A quality report by JainMatrix Investments

CMR Green Tech IPO: Aluminium Recycling has Benefits	Date: 3rd June 2026

- **IPO is open from 3-5th June, at ₹ 182-192/share**
- **Mkt. Cap. of ₹ 4,206 cr. The IPO is a 100% OFS of 3.29 crore shares**
- **Sector: Recycling of Non-Ferrous Metals**
- **Opinion: Average Offering. Buy on Dips.**

For a better tomorrow

- **Why CMR:** Aluminium demand is rising across automobiles, housing and office construction, cans, consumer products, etc. The recycled Al. industry cuts energy demand compared to primary Al. mfg. The circular economy is very beneficial. Rising EV adoption, increasing demand for lightweight materials, and stricter environmental regulations are expected to drive long-term demand for recycled Al. As India's largest recycled Al. alloy producer and leading non-ferrous metal recycler, CMR enjoys strong scale advantages, and long-standing relationships with leading automotive OEMs. These strengths position the company well to benefit from the long-term growth of recycled metals and low-carbon manufacturing. It has experienced promoters of several decades.
- **Why now in IPO:** CMR has recently expanded capacities and moved into mfg. of ingots & billets. With capacity utilization under 70%, there is much room to grow. The exit by an early investor in the OFS offers investors in the IPO an opportunity to participate in India's growing recycling and sustainability theme through the market leader. CMR's recent capacity expansions, technology upgrades, and focus on higher-value Al. products support its future growth prospects.
- **Risks:** 1) Low operating margins, negative free cash flow and rising debt, these are due to capex, high working capital and forex issues 2) High dependence on the automotive sector, which contributes around 84% of revenue 3) Exposure to fluctuations in Al. scrap prices and raw material availability, dependence on imported scrap, global supply chain and net forex depletive. 5) The Gulf war to raise fuel, logistics and forex costs.
- **Opinion:** **Rated average. BUY on dips.**

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IPO highlights

- IPO application dates: 3-5th June’26, with Price Band of ₹182-192 /share, FV ₹2. Lot Size: 78 shares

- The IPO is a 100% Offer for Sale (OFS) of 3.29 cr. shares (3,28,58,323) and there is no fresh issue. Since it is entirely an OFS, all proceeds will go to selling shareholders. They include promoter Mohan Agarwal, promoter group entities and investor Global Scrap Processors Ltd.
- Employee reservation portion of up to ₹2.5 cr. is available.
- The unofficial/ grey market premium of CMR is ₹ 45/share over the IPO price. (1st June).
- IPO allocation quotas are: QIB up to 50%, NII 15%, Retail 35%.
- IPO allotment is by 8th June, and listing on BSE / NSE on June 10th.

Introduction

- CMR Green Technologies Ltd. is India's largest producer of recycled aluminium (Al.) alloys and the leading non-ferrous metal recycling company by installed capacity. Established in 2005, the company has over two decades of experience in metal recycling and alloy manufacturing.
- The FY25 Revenues, EBITDA and PAT were ₹ 6,697 cr., ₹ 334 cr. and ₹ 155 cr., resp. They have grown by 6.6%, 20.8% and 21.5%, resp., between FY23-25. Diluted EPS increased from ₹4.79/share in FY23 to ₹7.07/share in FY25. (See Fig 1a).
- CMR is a key participant in India's circular economy ecosystem, converting Al. scrap and other non-ferrous metal waste into value-added products for industrial applications. CMR operates a pan-India mfg. network of 13 recycling facilities, well located near major automotive and industrial hubs.
- CMR's DSIR-recognized R&D facility strengthens its capabilities in product development, quality testing, recycling technologies, and customized alloy solutions for customers.
- CMR has 784 permanent employees and 3,956 contractual workmen, on a consolidated basis (Dec'25).
- Its products include recycled Al. alloys, Al. billets, zinc alloys, Al. de-oxidizers, and other value-added metal products. Supplying industries like automobiles, auto components, electrical equipment, consumer durables, engg. products, and industrial applications, and also supply primary Al. mfg. firms.
- The company holds 42–45% market share in the auto cast alloy segment, supported by long-standing relationships with leading OEMs and Tier-1 suppliers.
- CMR sources metal scrap through a diversified global supplier network comprising 198 suppliers across 73 countries, and ensuring stable raw material availability (See Fig 1b).

