.9	4.3	3.5	-11%	-29%	-20%	• MOIL reported 1QFY26 revenue of Rs 3.5bn (-29% YoY / -20% QoQ), due to a) lower offtake volumes, and b) high base set in 1QFY25 due to abnormally high manganese ore (MnO) prices. • EBITDA margin during the quarter averaged 22.6%, compared to 32.2% in 4QFY25 and 43.4% in 1QFY25. • Sales volume for the quarter was 0.36mt, reflecting a 21% drop both YoY and QoQ. MnO (non-fines) realization for the quarter was Rs 10,207/t (-15% YoY/ -3% QoQ), while the blended realization was Rs 8,888/t, down 15% YoY but up 1% QoQ.
EBITDA	2.1	1.4	0.8	-38%	-63%	-44%	
EBITDA margin	43.4%	32.2%	22.6%	-982	-2072	-955	
PAT	1.5	1.2	0.5	-43%	-66%	-55%	
Sales volume (kt)	453	449	356	-25%	-21%	-21%	
NSR (Rs/t)	10,880	9,652	9,777		-10%	1%	

Hindalco	1QFY25	4QFY25	1QFY26	vs est	YoY	QoQ	Key highlights
Revenue	570.1	648.9	642.3	1%	13%	-1%	• Hindalco's (HNDL) 1QFY26 cons. EBITDA was reported at Rs 80.8bn, registering a growth of 6.5%YoY but fell 16.0% QoQ. • India aluminium upstream, downstream, and copper metal sales volume during the quarter were reported at 325kt (-1.2%/ -2.1% YoY/QoQ), 101kt (+5.2%/-3.8% YoY/QoQ), and 124kt (+4%/-8% YoY/QoQ), respectively. • The company has outlined capital expenditure of Rs 75-80bn in FY26 and Rs 150bn in FY27 for India expansions, that would be incurred along with Novelis's ongoing capacity expansion projects. • HNDL's acquisition of 100% stake in USA based AluChem (consideration of USD 125mn) provides technology access to products like tabular and low soda alumina products which are not currently manufactured India • Current RE capacity stands at 189MW, targeted to reach 300MW by 3QFY26.
EBITDA	75.9	96.1	80.8	1%	6%	-16%	
EBITDA margin	13.3%	14.8%	12.6%	4	-73	-224	
PAT	30.7	52.8	40.0	8%	30%	-24%	
India aluminium sales (kt)	425.0	437.0	426.0	-3%	-1%	0%	

NALCO	1QFY25	4QFY25	1QFY26	vs est	YoY	QoQ	Key highlights
Revenue	28.6	52.7	38.1	1%	33%	-28%	• EBITDA at Rs 14.9bn (+59.7% YoY and -45.8% QoQ) due to lower sales volume. • Aluminium metal sales during the quarter were 113kt (+5.8%/-10.1% YoY/QoQ) with an EBITDA/t of USD 1,046/t (+1.6%/-23.2% YoY/QoQ). • NACL targets to achieve >100% utilisation with 2.25mt-2.3mt alumina production in FY26 vs 2.07mt in FY25. • Lease deed for Pottangi Bauxite mines is already in place, with targeted commencement by end of FY26 or 1QFY27. The 1mt Alumina refinery expansion at Damanjodi has achieved ~75% physical progress, with mechanical completion targeted by end of this fiscal or 1QFY27. The management estimates 50% utilisation in FY27 and full scale utilisation from FY28.
EBITDA	9.3	27.5	14.9	-5%	60%	-46%	
EBITDA margin	32.7%	52.3%	39.2%	-239	649	-1308	
PAT	5.9	20.7	10.5	-15%	78%	-49%	
Metal sales (kt)	107	126	113	2%	6%	-10%	

