

# Adani Ports and SEZ | BUY

## EBITDA guidance raised; results beat

ADSEZ's 3QFY26 EBITDA beat our and consensus estimates. Management has raised EBITDA guidance to INR 228bn and, excluding NQXT consolidation is at INR 225bn for FY26. The development, while anticipated by us, is a key positive. Volume guidance has been retained (505-515mmt) but now includes 10mmt from NQXT, indicating an effective cut in guidance for FY26. We raise our EBITDA estimates for FY26/27/28 to account for consolidation of NQXT. We are positive due to reasonable valuations given potential for earnings revisions and improving track record of EBITDA to OCF translation resulting in significant deleveraging (9MFY26 net debt to EBITDA at 1.9x). We maintain BUY with a TP of INR 1,800 (FY28E EV/EBITDA at 14.2x).

- **ADSEZ on track to meet its revised EBITDA guidance for FY26, adjusted volume guidance seems achievable:** ADSEZ 9MFY26 EBITDA was INR 168bn and 3QFY26 EBITDA was INR 57.9bn (+20% YoY). With 4QFY26 remaining at prevailing levels and NQXT acquisition EBITDA of INR 3.0bn added in 4Q, we can reasonably estimate FY26 EBITDA at ~INR228- 230bn. Thus, **ADSEZ is on track to meet the revised EBITDA guidance of INR 228bn** vs. INR 210bn-220bn earlier. However, with 9MFY26 cargo volume at 367mmt, meeting the original guidance of 505-515mmt (ex-NQXT) was challenging. With **10mmt of NQXT being consolidated we believe ADSEZ can hit the lower end of the guidance.** The possibility of a miss, however, exists on cargo volume given weak delivery in Jan'26. (see [report](#))
- **Expect upward revision in consensus EBITDA for FY26/27E:** Consensus EBITDA for FY26/27E at INR220bn/252bn is too conservative in our view (even ex-NQXT). We expect consensus estimate to be upgraded not only due to incorporation of NQXT but also to align with underlying (ex-NQXT) guidance upgrade. We **expect 5%/10% EBITDA upgrade for consensus.**
- **Leverage levels remain comfortable even after consolidating NQXT debt:** Net debt to EBITDA stands at 1.9x (including NQXT debt of INR 43.9bn), well below management's target of 2.5x. Management expects to generate OCF exceeding INR 180bn which appears achievable and more than covers INR 120bn of planned capex for FY26.
- **Long-term EBITDA target of INR 365bn for FY29, Vizhinjam and Dhamra set for expansion:** ADSEZ has set a capex target of INR 750bn (FY25-29) and expects to achieve INR 365bn in EBITDA (JMFe: INR345bn). It has targeted 1.0bnt of cargo capacity (0.15mmt international) by FY29 of which international capacity is now in place. With expansions at Dhamra (40mmt) and Vizhinjam (5.1mmTEU expansion by FY30 at INR 160bn capex), ADSEZ is investing in domestic capacity building. Marine and logistics remains key thrust areas with strong growth outlook.
- **Trading at ~11.2x FY28 EV/EBITDA risk-reward still favourable:** We value ADSEZ's various assets on a DCF basis along with a terminal value (depreciated replacement value) payable by authorities at the end of the concession period, unless the concession is further extended. Our EV valuation is SotP of value of these assets. Our TP of INR 1,800 implies ~14.2x FY28E EV/EBITDA.



