

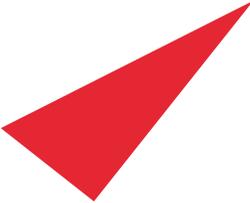


# Stock Update



## NMDC Ltd.

Feb 17, 2026



Industry	LTP	Recommendation	Base Case Fair Value	Bull Case Fair Value	Time Horizon
Metals	Rs 79	Buy in Rs 78-81 band and add on dips in Rs 68-71 band	Rs 87	Rs 95	4 quarters

HDFC Scrip Code	NMDLTDEQNR
BSE Code	526371
NSE Code	NMDC
Bloomberg	NMDC: IN
CMP Feb 17, 2026	79
Equity Capital (Rs Cr)	879
Face Value (Rs)	1.0
Equity Share O/S (Cr)	879
Market Cap (Rs Cr)	69,473
Book Value (Rs)	37
Avg. 52 Wk Volumes	1430074
52 Week High	87
52 Week Low	59

Share holding Pattern % (December, 2025)	
Promoters	60.8
Institutions	27.5
Non Institutions	11.7
Total	100



\* Refer at the end for explanation on Risk Ratings

**Fundamental Research Analyst**

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### Our Take:

NMDC Limited, originally established as the National Mineral Development Corporation in 1958, stands as India's premier iron ore mining company and a key public sector undertaking under the Ministry of Steel. Headquartered in Hyderabad, it was granted Navratna status, reflecting its operational autonomy and strategic importance, with the Government of India holding a majority stake of approximately 60%. The company has evolved from its foundational role in developing the Bailadila iron ore deposits in Chhattisgarh, discovered in the 1950s, to becoming a global exporter, supplying high-grade iron ore primarily to domestic steel giants and international markets like Japan.

Beyond iron ore, which accounts for the bulk of its production (over 40 million tonnes annually in recent years), NMDC diversifies into diamonds from its Panna mines in Madhya Pradesh, copper, limestone, and emerging areas like beach sand minerals, lithium, and gold. Committed to sustainability, it integrates advanced mechanised mining, beneficiation plants, and pelletization facilities, while expanding capacity through projects like the Nagarnar Steel Plant via its subsidiary NMDC Steel Limited. This positions NMDC as a vital pillar in India's steel ecosystem, balancing resource security with environmental stewardship.

### Q3FY26 Result Update

NMDC reported a steady performance in Q3FY26. Total operating income for the quarter came in at Rs. 7,611 crore (up 16% YoY) with iron ore sales volume of 12.7 million tonne (up 6% YoY). Reported EBITDA stood at Rs. 2,144 crore, with corresponding EBITDA/tonne at Rs. 1,687/tonne in Q3FY26 vs 1,857/tonne in Q2FY26. PAT stood at Rs. 1,757 crore (down 8% YoY).

### Valuation & Recommendation:

We like NMDC's strong operational capacity, net cash position, and ambitious capacity expansion plans targeting 100 MTpa by FY31, alongside a long-term goal of deriving 10%–15% of revenue from high-potential non-iron ore segments like gold, magnetite, and lithium mining prospects in Australia. Low per capita steel consumption in India (~103 kg vs. global average of ~215 kg) underscores significant growth potential, with the government targeting 160 kg by 2030-31 and crude steel capacity of 300 MT, driving iron ore demand to ~430 MT; NMDC's sixty years of expertise positions it to capture this structural tailwind effectively.

We expect revenue/EBITDA/PAT to increase at a CAGR of 14%/14%/11.5% over FY25 to FY28E. We think the base case fair value of the stock is Rs. 87 (6.7x FY28E EV/EBITDA) and the bull case fair value is Rs.95 (7.3x FY28E EV/EBITDA) over the next 4 quarters. Investors can buy the stock in the band of Rs 78-81 (6.0x FY28E EV/EBITDA) and add more on dips to the band of Rs. 68-71 (5.4x FY28E EV/EBITDA).

