motilal oswal Financial Services

13 May 2025

MORNING INDIA

Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	82,430	3.7	5.5
Nifty-50	24,925	3.8	5.4
Nifty-M 100	55,416	4.1	-3.1
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	5,844	3.3	-0.6
Nasdaq	18,708	4.3	-3.1
FTSE 100	8,605	0.6	5.3
DAX	23,567	0.3	18.4
Hang Seng	8,559	3.0	17.4
Nikkei 225	37,644	0.4	-5.6
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	65	2.4	-12.4
Gold ($/OZ)	3,236	-2.7	23.3
Cu (US$/MT)	9,544	0.5	10.3
Almn (US$/MT)	2,475	2.8	-2.1
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	85.4	0.0	-0.3
USD/EUR	1.1	-1.4	7.1
USD/JPY	148.5	2.1	-5.6
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.4	0.00	-0.4
10 Yrs AAA Corp	7.0	0.00	-0.2
Flows (USD b)	**12-May**	**MTD**	**CYTD**
FIIs	0.1	1.80	-10.6
DIIs	0.17	1.79	26.7
Volumes (INRb)	**12-May**	**MTD***	**YTD***
Cash	1,136	1046	1024
F&O	1,44,902	1,85,711	2,04,739

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Jindal Stainless - Initiating Coverage: Set for sustainable growth

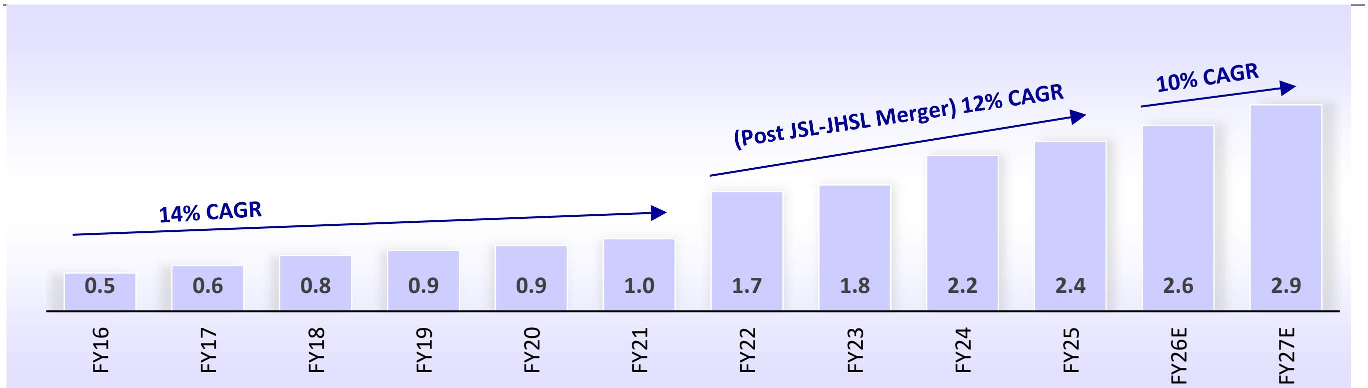
- Jindal Stainless Ltd (JSL) is India's leading stainless steel manufacturer with 3mt capacity (plans to expand to 4.2mt by FY27). The company operates a wide network of 16 stainless steel manufacturing and processing facilities in India and internationally.
- JSL is aggressively expanding its capacity and enhancing backward integration to drive sustainable and profitable growth. Considering the robust demand, expansion plans, and a focus on value-added products, we expect JSL to achieve a 14% CAGR of revenue growth driven by volume growth of 10% CAGR over FY25-27. Strong topline growth, coupled with improved cost structure, is expected to drive an EBITDA/APAT CAGR of 17%/21% over FY25-27.
- With strong cash flow generation and steady capex outflow, we expect JSL to generate strong cash flow during FY26-27E, which can further be utilized for deleveraging. We initiate coverage on the stock with a BUY rating and a TP of INR770 (premised on 10x FY27E EV/EBITDA).

