

The Ramco Cements Ltd.

Accumulate

Sector: Cement

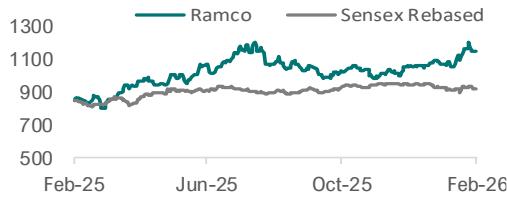
 19th February 2026

Key Changes		Target 	Rating 	Earnings 		Target	Rs. 1,319
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 1,140
Small Cap	TRCL:IN	83,734	RAMCOCEM	500260	12 Months	Return	+16%

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

Company Data			
Shareholding (%)	Q1FY26	Q2FY26	Q3FY26
Promoters	42.6	42.6	42.6
FII's	11.4	9.4	8.0
MFs/Insti	27.9	28.5	28.1
Public	13.5	13.7	14.3
Others	7.6	7.1	7.0
Total	100.0	100.0	100.0
Promotor pledge	22.05	22.1	22.1
Price Performance	3 Month	6 Month	1 Year
Absolute Return	16.4%	2.7%	35.6%
Absolute Sensex	-2.6%	0.8%	8.6%
Relative Return*	19.0%	2.0%	26.9%

*over or under performance to benchmark index



Standalone (Rs.cr)	FY26E	FY27E	FY28E
Sales	9,223	10,247	11,177
Growth (%)	8.6	11.1	9.1
EBITDA	1,553	1,947	2,297
EBITDA Margin (%)	16.8	19.0	20.6
Adj. PAT	279	601	909
Growth (%)	72.0	115.4	51.3
Adj. EPS	11.8	25.2	38.2
Growth (%)	72.0	113.8	51.3
P/E	97.0	45.4	30.0
P/B	3.4	3.2	2.9
EV/EBITDA	20.2	15.7	12.9
ROE (%)	3.6	7.2	10.1
D/E	0.6	0.5	0.3

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Deleveraging will support valuations

The Ramco Cements Ltd. (TRCL), the Ramco Group's flagship company, is the sixth largest cement company in India, with a total production capacity of ~24MT (South-20MT & East-4MT).

- Revenue grew 6% YoY, and sales volumes increased by 4% YoY in Q3FY26, reflecting gradual demand recovery across key markets, while capacity utilization improved sequentially.
- EBITDA remained flat on a YoY basis, while EBITDA per ton declined ~2.9%, largely due to a 4% increase in raw material costs, including the impact of higher limestone expenses following the mineral-bearing land tax in Tamil Nadu.
- During the quarter the company reported a one-time gain of Rs. 505 cr from the sale of land. Consequently, reported PAT increased by 19% YoY. However, excluding this one-time gain, the adj. PAT declined by 79% YoY.
- The blended cost increased by 8% YoY to Rs. 1.57/Kcal in Q3FY26. However, higher mix on green energy and the waste heat recovery system (WHRS) partially mitigated the impact of elevated power costs.
- FY26 capex is estimated at Rs.1,100cr (Rs.823cr in 9MFY26). Net debt has declined to Rs.4,145 cr from Rs.4,481cr in FY25, with the D/E ratio at 0.6x and net debt/EBITDA reducing to 2.8x (vs. 3.5x in FY25). With major capex nearing completion, we expect deleveraging to meaningfully accelerate from FY27 onward.

Outlook & Valuation

The industry expects healthy volumes supported by Gol's strong focus on infrastructure and housing. Realizations are likely to remain stable, while cost optimization initiatives, including higher renewable energy usage and operating leverage from better capacity utilization should support margin recovery. The company's ongoing expansion, including the Kolimigundla line, will drive volume growth and strengthen its regional presence. Hence, **we value TRCL at 15x FY28E EV/EBITDA, with a target price of ₹1,319, and downgrade our rating to Accumulate due to the recent increase in stock price.**

Quarterly Financials Standalone

Rs.cr	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	9MFY26	9MFY25	YoY (%)
Sales	2,102	1,977	6	2,235	-6	6,406	6,103	5
EBITDA	281	279	1	387	-27.4	1,065	911	17
Margin (%)	13.4	14.1	-80bps	17.3	-390bps	16.6	14.9	170bps
EBIT	97	106	-8.2	205	-52.6	516	402	28
PBT	474	333	42	100	373	691	416	66
Rep. PAT	376	325	15	74	405	536	386	39
Adj PAT	16	79	-79	74	-78	177	140	26
EPS (Rs)	0.7	3.3	-79.2	3.2	-78.0	7.5	5.9	26

Key Highlights...

