

FINANCIAL MODEL

PLANT VISIT

Rising Stars 2025

IMPORT
SUBSTITUTION

ORGANISED
V/S
UNORGANISED

MANAGEMENT MEET

EXPORT
OPPORTUNITY

FAST GROWING
BUSINESSES

INDUSTRY
POTENTIAL

CAPACITY
EXPANSION

PEER ANALYSIS

VALUATION MODEL



Retail Research | 4QFY25 | BUY

JK Lakshmi Cement Ltd.

Current Price (Rs)*	815.5
Target Price (Rs)	926.0
Upside (%)	13.6

*closing price of 06th June, 2025

STOCK DATA

Industry Segment	Cement
BSE Code	500380
NSE Code	JKLAKSHMI
Bloomberg Code	JKLC IN
52 Week High / Low (Rs)	935.0/660.5
Face Value (Rs)	5.0
Diluted Number of Shares (cr)	11.8
Market Cap. (Rs cr)	9,597.8

SHAREHOLDING PATTERN (%)

Particulars	Jun-24	Sep-24	Dec-24	Mar-25
Promoters	46.3	46.3	46.3	46.3
FII	11.3	11.5	11.9	12.1
DII	25.4	25.0	25.2	25.2
Public & Others	17.0	17.2	16.5	16.4
Total	100.0	100.0	100.0	100.0

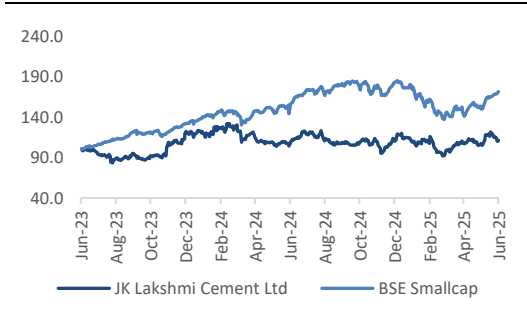
RETURNS STATISTICS (%)

Particulars	1M	3M	6M	12M
JK Lakshmi Cement	5.5	13.0	1.1	4.1
BSE SmallCap	14.1	18.1	-6.3	12.0

VALUATION & RETURN RATIOS

Particulars	FY23A	FY24A	FY25A	FY26E	FY27E
PE (x)	26.0	19.7	31.7	20.2	18.1
P/BV (x)	3.4	3.0	2.8	2.5	2.2
EV/EBITDA (x)	13.2	10.8	13.8	10.8	9.7
EV/Net Sales (x)	1.7	1.7	1.9	1.8	1.7
Mcap/Sales (x)	1.5	1.4	1.5	1.4	1.3
RoE (%)	13.9	16.3	9.1	12.9	12.8
ROCE (%)	14.8	17.9	10.9	13.3	13.3

STOCK PERFORMANCE (2-years)



Source: BSE/SSL Research

Key highlights of 4QFY25 result

Decent performance led by better-than-expected sales volume and improved cement prices: JK Lakshmi Cement (JKLC) reported Sales/EBITDA/PAT growth of 6.6%/4.4%/19.2% YoY respectively in 4QFY25. Sales volume grew 10.3% YoY to 3.6 mn tonnes. Profitability metrics improved during the quarter with EBITDA/t and Realisation/t seeing a growth of 46.6%/6.8% QoQ to Rs 976 and Rs 5,274 respectively. However, on YoY basis, both were still down by 5.4%/3.4% respectively. Realization improvement was aided by better cement prices which saw sequential improvement in 4QFY25. However, the company has not seen any notable rise in cement prices post 4QFY25 in its core market areas. Lead distance during the quarter increased to 393 km from 383 km in 3QFY25 due to discontinuation of outsourced Amethi grinding station and servicing eastern markets of UP from the existing plants. However, management aims to bring back the average lead distance to ~380 km.

