NMDC (NATMIN)

CMP: ₹85 | Target ₹ 90 (6%) | Target Period: 12 months | HOLD

August 17, 2026

Company Update

ICICI Securities – Retail Equity Research

Tepid volume growth caps the upside ...

About the stock: NMDC Ltd, formerly National Mineral Development Corporation, est. in 1958, is Navratna Public Sector Enterprise (PSE) under Ministry of Steel. Its largest iron ore mining company in India, with ~50 MT of iron production in FY26.

- It operates seven iron ore mining leases with total reserve of ~1,700 million tonne (MT), having the average Fe grade of ~64%.

Q1FY27 performance: NMDC reported a steady performance in Q1FY27. Total operating income for the quarter came in at ₹6,795 crore, (up 1% YoY). Iron ore sales volume of 11.7 million tonne (up 2% YoY). Reported EBITDA stood at ₹2,468 crore with corresponding EBITDA/tonne was at ₹2,104/tonne in Q1FY27 vs. ₹2,152/tonne in Q1FY26. PAT stood at ₹1,976 crore (flat YoY).

Investment Rationale:

- **Low per capita steel consumption offers long-term growth potential:** Despite being the world's second-largest steel consumer, India's per-capita steel consumption of ~103 kg remains significantly below the global average of ~215 kg. The government aims to increase per-capita steel consumption to 160 kg by 2030-31, while targeting crude steel production capacity of 300 MT. This could potentially drive iron ore demand to ~430 MT. With over six decades of expertise in iron ore mining, NMDC is well positioned to benefit from this structural growth opportunity.
- **Ambitious 100 MT production targets to capitalise on rising iron ore demand:** NMDC reported a 2% YoY increase in iron ore production to ~12 MT in Q1FY27 and has guided for 60 MT of production in FY27, supported by the ramp-up of newly commissioned mines. The company remains on track to achieve its long-term production target of 100 MTPA by FY30. To support this expansion, NMDC plans to invest ~₹50,000 crore across its mining operations, with a focus on capacity enhancement at Kirandul, Bacheli and Donimalai through additional crushing, screening and beneficiation facilities, along with the development of a 15 MTPA slurry pipeline and upgrades to evacuation infrastructure.
- **Diversifying beyond Iron Ore to strengthen product portfolio:** NMDC is strategically expanding beyond iron ore by pursuing opportunities across critical minerals, including gold, diamonds, lithium, nickel, cobalt and rare earth elements. It has also commenced operations at the Tokisud North coal block, which has a peak production capacity of ~2.3 MTPA. Additionally, the Rohne coking coal mine, with a peak capacity of ~8 MTPA, is expected to be commissioned by Q3FY27. These initiatives are expected to diversify revenue streams and enhance long-term earnings resilience.

Rating and Target Price:

- NMDC remains well-positioned for a long-term growth trajectory, supported by its ambitious 100 MT of iron ore production by FY30. However, near-term headwinds, including range-bound iron ore prices and elevated capex spends could weigh on earnings in near term. On that note, we maintain a **HOLD** rating on NMDC, valuing it at **₹90** i.e. 6x EV/EBITDA on FY28E.

एनएमडीसी लिमिटेड
NMDC Limited

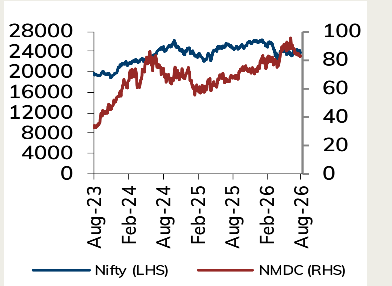
Particulars

Particulars	₹ crore
Market capitalisation	74,730
Total Debt (FY26P)	5,874
Cash & Investment (FY26P)	11,387
EV (₹ crore)	69,217
52-week H/L (₹)	98 / 68
Equity capital (₹ crore)	879
Face value (₹)	1.0

Shareholding pattern

	Sep-25	Dec-25	Mar-26	June-26
Promoters	60.8	60.8	60.8	60.8
FII	13.0	13.5	13.6	13.6
DIIs	14.4	14.1	13.8	13.8
Others	11.8	11.7	11.8	11.8

Price Chart



Key risks

- Government passed the MMDR Amendment Bill 2026, restricting state governments from imposing new taxes, providing relief from uncertainty surrounding potential additional taxation on NMDC's Karnataka mines
- **Key Risk:** i) Delay in ramp up of iron ore mines will impact medium term volume growth target (ii) higher than expected rise in EBITDA/ton beating our estimates.

