INSTITUTIONAL RESEARCH

HSIE Results Daily

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Results Reviews

- **Asian Paints:** APNT's consolidated revenue grew 17.9% YoY to INR 105.4bn (HSIE: INR102.6bn) in Q1, driven by broad-based growth across decorative and industrial businesses. Decorative delivered 9/16.6% volume/value growth, while industrial segment grew 16.2% YoY. International business grew 27.2% YoY, with PBTM up 275bps YoY to 7.9%. Despite raw material inflation of ~25%, GM expanded 91bps YoY to 43.6% (HSIE: 42.6%), supported by low-cost inventory (benefit of which has largely flowed through in Q1), calibrated price increases (~7% in Q1), a better product mix, and continued sourcing/formulation efficiencies. Consequently, EBITDAM expanded by 239bps YoY to 20.6% (HSIE: 18.5%), further aided by cost optimization initiatives. For FY27, the management has guided 8-10% volume growth, 8-9% realization gains, and an 18-20% EBITDAM. We've toned down our FY28/29 EPS estimates by ~1-4% to factor in higher depreciation following commissioning of the VAM-VAE plant, which is expected to commence from Q2FY27 onwards. We maintain ADD with a DCF-based TP of INR 3,000/sh; implying 47x Jun-28 P/E.
- **Eicher Motors:** Despite the price hikes and geopolitical uncertainties, demand continues to sustain for both Royal Enfield and VECV. However, margins have taken a hit on rising cost pressures and with the management's focus on volume growth, the strategy going forward was less around price hikes and more around cost reduction programs, especially value engineering. On the other hand, the international business and the non-motorcycle business continue to support growth and margins. We value the company at 28x Jun-28 EPS, and along with the value of VECV (INR 713), reach a TP of INR 7,995; maintain ADD.
- **Dabur India:** We maintain ADD with a Jun-27 TP of INR 465, valuing the stock at 35x P/E, a ~20% discount to its 5-Y avg. fwd. multiple due to weak execution. With Harjit S Bhalla taking over as India CEO in Apr'26, we expect renewed execution focus after a soft four-year revenue CAGR of 4%. Strengthening category relevance and sustained market share gains should support an improved growth trajectory. Q1FY27 results were broadly in line with the business update and our estimates. Consolidated revenue rose 10.6% YoY (1% miss; 2-year CAGR: 6%), driven by 9.5% growth in India (including 5% volume growth) and 15.5% growth in international markets (7.2% constant currency growth). Operating margin remained stable YoY at ~20%, while earnings grew ~15%, aided by higher other income (2-year earnings CAGR: ~9%).
- **Steel Authority of India:** We maintain ADD on Steel Authority of India (SAIL), with unchanged target price of INR 190/share (6x FY28E standalone EBITDA). In Q1FY27, SAIL's total volume declined 9%/22% YoY/QoQ due to advanced maintenance shutdowns at three plants. Unit EBITDA expanded by INR 1.7k/MT QoQ to INR 10k/MT on strong pricing uptick and improved product mix, which more than offset cost increase from higher coking coal and elevated maintenance expenditure. With the repairs done, SAIL expects strong volume growth Q2 onward and even coking coal prices should cool off, offsetting the impact of the recent fall in steel prices (mainly in longs; in Q2FY27). We expect SAIL to deliver 16% EBITDA CAGR over FY26-28E, supported by favorable steel pricing outlook.

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- **Phoenix Mills:** Phoenix Mills (PHNX) reported revenue/EBITDA/APAT of INR 10.7/6.4/2.9bn in Q1, a miss of 9/9/16% to our estimates. PHNX remains well-positioned for robust growth over FY27-28, supported by a combination of new retail assets completion, steady office leasing, and a healthy project pipeline. Significant rental upside is expected as ~36-50% retail leases renew over three years. PHNX reiterated its long-term retail expansion strategy pursuing expansion with targets of over 18msf. retail GLA and 9msf. office GLA by 2030, with new malls opening in Kolkata and Surat in H2FY28. Other projects viz Thane, Coimbatore, and Chandigarh have secured EC and work has started on the ground. Rental income is projected to grow from FY27, driven by 36-50% of the portfolio area coming up for renewal, and rentals catching up with consumption growth over the next few quarters. On the residential front, premium launches in Kolkata and Bengaluru are expected between late CY26/early CY27. On the consumption side, however, the broader retail environment remains resilient; PHNX indicated 20% consumption growth YoY in Jul'26. PHNX attributed the gap between 32% consumption growth and 17% rental income growth to changes in tenant/product mix, while noting that the lag between office leasing and rent recognition could defer a meaningful rental income contribution until late FY27. Key growth drivers include ramping up office occupancy (targeting 90% by 2026), Phase 2/3 expansions (adding 1.8mf retail and 700 hotel keys) and leveraging 2.7mf balance FSI potential. Given revival in consumption, captive mall expansion, the addition of office space, a strong business development pipeline and lower net debt, we maintain BUY with a revised TP to INR 2,104/sh vs INR 1,952 earlier.

- **Colgate-Palmolive (India):** We maintain REDUCE with a Jun-27 target price of INR2,000, based on a 35x P/E, representing a ~20% discount to the company's last five-year average forward P/E. Our negative stance is led primarily by Colgate's concentrated execution in oral care, a category characterized by high competitive intensity and limited underlying growth. We continue to expect progress on business diversification, which may weigh on near-term margins but should enhance the company's long-term growth profile. Q1 results were broadly in line with expectations, with ~12% revenue growth (~+4% 2-Y CAGR), supported by the anticipated ~7.5% volume growth. EBITDA margin contracted by ~150bps to 30.4%, resulting in EBITDA and earnings growth of ~7% (2-Y CAGR ~-2%) and ~8% (2-Y CAGR ~-2%), respectively.

- **CemIndia Projects:** CemIndia Projects' (CPL) revenue/EBITDA/APAT was a beat/miss on our estimates by -1.6/+3.5/-4.7% respectively, as execution delays continued to affect Vadhavan Port project (order value: INR 10bn, with execution yet to begin). The Order Inflow (OI) in Q1FY27 stood at INR 85.2bn (70% from group entities), while the Order Book (OB) as of Jun'26 stood at INR 313.1bn (~3.1x FY26 revenue (50% from group entities), excluding L1 of INR 10bn). CPL management has guided for 20-25% revenue growth for FY27/28, 10-11% EBITDA margin, and OI of ~INR 170bn for balance 9MFY27 (driven by DC, Metro, Marine, Roads, and PSP Hydro), with current bid pipeline at INR 900bn (50% from group entities). The OB is well-diversified offering a natural hedge against any slowdown in specific business segments and targeting maritime, industrials, urban infra/MRTS/airports, roads, hydro, data centre, and other segments. Focus is on bidding for higher ticket-sized orders, expanding into new segments such as data centres and ports based on Adani group requirements, and sustaining execution of projects in hand. We maintain our estimates, reiterate BUY, with a TP of INR 1459/sh (27x Sep-28 EPS).