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### Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,800
Upside/(Downside)	17.6%
Previous Price Target	1,795
Change	0.3%

### Key Data – ADSEZ IN

Current Market Price	INR1,531
Market cap (bn)	INR3,526.9/US\$39.1
Free Float	34%
Shares in issue (mn)	2,160.0
Diluted share (mn)	2,160.0
3-mon avg daily val (mn)	INR2,950.3/US\$32.7
52-week range	1,549/1,036
Sensex/Nifty	83,739/25,728
INR/US\$	90.3

### Price Performance

%	1M	6M	12M
Absolute	2.8	13.6	41.1
Relative*	5.3	9.4	30.1

\* To the BSE Sensex

### Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	2,67,106	3,10,786	3,83,840	4,60,275	5,14,688
Sales Growth (%)	28.1	16.4	23.5	19.9	11.8
EBITDA	1,57,511	1,87,438	2,31,570	2,79,543	3,12,006
EBITDA Margin (%)	59.0	60.3	60.3	60.7	60.6
Adjusted Net Profit	81,106	1,10,923	1,32,286	1,70,588	1,99,260
Diluted EPS (INR)	37.5	51.4	61.2	74.0	86.5
Diluted EPS Growth (%)	52.8	36.8	19.3	20.9	16.8
ROIC (%)	11.0	12.9	14.2	16.4	17.7
ROE (%)	16.5	19.2	19.5	21.3	21.0
P/E (x)	40.8	29.8	25.0	20.7	17.7
P/B (x)	6.2	5.3	4.5	4.1	3.4
EV/EBITDA (x)	23.4	19.8	16.0	12.9	11.2
Dividend Yield (%)	0.4	0.4	0.4	0.4	0.4

Source: Company data, JM Financial. Note: Valuations as of 02/Mar/2026

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

## Key result takeaways and concall highlights

### EBITDA guidance raised, (underlying) volume guidance cut

- **Underlying volume guidance for FY26 cut even though absolute guidance is maintained:** Cargo volume for 9MFY26 came in at 367mmt (+11% YoY) and that for 10MFY26 (Apr'25-Jan'26) came in at 409mmt. Management has maintained volume guidance at 505-515mmt for FY26. But this now includes volume from NQXT for 4QFY26. NQXT reported volume of 3.4mmt in Jan'26. Thus, at the current run rate of NQXT volume, underlying volume guidance for ADSEZ has been cut by ~10mmt. We **estimate 502mmt of cargo volume** for ADSEZ for FY26.
  - **Domestic port volume rose 6% YoY, Mundra volume fell 2%YoY; cargo growth driven by international ports:** Domestic port volume came in at a modest 112.6mmt (+6%YoY, -1.2%QoQ) led by 2.5%YoY drop in Mundra volume (dip of 46% YoY in coal volume and muted 4% YoY growth in containers – significant underperformance vs. JNPT at 11% YoY). Among domestic ports, growth in volume at Krishnapatnam (+17%YoY) and revival of Gangavaram volume (+32%YoY) and Vizhinjam (+100 YoY) drove volume growth. International port volume rose to 11mmt in 3QFY26 vs. 6mmt YoY, led by ramp-up of volume in Colombo port (absent in 3QFY25).
  - **Cargo mix improved YoY with rise in share of container volume:** Share of container volume improved to 47% in overall volume in 3QFY26 vs. 44% in 1H FY26. This was led by volume ramp-up at new ports of Colombo and Vizhinjam (both largely container).
- **EBITDA guidance raised to INR 225bn (ex NQXT) and INR 228bn consol (vs. INR 210bn-220bn earlier):** ADSEZ has raised EBITDA guidance to INR 225bn vs. INR 210bn-220bn earlier (ex NQXT). It has secured necessary approvals for the consolidation of NQXT. Thus, consol EBITDA guidance for FY26 has been raised to INR 228bn (i.e., including NQXT). With 9MFY26 EBITDA already at INR 168bn, the implied run rate for EBITDA in 4QFY26 to achieve management guidance (ex NQXT) stands at INR 57bn, which is very much achievable, in our view. We estimate FY26 EBITDA at INR 227bn (Ex NQXT) and INR 230bn for consol ADSEZ.
- **Net debt to EBITDA stands well below threshold:** Net debt to EBITDA at 1.9x is well below threshold levels of 2.5x. Management expects INR 180bn+ of OCF in FY26, which more than covers the planned capex of INR 120bn.