Research covered

Cos/Sector	Key Highlights
Jindal Stainless	Initiating Coverage: Set for sustainable growth
Britannia Industries	Margins pressure persists, offset by cost efficiencies
ABB India	Revenue growth weak; good start for inflows
UPL	Strong quarter led by volume growth and better product mix
Other Updates	Thermax | Triveni Turbine | Jyothy Laboratories | Fine Organic Industries | Relaxo Footwears | PVR-Inox | Alkyl Amines Chemicals | Birla Corporation | Tata Steel | Healthcare | Hindalco - Novelis 4QFY25 | SRF | Prudent Corporate Advisory | Raymond Lifestyle

Chart of the Day: Jindal Stainless - Initiating Coverage (Set for sustainable growth)

With the ramp-up of newly added capacity, JSL is expected to report strong volume growth



Source: MOFSL, Company

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In the news today

Kindly click on textbox for the detailed news link

1

Demand recovery likely to be gradual, says Britannia MD

Britannia's MD Varun Berry anticipates a gradual demand recovery extending into next year, emphasizing revenue and volume growth as key targets for this fiscal year.

2

India proposes retaliatory duties against US on steel, aluminium duties at WTO

India has proposed retaliatory tariffs on specific American goods under WTO guidelines, responding to US duties on steel and aluminum.

3

LTIMindtree bags $450-million deal with global firm, its largest

LTIMindtree secures its largest-ever $450M deal over seven years with a global agribusiness giant to deliver AI-powered IT, infrastructure, and cybersecurity services using platforms like SAP S/4HANA, Azure, and ServiceNow, boosting efficiency and global scalability.

4

US-China truce unlikely to trip phone companies' Make-in-India play

The US-China tariff pause is unlikely to hinder India's mobile phone production growth, as a 20% tariff advantage remains, though only until July 9.

5

Addition of mobile users slows as tariff hikes pinch

Telecom tariff increases in July 2024 slowed subscriber growth in rural India, reversing a previous trend of outpacing urban areas.

6

Himadri Chem in talks to buy 10-12% in US battery co

Himadri Speciality Chemical is in advanced discussions to acquire a 10-12% stake in US-based International Battery Company (IBC) for an estimated $10-12 million.

7

Trump drops the price bomb, Indian pharma may feel aftershock

President Trump's plan to lower US prescription drug prices by aligning them with other countries could impact Indian pharmaceutical companies, which heavily rely on the US market for revenue.

12 May 2025

Initiating Coverage | Sector: Metals

Jindal Stainless

BSE Sensex	S&P CNX
82,430	24,925

Bloomberg	JDSL IN
Equity Shares (m)	824
M.Cap.(INRb)/(USDb)	502.5 / 5.9
52-Week Range (INR)	848 / 497
1, 6, 12 Rel. Per (%)	3/-17/-24
12M Avg Val (INR M)	892
Free float (%)	39.1

Financials & Valuations (INR b)

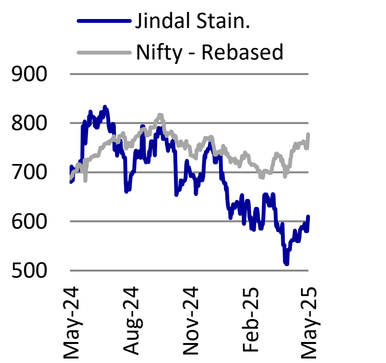
Y/E MARCH	2025	2026E	2027E
Sales	393.1	444.6	510.1
EBITDA	46.7	53.4	63.5
Adj. PAT	25.1	29.8	36.6
EBITDA (%)	11.9	12.0	12.5
Adj. EPS (INR)	30.5	36.2	44.5
BV/Sh. (INR)	203	235	276
Ratios			
Net D:E	0.2	0.2	0.1
RoE (%)	15.1	15.4	16.1
RoCE (%)	12.3	12.7	13.2
Payout (%)	9.9	9.7	9.0
Valuations			
P/E (x)	18.5	16.9	13.7
P/BV (x)	2.8	2.6	2.2
EV/EBITDA(x)	10.7	10.1	8.4
Div. Yield (%)	0.5	0.6	0.7

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	60.9	60.7	60.5
DII	6.9	6.3	6.6
FII	21.4	22.2	20.8
Others	10.8	10.8	12.1

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR610 **TP: INR770 (+26%)** **Buy**