Cost efficiency initiatives: JKLC has completed its brand rejuvenation exercise and is receiving positive feedback for the same. The premium cement sales contribute 25% of the total trade sales. JKLC targets cost reduction of Rs 100-120/t by FY27 from its cost saving initiatives. It targets to increase its renewable energy share from 48% in FY25 to 52-53%, increase TSR (Thermal Substitution Rate) from 9% to 12-13%, reduce avg. lead distance by ~10 kms, and improve premiumization, logistics and supply chain efficiencies. Company's trade sales volume share stood at 60% in 4QFY25. Focus will continue on improving trade sales, however, due to high growth coming in from the infra side, the share of non-trade segment is expected to inch up in short term.

Capex update: JKLC's Surat expansion of 1.35 MTPA is delayed by few months and will now be commissioned in phases of 50% each by Jun'25 and Sep'25. The Durg expansion plan of 1.2 MTPA cement capacity and 2.3 MTPA of clinker capacity will come in FY27. Company has completed land acquisition for its split location grinding units in UP and Bihar and is under the process of receiving environmental clearance. The North-East expansion through Agrani Cement is facing a delay of 7-8 months due to local and political issues. No timeline is shared for the commissioning of this project. Apart from this, JKLC is also considering expansion in Gujarat (currently under land acquisition process) to achieve its targeted cement capacity of 30 MTPA by FY30. The company's guided capex spend for FY26E/FY27E is Rs 1,300 cr/Rs 1,800 cr respectively.

Outlook going forward: Management expects cement industry to grow ~6.5-7% in FY26 and has guided to grow company volumes by least 10% in FY26. The EBITDA/t is expected to remain at 4QFY25 level of Rs 976 in 1QFY26. Cement prices are expected to remain flattish in 1QFY26 due to seasonality.

Maintain Buy – Revise Target Price to Rs 926: We have done minor changes in our FY26E/FY27E PAT estimates factoring in the latest guidance and outlook on the company. Currently, JKLC trades at FY26E EV/T of ~US\$ 107. We value the company at 12.0x of its FY26E EV/EBITDA multiple and revise our target price to Rs 926 which provides an upside potential of 13.6% for next 12-18 months.

Financial Summary

Particulars (Rs cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net Sales	6,451.5	6,788.5	6,192.6	6,848.5	7,383.2
EBITDA	838.7	1,052.1	864.6	1,125.2	1,329.0
EBITDA margin (%)	13.0	15.5	14.0	16.4	18.0
Adjusted Net Profit	358.6	487.9	299.9	471.7	527.4
growth (%)	-22.6	36.1	-36.5	57.3	11.8
Free cash flow	-97.8	-106.8	130.4	-26.2	-418.3
EPS (Rs)	31.4	41.5	25.7	40.3	45.1
P/E (x)	26.0	19.7	31.7	20.2	18.1
P/BV (x)	3.4	3.0	2.8	2.5	2.2
EV/EBITDA (x)	13.2	10.8	13.8	10.8	9.7
D/E (x)	0.7	0.6	0.7	0.7	0.8
RoE (%)	13.9	16.3	9.1	12.9	12.8
RoCE (%)	14.8	17.9	10.9	13.3	13.3
Dividend yield (%)	0.6	0.7	0.6	0.6	0.6

4QFY25 Result

Particular	4QFY25	4QFY24	Y-o-Y % Change	3QFY25	Q-o-Q % Change	Comments
Net Sales	1,897.6	1,780.9	6.6	1,496.8	26.8	Decent sales growth led by better-than-expected volume growth
COGS	349.2	372.0	-6.1	274.8	27.1	
Power & Fuel Cost	390.9	415.3	-5.9	350.7	11.5	
Freight Cost	439.7	347.2	26.7	347.5	26.5	
Employee Cost	113.7	95.3	19.4	114.4	-0.6	
Other Expense	253.0	214.7	17.8	207.8	21.7	
Total Operating Expenditure	1,546.4	1,444.3	7.1	1,295.1	19.4	
EBITDA	351.2	336.5	4.4	201.8	74.1	
EBITDA Margin (%)	18.5	18.9		13.5		Flat margins YoY on account of high freight cost
Depreciation	76.7	67.9		76.2		
EBIT	274.5	268.7	2.2	125.6	118.7	
EBIT Margin (%)	14.5	15.1		8.4		
Interest	44.4	44.6		45.3		
Other Income	15.9	26.3		9.0		
Extraordinary item	-	-		-		
PBT	253.5	250.0	1.4	87.0	191.3	
PBT Margin (%)	13.4	14.0		5.8		
Tax	60.3	87.9	-31.4	26.6	127.2	
Effective Tax Rate (%)	23.8	35.2		30.5		
PAT	193.2	162.1	19.2	60.5	219.5	Healthy sales volumes and improved operational efficiencies drove PAT growth
PAT Margin (%)	10.2	9.1		4.0		
EPS (Rs per share)	16.4	13.8	19.2	5.1	219.5	
Sales Volume (mn tonnes)	3.6	3.3	10.3	3.0	18.7	
Realisation/t	5,274.1	5,459.4	-3.4	4,940.0	6.8	

