

## Vedanta (VEDL) - BUY

### Q3FY26 Result Update

Current Market Price (CMP) <b>Rs.655</b>	Fair Value (FV) <b>Rs.890</b>
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### Rationale:

- VEDL's Q3FY26 consolidated EBITDA came in above our estimates, led by the India aluminum/zinc segment.
- The aluminum division (~50% of earnings) is well placed, with the upcoming captive coal/bauxite mines, volume ramp-up and up-trending commodity prices.
- The demerger into five entities should conclude by Q1FY27.
- VEDL is best placed to ride the ongoing rally in base and precious metals, with ~85% of FY2027E EBITDA derived from aluminum (~50%), zinc (~20%) and silver (15%).
- We raise earnings and FV to Rs890. Maintain BUY.

### 👍 Positives:

- VEDL's consolidated adjusted EBITDA in Q3FY26 stood at Rs14600 cr (+31% yoy, +32% qoq), higher than our estimates,.
- Aluminum EBITDA of Rs7020 cr (+54% yoy, +36% qoq) on lower alumina/higher aluminum prices.
- ZI's EBITDA improvement of 11.3% qoq (+17% yoy).
- Aluminum: Shaping up well with expansions, captive mines and strong prices.
- Capex for 9MFY26 stood at US\$130 cr, with FY26 guidance of US\$170 cr.

### 👎 Negatives:

- O&G division volume decline of 4.7% qoq (-15% yoy), with EBITDA decline of 4% qoq (-18% yoy) on lower volumes.

(CAGR - Compound Annual Growth Rate, EBITDA - Earnings Before Interest, Taxes, Depreciation, and Amortization, EPS- Earning Per Share)



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months