Vedanta	1QFY25	4QFY25	1QFY26	vs est	YoY	QoQ	Key highlights
Revenue	357.6	404.6	378.2	4%	6%	-7%	• Vedanta's (VEDL) 1QFY26 consolidated EBITDA at Rs 99.2bn (flat YoY, -13.5% QoQ). EBITDA margin for the quarter was reported at 26.2% (-159bps/-212bps YoY/QoQ). • VEDL reported alumina production of 587kt in 1QFY26 and the management maintains full-year guidance of 3.1mt • On a YoY basis, Zinc International, power, and oil and gas segments drove EBITDA growth, partially offset by weaker performance at zinc India, steel, copper, and aluminium businesses owing to lower base metal prices, higher cost of production, and seasonally lower volumes. • VEDL commissioned 350MW Meenakshi Unit 3 and 600MW Athena Unit I in July. The 350MW Meenakshi Unit 4 is slated to commission in August and 600MW Athena Unit 2 would come online in 4QFY26 • The second motion for the group's demerger was heard on July 2, however, the process could not be completed due to paucity of time and next date has been fixed on 20th August.
EBITDA	99.5	114.7	99.2	-9%	0%	-14%	
EBITDA margin	27.8%	28.3%	26.2%	-383	-159	-212	
PAT	36.1	34.8	31.9	-14%	-12%	-9%	
Aluminium sales (kt)	596.0	604.0	604.6	0%	1%	0%	

Hindustan Zinc	1QFY25	4QFY25	1QFY26	vs est	YoY	QoQ	Key highlights
Revenue	81.3	90.9	77.7	-1%	-4%	-14%	• EBITDA of Rs 38.6bn (-2.2%/-20% YoY/QoQ). EBITDA margin improved by 112bps YoY but fell 338bps QoQ to 49.7% for the quarter. • HZ reported 265kt mined metal production in 1QFY26, remaining flat YoY but falling by 15% QoQ, in line with mine preparation activities typically carried out in the first quarter • HZ has incurred Rs 10bn towards the ongoing 0.5mt fertiliser plant expansion, out of the total planned capex outlay of Rs 18bn with the remaining expected to be spent over the next nine months. • Hindustan Zinc increased its renewable energy share to 19% in 1QFY26, up from 13% last year, aided by enhanced supply from Serentica and wind power assets.
EBITDA	39.5	48.2	38.6	2%	-2%	-20%	
EBITDA margin	48.5%	53.0%	49.7%	167	112	-338	
PAT	23.5	30.0	22.3	7%	-5%	-26%	
Refined metal sales (kt)	211.0	214.0	202.0	0%	-4%	-6%	

APL Apollo	1QFY25	4QFY25	1QFY26	vs est	YoY	QoQ	Key highlights
Revenue	49.7	55.1	51.7	-4%	4%	-6%	• EBITDA/t weakened sequentially to Rs 4,683/t (+11.9%/-3.7% YoY/QoQ) primarily due to higher employee costs and lower operating leverage resulting from lower volumes. • Management has revised their FY26 volume growth guidance from 15%-20% earlier to 10%-15%. • On track its announced capex of Rs 15bn to be incurred equally over three years, aimed at expanding capacity from 4.5mt in FY25 to 7mt by FY28, which will be entirely funded through internal accruals. • Currently 72% of the company's power comes through renewable energy sources, which is expected to increase to 80-85% over the next two to three years, leading to a reduction in the power cost • APAT remains committed to increasing share of value-added products (galvanized, coated) and reducing exposure to general products segments. Increasing supplies to emerging sectors like data centers, solar would drive APAT closer to its targeted VAP mix of 70-75% post capacity expansion to 7mt by FY28.
EBITDA	3.3	4.5	4.0	-7%	22%	-11%	
EBITDA margin	6.6%	8.1%	7.7%	43	113	-45	
PAT	1.9	2.9	2.4	-8%	23%	-19%	
Sales (kt)	721.1	850.4	794.4	0%	10%	-7%	
NSR (Rs/t)	68,986	64,773	65,082	-4%	-6%	0%	

Jindal SAW	1QFY25	4QFY25	1QFY26	vs est	YoY	QoQ	Key highlights
Revenue	49.4	50.5	40.8	-22%	-17%	-19%	• EBITDA came in at Rs 6.7bn (-20% YoY/-9% QoQ), mainly due to lower volumes on account of scheduled maintenance and delayed export shipments. • India steel pipes and pellets orderbook currently stands at USD 1.3bn (vs. USD 1.33bn in 4QFY25), with USD 10mn attributable to pellets. • The management is optimistic of achieving DI pipes sales of ~680ktpa, same as last year, and returning to quarterly total volume run rate of 435ktpa, if the demand environment turns supportive. • Groundwork for greenfield projects in the GCC region has commenced • The company has fully repaid term loans related to the Sathavahana acquisition, reducing long-term debt from Rs 8.52bn as of March'25 to Rs 5.78bn at the end of 1Q.
EBITDA	8.4	7.4	6.7	-21%	-20%	-9%	
EBITDA margin	17.0%	14.6%	16.4%	26	-59	182	
PAT	4.2	0.9	4.2	-4%	0%	378%	
India pipes sales (kt)	400.0	434.0	326.0	-24%	-19%	-25%	
NSR (Rs/t)	123,477	116,281	125,297		1%	8%	