### Key result highlights: 3QFY26 EBITDA beat our/consensus by 4%/2%

- Consol revenue at INR 97.04bn (+22%YoY, +6%QoQ) came in 6%/4% ahead of our/consensus estimates.
- Consol EBITDA at INR 57.86bn (+20%YoY, +4%QoQ) was 3.7%/2.5% ahead of our/consensus estimates.
- **Adjusted PAT at INR 31.77bn** (+25%YoY, +2.2%QoQ) was 9% below our and 4% below consensus estimates. Miss vs. our estimate is led by higher interest and depreciation costs. **Reported PAT at INR 30.54bn** was impacted by exceptional costs of INR 1.46bn incurred due to the new labour code.

**Exhibit 1. ADSEZ 3QFY26 EBITDA ahead of estimates**

INR mn unless mentioned otherwise	Dec-24	Sep-25	Dec-25	% y-y	% q-q	vs JMFe	vs BBGe
Volumes (mmt)	113	124	123	9.1%	-0.3%		
Revenue	79,636	91,675	97,046	21.9%	5.9%	6.0%	3.6%
EBITDA	48,021	55,503	57,860	20.5%	4.2%	3.7%	2.5%
EBITDA Margin (%)	60.3%	60.5%	59.6%				
PAT	25,203	31,091	30,536	21.2%	-1.8%	-12.3%	-7.8%

Source: Company, Bloomberg, JM Financial

## Other key takeaways from the management conference call

- **ADSEZ to consolidate NQXT from 4QFY26 onwards:** ADSEZ has secured necessary approvals for consolidation of NQXT terminal from 4QFY26. NQXT can add revenue of ~INR 4.5bn-5bn with EBITDA margin at 65% on a quarterly basis. It has a net debt level of ~INR 45bn (gross debt of INR 47.4bn and cash level of INR 2.8bn). NQXT volume may be stable over FY27-28 but may rise in FY29 led by contract negotiations.
- **Management targets 1bnt cargo for FY29 of which 150mnt is international.** Of the international volume there is already visibility of 146mnt (after factoring in NQXT acquisition – 50mnt of capacity with 40mnt already contracted) and thus ADSEZ may potentially exceed international ports target for FY29. International expansion thrust would entirely be brownfield. Towards ports it has planned a capex of INR 450bn-550bn over FY25-30, out of the total planned capex of INR 750bn.
- **Domestic port realisation rose YoY:** According to the management, this was driven by combined effect of price increase, improvement in mix (rise in share of container volume) and benefits of INR depreciation. Further, Mundra had take-or-pay income.
- **Outlook for container volume at Mundra remains strong, according to management:** Mundra delivered 2.2mTEUs in container volumes in 3QFY26 and should be able to sustain this run-rate with Jan'26 volumes at 754kTEUs. Management expects to commission the new container terminal at Mundra (CT5) in FY27, which can drive volume. Thermal coal volume continues to face headwinds, adversely impacted by weak power demand, but coking and coastal coal is growing.
- **Low exposure to US-destined container cargo:** According to management, US-destined container cargo from ADSEZ is only 0.385mTEUs of the total ADSEZ container volume of ~12.5mTEUs. Thus, a trade deal between India and the US may not have a significant impact on container volume.
- **Capex of INR 160bn approved for expansion of Vizhinjam port:** The capex to be incurred over FY26-30 will expand capacity from 1.6mmTEU (fully utilised currently) to 5.7mmTEU. A spend of USD 90mn is budgeted for FY26. For FY27/28/29/30 capex planned is USD350/700/550/63mn. The port will include facilities for ship to ship bunkering, which will enable LNG powered vessels to call at the port (currently no facilities exist on the route other than Jebel Ali (UAE)).