- The proposed 15 MW WHRS at Kolimigundla is to be commissioned in FY27.
- Debottlenecking initiatives undertaken at the Ariyalur plant in Tamil Nadu across Line 1 and Line 2 increased the combined cement grinding capacity from 3.5 MTPA to 5.5 MTPA, and similar debottlenecking activities are currently in progress at the company's plants in Rama-samy Raja Nagar, Tamil Nadu, and Jayanthipuram, Andhra Pradesh, to enhance production capacity and operational efficiency.
- In Q3FY26, cement prices increased 1% YoY but declined 6% QoQ. Over 9M FY26, cement prices registered a 4% YoY rise. Additionally, prices in the South and East regions have begun to pick up post-January 2026.
- During 9MFY26, TRCL has monetized Rs. 559cr from the sale of non-core assets, disposed of assets worth Rs. 1,017cr so far in the last 2 years, and plans to sell further assets for ~ Rs. 200cr soon.
- Average lead distance reduced to 256 KMs in Q3FY26 from 259 KMs in Q3FY25.

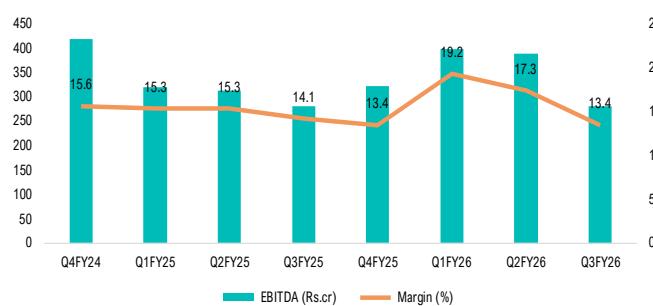
Revenue



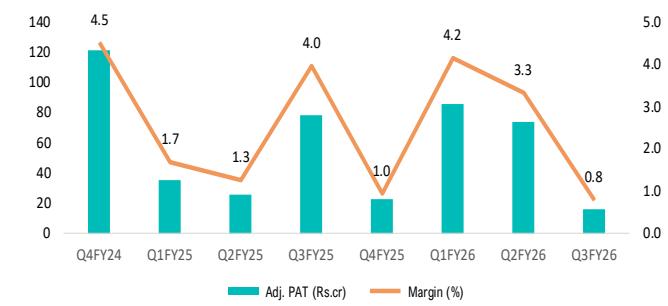
Cement Volume



EBITDA



PAT



Per Tonne Analysis

	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Cement Volume (MT)	4.4	4.3	3.5	4.4	0.7
Cost of materials consumed	1,013	953	6	1,130	-10.4
Employee Expenses	305	307.5	-0.9	329	-7.4
Power & Fuel	1,126	1,083	4.0	1,063	5.9
Freight & forwarding	1,087	1,089	-0.2	1,080	0.7
Other expenses	579	534	8.3	598	-3.1
Total expenses	4,110	3,966	3.6	4,200	-2.1
Realisation (inc. RMC)	4,744	4,619	2.7	5,079	-6.6
EBITDA	634	653	-2.9	879	-27.9

Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	9,651	10,401	9,223	10,247	-4.4	-1.5
EBITDA	1,869	2,189	1,553	1,947	-16.9	-11.1
Margins (%)	19.4	21.0	16.8	19.0	130bps	10bps
Adj. PAT	531	782	279	601	-47.5	-23.2
EPS	22.5	32.8	27.0	25.4	28.0	-27.1

Standalone Financials

PROFIT & LOSS

Y.E March (Rs. cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	9,349	8,495	9,223	10,247	11,177
% change	14.9	-9.1	8.6	11.1	9.1
EBITDA	1,552	1,231	1,553	1,947	2,297
% change	31.3	-20.7	26.1	25.4	18.0
Depreciation	636	691	747	765	780
EBIT	916	540	805	1,182	1,517
Interest	416	459	439	392	305
Other Income	42	44	28	32	32
PBT	543	465	874	823	1,245
% change	14.6	-14.3	87.9	-5.9	51.3
Tax	148	48	236	222	336
Tax Rate	27.3%	27.0%	27.0%	27.0%	27.0%
Reported PAT	395	417	638	601	909
Adj*	0	255	359	0	0
Adj PAT	395	162	279	601	909
% change	14.9	-58.9	72.0	115.4	51.3
No. of shares (cr)	23.6	23.6	23.6	23.6	23.6
Adj EPS (Rs.)	16.7	6.9	11.8	25.2	38.2
% change	14.9	-58.9	72.0	113.8	51.3
DPS (Rs.)	4	4	4	4	4
CEPS (Rs.)	43.6	36.1	43.4	57.8	71.5

