Q4FY26 Result Update
12th May, 2026

Birla Corporation Ltd

CMP: INR 1,063

Rating: Buy

Target: INR 1,686

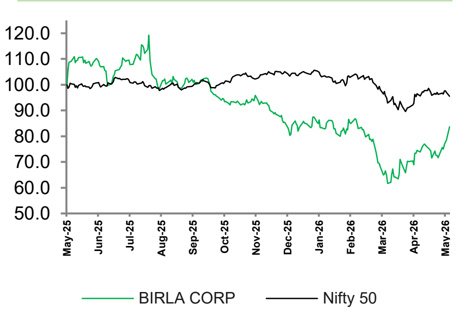
Stock Info	
BSE	500335
NSE	BIRLACORPN
Bloomberg	BCORP:IN
Sector	Cement
Face Value (INR)	10
Equity Capital (INR mn)	770
Mkt Cap (INR Bn)	81
52w H/L (INR)	1,537/ 770
Avg Yearly Volume (in 000')	124

Shareholding Pattern %
(As on March, 2026)

Promoters	62.9
DII	16.7
FII	6.3
Public & Others	14.1

Stock Performance (%)	1m	6m	12m
BIRLACORPN	14%	-8.6%	-15.6%
NIFTY	-0.1%	-7.3%	-4.5%

BIRLACORPN vs Nifty



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Birla Corporation Ltd delivered a steady performance in Q4 FY'26, closing the financial year on a resilient note with strong sequential recovery across key operating metrics, driven by effective execution of its premiumization strategy and favorable demand tailwinds in the latter part of the quarter. Net Sales came in at INR 28,361 Mn, reflecting a 1% YoY growth and a robust 31% QoQ improvement, supported by a 2% QoQ uptick in realization to INR 5,204/T (down 3% YoY), even as the broader pricing environment remained competitive. Sales volume stood at 5.5 MnT, up 3.8% YoY and a strong 28.8% QoQ, underscoring healthy demand recovery and improving capacity utilization, with Mukutban volumes growing meaningfully from 24.6 lakh tonnes to 27.7 lakh tonnes for the full year. EBITDA came in at INR 5,103 Mn, down 4% YoY but up a sharp 74% QoQ, with EBITDA margins at 18.0% (vs. 19.0% in Q4FY25 and 13.6% in Q3FY26), while EBITDA/tonne stood at INR 936/T, down 8% YoY but up 35% QoQ, reflecting the benefit of lower total costs at INR 4,268/tonne and improved operating leverage. The company reported a PAT of INR 2,672 Mn, down 20% YoY but up a strong 207% QoQ, with PAT margins at 9.4%. Blended cement share expanded from 82% to 88% overall and from 70% to 77% in the trade segment, while premium volume mix continued its consistent upward trajectory, reaching 63% of total volumes, reinforcing the company's structural shift toward value-added products.

Premiumization Strategy Delivering Consistent Margin Uplift - This is the most compelling rationale as it is already delivering measurable results. Blended cement share has risen from 82% to 88% and EBITDA/tonne recovered sharply to INR 936/T in Q4 from INR 692/T in Q3, demonstrating the direct margin impact of the premium mix. The Perfect Plus brand has achieved pan-North and Central India footprint with pricing parity or premium over larger category-A players. With premium volume share at 63% and still rising, and the company clocking its highest-ever volumes on existing capacity, this strategy is compounding quarter on quarter and is the clearest differentiator vs. peers in the mid-tier segment.

Disciplined Capacity Expansion with Clear ROI Visibility This is the most important forward-looking rationale. The 6 MT expansion from FY26 21.5 MT to 27.5 MT in FY29at INR43,000 Mn ex-GST is capital-efficient, focused entirely on core high-margin markets, and backed by a conservative balance sheet with peak net debt capped at ~INR4,000 crores and debt-to-EBITDA not exceeding 2.5x. Unlike peers who over-expanded and are now grinding OPC to fill capacity, Birla Corp's expansion is entirely blended and premium-oriented, meaning incremental volumes should come at better-than-average realizations, directly supporting EBITDA/tonne improvement as new capacity ramps up through FY'28-29.

Outlook & Valuation: Birla Corporation Ltd's Q4 FY'26 results mark a strong close to the financial year, with highest-ever volumes on existing capacity and EBITDA/tonne rebounding sharply to INR 936/T from INR 692/T in Q3 FY'26, validating its premiumization and blended cement strategy. Looking ahead, the company targets 7% volume growth and INR 800 EBITDA/tonne for FY'27, supported by Kundanganj Line 3 already commissioned and residual headroom at Mukutban, though near-term cost headwinds of INR150–175/tonne from packaging and fuel remain a watch item for Q1 FY'27. The expansion program driving capacity from 21.5 MnT to 27.5 MnT by FY'29, combined with the Vikram captive coal mine and renewable energy scale-up, provide both a multi-year volume growth runway and structural cost reduction. On the financial front, we expect its revenue/EBITDA to grow by 10%/12% CAGR over FY26-28E and maintain our Buy rating with the target price of INR 1,686.

