

NMDC (NMDC IN)

Q4FY26 Result Update

June 02, 2026

 Estimate Change | Target | Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	Accumulate		Accumulate	
Target Price	97		95	
Sales (INR mn)	372	434	366	414
% Chng.	1.6	4.8		
EBITDA (INR mn)	131	137	123	139
% Chng.	6.5	(1.4)		
EPS (INR)	11.5	11.8	10.5	11.8
% Chng.	9.5	-		

Key Data

NMDC.BO | NMDC IN

BSE Code	-
NSE Code	-
52-W High / Low	INR 94 / INR 66
Face Value	1
Sensex / Nifty	74,267 / 23,383
Market Cap	INR 812 bn / \$ 8,548 mn
Shares Outstanding	8791.82 mn
3M Avg. Daily Value	INR 2,199.91 mn

Shareholding Pattern (%)

Promoters	60.79
FIIs	13.60
Mutual Funds	6.71
Domestic Institutions	7.05
Public & Others	11.85
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	2.2	13.0	22.5	29.8
Relative	5.9	23.7	41.3	42.3

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	239	321	372	434
EBITDA (INR mn)	81	93	131	137
Margin (%)	34.1	28.9	35.2	31.5
PAT (INR mn)	65	74	101	104
EV (INR mn)	727	720	707	710
Total Debt (INR mn)	16	21	21	21
C&C Eq. (INR mn)	1	1	14	11
EPS (INR)	7.4	8.4	11.5	11.9
Gr. (%)	(62.2)	13.4	36.6	3.0
DPS (INR)	4.0	4.0	3.9	4.2
Yield (%)	3.6	3.8	4.2	4.6
RoE (%)	23.6	23.3	27.0	23.6
RoCE (%)	31.8	30.4	35.7	31.4
EV/Sales (x)	3.0	2.2	1.9	1.6
EV/EBITDA (x)	8.9	7.8	5.4	5.2
PE (x)	12.4	11.0	8.0	7.8
P/BV (x)	2.7	2.4	2.0	1.7

Stepping up capex; higher pricing to aid in H1

Quick Pointers

- FY27/28E contribution from new mines: Deposit-4 (1mt/2mt) and Deposit-13 (0.5mt/2mt).
- Capex: ~INR60bn in FY27; INR70-100bn p.a. thereafter

NMDC reported inline Q4FY26 performance led by sharp recovery in volumes and higher contribution from NSL trading business. Cons. revenue grew 62% YoY driven by 21% YoY growth in iron ore sales volumes to 15.3mt. NSR remained strong on improved premiums and minor hikes taken during the quarter. NMDC sold higher quantities of HRC to support NSL which is not going to continue. Management maintained FY27E iron ore production guidance at 60mt and reiterated its long-term target of achieving 100mt capacity by 2030, supported by ramp-up of Deposit-4, Deposit-13 and EC extension across existing mines. Capex guidance for FY27 stands at ~INR60bn, while annual capex could rise to INR 70-100bn over the next few years as NMDC would undertake evacuation capex to support mining ramp up.

Mgmt. expects iron ore prices to remain largely range-bound in near term, while maintaining EBITDA margins at 42-43% aided by further reduction in cost of production. Key catalysts to watch out are: 1) ramp-up in production from new mines, 2) commissioning of slurry pipelines and logistics infra which would help save costs and ramp up volumes, 3) completion of doubling of KK rail line by Dec'26, and 4) ability to undertake price hikes amid rising domestic and imported ore availability. We change our EBITDA estimates for FY27/28E by +6.5%/-1.5% on higher near-term pricing and assuming coal mines' volumes. We model in 55.8/62.9mt volumes for FY27/28E and expect NMDC to deliver Revenue/EBITDA/PAT CAGR of 16%/22%/19% respectively. At CMP, the stock is trading at 5.4x/5.2x EV of FY27/28E EBITDA. We maintain 'Accumulate' with a revised TP of INR 97 (earlier INR 95) assigning a higher multiple of 5.5x (earlier 5x) EV of Mar'28E EBITDA due to higher iron ore pricing, focus on higher volumes and diversification into newer businesses with healthy profit margins such as pellets and coal mining.

