BP Wealth | STOXBOX

Result Update

Q4 FY26

JK Cement Ltd.

Institutional Research

JK Cement Ltd.

BP WEALTH

Cement & Cement Products | Q4FY26 Result Update — **26th May, 2026**

Healthy volume growth; margins remain under pressure

JK Cement Ltd. (JKCE) reported an operating revenue of Rs. 3,888 crores (up 12.3% QoQ / up 8.6% YoY). This increase was driven by double-digit volume growth in Grey Cement due to higher demand & extended footprint in the Central Region, including the East Market and better realizations. The company's Grey Cement volume increased 15% QoQ, while its White Cement and Wall Putty volumes rose 8% QoQ during the quarter. Total volumes stood at 6.1 MT, compared to 5.3 MT in Q3FY26. The company reported an EBITDA of Rs. 683 crores (up 22.4% QoQ / down 10.8% YoY). Its EBITDA margin stood at 17.6%, compared to 21.4% in the same quarter of the previous year and 16.1% in the previous quarter. The company's EBITDA/ton stood at Rs. 1,012 during the quarter, compared to Rs. 927 in Q3FY26 and Rs. 1,265 in Q4FY25. The annual decrease was due to industry-wide pricing weakness and sharply higher fuel and other input costs. Freight costs during the quarter stood at Rs. 908 crores (up 10.5% QoQ / up 10.1% YoY). This increase was due to the company pushing higher volumes into newer regions using road transportation. Power and fuel expenses during the quarter stood at Rs. 738 crores (up 12.8% QoQ / up 30.8% YoY). The increase was due to higher production levels amid elevated pet coke, coal, and diesel prices driven by geopolitical disruptions and energy inflation. Other expenses stood at Rs. 660 crores (up 18.6% QoQ / up 12.2% YoY). The increase was due to higher spending on branding, increased packaging costs, and higher variable selling expenses driven by strong volume growth and market expansion. The company's net profit stood at Rs. 331 crores (up 90.6% QoQ / down 8.4% YoY). The company recommended a final dividend of Rs. 20 per share on a face value of Rs. 10 for FY26.

Valuation and Outlook

JK Cement delivered a strong operational quarter, with performance improving meaningfully on a sequential basis despite a challenging industry environment. The company benefited from healthy demand, the successful ramp-up of newly commissioned capacities, and a wider presence across Central and East India, which helped drive strong volume growth. Better realizations and a higher trade mix also supported profitability during the quarter. However, annual performance remained under pressure as the cement industry continued to face weak pricing across several regions, along with elevated input costs. Sharp increases in pet coke, coal, diesel, and logistics expenses weighed on margins, while higher branding and market expansion spends also impacted profitability. Even so, the company managed to improve operational efficiency through better utilization levels and continued focus on cost optimization initiatives such as green power and waste heat recovery. Overall, we remain positive on JK Cement, but the path to margin recovery will depend heavily on how pet coke prices evolve and whether the industry can sustain price hikes heading into the monsoon season. From a long-term perspective, JK Cement appears well-positioned due to its aggressive expansion strategy, strong execution track record, and increasing geographical diversification. The commissioning of new capacities is expected to further strengthen its market presence. Going ahead, the company's performance is likely to benefit from improving utilization of newly added capacities, infrastructure-led cement demand, and gradual normalization of fuel costs.

Key Highlights

Particulars (Rs. Crs.)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
Net Sales	3,888	3,581	8.6%	3,463	12.3%
Gross Profit	3,280	2,972	10.4%	2,849	15.1%
Gross Margin (%)	84.4%	83.0%	-143bps	82.3%	-233bps
EBITDA	683	765	-10.8%	558	22.4%
OPM (%)	17.6%	21.4%	-70bps	16.1%	131bps
Net Profit	331	361	8.4%	174	90.6%
PAT Margin (%)	8.5%	10.1%	-147bps	5.0%	-26bps

Source: Company, BP Equities Research

Sector Outlook	Positive

Stock

CMP (Rs.)	5,325
BSE code	532644
NSE Symbol	JKCEMENT
Bloomberg	JKCE IN
Reuters	JKCE.BO

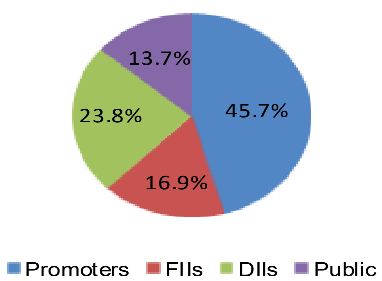
Key Data

Nifty	23,914
52 Week H/L (Rs.)	7,566 / 4,823
O/s Shares (Crs.)	7.7
Market Cap (Rs. Crs.)	42,034
Face Value (Rs.)	10