- **Eris Lifesciences:** EBITDA grew 7% YoY, as sales growth of 13% YoY (+14% YoY for DBF and Swiss exports grew 6% YoY) was offset by lower gross margin (-351 bps YoY at 72.6%) and higher SG&A (+10% YoY), leading to lower EBITDA margin of 33.9% (-188 bps YoY). Key Eris expects its DBF business to outperform covered market growth by 1.3x (vs IPM growth expectation of ~11%) with gradual improvement in the EBITDA margin in FY27. Its exports business could see flat to low-single digit growth with ~300 bps impact on EBITDA margin. The company expects to sustain the Semaglutide injectable traction and launch the generic of Wegovy in Q2FY27 for weight loss indication. The company sees growth momentum in insulin analogue business with improved traction in existing portfolio and new launches like Insulin Aspart. It plans to launch Esaxerenon, which is expected to support growth in the cardiac segment. While Eris is well-placed to monetize GLP-1, Rh-insulin, and other pipeline opportunities, gradual scale-up in other core segments (CVS, derma, and VMN) is a key. It expects commissioning of Bhopal plant (insulin manufacturing shift to Bhopal will help in improving gross margin) and recovery in oral diabetic/CVS to help overall margin improvement in H2FY27. Factoring lower-than-expected margin and weakness in exports, we have cut our EPS by 12%/4% FY27E/28E and retain TP of INR 1,730 (27x Q1FY29E EPS). BUY stays.
- **Heidelberg Cement:** We maintain REDUCE on Heidelberg Cement (HEIM), with a TP of INR 140/share (ascribing 70% weight to its 8x FY28E EBITDA and 30% to its FY28E EV of USD 75/MT). While we remained wary of HEIM's continued market share loss, this will further accelerate with Dalmia foraying into the central region, which acquired JPA's capacity. We estimate HEIM will deliver 3% volume CAGR over FY26-28E (even this may be at risk) along with subdued margin, leading to a modest 4% EBITDA CAGR.
- **Teamlease:** Teamlease reported revenue growth of +5/4% YoY/QoQ, driven by core and specialized staffing, offset by HR-services (edtech) seasonality. The reported EBITDA fell 31% QoQ on edtech's high-Q4 weightage and annual appraisals for core employees. In the general staffing segment, the company added 4,000 associates (~0.29mn base), 28 new logos (2/3rd variable mark-up), PAPM INR 680, with 17,500 open positions; EBITDA margin is at ~1% and will be flat for 1-2 quarters as it invests in sales/hiring engines, with expansion targeted by Q3/Q4, while vertical growth pivots to BFSI wallet-share, quick-commerce, e-commerce, logistics and manufacturing, and challenges include BFSI/regulatory-led structural exits and demand variability. In DA, there was a net addition of ~2,100 apprentices (ex-planned 5,500 exit) and 80 new logos, with growth ahead led by healthcare, textile and semiconductor, supported by PLI schemes. In specialized staffing, revenue grew 13% YoY (7,630 associates, +130 in the quarter) across 40 logos (15 GCCs) and 700+ GCC hires, with margin dipping to ~6-7% on front-loaded Singapore/Middle East investments, with a target to reach 8-9% over 4-5 quarters. Post the INR 2.38bn buyback (8.87% of capital), net cash stands at ~INR 3.5bn, aided by a INR 0.38bn tax refund in the quarter. We cut margin estimate by 8-10bps and EPS by ~2% and maintain ADD with a TP of INR 1,590 (14x Jun-28E EPS). The stock is trading at a reasonable PE multiple of 14/12x FY27/28E.

Asian Paints

Robust quarter; low-cost inventory lifts margins

APNT's consolidated revenue grew 17.9% YoY to INR 105.4bn (HSIE: INR102.6bn) in Q1, driven by broad-based growth across decorative and industrial businesses. Decorative delivered 9/16.6% volume/value growth, while industrial segment grew 16.2% YoY. International business grew 27.2% YoY, with PBTM up 275bps YoY to 7.9%. Despite raw material inflation of ~25%, GM expanded 91bps YoY to 43.6% (HSIE: 42.6%), supported by low-cost inventory (benefit of which has largely flowed through in Q1), calibrated price increases (~7% in Q1), a better product mix, and continued sourcing/formulation efficiencies. Consequently, EBITDAM expanded by 239bps YoY to 20.6% (HSIE: 18.5%), further aided by cost optimization initiatives. For FY27, the management has guided 8-10% volume growth, 8-9% realization gains, and an 18-20% EBITDAM. We've toned down our FY28/29 EPS estimates by ~1-4% to factor in higher depreciation following commissioning of the VAM-VAE plant, which is expected to commence from Q2FY27 onwards. We maintain ADD with a DCF-based TP of INR 3,000/sh; implying 47x Jun-28 P/E.

- **Q1FY27 highlights**: Consolidated revenue grew by 17.9% YoY to INR 105.4bn (HSIE: INR102.6bn). Standalone revenue grew by 16.7%. The decorative and industrial business collectively clocked 9/16.5% volume/value growth. Rural markets continued to outperform urban markets, although strong B2B demand in urban areas helped offset weaker growth in tier1/2 cities. In home décor, the bath segment declined by ~4% whereas kitchen grew by ~10%. International business grew by 27.2% YoY, led by Egypt, the UAE, Oman, Nepal and Bangladesh, with PBTM improving 275bps YoY to 7.9% through better cost control and optimization. Within the industrial business, while the PPG-AP/AP-PPG grew by a robust 13.5/21.3%, PBT margins were impacted by deferred price increases and intense competition (down 119/114bps YoY at 15.7/6.9%) respectively. GM improved 91bps YoY to 43.6% (HSIE: 42.6%) despite ~25% material inflation, aided by low-cost inventory, calibrated pricing actions, favorable mix, and sustained sourcing/formulation efficiencies. Consequently, EBITDAM expanded by 239bps YoY to 20.6% (HSIE: 18.5%), driven by sustained cost optimization initiatives. For FY27, the management has guided 8-10% volume growth, 8-9% realization gains, and an 18-20% EBITDAM. EBITDA/APAT grew by 33.5/40% YoY to INR 21.7/15.4bn (HSIE: INR 19/13bn).
- **Outlook**: While volatility in raw material prices continue to remain a near-term concern, we believe APNT is well placed to gain market share, given its well-rounded product portfolio, robust supply chain, and strong pricing/cost discipline. We've toned down our FY28/29 EPS estimates by ~1-4% but maintain ADD with a DCF-based TP of INR 3,000/sh; implying 47x Jun-28 P/E.

Quarterly financial summary

(INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	1,05,419	89,386	17.9	92,467	14.0	3,39,056	3,55,835	4,12,661	4,46,717	4,83,338
EBITDA	21,688	16,250	33.5	17,866	21.4	60,062	66,959	79,261	84,888	93,382
APAT	15,393	10,998	40.0	11,721	31.3	40,303	44,830	53,810	59,467	66,428
EPS (Rs)	16.0	11.5	40.0	12.2	31.3	42.0	46.7	56.1	62.0	69.3
P/E (x)						65.7	59.0	49.2	44.5	39.8
EV/EBITDA (x)						44.1	39.7	33.3	30.9	27.9
Core RoCE(%)						20.5	21.3	24.6	25.6	27.5

Source: Company, HSIE Research

Change in estimates

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	4,12,661	4,07,771	*1.2*	4,46,717	4,41,099	*1.3*	4,83,338	4,76,941	*1.3*
Gross Profit	1,81,133	1,79,150	*1.1*	1,95,524	1,93,013	*1.3*	2,12,508	2,10,339	*1.0*
Gross Profit Margin(%)	43.9	43.9	*-4 bps*	43.8	43.8	*1 bps*	44.0	44.1	*-13 bps*
EBITDA	79,261	76,027	*4.3*	84,888	82,521	*2.9*	93,382	91,846	*1.7*
EBITDA margin (%)	19.2	18.6	*56 bps*	19.0	18.7	*29 bps*	19.3	19.3	*6 bps*
APAT	53,810	51,165	*5.2*	59,467	60,125	*(1.1)*	66,428	69,099	*(3.9)*
APAT margin (%)	13.0	12.5	*49 bps*	13.3	13.6	*-32 bps*	13.7	14.5	*-74 bps*
EPS (Rs)	56.1	53.3	*5.2*	62.0	62.7	*(1.1)*	69.3	72.0	*(3.9)*

Source: Company, HSIE Research

ADD

CMP*(as on 29 Jul 2026)*	INR 2,759
Target Price	INR 3,000
NIFTY	24,250

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3,000	INR 3,000
EPS %	FY28E	FY29E
	-1.1	-3.9

KEY STOCK DATA	
Bloomberg code	APNT IN
No. of Shares (mn)	959
MCap (INR bn) / ($ mn)	2,646/27,663
6m avg traded value (INR mn)	3,376
52 Week high / low	INR 2,986/2,115

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	12.7	14.2	14.9
Relative (%)	12.5	20.1	19.4

SHAREHOLDING PATTERN (%)	Mar-26	Jun-26
Promoters	52.63	52.63
FIs & Local MFs	21.81	20.77
FPIs	12.11	13.32
Public & Others	13.45	13.28
Pledged Shares	5.19	5.02

Source : BSE

Pledged shares as % of total shares,

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Eicher Motors

Demand sustains, though production yet to catch up

Despite the price hikes and geopolitical uncertainties, demand continues to sustain for both Royal Enfield and VECV. However, margins have taken a hit on rising cost pressures and with the management's focus on volume growth, the strategy going forward was less around price hikes and more around cost reduction programs, especially value engineering. On the other hand, the international business and the non-motorcycle business continue to support growth and margins. We value the company at 28x Jun-28 EPS, and along with the value of VECV (INR 713), reach a TP of INR 7,995; maintain ADD.