Other important points:

- Opened deposit 4 under NCL Ltd (NMDC-CMDC JV) and installing infrastructure to commence mining in Jul'26.
- Deposit 13 will start in Q2 post monsoon, expecting 0.5mt in FY27.
- Rest of the incremental FY27 volumes will come from Dep 14 (1mt), NMZ (1mt), Kumaraswamy (3.3mt) and Dep 5 (2mt).

Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	% Var.	Q4'25A	YoY gr. (%)
Net Sales (INR mn)	92	113	23.0	70	61.0
EBITDA (INR mn)	26	26	-	21	24.0
Margin (%)	28.7	23.3	-540 bps	29.3	-600 bps
PAT (INR mn)	21	20	-5.0	15	33.0

Source: Company, PL

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Strong volume recovery drives robust topline growth: Consolidated revenue grew 62% YoY to INR 113.4bn (+49% QoQ; PLe 91.7bn) on strong 21% YoY volume growth on low base quarter affected by employee strike. Iron ore revenue was up 17% YoY to INR 74.55bn while other division (pellet/NSL trading) revenue grew 6x YoY to INR 40.62bn. Iron ore sales volumes were up 21% YoY to 15.29mt while average ore realization was up ~3% QoQ to INR 4,876/t (-3% YoY; better than PLe 4,695) despite price cut taken in Jan'26 before taking minor hikes later during the quarter.

EBITDA aided by higher selling of HRC from NSL: Consolidated EBITDA grew 29% YoY to INR 26.43bn (+23% QoQ; PLe 26.34bn) aided by higher selling of HRC from NSL (~Rs1.11bn EBITDA ex-selling expenses). On cons level, other expenses/t was down 35% YoY to INR 548, while employees cost increased 3% YoY to INR 445/t. Royalty and cess per ton was down 8% YoY to INR 2,116/t (down 10% QoQ). Freight costs per ton was up 19% YoY INR 149 while consumption of stores & spare parts was up 20% YoY at INR 197/t. Blended cons EBITDA/t was up 7% YoY to INR 1,729 (2% QoQ; PLe INR 1,723/t). Ex-NSL trading blended EBITDA/t would have been lower. Consolidated PAT was up 36% YoY to INR 20.17bn (+15% QoQ; PLe INR 20.1bn).

Higher receivables from NSL and RINL remains: Post NMDC Steel demerger, INR 45bn (INR 46.05bn in Q3) is due on account of sale of iron ore and INR 1.51bn (INR 1.52bn in Q3) is due on account of employee services and INR 1.79bn on advance paid for purchase of HR Products as of 4QFY26. An expected credit loss of INR 0.41bn has been recognized based on the time value of money. Mgmt. is confident of recovery from NSL in next 18 months as steel market is buoyant while RINL, being a Navratna PSU and one of the largest customers NMDC is confident of recovery in the course. As of 31st Mar'26, trade receivables from RINL primarily on account of iron ore and pellets supplies amounts to INR 45.86bn. An expected credit loss of INR 1.27bn has been recognized based on the time value of money.

Q4FY26 concall highlights

Operational Performance & Guidance

- FY27E contribution from new mines: Deposit-4 (1mt) and Deposit-13 (0.5mt).
- Incremental production will also come from existing mines including Deposit-14, NMZ, Kumaraswamy and Deposit-5 through debottlenecking and sweating of assets.
- FY27 production is already tracking well, with ~10mt produced in the first two months and May'26 production stood at ~5.3mt.
- Mgmt. reiterated confidence of achieving 100mt+ iron ore capacity by the end of the decade.
- NSL turned profitable; HR coil trading was temporary in Q4FY26, and no trading happened in Q1FY27.

Capacity Expansion & New Mines

- Deposit-4 has been opened, and infrastructure installation is underway, with commercial mining expected from Jul'26, with commercial mining expected from Jul'26. Production is expected to scale from 1mt in FY27E to 2mt in FY28E and eventually reach 7mt peak capacity.
- Deposit-13 is expected to start operations in Q2FY27 post monsoon, with production guidance of 0.5mt in FY27E and 2mt in FY28E. Initial peak rated capacity is 10mt+.
- Kirandul capacity to increase from 21mt to 30mt; Bachelu from 18-19mt to 35mt; Deposit-5 targeted to expand from 12mt to 20mt over time.
- Current EC capacity stands at 64.8mt while CTO is 55.4mt. NMDC has applied for CTO enhancement to 58.8mt.

