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DEEP DIVE

Nuvoco Vistas

INSTITUTIONAL RESEARCH

Nuvoco Vistas Corporation

CCDS issuance to bolster balance sheet

We maintain a BUY rating on Nuvoco Vistas, with a revised target price INR of 470/share (9x FY28E consolidated EBITDA). Nuvoco is expanding its capacity by 38%, leading to a capacity of 34.5mnMT by H1FY28. The company maintains the capex progress on track. The expansion program includes refurbishment and operationalization of the acquired Vadraj Cement assets in the west and debottlenecking capacity in the east, entailing a total capex of INR 38bn. The INR 12bn CCDS issuance by Nuvoco to part-fund these expansions will significantly trim debt on books, cooling off leverage ratio. We expect its net debt to EBITDA to fall to 2/1.1x in Mar'26/Mar'28E, from an elevated level of 3.6x in Sep'25. These expansions should accelerate consolidated volume CAGR to 6% during FY25-28E as against 3% in FY22-25E. Nuvoco continues to focus on premiumization, and efficiency improvements should drive margin gains. We expect cement prices to remain stable following the recovery seen in H1FY26. Subsequently, we expect Nuvoco to deliver consolidated EBITDA of 18% during FY25-28E.

- **Expansion on track; cement capacity to rise by 38% by H1FY28E:** Nuvoco is embarking on a major expansion journey as it acquired stressed assets of Vadraj Cement in Gujarat and has refurbished them. Additionally, Nuvoco is debottlenecking 4mn MT of cement capacity across eastern region. Cumulatively, these will add 9.5/3.5mn MT of cement/clinker capacity by H1FY28. Thus, its cement/clinker capacities will increase to 34.5/17mn MT. While we expect Nuvoco's H2FY26 volume growth to remain subdued at ~4% YoY (similar to H1), the expansion ramp-up in FY27-28E should accelerate consolidated volume growth to 6% CAGR during FY25-28E.
- **CCDS issuance bolsters balance sheet, significantly de-leveraging it:** Vadraj Cement's acquisition (as a wholly-owned subsidiary) and its refurbishment entails a total capex of INR 36bn (implied capex of USD 70/MT). Nuvoco has issued CCDS of INR 12bn, of which INR 6bn is already subscribed in Q3FY26 and the rest will happen before Q4FY26. The equity conversion would happen in the seventh year, if Nuvoco doesn't exercise the call option, paying off the investors at 10.25% IRR, closer to the sixth year. The CCDS inflow along with healthy cash flow generation should drive net debt reduction despite factoring in INR 44bn of cumulative capex during FY26-28E. We expect net debt to EBITDA to fall to 2/1.1x in Mar'26/Mar'28E, from an elevated level of 3.6x in Sep'25.
- **Premiumization and cost focus to offset medium-term margin drag as Vadraj ramps up in FY27-28E:** We expect the cement price recovery in H1FY26 to sustain and improve marginally in subsequent years. Moreover, Nuvoco is accelerating its premium cement sales share (42% in H1FY26 vs 36% in FY23) and can expand to ~45-46% as it sells more premium cement from the upcoming expansions in the eastern region. This should drive the margin by ~INR 25-50/MT. Nuvoco is also squeezing on various cost efficiencies to reduce costs by INR 50/MT in H2FY26. In the subsequent years, it could catch up with industry, in our view, and increase the share of low-cost green power from 20% (mostly WHRS led) currently through the group-captive mode. These should offset the medium-term margin drag in FY27-28E when Varaj plant gradually ramps up. We thus estimate consolidated margin will remain flattish at ~INR 940/MT during FY26-28E. Any incentive approval on Vadraj capex would be an additional margin trigger, in our view.

BUY

CMP *(as on 10 Dec 2025)*	INR 335
Target Price	INR 470
NIFTY	25,758

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 485	INR 470
EBITDA revision %	FY26E *0.2*	FY27E *(6.3)*

KEY STOCK DATA	
Bloomberg code	NUVOCO IN
No. of Shares (mn)	357
MCap (INR bn) / ($ mn)	120/1,330
6m avg traded value (INR mn)	205
52 Week high / low	INR 478/287

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(24.3)	(6.8)	(9.0)
Relative (%)	(27.9)	(9.2)	(12.6)

SHAREHOLDING PATTERN (%)	Jun-25	Sep-25
Promoters	72.02	72.02
FIs & Local MFs	19.10	18.10
FPIs	3.82	5.19
Public & Others	5.06	4.69
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

Rajesh Ravi
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Key operational assumptions

	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Cement Cap (mn MT)	**23.8**	**23.8**	**25.0**	**25.0**	**27.0**	**31.0**	**34.5**
Sales Volume (mn MT)	**17.8**	**18.8**	**18.8**	**19.4**	**20.1**	**21.3**	**23.4**
YoY change (%)	*12.1*	*5.4*	*(0.1)*	*3.5*	*3.5*	*6.0*	*10.0*
Utilisation (%)	*74.9*	*78.9*	*75.0*	*77.7*	*74.4*	*68.7*	*67.9*
(Rs/ MT trend)							
NSR	**4,794**	**5,124**	**5,159**	**4,810**	**5,050**	**5,075**	**5,152**
YoY change (%)	*7.3*	*6.9*	*0.7*	*(6.8)*	*5.0*	*0.5*	*1.5*
Input cost	1,529	1,961	1,665	1,578	1,553	1,528	1,543
Logistics costs	1,403	1,499	1,560	1,438	1,452	1,467	1,481
Fixed cost	1,030	1,053	1,111	1,111	1,101	1,160	1,177
Total Opex	**3,962**	**4,513**	**4,336**	**4,127**	**4,106**	**4,154**	**4,202**
YoY change (%)	*12.3*	*13.9*	*(3.9)*	*(4.8)*	*(0.5)*	*1.2*	*1.1*
EBITDA	**832**	**611**	**824**	**683**	**944**	**921**	**950**

