

Dalmia Bharat Ltd.

BUY

Sector: Cement

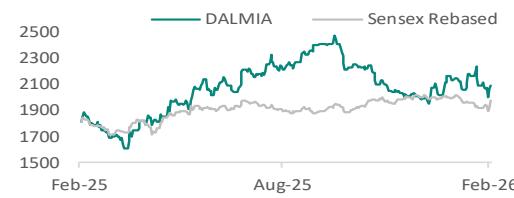
 05th February 2026

Key Changes		Target	▲	Rating	●	Earnings	▼	Target	Rs. 2,508
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Return	Rs. 2,139	
Mid Cap	DALBHARA:IN	83,818	DALBHARAT	542216	12 Months			+17%	

Data as of: 04-02-2026 18:00 hrs

Company Data			
	Q1FY26	Q2FY26	Q3FY26
Market Cap (Rs.cr)	40,308		
52 Week High — Low (Rs.)	2,496-1,602		
Enterprise Value (Rs.cr)	41,306		
Outstanding Shares (cr)	18.8		
Free Float	42%		
Dividend Yield	0.4%		
6m average volume (cr)	0.04		
Beta	1.0		
Face value Rs.	2		
Shareholding (%)	Q1FY26	Q2FY26	Q3FY26
Promoters	55.8	55.8	55.8
FII's	11.4	9.4	7.9
MFs/Insti	12.6	13.6	19.0
Public	10.4	11.8	8.7
Others	9.8	9.3	8.5
Total	100.0	100.0	100.0
Promotor pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	1.8%	-7.8%	15.3%
Absolute Sensex	0.7%	4.2%	8.9%
Relative Return*	1.2%	-12.0%	6.4%

*over or under performance to benchmark index



Consolidated (Rs. cr)	FY26E	FY27E	FY28E
Sales	15,190	16,533	17,851
Growth (%)	8.7	8.8	8.0
EBITDA	3,061	3,597	4,093
EBITDA Margin (%)	20.2	21.8	22.9
Adj. PAT	1,134	1,358	1,535
Growth (%)	64.4	19.7	13.0
Adj. EPS	60.5	72.4	81.8
Growth (%)	64.4	19.7	13.0
P/E	35.5	29.7	26.3
P/B	2.2	2.0	1.9
EV/EBITDA	13.8	12.1	10.9
ROE (%)	6.3	7.1	7.5
D/E	0.4	0.4	0.4

Author: Vincent K A - Sr. Research Analyst

Healthy volume outlook; expansion on track...

Dalmia Bharat Ltd. (DBL) is one of India's largest cement companies, with a capacity of ~49.5MT; mainly focusing on South (17MT) and East & North East (32.5MT).

- Revenue grew ~10% YoY to Rs. 3,506cr as volumes increased ~9%, while realisation remained slightly higher YoY but moderated sequentially.
- EBITDA came in at Rs. 602cr (₹825/ton), 18% YoY, supported by strong volume growth and cost discipline, as margins improved 110bps YoY.
- Power & fuel cost per ton rose marginally, while logistics cost per ton declined ~5% YoY, aided by higher direct dispatches and improved route optimization.
- Incentives accrued during the quarter were Rs. 91cr, including prior-period components; management expects next year's run-rate to normalize ~Rs. 200cr.
- Renewable energy (RE) usage improved meaningfully, with RE share at 48% and total RE capacity reaching 410 MW (from 267MW in FY25), supporting structural cost savings.
- The 3.6MTPA Umrangso clinker line commenced commercial operations in January 2026, while the Belgaum, Pune and Kadapa projects continue to progress as scheduled.

