

Zaggle Prepaid Ocean Services | BUY

Margins improving, cashflow needs to follow

Zaggle delivered another strong quarter with continued momentum across segments with revenue growing 43% YoY (30% QoQ) to INR 4.3bn, led by expanding client base and increased cross-selling. Operating leverage and lower employee costs aided EBITDA margin expansion by ~130bps YoY to 10.1%. D&A expense remained at 1.7% of revenue considering the company is capitalising tech investments. While operating cash flow remained negative owing to festive-related seasonality, management guided for OCF breakeven in FY26 and OCF positive by FY27. With rising cross-sell penetration (21% vs. 16% at IPO), new product traction (Zoyer, Zatix, ZIP), and recent acquisitions bolstering the ecosystem, we believe Zaggle has long growth runway in an underpenetrated market. We reiterate BUY with Sep'26 TP of INR 530 (~41% upside), assigning 30x Sep'27 P/E multiple, conservative considering the growth and profitability trajectory.

- **Growth momentum sustained:** Zaggle continued its strong topline growth momentum with 43% YoY (+30% QoQ) growth to reach INR 4.3bn on account of strong performance across segments. Software fees / Program fees / Propel platform revenue grew 38% / 38% / 47% YoY resp. driven by 1) addition of new clients and higher users per client, and 2) increased cross-selling and upselling. As of 2QFY26, company has 3,674 corporate customers (+14% YoY) with user base rising to 3.51mn (+16% YoY). Management noted that cross-selling (clients using 2 or more offerings) has now reached 21% from 16% at the time of IPO. Management reiterated its guidance of 40-45% revenue growth (on standalone basis) for FY26 while also noting that new offerings such as Zoyer, Fleet management, Zatix, ZIP are seeing strong traction.
- **Operating leverage leading to margin expansion:** While gross margin declined 103bps YoY (-401bps QoQ) mainly due to rising mix of lower-margin Propel business, EBITDA margin improved 134bps YoY (+99bps QoQ) to 10.1%, driven by lower employee cost and strong operating leverage. Notably, EBIT margin improvement was lower at 40bps YoY mainly due to higher D&A on account of capitalisation of new technology and product developments. D&A expense is expected to remain high due to increased investments towards AI integration. Management reiterated its guidance of 10-11% EBITDA margin in FY26, likely to improve to 14-15% over next 4-5 years on a standalone basis. Consolidated margins could be impacted marginally due to investments in Rio.Money. With robust revenue growth, strong operating leverage and cross-sell enabling minimal incremental cost of scaling businesses, we expect EBITDA to reach ~INR 2.7bn in FY27.
- **Maintain 'BUY' with Sep'26 TP increased to INR 530:** Basis consistently strong growth in the past few quarters and robust growth outlook due to higher cross-sell opportunities, better adoption of new offerings and strong management guidance, we increase our revenue estimates by 3-5% over FY26-28E. While we factor in increased incentives and cashbacks cost to align with growth, lower employee expenses will result in strong operating leverage leading to EBITDA estimates rising 4-5% over FY26-28E. Higher D&A expense due to capitalisation of tech cost subdues EPS increase to 2-3%. We continue to value the company at 30x Sep'27 P/E multiple to arrive at Sep'26 TP of INR 530 (vs. INR 520 earlier), ~41% upside at CMP. Maintain 'BUY'.



Sachin Dixit

sachin.dixit@jmfl.com | Tel: (91 22) 66303078

Swapnil Potdukhe

swapnil.potdukhe@jmfl.com | Tel: (91 22) 62241876

Atul Borse

atul.borse@jmfl.com | Tel: (91 22) 66303134

Avnish Sharma

avnish.sharma@jmfl.com | Tel: (91 22) 66303054

Recommendation and Price Target

| | |
|----------------------------|-------|
| Current Reco. | BUY |
| Previous Reco. | BUY |
| Current Price Target (12M) | 530 |
| Upside/(Downside) | 41.4% |
| Previous Price Target | 520 |
| Change | 1.9% |

Key Data – ZAGGLE IN

| | |
|--------------------------|------------------|
| Current Market Price | INR375 |
| Market cap (bn) | INR50.3/US\$0.6 |
| Free Float | 56% |
| Shares in issue (mn) | 134.3 |
| Diluted share (mn) | 134.6 |
| 3-mon avg daily val (mn) | INR350.4/US\$4.0 |
| 52-week range | 597/299 |
| Sensex/Nifty | 83,871/25,695 |
| INR/US\$ | 88.6 |