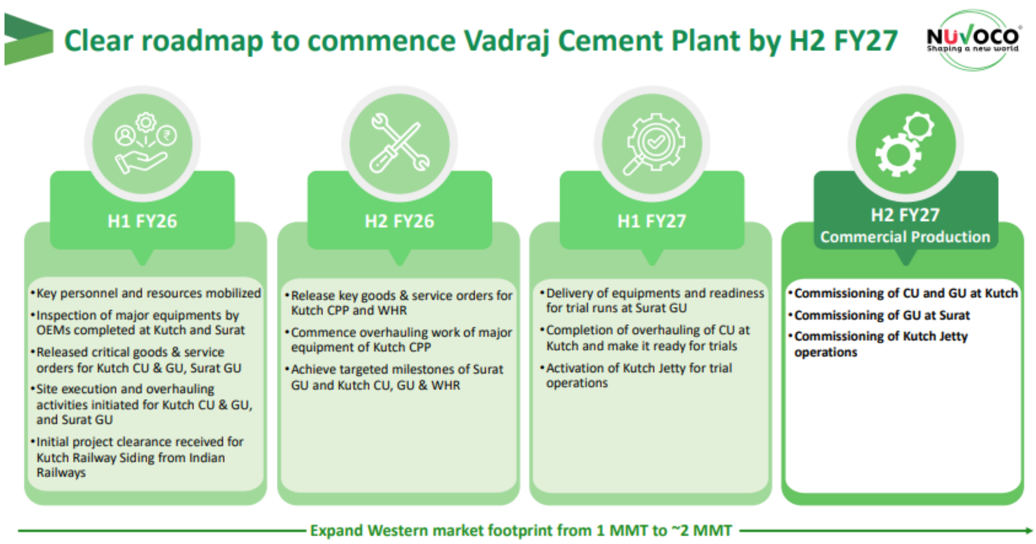
Source: Company, HSIE Research

Vadraj capacity expected to be operational during H2FY27- H1FY28

In Q1FY26, Nuvoco spent INR 18bn towards the acquisition of the Vadraj Cement, which has plants in Kutch and Surat. Nuvoco also bought out a 50MW CPP at Kutch from JSW Cement for INR 2bn in Q3FY26. Nuvoco will spend INR 12bn to refurbish and operationalize the 3.5mn MT clinker at Kutch and 2mn MT SGU at Surat, by Q3FY27. It will also increase the capacity of cement mill at Surat to 3mn MT by H1FY28 (capex included in the INR 12bn). Additionally, Nuvoco will commission a 2.5mn MT cement mill (capex INR 3bn) and railway siding (capex INR 1bn) at Kutch by Q1FY28 and FY28 end respectively. Thus, for a cumulative cost of INR 36bn, Nuvoco will operationalize 3.5/5.5mnMT clinker/cement capacities in Gujarat. Adjusted for the surplus 2mnMT VRM mill at Surat (which it plans to move out most probably in Rajasthan when it later makes a brownfield expansion there), the west capacity comes at an implied EV of ~USD 70/MT.

Nuvoco is also exploring if it can manage to get incentive benefits (in the form of capital subsidies) from the Gujarat government on the refurbishment capex that it is incurring. If this happens, Nuvoco's profitability should further increase.

Progress update on Vadraj Cement's refurbishment in Gujarat

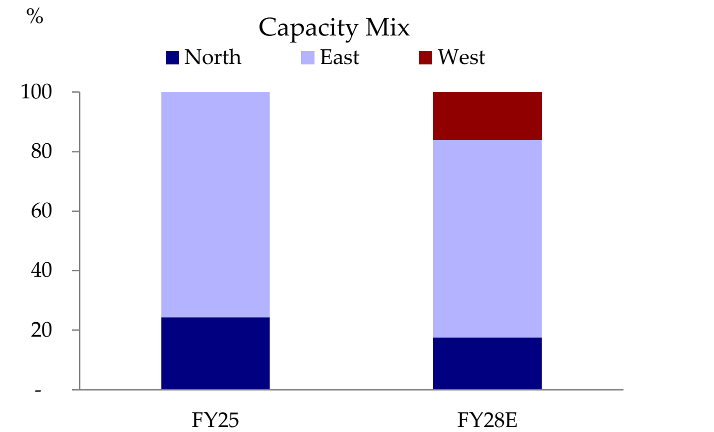


Source: Company, HSIE Research

Debottlenecking capacities in the east to thrust premium cement sales

Nuvoco is adding 4mn MT of cement capacity spread across four of the five states it is present in the eastern region. This includes adding a 1mn MT mill in Arasmeta (Chhattisgarh) by Mar-27E. It is debottlenecking capacities by 1mn MT each at Jojobera (Jharkhand) by Dec-25E, Panagarh (WB) by Mar-26E, and Jajpur (Odisha) by Jun-26E. The capex outgo is nominal (INR 2bn) as the expansion entails a VRM addition of 1mn MT and some modification at three locations to release capacities of 1mn MT each. As these expansions are not backed by requisite~2-3mn MT clinker expansion, consolidated utilization should moderate. Nuvoco will utilize these SGUs to accelerate production and sales of premium cement – mainly PCC and PSC —and hence increase the overall Cement to Clinker (CC) ratio. Nuvoco plans to also expand its sales presence in the eastern parts of UP and MP, Andhra Pradesh, Telangana, Maharashtra, and the north-east region, following the eastern expansion.

Post ongoing expansion, regional diversification to rise



Source: Company, HSIE Research

Debottlenecking capacities at nominal capex in east

Cement mills	Capacity (mn MT)	Expected CoD
Jojobera, Jharkhand	1.0	Q3FY26
Panagarh, West Bengal	1.0	Q4FY26
Jajpur, Odisha	1.0	Q1FY27
Arasmeta, Chhattisgarh *	1.0	Q4FY27
Total expansion in the east	**4.0**	
Planned capex (INR bn)	**2.0**	

Source: Company, HSIE Research, *Nuvoco is adding a new mill here while it is debottlenecking capacities at other locations