Jai Balaji Industries	1QFY25	4QFY25	1QFY26	vs est	YoY	QoQ	Key highlights
Revenue	17.2	15.9	13.6	1%	-21%	-15%	• Revenue for the quarter reported at Rs 13.6bn (-21%/-15% YoY/QoQ). • EBITDA at Rs 1.27bn (-60%/-4% YoY /QoQ). EBITDA margin came in at 9.4% vs. 8.4% in 4QFY25 and 18.4% in 1QFY25. • PAT at Rs 0.7bn (-66%/-7% YoY/QoQ). PAT margin for the quarter stood at 5.2% vs. 4.7% in 4QFY25 and 12.2% in 1QFY25.
EBITDA	3.2	1.3	1.3	-16%	-60%	-4%	
EBITDA margin	18.4%	8.4%	9.4%	-184	-902	100	
PAT	2.1	0.8	0.7	-30%	-66%	-7%	
Sales volume (kt)	NA	NA	NA	NA	NA	NA	

Welspun Corp	1QFY25	4QFY25	1QFY26	vs est	YoY	QoQ	Key highlightssss
Revenue	31.4	39.2	35.5	-15%	13%	-10%	• WLCO reported 1QFY26 EBITDA of Rs 5.25bn, registering a growth of 40% YoY and 14% QoQ. WLCO's EBITDA margin of 14.8% for the quarter reflects a 286bps YoY and 306bps QoQ improvement led by a superior product mix and favorable demand scenario in key markets. • The company's market share in the US has historically sustained over 20%, reaching 30% currently in a strong demand environment. • Its current order book stands at Rs 190bn to be executed in FY26 and FY27. • WLCO incurred Rs 4.5bn capex in 1QFY26 out of the total planned outlay of Rs 55bn over FY25-FY27.
EBITDA	3.7	4.6	5.3	5%	40%	14%	
EBITDA margin	12%	12%	15%	288.28	286.31	305.84	
PAT	2.5	7.0	3.5	2%	41%	-50%	
Sales volume (kt)	229.0	321.0	247.0		8%	-23%	

Source: Company, Systematix Institutional Research

Exhibit 2: Coverage snapshot

Company	Mcap (Rs bn)	CMP (Rs)	TP (Rs)	Upside / Downside	FY25-27E CAGR (%)			RoE (%)			P/E (x)			EV/EBITDA (x)		
					Sales	EBITDA	EPS	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
Primary steel producers																
Tata Steel	1,979	157	181	16%	7%	39%	133%	4%	10%	13%	85.3	24.1	15.8	12.1	7.6	5.8
JSW Steel	2,573	1,054	1,187	13%	12%	33%	109%	4%	13%	15%	73.3	22.0	16.8	14.5	9.8	8.2
SAIL	504	121	114	-5%	3%	19%	53%	4%	5%	8%	21.1	15.9	9.8	8.1	7.0	5.7
Mining																
NMDC	617	70	83	19%	20%	19%	7%	25%	24%	21%	8.8	7.9	7.7	6.4	5.0	4.5
Coal India	2,308	375	371	-1%	1%	3%	0%	49%	39%	33%	6.5	6.6	6.5	4.8	4.7	4.6
MOIL	67	325	404	24%	23%	26%	20%	15%	16%	18%	17.4	14.9	12.0	11.7	9.0	7.4
Non ferrous																
Hindalco	1,575	706	727	3%	8%	7%	0%	14%	12%	11%	10.0	9.8	9.9	5.9	5.4	5.2
NALCO	347	188	206	10%	-1%	-6%	-8%	33%	16%	22%	6.6	11.9	7.8	4.0	7.0	4.5
Vedanta	1,735	432	510	18%	6%	14%	18%	43%	41%	37%	11.2	9.6	8.2	5.2	4.4	4.0
Hindustan Zinc	1,795	432	462	7%	2%	5%	4%	73%	67%	57%	17.6	18.0	16.4	10.3	10.1	9.3
Iron and steel products																
APL Apollo Tubes	458	1,636	1,718	5%	14%	27%	30%	19%	23%	23%	59.8	42.3	35.5	38.0	27.3	22.9
Jindal SAW	129	201	272	36%	3%	5%	18%	13%	13%	14%	8.9	7.7	6.4	4.9	5.2	4.4
Jai Balaji Industries	94	103	133	30%	21%	23%	30%	26%	23%	25%	16.3	13.8	9.6	10.2	9.2	6.7
Welspun Corp	234.1	878.8	1146.0	0.3	0.3	0.3	0.4	0.2	0.2	0.2	12.1	13.8	11.6	12.6	9.4	7.9