### Exhibit 2. ADSEZ 3QFY26 EBITDA beat our estimates by 4% (and Bloomberg consensus estimates by 2.5%)

	Dec-24	Sep-25	Dec-25	% y-y	% q-q	JMFe Sep-25	vs JMFe
Sales	79,636	91,675	97,046	21.9%	5.9%	91,578	6.0%
EBITDA	47,777	53,381	58,676	22.8%	9.9%	55,810	5.1%
EBITDA Margin (%)	60.0%	58.2%	60.5%			60.9%	
<b>Core EBITDA (ex FX loss)</b>	<b>48,021</b>	<b>55,503</b>	<b>57,860</b>	<b>20.5%</b>	<b>4.2%</b>	<b>55,810</b>	<b>3.7%</b>
Core EBITDA margin (%)	60.3%	60.5%	59.6%			60.9%	
PAT	24,949	33,304	30,883	23.8%	-7.3%	33,449	-7.7%
Net Profit after Minority	25,203	31,091	30,536	21.2%	-1.8%	34,799	-12.3%

Source: Company, JM Financial

**Exhibit 3. Domestic volume rose 6%YoY led by Krishnapatnam and Gangavaram while volume at Mundra fell YoY**

mmt	Dec-24	Sep-25	Dec-25	% y-y	% q-q	JMFe
Mundra	48.8	49.4	47.6	-2.5%	-3.6%	49.8
Hazira	7.1	7.6	7.7	8.5%	1.8%	7.3
Dahej	2.5	2.7	2.7	8.0%	-1.1%	2.7
Dhamra	11.4	11.2	12.1	6.1%	8.0%	11.2
Krishnapatnam	12.6	15.0	14.7	16.7%	-2.2%	13.1
Kattupalli / MIDPL	3.1	3.5	3.0	-3.2%	-13.3%	3.5
Gangavaram	7.3	10.0	9.6	31.5%	-4.2%	11.0
Karaikal	3.2	2.8	2.6	-18.8%	-8.6%	2.8
Terminals	6.8	5.8	6.8	-0.6%	16.3%	5.5
Gopalpur	1.3	1.2	1.0	-23.1%	-15.9%	1.3
Vizhinjam	2.4	4.7	4.8	100.0%	3.2%	4.9
<b>Domestic Port volumes</b>	<b>106.5</b>	<b>113.9</b>	<b>112.6</b>	<b>5.7%</b>	<b>-1.2%</b>	<b>113.1</b>

Source: Company, JM Financial

**Exhibit 4. EBITDA beat at Dhamra, Krishnapatnam and others, miss at Mundra and Gopalpur**

	Dec-24	Sep-25	Dec-25	% y-y	% q-q	JMFe
Mundra	16,455	15,151	13,210	-19.7%	-12.8%	15,028
Hazira	3,546	3,928	3,691	4.1%	-6.0%	3,791
Dahej	965	1,105	1,007	4.3%	-8.9%	1,105
Dhamra	3,566	2,419	3,039	-14.8%	25.7%	2,419
Krishnapatnam	3,327	4,992	4,731	42.2%	-5.2%	4,348
Kattupalli	633	550	575	-9.2%	4.5%	550
Gangavaram	207	1,867	1,995	863.5%	6.9%	2,050
Karaikal	1,133	808	835	-26.3%	3.4%	808
Terminals	1,603	27	408	-74.6%	1409.6%	26
Gopalpur	753	157	(61)	-108.1%	-138.9%	573
Vizhinjam	700	1,526	2,204	215.0%	44.4%	1,607
Harbour	7,146	9,212	9,644	34.9%	4.7%	9,636
Logistics	1,615	2,200	2,032	25.8%	-7.6%	2,090
International ports	1,163	2,605	2,358	102.8%	-9.5%	2,605
Marine	1,821	3,383	4,280	135.0%	26.5%	3,553
Others	4,364	5,356	8,061	84.7%	50.5%	5,624
Elimination	(972)	217	(143)	-85.3%	-165.9%	
<b>Total</b>	<b>48,014</b>	<b>55,503</b>	<b>57,863</b>	<b>20.5%</b>	<b>4.3%</b>	<b>55,810</b>

Source: Company, JM Financial. Note Vizhinjam EBITDA includes a VGF funding of INR920mn.