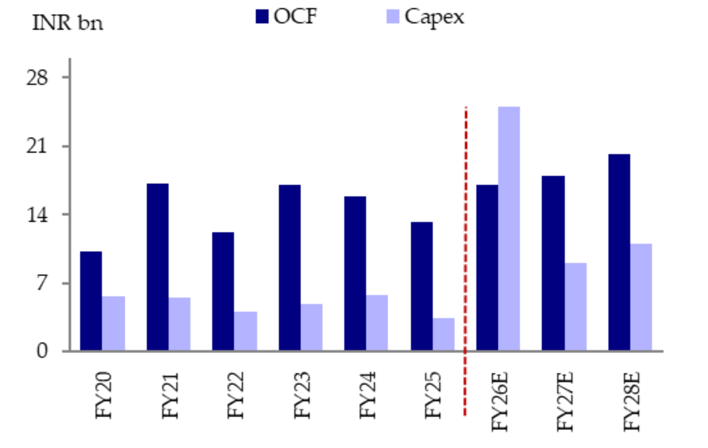
CCDS issuance to fund Vadraj acquisition and refurbishment

The acquired entity Vadraj Cement (currently a wholly owned subsidiary) is issuing INR 12bn of compulsory convertible debenture securities (CCDS). Of this, INR 6bn of CCDS have already been subscribed by non-promoter/non-group entities in Q3FY26 and Nuvoco expects the rest to be subscribed over the next 1-3 months. The proceeds will be used to retire a bridge loan of INR 12bn taken by the company to pay off the initial acquisition cost. The current CCDS (Series A) of INR 6bn has a seven-year tenure, at the end of which, this would lead to a ~15% stake dilution in the subsidiary Vadraj Cement. However, there are call and put options embedded in the CCDS, which enables Nuvoco to call back these bonds at the end of sixth year, paying 10.25% IRR. The put option will allow investors to hand over these CCDS to Nirma Ltd at the above-mentioned IRR. In the interim period, Nuvoco need not pay any interest on these CCDS, thus significantly relaxing its profitability as it would gradually ramp up the Vadraj assets. We have treated these CCDS as minority interest in the consolidated books. However, there won't be any minority interest deductions until the sixth/seventh year until these CCDS gets converted into equity and, hence, all the profitability should flow to common shareholders of Nuvoco in the said period. In our view, there is higher probability of Nuvoco exercising the call option retaining full control of the subsidiary.

CCDS issuance enables de-leveraging balance and growth

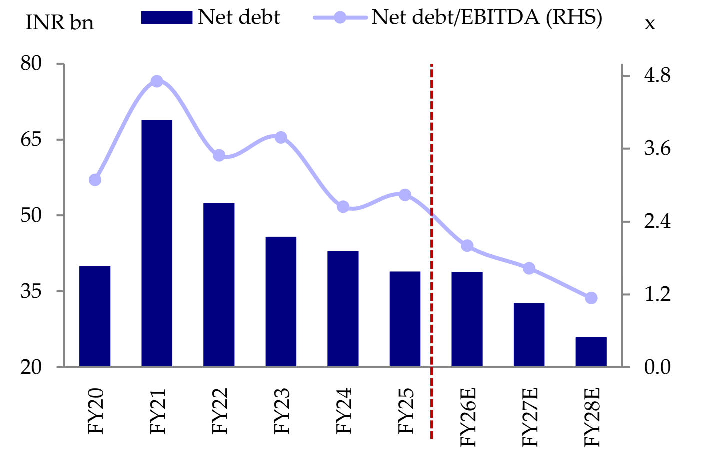
We estimate Nuvoco to incur cumulative capex of INR 45bn during FY26-28E toward the ongoing expansions in the west and east regions. The CCDS issuance in FY26, along with expected healthy operating cash flow should more than suffice its capex requirement. Hence, its net debt should decline over the next three years. Net debt to EBITDA ratio should fall from the recent peak of 3.6x in Sep'25 to 2/1.1x in Mar'26/Mar'28E respectively. This also puts Nuvoco in a comfortable position to fast track its plans for a brownfield expansion in the northern region.

Capex outgo vs OCF trend



Source: Company, HSIE Research

Net debt/EBITDA will cool off H2FY26 onwards post CCDS issuance

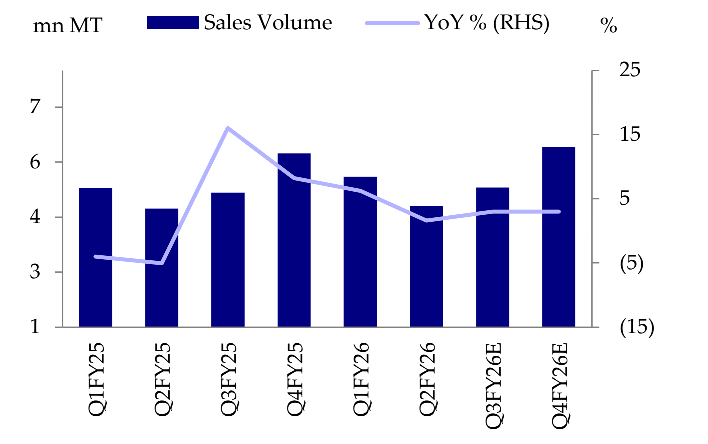


Source: Company, HSIE Research

Muted demand and price moderation in Q3FY26

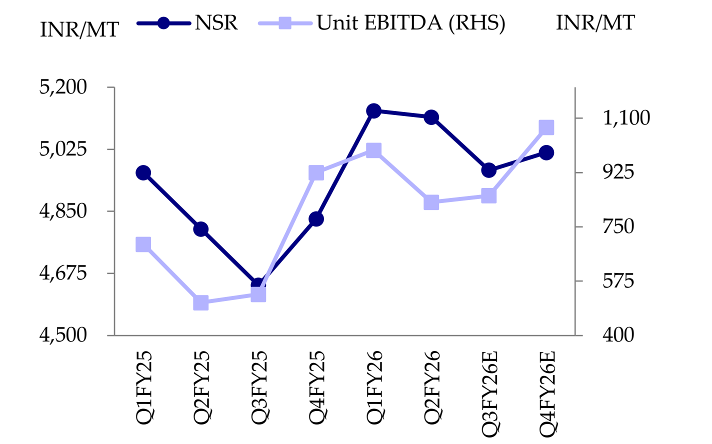
Cement demand has been muted in October and early November, owing to bunching up of festivals. The ongoing elections in Bihar also impacted sales in one of the largest cement consumption states in the eastern region. Industry participants note that cement demand has started to pick up late November onwards and expects similar trend in December. Nuvoco delivered 4% YoY volume growth in H1FY26. We estimate similar growth in H2FY26 growth, owing to subdued offtake seen so far in Q3FY26. Cement prices corrected and have also fallen beyond the GST rate rationalization, mainly in the non-trade segment. The decline has been more in the eastern region (~INR 10-15/bag), and this should mostly offset the QoQ op-lev gain impact on margin in Q3FY26. The industry is pinning hope that demand revival should support price hikes in Q4FY26.