Source: Company, Systematix Institutional Research

Exhibit 3: EBITDA margin

	1QFY25	4QFY25	1QFY26	YoY (bps)	QoQ (bps)	Links to access 4QFY25 RU notes
SAIL	9.0%	12.0%	11.0%	200	(100)	SAIL 1QFY26 RU note
JSW Steel	12.8%	14.2%	17.6%	473	333	JSW Steel 1QFY26 RU note
Tata Steel	12.2%	11.7%	14.0%	174	230	TATA Steel 1QFY26 RU note
Primary steel producers	**11.9%**	**12.6%**	**14.5%**	**269**	**194**	
Coal India	31.7%	29.7%	31.0%	(61)	136	Coal India 1QFY26 RU note
NMDC	43.2%	29.3%	36.8%	(644)	750	NMDC 1QFY26 RU note
MOIL	43.4%	32.2%	22.6%	(2,072)	(955)	MOIL 1QFY26 RU note
Mining	**33.3%**	**29.6%**	**31.9%**	**(139)**	**223**	
APL Apollo Tubes	6.1%	7.5%	7.2%	113	(31)	APL Apollo Tubes 1QFY26 RU note
Welspun Corp	11.9%	11.7%	14.8%	286	306	Welspun 1QFY26 RU note
Jindal SAW	17.0%	14.6%	16.4%	(59)	182	Jindal SAW 1QFY26 RU note
Jai Balaji Industries	18.4%	8.4%	9.4%	(902)	100	
Steel products	**12.4%**	**10.8%**	**12.0%**	**(44)**	**112**	
Hindustan Zinc	48.5%	53.0%	49.7%	112	(338)	Hindustan Zinc 1QFY26 RU note
Vedanta	27.8%	28.3%	26.2%	(159)	(212)	Vedanta 1QFY26 RU note
NALCO	32.7%	52.3%	39.2%	649	(1,308)	NALCO 1QFY26 RU note
Hindalco	13.3%	14.8%	12.6%	(73)	(224)	Hindalco Industries 1QFY26 RU note
Non-ferrous	**21.6%**	**23.9%**	**20.5%**	**(105)**	**(339)**	
Total	**18.7%**	**19.3%**	**19.3%**	**61**	**(6)**	

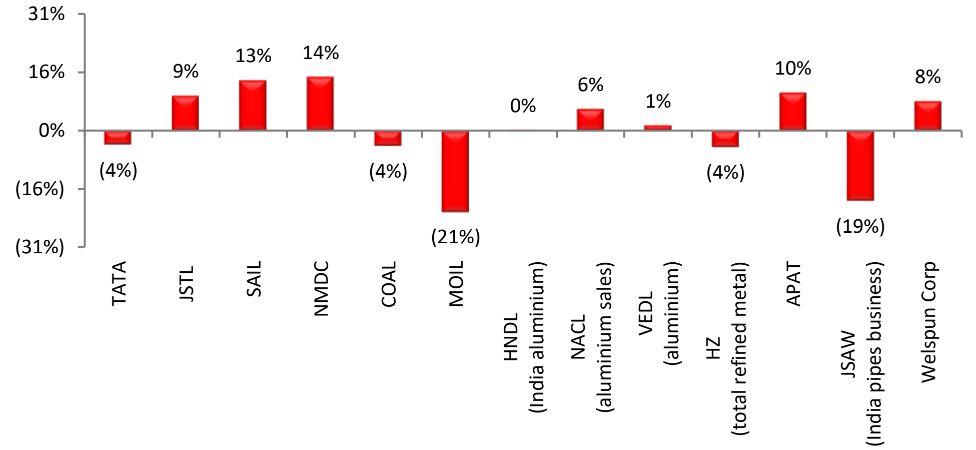
Source: Company, Systematix Institutional Research