Capex & Growth Investments

- FY26 capex stood at INR33bn while FY27E capex guidance is ~INR50-60bn. Annual capex is expected at INR70-100bn over the next few years as NMDC ramps up capacity towards 100mt.
- Major tenders worth INR150-200bn are expected to be awarded in FY27.
- Mgmt. indicated most capex would be funded through internal accruals and would explore the option of debt only in the case of large-scale global acquisition.

Coal & Critical Minerals

- NMDC has opened the Tokisud thermal coal mine in Jharkhand and expects coal extraction to begin in Q2FY27.
- FY27E production guidance is 0.75-1mt with peak capacity of 2.3mt. Initial coal sales will largely happen through auctions. Revenue potential from the same would be INR 5-6bn/mt with EBITDA margins of 30-40%.
- The Rohne coking coal mine is expected to commence by Q3FY27 end subject to regulatory approvals, with peak capacity of 8mt.
- NMDC is actively evaluating overseas critical mineral and rare earth assets, with some acquisitions likely to close in FY27. Mgmt. indicated an additional INR 20-30bn capex towards overseas acquisitions, largely funded through internal accruals.
- The company has also signed an MoU with GMDC for RRE opportunities.

Logistics, Pellet & Value-added Products

- The 15mt slurry pipeline from Bachel to Nagarnar is mechanically complete and currently under pre-commissioning trials, with commissioning expected by June/July'26.
- NMDC is also developing a INR 30bn blending yard at Vizag to launch branded iron ore with consistent specifications. This differentiated offering should help gain premium pricing.
- At KIOCL, pellet production to increase from 2.4-2.6mt in FY26 to 3-3.3mt in FY27E. The company is also targeting DR-grade pellets with 67% Fe content, which could command \$ 20-30/t premium.

NMDC Steel, Margins & Outlook

- For FY27E, mgmt. guided for EBITDA margins of 42-43% with iron ore and steel prices expected to remain largely range bound.
- CoP at Bailadila has already reduced from INR 1,000 - 800/t, with further efficiency improvements expected.
- NMDC intends to fund most capex through internal accruals; debt may only be considered for large overseas acquisitions.

Exhibit 1 : Target price calculation

	Mar'28 basis
EBITDA (INR mn)	136,851
Target EBITDA multiple (x)	5.5
Target EV (INR mn)	752,681
Net Debt (INR mn)	-101,626
Residual Market Cap (INR mn)	854,307
Target price (INR)	97

Source: PL

Exhibit 2 : Consolidated Q4FY26 Financial Performance (INR bn)

Y/e March	Q4FY26	Q4FY25	YoY gr. (%)	Q4FY26E	% Var.	Q3FY26	QoQ gr. (%)	FY26	FY25	YoY gr. (%)
Revenue from Operations	113.4	70.0	61.9	91.7	23.7	76.1	49.0	320.7	239.1	34.2
Raw Material	37.2	2.8	NA	6.9	437.2	7.4	399.8	54.9	10.3	432.9
% of Net Sales	32.8	4.0		7.5		9.8		17.1	4.3	
Employee benefit expense	6.8	5.5	24.3	6.1	11.0	4.5	52.8	19.4	18.0	8.1
% of Net Sales	6.0	7.8		6.7		5.8		6.0	7.5	
Royalty & other levies	32.3	29.0	11.4	36.4	(11.0)	29.9	8.2	110.8	97.1	14.1
% of Net Sales	28.5	41.5		39.6		39.3		34.6	40.6	
Freight & Selling Expenses	2.3	1.6	43.4	2.5	(10.4)	2.2	1.5	7.4	5.4	37.1
% of Net Sales	2.0	2.3		2.8		3.0		2.3	2.3	
Other Expenses	8.4	10.6	(21.0)	13.4	(37.6)	10.6	(21.1)	35.6	26.8	32.7
% of Net Sales	7.4	15.1		14.7		14.0		11.1	11.2	
Total Expenditure	87.00	49.5	75.6	65.4	33.0	54.7	59.1	228.1	157.6	44.8
EBITDA	26.4	20.5	28.9	26.3	0.4	21.4	23.3	92.6	81.5	13.6
Margin (%)	23.3	29.3		28.7		28.2		28.9	34.1	
Depreciation	1.5	1.4	7.6	0.4	305.4	1.1	41.7	4.8	4.2	13.5
Other Income	4.3	4.9	(12)	3.1	40	3.7	16.0	14.9	15.9	(7)
EBIT	29.2	24.0	21.7	29.1	0.6	24.1	21.3	102.7	93.2	10.2
Finance Costs	0.5	0.6	(20.8)	-		0.3	47.1	1.2	1.8	(31.8)
PBT	28.7	23.4	22.9	29.1	(1.2)	23.7	21.0	101.5	91.4	11.0
Exceptional items	-	-	NA	-		-	NA	-	-	NA
PBT (After EO)	28.7	23.4	22.9	29.1	(1.2)	23.7	21.0	101.5	91.4	11.0
Tax Expense	8.6	8.5	0.1	8.1	5.1	6.3	36.2	27.3	26.0	5.0
% PBT	29.8	36.6		28.0		26.4		26.9	28.5	
Reported PAT	20.2	14.8	36.0	20.9	(3.6)	17.5	15.5	74.2	65.4	13.4
Adjusted PAT	20.2	14.8	36.0	20.9	(3.6)	17.5	15.5	74.2	65.4	13.4

