Retail Equity Research

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Company Update

Dalmia Bharat Ltd.

BUY

Sector: Cement

10th August 2026

Key Changes	Target ▲	Rating ●	Earnings ▲

Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Mid Cap	DALBHARA:IN	78,499	DALBHARAT	542216	12 Months

Target	**Rs. 2,278**
CMP	**Rs. 1,826**
Return	**+25%**

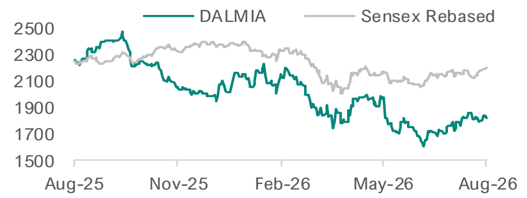
Data as of: 07-08-2026 18:00hrs

Company Data	
Market Cap (Rs.cr)	34,249
52 Week High — Low (Rs.)	2,496-1,605
Enterprise Value (Rs.cr)	36,565
Outstanding Shares (cr)	18.8
Free Float	41%
Dividend Yield	0.5%
6m average volume (cr)	0.03
Beta	1.1
Face value Rs.	2

Shareholding (%)	Q3FY26	Q4FY26	Q1FY27
Promoters	55.8	55.8	55.8
FII's	7.9	7.2	6.8
MFs/Insti	19.0	20.3	19.9
Public	8.7	8.7	8.8
Others	8.5	8.0	8.6
Total	100.0	100.0	100.0
Promotor pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-0.1%	-14.0%	-18.9%
Absolute Sensex	2.1%	-5.5%	-2.0%
Relative Return*	-2.2%	-8.4%	-16.9%

***over or under performance to benchmark index**



Consolidated (Rs. cr)	FY26A	FY27E	FY28E
Sales	14,804	16,452	18,510
Growth (%)	5.9	11.1	12.5
EBITDA	3,083	3,285	3,978
EBITDA Margin (%)	20.8	20.0	21.5
Adj. PAT	1,158	1,218	1,411
Growth (%)	51.0	5.1	15.8
Adj. EPS	61.8	64.9	75.2
Growth (%)	51.0	5.1	15.8
P/E	29.6	28.1	24.3
P/B	1.9	1.8	1.7
EV/EBITDA	11.9	11.7	9.9
ROE (%)	6.6	6.6	7.1
D/E	0.5	0.5	0.5

Author: Vincent K A - Sr. Research Analyst

Volumes Drive Growth, Margins Remain Soft

Dalmia Bharat Ltd. (DBL) is one of India's largest cement companies, with a capacity of ~54.7MT; mainly focusing on South (17MT), East & North East (32.5MT) and Central (5.2MT).

- Robust volume growth drove a 7% YoY increase in revenue, reflecting strong demand and sustained momentum across key business segments.
- EBITDA fell by 9% YoY with EBITDA margins declining by 360bps owing to cost pressures remaining elevated, with both power and fuel expenses and other expenses increasing 17% YoY.
- Management expects cost pressures to remain elevated in Q2FY27, with input costs projected to rise by ~Rs.70-80 per ton sequentially.
- Reported PAT declined 52% YoY due to JAL acquisition-related expenses of Rs.182cr, while Adjusted PAT fell 15% YoY, primarily due to higher interest and depreciation costs following the debt-funded acquisition. Despite gross debt increasing to Rs.9,108cr, management expects net debt-to-EBITDA to remain comfortably below 2x threshold.
- Incentive accruals stood at Rs.45 crore during the quarter. The company reiterated its FY27 incentive guidance of Rs.200 crore.
- On the acquired JAL assets, management expects meaningful volume contribution from Q3 FY27, with the assets turning EBITDA-neutral within a couple of quarters and achieving EBITDA/ton in line with Dalmia's average over the next 7-8 quarters.