Price Performance

| % | 1M | 6M | 12M |
|-----------|-----|------|-------|
| Absolute | 4.0 | 11.0 | -13.4 |
| Relative* | 2.3 | 5.1 | -17.9 |

* To the BSE Sensex

Financial Summary

(INR mn)

| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E |
|------------------------|-------|--------|--------|--------|--------|
| Net Sales | 7,756 | 13,038 | 18,110 | 24,281 | 31,690 |
| Sales Growth (%) | 40.1 | 68.1 | 38.9 | 34.1 | 30.5 |
| EBITDA | 706 | 1,140 | 1,849 | 2,689 | 3,562 |
| EBITDA Margin (%) | 9.1 | 8.7 | 10.2 | 11.1 | 11.2 |
| Adjusted Net Profit | 440 | 879 | 1,475 | 2,066 | 2,714 |
| Diluted EPS (INR) | 4.0 | 7.0 | 11.0 | 15.4 | 20.2 |
| Diluted EPS Growth (%) | 62.5 | 72.7 | 57.4 | 40.1 | 31.4 |
| ROIC (%) | 20.4 | 18.9 | 20.4 | 23.8 | 26.9 |
| ROE (%) | 14.1 | 9.6 | 11.1 | 13.7 | 15.5 |
| P/E (x) | 93.1 | 53.9 | 34.2 | 24.4 | 18.6 |
| P/B (x) | 7.1 | 3.8 | 3.6 | 3.1 | 2.7 |
| EV/EBITDA (x) | 67.8 | 37.8 | 23.6 | 16.1 | 11.9 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Source: Company data, JM Financial. Note: Valuations as of 11/Nov/2025

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

- **Margins improving but working capital requirement remains high:** While margins have steadily improved over the years, working capital intensity remains elevated. In 1H FY26, operating cash flow (OCF) stood at outflow of INR 189mn, primarily due to seasonal factors such as early festive period leading to delays in corporate settlements and higher prepaid card loads. While management expects EBITDA margins (on standalone basis) to increase to 14-15% over next 4-5 years, OCF breakeven is expected due to stronger second-half inflows in FY26. Further, management expects EBITDA to OCF conversion ratio to improve to ~30% in FY27, and subsequently to 40%+ over time as scale efficiencies and working-capital discipline strengthen.
- **Key updates:** **(1)** Company has issued convertible warrants on a preferential basis at a price of INR 567 per warrant, totalling INR 600mn. Out of INR 600mn, INR 400mn is raised from Times Group with commitment to use this for marketing spends on Times platform itself for penetrating into retail card segment. Rest is raised from Ran ventures Pvt. Ltd., an entity owned by promoter Raj Narayanam. **(2)** In 2Q, company launched two new products - Zaggle GlobalPay Forex Card and Zaggle x Mastercard Prepaid Card. **(3)** Zaggle entered the retail card segment through a tie-up with AU Small Finance Bank, complementing its existing Yes Bank partnership and Rio.Money acquisition. Management indicated that retail cards present a long-term opportunity of INR 5bn revenue and INR 500-600mn EBITDA over 4-5 years, with commercial operations likely to begin in Apr'26 and revenue contribution from FY27 onward. **(4)** Company signed several marquee clients such as Pernod Ricard, Ultratech Cement, Adani Total Gas, Megha City Gas, and DTDC and also expanded its banking partner base to 19 as of 2Q, with new additions including Standard Chartered Bank, AU Small Finance Bank, and IDFC First Bank, further strengthening distribution and ecosystem depth. **(5)** As of 2Q FY26, cash balance stood at INR 5.7bn. **(6)** Company completed GreenEdge acquisition in 2Q and owns 55.56% stake in the company. Company is on track to complete 2 out of 3 acquisitions in pipeline namely, Rio.Money, Dice and Effiasoft. Post these acquisitions, company will have ~INR 4.3-4.4bn cash on books. Management is planning 2-3 more acquisitions in FY26. **(7)** Management highlighted that parameters considered for acquisition are i) Synergy with existing products, ii) Large TAM, iii) Strategic fit and iv) EBITDA accretive and revenue generating target. **(8)** Management is keen on international expansion in the MENA and the US region. Company is setting up office in GIFT city and likely to setup another office in MENA region in a few weeks.