- **Quarterly performance:** Standalone EBITDA margin at 24.3% deteriorated 78bps YoY and 150bps QoQ, was 22bps and 12bps below ours and Bloomberg consensus estimate respectively. VECV revenue grew 16.6% YoY to INR 66.1bn, with EBITDA margin of 8.2% (down 80bps YoY and 290bps QoQ).
- **Domestic demand sustaining:** Management highlighted that strong growth momentum continues, as walk-ins and bookings continue to do well. New colors and variants introduced for Hunter 350 have seen a good response. However, while commodity prices and logistic costs still remain elevated, management is looking to easing some pressure via further value engineering programs, along with a purchase program that is underway.
- **Production yet to catch up:** The company was hit by supply disruptions in Q1: LPG shortage which has now been eased due to conversion to PNG, manpower shortage, which has now been eased on recruiting of additional manpower, and availability of key raw materials which has also eased to an extent. Production hit 4,500 units per day in June, which has since then moved closer to 5,000 per day. However, channel inventory remains low at 10-12 days. To strengthen inventory, besides ramping up production, it also seeks to bypass the depot storage stage and sell directly to dealers, which should increase channel inventory by another 4-5 days.
- **Capacity increase plan:** With the current motorcycle capacity at 1.5mn units p.a., the next phase of brownfield expansion would take the capacity to 2mn units by FY28. It is also making an investment of INR 12.25bn (for a greenfield in Andhra Pradesh), to increase capacity to 2.45mn units by FY30.
- **Large potential in the international business:** It mentioned that the international business now forms almost 15% of overall revenue and continues to inherit large business potential. One market that has proved this theory for Royal Enfield is Brazil, which is its biggest market out of India, with the company now at No.2 position in the middle-weight motorcycle category. Rest of the Latin America markets especially Colombia, Argentina and Mexico continue to gain traction. However, there have been some challenges in the US, Europe and APAC; the company expects these markets to do very well when geopolitical uncertainties ease.

Quarterly/annual financial summary

YE Mar (INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Net Sales	62,136	49,084	26.6	59,014	5.3	2,26,997	2,64,481	3,11,761	3,57,352
EBITDA	15,103	12,313	22.7	15,230	(0.8)	58,129	67,023	81,144	95,783
EBITDA %	24.3	25.1	-78bps	25.8	-151bps	25.6	25.3	26.0	26.8
APAT	15,066	13,065	15.3	12,363	21.9	50,963	57,719	68,507	79,818
EPS (INR)	54.9	47.7	15.1	45.1	21.8	185.8	210.4	249.8	291.0
P/E (x)						41.9	37.0	31.1	26.7

Source: Company, HSIE Research

ADD

CMP *(as on 29 Jul 2026)*	INR 7,779
Target Price	INR 7,995
NIFTY	24,250

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 7,826	INR 7,995
EPS %	FY28E	FY29E
	+1.8%	2.9%

KEY STOCK DATA	
Bloomberg code	EIM IN
No. of Shares (mn)	274
MCap (INR bn) / ($ mn)	2,135/22,325
6m avg traded value (INR mn)	4,598
52 Week high / low	INR 8,233/5,353

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	8.2	10.2	42.2
Relative (%)	8.0	16.2	46.7

SHAREHOLDING PATTERN (%)	Mar-26	Jun-26
Promoters	49.02	49.02
FIs & Local MFs	14.82	16.06
FPIs	26.78	25.53
Public & Others	9.38	9.39
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Dabur India

Sustaining growth momentum the key ahead

ADD

CMP *(as on 29 Jul 2026)*	INR 434
Target Price	INR 465
NIFTY	24,250

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 465	INR 465
EPS %	FY27E	FY28E
	+0%	+0%

KEY STOCK DATA	
Bloomberg code	DABUR IN
No. of Shares (mn)	1,774
MCap (INR bn) / ($ mn)	769/8,044
6m avg traded value (INR mn)	983
52 Week high / low	INR 577/401

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(4.9)	(15.0)	(16.3)
Relative (%)	(5.1)	(9.1)	(11.8)

SHAREHOLDING PATTERN (%)	Mar-26	Jun-26
Promoters	66.3	66.2
FIs & Local MFs	18.6	18.7
FPIs	10.0	9.7
Public & Others	5.1	5.4
Pledged Shares	-	0.00

Source : NSE

We maintain ADD with a Jun-27 TP of INR 465, valuing the stock at 35x P/E, a ~20% discount to its 5-Y avg. fwd. multiple due to weak execution. With Harjit S Bhalla taking over as India CEO in Apr'26, we expect renewed execution focus after a soft four-year revenue CAGR of 4%. Strengthening category relevance and sustained market share gains should support an improved growth trajectory. Q1FY27 results were broadly in line with the business update and our estimates. Consolidated revenue rose 10.6% YoY (1% miss; 2-year CAGR: 6%), driven by 9.5% growth in India (including 5% volume growth) and 15.5% growth in international markets (7.2% constant currency growth). Operating margin remained stable YoY at ~20%, while earnings grew ~15%, aided by higher other income (2-year earnings CAGR: ~9%).

- **Low base, pricing, and currency drove ~11% consolidated revenue growth:** Dabur reported 10.6% consolidated revenue growth, supported by 15.5% growth in the international business (7.2% in constant currency) and 9.5% India revenue growth (6% 2-year CAGR), with 5% volume growth (4% 2-year CAGR). Net products contributed 2.6% to Q1 growth. Within India, Home & Personal Care delivered a strong 12% growth (9% 2-year CAGR), led by 18% growth in hair oils and 23% in shampoos. Oral care grew 9%, compared with 12% for Colgate and mid-single-digit growth for HUL. Healthcare grew 5.5% (flat 2-year CAGR), with low single-digit growth in health supplements. In Foods & Beverages, organic growth stood at 7%, with mid-single-digit growth in beverages, while the inorganic Badshah business grew 13%. In general trade, rural growth was 6.2%, outpacing urban growth at 4.6%. Across international markets, growth was strong in Bangladesh (34%), Egypt and Sub-Saharan Africa (28% each), Turkey (27%), while MENA saw 8.6% growth. Going ahead, management is hoping for sequential acceleration of growth and aims for double-digit growth in FY27. With the quantum of price hikes, management expects volume growth to be under pressure, and we build 4% volume growth for FY27 (vs 2.5% growth in FY26).
- **Higher other income aided faster earnings:** Dabur reported a 30bps YoY improvement in gross margin to 47.3%, while EBITDA margin stood at 19.7%, reflecting a modest 10bps expansion. Supported by enhanced liquidity, non-operating income rose 20%, which in turn boosted adj. PAT growth to 14.7% YoY in Q1. Management continues to target profit growth ahead of revenue growth, although inflation remains a key variable to monitor ahead.
- **Sustaining earnings delivery key for valuations, maintain ADD:** We expect execution ramp-up from the company, where we believe its enhanced liquidity position will be an added advantage. We continue to maintain 8% revenue and earnings CAGR over FY26-29E. The stock is trading at a forward P/E of ~35x (20% discount to last 5/10 years avg.), now below its -2 S.D. level, reflecting the prevailing execution concerns.