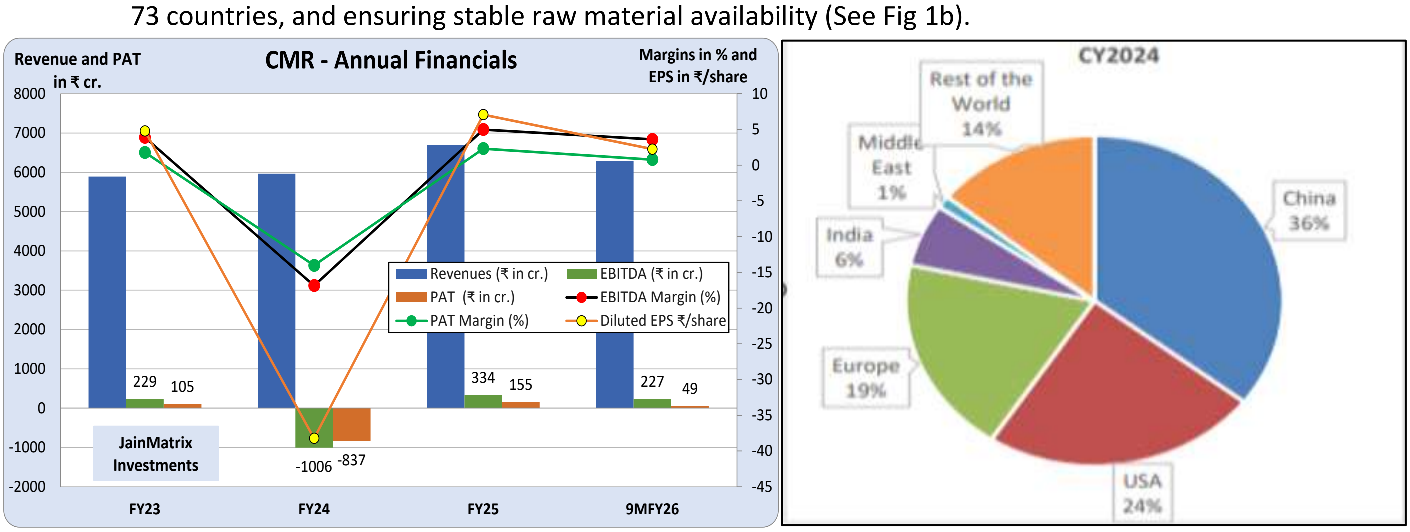


Fig 1a – Financials of CMR, Fig 1b - Region-wise Procurement volumes

- Its mfg. facilities are equipped with advanced melting, alloying, testing, and quality-control systems to meet stringent customer specs. CMR has technical collaborations and JVs with leading Japanese companies, providing access to advanced recycling tech and operational expertise. CMR's large-scale operations, extensive procurement network, mfg. infrastructure, and customer approvals create significant entry barriers for competitors.
- Through metal recycling, CMR contributes to environmental sustainability by reducing carbon emissions, conserving natural resources, and lowering dependence on energy-intensive primary aluminium.
- CMR is well positioned to benefit from rising Al. usage in automobiles, growing EV adoption, the "Make in India", increasing sustainability regulations and ESG-focused manufacturing practices.
- Management – CMR Green Technologies is led by Mohan Agarwal (CMD), supported by Akshay Agarwal and Raghav Agarwal (Whole-time Directors).

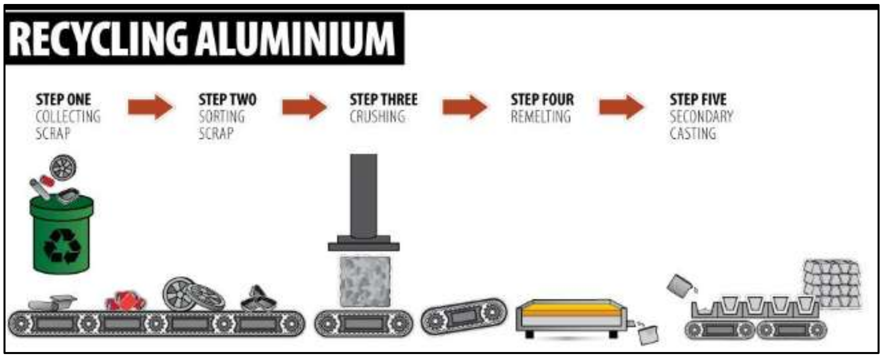
Key Segments:

Fig 2a – Key Segments of CMR

- **Recycled Al. Alloys:** The company's largest business segment, comprising liquid Al. alloys and Al. alloy ingots used primarily in automobiles, auto components, and engineering applications. These products offer cost-effective and sustainable alternatives to primary aluminium.
- **Al. Billets and Value-Added Products:** CMR makes Al. billets and other Al. products used in extrusion, industrial mfg., electrical equipment, and construction applications.
- **Zinc Alloy Products**: It produces zinc alloy ingots used in die-casting applications across automotive, electrical, hardware, and consumer durable industries, supporting diversification beyond Al. recycling.
- **Metal Recycling, Scrap Processing and By-products:** CMR procures and processes other non-ferrous metal scrap through its nationwide recycling network. It also generates and sells dross, segregated scrap and other by-products, supporting efficient resource utilization and circular economy practices.