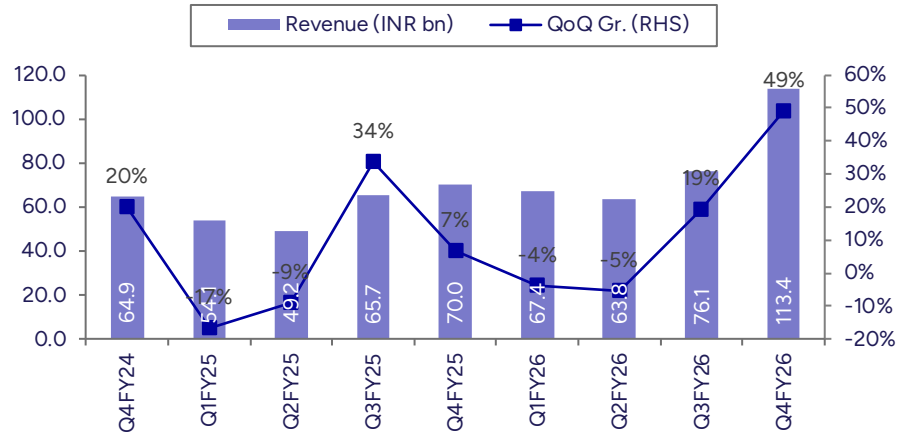
Source: Company, PL

Exhibit 3 : Operating matrix

Particulars	Q4FY26	Q4FY25	YoY gr. (%)	Q4FY26E	% Var.	Q3FY26	QoQ gr. (%)	FY26	FY25	YoY gr. (%)
Sales Volume (mt)	15.29	12.67	20.7	15.3	-	12.7	20.4	50.2	44.4	13.1
Realization (Rs)	4,876	5,012	(2.7)	4,695	3.9	4,742	2.8	4,979	5,149	(3.3)
EBITDA/ton (Rs)	1,729	1,619	6.8	1,723	0.4	1,688	2.4	1,843	1,834	0.5

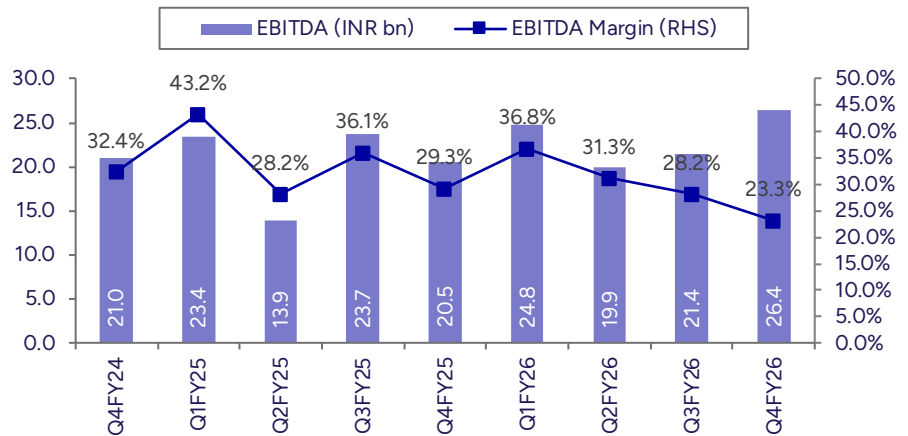
Source: Company, PL

Exhibit 4 : Cons revenue grew 62% YoY on 21% YoY volume growth and higher HRC selling



