

Q3FY26 Metal Ancillaries Preview

Weak pricing; converter business preferred

With a strong steel production growth of 10% yoy in Dec'25 quarter, we expect a resilient quarter for our metal ancillary pack, supported by reasonable demand and steady spreads. We expect strong volume growth for several names in our coverage. However, adverse pricing (yoy basis) and meaningful shutdowns has led to adverse impact on revenue growth for players like Godawari Power & Ispat (GPIL) and Kirloskar Ferrous Industries (KFIL). Flat steel and its supply chain products have also witnessed price corrections. However, we expect benefits on gross margins for the steel pack due to a much steeper correction in iron ore and coal price. The refractory pack is expected to report resilient performance due to strong steel production growth, price hikes & RM cost reduction, partly offset by pressure of rupee depreciation. Pure play on stainless steel pipes like Venus & Scoda tubes are expected to report strong growth backed by tailwinds in demand. We prefer Vesuvius, Scoda and Venus in our coverage with a buy on dips for KFIL and GPIL.

- **RHI Magnesita India:** We have factored a 10% yoy growth in consol. revenues in-line with the crude steel production growth in India. We expect higher growth for the erstwhile RHI entities and Hi-tech while Dalmia OCL is expected to grow below the steel production growth. We also expect the impact of low absolute Alumina cost (\$ terms) to be offset by adverse forex movement in this quarter leading us to consol. margins of 11.4%, -93bps yoy.
- **IFGL Refractories:** We have factored a 20% yoy growth in consol. revenues at Rs4.5bn, largely driven by a 10% growth in the standalone business and a very high growth in the overseas entities on a very low base. This is driven by increasing penetration in the domestic market and a yoy improving performance in overseas subsidiaries in Europe and America. Margins are expected to improve due to price hikes in the America business and European entities turning breakeven. Signs for improvement in performance of overseas subsidiaries will be a key monitorable.
- **Vesuvius India:** We expect 13% yoy growth in revenues mainly led by strong demand for flow control refractories, price hikes and ramp up of new capacities of Mould flux powder, Basic and Alumina monolithics. Margins are expected to largely remain stable at 17.1%.
- **Ratnamani Metals & Tubes:** We expect a 14.2% yoy decline in consol. revenues, driven by a slowdown in dispatches in pipes business. Ravi Technoforge and Finow Spoolings are expected to report strong growth, providing meaningful boost to the topline. Margins are expected to remain within the guided range. Order inflows in the CS pipe segment will be a key monitorable.
- **Venus Pipes & Tubes:** We expect ~27% yoy growth in revenues driven by strong order execution, and improving domestic demand from power, engineering and railways. Despite global headwinds, exports would continue to display resilience. Margins are expected to stay at the same levels of 16-17% due to high employee cost and other expenses.
- **Scoda Tubes:** We expect ~14% QoQ revenue growth, led by the initial ramp-up of the newly commissioned seamless capacity, which began commercial production in November while the existing seamless business remains stable, supported by export orders and power-sector demand. EBITDA margin is expected to remain within the guided 15-16% band, as operating leverage from incremental volumes is offset by ramp-up costs.
- **Kirloskar Ferrous Industries Ltd.:** We expect substantial improvement in casting sales volumes (led by improved demand from tractor and start of volumes at Oliver engg. and Solapur phase 2 foundry) and seamless tubes to drive the revenue in 3QFY26, more than offset by decline in realisations and a loss in production of pig iron & tubes due to shutdown of the Hiriyur blast furnace and the Baramati plant. This has resulted into a 6% yoy decline in consol. revenues. Benefits of yoy drop in coking coal, iron ore and scrap cost along with savings from PCI and captive iron ore is expected to result in improved gross margins translating into EBITDA margins of 12.6%. The sustenance of tractor demand, order book for seamless tubes along with direction on pig iron spreads will be key monitorable in KFIL.
- **Godawari Power & Ispat:** We expect 11% yoy decline in consol. revenue, impacted by volume decline due to accident at the pellet plant and correction in long steel pricing. Correction in iron ore, thermal, and coking coal cost should help in maintaining the spreads, which along with higher proportion of pellet revenues should lead to resilient margins of 19.2%. Progress on EC for mining and other capex will be key monitorable.
- **Steelcast:** We expect a soft yoy revenue growth of 7% for Steelcast driven by tariff-led demand disruption in the US (~30% of sales) and moderation in customer offtake amid geopolitical uncertainty. Margins are expected to normalise in the sustainable 25-26% range, as Q2FY26 benefited from one-off input and forex gains.