Set for sustainable growth

Strategic expansion to strengthen its global leadership

- **Jindal Stainless (JSL) is India's leading stainless steel manufacturer with a 3mt capacity (plans to expand to 4.2mt by FY27). JSL operates a wide network of 16 stainless steel manufacturing and processing facilities in India and internationally. Its product portfolio includes stainless steel slabs, blooms, coils, plates, sheets, precision strips, wire rods, rebar, blade steel, and coin blanks. JSL is aggressively expanding its capacity and enhancing backward integration to drive sustainable and profitable growth. Additionally, the company focused on enhancing its value-added portfolio, further supporting margins.**
- **Following the merger, JSL's revenue recorded a 6% CAGR over FY22-25, primarily driven by a 12% volume CAGR, partially offset by NSR moderation. During the same period, EBITDA posted a compounded decline of 3% due to weak NSR and a surge in input prices. In line with the EBITDA, APAT also registered a 7% compounded decline over the same period. Considering the robust demand, capacity expansion plans, and a focus on value-added products, we expect JSL to strengthen its market dominance and achieve a 14% CAGR of revenue growth driven by volume growth of 10% CAGR, coupled with NSR improvement of 4% CAGR over FY25-27. Strong revenue growth, coupled with improved cost structure, is expected to drive an EBITDA/APAT CAGR of 17/21% over FY25-27.**
- **JSL has deleveraged its balance sheet from the peak of INR103b during FY16 to INR40b as of FY25. We expect its OCF at INR62b, which would comfortably fund the ongoing capex of INR40b during the next two years. JSL's RoE slipped to 15% in FY25 (vs. 18% in FY23), and it is likely to remain steady at 16% in FY27.**
- **At CMP, the stock trades at 8.4x EV/EBITDA on our FY27 estimate. We initiate coverage on the stock with a BUY rating and a TP of INR770 (premised on 10x FY27E EV/EBITDA). We believe that JSL's focus on strategic acquisitions and greater raw material security will further strengthen its growth prospects.**

Expansion underway to cater to robust demand

- JSL is executing a strategic INR57b investment plan to expand its capacity, enhance downstream operations, and diversify its product portfolio. Over 40% of this capex has already been incurred as of FY25, increasing the total capacity by 40% to 4.2mtpa by FY27.
- As part of its overseas presence, JSL has entered into a JV in Indonesia to establish a 1.2mtpa Steel Melt Shop (SMS). Domestically, JSL is strengthening its downstream operations, particularly in Jajpur.
- Further, JSL has acquired Jindal United Steel (JUSL) with a hot (3.2mtpa) and cold (0.2mtpa) rolling capacity. It is also diversifying into the infra space by acquiring Rathi Super Steel (RSSL) and Rabirun Vinimay (RVPL).
- JSL aims to increase the share of its CR products to 75% (vs. 45% currently) with the acquisition of Chromeni Steels, which has a capacity of 0.6mtpa and the potential to expand to 4mtpa.

RM security + backward integration = Mitigating input cost volatility

- Nickel, which accounts for ~50% of input costs, is a critical raw material for SS production. India lacks domestic reserves and relies on imports, primarily ferronickel and stainless steel scrap. However, global scrap availability is tightening due to export restrictions and disruptions like trade tension. JSL is strategically mitigating the nickel price volatility through backward integration.

- To secure long-term supply, JSL has entered into a JV with New Yaking Pte Ltd for a Nickel Pig Iron (NPI) smelter in Indonesia (49% stake). The facility has been operational since Aug'24, ensures an annual supply of 0.2mt NPI with 14% nickel content and reduces JSL's exposure to nickel price fluctuations.

ART and new-age sectors to be the catalyst for future stainless steel demand

- India is the second-largest stainless steel producer but still has low per capita consumption of 3.1kg (vs. China's 20.1kg). India's stainless steel demand is set for substantial growth, with per capita consumption projected to reach 8.5-11.5kg (~12-20mt) by 2047.
- The Architecture, Building, and Construction (ABC) sector will be the major growth catalyst, supported by government-led infra initiatives. India's expanding automotive industry, along with growing metro network/Vande Bharat projects, will boost stainless steel demand.
- New-age sectors, the process industry, and consumer durables account for +70% of India's stainless steel consumption. As income levels, urbanization, and exports increase, the demand from these sectors is projected to grow rapidly, boosting stainless steel consumption.

Operational synergies via integration, expansion, and value addition

- The company has streamlined its corporate structure by merging with its promoter holding company (Jindal Stainless - Hisar) and acquiring key assets. This has led to increased capacity, enhanced backward integration, and downstream product diversification and value addition. As a result, JSL has become the largest stainless steel player in India and one of the top global manufacturers.
- JSL has formed two JVs in Indonesia to establish an NPI facility and an SMS, ensuring a stable nickel supply and reducing price volatility. Recent acquisitions (CSPL, JSUL, RSSL, RVPL) complement these efforts, allowing JSL to handle increased melt capacity and expand its VAP share.