Exhibit 1. 2QFY26 Actuals vs. JMFe and Consensus estimates

| Financial Performance (INR mn) | 2QFY26A | 2QFY25A | Change (YoY) | 1QFY26A | Change (QoQ) | Estimate (JMFe) | Variance (vs. JMFe) |
|------------------------------------|--------------|--------------|---------------|--------------|---------------|-----------------|---------------------|
| Revenue from operations | 4,322 | 3,026 | 42.9% | 3,320 | 30.2% | 4,018 | 7.6% |
| Platform fee/SaaS fee/ Service fee | 118 | 85 | 38.2% | 106 | 11.2% | 105 | 12.3% |
| Program fees | 1,739 | 1,261 | 37.9% | 1,455 | 19.5% | 1,596 | 9.0% |
| Propel platform revenue/gift cards | 2,466 | 1,679 | 46.8% | 1,759 | 40.2% | 2,317 | 6.4% |
| Gross Profit | 1,964 | 1,406 | 39.7% | 1,642 | 19.6% | 1,840 | 6.8% |
| Gross margin % | 45.4% | 46.5% | -103bp | 49.5% | -401bp | 45.8% | -34bp |
| EBITDA | 440 | 267 | 64.6% | 305 | 44.2% | 386 | 13.8% |
| EBITDA margin % | 10.2% | 8.8% | 134bp | 9.2% | 99bp | 9.6% | 56bp |
| Adj. PAT | 350 | 203 | 72.4% | 261 | 34.0% | 318 | 10.0% |
| Diluted EPS (INR) | 2.60 | 1.65 | 57.6% | 1.94 | 34.0% | 2.36 | 10.0% |

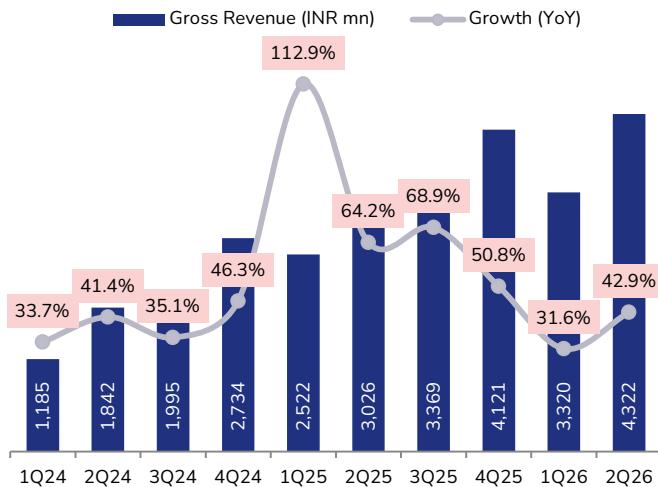
Source: Company, JM Financial estimates.

