Birla Corporation Ltd.

22nd May 2026 | Close* – ₹1,014.45/- | View – **Hold**

Q4FY26 Performance

- Birla Corporation Limited reported consolidated revenue of ₹2,875crs in Q4FY26, marginally higher by 0.4% YoY compared to ₹2,863crs in Q4FY25. For FY26, consolidated revenue stood at ₹9,773crs, up 5.0% YoY.
- Consolidated cement sales by volume grew 3.8% YoY to 5.45 mt in Q4FY26, the highest-ever quarterly volume, compared to 5.25 mt in Q4FY25. Full-year cement volumes increased 3.5% YoY to a record 18.72 mt, with capacity utilization at 108% in Q4FY26 and 95% for FY26.
- EBITDA for Q4FY26 stood at ₹510crs, down 4% YoY from ₹534crs in Q4FY25, largely due to subdued cement realizations and higher cost pressures. However, FY26 EBITDA increased 19% YoY to ₹1,454crs, reflecting operational efficiencies and cost optimization initiatives.
- Consolidated net profit for Q4FY26 rose 14.8% YoY to ₹295crs, compared to ₹257crs in Q4FY25. FY26 net profit surged 90% YoY, driven by strong cement volumes, improved cost control, and lower finance costs.
- Premium cement accounted for 63% of total trade channel sales in Q4FY26, up from 59% in Q4FY25. For FY26, premium cement contribution stood at 61%, reflecting continued premiumization and strong traction of flagship brands such as Perfect Plus.
- Blended cement formed 87% of total sales in Q4FY26, up from 82% in Q4FY25. For FY26, blended cement contribution increased to 88%, supported by strong demand in Madhya Pradesh and Maharashtra and the company's focus on low-clinker, high-margin products.
- Trade channel sales contributed 79% of volumes in Q4FY26, compared to 73% in Q4FY25. On a full-year basis, trade sales rose to 78% in FY26 from 71% in FY25, aiding margin stability.
- Cement realization per ton in Q4FY26 declined 2.9% YoY to ₹5204, versus ₹5,362 in Q4FY25, reflecting weak industry pricing. For FY26, realizations remained largely flat at ₹5158 per ton.
- EBITDA per ton stood at ₹936 in Q4FY26, down 8% YoY from ₹1,017 in Q4FY25. However, FY26 EBITDA/ton improved 18% YoY to ₹777, driven by higher blended cement share, logistics optimization, and fuel cost control.
- Renewable energy accounted for ~31% of total power consumption in FY26, up from ~25% in FY25. Management indicated that renewable power usage is expected to increase to 37–38% over the next 1–2 years, aided by solar and hybrid power additions.
- Jute Division reported a cash loss of ~₹12crs in Q4FY26, compared to a cash profit of ₹4crs in Q4FY25, impacted by severe raw jute shortages and a sharp rise in raw jute prices. However, FY26 losses narrowed significantly, with negative EBITDA reducing to ₹3crs from ₹6crs in FY25, reflecting cost rationalization and higher exports.

Important Statistics

Nifty	23,654
Sensex	75,183
Close* (₹)	1,014.45
MCap (₹ crs)	7,785.24
52 Week H/L (₹)	1535/770
NSE Code	BIRLACORPN
BSE Code	500335
Bloomberg	BCORP:IN

Close as on 21st May 2026*

Shareholding %	Mar'25	Jun'25	Sep'25	Dec'25	Mar'26
Promoters	62.9	62.9	62.9	62.9	62.9
FII	6.27	7.05	6.7	6.54	6.26
DII	15.6	15.55	15.79	15.49	16.72
Public	15.23	14.5	14.6	15.09	14.12

Financials

Particulars	FY25	FY26	FY27E	FY28E
Revenue	9,214	9,655	10,278	10973
PAT	295	557	607	700
EBITDA margin %	13	15	15	16
EPS (₹)	38	74	76	90
ROE (%)	4.3	7.75	7.6	8.3
ROA (%)	2	3.6	3.9	4.2
P/BV	1.3	1.03	0.96	0.89
EV/EBITDA (x)	7.6	6.7	6.43	6.1