Exhibit 4: Annual estimate revision

	FY26E	FY27E
Tata Steel		
Revenue	0%	0%
EBITDA	1%	4%
Adj. PAT	-3%	3%
JSW Steel		
Revenue	1%	2%
EBITDA	-8%	-9%
Adj. PAT	-5%	-9%
SAIL		
Revenue	0%	0%
EBITDA	0%	0%
Adj. PAT	0%	0%
NMDC		
Revenue	8%	11%
EBITDA	12%	13%
Adj. PAT	11%	11%
Coal India		
Revenue	-4%	-4%
EBITDA	-10%	-9%
Adj. PAT	-10%	-9%
MOIL		
Revenue	0%	0%
EBITDA	0%	0%
Adj. PAT	0%	0%
HINDALCO		
Revenue	0%	-1%
EBITDA	2%	4%
Adj. PAT	2%	4%
NALCO		
Revenue	4%	1%
EBITDA	13%	4%
Adj. PAT	16%	4%
Vedanta		
Revenue	-1%	-2%
EBITDA	-1%	-1%
Adj. PAT	-17%	-16%
Hindustan Zinc		
Revenue	-6%	-4%
EBITDA	4%	-2%
Adj. PAT	8%	-7%
APL Apollo		
Revenue	-8%	-12%
EBITDA	-13%	-17%
Adj. PAT	-11%	-20%
Jindal SAW		
Revenue	-6%	-1%
EBITDA	-16%	-8%
Adj. PAT	-19%	-16%
Jai Balaji		
Revenue	0%	0%
EBITDA	0%	0%
Adj. PAT	0%	0%
Welspun Corp		
Revenue	-9%	-5%
EBITDA	6%	12%
Adj. PAT	5%	12%

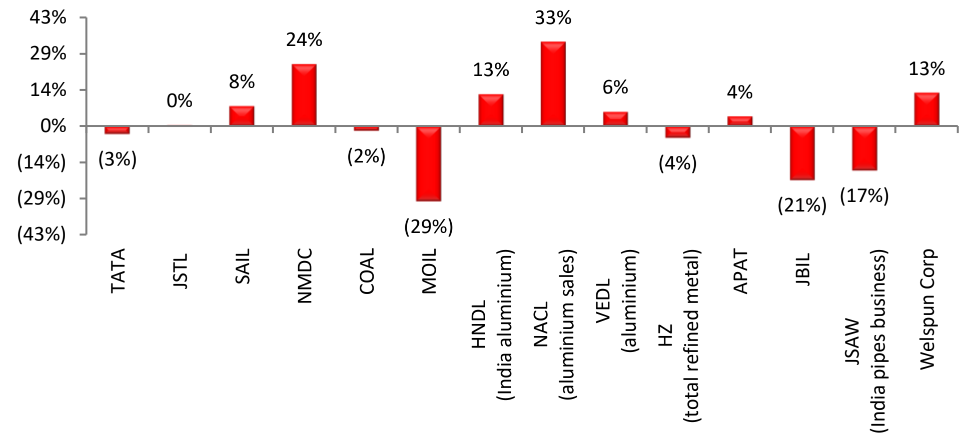
Source: Company, Systematix Institutional Research