Exhibit 2. Key financials

| All numbers in INR mn unless specified otherwise | FY24 | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | FY25 | 1QFY26 | 2QFY26 |
|--|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|
| Platform fee/SaaS fee/ Service fee | 312 | 84 | 85 | 93 | 100 | 363 | 106 | 118 |
| Program fees | 3,218 | 1,269 | 1,261 | 1,355 | 1,571 | 5,456 | 1,455 | 1,739 |
| Propel platform revenue/gift cards | 4,225 | 1,168 | 1,679 | 1,921 | 2,450 | 7,218 | 1,759 | 2,466 |
| Revenue from operations | 7,756 | 2,522 | 3,026 | 3,369 | 4,121 | 13,038 | 3,320 | 4,322 |
| Change (YoY) | 40% | 113% | 64% | 69% | 51% | 68% | 32% | 43% |
| COGS | 3,809 | 1,105 | 1,619 | 1,858 | 2,216 | 6,798 | 1,678 | 2,358 |
| Gross Profit | 3,947 | 1,417 | 1,406 | 1,511 | 1,905 | 6,240 | 1,642 | 1,964 |
| Gross margin % | 50.9% | 56.2% | 46.5% | 44.9% | 46.2% | 47.9% | 49.5% | 45.4% |
| Employee benefits expense | 513 | 141 | 179 | 171 | 176 | 667 | 175 | 162 |
| Incentives and cashbacks | 2,168 | 896 | 790 | 829 | 1,084 | 3,599 | 956 | 1,159 |
| Other expenses | 560 | 156 | 170 | 221 | 286 | 833 | 207 | 205 |
| Total operating expenses | 3,241 | 1,193 | 1,139 | 1,221 | 1,546 | 5,099 | 1,337 | 1,525 |
| EBITDA | 706 | 224 | 267 | 290 | 359 | 1,140 | 305 | 440 |
| EBITDA margin | 9.1% | 8.9% | 8.8% | 8.6% | 8.7% | 8.7% | 9.2% | 10.2% |
| ESOPs | 150 | 31 | 28 | 20 | 13 | 93 | 18 | -2 |
| Adj. EBITDA | 556 | 193 | 239 | 269 | 346 | 1,048 | 287 | 442 |
| Adj. EBITDA margin | 7.2% | 7.6% | 7.9% | 8.0% | 8.4% | 8.0% | 8.6% | 10.2% |
| D&A | 84 | 21 | 24 | 40 | 63 | 148 | 70 | 75 |
| EBIT | 622 | 203 | 243 | 250 | 297 | 992 | 235 | 365 |
| EBIT margin | 8.0% | 8.0% | 8.0% | 7.4% | 7.2% | 7.6% | 7.1% | 8.4% |
| Finance costs | 137 | 21 | 22 | 23 | 11 | 77 | 11 | 14 |
| Other income | 113 | 45 | 60 | 35 | 127 | 268 | 117 | 92 |
| Share of profit of associate | 0 | 0 | 0 | 0 | 0 | 1 | 6 | 19 |
| PBT | 598 | 228 | 281 | 263 | 413 | 1,184 | 347 | 462 |
| Tax expense | 158 | 60 | 78 | 65 | 102 | 305 | 86 | 112 |
| PAT | 440 | 167 | 203 | 197 | 311 | 879 | 261 | 350 |
| Non-controlling interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adj. PAT (ex- minority) | 440 | 167 | 203 | 198 | 311 | 879 | 261 | 350 |