We estimate volume growth to remain subdued in H2FY26E



Source: Company, HSIE Research

We estimate EBITDA margin to remain flattish QoQ in Q3FY26 and rebound in Q4FY26

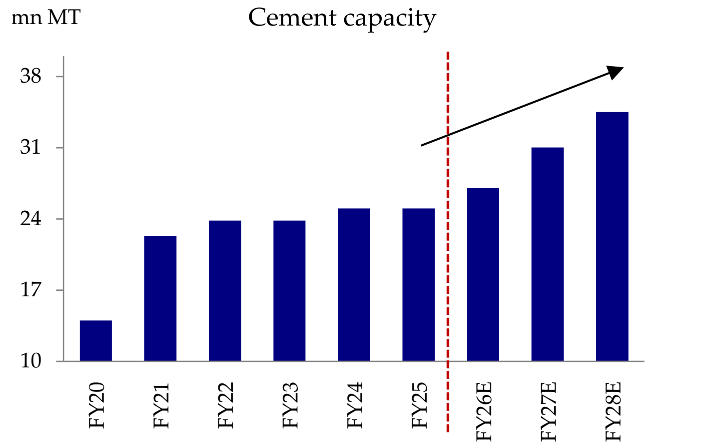


Source: Company, HSIE Research

Volume growth to accelerate FY27 onwards

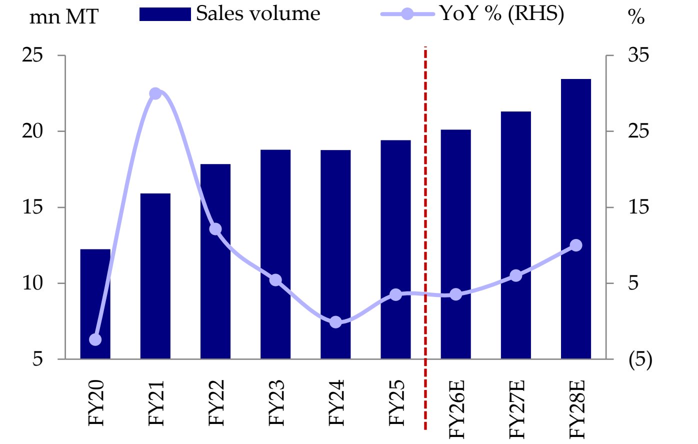
While we estimate 3.5% YoY growth in FY26, we expect it to accelerate to 6/10% in FY27/28E (leading to 8% CAGR during FY26-28E), driven by ramp-up of ongoing capacity debottlenecking in the eastern region and operationalization of Vadraj Cement plant in Gujarat in Q3FY27.

Cement capacity to increase by 38% post completion of eastern and western expansions



Source: Company, HSIE Research

Consolidated sales volume to clock 6% CAGR during FY25-28E

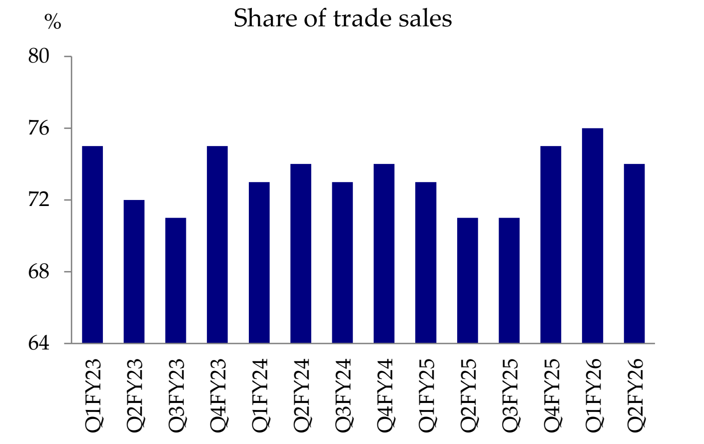


Source: Company, HSIE Research

Continued focus on premiumization

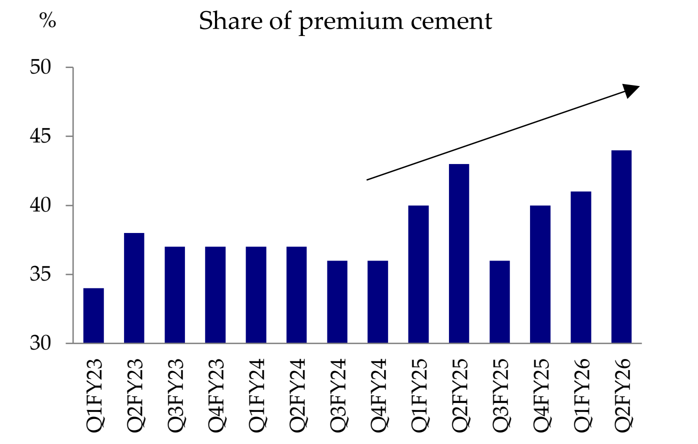
Over the past four years, Nuvoco's trade sales share has largely hovered ~75%. However, the company has scaled up its premium cement sales share (% of trade sales) from 36% in FY23 to 42% in H1FY26. Nuvoco's trade sales and premium cement share are both higher in the eastern region, owing to the brand's strong retail presence across all the states in the region. The company is targeting to further expand its premium share to ~45-46%, as its focus is on accelerating sales of *Concreto (PSC) and Concreto Uno (PCC)* brands in the eastern and *Duraguard MicroFiber* brand (PPC cement) in the northern region. Overall, the management expects to further gain ~INR 25-50/MT in margin as the premium sales share increase as per the plan.