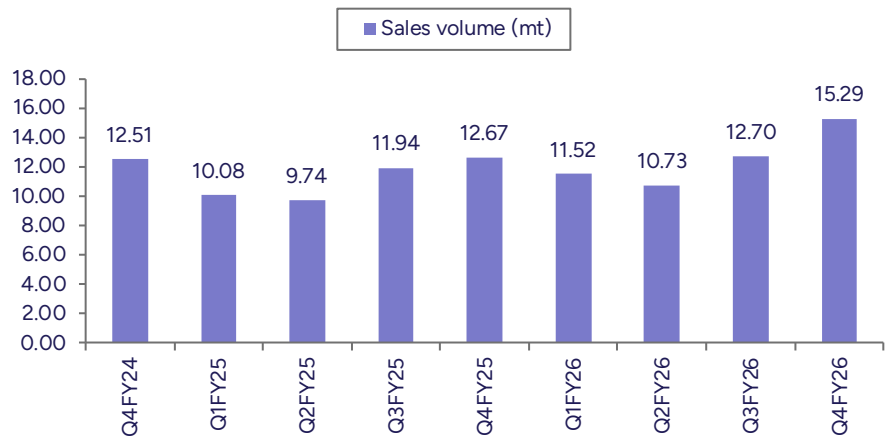
Source: Company, PL

Exhibit 5 : Cons EBITDA grew 29% YoY on lower other expenses but margins declined due to HRC



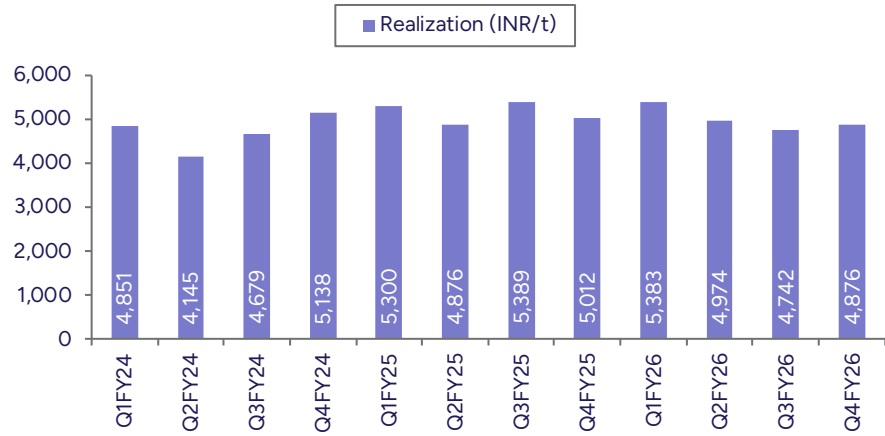
Source: Company, PL

Exhibit 6 : Volumes were up 21% YoY



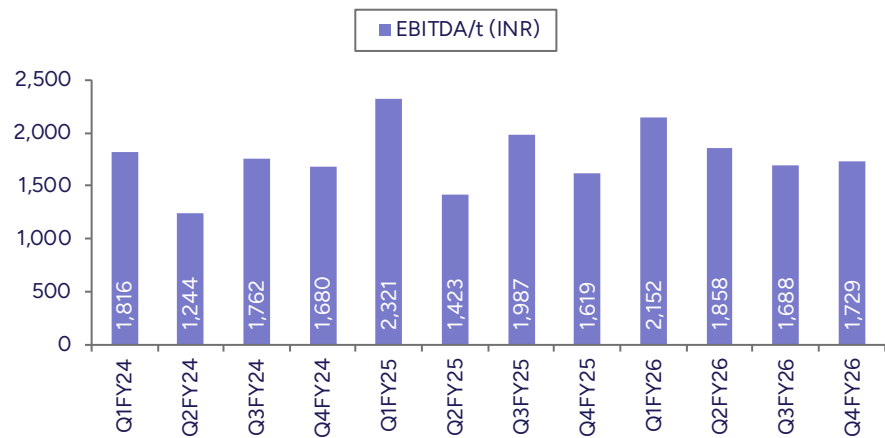
Source: Company, PL

Exhibit 7 : Realization was up ~3% QoQ due to taking minor hikes taken during the quarter