Source: Company, Way2Wealth

Relative Performance

Return (%)	1Yr	3Yr	5Yr
Birla corp	**(30)**	**1.3**	**(22)**
Nifty 50	(5.3)	30	57
Sensex	(8.3)	22	50

Source: Company, Way2Wealth

Key Concall Highlights

- **Capacity Expansion –** Birla Corporation's capacity expansion strategy remains measured and disciplined, focused on sweating existing assets rather than aggressive greenfield additions. The company commissioned Kundanganj Line III (1.4 mtpa) in March 2026, taking group capacity to 21.4 mtpa, which will aid volume growth in core and profitable markets such as Uttar Pradesh. Over the

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medium term, BCL plans to expand capacity to ~27.5 mtpa by FY29, primarily through the Maihar Line-II project and linked grinding units. Management has reiterated its preference for phased expansion, high blended cement share, and premium-led growth, while maintaining prudent leverage during the capex cycle.

- **Volume –** Birla Corporation's volume performance in FY26 was supported by industry-leading capacity utilisation, reflecting strong execution and market positioning. Cement volumes increased 3.8% YoY to 5.45 mt in Q4FY26, the highest ever for a quarter, while FY26 volumes rose 3.5% YoY to a record 18.72 mt. Capacity utilisation remained robust at 108% in Q4FY26 and 95% for the full year, significantly ahead of industry averages, underscoring effective asset sweating. Volume growth was driven by higher trade channel penetration, rising share of blended cement, and strength in core markets. The commissioning of Kundanganj Line III provides incremental headroom while sustaining high utilisation levels.
- **Cement prices –** Cement pricing remained subdued in Q4FY26, reflecting intense competition and industry-wide capacity additions. Birla Corporation's realization per ton declined 2.3% YoY to ₹4,986 in Q4FY26, compared to ₹5,103 in Q4FY25, despite strong demand and record volumes. For the full year, realizations were largely flat at ₹4,869 per ton, indicating limited pricing power amid weak market conditions. Management highlighted those aggressive market-share strategies by larger players and regional oversupply constrained price hikes. However, higher contribution from premium and blended cement, improved trade mix, and cost optimization helped partially offset pricing pressure, supporting EBITDA resilience despite muted realizations.
- **Premium cement Sales** – Birla White and Birla White Putty are premium, brand-led products offering higher margins, stable cash flows, strong pan-India distribution, and diversification away from cyclical grey cement pricing. Company continued strengthening its premiumisation strategy in FY26, with premium cement contributing a higher share to trade volumes. Premium cement accounted for 63% of trade channel sales in Q4FY26, up from 59% in Q4FY25, driven by strong traction in flagship brands such as Perfect Plus and Unique Plus. For the full year, premium cement formed 61% of trade sales, compared to 60% in FY25. Growth was supported by focused brand investments, deeper dealer penetration, and rising acceptance of blended premium products across core markets, helping offset weak pricing through a superior product mix.
- **Jute Vertical** – Birla Corporation's Jute division faced a challenging operating environment in Q4FY26, impacted by severe raw jute shortages and sharp escalation in input prices. The division reported a cash loss of ~₹12crs in Q4FY26, compared to a cash profit of ₹4crs in Q4FY25, as raw jute prices surged and production volumes declined. Quarterly revenue stood at ~₹120crs, down 2% YoY, with domestic sales under pressure, partially offset by 33% YoY growth in exports. Management intensified cost-rationalisation initiatives, improved sourcing discipline, and focused on higher-margin export orders to mitigate volatility and stabilise operations over the medium term.
- **Energy cost –** Energy costs remained largely stable in Q4FY26, with power and fuel cost at ~₹1,003 per ton, broadly flat YoY despite higher pet coke prices. Cost control was supported by operational efficiencies, optimisation of fuel mix, logistics savings, and a rising share of renewable energy at ~31% of total power consumption in FY26. Management highlighted ongoing initiatives in waste heat recovery, solar and hybrid power, and captive coal sourcing, which are expected to partially offset future fuel inflation and support margin stability amid volatile input prices.