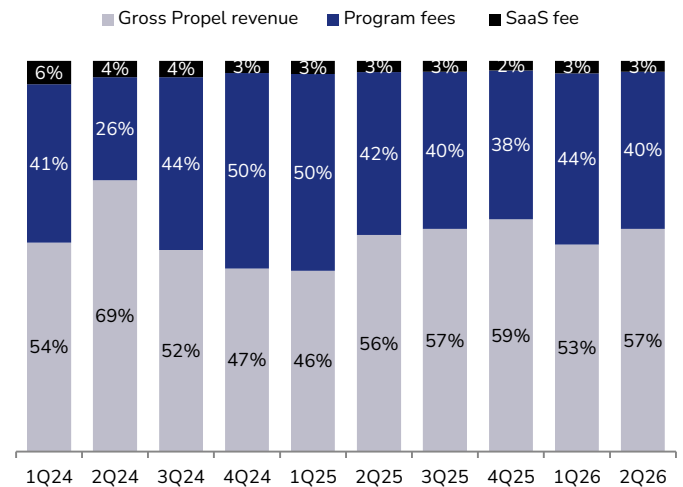
Source: Company, JM Financial

Exhibit 3. Gross revenue grew c.43% in 2Q



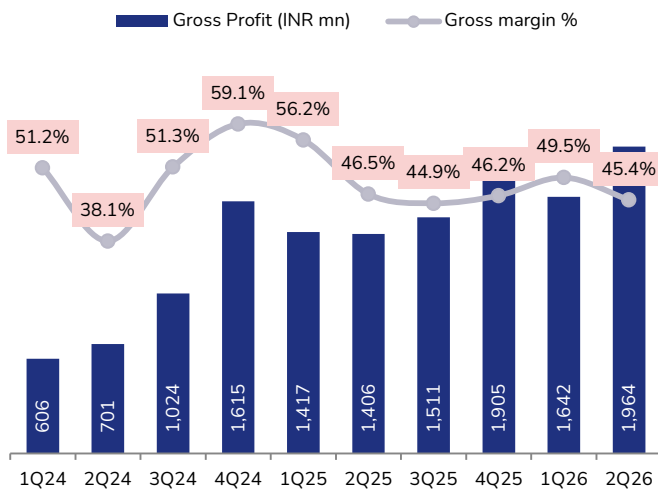
Source: Company, JM Financial

Exhibit 4. Gross revenue trend



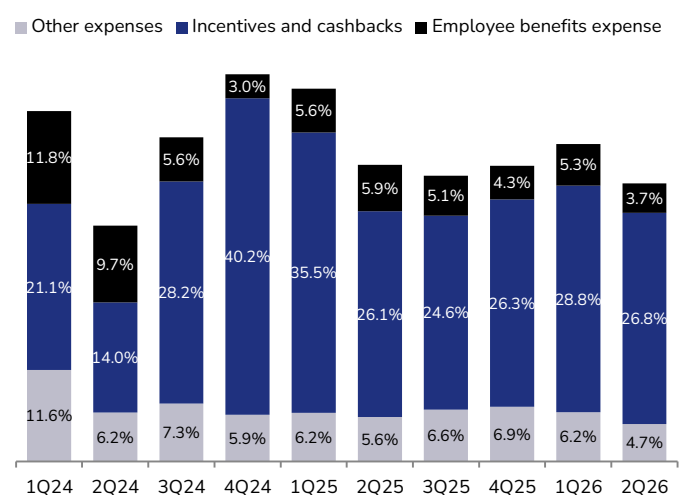
Source: Company, JM Financial

Exhibit 5. Gross margin trend



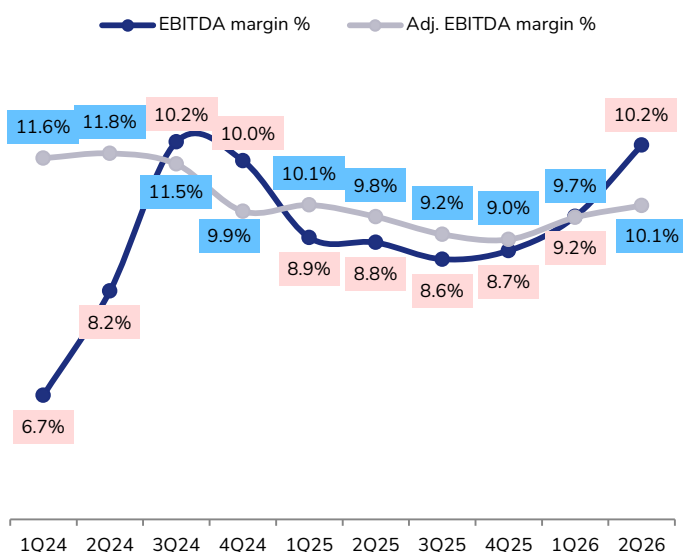
Source: Company, JM Financial

Exhibit 6. Indirect expenses (as % of revenue) trend



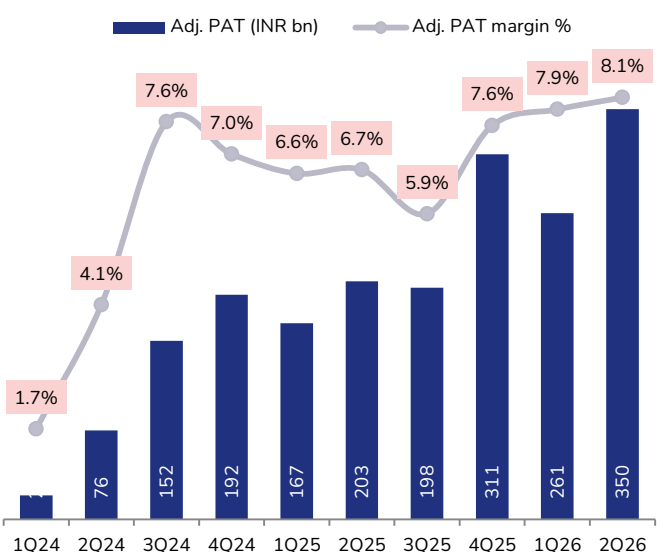
Source: Company, JM Financial

Exhibit 7. EBITDA and Adj. EBITDA margin trend



Source: Company, JM Financial

Exhibit 8. Adj. PAT and Adj. PAT margin trend



Source: Company, JM Financial

Maintain BUY; TP raised to INR 530

Exhibit 9. What has changed in our forecasts and assumptions?