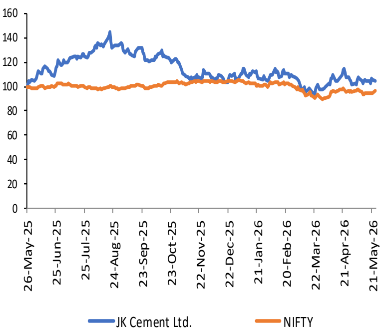
Average Volume

3 months	86,895
6 months	97,261
1 year	116,150

Share Holding (%)



Relative Price Chart



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Key Concall Highlights

Capacity expansion

- The company reported that the greenfield expansion at Buxar in Bihar has been commissioned, making the total commissioned capacity 6 million tons in Central India.
- The company stated that Muddapur's capacity was increased by 1 million tons from 3.5 MT to 4.5 MT and the debottlenecking work has been completed.
- The company said civil construction and erection work for the integrated Jaisalmer plant is progressing well, and main plant orders for the Bikaner grinding unit have been placed.
- The company noted land for the Punjab grinding units has been acquired, and orders for main plant and equipment have been placed.
- The company mentioned a 0.6 million ton wall putty plant at Nathdwara is in advanced stages and is expected to be commissioned by September.
- Management stated that the next phase of expansion could potentially come from the newly acquired limestone block in Telangana.
- Management reiterated confidence in continuing the planned capacity roadmap toward the 2030 targets and said they do not foresee a change in that plan.

"The company indicated that no immediate expansion plans were being considered for Odisha until mining leases are received."

CapEx and project spend

- Management said the project cost for the integrated Jaisalmer unit is expected to be around Rs. 3,630 crores, and that about Rs. 742 crores had been spent up to March.
- The company guided CapEx in the range of approximately Rs. 3,500-4,000 crores for FY27-28 and Rs. 1,500-2,000 crores for the next year.
- Management explained that of the near-term CapEx, roughly Rs. 800-1,000 crores would be for normal and other CapEx and the balance for greenfield expansion commitments.

"The paint business was expected to improve through better gross margins, with management targeting breakeven performance."

Volumes and pricing

- The company said it expects double-digit volume growth for its grey cement business in FY27 and targeted at least ~2.5 MT incremental volumes for the year.
- The company indicated that commissioning of new regional capacity would allow shorter lead distances and improve market presence in certain markets.
- Incremental annual volume guidance was revised from 2 million tons earlier to 2.5 million tons, with management aspiring to reach 3 million tons annually going forward.
- Management said domestic white cement demand will be met from domestic production and that reliance on UAE supply has been replaced by the Gotan plant.
- The company reported it has increased the prices of both white cement and wall putty to pass on higher input and chemical costs.

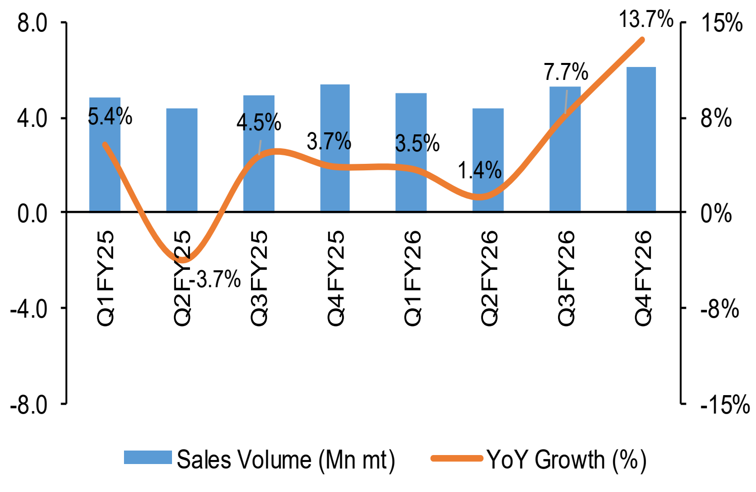
"Management confirmed that certain earlier incentives (Aligarh) have been fully availed, while Rajasthan incentives were impacted because input tax credit on capital investment prevented claiming the scheme immediately."