Outlook & Valuation

Management expects a meaningful ramp-up from Q3FY27 onwards, supported by the contribution from the acquired JAL assets, which should drive topline growth in H2FY27. The company has also guided for volume growth to outperform the industry by 200-250bps. Margin performance remained resilient despite elevated input costs, aided by price hikes, which helped offset cost inflation. The geographical expansion into central region and the company's target towards becoming a pan India player will support valuation re-rating. **We value DBL at 12x EV/EBITDA to arrive at a target price of Rs. 2,278 and maintain our BUY rating.**

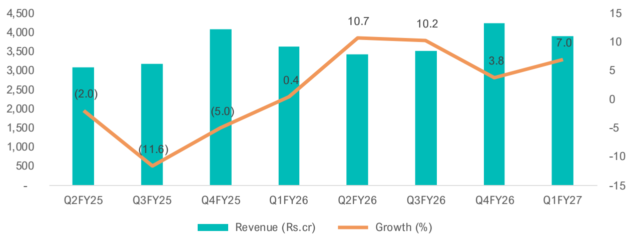
Quarterly Financials Consol.

Rs. cr	Q1FY27	Q1FY26	YoY Growth (%)	Q4FY26	QoQ Growth (%)
Sales	3,890	3,636	7.0	4,245	-8.4
EBITDA	805	883	-8.8	902	-10.8
Margin (%)	20.7	24.3	-360bps	21.2	-60bps
EBIT	444	561	-20.9	537	-17.3
PBT	254	518	-51.0	440	-42.3
Rep. PAT	188	393	-52.2	388	-51.5
Adj PAT	324	381	-15.1	395	-18.2
EPS (Rs)	17.3	20.4	-15.1	21.1	-18.2

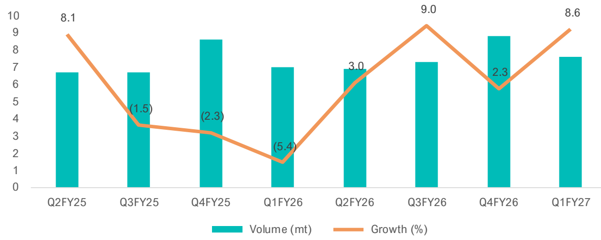
Key Highlights…

- DBL has maintained its FY27 capex guidance at Rs 3,200-3,400cr comprising around Rs 2,200cr towards ongoing expansion projects, Rs 200cr for Jaypee asset improvement/efficiency capex, and the balance towards maintenance capex and other high-ROI investments .
- Furthermore, following the Jaypee acquisition and the ongoing capacity expansions at Belgaum, Kadapa and Pune, DBL expects its cement capacity to increase to ~67MT by Q3FY28. Over the longer term, the company remains focused on becoming a pan-India player, with a directional capacity target of 110-130MTby FY31, while maintaining flexibility based on industry conditions and capital allocation discipline.
- DBL has guided for depreciation to increase by Rs.100cr in FY27, driven by the commissioning of the acquired Jaypee assets and the Belgaum expansion. Depreciation is expected to rise further by Rs.100-250cr in FY28, supported by the commissioning of the Kadapa and Pune projects.
- DBL outperformed the industry in Q1FY27 on a sales volume basis , reporting 9% YoY volume growth versus estimated industry demand growth of 7-8% YoY. Going forward, management expects organic volume growth to be at least in line with industry growth, with an ambition to exceed the industry's growth trajectory
- The company noted that cement demand strengthened in June, driven by the return of labour to construction sites following the conclusion of state elections.