Source: Company/SSL Research

Estimates

Particulars (Rs cr)	New		Old		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	6,848.5	7,383.2	6,821.5	7,860.1	0.4	-6.1
EBITDA	1,125.2	1,329.0	1,104.5	1,319.9	1.9	0.7
EBITDA Margin (%)	16.4	18.0	16.2	16.8	+24 bps	(121 bps)
PAT	474.6	530.4	463.9	548.8	2.3	-3.4
EPS (Rs per share)	40.3	45.1	39.4	46.6	2.3	-3.3

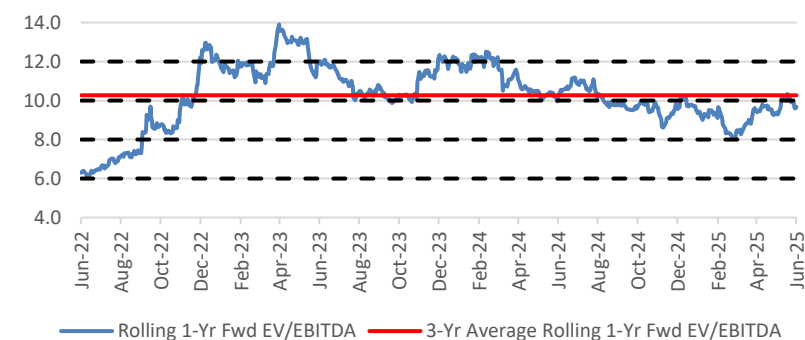
Source: SSL Research

Quarterly Per Ton Analysis

Particulars	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Sales Volume (mn tonnes)	3.2	3.0	2.7	3.0	3.3	3.0	2.5	3.0	3.6
Realisation (Rs/t)	5,758	5,699	5,763	5,753	5,459	5,149	4,983	4,940	5,274
Power & Fuel cost (Rs/t)	1,554	1,508	1,574	1,492	1,273	1,127	1,295	1,157	1,086
Freight cost (Rs/t)	1,137	1,131	1,094	1,117	1,064	1,038	1,086	1,147	1,222
Operating cost (Rs/t)	5,038	5,053	4,968	4,732	4,428	4,417	4,623	4,274	4,298
EBITDA (Rs/t)	719	646	795	1,021	1,032	732	360	666	976

Source: Company, SSL Research

Valuation – Rolling 1-Yr Forward EV/EBITDA



Source: SSL Research

Financial Statements

Income Statement

Figures in cr.