Research Analyst

Shashank Kanodia, CFA
shashank.kanodia@icicisecurities.com

Manisha Kesari
manisha.kesari@icicisecurities.com

Key Financial Summary

Key Financials (₹ crore)	FY23	FY24	FY25	FY26P	4-year CAGR (FY23-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Net Sales	17,667	21,308	23,906	32,071	15.8%	30,752	34,442	3.6%
EBITDA	6,053	7,293	8,149	9,260	1.0%	10,868	12,379	15.6%
EBITDA Margins (%)	34.3	34.2	34.1	28.9		35.3	35.9	
Net Profit	5,601	5,575	6,541	7,450	3.5%	8,760	9,760	14.5%
EPS (₹)	6.4	6.3	7.4	8.5		10.0	11.1	
P/E	4.3	12.9	11.0	9.7		8.5	7.7	
RoNW (%)	28.0	20.9	22.0	21.9		22.3	21.6	

Source: Company, ICICI Direct Research

Key Tables and Charts

Exhibit 1: Quarterly Analysis

	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Total Operating income	6,795	6,739	0.8	11,343	-40.1
Raw Material Cost	-630	271	NA	3,718	NA
Employee Expenses	488	412	18.5	680	-28.3
Royalty Expenses	3,495	2,680	30.4	3,235	8.0
Other Operating Expenses	974	897	8.5	1,067	-8.7
Total Expenses	4,327	4,260	1.6	8,700	-50.3
EBITDA	2,468	2,478	-0.4	2,644	-6.6
EBITDA Margins	36.3%	36.8%	-45 bps	23.3%	1302 bps
Other Income	347	300	15.7	433	-19.7
Depreciation	103	109	-5.0	152	-31.9
Interest	22	27	-20.4	51	-58.0
Tax	685	675	1.5	855	-19.9
PAT	1,976	1,968	0.4	2,028	-2.5
Key Metrics					
Sales Volume (million tonne)	11.7	11.5	1.8	15.3	-23.2
Blended Realisations (₹/tonne)	5,548	5,353	3.6	4,759	16.6
EBITDA/tonne	2,104	2,152	-2.2	1,731	21.6