Quarterly/annual financial summary

YE Mar (INR mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	37,644	34,046	10.6	30,380	23.9	131,926	144,289	153,987	164,047
EBITDA	7,414	6,678	11.0	4,618	60.5	24,518	27,666	29,799	32,130
EBITDA Margin (%)	20	20	8bps	15	450bps	19	19	19	20
APAT	6,019	5,249	14.7	3,796	58.6	19,541	21,493	23,073	24,703
Adj. EPS (INR/Share)	3.4	3.0	14.7	2.1	58.6	11.0	12.1	13.0	13.9
P/E (x)						39	36	33	31

Source: Company, HSIE Research

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Steel Authority of India

Robust pricing drives up margin to a 5-year high

We maintain ADD on Steel Authority of India (SAIL), with unchanged target price of INR 190/share (6x FY28E standalone EBITDA). In Q1FY27, SAIL's total volume declined 9%/22% YoY/QoQ due to advanced maintenance shutdowns at three plants. Unit EBITDA expanded by INR 1.7k/MT QoQ to INR 10k/MT on strong pricing uptick and improved product mix, which more than offset cost increase from higher coking coal and elevated maintenance expenditure. With the repairs done, SAIL expects strong volume growth Q2 onward and even coking coal prices should cool off, offsetting the impact of the recent fall in steel prices (mainly in longs; in Q2FY27). We expect SAIL to deliver 16% EBITDA CAGR over FY26-28E, supported by favorable steel pricing outlook.

- **Q1FY27 performance**: SAIL's volume declined 8/22% YoY/QoQ to 4.2mn MT due to plant shutdowns for repairs. The company advanced major capital repairs at three locations — IISCO, Durgapur and Bokaro — leading to a sharp volume decline. Three-year volume CAGR was muted at 2%. NSR rebounded 9% QoQ on the back of higher steel prices (particularly flats) and an improved product mix, which drove unit EBITDA up by INR 1.7k/MT QoQ to ~INR 10k/MT (a 5-year high). Imported coking coal cost rose sharply to INR 21.3k/MT (vs. INR 18.1 QoQ), though domestic coking coal cost remained low at INR 13.1k/MT, easing cost pressures. Employee cost remained stable YoY, while headcount continued to decline due to VRS. Better pricing YoY more than offset lower volumes and higher opex, leading to a 50% higher EBITDA YoY (down 5% QoQ) to INR 41.5bn. SAIL incurred INR 25.8bn of capex in Q1FY27. Management also highlighted that captive coal from Tasra is expected to provide additional cost tailwinds in FY27-28.
- **Con call KTAs and outlook**: Management reiterated their FY27E volume growth guidance, despite a fall in Q1, as it expects production and sales to accelerate in subsequent quarters. It also noted longs prices have corrected sharply in July but expects steel prices to again trend upward post monsoon. Coal costs are expected to ease from Aug–Sep, with further tailwinds from rising share of low-cost captive coal consumption. Capex intensity remains high, with major expansion underway. Management has guided full year capex of INR 150bn, which is expected to rise further in subsequent years. We have marginally increased our FY27/28E EBITDA estimates by 2/1%, factoring in the healthy Q1 performance. We expect SAIL to deliver volume/EBITDA CAGR of 4%/16% over FY26-28E.

Quarterly/annual financial summary (standalone)

YE Mar	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales vol (mn MT)	4.2	4.6	(8.5)	5.3	(21.7)	17.0	17.9	19.9	20.6	21.6
NSR (INR/MT)	63,045	56,970	10.7	57,920	8.8	61,919	57,266	55,600	58,936	58,523
EBITDA (INR/MT)	9,974	6,076	64.2	8,282	20.4	6,541	5,940	6,018	7,536	7,438
Adj EBITDA (INR/MT)						4,508	4,794	6,018	7,536	7,438
Net Sales (INR bn)	262.5	259.2	1.3	308.1	-14.8	1,053.7	1,024.8	1,108.1	1,214.9	1,265.9
EBITDA (INR bn)	41.5	27.6	50.2	44.1	-5.8	111.3	106.3	119.9	155.4	160.9
APAT (INR bn)	17.4	6.9	154.4	19.3	-9.5	35.7	24.6	37.3	53.5	60.6
AEPS (INR)	4.2	1.7	154.4	4.7	(9.5)	8.7	6.0	9.0	13.0	14.7
EV/EBITDA (x)						7.9	8.3	6.8	5.8	5.6
P/E (x)						15.6	22.6	14.9	13.2	11.7
RoCE (%)						6.9	5.7	6.8	9.1	9.5
RoE (%)						6.7	4.5	6.6	8.9	9.4

Source: Company, HSIE Research; Adj EBITDA: ex of gains from revision of provisional rail price

ADD

CMP *(as on 29 Jul 2026)*	INR 171
Target Price	INR 190
NIFTY	24,250

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 190	INR 190
EBITDA revision %	FY27E *2.0*	FY28E *0.6*

KEY STOCK DATA	
Bloomberg code	SAIL IN
No. of Shares (mn)	4,130
MCap (INR bn) / ($ mn)	706/7,382
6m avg traded value (INR mn)	4,284
52 Week high / low	INR 210/118

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(8.2)	8.8	35.7
Relative (%)	(8.4)	14.7	40.2

SHAREHOLDING PATTERN (%)	Mar-26	Jun-26
Promoters	65.00	65.00
FIs & Local MFs	18.40	16.87
FPIs	5.01	7.09
Public & Others	11.59	11.04
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Phoenix Mills

Muted show; asset addition to drive growth

Phoenix Mills (PHNX) reported revenue/EBITDA/APAT of INR 10.7/6.4/2.9bn in Q1, a miss of 9/9/16% to our estimates. PHNX remains well-positioned for robust growth over FY27-28, supported by a combination of new retail assets completion, steady office leasing, and a healthy project pipeline. Significant rental upside is expected as ~36-50% retail leases renew over three years. PHNX reiterated its long-term retail expansion strategy pursuing expansion with targets of over 18msf. retail GLA and 9msf. office GLA by 2030, with new malls opening in Kolkata and Surat in H2FY28. Other projects viz Thane, Coimbatore, and Chandigarh have secured EC and work has started on the ground. Rental income is projected to grow from FY27, driven by 36-50% of the portfolio area coming up for renewal, and rentals catching up with consumption growth over the next few quarters. On the residential front, premium launches in Kolkata and Bengaluru are expected between late CY26/early CY27. On the consumption side, however, the broader retail environment remains resilient; PHNX indicated 20% consumption growth YoY in Jul'26. PHNX attributed the gap between 32% consumption growth and 17% rental income growth to changes in tenant/product mix, while noting that the lag between office leasing and rent recognition could defer a meaningful rental income contribution until late FY27. Key growth drivers include ramping up office occupancy (targeting 90% by 2026), Phase 2/3 expansions (adding 1.8mf retail and 700 hotel keys) and leveraging 2.7mf balance FSI potential. Given revival in consumption, captive mall expansion, the addition of office space, a strong business development pipeline and lower net debt, we maintain BUY with a revised TP to INR 2,104/sh vs INR 1,952 earlier.