Nuvoco's trade sales share largely stable at 75%, with higher share in the eastern region…



Source: Company, HSIE Research

…however, it accelerated its focus on premiumization

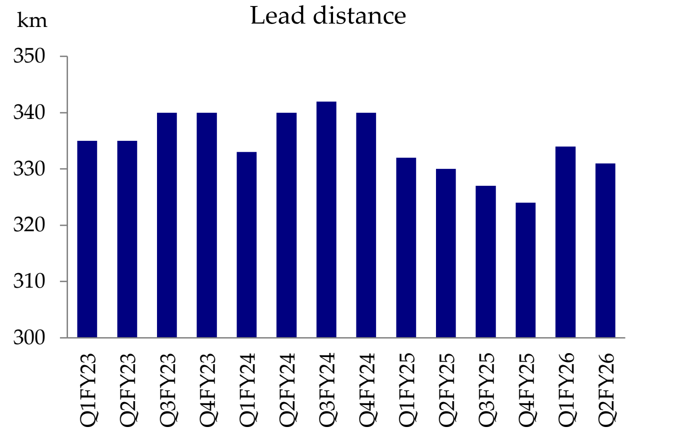


Source: Company, HSIE Research

Reducing variable costs; potential to boost low-cost renewal power

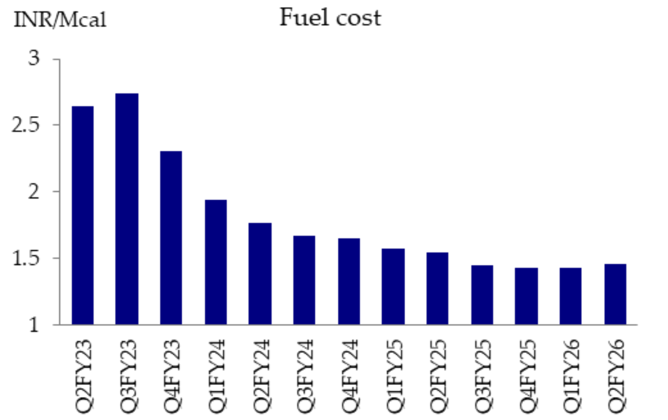
Nuvoco is targeting opex reduction by ~INR 50/MT in FY26, most of which should accrue in H2FY26. This would come from savings across raw materials (~INR 10/MT), energy cost (~INR 20/MT), and logistics (~INR 20/MMT). Nuvoco is increasing usage of allied slag, increasing AFR share and kiln efficiency. Better utilization of railway sidings and increase in direct dispatches and focus on lead distance reductions should drive partial reduction in logistics cost. Nuvoco's fuel cost has come off, in line with the cool-off in imported coal and pet coke prices. Its fuel cost rate is among the lowest in the industry, owing to larger access to low-cost linkage coal in its fuel basket. Nuvoco's green power share has hovered at ~20% over the past two years. We believe the company has the potential to reduce its power cost in subsequent years through increased sourcing of renewal power, which will also aid in lowering its carbon footprint.

Nuvoco's lead distance has largely ranged between 330km and 340km



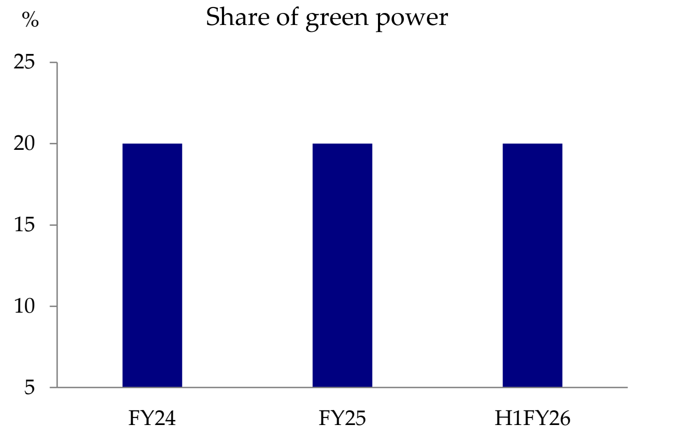
Source: Company, HSIE Research

Its blended fuel cost has cooled off and is among the lowest in the industry currently



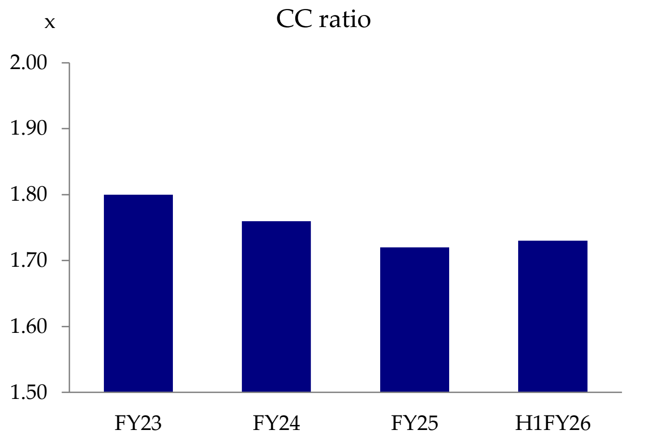
Source: Company, HSIE Research

We expect Nuvoco to increase low-cost RE power consumption, thus raising its green power mix



Source: Company, HSIE Research

Nuvoco also expects to improve its cement to clinker (CC) ratio from 1.72x currently