Particulars	FY23A	FY24A	FY25A	FY26E	FY27E
Net sales	6,451.5	6,788.5	6,192.6	6,848.5	7,383.2
<i>growth (%)</i>	<i>19.0</i>	<i>5.2</i>	<i>-8.8</i>	<i>10.6</i>	<i>7.8</i>
Operating expenses	5,612.8	5,736.3	5,328.0	5,723.3	6,054.3
EBIDTA	838.7	1,052.1	864.6	1,125.2	1,329.0
<i>growth (%)</i>	<i>-11.8</i>	<i>25.4</i>	<i>-17.8</i>	<i>30.1</i>	<i>18.1</i>
Depreciation & amortization	228.3	246.0	299.4	334.4	411.8
EBIT	610.4	806.2	565.2	790.8	917.2
Other income	57.5	68.1	46.4	46.9	47.4
Interest paid	133.4	150.4	181.2	196.4	247.8
PBT	534.5	732.5	430.4	641.4	716.7
Tax	165.4	244.6	127.8	166.8	186.3
<i>Effective tax rate (%)</i>	<i>23.7</i>	<i>23.7</i>	<i>29.7</i>	<i>26.0</i>	<i>26.0</i>
Reported Net profit	369.1	487.9	302.6	474.6	530.4
Minority interest/Share of JVs	10.5	-	2.7	2.9	3.0
Adj. Net profit after minority interest	358.6	487.9	299.9	471.7	527.4
Non-recurring items	-	-	-	-	-
Adj. Net profit after minority interest & exceptional items	358.6	487.9	299.9	471.7	527.4
<i>growth (%)</i>	<i>-22.6</i>	<i>36.1</i>	<i>-36.5</i>	<i>57.3</i>	<i>11.8</i>

Balance Sheet

Figures in cr.

Particulars	FY23A	FY24A	FY25A	FY26E	FY27E
Cash & Bank balances	339.0	267.3	196.9	140.6	177.7
Inventories	841.6	991.2	864.8	863.1	869.8
Other current assets	744.6	582.7	860.3	853.7	859.7
Net fixed assets	3,527.0	5,148.1	5,626.6	5,959.9	7,358.0
Capital WIP	890.2	383.2	277.7	910.0	900.0
Long Term Investments	13.0	34.5	11	11	11
Other non-current assets	185.4	243.0	642.2	647.3	657.4
Total assets	6,540.8	7,650.0	8,479.0	9,385.1	10,833.2
Current liabilities	1,313.7	1,564.9	1,531.1	1,790.0	1,988.2
Borrowings	1,846.3	2,024.9	2,527.2	2,738.9	3,456.8
Lease Liabilities	33.4	59.1	86.7	89.0	89.3
Other non-current liabilities	506.6	644.1	678.8	690.5	691.8
Total Non-Current liabilities	3,700.0	4,293.0	4,823.8	5,308.3	6,226.1
Share capital	58.9	58.9	58.9	58.9	58.9
Reserves & surplus	2,745.0	3,127.8	3,412.4	3,831.0	4,358.3
Shareholders' funds	2,803.9	3,186.7	3,471.2	3,889.8	4,417.2
Minority interest	37.0	170.4	184.1	187.0	190.0
Total equity & liabilities	6,540.8	7,650.0	8,479.0	9,385.1	10,833.2

Cash Flow Statement

Figures in cr.