RHI Magnesita India (Rating: BUY)

CMP/TP (Rs)	483/550
Upside	14%

IFGL Refractories (Rating: BUY)

CMP/TP (Rs)	206/280
Upside	36%

Vesuvius India (Rating: BUY)

CMP/TP (Rs)	470/615
Upside	31%

Ratnamani Metals & Tubes (Rating: Accumulate)

CMP/TP (Rs)	2273/2710
Upside	19%

Venus Pipes & Tubes (Rating: BUY)

CMP/TP (Rs)	1176/2040
Upside	73%

Scoda Tubes (Rating: BUY)

CMP/TP (Rs)	161/240
Upside	49%

Kirloskar Ferrous Industries (Rating: BUY)

CMP/TP (Rs)	485/620
Upside	28%

Godawari Power & Ispat (Rating: Hold)

CMP/TP (Rs)	275/265
Upside	-4%

Steelcast (Rating: Hold)

CMP/TP (Rs)	210/215
Upside	2%

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Company	Market Cap (Rs mn)	CMP (Rs)	EPS (Rs)			P/E (x)			EV/EBITDA (x)		
			FY25A	FY26E	FY27E	FY25A	FY26E	FY27E	FY25A	FY26E	FY27E
RHI Magnesita India	99,833	484	9.8	10.1	15.6	57.7	48.0	31.0	24.7	19.4	14.9
IFGL Refractories	14,848	206	6.0	8.5	18.8	32.3	24.3	11.0	11.1	9.4	6.8
Vesuvius India	95,319	470	1.2	1.3	1.5	32.9	36.8	31.2	22.2	24.4	19.6
Ratnamani Metals & Tubes	1,59,319	2,273	76.9	83.3	88.7	34.9	27.3	25.6	22.5	17.0	15.3
Venus Pipes & Tubes	24,027	1,176	45.5	52.6	70.0	40.7	22.4	16.8	23.6	13.4	10.7
Scoda Tubes	9,648	161	7.2	8.4	10.6	-	19.2	15.2	-	11.0	8.8
Kirloskar Ferrous Industries	79,841	485	17.9	22.8	31.9	35.6	21.2	15.2	15.4	10.3	8.2
Godawari Power & Ispat	1,74,431	275	13.2	15.9	21.1	14.6	17.3	13.1	9.6	11.2	8.4
Steelcast Ltd	21,287	210	7.1	7.5	9.4	26.2	27.9	22.4	17.4	18.1	14.7

Source: Company, MNCL Research Estimates

Financials and Quarterly Estimates

Exhibit 3: Consolidated Financials

Company	Revenue (Rs mn)			EBITDA (Rs mn)			PAT (Rs mn)			ROE (%)		
	FY25A	FY26E	FY27E	FY25A	FY26E	FY27E	FY25A	FY26E	FY27E	FY25A	FY26E	FY27E
RHI Magnesita India	36,745	41,189	45,774	4,791	5,167	6,566	2,025	2,082	3,219	5.2%	5.1%	7.5%
IFGL Refractories	16,530	19,047	21,323	1,286	1,697	2,426	430	611	1,355	3.9%	5.4%	11.3%
Vesuvius India	18,686	21,343	25,184	3,474	3,721	4,544	2,495	2,588	3,060	19.0%	18.3%	20.1%
Ratnamani Metals & Tubes	51,865	52,536	57,692	8,235	9,049	9,962	5,392	5,841	6,217	15.9%	15.1%	14.2%
Venus Pipes & Tubes	9,585	11,892	14,514	1,676	1,946	2,403	929	1,075	1,430	17.5%	16.9%	18.5%
Scoda Tubes	4,849	5,849	7,261	781	884	1,110	317	504	634	21.1%	12.0%	13.3%
Kirloskar Ferrous Industries	65,642	73,152	84,064	7,562	8,995	11,215	2,940	3,758	5,245	8.6%	10.1%	12.7%
Godawari Power & Ispat	53,757	57,069	71,434	11,937	15,046	20,576	8,110	10,067	13,343	16.4%	16.7%	17.5%
Steelcast Ltd	3,762	4,311	5,208	1,061	1,139	1,388	722	763	949	22.2%	19.7%	20.5%

Source: Company, MNCL Research estimates

Exhibit 4: Quarterly Estimates

RHI Magnesita India

Particulars	Q3FY26E	Q3FY25	yoy %	Q2FY26	qoq %
Revenues (Rs mn)	11,118	10,107	10%	10,354	7%
EBITDA (Rs mn)	1,273	1,251	2%	1,094	16%
PAT (Rs mn)	563	475	18%	383	47%
EBITDA margin (%)	11.4%	12.4%	(93)bps	10.6%	88 bps
PAT margin (%)	5.1%	4.7%	36 bps	3.7%	136 bps