BALANCE SHEET

Y.E March (Rs. cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash	135	207	422	170	263
Accounts Receivable	852	722	783	870	949
Inventories	982	1,015	1,123	1,195	1,267
Other Cur. Assets	275	286	316	351	383
Investments	223	135	135	135	135
Gross Fixed Assets	17,093	18,086	20,239	20,539	21,039
Net Fixed Assets	11,650	11,951	13,357	12,892	12,613
CWIP	1,329	1,353	300	500	500
Intangible Assets	443	420	420	420	420
Def. Tax (Net)	0	0	0	0	0
Other Assets	279	284	280	312	340
Total Assets	16,168	16,374	17,137	16,846	16,871
Current Liabilities	2,928	2,980	3,051	3,229	3,417
Provisions	116	139	126	140	153
Debt Funds	4,917	4,653	4,803	3,803	2,803
Other Liabilities	1,064	1,109	1,110	1,112	1,113
Equity Capital	24	24	24	24	24
Reserves & Surplus	7,120	7,470	8,023	8,538	9,362
Shareholder's Fund	7,144	7,494	8,046	8,562	9,385
Total Liabilities	16,168	16,374	17,137	16,846	16,871
BVPS (Rs.)	284	299	323	345	379

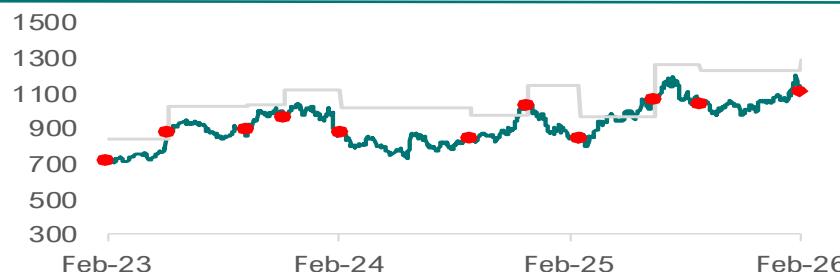
CASH FLOW

Y.E March (Rs. cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Net inc. + Depn.	1,030	1,108	1,386	1,365	1,688
Non-cash adj.	160	71	236	222	336
Other adjustments	338	54	-157	170	-31
Changes in W.C	366	166	-130	-10	9
C.F. Operation	1,895	1,399	1,335	1,747	2,003
Capital exp.	-1914	-941	-1100	-500	-500
Change in inv.	-19	376	363	-31	-28
Other invest.CF	18	11	0	0	0
C.F – Investment	-1,900	-545	-737	-531	-528
Issue of equity	0	0	0	0	0
Issue/repay debt	426	-271	141	-990	-991
Dividends paid	-47	-59	-85	-85	-85
Other finance.CF	-406	-452	-439	-392	-305
C.F – Finance	-28	-782	-383	-1468	-1381
Chg. in cash	-33	72	215	-252	93
Closing cash	135	207	422	170	263

RATIOS

Y.E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	16.6	14.5	16.8	19.0	20.6
EBIT margin (%)	9.8	6.4	8.7	11.5	13.6
Net profit mgn. (%)	4.2	1.9	3.0	5.9	8.1
ROE (%)	5.7	2.2	3.6	7.2	10.1
ROCE (%)	5.0	4.5	4.1	5.7	7.1
W.C & Liquidity					
Receivables (days)	25.7	33.8	29.8	29.5	29.7
Inventory (days)	36.4	42.9	42.3	41.3	40.2
Payables (days)	173.0	204.1	179.7	178.9	182.9
Current ratio (x)	0.6	0.5	0.6	0.6	0.6
Quick ratio (x)	0.2	0.2	0.3	0.2	0.3
Turnover & Leverage					
Gross asset T.O (x)	0.6	0.5	0.5	0.5	0.5
Total asset T.O (x)	0.6	0.5	0.6	0.6	0.7
Int. coverage ratio (x)	2.2	1.2	1.8	3.0	5.0
Adj. debt/equity (x)	0.7	0.6	0.6	0.5	0.3
Valuation					
EV/Sales (x)	3.4	3.7	3.4	3.0	2.7
EV/EBITDA (x)	20.5	25.6	20.3	15.8	12.9
P/E (x)	68.6	166.9	97.0	45.4	30.0
P/BV (x)	3.8	3.6	3.4	3.2	2.9

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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