Building a stainless future and navigating uncertain waters; initiate with BUY

- Following the merger, JSL clocked a 6% revenue CAGR, primarily driven by a 12% volume CAGR, partially offset by NSR moderation. EBITDA recorded a compounded decline of 3% during FY22-25 due to weak NSR and a surge in input prices.
- Going forward, we estimate JSL to post a 10% CAGR in volumes and a 4% CAGR in NSR, driving revenue growth at a similar rate of 14% CAGR over FY25-27. New capacity additions will support upstream production and cater to rising demand. JSL is also expanding its VAP share via acquisitions (CSPL, JSUL, RSSL, RVPL), which is expected to enhance NSR. We anticipate EBITDA/t to range between INR20,500 and 22,000, supported by a better cost structure and a higher share of VAP with an improved mix. JSL has deleveraged its balance sheet from the peak of INR103b during FY16 to INR40b as of FY25, resulting in a net Debt/Equity ratio of 0.2x. RoE, which had reduced to 15% in FY25 (vs. 18% in FY23), is likely to remain stable at 16% in FY27.
- Considering the strong focus on capacity expansion, RM integration, enhanced VAPs share, and tight B/S control, we initiate coverage on JSL with a BUY recommendation. We value the company at 10x on FY27E EV/EBITDA, arriving at a TP of INR770 per share.

Key Risks: Nickel price volatility, rise in imports, and domestic demand slowdown.

Britannia Industries

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	BRIT IN
Equity Shares (m)	241
M.Cap.(INRb)/(USDb)	1350.9 / 15.8
52-Week Range (INR)	6473 / 4506
1, 6, 12 Rel. Per (%)	-4/7/-2
12M Avg Val (INR M)	2062

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Sales	179.4	195.9	214.3
Sales Gr. (%)	7.0	9.2	9.4
EBITDA	31.9	35.3	39.3
EBITDA mrg. (%)	17.8	18.0	18.3
Adj. PAT	22.1	24.8	28.0
Adj. EPS (INR)	91.9	102.8	116.3
EPS Gr. (%)	3.6	11.9	13.1
BV/Sh.(INR)	180.8	206.2	243.1
Ratios			
RoE (%)	53.4	53.1	51.8
RoCE (%)	37.0	40.6	41.2
Payout (%)	81.6	74.9	67.9
Valuation			
P/E (x)	61.0	54.5	48.2
P/BV (x)	31.0	27.2	23.1
EV/EBITDA (x)	41.8	37.6	33.5
Div. Yield (%)	1.3	1.4	1.4

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	50.6	50.6	50.6
DII	18.3	17.6	15.8
FII	15.7	16.5	18.2
Others	15.5	15.4	15.5

FII includes depository receipts

CMP: INR5,609 TP: INR5,850 (+4%) Neutral

Margins pressure persists, offset by cost efficiencies

- Britannia Industries (BRIT) posted total consolidated revenue growth of 9% YoY in 4QFY25 (in line) and volume growth of ~3% (est. 4.5%).
- GM contracted 480bp YoY to 40.1%, impacted by rising commodity prices, mainly palm oil (+54% YoY), Cocoa (+83% YoY) and Milk (+21% YoY). Employee expenses rose 1.5% YoY, while other expenses declined 11% YoY. The strategic price hikes by BRIT and cost efficiency initiatives (~2.5% in FY25) supported margins.
- EBITDA margin contracted 120bp YoY to 18.2%, EBITDA grew 2% YoY to INR8b. Management highlighted that EBITDA margin will be maintained at 17-18%. We model EBITDA margin of 18% in FY26E and 18.3% in FY27E.
- BRIT's focus on innovation, distribution expansion, marketing, pricing actions, RTM 2.0 and dairy capacity expansion will drive growth. However, we await a stable demand recovery in core categories amid high macro inflation and price hikes while closely monitoring margins**. We reiterate our Neutral rating with a TP of INR5,850 (premised on 50x FY27E EPS).**