| Numbers are in INR mn | Old | | | New | | | Change | | |
|-------------------------|--------|--------|--------|--------|--------|--------|---------|---------|---------|
| | FY26E | FY27E | FY28E | FY26E | FY27E | FY28E | FY26E | FY27E | FY28E |
| Revenue | 17,536 | 23,246 | 30,180 | 18,110 | 24,281 | 31,690 | 3.3% | 4.5% | 5.0% |
| Gross Profit | 8,087 | 10,509 | 13,158 | 8,140 | 10,507 | 13,243 | 0.7% | 0.0% | 0.6% |
| Gross Profit margin (%) | 46.1% | 45.2% | 43.6% | 44.9% | 43.3% | 41.8% | -117bps | -193bps | -181bps |
| EBITDA | 1,761 | 2,571 | 3,398 | 1,849 | 2,689 | 3,562 | 5.0% | 4.6% | 4.8% |
| EBITDA margin (%) | 10.0% | 11.1% | 11.3% | 10.2% | 11.1% | 11.2% | 17bps | 1bps | -2bps |
| Adj. EBITDA | 1,826 | 2,631 | 3,458 | 1,904 | 2,759 | 3,632 | 4.3% | 4.9% | 5.0% |
| Adj. EBITDA margin (%) | 10.4% | 11.3% | 11.5% | 10.5% | 11.4% | 11.5% | 10bps | 4bps | 0bps |
| Adj. PAT | 1,448 | 2,030 | 2,637 | 1,475 | 2,066 | 2,714 | 1.8% | 1.8% | 2.9% |
| Diluted EPS (INR) | 10.76 | 15.08 | 19.60 | 10.96 | 15.36 | 20.17 | 1.8% | 1.8% | 2.9% |

Source: Company, JM Financial

Key Risks

- **Key upside risks** are: 1) Faster than expected adoption of newer products such as Zoyer, Zatix, ZIP and fleet management, 2) accelerated cross-sell among the existing corporates and increased realisations per users could drive higher revenue growth and margin expansion, 3) rapid scaling of the recently launched retail card business and successful integration of acquisitions could expand the addressable market.
- **Key downside risks** are: 1) Slower adoption of new product launches or weaker customer traction could impact growth momentum, 2) large banks introducing in-house corporate/prepaid card solutions may heighten disintermediation risks, 3) Aggressive investments in new verticals, international expansion, or AI-driven initiatives could increase volatility in margins and delay profitability improvement.

Financial Tables (Consolidated)

| Income Statement (INR mn) | | | | | |
|-----------------------------|--------------|---------------|---------------|---------------|---------------|
| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E |
| Net Sales | 7,756 | 13,038 | 18,110 | 24,281 | 31,690 |
| Sales Growth | 40.1% | 68.1% | 38.9% | 34.1% | 30.5% |
| Other Operating Income | 0 | 0 | 0 | 0 | 0 |
| Total Revenue | 7,756 | 13,038 | 18,110 | 24,281 | 31,690 |
| Cost of Goods Sold/Op. Exp | 3,809 | 6,798 | 9,970 | 13,774 | 18,447 |
| Personnel Cost | 513 | 667 | 715 | 850 | 1,062 |
| Other Expenses | 2,728 | 4,432 | 5,576 | 6,968 | 8,619 |
| EBITDA | 706 | 1,140 | 1,849 | 2,689 | 3,562 |
| EBITDA Margin | 9.1% | 8.7% | 10.2% | 11.1% | 11.2% |
| EBITDA Growth | 46.8% | 61.5% | 62.2% | 45.4% | 32.5% |
| Depn. & Amort. | 84 | 148 | 303 | 328 | 342 |
| EBIT | 622 | 992 | 1,546 | 2,361 | 3,220 |
| Other Income | 113 | 268 | 390 | 364 | 372 |
| Finance Cost | 137 | 77 | 36 | 36 | 37 |
| PBT before Excep. & Forex | 598 | 1,183 | 1,900 | 2,689 | 3,555 |
| Excep. & Forex Inc./Loss(-) | 0 | 1 | 60 | 66 | 73 |
| PBT | 598 | 1,184 | 1,960 | 2,755 | 3,627 |
| Taxes | 158 | 305 | 485 | 689 | 913 |
| Extraordinary Inc./Loss(-) | 0 | 0 | 0 | 0 | 0 |
| Assoc. Profit/Min. Int.(-) | 0 | 0 | 0 | 0 | 0 |
| Reported Net Profit | 440 | 879 | 1,475 | 2,066 | 2,714 |
| Adjusted Net Profit | 440 | 879 | 1,475 | 2,066 | 2,714 |
| Net Margin | 5.7% | 6.7% | 8.1% | 8.5% | 8.6% |
| Diluted Share Cap. (mn) | 109.2 | 126.3 | 134.6 | 134.6 | 134.6 |
| Diluted EPS (INR) | 4.0 | 7.0 | 11.0 | 15.4 | 20.2 |
| Diluted EPS Growth | 62.5% | 72.7% | 57.4% | 40.1% | 31.4% |
| Total Dividend + Tax | 0 | 0 | 0 | 0 | 0 |
| Dividend Per Share (INR) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Source: Company, JM Financial

