JK Cement

BSE SENSEX	S&P CNX
83,734	25,819

Bloomberg	JKCE IN
Equity Shares (m)	77
M.Cap.(INRb)/(USDb)	456.8 / 5
52-Week Range (INR)	7566 / 4219
1, 6, 12 Rel. Per (%)	0/-23/18
12M Avg Val (INR M)	703

Financials &Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	136.8	153.8	174.4
EBITDA	24.5	28.7	33.7
Adj. PAT	10.5	12.0	14.8
EBITDA Margin (%)	17.9	18.7	19.3
Adj. EPS (INR)	135.1	155.1	190.2
EPS Gr. (%)	30.5	14.8	22.7
BV/Sh. (INR)	904	1,040	1,211
Ratios			
Net D:E	0.8	0.9	0.6
RoE (%)	16.0	16.0	17.0
RoCE (%)	10.6	10.6	11.3
Payout (%)	11.5	12.9	10.5
Valuations			
P/E (x)	43.7	38.1	31.1
P/BV (x)	6.5	5.7	4.9
EV/EBITDA(x)	20.1	17.4	15.0
EV/ton (USD)	157	161	134
Div. Yield (%)	0.3	0.3	0.3
FCF Yield (%)	(1.6)	(1.7)	3.7

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	45.7	45.7	45.7
DII	22.5	21.8	23.7
FII	17.9	18.6	16.9
Others	14.0	14.0	13.7

FII Includes depository receipts

CMP: INR5,912 TP: INR6,780 (+15%) Buy

On-time expansion reinforces execution strength

Capacity concerns drive underperformance; structural growth intact

- JK Cement's (JKCE) stock has underperformed broader indices and other top cement companies in the past few months (over Sep-Feb'26 MTD) on account of margin contraction and higher expected capacity additions in its core markets (North and Central) over the next two years. However, the company remained resilient in terms of robust volume growth, strong execution strategies, market share gains, and timely completion of capacity expansion projects. The company recently completed its 6.0mtpa grey cement capacity expansion in the Central and Bihar markets.
- We believe North and Central region markets remain structurally attractive, supported by sustained demand from infrastructure and housing segments. We estimate average capacity utilization in the North/Central regions at +80%/+75% in FY27/FY28, despite higher capacity additions. While headline cement capacity expansion announcements remain elevated, execution cadence and timely commissioning are critical in assessing the real extent of oversupply risk.
- JKCE will continue to have a higher capacity mix in the North and Central regions, at ~80% of its overall grinding capacity by FY28E vs. ~75% currently. The company is among the earliest movers in Jaisalmer, with an integrated cement plant (clinker/grinding capacity of 4.0mtpa/3.0mtpa) to be commissioned in 1HFY28. The company has secured long-term limestone reserves at benign costs, providing long-term raw material security and cost benefits. In addition, it is setting up two split-location grinding units (GU) in the North—at Bikaner (Rajasthan) and Bathinda (Punjab)—with capacities of 2mtpa (each).
- We expect JKCE to report robust volume growth (~13% CAGR over FY26-28), driven by capacity expansions. We estimate its consolidated revenue/EBITDA/PAT CAGR at 13%/17%/19% over FY26-28, and EBITDA/t at INR1,107/INR1,140 in FY27/FY28 vs. INR1,060 in FY26. We value it at 17x FY28E EV/EBITDA to arrive at our TP of INR6,780. We reiterate our BUY rating on the stock.

Strong demand tailwinds drive higher utilizations in North and Central

- Northern and Central regions continue to remain structurally attractive despite concerns around higher capacity additions. These regions are key beneficiaries of sustained infrastructure spending, housing demand, and urbanization-led construction activity. States such as Uttar Pradesh, Rajasthan, Madhya Pradesh, Haryana, and Delhi NCR continue to witness strong demand from roads, bridges, affordable housing, and urban redevelopment. We estimate average grinding capacity utilization in the North/Central regions at +80%/+75% by FY28. We believe continued higher utilization will support strong pricing in the regions.