- **Q1FY27 financial highlights:** Revenue: INR 10.7bn (+12.8%/-12.8% YoY/QoQ, a 9% miss). EBITDA: INR 6.4bn (+13.7%/-14.4% YoY/QoQ, a 9% miss). EBITDA margin: 59.7% (+47/-110bps YoY/QoQ, vs est. of 59.7%). RPAT/APAT: INR 2.9bn (+23.3%/-26.9% YoY/QoQ, 16% miss). Total retail rental income was INR 5.9bn (+17%/+3.1% YoY/QoQ), with an EBITDA of INR 6.3bn (+17%/+0.3% YoY/QoQ). Income from offices was INR 750mn (+44%/+29.3% YoY/QoQ), with an EBITDA margin of 56% (+31% YoY).
- **Repositioning fuels growth:** Consumption in Q1FY27 stood at INR 47bn, up 47%/-8.5% YoY/QoQ. PHNX attributed the gap between 32% consumption growth and 17% rental income growth to changes in tenant/product mix, while noting that the lag between office leasing and rent recognition could defer a meaningful rental income contribution until late FY27.

Consolidated financial summary (INR mn)

YE Mar	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Net Sales	10,749	9,530	12.8	12,332	(12.8)	38,136	44,228	47,689	55,616
EBITDA	6,415	5,643	13.7	7,496	(14.4)	21,612	26,371	28,128	34,397
APAT	2,969	2,407	23.3	4,063	(26.9)	9,842	12,238	14,390	18,182
Diluted EPS (Rs)	8.3	6.7	23.3	11.4	(26.9)	27.5	34.2	40.3	50.9
P/E (x)						61.1	49.2	47.6	37.7
EV / EBITDA (x)						29.8	24.2	25.4	20.4
RoE (%)						9.8	11.1	11.8	13.3

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	47,689	50,420	(5.4)	55,616	56,218	(1.1)
EBITDA	28,128	30,289	(7.1)	34,397	33,850	1.6
EBITDA (%)	59.0	60.1	(111.7)	61.8	60.2	164.8
APAT	14,390	16,114	(10.7)	18,182	17,905	1.5

Source: Company, HSIE Research

BUY

CMP *(as on 29 Jul 2026)*	INR 1,911
Target Price	INR 2,104
NIFTY	24,250

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,952	INR 2,104
EPS Change %	FY27E *-10.7*	FY28E *1.5*

KEY STOCK DATA	
Bloomberg code	PHNX IN
No. of Shares (mn)	358
MCap (INR bn) / ($ mn)	683/7,144
6m avg traded value (INR mn)	1,142
52 Week high / low	INR 2,170/1,403

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	6.7	13.3	26.7
Relative (%)	6.5	19.2	31.2

SHAREHOLDING PATTERN (%)	Mar-26	Jun-26
Promoters	47.25	47.25
FIs & Local MFs	16.14	17.38
FPIs	32.97	31.73
Public & Others	3.64	3.64
Pledged Shares	-	

Source: BSE

Pledged shares as % of total shares

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Colgate-Palmolive (India)

Valuation seeks stability in growth recovery

We maintain REDUCE with a Jun-27 target price of INR2,000, based on a 35x P/E, representing a ~20% discount to the company's last five-year average forward P/E. Our negative stance is led primarily by Colgate's concentrated execution in oral care, a category characterized by high competitive intensity and limited underlying growth. We continue to expect progress on business diversification, which may weigh on near-term margins but should enhance the company's long-term growth profile. Q1 results were broadly in line with expectations, with ~12% revenue growth (~+4% 2-Y CAGR), supported by the anticipated ~7.5% volume growth. EBITDA margin contracted by ~150bps to 30.4%, resulting in EBITDA and earnings growth of ~7% (2-Y CAGR ~-2%) and ~8% (2-Y CAGR ~-2%), respectively.

- **Q1 had optical improvement in topline performance:** Colgate India reported a 12% YoY revenue growth to INR16bn, 2-year CAGR stood at ~4%. The company noted that growth is driven by high single-digit volume growth (our estimate is 7.5% volume growth). Overall topline performance was driven by faster growth in the premium portfolio, where we saw aggressive stance on *Colgate Total* and *Colgate Visible White* across markets. Aggressive stance has been well supported by healthy expansion in advertisement spends. With lower volume base for Q3, when volume declined in HSD, we expect actions in place to drive healthy double-digit volume growth. But as the base catches up from Q3, we expect growth to moderate.
- **Margins remained healthy at above 30% despite elevated A&P investments.** The company improved its gross margin by ~105bps YoY to ~70%, remaining largely flat QoQ. We do not see any material concerns around gross margin sustainability, with steady mix improvement. EBITDA margin, however, contracted by ~150bps YoY to 30.4%. Key drivers of this pressure were the Inverted Duty Structure-related charge arising from GST changes and higher A&P spends, which increased 33% YoY to INR2.5bn (~15.7% of revenue, up ~260bps YoY vs the 13.5–13.7% range over FY24–26). EBITDA and adj. PAT grew ~7% and ~8% YoY, respectively, in Q1FY27. Adjusting for the Inverted Duty Structure-related GST charge, underlying earnings growth stands at ~11%. The company is likely to report a strong Q2FY27, with estimated 16% revenue (on 5% 2Y CAGR) and 21% earnings growth (7% 2Y CAGR). We continue to expect ~7% revenue and earnings CAGR over FY26-29E. Our EPS estimate is in line with consensus for FY27 but ~4-6% below for FY28/FY29.
- **Growth outlook continues to weigh on valuation; maintain REDUCE:** While H1FY27 is likely to be an optically strong period for Colgate due to a low base, we see growth concerns emerging beyond H1 and expect moderation ahead. The stock is trading at a forward P/E of ~39x, now closer to its -1 S.D. level, reflecting ongoing growth concerns. Key risks to our call include sharper-than-expected premiumization that could improve mix and margins, thereby supporting stronger earnings delivery.

Quarterly/annual financial summary

YE Mar (INR mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	16,033	14,341	11.8	15,954	0.5	60,350	65,699	69,612	73,912
EBITDA	4,830	4,526	6.7	5,096	(5.2)	18,697	20,335	21,494	22,788
EBITDA Margin (%)	30	32	(144bps)	32	(183bps)	31	31	31	31
APAT	3,464	3,206	8.0	3,586	(3.4)	13,206	14,510	15,401	16,318
Adj. EPS (INR/Share)	12.7	11.8	8.0	13.2	(3.4)	48.6	53.3	56.6	60.0
P/E (x)						45	41	38	36

Source: Company, HSIE Research

REDUCE

CMP *(as on 29 Jul 2026)*	INR 2,166
Target Price	INR 2,000
NIFTY	24,250

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 2,000	INR 2,000
	FY27E	FY28E
EPS %	+3.9%	+1.4%

KEY STOCK DATA	
Bloomberg code	CLGT IN
No. of Shares (mn)	272
MCap (INR bn) / ($ mn)	589/6,160
6m avg traded value (INR mn)	915
52 Week high / low	INR 2,505/1,782

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	1.6	2.5	(2.2)
Relative (%)	1.4	8.5	2.3

SHAREHOLDING PATTERN (%)	Mar-26	Jun-26
Promoters	51.0	51.0
FIs & Local MFs	15.5	15.8
FPIs	13.6	13.6
Public & Others	19.9	19.6
Pledged Shares		

Source : NSE

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CemIndia Projects

Slight revenue miss; strong order inflows

CemIndia Projects' (CPL) revenue/EBITDA/APAT was a beat/miss on our estimates by -1.6/+3.5/-4.7% respectively, as execution delays continued to affect Vadhavan Port project (order value: INR 10bn, with execution yet to begin). The Order Inflow (OI) in Q1FY27 stood at INR 85.2bn (70% from group entities), while the Order Book (OB) as of Jun'26 stood at INR 313.1bn (~3.1x FY26 revenue (50% from group entities), excluding L1 of INR 10bn). CPL management has guided for 20-25% revenue growth for FY27/28, 10-11% EBITDA margin, and OI of ~INR 170bn for balance 9MFY27 (driven by DC, Metro, Marine, Roads, and PSP Hydro), with current bid pipeline at INR 900bn (50% from group entities). The OB is well-diversified offering a natural hedge against any slowdown in specific business segments and targeting maritime, industrials, urban infra/MRTS/airports, roads, hydro, data centre, and other segments. Focus is on bidding for higher ticket-sized orders, expanding into new segments such as data centres and ports based on Adani group requirements, and sustaining execution of projects in hand. We maintain our estimates, reiterate BUY, with a TP of INR 1459/sh (27x Sep-28 EPS).