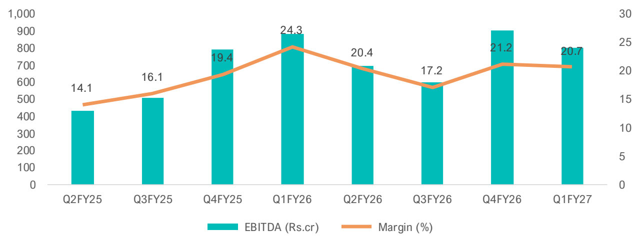
Revenue



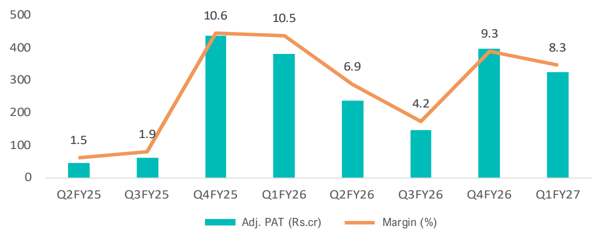
Cement Volume



EBITDA



PAT



Per Ton Analysis

	Q1FY27	Q1FY26	YoY Growth (%)	Q4FY26	QoQ Growth (%)
Cement Volume (MT)	7.6	7.0	8.6	8.8	-13.6
Cost of materials consumed	653	667	-2.2	889	-26.6
Employee Expenses	322	324	-0.6	247	30.7
Power & Fuel	1,120	1,036	8.1	902	24.1
Freight & forwarding	1,133	1,136	-0.2	1,066	6.3
Other expenses	832	770	8.0	695	19.6
Total expenses	4,059	3,933	3.2	3,799	6.9
Realisation (inc. RMC)	5,118	5,194	-1.5	4,824	6.1
EBITDA	1,059	1,261	-16.0	1,025	3.3

Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	**FY27E**	**FY28E**	**FY27E**	**FY28E**	**FY27E**	**FY28E**
Revenue	16,413	18,433	16,452	18,510	0.2	0.4
EBITDA	3,370	3,926	3,285	3,978	-2.5	1.3
Margins (%)	20.5	21.3	20.0	21.5	-60bps	20bps
Adj. PAT	1,162	1,366	1,205	1,375	3.7	0.7
EPS	61.9	72.8	64.2	73.3	3.8	0.7

Consolidated Financials

PROFIT & LOSS

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Revenue	**14,680**	**13,980**	**14,804**	**16,452**	**18,510**
% change	8.4	-4.8	5.9	11.1	12.5
EBITDA	**2,628**	**2,407**	**3,083**	**3,285**	**3,978**
% change	13.5	-8.4	28.1	6.5	21.1
Depreciation	1,498	1,331	1,349	1,413	1,685
EBIT	**1,130**	**1,076**	**1,734**	**1,872**	**2,294**
Interest	386	399	480	588	634
Other Income	326	253	222	345	234
PBT	**1,070**	**817**	**1,450**	**1,446**	**1,894**
% change	38.8	-23.6	77.5	-0.2	30.9
Tax	216	118	293	364	483
Tax Rate	20.2%	14.4%	20.2%	25.5%	25.5%
Reported PAT	**827**	**683**	**1,139**	**1,082**	**1,411**
Adj*	0	-84	-19	-136	0
Adj PAT	**827**	**767**	**1,158**	**1,218**	**1,411**
% change	26.5	-7.2	51.0	5.1	15.8
No. of shares (cr)	18.8	18.8	18.8	18.8	18.8
Adj EPS (Rs.)	**44.1**	**40.9**	**61.8**	**64.9**	**75.2**
% change	26.4	-7.2	51.0	5.1	15.8
DPS (Rs.)	**2**	**2**	**2**	**2**	**2**
CEPS (Rs.)	124.0	111.9	133.7	140.3	165.0

BALANCE SHEET

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	341	149	212	221	218
Accounts Receivable	836	889	864	947	1,065
Inventories	1,218	1,386	1,192	1,347	1,462
Other Cur. Assets	1,589	1,461	1,404	1,648	1,853
Investments	4,462	5,119	5,878	5,378	4,878
Gross Fixed Assets	21,295	24,244	27,591	33,841	37,841
Net Fixed Assets	12,893	14,714	16,872	21,709	24,025
CWIP	2,284	2,497	2,593	1,000	1,000
Intangible Assets	2,950	2,711	2,632	2,546	2,460
Def. Tax (Net)	-1,758	-1,981	-2,184	-2,184	-2,184
Other Assets	1,139	1,245	1,612	1,442	1,623
Total Assets	**25,954**	**28,190**	**31,075**	**34,054**	**36,400**
Current Liabilities	3,898	4,252	4,797	5,237	5,601
Provisions	588	582	560	608	720
Debt Funds	4,805	5,702	7,406	8,686	9,136
Other Liabilities	266	280	333	369	423
Equity Capital	38	38	38	38	38
Reserves & Surplus	16,359	17,336	17,941	19,115	20,482
Shareholder's Fund	16,397	17,374	17,979	19,153	20,520
Total Liabilities	**25,954**	**28,190**	**31,075**	**34,054**	**36,400**
BVPS (Rs.)	**745**	**802**	**838**	**905**	**983**