Source: Company, PL

Exhibit 8 : Blended EBITDA/t up 7% YoY on higher volumes



Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	239	321	372	434
YoY gr. (%)	12.2	34.2	16.1	16.7
Cost of Goods Sold	3	45	31	51
Gross Profit	236	275	341	384
Margin (%)	98.8	85.8	91.6	88.3
Employee Cost	18	19	21	23
Other Expenses	137	163	189	224
EBITDA	81	93	131	137
YoY gr. (%)	11.7	13.6	41.6	4.4
Margin (%)	34.1	28.9	35.2	31.5
Depreciation and Amortization	4	5	6	9
EBIT	77	88	125	127
Margin (%)	32.3	27.4	33.6	29.3
Net Interest	2	1	1	1
Other Income	16	15	16	18
Profit Before Tax	91	101	140	144
Margin (%)	38.3	31.6	37.5	33.1
Total Tax	26	27	38	40
Effective Tax Rate (%)	28.5	26.9	28.0	28.0
Profit After Tax	65	74	101	104
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	65	74	101	104
YoY gr. (%)	13.3	13.4	36.6	3.0
Margin (%)	27.4	23.1	27.2	24.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	65	74	101	104
YoY gr. (%)	17.4	13.4	36.6	3.0
Margin (%)	27.4	23.1	27.2	24.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	65	74	101	104
Equity Shares O/s (mn)	9	9	9	9
EPS (INR)	7.4	8.4	11.5	11.9

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	74	87	137	217
Tangibles	74	87	137	217
Intangibles	-	-	-	-
Acc: Dep / Amortization	23	28	34	44
Tangibles	23	28	34	44
Intangibles	-	-	-	-
Net Fixed Assets	50	59	103	173
Tangibles	50	59	103	173
Intangibles	-	-	-	-
Capital Work In Progress	47	67	77	77
Goodwill	-	-	-	-
Non-Current Investments	10	14	14	14
Net Deferred Tax Assets	3	2	2	2
Other Non-Current Assets	66	47	47	47
Current Assets				
Investments	-	-	-	-
Inventories	26	25	29	34
Trade Receivables	77	92	107	125
Cash & Bank Balance	101	114	127	123
Other Current Assets	-	-	-	-
Total Assets	407	481	567	656
Equity				
Equity Share Capital	9	9	9	9
Other Equity	288	332	399	466
Total Network	297	341	408	475
Non-Current Liabilities				
Long Term Borrowings	16	21	21	21
Provisions	-	-	-	-
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade Payables	93	115	134	156
Other Current Liabilities	4	6	6	6
Total Equity & Liabilities	407	481	567	656

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	91	101	140	144
Add. Depreciation	4	5	6	9
Add. Interest	2	1	1	1
Less Financial Other Income	16	15	16	18
Add. Other	(16)	(15)	(16)	(18)
Op. Profit before WC Changes	81	93	131	137
Net Changes-WC	(33)	(6)	-	-
Direct Tax	(26)	(27)	(38)	(40)
Net Cash from Op. Activities	23	59	92	97
Capital Expenditures	(15)	(20)	(60)	(80)
Interest / Dividend Income	16	15	16	18
Others	-	-	-	-
Net Cash from Invst. Activities	1	(5)	(44)	(62)
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	-	-	-	-
Dividend Paid	(29)	(31)	(34)	(37)
Interest Paid	(2)	(1)	(1)	(1)
Others	-	-	-	-
Net Cash from Fin. Activities	(31)	(32)	(35)	(39)
Net Change in Cash	(7)	22	13	(4)
Free Cash Flow	8	39	32	17

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Net Revenues	67	64	76	113
YoY gr. (%)	24.5	29.7	15.9	61.9
Raw Material Expenses	3	8	7	37
Gross Profit	65	56	69	76
Margin (%)	96.0	88.2	90.2	67.2
EBITDA	25	20	21	26
YoY gr. (%)	5.9	43.9	(9.6)	28.9
Margin (%)	36.8	31.3	28.2	23.3
Depreciation / Depletion	1	1	1	2
EBIT	24	19	20	25
Margin (%)	35.2	29.5	26.8	22.0
Net Interest	-	-	-	1
Other Income	3	4	4	4
Profit before Tax	26	23	24	29
Margin (%)	39.2	35.4	31.2	25.3
Total Tax	7	6	6	9
Effective Tax Rate (%)	25.6	25.5	26.4	29.8
Profit After Tax	20	17	17	20
Minority Interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	20	17	17	20
YoY gr. (%)	0.2	40.7	(7.9)	36.0
Margin (%)	29.2	26.4	23.0	17.8
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	20	17	17	20
YoY gr. (%)	0.2	40.7	(7.9)	36.0
Margin (%)	29.2	26.4	23.0	17.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	20	17	17	20
Avg. Shares O/s (mn)	4	4	4	4
EPS (INR)	5.0	4.2	4.4	5.1