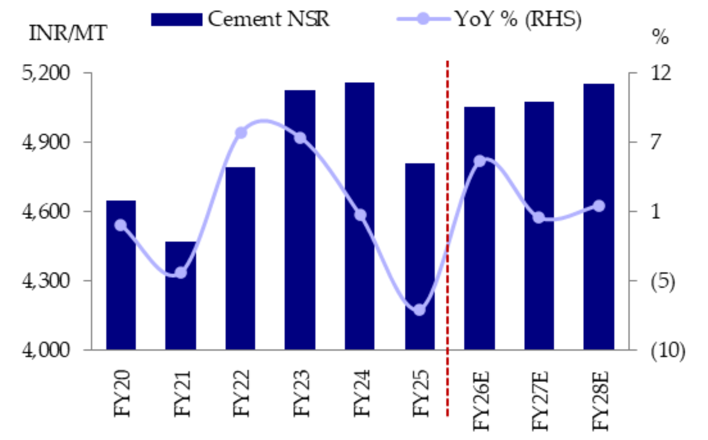


Source: Company, HSIE Research

Consolidated margin to remain flattish during FY25-28E

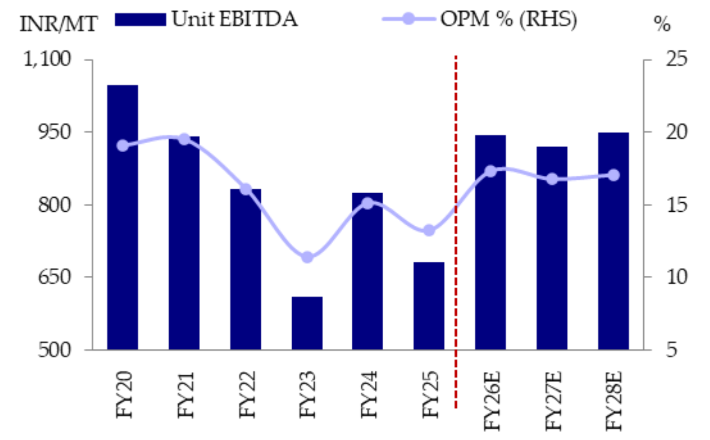
We estimate FY25-28E consolidated volume CAGR of 6%, supported by ramp-up of eastern and western expansions. We estimate Vadraj Cement margin to be much lower than Nuvoco's performance elsewhere. Thus, we expect the consolidated margin to initially moderate to INR 921/MT in FY27E, from INR 944/MT in FY26E and recover to INR 950/MT in FY28E. We estimate Nuvoco's margin (ex-Vadraj) to improve to ~INR 1,010/MT in FY28E, aided by the sustenance of cement price recovery in the eastern region, Nuvoco's cost saving projects and an expected increase in green power consumption. However, as we estimate Vadraj to contribute 9% of total volumes in FY28E, along with lower margin of ~INR 600/MT, the consolidated margin appears flattish during FY26-28E. Factoring in the same, we have lowered our consolidated EBITDA estimates for FY27/28E by 6/10% respectively. We estimate consolidated EBITDA to grow at 18% CAGR during FY25-28E.

Sustenance of cement NSR seen in H1FY26 should support 2% NSR CAGR



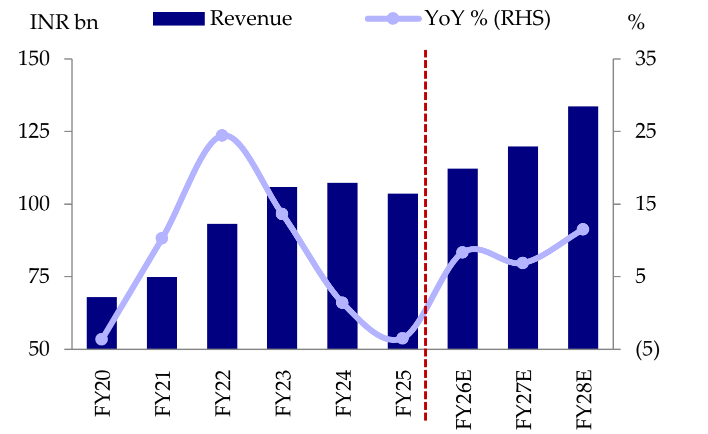
Source: Company, HSIE Research

Despite medium-term drag from Vadraj asset ramp-up in FY27-28E, consolidated margin should remain stable



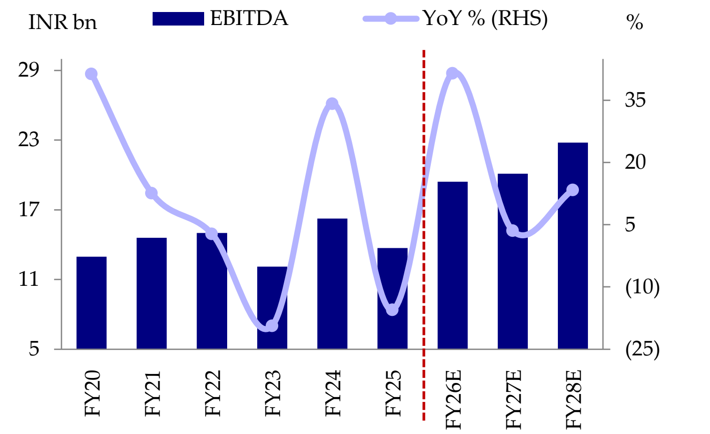
Source: Company, HSIE Research

Revenue growth trend



Source: Company, HSIE Research

EBITDA growth trend



Source: Company, HSIE Research

Key operational assumptions

	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Cement Cap (mn MT)	**23.8**	**23.8**	**25.0**	**25.0**	**27.0**	**31.0**	**34.5**
Sales Volume (mn MT)	**17.8**	**18.8**	**18.8**	**19.4**	**20.1**	**21.3**	**23.4**
YoY change (%)	*12.1*	*5.4*	*(0.1)*	*3.5*	*3.5*	*6.0*	*10.0*
Utilisation (%)	*74.9*	*78.9*	*75.0*	*77.7*	*74.4*	*68.7*	*67.9*
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EBITDA	**832**	**611**	**824**	**683**	**944**	**921**	**950**

Source: Company, HSIE Research

We maintain BUY on healthy margin as well as balance sheet outlook

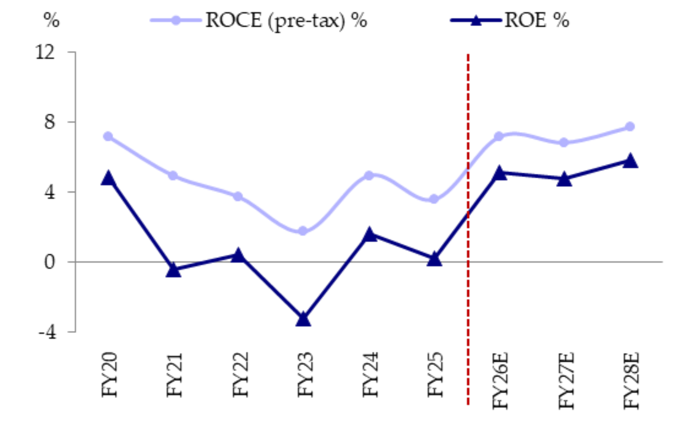
We roll forward valuations to Mar'28E from Sep'27E earlier. We maintain BUY with a revised target price of INR 470/MT (9x its FY28E consolidated EBITDA). The balance sheet deleveraging has provided significant comfort on valuation front. In our view, timely commissioning of the Vadraj assets and ramp-up can drive valuation rerating.