**Exhibit 5. EBITDA margin by ports for ADSEZ**

	Dec-24	Sep-25	Dec-25	JMFe
Mundra	75.4%	73.6%	71.0%	74.0%
Hazira	70.2%	74.7%	67.9%	74.7%
Dahej	62.1%	66.8%	61.0%	66.8%
Dhamra	64.5%	50.1%	53.5%	50.1%
Krishnapatnam	49.8%	64.3%	61.4%	64.3%
Kattupalli	64.9%	55.8%	57.1%	55.8%
Gangavaram	7.2%	53.8%	56.5%	53.8%
Karaikal	74.4%	61.7%	66.2%	61.7%
Terminals	65.1%	3.6%	40.5%	3.6%
Gopalpur		29.1%	-17.4%	29.1%
Vizhinjam	91.5%	81.6%	87.8%	81.6%
Harbour*	86.5%	89.0%	89.1%	87.0%
Logistics	23.3%	20.8%	18.1%	20.8%
International ports		24.2%	22.1%	24.2%
Marine		52.8%	55.4%	52.8%
Others	69.5%	68.3%	72.0%	68.3%
<b>Total</b>	<b>60.3%</b>	<b>60.5%</b>	<b>59.6%</b>	<b>60.9%</b>

Source: Company, JM Financial

**Change in estimates**

Our EBITDA estimates are largely unchanged as we believe the miss on volume guidance is unlikely to impact EBITDA delivery (decline in low-margin coal volume offset by improved mix). We are 5%/11% ahead of consensus on FY26/FY27 EBITDA estimates. We expect consensus upward revisions in consensus EBITDA estimates for FY26/27.

**Exhibit 6. We raise our EBITDA estimates by 2%/4%/6% for FY26-28 led by consolidation of NQXT**

	FY26E			FY27E			FY28E		
	Old	New	Diff	Old	New	Diff	Old	New	Diff
Revenue	3,78,447	3,83,840	1%	4,14,945	4,60,275	11%	4,55,956	5,14,688	13%
<b>EBITDA</b>	<b>2,25,202</b>	<b>2,30,453</b>	<b>2%</b>	<b>2,68,312</b>	<b>2,79,543</b>	<b>4%</b>	<b>2,94,283</b>	<b>3,12,006</b>	<b>6%</b>
EBITDA margin	59.5%	60.0%	53	64.7%	60.7%	(393)	64.5%	60.6%	(392)
Recurring PAT	1,44,127	1,32,286	-8%	1,70,646	1,70,588	0%	1,92,458	1,99,260	4%

Source: Company, JM Financial

**Exhibit 7. We are higher than consensus on FY26/27 EBITDA estimates**

	FY26E			FY27E			FY28E		
	JMFe	Consensus	Diff	JMFe	Consensus	Diff	JMFe	Consensus	Diff
Revenue	3,83,840	3,71,576	3%	4,60,275	4,27,831	8%	5,14,688	4,81,827	7%
EBITDA	2,30,453	2,20,300	5%	2,79,543	2,52,119	11%	3,12,006	2,83,501	10%
EBITDA margin	60.0%	59.3%	75	60.7%	58.9%	180	60.6%	58.8%	178
Recurring PAT	1,32,286	1,29,869	2%	1,70,588	1,52,240	12%	1,99,260	1,74,862	14%
EPS (INR)	61.24	60.12	2%	74.04	66.08	12%	86.48	75.89	14%

Source: Company, JM Financial, Bloomberg

**Valuation: Maintain BUY with a revised target price of INR 1,800**

We value ADSEZ's various assets on a DCF basis as each of the ports has a finite life asset, i.e., equal to the remaining life of each concession, along with a terminal value (depreciated replacement value) payable by authorities at the end of the concession period, unless the concession is further extended. We are using an equity beta of 0.75x, similar to GPPV. We note that ADSEZ's adjusted beta has been declining post constructive governance measures taken by the management. We think that the higher beta earlier reflected investors' concerns on governance and as these issues are progressively addressed, the equity beta has been reduced, implying lower risk perception..