- **Q1FY27 financial summary:** Revenue: INR 27.2bn (+7/-8.5% YoY/QoQ, 1.6% miss), export contribution to revenue remains minimal at 2-3% in Q1FY27. EBITDA: INR 2.7bn (+18/-23.2% YoY/QoQ, 3.8% beat). EBITDA margin: 10.1% (+94/-194bps YoY/QoQ, vs. our estimate of 9.6%). APAT: INR 1.4bn (+2.6/-41.9, a 4.7% miss).
- **Growth in OB, driven by OI in civil, data centre (DC), and metro in Q1FY27:** As of Jun'26, client-wise, the OB shows diverse distribution among government, private, and PSU accounting for 10/63/27%. Business-wise, the OB is spread across maritime/industrials/urban infra (incl. MRTS and airport) /hydro/DC/roads/specialist engineering/water and wastewater at 23.2/17/20.7/2.4/13.3/8.4/4.1/10.9% respectively. The OI of INR 85.2bn comprises a reservoir project in Rajasthan, DC works in Maharashtra (group ordering continues to be an advantage), Civil/Structural for steel project in WB, UG metro in Delhi, HVDC substation in Rajasthan, to name a few. CPL plans to add more complex projects to its portfolio with increased focus on marine, HSR, nuclear power, and data centers (EPC).
- **Comfortable balance sheet:** The net debt-equity stands at 0.2x as of Jun'26 (Jun'25: 0.34x), with net debt at INR 7bn (Jun'25: INR 6.7bn). CPL guides for INR 3.5-4bn capex in FY27 (Q1: INR 0.8bn deployed). Receivables from Bangladesh continue to be at normalized levels, with completion expected by Sep'26 (timeline revised from Jun'26 due to monsoon). As of Jun'26 gross/net debt stood at INR 10/7bn. Management guides planned QIP of INR 50bn to act as growth capital for future capex/expansion.

Consolidated Financial Summary (INR mn)

Particulars	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	27,209	25,424	7.0	29,735	(8.5)	100,606	118,715	141,271	162,786
EBITDA	2,746	2,328	18.0	3,577	(23.2)	10,216	12,284	14,789	16,695
APAT	1,408	1,372	2.6	2,422	(41.9)	5,977	6,987	8,691	9,878
EPS (INR)	8.2	8.0	2.6	14.1	(41.9)	34.8	40.7	50.6	57.5
P/E (x)						38.6	33.0	26.5	23.3
EV/EBITDA(x)						22.5	18.3	14.8	12.8
RoE (%)						28.2	25.4	24.6	22.1

Source: Company, HSIE Research

BUY

CMP (*as on 29 Jul 2026*)	INR 1,341
Target Price	INR 1,459
NIFTY	24,250

KEY CHANGES		OLD	NEW
Rating		BUY	BUY
Price Target		INR 1459	INR 1459
EPS Change %	FY27E	FY28E	FY29E
	-	-	-

KEY STOCK DATA	
Bloomberg code	CEMPRO IN
No. of Shares (mn)	172
MCap (INR bn) / ($ mn)	230/2,409
6m avg traded value (INR mn)	982
52 Week high / low	INR 1,650/481

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	97.5	111.6	75.7
Relative (%)	97.3	117.6	80.2

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	67.46	67.46
FIs & Local MFs	1.94	2.86
FPIs	7.31	7.26
Public & Others	23.28	22.40
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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Eris Lifesciences

FY27 to see steady India growth, muted exports

EBITDA grew 7% YoY, as sales growth of 13% YoY (+14% YoY for DBF and Swiss exports grew 6% YoY) was offset by lower gross margin (-351 bps YoY at 72.6%) and higher SG&A (+10% YoY), leading to lower EBITDA margin of 33.9% (-188 bps YoY). Key Eris expects its DBF business to outperform covered market growth by 1.3x (vs IPM growth expectation of ~11%) with gradual improvement in the EBITDA margin in FY27. Its exports business could see flat to low-single digit growth with ~300 bps impact on EBITDA margin. The company expects to sustain the Semaglutide injectable traction and launch the generic of Wegovy in Q2FY27 for weight loss indication. The company sees growth momentum in insulin analogue business with improved traction in existing portfolio and new launches like Insulin Aspart. It plans to launch Esaxerenon, which is expected to support growth in the cardiac segment. While Eris is well-placed to monetize GLP-1, Rh-insulin, and other pipeline opportunities, gradual scale-up in other core segments (CVS, derma, and VMN) is a key. It expects commissioning of Bhopal plant (insulin manufacturing shift to Bhopal will help in improving gross margin) and recovery in oral diabetic/CVS to help overall margin improvement in H2FY27. Factoring lower-than-expected margin and weakness in exports, we have cut our EPS by 12%/4% FY27E/28E and retain TP of INR 1,730 (27x Q1FY29E EPS). BUY stays.

- **Q1 highlights**: Sales grew 13% YoY to INR 8.73bn, led by 14% YoY growth in DBF to INR 8.01bn and 6% YoY growth in Swiss sales to INR 720mn. GM declined to 72.6% (-351 bps YoY); DBF gross margin was lower at 74% in Q1FY27 (-300 bps YoY), largely due to increasing contribution from low margin biologic business (including Insulin and GLP-1). Moderate staff costs (+6% YoY) and higher SG&A (+10% YoY) led to EBITDA of INR 2.96bn (+7% YoY) and 33.9% margin (-188 bps). DBF's margin was 34.7% (vs. 37.2% YoY) and Swiss was 25% (vs 32.4% YoY). Lower other income (-11% YoY), flattish interest, and muted depreciation (+2%) led to a PAT of INR 1.4bn (+21% YoY).
- **Key takeaways from con call: GLP-1 (Semaglutide)**: Steady traction in Q1FY27; able to capture 20% unit share and 14% value share. Overall GLP-1 segment is witnessing steady acceptance from KOLs to prescribe the drug. However, since there is resistance from patient in terms of adoption, it expects adoption to improve over the next 1-2 years. The company expects to improve growth in oral diabetic segment to 5-6% (vs 1.9% in Q1FY27) over the next few quarters led by new launches. Insulin business of the company is at EBITDA margin of 30-31% but lower GM vs consol; it expects the shift to its Bhopal plant to help improve the GM. It expects to launch Insulin Aspart in H2FY27 and Degludec (and combination) in FY28. No plans for any big M&A. Execution of EU CAPA underway and it expects plant to be audit ready by Dec-26. EU-CDMO project pipeline intact; development projects are on track.