| Cash Flow Statement (INR mn) | | | | | |
|------------------------------|---------------|---------------|------------|-------------|------------|
| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E |
| Profit before Tax | 598 | 1,184 | 1,960 | 2,755 | 3,627 |
| Depn. & Amort. | 84 | 148 | 303 | 328 | 342 |
| Net Interest Exp. / Inc. (-) | 35 | -159 | -353 | -328 | -335 |
| Inc (-) / Dec in WCap. | -1,597 | -766 | -1,425 | -1,683 | -2,030 |
| Others | 146 | 63 | 55 | 70 | 70 |
| Taxes Paid | -92 | -274 | -512 | -689 | -913 |
| Operating Cash Flow | -827 | 197 | 28 | 453 | 762 |
| Capex | -459 | -675 | -412 | -440 | -452 |
| Free Cash Flow | -1,287 | -478 | -384 | 14 | 310 |
| Inc (-) / Dec in Investments | -241 | -913 | 1,187 | 0 | 0 |
| Others | -2,619 | -3,271 | -112 | 202 | 376 |
| Investing Cash Flow | -3,319 | -4,858 | 662 | -238 | -76 |
| Inc / Dec (-) in Capital | 4,663 | 5,753 | 0 | 0 | 0 |
| Dividend + Tax thereon | 0 | 0 | 0 | 0 | 0 |
| Inc / Dec (-) in Loans | -475 | -685 | 15 | 10 | 2 |
| Others | -158 | -105 | -17 | -50 | -63 |
| Financing Cash Flow | 4,030 | 4,963 | -2 | -40 | -61 |
| Inc / Dec (-) in Cash | -116 | 302 | 689 | 176 | 625 |
| Opening Cash Balance | 196 | 80 | 382 | 1,071 | 1,247 |
| Closing Cash Balance | 79 | 382 | 1,071 | 1,247 | 1,872 |

Source: Company, JM Financial

| Balance Sheet (INR mn) | | | | | |
|-----------------------------------|--------------|---------------|---------------|---------------|---------------|
| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E |
| Shareholders' Fund | 5,754 | 12,490 | 14,019 | 16,156 | 18,940 |
| Share Capital | 122 | 134 | 134 | 134 | 134 |
| Reserves & Surplus | 5,631 | 12,355 | 13,885 | 16,022 | 18,806 |
| Preference Share Capital | 0 | 0 | 0 | 0 | 0 |
| Minority Interest | 0 | 0 | 0 | 0 | 0 |
| Total Loans | 736 | 85 | 100 | 110 | 112 |
| Def. Tax Liab. / Assets (-) | -39 | -27 | -54 | -54 | -54 |
| Total - Equity & Liab. | 6,451 | 12,548 | 14,066 | 16,213 | 18,999 |
| Net Fixed Assets | 725 | 1,898 | 2,503 | 2,809 | 2,953 |
| Gross Fixed Assets | 46 | 440 | 852 | 1,292 | 1,744 |
| Intangible Assets | 580 | 1,400 | 1,902 | 2,064 | 2,060 |
| Less: Depn. & Amort. | 21 | 43 | 346 | 674 | 1,016 |
| Capital WIP | 119 | 101 | 95 | 127 | 166 |
| Investments | 3,025 | 6,818 | 5,644 | 5,899 | 6,216 |
| Current Assets | 3,173 | 4,408 | 6,721 | 8,455 | 10,980 |
| Inventories | 4 | 3 | 0 | 0 | 0 |
| Sundry Debtors | 1,746 | 2,152 | 2,815 | 3,442 | 4,232 |
| Cash & Bank Balances | 79 | 382 | 1,071 | 1,247 | 1,872 |
| Loans & Advances | 0 | 0 | 0 | 0 | 0 |
| Other Current Assets | 1,344 | 1,871 | 2,834 | 3,767 | 4,876 |
| Current Liab. & Prov. | 472 | 575 | 801 | 951 | 1,150 |
| Current Liabilities | 150 | 161 | 251 | 299 | 341 |
| Provisions & Others | 322 | 415 | 550 | 653 | 809 |
| Net Current Assets | 2,702 | 3,832 | 5,920 | 7,504 | 9,830 |
| Total - Assets | 6,451 | 12,548 | 14,066 | 16,213 | 18,999 |