Our TP of INR 1,800 effectively implies ~14.2x FY28E EV/EBITDA for FY25-29E EBITDA CAGR of 16%. We maintain BUY rating on the stock.

**Exhibit 8. SOTP-based valuation: Target price of INR 1,800**

Particulars (INR mn)	Implied	EBITDA		Asset value	INR /share
Assets	EV/EBITDA	FY27E	FY28E	Beta= 0.75	Beta=0.75
Mundra	14.2	69,492	76,484	10,82,569	470
Hazira	6.9	16,472	18,037	1,24,967	54
Dahej (74% stake)	5.7	4,526	4,895	27,964	12
Dhamra	17.4	14,208	15,366	2,67,626	116
Kattupalli (97% stake)	6.6	3,215	3,477	23,073	10
Vizhinjam	15.4	4,629	4,768	73,601	32
KPCL (100% stake)	11.9	26,039	28,102	3,35,796	146
Gangavaram	17.2	14,232	15,729	2,69,995	117
International	10.5	26,582	33,614	3,53,595	153
Karaikal	10.3	6,307	6,915	70,918	31
Haldia		164	349	13,067	6
Others	6.7	16,301	17,458	1,16,399	51
Harbour	21.5	43,595	48,321	10,40,906	452
Marine	11.5	16,409	16,901	1,95,190	85
Logistics	22.0	15,162	18,380	4,04,583	176
Gopalpur	13.3	3,900	5,099	67,810	29
<b>Total of assets</b>	<b>14.2</b>	<b>2,81,234</b>	<b>3,13,897</b>	<b>44,68,059</b>	<b>1,939</b>
Elimination	14.2	(1,691)	(1,891)	(33,246)	(14)
<b>Total EV valuation</b>	<b>14.2</b>	<b>2,79,543</b>	<b>3,12,006</b>	<b>44,34,813</b>	<b>1,925</b>
Net debt (FY27)				2,87,748	125
<b>Valuation to Parent Equity holders</b>				<b>41,47,065</b>	<b>1,800</b>

