Sector: Industrial Products **RESULT REVIEW Q2CY26** **Declared On: 13 Aug 2026**

John Cockerill India Limited

RECOMMENDATION SNAPSHOT				
*CMP	MCap (Rsbn)	Recommendation	Target	Potential Upside
Rs8420	41.6	Accumulate	Rs12000	43%

**as on 18th Aug, 2026*

About the Company:

Incorporated in 1986, John Cockerill India Limited (JCIL), formerly known as CMI FPE Limited, is a key part of the Belgium-headquartered John Cockerill Group (JCG). JCIL provides advanced engineering solutions, primarily to the global steel industry. JCIL has been playing a pivotal role in delivering technologically advanced and efficient solutions, including cold rolling mill complexes, acid regeneration plants, and a range of continuous processing lines such as annealing, galvanizing, color coating, tension levelling, skin pass mills, wet flux lines, and pickling lines. With operations spanning over 30 countries, JCIL demonstrates both global reach and engineering excellence. JCIL delivers both greenfield and brownfield installations, along with associated services such as training and technical support. Headquartered in Mumbai, JCIL currently employs over 360+ professionals and operates advanced manufacturing facilities in Taloja and Hedavali. Safety remains a cornerstone of JCIL's operational philosophy, with continuous efforts to uphold and advance its strong track record. The company is run by a professional management team under the guidance of Mr. Francois David Martino as the Chairman and Mr. Frederic Martin as the Managing Director

Results: Quick Glance:

- The consolidated net sales for the quarter reported a growth of 17.9% to Rs2986mn as compared to Rs2533mn in the same quarter last year
- The Ebitda margins for the quarter under review stood at (9.1%) as compared to (10.2%) in the comparative quarter last year
- The company reported a loss of Rs314mn as compared to a loss of Rs150mn in the same quarter last year
- The EPS for the quarter stood at Rs(63.5) as compared to Rs(30.4) in the corresponding period of last year

Conference Call Highlights:

- JCIL reported a strong y-o-y revenue growth but sequential softness was witnessed in Q2CY26, owing to the project execution cycle and timing of revenue recognition. The company has shown a sequential decline due to the transition from older projects nearing completion in Q1CY26 to newly won projects that are in the early execution phase. The new projects have already entered the engineering, and the Management expects engineering, procurement and related activities to contribute to a ramp-up in H2CY26
- The company has secured an order book of ~Rs12bn during the quarter, taking the consolidated order book to ~Rs46bn as of June 2026; the execution horizon of the same is upto 3 years. The standalone order backlog was ~Rs22bn. The Management believes the backlog provides visibility for the coming years, although execution will remain dependent on project milestones. The Management continues to see an attractive pipeline across various geographies like Asia, Europe, US and India with further orders expected before the end of the current fiscal year
- The Management continues to strive for the ambitious target of Rs80bn of revenue for the strategic North Star Project. JCIL expects growth from the products Jet Vapor Deposition (JVD) and Volteron as well as external acquisitions. JVD is already commercializable and Management is in advanced discussions for a potential project in Asia, while Volteron remains at the R&D/pilot validation stage. JCIL expects the overall profitability to gradually improve as the projects move further through their execution cycles and benefits of the organisational changes begin to emerge soon
- JVD remains one of the most important potential long-term growth drivers for JCIL. Unlike the conventional hot dip galvanizing where steel is immersed in a zinc bath, JVD deposits zinc vapour onto the steel strip. Some of the key benefits of using this process includes (a) higher line speeds, enabling greater throughput from the same line, (b) precise zinc application which results in zinc savings and (c) potentially avoiding the costly batch annealing process. JCIL is already in advanced discussions to get order for one JVD project in Asia, potentially within CY26; generally, one JVD order is estimated in the range of ~EUR 50-100mn
- Volteron is another technology which is identified as an important contributor to the longer term ~Rs80bn ambition. The IP currently belongs to John Cockerill S.A. rather than JCIL, although JCIL Management is discussing integration of the technology business into the Indian organisation. Volteron is currently not in the commercialisation stage; further R&D testing followed by pilot plant validation and customer demonstration projects are still pending

Conference Call Highlights (contd.):