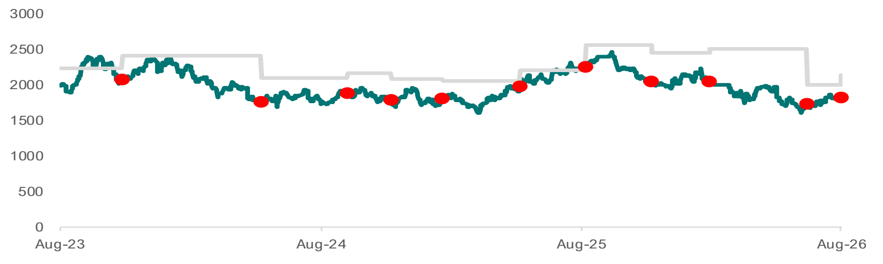
CASH FLOW

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	**2,325**	**2,014**	**2,488**	**2,495**	**3,095**
Non-cash adj.	159	147	306	364	483
Other adjustments	157	219	316	224	151
Changes in W.C	46	-230	-659	214	-90
C.F. Operation	**2,662**	**2,117**	**2,278**	**3,433**	**3,639**
Capital exp.	-2723	-2626	-2041	-4571	-3914
Change in inv.	0	220	-1,049	500	500
Other invest.CF	134	136	67	0	0
C.F – Investment	**-2,589**	**-2,270**	**-3,023**	**-4,071**	**-3,414**
Issue of equity	0	0	0	0	0
Issue/repay debt	437	130	977	691	-184
Dividends paid	-169	-169	-169	-44	-44
Other finance.CF	-46	0	0	0	0
C.F – Finance	**222**	**-39**	**808**	**647**	**-228**
Chg. in cash	134	-192	63	9	-3
Closing cash	341	149	212	221	218

RATIOS

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	17.9	17.2	20.8	20.0	21.5
EBIT margin (%)	7.7	7.7	11.7	11.4	12.4
Net profit mgn.(%)	5.6	5.5	7.8	7.4	7.6
ROE (%)	5.2	4.5	6.6	6.6	7.1
ROCE (%)	4.5	4.3	5.2	4.9	5.1
W.C & Liquidity					
Receivables (days)	19.1	22.5	21.6	20.1	19.8
Inventory (days)	31.5	34.0	31.8	28.2	27.7
Payables (days)	76.9	99.6	97.2	84.4	86.4
Current ratio (x)	1.8	1.6	1.5	1.4	1.3
Quick ratio (x)	0.3	0.2	0.2	0.2	0.2
Turnover & Leverage					
Gross asset T.O (x)	0.7	0.6	0.6	0.5	0.5
Total asset T.O (x)	0.6	0.5	0.5	0.5	0.5
Int. coverage ratio (x)	2.9	2.7	3.6	3.2	3.6
Adj. debt/equity (x)	0.4	0.4	0.5	0.5	0.5
Valuation					
EV/Sales (x)	2.4	2.6	2.5	2.3	2.1
EV/EBITDA (x)	13.4	14.8	11.9	11.7	9.9
P/E (x)	41.5	44.7	29.6	28.2	24.3
P/BV (x)	2.1	2.0	1.9	1.8	1.7

Recommendation Summary (last 3 years)



Dates	Rating	Target
12-Sep-24	Buy	2,165
25-Nov-24	Buy	2,080
28-Jan-25	Buy	2,060
12-May-25	Buy	2,212
12-Aug-25	Buy	2,569
24-Nov-25	Buy	2,455
05-Feb-26	Buy	2,508
24-June-26	Buy	2,080
10-Aug-26	Buy	2,278

Source: Bloomberg, Geojit Research

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%
Not rated/Neutral			

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition: Upgrade No Change Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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