Outlook & Valuation

The company expects Q4 to likely remain strong, driven by post-monsoon recovery, and continued government capex. Early-quarter pricing has shown mild improvements, though near-term visibility remains limited. Over the medium term, pricing is expected to be supported by rising entry barriers, consolidation and improving demand. Fuel costs, particularly pet coke, have inched up, but the company aims to mitigate this through higher domestic coal usage, renewable energy ramp-up, logistics efficiencies and further cost-saving initiatives. Further, recent GST rate cuts on several construction materials will act as a key policy tailwind. With capital expenditure of ~Rs.9,000cr over next two years, the company remains confident of achieving its capacity roadmap toward ~61.5 MTPA in FY28, supported by a strong balance sheet and conservative leverage. **The stock currently trades at 1Yr Fwd EV/EBITDA of ~12x. We value DBL at 12x EV/EBITDA (2Yr avg=12x) to arrive at a target price of Rs. 2,508 and maintain our BUY rating.**

Quarterly Financials Consol.

Rs.cr	Q3FY26	Q3FY25	YoY Growth (%)	Q2FY26	QoQ Growth (%)	9MY26	9MFY25	YoY Growth
Sales	3,506	3,181	10.2	3,417	2.6	10,559	9,889	6.8
EBITDA	602	511	17.8	696	-13.5	2,181	1,614	35.1
Margin (%)	17.2	16.1	630bps	20.4	-390bps	20.7	16.3	590bps
EBIT	262	147	78.2	374	-29.9	1,197	597	100.5
PBT	174	83	109.7	318	-45.3	1,010	350	188.6
Rep. PAT	122	66	84.9	236	-48.3	751	257	192.2
Adj PAT	146	66	121.0	236	-38.2	763	341	123.6
EPS (Rs)	7.8	3.5	121.0	12.6	-38.2	40.8	18.2	123.6

Key Highlights...

- Trade share stood at 62%, with premium products at 23%; management expects a return to mid-to-high-60s trade mix as demand strengthens.
- Adjusted cost trends show meaningful structural reduction when excluding the TN mineral tax and temporary fuel spikes, reflecting ongoing efficiency gains. Lead distance remained around 277 km, with higher direct dispatches helping sustain logistics cost improvements.
- Capex deployment reached Rs.513cr in Q3FY26 and Rs. 1,703cr for 9M FY26, primarily toward Umrangso, Belgaum, Pune, Kadapa and targeted ROI projects. The company has guided for Rs. 2,700cr for FY26.
- Capacity expansion roadmap remains intact, with the Jaisalmer project under active evaluation and potential split grinding additions to leverage North-East clinker. Target cement grinding capacity of 61.5MT and Clinker capacity of 34.3MT by Q2FY28.
- The ongoing expansions, Belgaum Grinding Unit will improve penetration into the Southern Maharashtra markets while Pune GU will cater to the untapped Western Maharashtra markets. Plans 6MT additional in Kadapa unit which will help strengthen presence in Andhra Pradesh and Southern Karnataka markets while volumes through 3MnTPA Bulk terminal at Chennai will primarily address to the markets of Northern Tamil Nadu.
- Leverage levels remain comfortable, with net-debt/EBITDA at around 0.6x, well within the company's stated financial discipline framework

Revenue



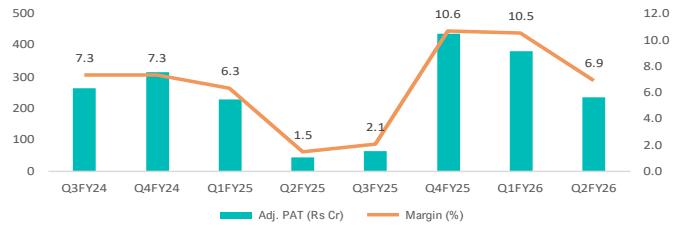
Cement Volume



EBITDA



PAT



Per Ton Analysis

	Q3FY26	Q3FY25	YoY Growth (%)	Q2FY26	QoQ Growth (%)
Cement Volume (MT)	7.3	6.7	9.0	6.9	5.8
Cost of materials consumed	800	764	4.7	732	9.3
Employee Expenses	307	333	-7.8	328	-6.3
Power & Fuel	1,019	994	2.5	1,039	-1.9
Freight & forwarding	1,059	1,116	-5.2	1,055	0.4
Other expenses	793	778	2.0	790	0.4
Total expenses	3,978	3,985	-0.2	3,943	0.9
Realisation (inc. RMC)	4,803	4,748	1.2	4,952	-3.0
EBITDA	825	763	8.1	1,009	-18.2

Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	15,414	16,740	15,190	16,533	-1.5	-1.2
EBITDA	3,298	3,781	3,061	3,597	-7.2	-4.9
Margins (%)	21.4	22.6	20.2	21.8	-120bps	-80bps
Adj. PAT	1,289	1,448	1,134	1,358	-12.0	-6.2
EPS	68.7	77.2	60.5	72.4	-12.0	-6.2

Consolidated Financials

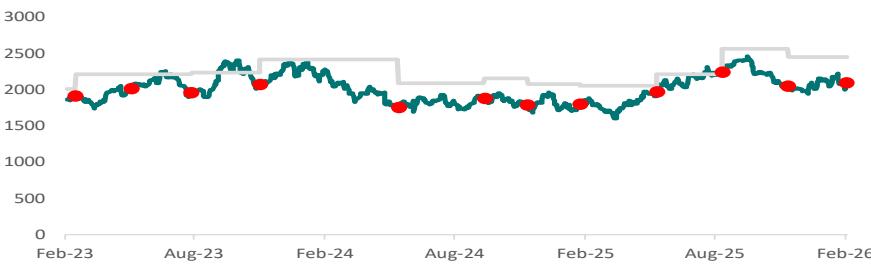
PROFIT & LOSS

Y.E March (Rs. cr)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	Y.E March (Rs. cr)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	11,277	13,540	14,680	13,980	15,190	16,533	17,851	Cash	140	234	341	150	311	135	205
% change	7.2	20.1	8.4	-4.8	8.7	8.8	8.0	Accounts Receivable	673	700	836	889	916	951	1,027
EBITDA	2,413	2,316	2,628	2,407	3,061	3,597	4,093	Inventories	945	1,316	1,218	1,386	1,374	1,391	1,469
% change	-13.3	-4.0	13.5	-8.4	27.2	17.5	13.8	Other Cur. Assets	1,200	2,165	1,589	1,461	1,561	1,699	1,833
Depreciation	1,237	1,305	1,498	1,331	1,325	1,529	1,722	Investments	5,704	3,524	4,462	5,119	5,119	5,119	5,119
EBIT	1,176	1,011	1,130	1,076	1,736	2,067	2,371	Gross Fixed Assets	16,678	18,717	21,295	24,243	28,740	32,440	36,440
Interest	194	232	386	399	420	457	519	Net Fixed Assets	10,799	11,610	12,893	14,713	17,885	20,056	22,334
Other Income	154	136	326	253	233	205	205	CWIP	1,036	1,859	2,284	2,497	700	1,000	1,000
PBT	1,136	771	1,070	817	1,549	1,815	2,056	Intangible Assets	3,375	3,186	2,950	2,711	2,711	2,711	2,711
% change	-19.3	-32.1	38.8	-23.6	89.6	17.2	13.3	Def. Tax (Net)	-1,635	-1,610	-1,758	-1,981	-1,981	-1,981	-1,981
Tax	-31	242	216	204	387	454	514	Other Assets	600	925	1,139	1,245	1,207	1,246	1,345
Tax Rate	-2.7%	31.4%	20.2%	25.0%	25.0%	25.0%	25.0%	Total Assets	22,837	23,909	25,954	28,190	29,802	32,326	35,061
Reported PAT	1,138	1,039	827	606	1,146	1,358	1,535	Current Liabilities	3,111	3,523	3,898	4,232	4,098	4,108	4,284
Adj*	0	385	0	-84	12	0	0	Provisions	606	591	588	582	603	634	685
Adj PAT	1,138	654	827	690	1,134	1,358	1,535	Debt Funds	3,176	3,855	4,805	5,702	6,302	7,452	8,452
% change	-7.6	-42.5	26.5	-16.6	64.4	19.7	13.0	Other Liabilities	257	312	266	300	334	352	371
No. of shares (cr)	18.7	18.7	18.8	18.8	18.8	18.8	18.8	Equity Capital	37	37	38	38	38	38	38
Adj EPS (Rs.)	60.8	34.9	44.1	36.8	60.5	72.4	81.8	Reserves & Surplus	15,650	15,591	16,359	17,336	18,427	19,741	21,233
% change	-7.6	-42.6	26.4	-16.6	64.4	19.7	13.0	Shareholder's Fund	15,687	15,628	16,397	17,374	18,464	19,779	21,270
DPS (Rs.)	2	2	2	2	2	2	2	Total Liabilities	22,837	23,909	25,954	28,190	29,802	32,326	35,061
CEPS (Rs.)	126.9	104.5	124.0	107.7	131.1	154.0	173.7	BVPS (Rs.)	701	703	745	802	860	930	1,009