Quarterly financial summary

(INR mn)	1QFY27	1QFY26	YoY (%)	4QFY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	8,733	7,730	13	7,566	15	28,936	31,294	35,636	40,866	45,439
EBITDA	2,962	2,767	7	2,736	8	10,172	11,202	12,401	14,857	16,714
APAT	1,424	1,180	21	1,316	8	3,517	4,870	6,251	8,525	9,916
EPS (INR)	10.3	8.5	21	9.5	8	25.4	35.2	45.1	61.6	71.6
P/E (x)						56.2	40.6	31.6	23.2	19.9
EV/EBITDA (x)						22.1	19.7	17.5	14.1	12.1
RoCE (%)						11	13	14	17	19

Source: Company, HSIE Research

BUY

CMP *(as on 29 Jul 2026)*	INR 1,427
Target Price	INR 1,730
NIFTY	24,250

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1730	INR 1730
EPS %	FY27E	FY28E
	-12.1	-3.9

KEY STOCK DATA	
Bloomberg code	ERIS IN
No. of Shares (mn)	139
MCap (INR bn) / ($ mn)	198/2,065
6m avg traded value (INR mn)	155
52 Week high / low	INR 1,888/1,200

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.3	6.2	(20.5)
Relative (%)	8.1	12.1	(16.0)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	53.92	54.14
FIs & Local MFs	20.35	20.72
FPIs	6.39	5.75
Public & Others	19.34	19.39
Pledged Shares	16.92	16.85

Source: BSE

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Heidelberg Cement

Rising competition subdues volume, margin outlook

We maintain REDUCE on Heidelberg Cement (HEIM), with a TP of INR 140/share (ascribing 70% weight to its 8x FY28E EBITDA and 30% to its FY28E EV of USD 75/MT). While we remained wary of HEIM's continued market share loss, this will further accelerate with Dalmia foraying into the central region, which acquired JPA's capacity. We estimate HEIM will deliver 3% volume CAGR over FY26-28E (even this may be at risk) along with subdued margin, leading to a modest 4% EBITDA CAGR.

- **Q1FY27 performance:** HEIM's volume growth slowed to 4% YoY after delivering 7-11% YoY growth in the preceding four quarters. The company operated at ~83% grinding utilization vs 80/87% YoY/QoQ. HEIM's volume offtake continues to suffer (3-year CAGR 2.6%), owing to lack of capacity expansion and rising competition in the central region. Its NSR rose a modest 1% QoQ, as high competition in the central region remained sub-par to cover for the spike in fuel and packaging costs amid the ongoing West Asia turmoil. Subsequently, opex shot up 5% QoQ, leading to unit EBITDA falling to INR 514/MT vs INR 649 QoQ. Even on a YoY basis, while NSR rose 1.5%, higher energy and packaging costs drove opex up by 7% YoY and margin fell INR 192/MT YoY to INR 514/MT. In the absence of any major capex, cash balance increased by ~INR 0.7bn QoQ to INR 4.7bn, mirroring internal accruals.
- **Outlook:** HEIM is setting up a blending unit in Madhya Pradesh (0.4mn MT by FY28, capex INR 1.3bn). It has no other expansions on the table until FY29E, as per recent management commentaries. As the company is already operating at high utilization (our estimate of ~94% clinker utilization in FY26E), HEIM will continue to lose market share. The central market is seeing increased competition from incumbents and new entrants (Dalmia ramping up 5.2mn MT acquired assets in the region), which will also restrict HEIM's ability to pass on the cost inflation. Hence, we estimate HEIM's margin will remain low at INR 527/595 per MT over FY27/28E, leading to a 4% EBITDA CAGR. We have lowered our FY28E EBITDA estimates, factoring in increased competition. Subsequently, we also tweak our SOTP valuation, ascribing 70% weight to 7x FY28E EBITDA and 30% weight to replacement valuation at USD 75/MT (vs 50% weight to 8x FY28E EBITDA and 50% weight to replacement valuation at USD 75/MT, earlier), leading to a lower target price of INR 140/MT. We maintain REDUCE rating on the stock.

Quarterly/annual financial summary

YE Mar (INR bn)	Q1 FY27	Q1 FY26	YoY (%)	Q4 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Sales (mn MT)	1.30	1.25	*3.6*	1.35	*(4.1)*	4.39	4.81	4.52	4.91	5.06
NSR (INR/MT)	4,835	4,765	*1.5*	4,773	*1.3*	5,095	4,922	4,759	4,743	4,814
Opex (INR/MT)	4,321	4,059	*6.5*	4,123	*4.8*	4,528	4,263	4,229	4,159	4,287
EBITDA(INR/MT)	514	706	*(27.1)*	649	*(20.8)*	566	659	530	584	527
Net Sales	6.28	5.98	*5.1*	6.46	*(2.8)*	23.66	21.49	23.30	24.35	25.21
EBITDA	0.67	0.89	*(24.5)*	0.88	*(24.0)*	3.17	2.39	2.87	2.67	3.10
APAT	0.31	0.48	*(36.7)*	0.48	*(36.1)*	1.68	1.07	1.40	1.32	1.59
AEPS (INR)	1.3	2.1	*(36.7)*	2.1	*(36.1)*	7.4	4.7	6.2	5.8	7.0
EV/EBITDA (x)						12.3	16.1	13.6	11.7	10.2
EV/MT (INR bn)						6.20	6.15	6.24	4.99	4.76
P/E (x)						25.7	40.3	30.8	26.7	22.1
RoE (%)						11.4	7.5	10.1	9.7	11.8

Source: Company, HSIE Research

REDUCE

CMP *(as on 29 Jul 2026)*	**INR 155**
Target Price	**INR 140**
NIFTY	**24,250**

KEY CHANGES	**OLD**	**NEW**
Rating	REDUCE	REDUCE
Price Target	INR 170	INR 140
EBITDA revision %	FY27E *0.0*	FY28E *(7.5)*

KEY STOCK DATA	
Bloomberg code	HEIM IN
No. of Shares (mn)	227
MCap (INR bn) / ($ mn)	35/368
6m avg traded value (INR mn)	17
52 Week high / low	INR 225/136

STOCK PERFORMANCE (%)	**3M**	**6M**	**12M**
Absolute (%)	(2.4)	(7.3)	(28.7)
Relative (%)	(2.6)	(1.3)	(24.1)

SHAREHOLDING PATTERN (%)	**Mar-26**	**Jun-26**
Promoters	69.39	69.39
FIs & Local MFs	14.21	14.21
FPIs	1.15	1.07
Public & Others	15.25	15.33
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Teamlease

Investing for growth; margin expansion gradual

Teamlease reported revenue growth of +5/4% YoY/QoQ, driven by core and specialized staffing, offset by HR-services (edtech) seasonality. The reported EBITDA fell 31% QoQ on edtech's high-Q4 weightage and annual appraisals for core employees. In the general staffing segment, the company added 4,000 associates (~0.29mn base), 28 new logos (2/3rd variable mark-up), PAPM INR 680, with 17,500 open positions; EBITDA margin is at ~1% and will be flat for 1-2 quarters as it invests in sales/hiring engines, with expansion targeted by Q3/Q4, while vertical growth pivots to BFSI wallet-share, quick-commerce, e-commerce, logistics and manufacturing, and challenges include BFSI/regulatory-led structural exits and demand variability. In DA, there was a net addition of ~2,100 apprentices (ex-planned 5,500 exit) and 80 new logos, with growth ahead led by healthcare, textile and semiconductor, supported by PLI schemes. In specialized staffing, revenue grew 13% YoY (7,630 associates, +130 in the quarter) across 40 logos (15 GCCs) and 700+ GCC hires, with margin dipping to ~6-7% on front-loaded Singapore/Middle East investments, with a target to reach 8-9% over 4-5 quarters. Post the INR 2.38bn buyback (8.87% of capital), net cash stands at ~INR 3.5bn, aided by a INR 0.38bn tax refund in the quarter. We cut margin estimate by 8-10bps and EPS by ~2% and maintain ADD with a TP of INR 1,590 (14x Jun-28E EPS). The stock is trading at a reasonable PE multiple of 14/12x FY27/28E.

- **Q1FY27 highlights**: Consolidated revenue stood at INR 30.35bn, +3.8/5.0% QoQ/YoY, due to a +4.7/+6.3/-34.4% QoQ increase in general staffing/specialized staffing/HR services revenue. Funding exposure for the core/general remains at 16% along with DSO at six days. EBITDA margin for general staffing/specialized staffing/HR services stood at 1.0/6.4/-4.0% down 10/97/2,052bps QoQ. A total of 28 new logos were added in the general staffing segment and 65% of the new client additions were on variable mark-up. PAPM stood at INR 680, down 1.3% QoQ but up 2.3% YoY. The specialized staffing headcount increased by 130 as GCCs continued to display traction. Specialized segment added 40 client logos in the quarter along with 15 GCCs. 18 new logos were added in the DA segment. Net cash stood at INR 3.5bn (~16.1% of market cap).
- **Outlook:** We expect revenue growth of 8/14/15% and an EBITDA margin of 1.32/1.38/1.42% in FY27/28/29E, leading to revenue, EBITDA, and EPS CAGRs of 12%, 15%, and 13% over FY26-29E.