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- **Freight cost –** Freight costs remained well controlled in FY26, aided by multiple efficiency measures across logistics and distribution. The company reduced average lead distance to ~337 km from ~360 km, supported by better plant–market alignment and higher utilisation of nearby grinding units. Additional savings came from route optimisation, higher rake utilisation, improved trade mix, and tighter dispatch planning. Despite elevated diesel prices, these initiatives helped deliver a ~2% reduction in trade distribution costs in FY26, supporting margin resilience in a competitive pricing environment.
- **Captive Mine** – Theres progress on captive coal mining, strengthening long-term cost control. The Bikram coal block commenced production in FY26, with output expected at ~0.12 mt in the first year and ramp-up to full capacity of ~0.36 mtpa over the next year, offering meaningful fuel cost savings versus market coal. The Brahampuri coal block is currently not being actively pursued, as actual reserves were found materially lower than initially indicated, and the company is contesting the allocation terms. Meanwhile, the Marki Barka coal block faces regulatory clearances, with operations now expected closer to FY29.
- **Debt** – Birla Corporation ended FY26 with net debt of ~₹2,100crs, maintaining a comfortable leverage position with debt-to-EBITDA well within management's stated comfort range. Net debt is expected to rise over the medium term to ~₹4,000crs at peak, aligned with the ongoing capex cycle, while leverage is guided to remain below 2.5x debt-to-EBITDA.
- **Capex** – Maihar (Madhya Pradesh): Core expansion project with Maihar Line-II, forming the bulk of the ₹4,300–4,750cr capex plan. Includes integrated clinker capacity, WHRS, and renewable integration; key driver of capacity increase to ~27.5 mtpa by FY29.

  Kundanganj (Uttar Pradesh): 1.4 mtpa grinding Line-III commissioned in March 2026; capex largely completed in FY26, enhancing presence in eastern UP with limited incremental spend ahead.

  Linked Grinding Units (UP/Bihar belt): Planned alongside Maihar Line-II to improve market reach and freight efficiency; capex to be incurred over FY27–FY29.

  Existing Plants: Maintenance and efficiency capex only, focused on WHRS optimisation, renewable power, and logistics improvements.
- **Incentive** – BCL booked ~₹95crs of incentives in FY26, of which ~₹48crs were recognised in Q4FY26, primarily relating to the Mukutban plant (Maharashtra). Additionally, ~₹90crs pertained to prior-year incentives recognised during the year. Management indicated that annual incentive inflows could rise to ~₹130crs from FY27, aided by higher eligible volumes from Kundanganj and Mukutban, though timing remains subject to state-level disbursements

Key Risks

- Pricing: Sustained oversupply pressures realizations.
- Leverage: Expansion capex elevates debt risk.
- Costs/Policy: Fuel volatility and incentive uncertainty.

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Key Metrics

Particulars	Q4FY26	Q4FY25	YoY	Q3FY26	QoQ	FY26	FY25	YoY
Sales (by volume) (Mn Tn)	5.45	5.25	4	4.23	29	18.72	18.08	4
Capacity Utilisation	108%	105%	3	87%	21	95%	91%	4
Blended cement	87%	82%	5	87%	0	88%	82%	6
Trade channel	79%	73%	6	78%	1	78%	71%	7
Premium cement	63%	59%	4	63%	0	61%	60%	1

Source – Company, Way2Wealth

View

Birla Corporation stands out as a high-utilisation, premium-focused cement player with disciplined capital allocation. The company delivers industry-leading capacity utilisation (~95%), rising premium and blended cement mix, and improving cost efficiency, which support structurally stronger margins. While near-term cement pricing remains weak and leverage will rise during the capex cycle, the phased expansion to ~27.5 mtpa by FY29, captive coal mining, renewable energy initiatives, and strong execution record provide medium-to-long-term earnings visibility. Hence, the stock is recommended to **Hold** at its current price, trading at 7x FY28E EV/EBITDA.