News Updates, Strategies and Business Model

- The auto sector is the company's primary end-user market, with CMR serving several leading auto OEMs and Tier-1 component makers. These customers were gained through consistent product quality, customized alloy solutions, and reliable supply capabilities. See Fig 2c. CMR recycles Al. scrap into value-added alloys through an integrated recycling process, supporting circular economy. (See Fig 2b).



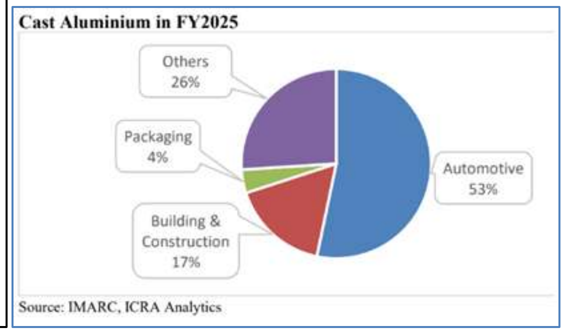


Fig 2b – Aluminium Recycling Process and Fig 2c – Customer Segments for Cast Aluminium

- In recent years, CMR has significantly expanded its recycling capacity through new plants and capacity additions across India, strengthening its position as India’s leading secondary Al. producer. As of FY25, CMR is India's largest secondary Al. producer, with recycling capacity 4X its domestic competitor.
- May 2025 – JV: CMR entered into a JV with Nippon Light Metal to develop advanced recycling technologies and expand the production of low-carbon Al. billets and ingots. The Tirupati facility under the JV has an annual production capacity of 36,000 tonnes, focusing on processing post-consumer and pre-consumer Al. scrap into recycled billets. This will be a value add for CMR.
- CMR is increasing its focus on higher-value recycled Al. billets, targeting growth in automotive, engineering, electrical and industrial applications.
- The company continues investing in sensor-based sorting systems, XRT technology, LIBS systems, induction sorting and automated recycling technologies to improve metal recovery and product quality.
- CMR is shifting towards premium-quality recycled Al. alloys and billets capable of replacing primary Al. in demanding applications. The company continues to enhance its DSIR-recognized R&D facility and product development capabilities to support innovation and customized alloy solutions.
- Strategic collaborations with Toyota Tsusho, Nikkei MC Al. and Nippon Light Metal provide access to advanced technology, operational expertise and global customer relationships.
- Rising Al. content in EVs and light automobiles is expected to drive demand for recycled Al. products.
- It follows an integrated business model covering scrap procurement, recycling, alloy manufacturing, quality testing, and distribution, enabling greater operational control and efficiency.
- The scrap metal is procured globally, and brought to the Indian mfg. facilities for processing into billets and ingots. The operations are net forex depletive due to primarily Indian customers.
- The operations are working capital intensive due to long inventory periods. Cash flow has weakened, even as debt equity has worsened in 3 years.

Industry Overview

- Since close to 78% of CMR mfg. is Al., we analyse only this sector.
- Al. is endlessly recyclable without loss in quality, making it a good material for sustainable use.
- The Indian Al. recycling industry is a critical component of the country's circular economy, helping reduce energy consumption, carbon emissions, and dependence on primary Al. production. Recycled Al. requires 90% lower energy compared to primary Al. mfg., making it important for sustainable mfg.
- India's recycled Al. consumption reached 2.16 million MT in FY25 and continues to benefit from rising demand from automotive, construction, packaging, electrical and industrial applications.