In-line performance; volume growth at ~3%

- **Volume growth at ~3%:** BRIT's consolidated net sales (excluding other operating income) rose 9% YoY to INR43.7b (est. INR42.5b) in 4Q. Other operating income grew 2% YoY to INR0.57b. Consolidated total revenue rose 9% YoY to INR44.3b (est. INR43.6b). The company delivered ~3% volume growth in 4Q (est. 4.5%, 6.5% in 3QFY25).
- **Commodity pressure on margin**: Consolidated gross margin contracted by 480bp YoY to 40.1% (in line) due to a rise in commodity prices. Employee expenses rose 1.5% YoY, while other expenses declined 11% YoY, leading to a 120bp YoY contraction in EBITDA margin to 18.2% (in line).
- **Low-single-digit growth in profitability**: EBITDA grew 2% YoY to INR8b (est. INR7.8b). APAT was up 4% YoY at INR5.6b (est. INR5.4b).
- In FY25, net sales grew 7% YoY, EBITDA was flat YoY and APAT rose 3% YoY.

Highlights from the management commentary

- Improving macro trends indicate gradual consumption recovery in FY26.
- Competition from D2C players is not a matter of concern for BRIT. However, with modern trade (MT) and quick commerce (QC) growing, BRIT will remain watchful of any developments in D2C space.
- BRIT has continued to leverage its e-com channel. In FY25, e-com revenue grew 7.4x compared to other channels. BRIT also launched e-com-only products. E-com and QC account for ~4% of BRIT sales and they are growing fast, though the overall salience is relatively low.
- In terms of new launches, BRIT focuses on the premium side. The overall premium portfolio continues to do well for BRIT.
- Cake, rusk, dairy and bread are ~INR8b each, while newer categories launched in the last 4-5 years such as croissants, milkshakes, and wafters are in the range of INR1-2.5b. The split between old and new categories is ~75:25.
- Wheat and oil are ~30% each and sugar is ~20% of total RM basket for FY25.
- Management highlighted that EBITDA margin will be maintained at 17-18%.

Valuation and view

- We largely maintain our EPS estimates for FY26/FY27.
- BRIT focuses on expanding its distribution, primarily in rural areas, innovating products, and scaling up in related categories.
- While BRIT wants to focus on sustaining margins, volatile commodity prices and competitive intensity at both regional and national levels could weigh on BRIT's margins. The margin is likely to remain volatile in the near term. We model EBITDA margin of 18% in FY26E and 18.3% in FY27E.
- We believe urban demand will recover gradually and growth in packaged food categories will also improve. With pricing action initiated, we expect revenue growth to remain healthy, along with a gradual recovery in gross margin. **We reiterate our Neutral rating with a TP of INR5,850 (premised on 50x FY27E EPS).**

Consol. Quarterly Performance (INR m)

Y/E March	FY24				FY25E				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Base business volume growth (%)	**0.0**	**0.0**	**5.5**	**6.0**	**8.0**	**8.0**	**6.0**	**~3.0**	**2.9**	**6.3**	**4.5**	
Net Revenue	**39,698**	**43,705**	**41,918**	**40,141**	**41,299**	**45,662**	**44,633**	**43,756**	**1,65,462**	**1,75,350**	**42,514**	**2.9**
YoY change (%)	8.6	0.8	2.2	3.1	4.0	4.5	6.5	9.0	3.5	6.0	5.9	
Other operating income	409	624	645	553	1,204	1,013	1,293	566	2,231	4,077	1,040	**(45.5)**
YoY change (%)	-13.4	48.3	-32.3	-57.8	194.6	62.4	100.5	2.4	-29.3	82.8	88.0	
Total Revenue	**40,107**	**44,329**	**42,563**	**40,694**	**42,503**	**46,676**	**45,926**	**44,322**	**1,67,693**	**1,79,427**	**43,554**	**1.8**
YoY change (%)	8.4	1.2	1.4	1.1	6.0	5.3	7.9	8.9	2.9	7.0	7.0	
Gross Profit	**16,820**	**19,011**	**18,673**	**18,269**	**18,449**	**19,381**	**17,784**	**17,773**	**72,772**	**73,386**	**17,404**	**2.1**
Margins (%)	41.9	42.9	43.9	44.9	43.4	41.5	38.7	40.1	43.4	40.9	40.0	
EBITDA	**6,889**	**8,724**	**8,211**	**7,874**	**7,537**	**7,834**	**8,449**	**8,052**	**31,698**	**31,872**	**7,839**	**2.7**
Margins (%)	17.2	19.7	19.3	19.4	17.7	16.8	18.4	18.2	18.9	17.8	18.0	
YoY growth (%)	37.6	22.6	0.4	-1.7	9.4	-10.2	2.9	2.3	12.0	0.5	-0.5	
Depreciation	708	717	781	799	739	761	824	810	3,005	3,133	828	
Interest	531	534	311	264	290	346	446	307	1,640	1,388	390	
Other Income	539	524	506	573	556	460	625	630	2,142	2,271	622	
PBT	**6,190**	**7,997**	**7,625**	**7,384**	**7,064**	**7,187**	**7,804**	**7,566**	**29,196**	**29,621**	**7,243**	**4.5**
Tax	1,665	2,121	2,026	1,980	1,762	1,836	1,961	1,928	7,793	7,487	1,795	
Rate (%)	26.9	26.5	26.6	26.8	24.9	25.5	25.1	25.5	26.7	25.3	24.8	
Adjusted PAT	**4,555**	**5,865**	**5,586**	**5,366**	**5,295**	**5,317**	**5,823**	**5,591**	**21,371**	**22,027**	**5,428**	**3.0**
YoY change (%)	35.7	19.5	0.3	-3.8	16.3	-9.3	4.3	4.2	10.1	3.1	1.1	