Cost optimization and energy mix

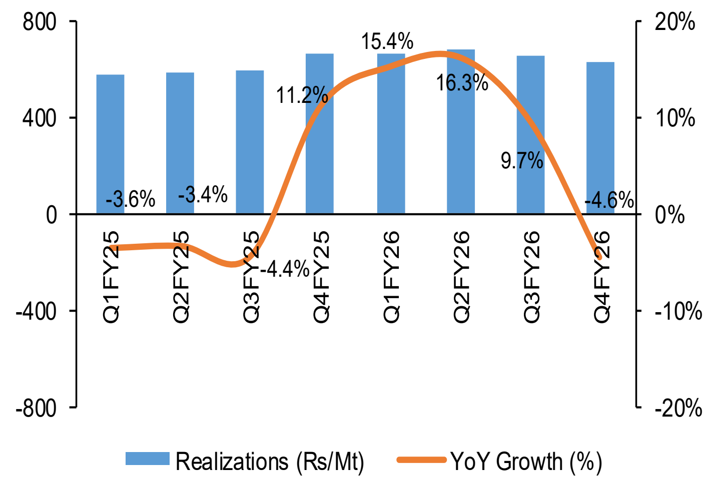
- Management said the company has achieved major cost savings already and expects another Rs. 50/ton benefit this fiscal, driven by greater green power usage and AFR deployment.
- The company reported a Q4 fuel mix of about 50% pet coke, ~12% alternate fuels, and the balance Indian coal in Q4FY26.
- Management indicated a plan to increase green power share, expecting green power closer to ~55% in FY27.
- Management highlighted that around 80 MW of green power projects were already in process and would substantially improve the green power share once commissioned.

Quarterly Snapshot

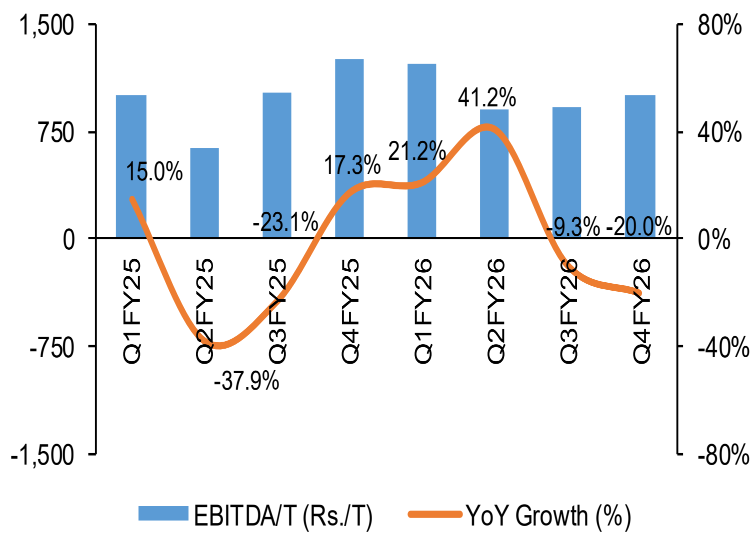
Sales Volume (Mn Mt)



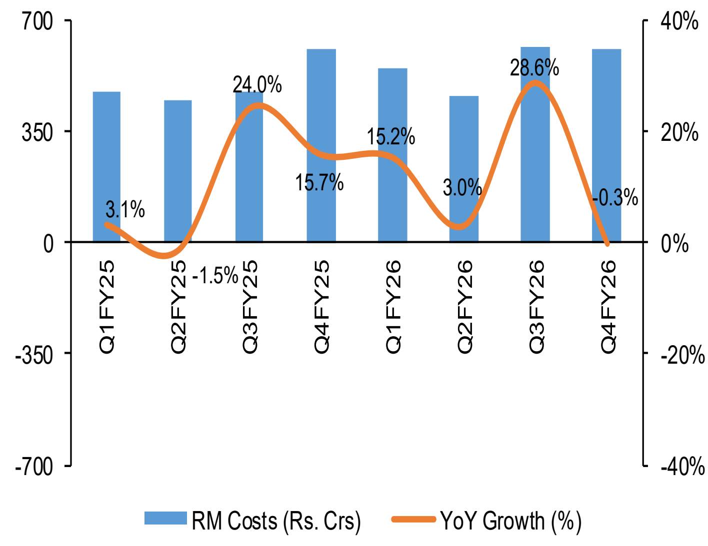
Realizations (Rs./Mt)