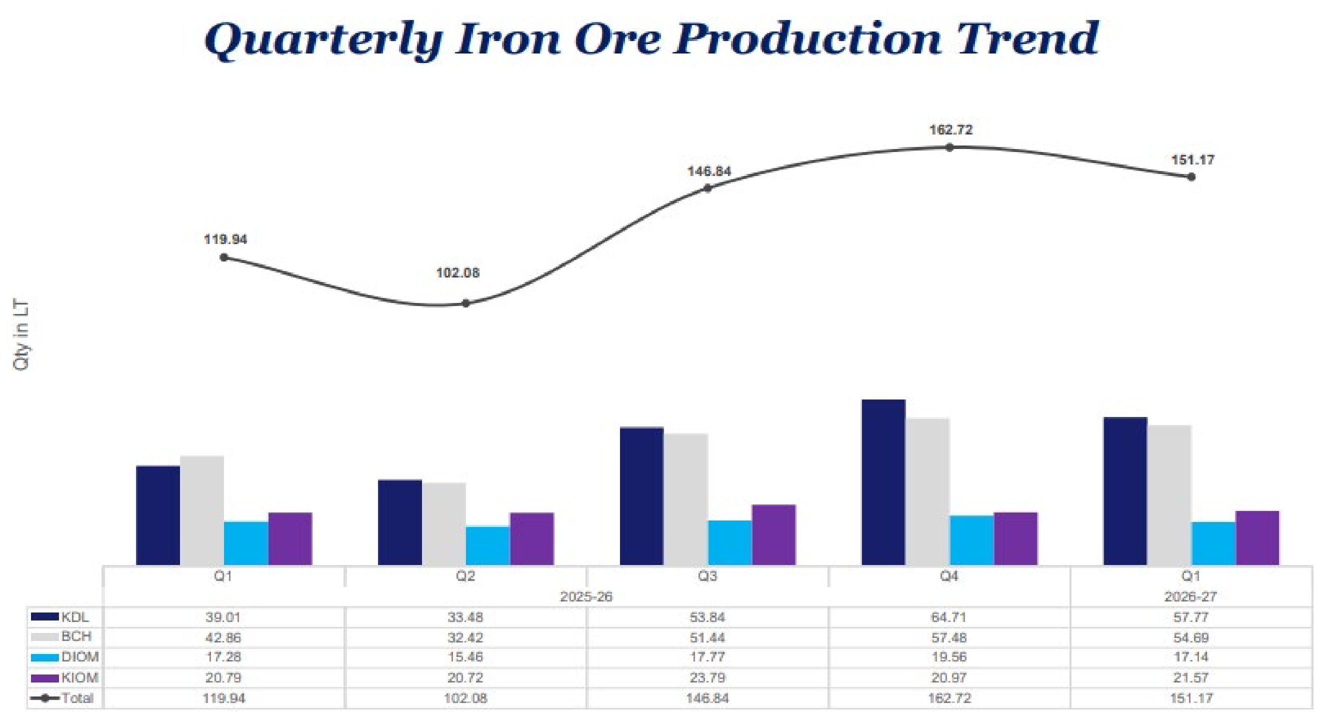
Source: Company, ICICI Direct Research

Exhibit 2: Change in headline estimates

	FY27E			FY28E		
(₹ Crore)	**Old**	**New**	**% Change**	**Old**	**New**	**% Change**
Sales Volume (MT)	55.0	53.5	-2.8	60.0	57.2	-4.6
Blended Realization (₹/tonne)	5,442	5,494	1.0	5,590	5,560	-0.5
Total Op.Income	35,250	30,752	-12.8	40,418	34,442	-14.8
EBITDA	11,138	10,868	-2.4	12,741	12,379	-2.8
Margins (%)	31.6	35.3	374 bps	31.5	35.9	442 bps
EBITDA (₹/tonne)	2,025	2,033	0.4	2,124	2,164	1.9
PAT	8,919	8,760	-1.8	9,911	9,760	-1.5
EPS (₹)	10.1	10.0	-1.8	11.3	11.1	-1.5

Source: Company, ICICI Direct Research

Exhibit 3: Quarterly Iron Ore Production Trends



Source: ICICI Direct Research

Financial summary

Exhibit 4: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26P	FY27E	FY28E
Total Income	23,906	32,071	30,752	34,442
Growth (%)	12	34	(4)	12
Raw Material Cost	1,281	6,350	1,047	1,722
Employee Expenses	1,795	1,940	2,025	2,273
Other Expense	12,681	14,521	16,813	18,068
Total Expenditure	15,757	22,811	19,884	22,063
EBITDA	8,149	9,260	10,868	12,379
Growth (%)	11.7	13.6	17.4	13.9
Depreciation	420	477	459	509
Interest	178	121	115	143
Other Income	1,593	1,488	1,455	1,338
PBT	9,144	10,149	11,748	13,064
Profit from JV & MI	0	0	0	0
Total Tax	2,604	2,734	3,004	3,344
PAT	6,541	7,450	8,760	9,760
Growth (%)	17.3	13.9	17.6	11.4
EPS (₹)	7.4	8.5	10.0	11.1