E: MOFSL Estimates

12 May 2025

4QFY25 Results Update | Sector: Capital Goods

ABB India

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	ABB IN
Equity Shares (m)	212
M.Cap.(INRb)/(USDb)	1183.9 / 13.9
52-Week Range (INR)	9200 / 4590
1, 6, 12 Rel. Per (%)	-1/-24/-35
12M Avg Val (INR M)	2957

Financials Snapshot (INR b)

Y/E DEC	CY25E	CY26E	CY27E
Net Sales	134.0	151.7	173.5
EBITDA	24.5	26.7	29.6
PAT	20.0	21.9	24.2
EPS (INR)	94.4	103.6	114.3
GR. (%)	6.7	9.7	10.4
BV/Sh (INR)	381.3	428.4	475.0
Ratios			
ROE (%)	26.4	25.6	25.3
RoCE (%)	26.5	25.7	25.4
Valuations			
P/E (X)	59.0	53.8	48.7
P/BV (X)	14.6	13.0	11.7
EV/EBITDA (X)	47.3	43.0	38.6
Div Yield (%)	0.7	0.9	1.0

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	75.0	75.0	75.0
DII	7.0	5.7	6.0
FII	10.3	11.9	11.9
Others	7.7	7.5	7.2

FII Includes depository receipts

CMP: INR5,587 TP: INR6,400 (+15%) Buy

Revenue growth weak; good start for inflows

ABB India's 1QCY25 results were lower than our estimates. Revenue/EBITDA/PAT growth of 3% each YoY for the quarter was impacted by softer execution, particularly in the process automation segment. Order inflows were strong and were up by 4% YoY and 39% QoQ on healthy base orders from railways, data centers, electronics, energy, tyres and water treatment, as well as large orders. With improvement seen in inflows, we expect revenue growth to scale up in the coming quarters. We trim our estimates by 3%/5%/5% for CY25/26/27 to bake in continued weakness in process automation segment. ABB is currently trading at 59.0x/53.8x on CY25E/CY26E earnings. We believe that beyond the transient weakness in execution as a result of weak inflows during last year, ABB has the right levers to benefit from improvement in government and private capex. We maintain BUY with a revised TP of INR6,400, which implies 60x Mar'27E earnings.

Results were weaker than our estimates

For 1QCY25, revenue/EBITDA/PAT grew by 3%/3%/3% YoY. Revenue and PAT both came in 7% below our estimates. EBITDA margin stood at 18.4% vs. our estimate of 18.6%. Gross margin during the quarter declined 200bp QoQ and 170bp YoY. The revenue miss was primarily led by a 19% YoY decline in revenue from the process automation segment. Order inflows were strong during the quarter at INR37.5b, up 4% YoY and 39% QoQ, driven by orders from railways, data centers, electronics, energy, tyres and water treatment. Base orders formed INR35.5b and large orders contributed INR2b to total order inflows. This resulted in the order book moving up to INR99.5b. ABB has mentioned that the long-term levers and outlook remain more positive. The government's focus on emerging segments of renewable energy, green hydrogen, electronics, nuclear energy, battery storage and AI infrastructure augurs well for ABB India's multi-segment portfolio. The company's cash position remains robust at INR57.5b as of 1QCY25 end.