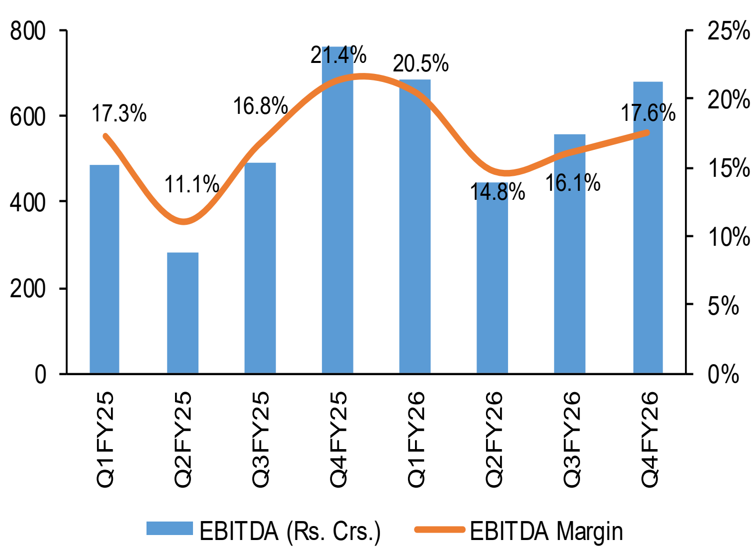
EBITDA/T (Rs./T)



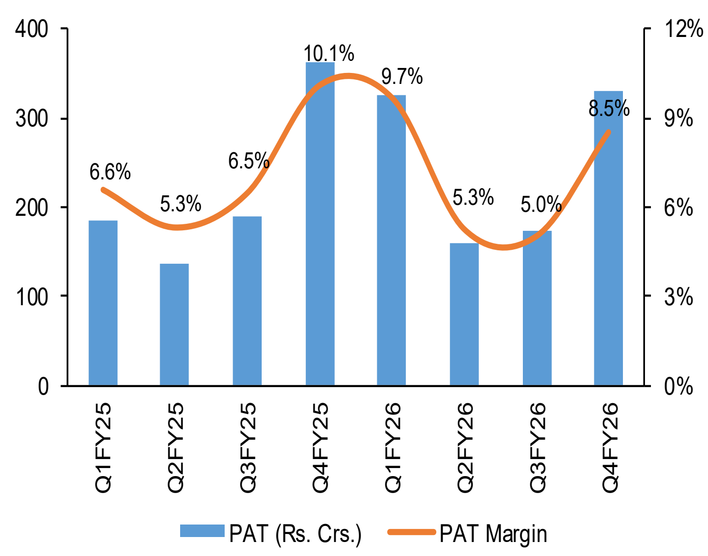
RM Costs (Rs. Crs.)



EBITDA & EBITDA Margin



PAT & PAT Margin



Key Financials						
YE March (Rs. Crs.)	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Revenue	**9,720**	**11,556**	**11,879**	**13,722**	**15,462**	**17,564**
Revenue Growth (Y-o-Y)	*21.6%*	*18.9%*	*2.8%*	*15.5%*	*12.7%*	*13.6%*
EBITDA	**1,327**	**2,069**	**2,027**	**2,374**	**2,854**	**3,502**
EBITDA Growth (Y-o-Y)	*(12.3%)*	*55.9%*	*(2.0%)*	*17.1%*	*20.2%*	*22.7%*
Net Profit	**416**	**790**	**872**	**988**	**1,178**	**1,425**
Net Profit Growth (Y-o-Y)	*(38.7%)*	*89.7%*	*10.4%*	*13.3%*	*19.2%*	*21.0%*
Diluted EPS	**54.8**	**102.4**	**111.4**	**128.4**	**152.4**	**184.3**
Diluted EPS Growth (Y-o-Y)	*(38.4%)*	*86.7%*	*8.9%*	*15.3%*	*18.6%*	*21.0%*
Key Ratios						
EBITDA margin (%)	**13.6%**	**17.9%**	**17.1%**	**17.3%**	**18.5%**	**19.9%**
NPM (%)	4.3%	6.8%	7.3%	7.2%	7.6%	8.1%
RoE (%)	**9.0%**	**14.8%**	**14.4%**	**13.9%**	**14.5%**	**15.3%**
RoCE (%)	9.0%	14.2%	11.9%	13.1%	14.6%	16.3%
Valuation Ratios						
P/E (x)	**97.1x**	**52.0x**	**47.8x**	**41.5x**	**34.9x**	**28.9x**
EV/EBITDA (x)	34.2x	22.0x	22.5x	19.7x	16.5x	13.6x
Market Cap. / Sales (x)	**4.2x**	**3.6x**	**3.5x**	**3.0x**	**2.7x**	**2.3x**

Source: Company, BP Equities Research

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Disclaimer Appendix

Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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