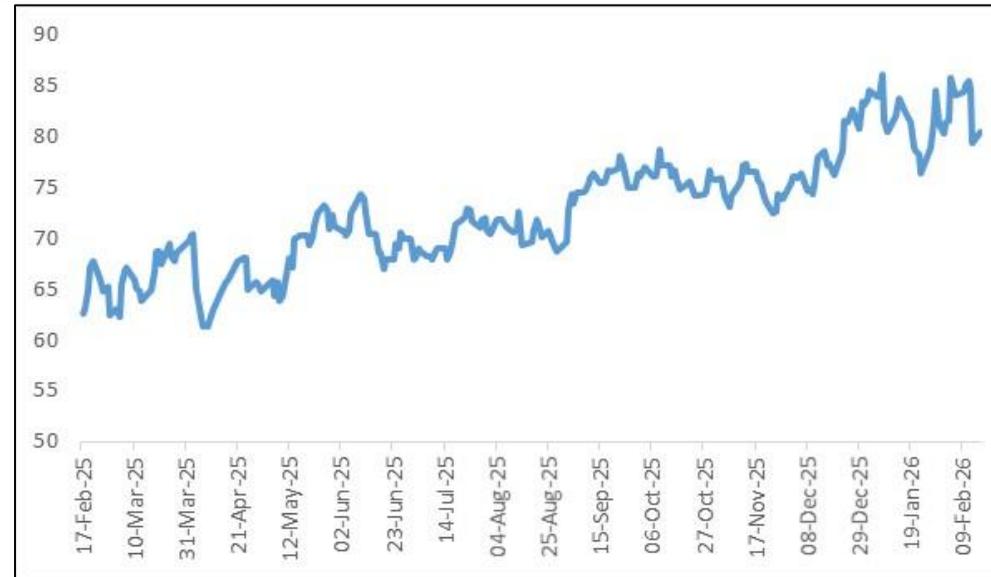
### Risks:

- Raw material price volatility
- Operational and supply chain risks
- Intense industry competition

### Financial Summary:

(Rs cr)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Operating Income	7,611	6,568	15.9	6,378	19.3	21,308	23,906	28,687	31,555	34,080
EBITDA	2,144	2,372	-9.6	1,993	7.6	7,010	8,148	9,956	10,522	11,566
APAT	1,757	1,882	-6.7	1,699	3.4	5,510	6,331	8,175	8,329	8,832
Diluted EPS (Rs)	2.0	2.2	-7.9	1.9	3.8	18.8	7.2	9.3	9.5	10.0
RoE-%						22.8	22.9	25.5	22.5	20.9
P/E (x)						4.8	12.6	9.8	9.6	9.1
EV/EBITDA						10.1	9.1	7.5	7.4	6.9

### One Year Price Chart



(Source: Company, HDFC sec)

## HDFC Sec Prime Research Rating description

### Green Rating stocks

This rating is given to stocks that represent large and established business having track record of decades and good reputation in the industry. They are industry leaders or have significant market share. They have multiple streams of cash flows and/or strong balance sheet to withstand downturn in economic cycle. These stocks offer moderate returns and at the same time are unlikely to suffer severe drawdown in their stock prices. These stocks can be kept as a part of long term portfolio holding, if so desired. These stocks offer low risk and lower reward and are suitable for beginners. They offer stability to the portfolio.

### Yellow Rating stocks

This rating is given to stocks that have strong balance sheet and are from relatively stable industries which are likely to remain relevant for long time and unlikely to be affected much by economic or technological disruptions. These stocks have emerged stronger over time but are yet to reach the level of green rating stocks. They offer medium risk, medium return opportunities. Some of these have the potential to attain green rating over time.

### Red Rating stocks

This rating is given to emerging companies which are riskier than their established peers. Their share price tends to be volatile though they offer high growth potential. They are susceptible to severe downturn in their industry or in overall economy. Management of these companies need to prove their mettle in handling cyclicity of their business. If they are successful in navigating challenges, the market rewards their shareholders with handsome gains; otherwise their stock prices can take a severe beating. Overall these stocks offer high risk high return opportunities.

### Rating Criteria

Buy - > 15%+ return potential

Add - +5% to +15% return potential

Reduce - -10% to +5% return potential

Sell - >10% downside return potential

### Disclosure:

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