Key Financials

Particulars (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Net revenue	92,145	96,556	1,06,116	1,16,431	1,28,976
EBITDA	12,172	14,544	16,051	18,163	20,120
EBITDAM (%)	13.2	15.1	15.1	15.6	15.6
APAT	2,952	5,641	6,524	7,607	8,543
APATM (%)	3.2	5.8	6.1	6.5	6.6
EPS (Rs)	42.2	73.3	84.7	98.8	110.9
EV/EBITDA	8.9	7.9	7.1	6.4	5.8
RoE (%)	4.2	7.7	8.1	8.7	8.9

Source: Arihant Research, Company Filings

Q4FY25 Concall Highlights

Outlook Birla Corporation maintains a cautiously optimistic stance for FY'27, acknowledging significant macro uncertainties including geopolitical tensions. Management refrained from specific EBITDA guidance, indicating FY'27 performance should be broadly similar to FY'26. Volume growth of 7% is targeted, with capacity scaling from 21.5 MT to 27.5 MT by FY'29 through disciplined, non-aggressive expansion. The company remains committed to its premiumization and blended cement strategy set post-COVID, with no knee-jerk reactions to market volatility.

Financial Highlights

- Revenue for Q4FY26 came in at INR 28,361 Mn, growth of ~1% YoY / growth of ~31% QoQ.
- Realization stood at INR 5,204/T, decline of 3% YoY / growth of 2% QoQ.
- EBITDA at INR 5,103 Mn, decline of 4% YoY / growth of 74% QoQ.
- EBITDA Margin at 18.0%, decline of ~100bps YoY / growth of ~443bps QoQ.
- EBITDA/Ton at INR 936/T, decline of 8% YoY / growth of 35% QoQ.
- Adjusted PAT at INR 2,672 Mn, decline of 20% YoY / growth of 207% QoQ.
- PAT Margin at 9.4%, vs 11.8% in Q4FY25 / vs 4.0% in Q3FY26.
- Full-year volume grew ~4% YoY; Mukutban volumes improved from 24.6 lakh tonnes to 27.7 lakh tonnes
- Q4 EBIT margin was close to INR 1,000/tonne; FY'26 EBITDA approximately INR 45,000 Mn
- EBITDA/tonne guidance for FY'27 at ~INR 800/tonne
- FY'27 CapEx guidance: INR 9,000 Mn; total expansion CapEx INR 43,000 Mn (ex-GST) for 6 MT addition
- Net debt at end of FY'26: INR21,000 Mn; peak net debt expected INR 40,000 Mn during CapEx cycle
- Debt-to-EBITDA not to exceed 2.5x through the expansion cycle
- Maharashtra incentives receivable: INR 5,000 Mn; FY'27 incentive expectation INR 1,300 Mn
- Cost headwind of INR150–175/tonne expected in Q1 FY'27, driven by packaging and fuel costs

Other Highlights

- Capacity expansion: Current 21.5 MT to 27.5 MT by FY'29; Prayagraj and Gaya Phase 1 (1.4 MT each) commissioning expected Q3/Q4 FY'28; total CapEx INR4,760 crores including GST
- Premiumization: Blended cement share up from 82% to 88%; trade segment blended share 70% to 77%; premium volume share at 63% and rising consistently across regions
- Perfect Plus brand now has pan-North and Central India footprint; company claims to be among the first mid-tier players to aggressively pursue premiumization
- RMC: Fifth plant coming in UP under Perfect Plus brand; cautious, learning-oriented approach - no aggressive scaling to avoid working capital and recovery risks
- Construction chemicals: Gaining traction with brand synergy under Perfect Plus; CapEx-light, positioned as brand multiplier rather than a large revenue driver
- Vikram coal mine operational - landing cost INR 1–1.05/mn calories vs. market INR1.45; full capacity (3.6 lakh tonnes) expected in FY'28; meaningful cost savings anticipated
- Renewable energy at 31% currently; targeting 37 - 38% by FY’27 - 28; additional 30 - 45 MW solar/hybrid capacity planned over next 1–2 years
- Jute business: Faced severe headwinds from historically high raw jute prices and Bangladesh import disruption; management optimistic about policy improvements under new West Bengal government and greater centre-state coordination
- Working capital tightened intentionally company built up fuel inventory as a precaution given geopolitical situation, impacting operating cash flows despite higher EBITDA
- KKL cost in Q4: INR1.53/mn calories; lead distance reduced from 360 km to 337 km

QFY26 - Quarterly Performance (Consolidated)

