Valuations

MOIL – Maintain BUY Rating with a TP of Rs425

The company is the largest manganese miner in India, with market share of ~20/2.2% domestically/globally. However, it is enhancing its EC and undertaking key volume expansion projects, which are expected to enhance cumulative production volume to 3.5m tonne by FY30.

The company is in its last leg to operationalise and stabilise the High Speed Shaft, which will help to ramp-up the volume from Balaghat mines. This mine boasts of one of the best grade of manganese ores in India. As the volume ramps-up, it is expected to replace a substantial portion of high quality manganese ore imports.

In-line with the ramp-up in volume, we expect Revenue/EBITDA/APAT to clock 21.4/27.5/23.9% CAGR over FY25-28e. We believe as EC for existing mines enhances and as demand for VAP steel in India increases, volume of key RM (manganese) is expected to grow. **Considering these positive triggers, we maintain BUY rating on the stock with a TP of Rs425, valuing it at 7x FY27-28e EV/EBITDA multiple.**

Fig 45 – TP Calculation

	UoM	FY27e	FY28e
EBITDA	Rs m	9,108	10,926
EV /EBITDA multiple	X	7.0	
Target EV	Rs m	63,759	76,480
Net debt	Rs m	(10,836)	(13,632)
C-Wip @ 65%	Rs m	3,246	3,333
Equity Value	Rs m	77,842	93,445
No. of shares	Nos. m	203	
TP	Rs/share	385	460
Blended TP	Rs/share	425	

Source: Anand Rathi Research *Rounded off to nearest 5s*

HCP – Maintain BUY with a DCF-based TP of Rs450

The company is the only copper miner in India, which is enhancing its capacity from 3.5m tonne in FY25 to 12.2m tonne (including MDO volume) by FY31e. Further, it has a kitty of mines (operational in the past), which can be explored again with the rise in demand.

The roadblocks, which kept the volume stagnant over the last several years, have been resolved. Further, extension of lease across mines extended for another 15-20 years, gives enough headroom for the company to grow beyond CY30. Moreover, as it enhances its UG, the blended grade of 0.7% is likely to reach its rated grade of 0.95%.

In line with expected ~2.5x domestic demand growth over next decade and incremental 10m tonne of global demand to come from new age sectors amid mine crunch and global disruptions, **we remain positive on its growth trajectory story and maintain BUY rating on the stock with a DCF-based TP of Rs450.**