Quarterly financial summary

YE March (INR bn)	1Q FY27	1Q FY26	YoY (%)	4Q FY26	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Net Revenue	30.35	28.91	*5.0*	29.25	*3.8*	111.56	118.61	128.28	146.73	168.20
EBITDA	0.31	0.31	*2.7*	0.46	*(31.1)*	1.38	1.57	1.69	2.03	2.39
APAT	0.35	0.27	*31.3*	0.46	*(24.3)*	1.09	1.48	1.56	1.82	2.15
Diluted EPS (INR)	20.8	15.8	*31.3*	27.5	*(24.3)*	64.9	88.4	93.0	108.8	128.0
P/E (x)						20.0	14.7	14.0	11.9	10.1
EV / EBITDA (x)						12.0	7.5	8.7	6.6	4.7
RoE (%)						12.8	15.2	13.9	14.2	14.4

Source: Company, HSIE Research

Change in estimate

INR bn	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue	128.89	128.28	*(0.5)*	149.26	146.73	*(1.7)*	171.35	168.20	*(1.8)*
EBITDA	1.80	1.69	*(6.1)*	2.22	2.03	*(8.6)*	2.53	2.39	*(5.6)*
EBITDA margin (%)	1.40	1.32	-8bps	1.49	1.38	-10bps	1.48	1.42	-6bps
APAT	1.52	1.56	*2.6*	1.86	1.82	*(2.0)*	2.14	2.15	*0.2*
EPS (INR)	90.7	93.0	*2.6*	111.0	108.8	*(2.0)*	127.8	128.0	*0.2*

Source: Company, HSIE Research

ADD

CMP *(as on 29 Jul 2026)*	INR 1,299
Target Price	INR 1,590
NIFTY	24,250

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,600	INR 1,590
EPS %	FY27E	FY28E
	+2.6%	-2.0%

KEY STOCK DATA	
Bloomberg code	TEAM IN
No. of Shares (mn)	17
MCap (INR bn) / ($ mn)	22/228
6m avg traded value (INR mn)	60
52 Week high / low	INR 2,100/1,063

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	5.9	(6.8)	(30.8)
Relative (%)	5.7	(0.9)	(26.3)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	31.11	31.11
FIs & Local MFs	49.61	47.80
FPIs	6.76	6.95
Public & Others	12.49	14.11
Pledged Shares	1.61	1.61

Source : BSE

Pledged shares as % of total shares

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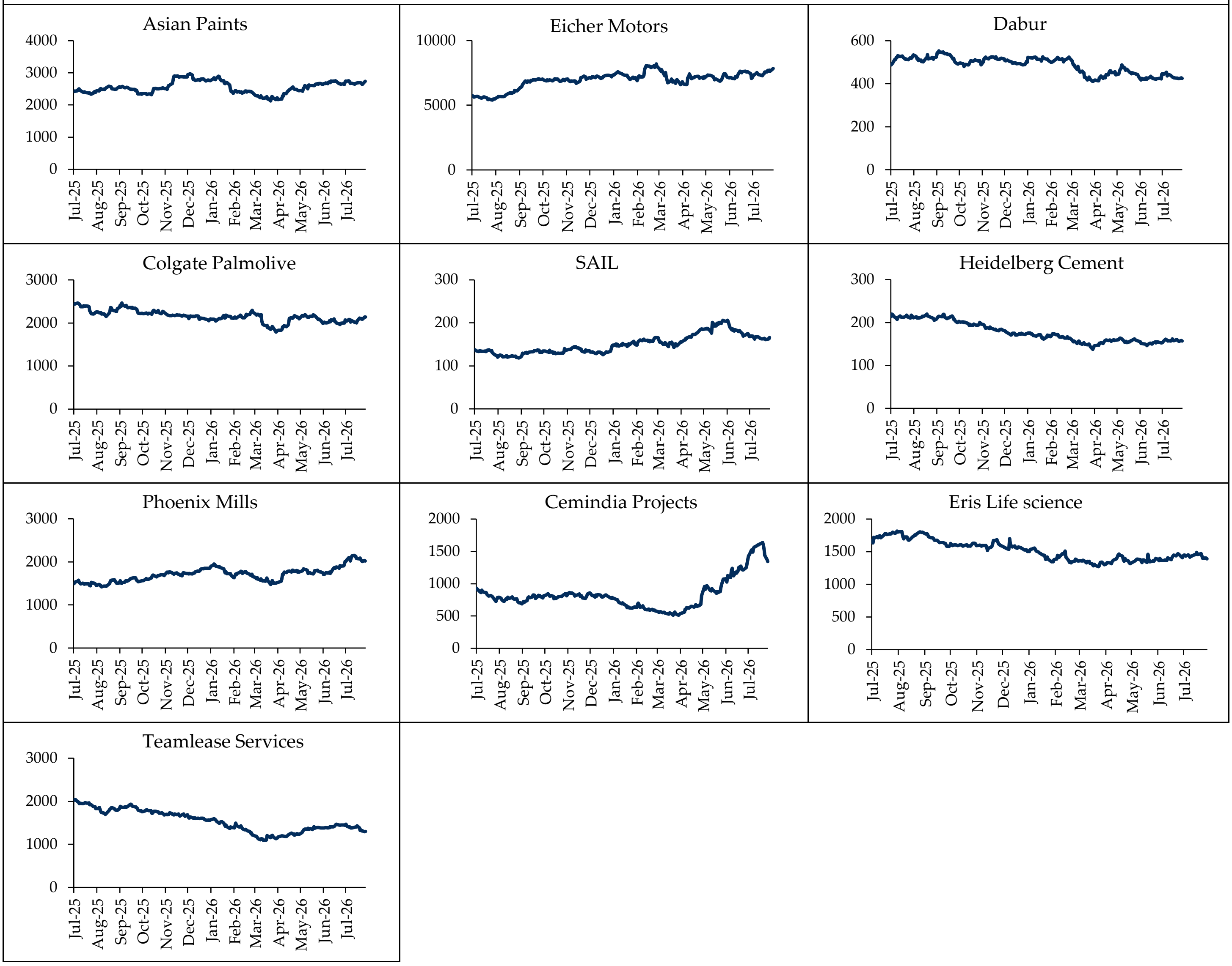
Rating Criteria
BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Jay Gandhi	Asian Paints	MBA	NO
Vedant Mulik	Asian Paints	MBA	NO
Hitesh Thakurani	Eicher Motors	MBA	NO
Nitin Gupta	Dabur India, Colgate-Palmolive (India)	CA	NO
Ishant Lalwani	Dabur India, Colgate-Palmolive (India)	BCom	NO
Rajesh Ravi	Steel Authority of India, Heidelberg Cement	MBA	NO
Keshav Lahoti	Steel Authority of India, Heidelberg Cement	CA, CFA	NO
Kartikey	Steel Authority of India, Heidelberg Cement	CA	NO
Mahesh Nagda	Steel Authority of India, Heidelberg Cement	CA	NO
Parikshit Kandpal	Phoenix Mills, CemIndia Projects	CFA	NO
Aditya Sahu	Phoenix Mills, CemIndia Projects	MBA	NO
Jay Shah	Phoenix Mills, CemIndia Projects	CA	NO
Mehul Sheth	Eris Lifesciences	MBA	NO
Amit Chandra	Teamlease	MBA	NO
Arjun Savla	Teamlease	CA	NO

Price movement



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