Exhibit 5: YoY change in quarterly sales volume



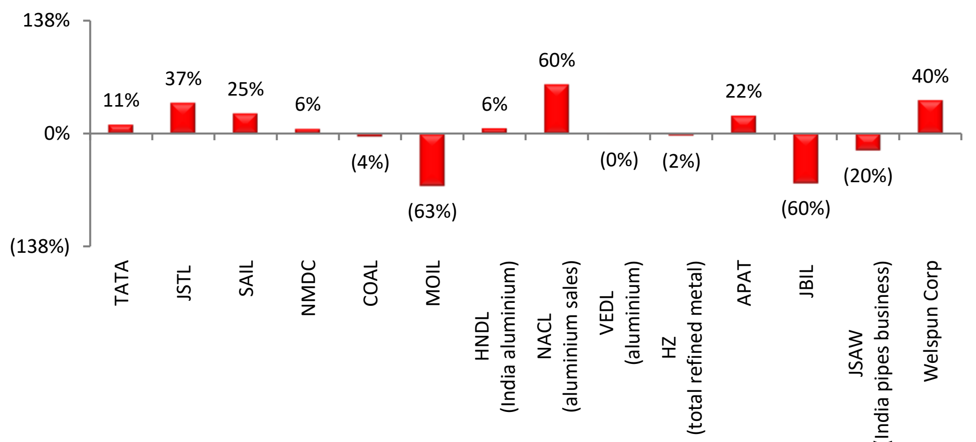
Source: Company, Systematix Institutional Research

Exhibit 6: YoY change in quarterly revenue



Source: Company, Systematix Institutional Research

Exhibit 7: YoY change in quarterly EBITDA



Source: Company, Systematix Institutional Research

DISCLOSURES/APPENDIX

I. ANALYST CERTIFICATION

I, **Shweta Dikshit, Umang Saraiya;** hereby certify that (1) views expressed in this research report accurately reflect my/our personal views about any or all of the subject securities or issuers referred to in this research report, (2) no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report by **Systematix Shares and Stocks (India) Limited (SSSIL)** or its group/associate companies, (3) reasonable care is taken to achieve and maintain independence and objectivity in making any recommendations.

Disclosure of Interest Statement	Update
Analyst holding in the stock	No
Served as an officer, director or employee	No

II. **ISSUER SPECIFIC REGULATORY DISCLOSURES,** unless specifically mentioned in point no. 9 below:

1. The research analyst(s), SSSIL, associates or relatives do not have any financial interest in the company(ies) covered in this report.
2. The research analyst(s), SSSIL, associates or relatives collectively do not hold more than 1% of the securities of the company(ies) covered in this report as of the end of the month immediately preceding the distribution of the research report.
3. The research analyst(s), SSSIL, associates or relatives did not have any other material conflict of interest at the time of publication of this research report.
4. The research analyst, SSSIL and its associates have not received compensation for investment banking or merchant banking or brokerage services or any other products or services from the company(ies) covered in this report in the past twelve months.
5. The research analyst, SSSIL or its associates have not managed or co-managed a private or public offering of securities for the company(ies) covered in this report in the previous twelve months.
6. SSSIL or its associates have not received compensation or other benefits from the company(ies) covered in this report or from any third party in connection with this research report.
7. The research analyst has not served as an officer, director or employee of the company(ies) covered in this research report.
8. The research analyst and SSSIL have not been engaged in market making activity for the company(ies) covered in this research report.
9. Details of SSSIL, research analyst and its associates pertaining to the companies covered in this research report:

Sr. No.	Particulars	Yes / No.
1	Whether compensation was received from the company(ies) covered in the research report in the past 12 months for investment banking transaction by SSSIL.	No
2	Whether research analyst, SSSIL or its associates and relatives collectively hold more than 1% of the company(ies) covered in the research report.	No
3	Whether compensation has been received by SSSIL or its associates from the company(ies) covered in the research report.	No
4	Whether SSSIL or its affiliates have managed or co-managed a private or public offering of securities for the company(ies) covered in the research report in the previous twelve months.	No
5	Whether research analyst, SSSIL or associates have received compensation for investment banking or merchant banking or brokerage services or any other products or services from the company(ies) covered in the research report in the last twelve months.	No

10. There is no material disciplinary action taken by any regulatory authority that impacts the equity research analysis activities.

STOCK RATINGS

BUY (B): The stock's total return is expected to exceed 15% over the next 12 months.
HOLD (H): The stock's total return is expected to be within -15% to +15% over the next 12 months.
SELL (S): The stock's total return is expected to give negative returns of more than 15% over the next 12 months.
NOT RATED (NR): The analyst has no recommendation on the stock under review.

INDUSTRY VIEWS

ATTRACTIVE (AT): Fundamentals/valuations of the sector are expected to be attractive over the next 12-18 months.
NEUTRAL (NL): Fundamentals/valuations of the sector are expected to neither improve nor deteriorate over the next 12-18 months.
CAUTIOUS (CS): Fundamentals/valuations of the sector are expected to deteriorate over the next 12-18 months.