Estimate revision

INR Bn	FY26E New	FY27E New	FY28E New	FY26E Old	FY27E Old	FY28E Old	*FY26E Chg %*	*FY27E Chg %*	*FY28E Chg %*
Net Sales	112.18	119.87	133.65	113.64	122.95	137.08	*(1.3)*	*(2.5)*	*(2.5)*
EBITDA	19.41	20.11	22.79	19.37	21.45	25.24	*0.2*	*(6.3)*	*(9.7)*
APAT	5.03	5.27	6.82	5.05	5.64	8.43	*(0.3)*	*(6.5)*	*(19.1)*
AEPS	14.1	15	19	14	16	24	*(0.3)*	*(6.5)*	*(19.1)*

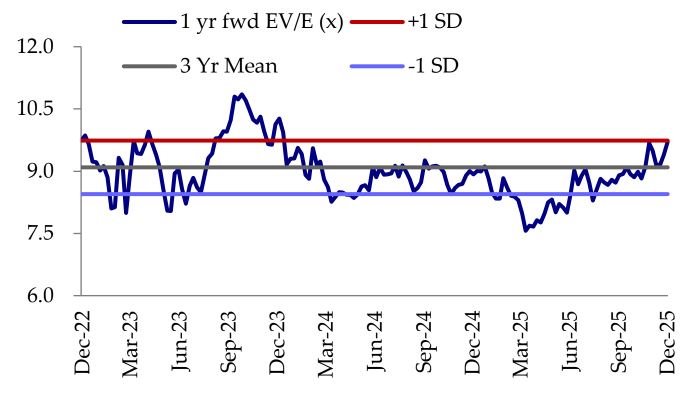
Source: Company, HSIE Research

Return ratios to improve from FY26E onwards, even though they remain sub-par



Source: Company, HSIE Research

1-year forward EV/EBITDA trend



Source: Company, HSIE Research

Financials

Consolidated Income Statement

YE Mar (INR mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenues	**105,862**	**107,329**	**103,567**	**112,179**	**119,873**	**133,646**
Growth %	*13.6*	*1.4*	*(3.5)*	*8.3*	*6.9*	*11.5*
Raw Material	17,857	19,537	20,618	21,537	23,237	25,693
Power & Fuel	27,923	21,402	19,700	19,880	20,546	22,826
Freight Expense	28,183	29,285	27,937	29,204	31,266	34,736
Employee cost	6,055	6,818	6,758	7,163	8,238	8,650
Other Expenses	13,740	14,050	14,834	14,983	16,481	18,953
EBITDA	**12,104**	**16,237**	**13,720**	**19,413**	**20,106**	**22,787**
EBIDTA Margin (%)	*11.4*	*15.1*	*13.2*	*17.3*	*16.8*	*17.1*
EBITDA Growth %	*(19.4)*	*34.1*	*(15.5)*	*41.5*	*3.6*	*13.3*
Depreciation	9,511	9,186	8,685	8,666	9,296	10,428
EBIT	**2,593**	**7,051**	**5,035**	**10,747**	**10,810**	**12,359**
Other Income (Including EO Items)	132	335	194	273	288	207
Interest	5,119	5,326	4,964	4,124	3,874	3,224
PBT	**(2,394)**	**2,059**	**265**	**6,896**	**7,224**	**9,343**
Tax	418	586	47	1,862	1,951	2,523
Minority Int	-	-	-	-	-	-
RPAT	**159**	**1,474**	**218**	**5,034**	**5,274**	**6,820**
EO (Loss) / Profit (Net of Tax)	2,971	-	-	-	-	-
APAT	**(2,813)**	**1,474**	**218**	**5,034**	**5,274**	**6,820**
APAT Growth (%)	***(976.4)***	***n/a***	***(85.2)***	***2,205.1***	***4.8***	***29.3***
AEPS	**(7.9)**	**4.1**	**0.6**	**14.1**	**14.8**	**19.1**
AEPS Growth %	***(976.4)***	***n/a***	***(85.2)***	***2,205.1***	***4.8***	***29.3***

Source: Company, HSIE Research

Consolidated Balance Sheet

YE Mar (INR mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
SOURCES OF FUNDS						
Share Capital	3,572	3,572	3,572	3,572	3,572	3,572
Reserves And Surplus	84,641	84,818	86,264	86,452	91,486	96,232
Total Equity	**88,212**	**88,390**	**89,835**	**90,023**	**95,058**	**99,804**
Minority Int	**-**	**-**	**-**	**-**	**12,000**	**13,230**
Long-term Debt	47,851	44,037	40,738	41,738	35,738	28,738
Short-term Debt	-	-	-	-	-	-
Total Debt	**47,851**	**44,037**	**40,738**	**41,738**	**35,738**	**28,738**
Deferred Tax Liability	11,899	11,736	11,508	11,508	11,508	11,508
Long-term Liab+ Provisions	2,723	2,764	2,523	2,523	2,523	2,523
TOTAL SOURCES OF FUNDS	**150,864**	**148,372**	**144,792**	**162,826**	**162,802**	**163,296**
APPLICATION OF FUNDS						
Net Block	116,852	117,655	114,284	107,718	129,922	126,994
Capital WIP	5,941	4,708	3,825	26,825	4,325	7,825
Goodwill	32,785	32,785	32,785	32,785	32,785	32,785
Other Non-current Assets	9,062	8,396	7,962	8,089	8,089	8,632
Total Non-current Investments	1	8	8	8	8	8
Total Non-current Assets	**164,639**	**163,552**	**158,865**	**175,425**	**175,129**	**176,244**
Inventories	10,500	9,467	7,617	10,096	10,789	12,028
Debtors	6,012	5,907	6,601	6,170	7,192	8,019
Cash and Cash Equivalents	2,032	1,070	1,823	2,879	2,963	2,773
Other Current Assets (& Loans/adv)	6,695	7,104	6,672	7,249	7,880	8,570
Total Current Assets	**25,238**	**23,547**	**22,712**	**26,395**	**28,824**	**31,390**
Creditors	17,026	16,860	15,875	17,195	18,374	20,485
Other Current Liabilities & Provns	21,987	21,867	20,910	21,799	22,777	23,852
Total Current Liabilities	**39,014**	**38,727**	**36,785**	**38,994**	**41,151**	**44,338**
Net Current Assets	**(13,775)**	**(15,180)**	**(14,073)**	**(12,599)**	**(12,327)**	**(12,948)**
TOTAL APPLICATION OF FUNDS	**150,864**	**148,372**	**144,792**	**162,826**	**162,802**	**163,296**