Order inflow momentum remained strong during the quarter

Order inflows at INR37.5b were healthy despite a high base of last year. Going ahead, high-growth areas like data centers, electronics, smart buildings, traction/railways, and green cement are all benefiting from technological advancements and rapid execution cycles. Moderate-growth segments include core infrastructure and industrial markets with steady 8-12% growth. Low-growth but high-volume segments still contribute about 45% of ABB's portfolio. These segments are seen as future opportunities as capex cycles revive. We expect electrification and motion to benefit from high and moderate growth segments, while process automation will remain weak in the near term.

Sequential moderation in margin was driven by lower margin in process automation

EBITDA margin declined 90bp QoQ, mainly due to lower margin in process automation. PBIT margin remained strong in Electrification segment at 24.7% (vs. 23.7% in 1QCY24) and Motion segment at 21.9% (vs. 21.4% in 1QCY24). Process automation PBIT margin declined sequentially to 16.4% in 1QCY25 from 19.2% in 4QCY24 and remained flat YoY vs. 16.3% in 1QCY24. This decline was due to lower volumes in the segment and continued weakness in order inflows. PBIT margin also declined in robotics and discrete automation to 13.2% in 1QCY25 vs. 15.4% in 1QCY24. Motion and Robotics together had PBIT margin of 20.8% in 1QCY25. We revise our estimates to factor in slightly lower margin and expect EBITDA margin of 18.3%/17.6%/17.1% for CY25/26/27.

Electrification segment performance was strong on margins

Electrification segment witnessed 5% YoY revenue growth in 1QCY25 and PBIT margin also remained strong at 24.7%. However, order inflow for the segment declined by 2% YoY owing to a high base of large orders last year. Demand remains strong across key industries such as renewables, data centers, smart building, transportation, and food & beverage. We expect the segment's revenue/orders to clock a CAGR of 20%/18% over CY24-27, with EBIT margins to be in the range of 20%-22%.

Motion and Robotics performance was led by uptick in demand for robotics and drives

Robotics segment benefited from strong inflows in electronics and witnessed 114% YoY growth in order inflows. Execution growth of 37% YoY for robotics too was driven by emerging segments. Motion segment revenue growth was driven by higher revenues from drives products and system drives as well as execution of high-value projects. Ordering in Motion segment was up 6% YoY due to a high-value order from railways and an uptick in demand for drives products and services. We expect both these segments together to clock a revenue CAGR of 12% over CY24-27 on stronger execution, with EBIT margin ranging around 19.5%-20.5%.

Process automation was impacted by demand slowdown

Process automation has continued to see a decline in inflows and revenues in nearly four out of five quarters and is impacted by delays in decision-making from clients. Process automation is largely the project-based business and projects form around 10% of the sales. It is dependent on customers and government projects such as oil and gas, power infra, etc. Many projects are in the pipeline, but the order finalization is taking time. We expect this segment's growth to remain impacted by slower ordering; hence, we expect a negative revenue CAGR of 7% over CY24-27.

Valuation and recommendation

ABB India is currently trading at 59.0x/53.8x P/E on CY25/CY26 estimates. We trim our estimates by 3%/5%/5% for CY25/26/27 to factor in slightly lower ordering and margin assumptions across segments. We thus expect revenue growth of 10%/13%/14% in CY25/CY26/CY27 and margins of 18.3%/17.6%/17.1%, translating into PAT growth of 7%/10%/10% for CY25/CY26/CY27. We maintain our BUY rating with a revised DCF-based TP of INR6,400, implying a multiple of 60x P/E on Mar'27E EPS.

Key risks and concerns

Slowdown in order inflows, pricing pressure across segments, increased competition, supply chain issues, and geopolitical risks could affect our estimates and valuations.