IFGL Refractories

Particulars	Q3FY26E	Q3FY25	yoy %	Q2FY26	qoq %
Revenues (Rs mn)	4,546	3,788	20%	4,886	-7%
EBITDA (Rs mn)	356	167	113%	380	-6%
PAT (Rs mn)	106	-22	NM	127	NM
EBITDA margin (%)	7.8%	4.4%	342 bps	7.8%	5 bps
PAT margin (%)	2.3%	-0.6%	290 bps	2.6%	(28)bps

Vesuvius India

Particulars	4QCY25E	4QCY24	yoy %	3QCY25	qoq %
Revenues (Rs mn)	5,748	5,086	13%	5,470	5%
EBITDA (Rs mn)	985	819	20%	924	7%
PAT (Rs mn)	668	599	11%	615	8%
EBITDA margin (%)	17.1%	16.1%	104 bps	16.9%	26 bps
PAT margin (%)	11.6%	11.8%	(17)bps	11.2%	37 bps

Source: Company, MNCL Research estimates

Ratnamani metals

Particulars	Q3FY26E	Q3FY25	yoy %	Q2FY26	qoq %
Revenues (Rs mn)	11,297	13,163	-14%	11,917	-5%
EBITDA (Rs mn)	1,887	2,038	-7%	2,112	-11%
PAT (Rs mn)	1,130	1,313	-14%	1,362	-17%
EBITDA margin (%)	16.7%	15.5%	121 bps	17.7%	(103)bps
PAT margin (%)	10.0%	10.0%	2 bps	11.4%	(143)bps

Venus Pipes

Particulars	3QFY26E	3QFY25	yoy %	2QFY26	qoq %
Revenues (Rs mn)	2,938	2,313	27%	2,915	1%
EBITDA (Rs mn)	482	371	30%	475	1%
PAT (Rs mn)	260	180	45%	261	0%
EBITDA margin (%)	16.4%	16.0%	36 bps	16.3%	10 bps
PAT margin (%)	8.9%	7.8%	108 bps	8.9%	(10)bps

Scoda Tubes

Particulars	Q3FY26E	Q3FY25	yoy %	Q2FY26	qoq %
Revenues (Rs mn)	1,650	NA	NA	1,453	14%
EBITDA (Rs mn)	254	NA	NA	223	14%
PAT (Rs mn)	158	NA	NA	140	13%
EBITDA margin (%)	15.4%	NA	NA	15.4%	3 bps
PAT margin (%)	9.6%	NA	NA	9.6%	(1)bps

Kirloskar Ferrous Industries Ltd.

Particulars	Q3FY26E	Q3FY25	yoy %	Q2FY26	qoq %
Revenues (Rs mn)	15,140	16,076	-6%	17,553	-14%
EBITDA (Rs mn)	1907	1738	10%	2144	-11%
PAT (Rs mn)	714	543	32%	863	-17%
EBITDA margin (%)	12.6%	10.8%	179 bps	12.2%	38 bps
PAT margin (%)	4.7%	3.4%	134 bps	4.9%	(20)bps

Godawari Power & Ispat

Particulars	3QFY26E	3QFY25	yoy %	2QFY26	qoq %
Revenues (Rs mn)	11,498	12,976	-11%	13,077	-12%
EBITDA (Rs mn)	2203	2212	0%	2601	-15%
PAT (Rs mn)	1474	1448	2%	1617	-9%
EBITDA margin (%)	19.2%	17.0%	211 bps	19.9%	(74)bps
PAT margin (%)	12.8%	11.2%	166 bps	12.4%	45 bps

Steelcast Ltd.

Particulars	Q3FY26E	3QFY25	yoy %	2QFY26	qoq %
Revenues (Rs mn)	1,094	1,018	7%	1,067	3%
EBITDA (Rs mn)	283	283	0%	302	-6%
PAT (Rs mn)	211	192	10%	233	-9%
EBITDA margin (%)	25.9%	27.8%	(196)bps	28.3%	(246)bps
PAT margin (%)	19.3%	18.9%	44 bps	21.8%	(249)bps