Source: Company, JM Financial

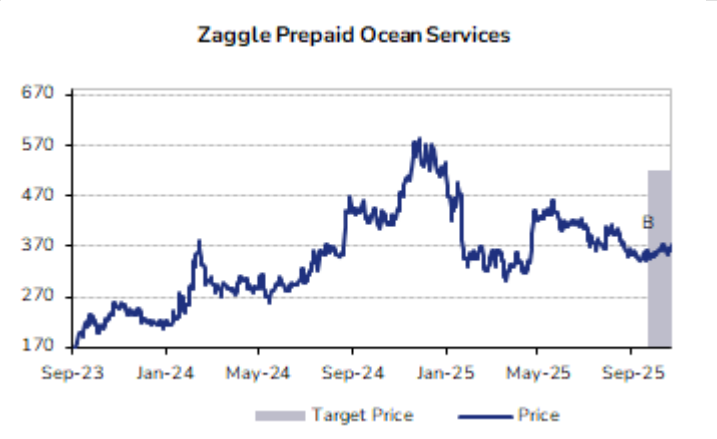
| Dupont Analysis | | | | | |
|---------------------|-------|-------|-------|-------|-------|
| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E |
| Net Margin | 5.7% | 6.7% | 8.1% | 8.5% | 8.6% |
| Asset Turnover (x) | 1.8 | 1.4 | 1.3 | 1.6 | 1.8 |
| Leverage Factor (x) | 1.4 | 1.1 | 1.0 | 1.0 | 1.0 |
| RoE | 14.1% | 9.6% | 11.1% | 13.7% | 15.5% |
| Key Ratios | | | | | |
| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E |
| BV/Share (INR) | 53.1 | 99.3 | 104.4 | 120.3 | 141.1 |
| ROIC | 20.4% | 18.9% | 20.4% | 23.8% | 26.9% |
| ROE | 14.1% | 9.6% | 11.1% | 13.7% | 15.5% |
| Net Debt/Equity (x) | -0.4 | -0.6 | -0.5 | -0.4 | -0.4 |
| P/E (x) | 93.1 | 53.9 | 34.2 | 24.4 | 18.6 |
| P/B (x) | 7.1 | 3.8 | 3.6 | 3.1 | 2.7 |
| EV/EBITDA (x) | 67.8 | 37.8 | 23.6 | 16.1 | 11.9 |
| EV/Sales (x) | 6.2 | 3.3 | 2.4 | 1.8 | 1.3 |
| Debtor days | 82 | 60 | 57 | 52 | 49 |
| Inventory days | 0 | 0 | 0 | 0 | 0 |
| Creditor days | 1 | 1 | 3 | 3 | 2 |

Source: Company, JM Financial

History of Recommendation and Target Price

| Date | Recommendation | Target Price | % Chg. |
|-----------|----------------|--------------|--------|
| 13-Oct-25 | Buy | 520 | |

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfirancial.research@jmfl.com | www.jmfl.com

Compliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: ashley.johnson@jmfl.com

Grievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: instcompliance@jmfl.com

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

| New Rating System: Definition of ratings | |
|--|---|
| Rating | Meaning |
| BUY | Expected return \geq 15% over the next twelve months. |
| ADD | Expected return \geq 5% and $<$ 15% over the next twelve months. |
| REDUCE | Expected return \geq -10% and $<$ 5% over the next twelve months. |
| SELL | Expected return $<$ -10% over the next twelve months. |

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

| Previous Rating System: Definition of ratings | |
|---|---|
| Rating | Meaning |
| BUY | Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields. |
| HOLD | Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months. |
| SELL | Price expected to move downwards by more than 10% from the current market price over the next twelve months. |

* REITs refers to Real Estate Investment Trusts.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions. Please click [here](#) to access our detailed Terms and Conditions, including the Most Important Terms and Conditions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 27th Floor, Office No. 2715, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an "accredited investor" as such term is defined in National Instrument 45-106 Prospectus Exemptions and a "permitted client" as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.