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	7.4	8.4	11.5	11.9
CEPS	7.9	9.0	12.2	12.9
BVPS	33.8	38.8	46.4	54.1
FCF	0.9	4.4	3.7	1.9
DPS	4.0	4.0	3.9	4.2
Return Ratio (%)				
RoCE	31.8	30.4	35.7	31.4
ROIC	28.8	28.7	33.8	27.2
RoE	23.6	23.3	27.0	23.6
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	17	2	2	2
Valuation (x)				
PER	12.4	10.9	8.0	7.7
P/B	2.7	2.3	1.9	1.7
P/CEPS	11.6	10.2	7.5	7.1
EV/EBITDA	8.9	7.7	5.3	5.1
EV/Sales	3.0	2.2	1.8	1.6
Dividend Yield (%)	3.5	3.7	4.1	4.5
FCFF Yield (%)	0.9	4.7	3.9	2.0
PEG Ratio	-	0.8	0.2	2.5

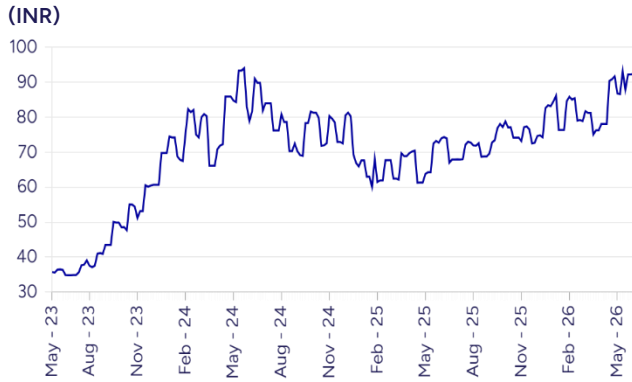
Source: Company, PL

Key Operating Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales volume (mt)	44	50	56	63
Realization/t (INR)	5,380	4,979	5,265	5,609
Blended EBITDA/t (INR)	1,834	1,843	2,349	2,175

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	09-Apr-26	Accumulate	95	84
2	04-Feb-26	Hold	87	86
3	09-Jan-26	Accumulate	91	82
4	30-Oct-25	Accumulate	86	77
5	08-Oct-25	Accumulate	87	76
6	13-Aug-25	Accumulate	80	73
7	08-Jul-25	Accumulate	73	68
8	29-May-25	Accumulate	75	71
9	23-Apr-25	Accumulate	69	68
10	08-Apr-25	Accumulate	69	61

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ACC	BUY	2188	1411
2	Adani Port & SEZ	BUY	1879	1657
3	Ambuja Cement	BUY	524	445
4	Dalmia Bharat	BUY	2235	1796
5	Hindalco Industries	HOLD	1126	1109
6	Jindal Stainless	Accumulate	821	779
7	Jindal Steel	Accumulate	1289	1223
8	JK Cement	Accumulate	6101	5442
9	JK Lakshmi Cement	BUY	765	620
10	JSW Cement	Accumulate	142	127
11	JSW Infrastructure	Buy	342	284
12	JSW Steel	Accumulate	1381	1297
13	National Aluminium Co.	Hold	413	399
14	NMDC	Accumulate	95	84
15	Nuvoco Vistas Corporation	Buy	474	305
16	Shree Cement	Accumulate	27907	24975
17	Steel Authority of India	Accumulate	209	192
18	Tata Steel	Accumulate	247	217
19	Ultratech Cement	BUY	13835	12010

PL's Recommendation Nomenclature (Absolute Performance)

- BUY** : > 15%
- Accumulate** : 5% to 15%
- Hold** : +5% to -5%
- Reduce** : -5% to -15%
- Sell** : < -15%
- Not Rated (NR)** : No specific call on the stock
- Under Review (UR)** : Rating likely to change shortly

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