Source: Company, JM Financial

## Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	2,67,106	3,10,786	3,83,840	4,60,275	5,14,688
Sales Growth	28.1%	16.4%	23.5%	19.9%	11.8%
Other Operating Income	0	0	0	0	0
<b>Total Revenue</b>	<b>2,67,106</b>	<b>3,10,786</b>	<b>3,83,840</b>	<b>4,60,275</b>	<b>5,14,688</b>
Cost of Goods Sold/Op. Exp	71,163	80,698	1,03,488	1,20,897	1,35,772
Personnel Cost	18,964	20,087	24,950	29,918	33,455
Other Expenses	19,467	22,564	23,833	29,918	33,455
<b>EBITDA</b>	<b>1,57,511</b>	<b>1,87,438</b>	<b>2,31,570</b>	<b>2,79,543</b>	<b>3,12,006</b>
EBITDA Margin	59.0%	60.3%	60.3%	60.7%	60.6%
EBITDA Growth	43.9%	19.0%	23.5%	20.7%	11.6%
Depn. & Amort.	38,885	43,789	55,027	59,190	65,101
EBIT	1,18,626	1,43,649	1,76,542	2,20,353	2,46,905
Other Income	14,994	13,045	16,667	10,468	11,079
Finance Cost	27,844	27,780	31,562	31,562	24,686
PBT before Excep. & Forex	1,06,806	1,33,837	1,45,932	1,99,259	2,33,297
Excep. & Forex Inc/Loss(-)	-4,252	-4,956	7,858	0	0
PBT	1,02,554	1,28,881	1,53,790	1,99,259	2,33,297
Taxes	19,897	19,684	24,606	31,881	37,328
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	-1,550	1,726	3,103	3,210	3,290
Reported Net Profit	81,106	1,10,923	1,32,286	1,70,588	1,99,260
<b>Adjusted Net Profit</b>	<b>81,106</b>	<b>1,10,923</b>	<b>1,32,286</b>	<b>1,70,588</b>	<b>1,99,260</b>
Net Margin	30.4%	35.7%	34.5%	37.1%	38.7%
Diluted Share Cap. (mn)	2,160.1	2,160.0	2,160.0	2,304.0	2,304.0
<b>Diluted EPS (INR)</b>	<b>37.5</b>	<b>51.4</b>	<b>61.2</b>	<b>74.0</b>	<b>86.5</b>
Diluted EPS Growth	52.8%	36.8%	19.3%	20.9%	16.8%
Total Dividend + Tax	12,961	12,960	12,960	13,824	13,824
Dividend Per Share (INR)	6.0	6.0	6.0	6.0	6.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	81,106	1,10,923	1,32,286	1,70,588	1,99,260
Depn. & Amort.	38,885	43,789	55,027	59,190	65,101
Net Interest Exp. / Inc. (-)	22,027	21,451	33,112	26,512	20,737
Inc (-) / Dec in WCap.	-95	-3,705	8,562	11,640	8,228
Others	8,253	-196	-16,667	-10,468	-11,079
Taxes Paid	0	0	0	0	0
<b>Operating Cash Flow</b>	<b>1,50,176</b>	<b>1,72,263</b>	<b>2,12,321</b>	<b>2,57,462</b>	<b>2,82,246</b>
Capex	-1,09,104	-1,33,981	-1,69,040	-1,20,000	-1,20,000
Free Cash Flow	41,072	38,282	43,281	1,37,462	1,62,246
Inc (-) / Dec in Investments	33,519	46	0	0	0
Others	7,910	49,134	16,667	10,468	11,079
<b>Investing Cash Flow</b>	<b>-67,676</b>	<b>-84,802</b>	<b>-1,52,373</b>	<b>-1,09,532</b>	<b>-1,08,921</b>
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-10,797	-13,363	-22,845	-36,885	-43,131
Inc / Dec (-) in Loans	-35,401	-4,692	0	-99,794	0
Others	-31,804	-51,100	-33,112	-26,512	-20,737
<b>Financing Cash Flow</b>	<b>-78,001</b>	<b>-69,155</b>	<b>-55,957</b>	<b>-1,63,190</b>	<b>-63,867</b>
<b>Inc / Dec (-) in Cash</b>	<b>4,499</b>	<b>18,306</b>	<b>3,991</b>	<b>-15,260</b>	<b>1,09,458</b>
Opening Cash Balance	11,258	15,757	34,063	38,054	22,794
Closing Cash Balance	15,757	34,063	38,054	22,794	1,32,251