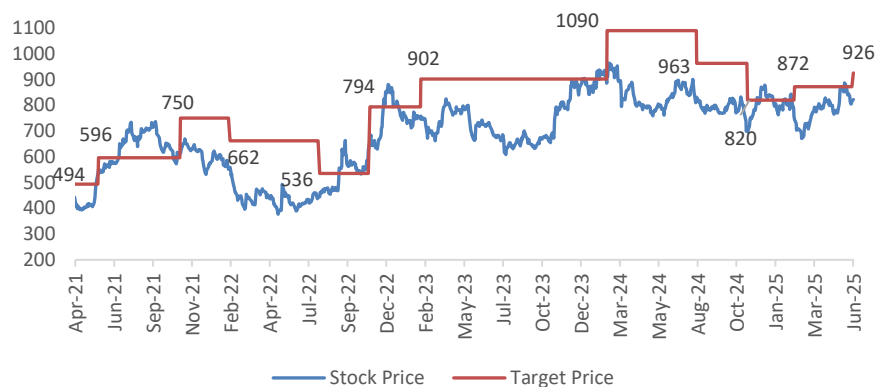
Particulars	FY23A	FY24A	FY25A	FY26E	FY27E
Pre-tax profit	534.5	732.5	429.8	641.4	716.7
Depreciation	228.3	246.0	299.4	334.4	411.8
Chg. in working capital	(114.5)	(43.0)	(49.0)	268.4	191.7
Total tax paid	(90.9)	(112.6)	(33.8)	(166.8)	(186.3)
Other operating activities	76.7	76.3	136.3	196.4	247.8
Operating CF	634.3	899.2	782.7	1,273.8	1,381.7
Capital expenditure	(732.0)	(1,006.0)	(652.4)	(1,300.0)	(1,800.0)
Other investing activities	432.5	126.1	(498.8)	40.4	30.8
Investing CF	(299.5)	(880.0)	(1,151.2)	(1,259.6)	(1,769.2)
FCF	(97.8)	(106.8)	130.4	(26.2)	(418.3)
Equity raised/(repaid)	-	93.1	-	-	-
Debt raised/(repaid)	(56.6)	142.0	479.5	214.0	718.2
Dividend (incl. tax)	(58.7)	(67.4)	(53.2)	(53.2)	(53.2)
Other financing activities	(150.5)	(203.3)	(108.5)	(185.3)	(246.1)
Financing CF	(265.8)	(35.6)	317.8	(24.5)	418.9
Net change in cash bal.	68.9	(16.4)	(50.6)	(10.3)	31.5
Opening cash bal.	74.1	143.0	126.6	76.0	65.7
Bank balance other than cash	196.0	140.6	120.9	74.9	80.5
Closing cash balance	143.0	126.6	76.0	65.7	97.2
Closing cash & bank bal.	339.0	267.3	196.9	140.6	177.7

Important Ratios

Particulars	FY23A	FY24A	FY25A	FY26E	FY27E
Profitability & Return ratios (%)					
EBIDTAM	13.0	15.5	14.0	16.4	18.0
EBITM	9.5	11.9	9.1	11.5	12.4
NPM	5.7	7.1	4.9	6.9	7.1
RoE	13.9	16.3	9.1	12.9	12.8
RoCE	14.8	17.9	10.9	13.3	13.3
Per share data (Rs)					
O/s shares (Cr.)	11.8	11.8	11.8	11.8	11.8
EPS	31.4	41.5	25.7	40.3	45.1
FDEPS	31.4	41.5	25.7	40.3	45.1
CEPS	50.8	62.4	51.1	68.7	80.0
BV	238.2	270.7	294.9	330.5	375.3
DPS	5.0	5.7	4.5	4.5	4.5
Valuation ratios (x)					
PE	26.0	19.7	31.7	20.2	18.1
P/BV	3.4	3.0	2.8	2.5	2.2
EV/EBIDTA	13.2	10.8	13.8	10.8	9.7
EV/ Net sales	1.7	1.7	1.9	1.8	1.7
Other key ratios					
D/E (x)	0.7	0.6	0.7	0.7	0.8
Debtors period (days)	3	3	4	5	5
Creditors period (days)	31	36	35	37	49
Inventory period (days)	40	49	55	46	43
Cash conversion cycle (days)	12	16	25	14	(2)
Du Pont Analysis - RoE					
NPM (%)	5.7	7.1	4.9	6.9	7.1
Asset turnover (x)	1.6	1.4	1.1	1.1	1.0
Equity Multiplier (x)	1.5	1.7	1.7	1.7	1.8
RoE (%)	13.9	16.3	9.1	12.9	12.8