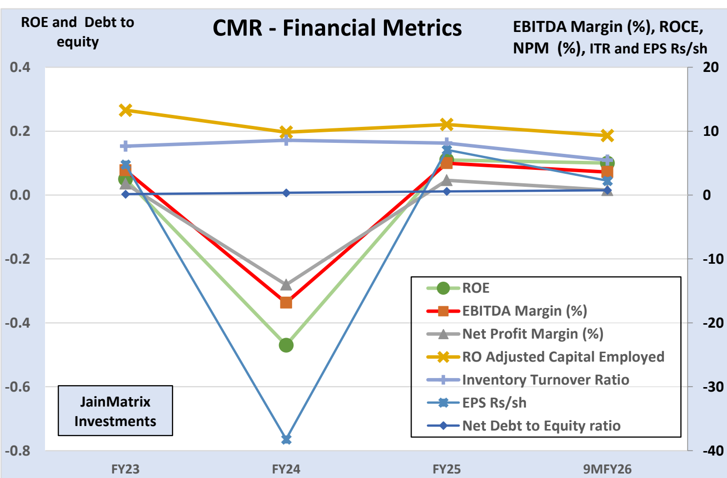
- The Indian recycled Al. market is expected to reach USD 9.2 billion and 3.7 million MT by FY30, implying strong growth of 13.2% CAGR in value and 11.2% CAGR in volume during FY26-FY30.
- Al. recycling plays an increasingly important role in meeting sustainability goals, as industries seek low-carbon raw materials and governments promote resource conservation and circular economy.
- The industry is highly fragmented, with numerous small & medium recyclers in the regions. However, large organized players with scale, technology, and solid sourcing networks are gaining market share.

Key Market Trends:

- **Demand for Recycled Al.:** Rising preference for recycled Al. due to its lightweight metal nature, lower energy consumption and environmental benefits.
- **Automotive Demand:** The auto sector is the largest consumer, supporting steady industry growth.
- **Increasing EV Adoption:** Growth in EVs is driving demand for lightweight Al. components and billets.
- **New Segments:** Demand is growing from construction, packaging, extrusion, and industrial applications.
- **Tech.-led Operations:** Advanced recycling and alloying tech. are raising efficiency, quality, and recovery.
- **Focus on Circular Economy:** Sustainability initiatives and low-carbon mfg. trends are encouraging.
- **Consolidation:** A fragmented industry presents growth opportunities for organized players like CMR.

Financial Performance and Stock Evaluation

- Revenues grew moderately over the last three years, increasing from ₹5,890 cr. in FY23 to ₹6,697 cr. in FY25. Profitability improved in FY25, with EBITDA reaching ₹334 cr. and PAT ₹155 cr., reflecting a recovery in operating performance. See Fig 2b.
- In 9MFY26, revenues were ₹6,291 cr., indicating that the company has already achieved nearly 94% of FY25 revenues. EBITDA was ₹227 cr. and PAT was ₹49 cr., resp. a sharp fall.



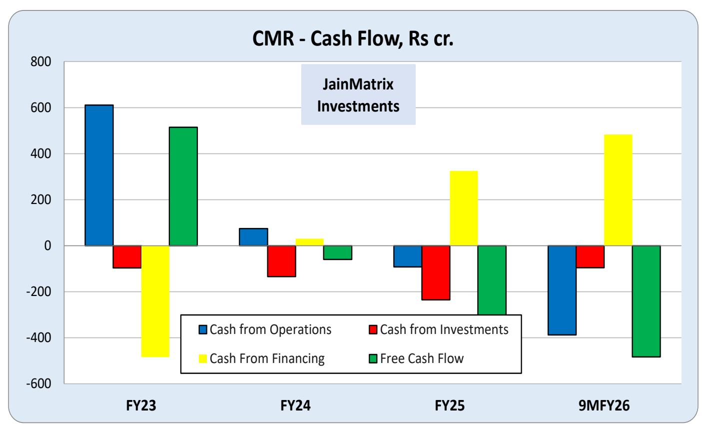
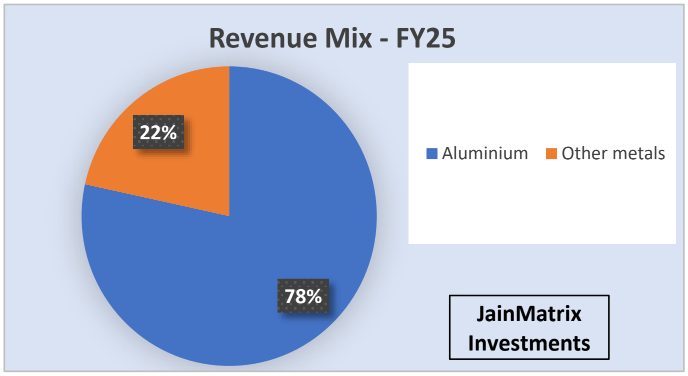