Particulars (INR Mn)	Q4FY26	Q4FY25	Y-o-Y	Q3FY26	Q-o-Q
Net Sales	**28,361**	**28,149**	**1**	**21,587**	**31**
Cost of Raw Materials	3,963	3,939	1	3,444	15
Purchase of Finished Goods	112	67	67	94	19
(Increase) / Decrease In Stocks	890	699	27	(1,039)	(186)
Total Raw material cost	**4,965**	**4,705**	**6**	**2,499**	**99**
Gross Profit	**23,396**	**23,444**	**(0)**	**19,088**	**23**
Gross Margins %	*82.5*	*83.3*	*(79.1)*	*88.4*	*(593.0)*
Employee Cost	1,326	1,320	0	1,482	(10)
Fuel Cost	4,693	4,639	1	4,438	6
Frieght & Forwarding	7,159	6,951	3	5,651	27
Other Expenses	5,116	5,196	(2)	4,593	11
Total Expenditure	**23,259**	**22,811**	**2**	**18,662**	**25**
EBITDA	**5,103**	**5,338**	**(4)**	**2,926**	**74**
EBITDA Margins (%)	*18.0*	*19.0*	*(97.3)*	*13.6*	*443.9*
Depreciation	1,344	1,422	(5)	1,325	1
EBIT	3,759	3,916	(4)	1,600	135
Other Income	390	482	(19)	192	103
Interest	619	733	(15)	653	(5)
PBT	3,529	4,049	(13)	1,139	210
Tax	857	716	20	270	218
Reported PAT	**2,672**	**3,333**	**20**	**869**	**207**
PAT Margin (%)	*9.4*	*11.8*	*(242.1)*	*4.0*	*539.5*
EPS	*34.7*	*43.3*	*19.8*	*11.3*	*207.5*

Particulars	Q4FY26	Q4FY25	Y-o-Y	Q3FY26	Q-o-Q
Sales Volume (MT)	5.5	5.3	3.8	4.2	28.8
Realization/Ton (Rs)	5,204	5,362	(3)	5,103	2
EBITDA/Ton (Rs)	936	1,017	(8)	692	35
Total Cost/Ton (Rs)	4,268	4,345	(2)	4,412	(3)
Fuel Cost/Ton (Rs)	861	884	(3)	1,049	(18)
Frieght & Forwarding/Ton (Rs)	1,314	1,324	(1)	1,336	(2)

Source: Arihant Research, Company Filings

Profit & Loss Statement (Consolidated)

Particulars (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Net sales	**92,145**	**96,556**	**1,06,116**	**1,16,431**	**1,28,976**
Expenditure					
Cost of materials	14,437	14,847	16,448	17,465	19,346
Purchase of stock in trade	187	362	397	349	387
(Inc)/Dec In Stocks	(778)	(376)	(106)	(116)	(129)
Total raw materials	**13,845**	**14,833**	**16,739**	**17,697**	**19,604**
Gross Profit	**78,300**	**81,723**	**89,377**	**98,733**	**1,09,372**
Gross Profit M (%)	85.0	84.6	84.2	84.8	84.8
Employee cost	5,640	5,845	6,473	6,986	7,739
Fuel cost	17,717	17,547	19,101	21,190	23,474
Frieght & Forwarding	23,636	24,772	26,529	29,108	32,244
Other expenses	19,135	19,015	21,223	23,286	25,795
Total expenditure	**79,973**	**82,012**	**90,065**	**98,267**	**1,08,856**
EBITDA	**12,172**	**14,544**	**16,051**	**18,163**	**20,120**
EBITDAM (%)	13.2	15.1	15.1	15.6	15.6
Depreciation	5,719	5,318	5,836	6,404	7,094
PBIT	6,454	9,226	10,214	11,759	13,027
Other income	979	1,170	1,285	1,410	1,562
Interest expenses	3,271	2,645	2,801	3,027	3,199
PBT	**4,162**	**7,751**	**8,698**	**10,143**	**11,390**
Tax	826	2,110	2,175	2,536	2,848
Reported PAT	3,336	5,641	6,524	7,607	8,543
Except. Inc/Exp	384	-	-	-	-
PAT (after Exceptional)	**2,952**	**5,641**	**6,524**	**7,607**	**8,543**
PAT Margin %	3.2	5.8	6.1	6.5	6.6
EPS	42.2	73.3	84.7	98.8	110.9

Source: Arihant Research, Company Filings

Balance Sheet (Consolidated)