Source: Company, SSL Research

Recommendation History



Our recent rising star recommendations and price performance

Sr. No.	Company Name	NSE Symbol	Initiated Date	Initiated Price (Rs)	CMP* (Rs)	Return (%) since initiated date	High Price Since Initiation (Rs)	Return (%) based on High price since initiation	Latest reco. date	Latest Target
1	APL Apollo Tubes Ltd.	APLAPOLLO	25-Apr-23	1,219.0	1,920.9	57.6	1,924.8	57.9	12-May-25	1,946.0
2	Stylam Industries Ltd.	STYLAMIND	27-Apr-23	1,150.0	1,692.7	47.2	2,735.0	137.8	11-Feb-25	2,224.0
3	Star Cement Ltd.	STARCEMENT	05-May-23	123.2	217.5	76.5	256.0	107.8	30-May-25	245.0
4	JK Lakshmi Cement Ltd.	JKLAKSHMI	24-May-23	705.0	815.5	15.7	999.9	41.8	09-Jun-25	926.0
5	Dhanuka Agritech Ltd.	DHANUKA	29-May-23	711.0	1,705.2	139.8	1,925.8	170.9	22-May-25	2,000.0
6	SJS Enterprises Ltd.	SJS	05-Oct-23	680.0	1,116.6	64.2	1,347.0	98.1	14-May-25	1,307.0
7	KPI Green Energy Ltd.	KPIGREEN	17-Nov-23	259.6	519.7	100.2	745.3	187.1	20-May-25	624.0
8	Syrma SGS Technology Ltd.	SYRMA	06-Dec-23	590.0	534.9	-9.3	705.0	19.5	19-May-25	715.0
9	Senco Gold Ltd.	SENCO	11-Dec-23	360.8	368.4	2.1	772.0	114.0	19-Feb-25	431.0
10	Hi-Tech Pipes Ltd.	HITECH	31-Jul-24	149.0	102.9	-30.9	210.9	41.5	05-Jun-25	138.0
11	Aditya Birla Capital Ltd.	ABCAPITAL	22-Aug-24	222.2	233.4	5.0	244.0	9.8	15-May-25	280.0
12	Lumax Auto Technologies Ltd.	LUMAXTECH	27-Dec-24	625.8	961.3	53.6	1,001.8	60.1	04-Jun-25	1,220.0
13	Goodluck India Ltd	GOODLUCK	19-Mar-25	660.0	970.5	47.0	994.9	50.7	27-May-25	1,199.0

*closing price of 06th June 2025

Moved to Soft Coverage

Sr. No.	Company Name	NSE Symbol	Initiated Date	Initiated Price (Rs)	Close price (Rs)	Return since initiated date (%)	High Price Since Initiation (Rs)	Return based on High price since initiation (%)	Comments
1	Satin Creditcare Network Ltd.	SATIN	10-Jan-24	259.0	198.0	(23.6)	284.0	9.7	Exited on 27 th Sep'24 due to Microfinance industry under stress.
2	Zen Technologies Ltd.	ZENTEC	12-Jul-23	520.0	1,473.0	183.3	2,627.0	405.2	Booked profit on 24 th Mar, 2025. The stock has run ahead of fundamentals. We will monitor the order inflow outlook in near term to take fresh call on the stock.

SBICAP Securities Limited

(CIN): U65999MH2005PLC155485

SEBI Registration No.: Stock Broker: INZ000200032 | DP Registration No.: IN-DP-314-2017

Research Analyst : INH000000602 | IRDA : CA0103 | PFRDA Registration No: POP 26092018

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Name	Qualification	Designation
Sudeep Shah	MMS-Finance	DVP- Technical & Derivative Research
Sunny Agrawal	B.E, MBA (Finance)	DVP - Fundamental Research
Rajesh Gupta	PGDBM (Finance), MA (Bus. Eco)	AVP - Fundamental Research
Monica Chauhan	C.A.	Research Analyst - Equity Fundamentals
Harsh Vasa	C.A.	Research Analyst - Equity Fundamentals
Sumeet Shah	B.E., CFA	Research Analyst - Equity Fundamentals
Sweta Padhi	MBA (Finance)	Research Analyst - Equity Fundamentals
Uday Chandgothia	B.Tech (Mech), MBA (Finance)	Research Associate - Equity Fundamentals
Arnav Sane	BMS (Finance)	Research Associate - Equity Fundamentals
Shubham Purohit	BMS (Finance)	Research Associate - Equity Fundamentals
Gautam Upadhyaya	MBA (Finance)	Research Analyst - Equity Derivatives
Vinayak Gangule	BE (IT)	Research Analyst - Equity Technicals
Ashwin Ramani	B.Com	Research Analyst - Currency Derivatives
Sagar Peswani	B.Tech (ECE)	Research Associate - Equity Technicals
Kalpesh Mangade	B.Com	MIS Analyst - Retail Research

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