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	5,29,448	6,24,354	7,34,166	8,68,346	10,25,033
Share Capital	4,320	4,320	4,320	4,320	4,320
Reserves & Surplus	5,25,127	6,20,034	7,29,846	8,64,026	10,20,713
Preference Share Capital	0	0	0	0	0
Minority Interest	15,982	25,380	25,009	24,532	23,974
Total Loans	4,62,043	4,58,100	4,58,100	3,58,307	3,58,307
Def. Tax Liab. / Assets (-)	22,512	27,637	27,637	27,637	27,637
<b>Total - Equity &amp; Liab.</b>	<b>10,29,985</b>	<b>11,35,471</b>	<b>12,44,912</b>	<b>12,78,822</b>	<b>14,34,951</b>
Net Fixed Assets	8,60,839	10,12,085	11,26,098	11,86,907	12,41,807
Gross Fixed Assets	8,64,134	10,32,715	12,01,755	13,21,755	14,41,755
Intangible Assets	69,069	70,936	70,936	70,936	70,936
Less: Depn. & Amort.	1,81,725	2,07,488	2,62,515	3,21,705	3,86,806
Capital WIP	1,09,361	1,15,922	1,15,922	1,15,922	1,15,922
Investments	42,887	46,595	46,595	46,595	46,595
Current Assets	2,66,266	2,74,608	2,93,078	2,90,566	4,09,099
Inventories	4,375	5,218	6,445	7,728	8,641
Sundry Debtors	36,669	44,324	57,576	69,041	77,203
Cash & Bank Balances	76,319	66,060	70,050	54,790	1,64,248
Loans & Advances	3,285	9,013	9,013	9,013	9,013
Other Current Assets	1,45,618	1,49,993	1,49,993	1,49,993	1,49,993
Current Liab. & Prov.	1,40,007	1,98,956	2,21,997	2,46,385	2,63,689
Current Liabilities	71,933	1,05,077	1,09,092	1,23,911	1,38,560
Provisions & Others	68,074	93,880	1,12,905	1,22,474	1,25,129
Net Current Assets	1,26,259	75,652	71,081	44,181	1,45,411
<b>Total - Assets</b>	<b>10,29,985</b>	<b>11,34,331</b>	<b>12,43,773</b>	<b>12,77,683</b>	<b>14,33,812</b>

Source: Company, JM Financial

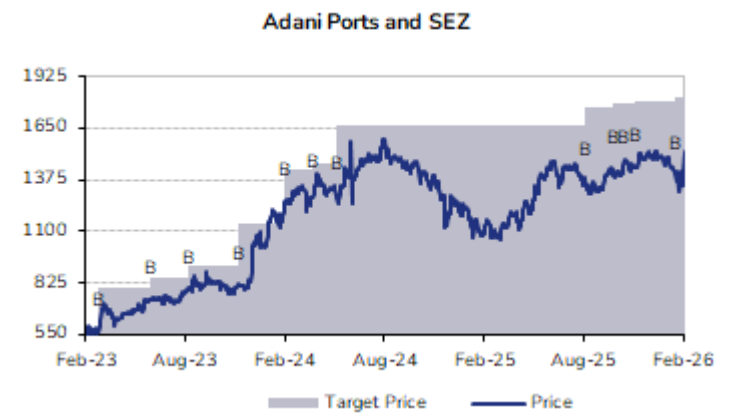
Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	30.4%	35.7%	34.5%	37.1%	38.7%
Asset Turnover (x)	0.2	0.3	0.3	0.3	0.3
Leverage Factor (x)	2.2	2.0	1.9	1.7	1.6
RoE	16.5%	19.2%	19.5%	21.3%	21.0%
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	245.1	289.1	339.9	376.9	444.9
ROIC	11.0%	12.9%	14.2%	16.4%	17.7%
ROE	16.5%	19.2%	19.5%	21.3%	21.0%
Net Debt/Equity (x)	0.7	0.6	0.5	0.3	0.2
P/E (x)	40.8	29.8	25.0	20.7	17.7
P/B (x)	6.2	5.3	4.5	4.1	3.4
EV/EBITDA (x)	23.4	19.8	16.0	12.9	11.2
EV/Sales (x)	13.8	11.9	9.7	7.9	6.8
Debtor days	50	52	55	55	55
Inventory days	6	6	6	6	6
Creditor days	72	81	81	81	81

Source: Company, JM Financial

## History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
27-Feb-23	Buy	800	
31-May-23	Buy	850	6.3
9-Aug-23	Buy	920	8.2
10-Nov-23	Buy	1,140	23.9
2-Feb-24	Buy	1,430	25.4
26-Mar-24	Buy	1,460	2.1
6-May-24	Buy	1,660	13.7
6-Aug-25	Buy	1,765	6.3
24-Sep-25	Buy	1,783	1.0
14-Oct-25	Buy	1,783	0.0
4-Nov-25	Buy	1,795	0.7
19-Jan-26	Buy	1,816	1.2

## Recommendation History



## APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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Rating	Meaning
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ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
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