Particulars (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Share Capital	770	770	770	770	770
Reserves & Surplus	69,381	72,877	79,401	87,007	95,550
Net worth	**70,151**	**73,647**	**80,171**	**87,777**	**96,320**
Minority Interest	-	-	-	-	-
Long term borrowings	27,812	26,232	27,060	29,108	31,599
Short term borrowing	7,074	7,676	7,959	8,732	8,383
Total Debt	**34,886**	**33,907**	**35,018**	**37,840**	**39,983**
Deferred tax liabilities	10,430	10,293	10,612	11,643	12,511
Loans & advances	-	-	-	-	-
Long term provision	563	715	743	815	903
Other long term liabilities	7,532	7,642	7,959	8,150	8,383
Total	**18,525**	**18,650**	**19,313**	**20,608**	**21,797**
Current Liabilities					
Trade payables	8,724	8,980	9,303	9,889	10,954
Short term provisions	199	231	253	233	258
Other current liabilities	10,824	9,685	10,081	10,479	11,608
Total	19,747	18,896	19,638	20,600	22,820
Total liabilities	**1,43,309**	**1,45,100**	**1,54,140**	**1,66,826**	**1,80,920**
Application of Funds					
Net Block	95,382	95,570	99,576	1,04,708	1,11,221
Current work in process	5,614	4,719	4,813	5,006	5,206
Goodwill	-	0	-	-	-
Non current investment	7,568	5,861	5,836	6,753	7,481
Tax assets	1,005	880	849	931	1,032
Long term loans and adv.	1,004	1,254	1,273	1,397	1,548
Other non-current assets	3,471	3,341	3,183	3,493	3,869
Total	**1,14,045**	**1,11,625**	**1,15,532**	**1,22,289**	**1,30,356**
Current Assets					
Current investments	6,955	10,603	11,653	13,040	14,445
Inventories	9,670	11,035	13,083	14,354	15,901
Trade receivables	3,391	3,166	3,489	4,147	4,594
Cash balance	1,222	1,349	2,937	4,243	5,927
Short term loans and adv.	18	17	18	20	22
Other current assets	8,008	7,305	7,428	8,732	9,673
Total	**29,264**	**33,475**	**38,608**	**44,537**	**50,563**
Total assets	**1,43,309**	**1,45,100**	**1,54,140**	**1,66,826**	**1,80,920**

Source: Arihant Research, Company Filings

Cash Flow Statement (consolidated)

Particulars (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Profit after Tax	**2,952**	**5,641**	**6,524**	**7,607**	**8,543**
Add: Depreciation	5,719	5,318	5,836	6,404	7,094
Add: Interest cost	3,271	2,645	2,801	3,027	3,199
Less: Other Income	(979)	(1,170)	(1,285)	(1,410)	(1,562)
Operating profit before WC changes	**10,962**	**12,435**	**13,876**	**15,628**	**17,273**
Changes in working capital	2,555	(855)	(1,172)	(446)	(221)
Cash from Operations	**13,517**	**11,580**	**12,704**	**15,182**	**17,052**
Cash flow from investing	**(4,349)**	**(5,127)**	**(9,488)**	**(13,014)**	**(14,854)**
Cash flow from Financing	**(9,538)**	**(6,326)**	**(1,628)**	**(862)**	**(514)**
Net cash Inflow/Outflow	(369)	127	1,588	1,306	1,684
Opening cash	1,592	1,222	1,349	2,937	4,243
Closing cash	**1,222**	**1,349**	**2,937**	**4,243**	**5,927**

Ratio Analysis

Particulars	FY25	FY26	FY27E	FY28E	FY29E
Per share Data					
EPS (Rs)	42.2	73.3	84.7	98.8	110.9
Book value per share (Rs)	1002.0	956.3	1041.1	1139.8	1250.8
Profitability Ratios					
EBITDAM(%)	13.2	15.1	15.1	15.6	15.6
PBTM (%)	4.5	8.0	8.2	8.7	8.8
NPM (%)	3.2	5.8	6.1	6.5	6.6
RoE (%)	4.2	7.7	8.1	8.7	8.9
RoCE (%)	6.1	8.6	8.9	9.4	9.6
Efficiency Data					
Debt-Equity (x)	0.5	0.5	0.4	0.4	0.4
Debt/EBITDA (x)	2.9	2.3	2.2	2.1	2.0
Interest Cover (x)	2.0	3.5	3.6	3.9	4.1
Fixed Asset (x)	1.0	1.0	0.9	0.9	0.9
Debtors (Days)	13.4	12.0	12.0	13.0	13.0
Inventory (Days)	38.3	41.7	45.0	45.0	45.0
Payable (Days)	34.6	33.9	32.0	31.0	31.0
WC (Days)	17.2	19.7	25.0	27.0	27.0
Valuation					
P/E (x)	25.2	14.5	12.5	10.8	9.6
P/BV	1.1	1.1	1.0	0.9	0.8
EV/EBITDA	8.9	7.9	7.1	6.4	5.8
EV/Sales	1.2	1.2	1.1	1.0	0.9

Source: Arihant Research, Company Filings

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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