CASH FLOW

Y.E March (Rs. cr)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E	Y.E March	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Net inc. + Depn.	2,375	2,344	2,325	1,937	2,471	2,888	3,257	Profitab. & Return							
Non-cash adj.	-103	-321	132	198	387	454	514	EBITDA margin (%)	21.4	17.1	17.9	17.2	20.2	21.8	22.9
Other adjustments	181	296	157	219	33	3	5	EBIT margin (%)	10.4	7.5	7.7	7.7	11.4	12.5	13.3
Changes in W.C	-515	-77	46	-230	-154	-170	-144	Net profit mgn. (%)	10.1	4.8	5.6	4.9	7.5	8.2	8.6
C.F. Operation	1,935	2,252	2,635	2,118	2,725	3,175	3,632	ROE (%)	8.0	4.2	5.2	4.1	6.3	7.1	7.5
Capital exp.	-1756	-2701	-2723	-2626	-2700	-4000	-4000	ROCE (%)	7.5	3.0	4.5	3.5	4.7	5.0	5.2
Change in inv.	539	0	0	220	0	0	0	W.C & Liquidity							
Other invest.CF	75	77	134	136	0	0	0	Receivables (days)	22.0	18.5	19.1	22.5	21.7	20.6	20.2
C.F - Investment	-1,142	-2,624	-2,589	-2,270	-2,700	-4,000	-4,000	Inventory (days)	30.2	30.5	31.5	34.0	33.2	30.5	29.2
Issue of equity	5	0	0	0	0	0	0	Payables (days)	85.9	64.0	76.9	99.6	99.4	90.7	87.6
Issue/repay debt	-847	370	437	130	180	693	481	Current ratio (x)	1.5	1.7	1.8	1.6	1.7	1.7	1.7
Dividends paid	-100	-169	-169	-169	-44	-44	-44	Quick ratio (x)	0.2	0.2	0.3	0.2	0.2	0.2	0.2
Other finance.CF	0	-33	-46	0	0	0	0	Turnover & Leverage							
C.F - Finance	-942	168	222	-39	136	649	437	Gross asset T.O (x)	0.7	0.8	0.7	0.6	0.6	0.5	0.5
Chg. in cash	-55	94	107	-191	161	-175	69	Total asset T.O (x)	0.5	0.6	0.6	0.5	0.5	0.5	0.5
Closing cash	140	234	341	150	311	135	205	Int. coverage ratio (x)	6.1	4.4	2.9	2.7	4.1	4.5	4.6
								Adj. debt/equity (x)	0.3	0.3	0.4	0.4	0.4	0.4	0.4
								Valuation							
								EV/Sales (x)	3.4	3.1	2.8	3.0	2.8	2.6	2.5
								EV/EBITDA (x)	16.0	17.8	15.7	17.3	13.8	12.1	10.9
								P/E (x)	35.3	61.6	48.7	58.4	35.5	29.7	26.3
								P/BV (x)	2.6	2.6	2.5	2.3	2.2	2.0	1.9

Recommendation Summary (last 3 years)



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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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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GRIEVANCES

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