Source: Company, MNCL Research estimates

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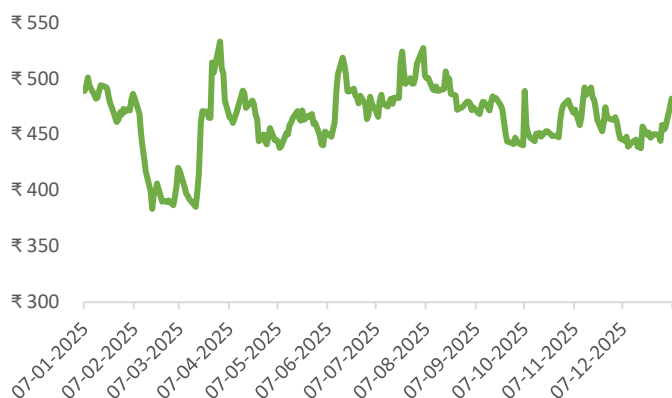
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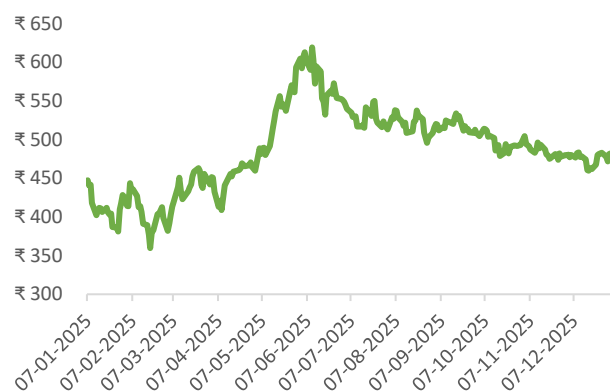
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RHIM share price chart



Vesuvius India share price chart



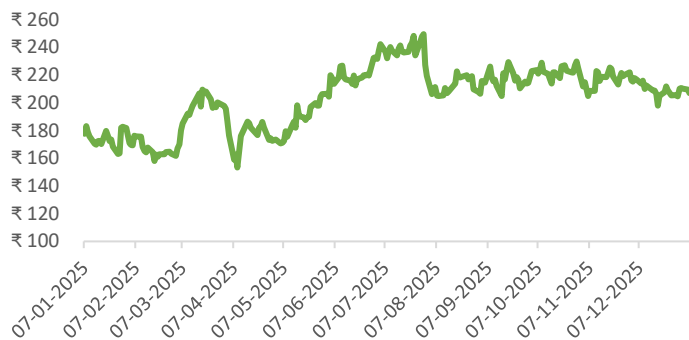
IFGL Refractories share price chart



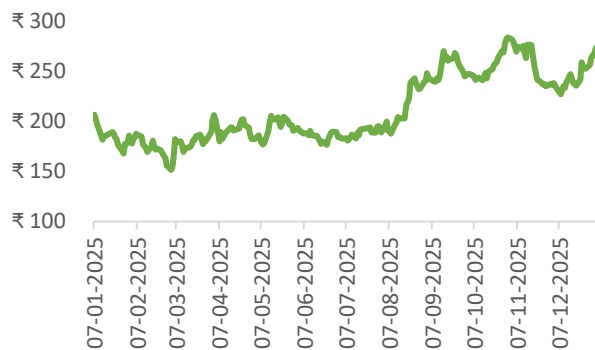
KFIL share price chart



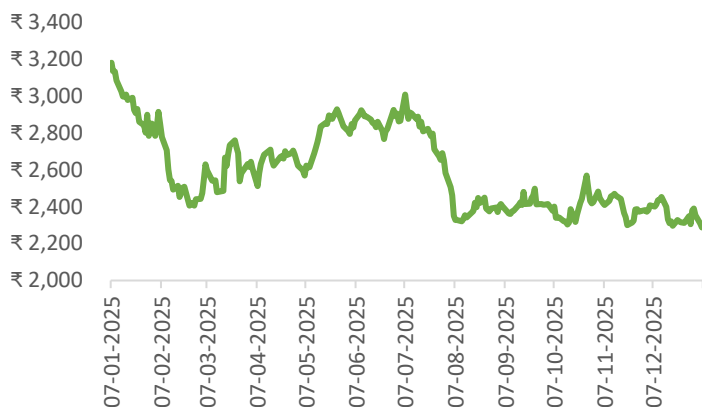
Steelcast share price chart



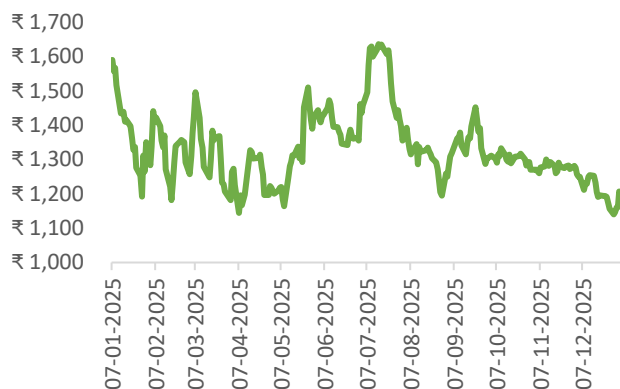
GPIL share price chart



Ratnamani Metals share price chart



Venus pipes share price chart



Scoda tubes share price



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