III. DISCLAIMER

The information and opinions contained herein have been compiled or arrived at based on the information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy completeness or correctness.

This document is for information purposes only. This report is based on information that we consider reliable; we do not represent that it is accurate or complete and one should exercise due caution while acting on it. Description of any company(ies) or its/their securities mentioned herein are not complete and this document is not and should not be construed as an offer or solicitation of an offer to buy or sell any securities or other financial instruments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. All opinions, projections and estimates constitute the judgment of the author as on the date of the report and these, plus any other information contained in the report, are subject to change without notice. Prices and availability of financial instruments are also subject to change without notice. This report is intended for distribution to institutional investors.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject to SSSIL or its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently sent or has reached any individual in such country, especially USA, the same may be ignored and brought to the attention of the sender. Neither this document nor any copy of it may be taken or transmitted into the United States (to U.S. persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof. Any unauthorized use, duplication, redistribution or disclosure of this report including, but not limited to, redistribution by electronic mail, posting of the report on a website or page, and/or providing to a third party a link, is prohibited by law and will result in prosecution. The information contained in the report is intended solely for the recipient and may not be further distributed by the recipient to any third party.

SSSIL generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, SSSIL generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that they cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein. Our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. The views expressed in this research report reflect the personal views of the analyst(s) about the subject securities or issues and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The compensation of the analyst who prepared this document is determined exclusively by SSSIL; however, compensation may relate to the revenues of the Systematix Group as a whole, of which investment banking, sales and trading are a part. Research analysts and sales persons of SSSIL may provide important inputs to its affiliated company(ies).

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations which could have an adverse effect on their value or price or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies, effectively assume currency risk. SSSIL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on the basis of this report including but not restricted to fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

SSSIL and its affiliates, officers, directors, and employees subject to the information given in the disclosures may: (a) from time to time, have long or short positions in, and buy or sell, the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation (financial interest) or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential material conflict of interest with respect to any recommendation and related information and opinions. The views expressed are those of the analyst and the company may or may not subscribe to the views expressed therein.

SSSIL, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall SSSIL, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. The company accepts no liability whatsoever for the actions of third parties. The report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report refers to website material of the company, the company has not reviewed the linked site. Accessing such website or following such link through the report or the website of the company shall be at your own risk and the company shall have no liability arising out of, or in connection with, any such referenced website.

SSSIL will not be liable for any delay or any other interruption which may occur in presenting the data due to any technical glitch to present the data. In no event shall SSSIL be liable for any damages, including without limitation, direct or indirect, special, incidental, or consequential damages, losses or expenses arising in connection with the data presented by SSSIL through this presentation.

SSSIL or any of its other group companies or associates will not be responsible for any decisions taken on the basis of this report. Investors are advised to consult their investment and tax consultants before taking any investment decisions based on this report.

Registration granted by SEBI to SSSIL and certification from NISM to the analyst in no way guarantee performance of SSSIL or to provide any assurance of returns to investors.

SYSTEMATIX GROUP
Investments Re-defined

EMPOWERING INVESTORS
A SEBI Initiative

Systematix Shares and Stocks (India) Limited:
Registered and Corporate address: The Capital, A-wing, No. 603 – 606, 6th Floor, Plot No. C-70, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
Tel no. 022-66198000/40358000 Fax no. 022-66198029/40358029 Email id contactus@systematixgroup.in. Visit us at: www.systematixgroup.in
Details of Compliance officer: Ms Nipa Savla, Compliance officer Tel no. 022-66198092/4035808092 Email id compliance@systematixgroup.in
Details of Email id grievance redressal cell : grievance@systematixgroup.in
Details of Registration : CIN - U65993MH1995PLC268414 | BSE SEBI Reg. No.: INZ000171134 (Member Code: 182) | NSE SEBI Reg. No.: INZ000171134 (Member Code: 11327) | MCX SEBI Reg. No.: INZ000171134 (Member Code: 56625) | NCDEX SEBI Reg. No.: INZ000171134 (Member Code: 1281) | Depository Participant SEBI Reg. No.: IN-DP-480-2020 (DP Id: 12034600) | PMS SEBI Reg. No.: INP000002692 | Research Analyst SEBI Reg. No.: INH200000840 | AMFI : ARN - 64917