Fig 3a – Financial Metrics; Fig 3b – CMR Cash Flow

- Free Cash Flow weakened from ₹510 cr. in FY23 to negative levels in FY24, FY25 and 9MFY26. This was due to higher working capital requirements and ongoing capacity expansion investments. (See Fig 3b)
- The Financial Metrics highlight CMR's turnaround from FY24 losses and return to profitability in FY25. The company's financial position remains stable with manageable leverage and positive returns on capital. While earnings performance has improved, profitability and efficiency indicators are still relatively lower than those of leading peers. Continued improvement in margins, returns and cash generation will be important for sustaining long-term growth and shareholder value. (See Fig 3a)



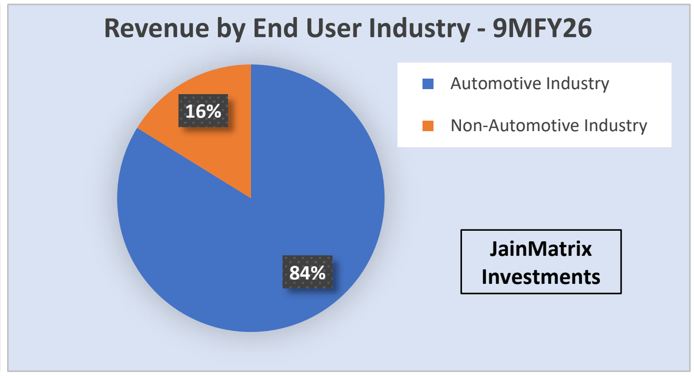


Fig 3c - Revenue Mix & Fig 3d - Revenue by end-user industry

- Al. contributed 78% of FY25 revenue, while Other Metals contributed 22%, highlighting CMR's strong concentration in the Al. recycling business. (See Fig 3c). The Automotive Industry accounted for 84% of revenue in 9MFY26, while Non-Auto contributed 16%, indicating a dependence on auto sector. (Fig 3d)
- At the upper price band, the IPO is valued at a P/E of 27.15x based on FY25 EPS. However annualizing 9MFY26 EPS, we get a P/E of 64 times at the upper end.
- CMR is a net consumer of forex, see Fig 3e. This is a weakness as INR is weakening against currencies.

CMR's Net Forex Position in Rs crore.	FY23	FY24	FY25	9MFY26
A. Export Revenue (Forex INFLOW)	400	281	103	157
B. Import of Raw Materials (Forex OUTFLOW)	4,120	4,262	4,450	4,401
NET FOREX POSITION (A – B)	-3,721	-3,981	-4,347	-4,244

Fig 3e – Net Forex

Benchmarking

Particulars	CMR	Pondy Oxides & Chem.	Gravita India Ltd	Baheti Recycling Ind.	Jain Resource Recycling	Antony Waste Handling Cell
Sales (₹ in cr.) (FY25)	6,666	2,939	4,265	725	9,543	1,053
EBITDA (₹ in cr.) (FY25)	302	211	435	61	558	205
Profits (₹ in cr.) (FY25)	155	139	378	27	347	92
Market Cap (₹ in cr.)	4,206	3,953	11,983	622	12,725	1,325
PE (x)	29.27	28.36	31.63	22.99	36.13	17.56
Price to book value	2.79	4.94	4.89	6.64	8.16	1.79
EV/EBITDA	15.41	18.76	24.45	13.83	23.47	7.02
3 Yr CAGR Sales (%)	9.99	25.93	15.05	26.55	46.04	7.23
3 Yr CAGR Profit (%)	-26.16	41.22	22.72	72.41	56.71	3.13
Debt to equity ratio (x)	0.67	0.19	0.3	2.45	0.82	0.62
EBITDA Margin (%)	4.53	7.18	10.2	8.41	5.85	19.51
Net Profit Margin (%)	2.35	4.74	8.87	3.73	3.69	8.71
RoCE (%)	12.41	23.87	17.02	21.66	25.49	11.16
Return on Equity (%)	11.03	19.95	16.76	35.42	30.8	10.79
Dividend Yield (%)	0	0.27	0.39	0	0	0
Market Cap/Revenues	0.63	1.35	2.81	0.86	1.33	1.26

Fig 4a Benchmarking

CMR is compared with peers in the Al. and non-ferrous metal and waste recycling industry. See Fig 4a.