Source: Company, HSIE Research

Consolidated Cash Flow

YE Mar (INR mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Reported PBT	(6,452)	2,059	265	6,896	7,224	9,343
Non-operating & EO Items	4,321	(79)	(371)	(273)	(288)	(207)
Interest Expenses	5,119	5,326	4,964	4,124	3,874	3,224
Depreciation	9,511	9,186	8,685	8,666	9,296	10,428
Working Capital Change	4,777	(164)	(274)	(544)	(189)	(112)
Tax Paid	(162)	(403)	15	(1,862)	(1,951)	(2,523)
OPERATING CASH FLOW (a)	**17,114**	**15,925**	**13,285**	**17,006**	**17,966**	**20,153**
Capex	(4,863)	(5,822)	(3,468)	(25,100)	(9,000)	(11,000)
Free Cash Flow (FCF)	12,251	10,104	9,817	(8,094)	8,966	9,153
Investments	2,224	56	46	-	-	-
Non-operating Income	35	33	51	273	288	207
Others						
INVESTING CASH FLOW (b)	**(2,604)**	**(5,734)**	**(3,371)**	**(24,827)**	**(8,712)**	**(10,793)**
Debt Issuance/(Repaid)	(8,910)	(6,156)	(4,626)	1,000	(6,000)	(7,000)
Interest Expenses	(4,707)	(4,985)	(4,500)	(4,124)	(2,644)	(1,868)
FCFE	(1,366)	(1,037)	691	(11,217)	323	285
Share Capital Issuance	-	-	-	12,000	-	-
Dividend	-	-	-	-	(527)	(682)
FINANCING CASH FLOW (c)	**(13,617)**	**(11,141)**	**(9,126)**	**8,876**	**(9,171)**	**(9,550)**
NET CASH FLOW (a+b+c)	**894**	**(949)**	**788**	**1,056**	**83**	**(189)**

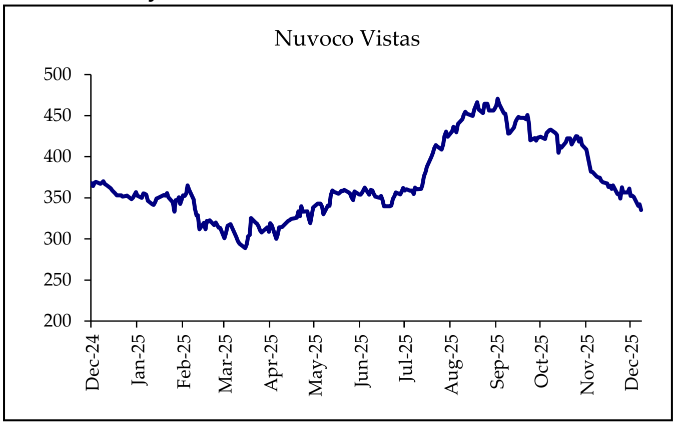
Source: Company, HSIE Research

Key Ratios

	FY23	FY24	FY25	FY26E	FY27E	FY28E
PROFITABILITY %						
EBITDA Margin	11.4	15.1	13.2	17.3	16.8	17.1
EBIT Margin	2.4	6.6	4.9	9.6	9.0	9.2
APAT Margin	(2.7)	1.4	0.2	4.5	4.4	5.1
RoE	*(3.2)*	*1.7*	*0.2*	5.1	4.8	5.8
RoIC (pre-tax)	*1.7*	*4.9*	*3.6*	5.8	5.5	5.9
RoCE (pre-tax)	*1.7*	*4.9*	*3.6*	5.2	5.0	5.6
EFFICIENCY						
Tax Rate %	(17.5)	28.4	17.6	27.0	27.0	27.0
Fixed Asset Turnover (x)	0.5	0.5	0.5	0.5	0.5	0.5
Inventory (days)	36	32	27	33	33	33
Debtors (days)	21	20	23	20	22	22
Other Current Assets (days)	54	53	52	50	49	47
Payables (days)	59	57	56	56	56	56
Other Current Liab & Provns (days)	85	84	83	79	77	72
Cash Conversion Cycle (days)	(33)	(36)	(37)	(32)	(30)	(26)
Net Debt/EBITDA (x)	3.8	2.6	2.8	2.0	1.6	1.1
Net D/E	0.5	0.5	0.4	0.4	0.3	0.2
Interest Coverage	0.5	1.3	1.0	2.6	2.8	3.8
PER SHARE DATA (Rs)						
EPS	(7.9)	4.1	0.6	14.1	14.8	19.1
CEPS	18.8	29.8	24.9	38.4	40.8	48.3
Dividend	-	-	-	-	1.5	1.9
Book Value	247.5	251.5	252.1	299.7	316.5	337.5
VALUATION						
P/E (x)	(43.2)	82.5	556.6	23.8	22.7	17.5
P/Cash EPS (x)	12.6	11.4	13.7	8.7	8.2	6.9
P/BV (x)	1.4	1.4	1.4	1.3	1.2	1.1
EV/EBITDA (x)	13.6	10.0	11.6	8.1	8.1	6.9
EV/MT (Rs bn)	6.90	6.48	6.34	5.81	5.27	4.53
Dividend Yield (%)	-	-	-	-	0.4	0.6
OCF/EV (%)	10.4	9.8	8.4	10.8	11.0	12.9
FCFF/EV (%)	7.5	6.2	6.2	(5.2)	5.5	5.9
FCFE/M Cap (%)	(1.1)	(0.9)	0.6	(9.4)	0.3	0.2

Source: Company, HSIE Research

Price History



Rating Criteria

BUY:	>+15% return potential
ADD:	+5% to +15% return potential
REDUCE:	-10% to +5% return potential
SELL:	>10% Downside return potential

Disclosure:

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