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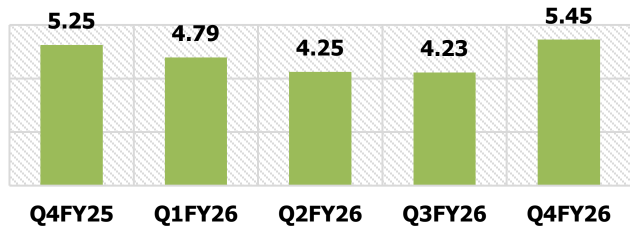
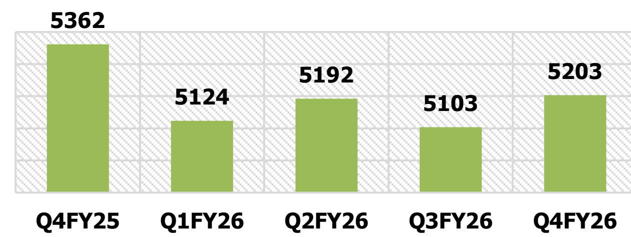
Story in Charts

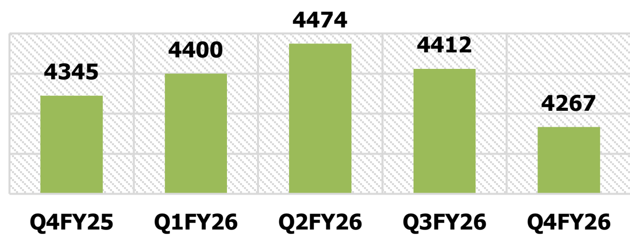
Volumes (MMT)