- The service/value-added business continues to remain attractive from a margin perspective; the same are strong and consistent with some improvement. The quarters with a higher contribution from value added services serve as a better product mix and fetch higher margins. The value-added services were relatively weaker in Q2, with revenues at ~1/3rd of the Q1 level; the backlog is in this area
- JCIL can leverage the group's global technology and execution capabilities more directly in Indian customer opportunities to fetch better growth
- JCIL is increasing its local presence in China and has opened a new office in Shanghai with a vision to bring JC Group technology and expertise closer to its customers. A workshop is also planned for Q3 to assemble special machines and equipment locally
- Management continues to see opportunities across multiple geographies like India with strong steel capacity expansion and infrastructure-led demand; China with a shift towards higher value steel products, downstream processing and decarbonisation; Europe where the demand is supported by localisation, tariffs and investment in modern steel-processing solutions despite a challenging industrial environment; US with improving steel utilisation and investments; Asia and other emerging markets with continuous pipeline and opportunities
- The Taloja advanced coating facility became operational in June 2026. The company is currently undertaking testing and executing trial orders, with production now being initiated. The Management expects this facility to strengthen JCIL's value-added services proposition and its ability to provide advanced coating solutions to customers
- The restructuring process has created one time as well as recurring costs. One-time costs included transaction expenses, legal work, audits, compliance, due diligence and other costs associated with completing the transaction across Belgium, Germany and China. The transaction also resulted in forex and notional interest impacts. Since JCIL is now the parent company, it will have to incur a share of costs associated with R&D and technical development
- The overall customer concentration remains significant; the key contributors include Tata Steel and JSW, while ArcelorMittal is among the leading contributors at the consolidated level. The top five customers account for approximately 80% of total revenue
- The Management of JCIL sees several structural trends supporting steel equipment investments like (a) steel producers are increasingly moving towards specialised and higher-value products, increasing the requirement for advanced downstream processing, (b) the increasing demand for advanced coating and galvanizing technologies remains strong, (c) increasing investment in electrical steel processing is creating another technology opportunities, (d) customers are investing in upgrading existing plants rather than relying exclusively on greenfield capacity additions, (e) reducing energy consumption and (f) steel producers are increasingly incorporating emissions reduction into capital allocation decisions and focusing on decabonisation
- The company has substantially stronger order visibility and an expanding technology platform, but the next phase of the investment case will depend on whether JCIL can demonstrate that the large order backlog translates into sustained revenue growth, improving margins and disciplined execution without a disproportionate increase in organisational costs

Financials:

Performance (Q2CY26)									
Q2CY26 Result (Rs mn)	**Jun-26**	**Jun-25**	**y-o-y**	**Mar-26**	**q-o-q**	**6MCY26**	**6MCY25**	**y-o-y**	**CY26E**
Total Revenue	2986	2533	17.9%	3445	(13.3%)	6431	4742	35.6%	12025
EBITDA	(272)	(257)	-	84	-	(188)	(272)	-	301
Other Income	26	243	(89.4%)	59	(56.4%)	85	305	(72.0%)	603
Interest	50	60	(16.0%)	70	(28.8%)	120	103	16.8%	240
Depreciation	36	29	26.8%	33	10.5%	69	53	29.3%	116
Exceptional Items	0	0	-	(24)	-	(24)	0	-	0
Tax	(15)	48	-	(10)	-	(25)	55	-	142
Net Profit	**(314)**	**(150)**	**-**	**74**	**-**	**(240)**	**(179)**	**-**	**405**

Outlook and Recommendations:

The profitability in the quarter under review was temporarily impacted by the ramp up of the new projects, organisational investments and one-time consolidation related expenses. The Management expects some transaction related costs to cease from H2CY26; although certain costs are expected to be structurally higher as JCIL is now the parent company and will have to share the expenses related to R&D and technical development. The key driver for growth i.e. JVD appears technically validated but commercially remains at the customer-adoption stage. The global consolidation of the Chinese, German and Belgian entities of John Cockerill Group under the Indian parent is emerging as a meaningful strategic change. The Management continues to see an attractive pipeline across various geographies like Asia, Europe, US and India with further orders expected before the end of the current fiscal year. The Management anticipates margin recovery from project progression and mix rather than aggressive cost cutting which makes the execution quality/timing of value-added service revenue particularly important for the H2CY26 earnings trajectory. We continue to maintain our target price of Rs12000.

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