

## RHI Magnesita India Ltd. – Investment Update – SELL Recommendation

Dear Bajaj Capital Investors,

We, Bajaj Capital's Research Team, **had recommended RHI Magnesita India Ltd stock as a BUY on 22 Dec 451 at a price of 451, with a 12-month investment horizon and a target price of 532, implying an upside potential of ~18%.**

However, the company's Q4FY26 performance was materially below expectations, both relative to our estimates and management's prior guidance. Operating margins and PAT margins declined on both a QoQ & YoY basis. In light of the weaker-than-expected operating performance and limited near-term growth visibility, **we have reassessed our investment thesis and are revising our stance on the stock to SELL at the current market price of 406 (closing price of 30 May 2026), representing a 10% downside from our recommended price.**

### Q4FY26 Results: -

one-time exceptional impact of impairment of goodwill (Management has recognized it considering the geopolitical situation and over-capacity in market) of INR 556.24 crores and employee costs on account of change in New Wage Code of INR 0.86 crores in Q4FY26.

		YoY	QoQ	Mar 2026	Dec 2025	Mar 2025
Revenue Cr		1.6%	-14.6%	932	1,092	918
Operating Profit Cr	^	-6.0%	-38.9%	87	143	93
OPM %				9.4	13.1	10.1
PAT Cr	^	-1,532.0%	-941.6%	-518	62	36
NPM %				-55.6	5.6	3.9
EPS ₹		-1,533.7%	-939.1%	-25.1	3.0	1.8

Happy Investing!

Thank you and best regards,

On behalf of Bajaj Capital's Research Team