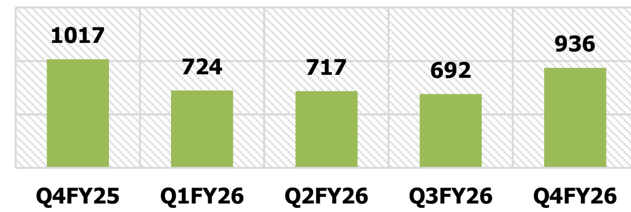
Realisation/tonne



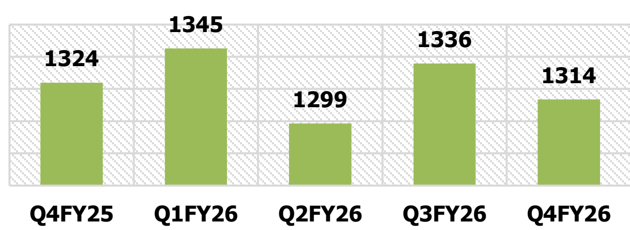
Cost/tonne



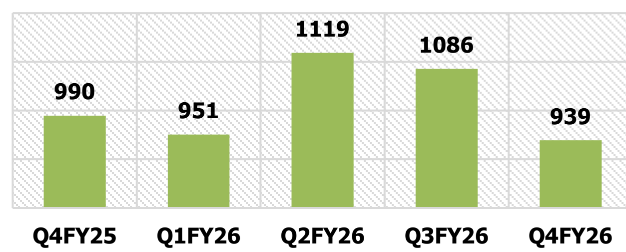
EBITDA/tonne



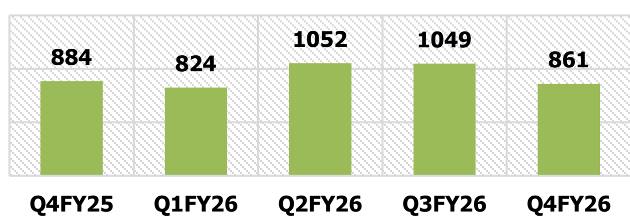
Freight/tonne



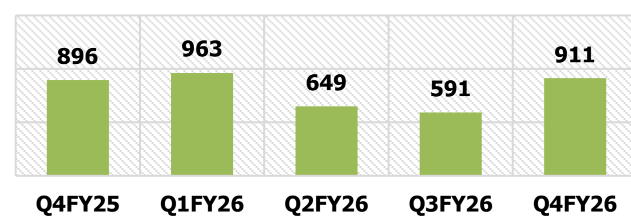
Other expenses/tonne



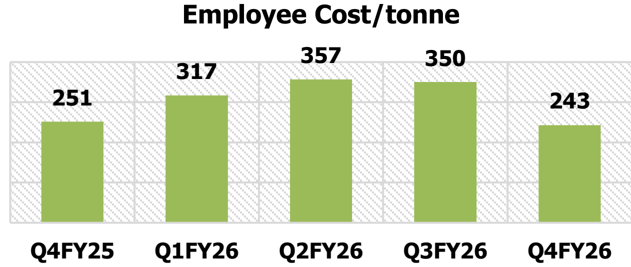
Energy Cost/tonne

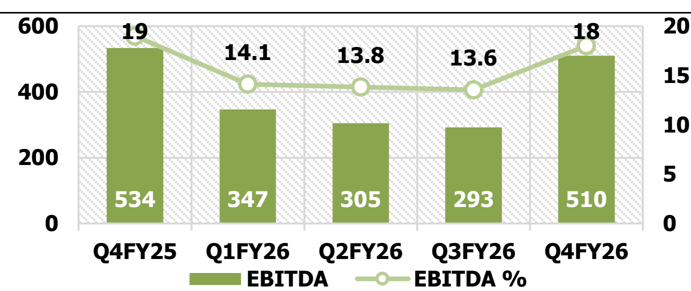


RM/tonne



Employee Cost/tonne





Source – Company, Way2wealth Research

W2W Lighthouse – A Quick Perspective

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Important Ratios

Particulars	Q4FY26	Q4FY25	YoY	Q3FY26	QoQ	FY26	FY25	YoY
Debt Equity Ratio	0.51	0.56	(9)	0.46	11	0.51	0.56	(9)
Debt Service Coverage Ratio	4.54	1.86	144	2.16	110	1.73	1.22	42
Interest Service Coverage Ratio	9.32	7.42	26	4.25	119	5.92	3.9	52
Debenture Redemption Reserve	9	16.51	(45)	9	0	9	16.51	(45)
Net Worth	6,238	5,892	6	6,068	3	6,238	5,892	6
Net Profit/{Loss) After Tax	295	257	15	53	459	558	295	89
Basic and Diluted EPS	38.28	33.32	15	6.85	459	72.41	38.34	89
Current Ratio	1.26	1.09	16	0.99	27	1.26	1.09	16
Long Term Debt to Working Capital	2.35	3.74	(37)	4.99	(53)	2.35	3.74	(37)
Current Liability Ratio	0.37	0.37	0	0.4	(8)	0.37	0.37	0
Total Debts to Total Assets	0.22	0.23	(4)	0.2	10	0.22	0.23	(4)
Debtors Tumover	26.98	24.83	9	17.4	55	29.03	24.09	21
Inventory Tumover	9.76	10.82	(10)	7.99	22	9.19	9.41	(2)
Operating Margin	18.43%	19.29%	(86)	13.65%	478	15.28%	13.40%	188
Net Profit Margin	10.64%	9.27%	137	2.46%	818	5.86%	3.25%	261

Source – Company, Way2wealth Research

Financial Highlights

(₹ crs)

Particulars	Q4FY26	Q4FY25	YoY	Q3FY26	QoQ	FY26	FY25	YoY
Net Sales	2836	2815	1	2159	31	9656	9214	5
Expenses	2326	2281	2	1866	25	8201	7997	3
EBITDA	510	534	(4)	293	74	1454	1217	19
EBITDA %	18.0	19.0	(97) bps	13.6	444 bps	15.1	13.2	185 bps
Other Income	39	48	(19)	19	103	117	98	19
Interest	62	73	(15)	65	(5)	264	327	(19)
Depreciation	134	142	(5)	133	1	532	572	(7)
PBT	353	367	(4)	114	210	782	416	88
Tax	86	72	20	27	218	211	83	155
Adjusted PAT	295	257	15	53	459	571	295	93
EPS (₹)	38.3	33.3	15	6.9	459	74.1	38.3	93

Source: Company, Way2wealth Research

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Disclosure of Interest Statement: Birla Corporation Ltd.as on May 22nd, 2026

Name of the Security	Birla Corporation Ltd.
Name of the analyst	Dhananjay Kansara
Analysts' ownership of any stock related to the information contained Financial Interest Analyst : Analyst's Relative : Yes / No Analyst's Associate/Firm : Yes/No	NIL No No No
Conflict of Interest	No
Receipt of Compensation	No
Way2Wealth ownership of any stock related to the information contained	NIL
Broking relationship with company covered	NIL
Investment Banking relationship with company covered	NIL

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