- CMR is the largest by revenue, but profitability is lower for CMR.
- It trades at a valuation in line with peers on FY25 numbers. In FY26 there has been a drop in profits.
- The debt to Equity is high but manageable. However, its growth, profitability, margin and return ratios are generally below those of several leading peers.
- Overall, CMR benefits from its scale and strong position in Al. recycling. While profitability and returns remain below peers, the recovery in FY25 earnings provides a positive outlook for future performance.

SWOT Analysis

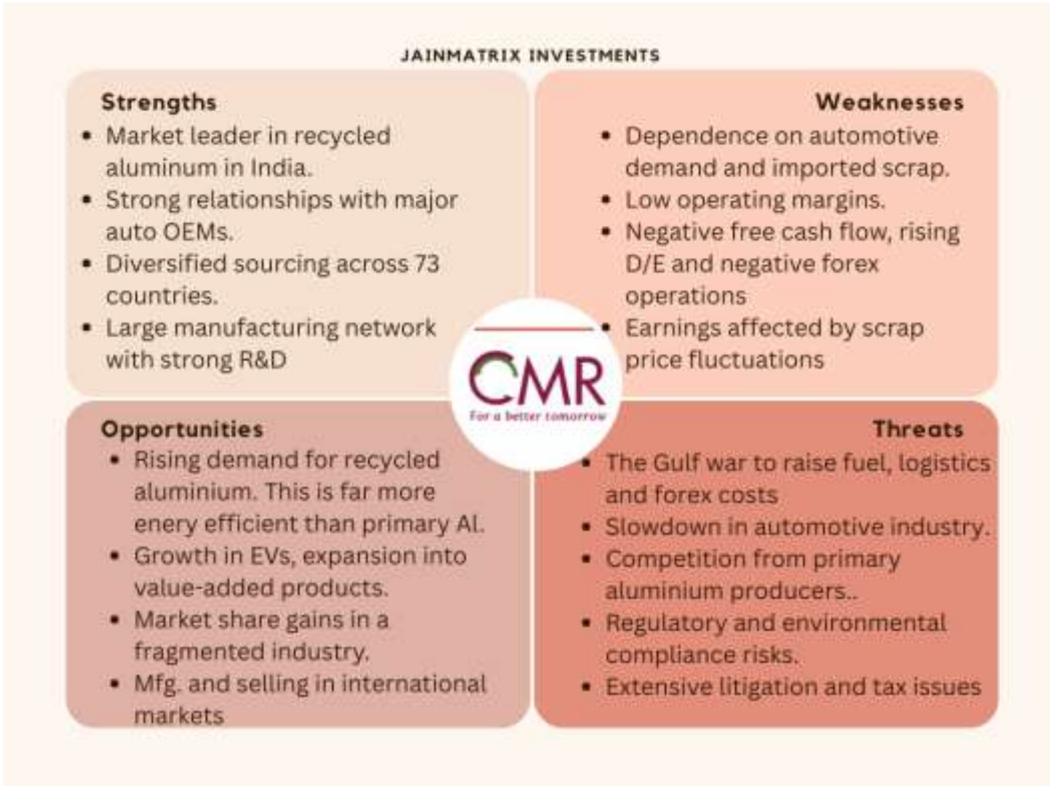


Fig 4b SWOT Chart

Opinion, Outlook and Recommendation

- **Why CMR:** Al. demand is booming across automobiles, housing and office construction, cans, consumer products, etc. The recycled Al. industry strongly cuts energy demand compared to primary Al. mfg. The circular economy is very beneficial. Rising EV adoption, increasing demand for lightweight materials, and stricter environmental regulations are expected to drive long-term demand for recycled aluminium. As India's largest recycled Al. alloy producer and leading non-ferrous metal recycler, CMR enjoys strong scale advantages, and long-standing relationships with leading automotive OEMs. The company will benefit from the long-term growth of recycled metals and low-carbon manufacturing. Experienced promoters of several decades.
- **Why now in IPO:** CMR has recently expanded capacities and moved into mfg. of ingots & billets. With capacity utilization under 70%, there is much room to grow. The exit by an early investor in the OFS offers investors in the IPO an opportunity to participate in India's growing recycling and sustainability theme through the market leader. CMR's recent capacity expansions, technology upgrades, and focus on higher-value Al. products support its future growth prospects.
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- **Opinion:** **Rated average. BUY on dips.**

Disclaimers and Disclosures

- Punit Jain discloses that he has no shareholding in CMR, or any group company. In addition, JainMatrix Investments Bangalore (JMI) and its promoters/ employees also have no direct or financial interest in the companies mentioned in the report, and no known material conflict of interest as on date of publication of this report.
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