Source: Company, ICICI Direct Research

Exhibit 5: Cash flow statement ₹ crore

(Year-end March)	FY25	FY26P	FY27E	FY28E
Profit after Tax	6,541	7,450	8,760	9,760
Add: Depreciation	420	477	459	509
(Inc)/dec in Current Assets	-1,593	-1,488	-1,455	-1,338
Inc/(dec) in CL and Provisions	-4,418	-2,471	1,004	-1,519
Others, Sub-Other Income	897	816	-107	970
CF from operating activities	178	121	115	143
(Inc)/dec in Investments	2,026	4,906	8,777	8,526
(Inc)/dec in Fixed Assets	-22	-394	0	0
Others, Add- Other income	-3,585	-3,306	-6,000	-8,000
CF from investing activities	1,571	1,193	1,439	1,323
Issue/(Buy back) of Equity	-2,036	-2,506	-4,561	-6,677
Inc/(dec) in loan funds	586	0	0	0
Dividend & interest outgo	414	2,104	-100	-100
Inc/(dec) in Share Cap	-2,639	-3,198	-3,632	-4,099
Others	-626	-7	0	0
CF from financing activities	-2,265	-1,101	-3,732	-4,199
Net Cash flow	-2,275	1,299	484	-2,351
Opening Cash	12,364	10,089	11,387	11,872
Closing Cash	10,089	11,387	11,872	9,520

Source: Company, ICICI Direct Research

Exhibit 6: Balance sheet ₹ crore

(Year-end March)	FY25	FY26P	FY27E	FY28E
Liabilities				
Equity Capital	879	879	879	879
Reserve and Surplus	28,817	33,183	38,427	44,231
Total Shareholders' funds	29,696	34,062	39,306	45,110
Total Debt	3,770	5,874	5,774	5,674
Deferred Tax Liability	0	0	0	0
Minority Interest / Others	164	190	200	210
Total Liabilities	33,630	40,127	45,280	50,994
Assets				
Gross Block	7,386	8,680	9,680	10,680
Less: Acc Depreciation	2,347	2,824	3,283	3,792
Net Block	5,038	5,856	6,397	6,888
Capital WIP	4,737	6,749	11,749	18,749
Total Fixed Assets	9,776	12,604	18,145	25,636
Investments	978	1,372	1,372	1,372
Inventory	2,638	2,522	2,528	2,831
Debtors	7,745	9,206	8,425	8,964
Loans and Advances	181	250	240	268
Other Current Assets	2,848	6,204	5,986	6,634
Cash	10,089	11,387	11,872	9,520
Total Current Assets	23,500	29,569	29,050	28,217
Current Liabilities	321	406	421	472
Provisions	1,863	2,540	2,634	2,950
Current Liabilities & Prov	7,377	8,193	8,087	9,057
Net Current Assets	16,123	21,376	20,963	19,160
Others Assets	6,753	4,775	4,800	4,825
Application of Funds	33,630	40,127	45,280	50,994

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios

(Year-end March)	FY25	FY26P	FY27E	FY28E
Per share data (₹)				
EPS	7.4	8.5	10.0	11.1
Cash EPS	7.9	9.0	10.5	11.7
BV	33.8	38.7	44.7	51.3
DPS	2.8	3.5	4.0	4.5
Cash Per Share	11.5	13.0	13.5	10.8
Operating Ratios (%)				
EBITDA Margin	34.1	28.9	35.3	35.9
PAT Margin	27.4	23.2	28.5	28.3
Inventory days	40.3	28.7	30.0	30.0
Debtor days	118.2	104.8	100.0	95.0
Creditor days	4.9	4.6	5.0	5.0
Return Ratios (%)				
RoE	22.0	21.9	22.3	21.6
RoCE	23.0	21.9	23.0	23.3
RoIC	41.1	39.9	48.1	52.2
Valuation Ratios (x)				
P/E	11.4	10.0	8.5	7.7
EV / EBITDA	8.4	7.5	6.3	5.7
EV / Net Sales	2.9	2.2	2.2	2.1
Market Cap / Sales	3.1	2.3	2.4	2.2
Price to Book Value	2.5	2.2	1.9	1.7
Solvency Ratios				
Debt/EBITDA	0.5	0.6	0.5	0.5
Debt / Equity	0.1	0.2	0.1	0.1
Current Ratio	5.8	5.9	5.4	5.3
Quick Ratio	4.6	5.1	4.6	4.4

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

Pankaj Pandey	Head – Research	pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Shashank Kanodia, CFA, MBA (Capital Markets), Manisha Kesari (PGDM-Finance), Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report