Standalone - Quarterly Earning Model (INR m)

Y/E December	CY24				CY25E				CY24	CY25E	CY25E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Net Sales	**30,804**	**28,309**	**29,122**	**33,649**	**31,596**	**31,292**	**32,399**	**38,758**	**1,21,883**	**1,34,045**	**33,733**	**-6**
YoY Change (%)	27.8	12.8	5.2	22.0	2.6	10.5	11.3	15.2	16.7	10.0	9.5	
Total Expenditure	25,152	22,884	23,719	27,076	25,773	25,506	26,522	31,743	98,831	1,09,543	27,457	
EBITDA	**5,652**	**5,425**	**5,402**	**6,573**	**5,823**	**5,786**	**5,877**	**7,015**	**23,052**	**24,502**	**6,276**	**-7**
Margins (%)	18.3	19.2	18.6	19.5	18.4	18.5	18.1	18.1	18.9	18.3	18.6	
Depreciation	314	310	328	337	338	341	341	345	1,289	1,365	341	
Interest	38	45	30	51	47	36	36	25	165	145	36	
Other Income	871	868	929	866	923	938	938	953	3,534	3,752	937	
PBT before EO expense	**6,171**	**5,938**	**5,973**	**7,051**	**6,361**	**6,347**	**6,438**	**7,598**	**25,133**	**26,744**	**6,835**	**-7**
Extra-Ord expense												
PBT	**6,171**	**5,938**	**5,973**	**7,051**	**6,361**	**6,347**	**6,438**	**7,598**	**25,133**	**26,744**	**6,835**	**-7**
Tax	1,575	1,511	1,568	1,732	1,620	1,599	1,622	1,898	6,387	6,739	1,722	
Rate (%)	25.5	25.5	26.3	24.6	25.5	25.2	25.2	25.0	25.4	25.2	25.2	
Reported PAT	**4,596**	**4,426**	**4,405**	**5,319**	**4,741**	**4,747**	**4,816**	**5,701**	**18,746**	**20,005**	**5,112**	**-7**
Adj PAT	**4,596**	**4,426**	**4,405**	**5,319**	**4,741**	**4,747**	**4,816**	**5,701**	**18,746**	**20,005**	**5,112**	**-7**
YoY Change (%)	87.4	49.6	21.7	54.1	3.2	7.3	9.3	7.2	50.2	6.7	11.2	
Margins (%)	14.9	15.6	15.1	15.8	15.0	15.2	14.9	14.7	15.4	14.9	15.2	

	CY24				CY25E				CY24	CY25E
INR m	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Segmental revenue										
Robotics & Motion	11,219	11,601	11,908	12,590	12,454	12,761	13,337	14,013	47,318	52,565
YoY Change (%)	7.9	11.6	8.3	23.2	11.0	10.0	12.0	11.3	12.6	11.1
Electrification Products	12,963	11,214	11,540	15,028	13,577	13,456	14,309	19,822	50,744	61,164
YoY Change (%)	29.7	11.5	10.7	33.0	4.7	20.0	24.0	31.9	21.5	20.5
Process Automation	7,263	6,327	5,963	6,277	5,865	5,378	5,068	5,311	25,830	21,622
YoY Change (%)	72.9	24.2	-11.7	-0.5	-19.3	-15.0	-15.0	-15.4	15.5	-16.3
Unallocated and others (incl. excise duty)	26	44	47	60	51	12	12	-26	176	49
Less: inter-segmental	-667	-877	-335	-306	-351	-316	-327	-361	-2,185	-1,356
Total revenues	**30,804**	**28,309**	**29,122**	**33,649**	**31,596**	**31,292**	**32,399**	**38,758**	**1,21,883**	**1,34,045**
Segmental EBIT										
Robotics & Motion	2,332	2,613	2,659	2,485	2,596	2,616	2,734	2,888	10,089	10,834
Margin (%)	20.8	22.5	22.3	19.7	20.8	20.5	20.5	20.6	21.3	20.6
Electrification Products	3,078	2,594	2,397	3,548	3,356	3,122	3,148	3,831	11,618	13,456
Margin (%)	23.7	23.1	20.8	23.6	24.7	23.2	22.0	19.3	22.9	22.0
Process Automation	1,181	1,023	1,145	1,221	962	914	862	938	4,570	3,676
Margin (%)	16.3	16.2	19.2	19.4	16.4	17.0	17.0	17.7	17.7	17.0
Total	**6,590**	**6,230**	**6,202**	**7,254**	**6,914**	**6,652**	**6,744**	**7,657**	**26,276**	**27,966**

UPL

Estimate change	↓
TP change	⟷
Rating change	⟷

Bloomberg	UPLL IN
Equity Shares (m)	844
M.Cap.(INRb)/(USDb)	550.3 / 6.4
52-Week Range (INR)	699 / 459
1, 6, 12 Rel. Per (%)	-3/29/28
12M Avg Val (INR M)	1637

Financials & Valuations (INR b)

Y/E Mar	2025	2026E	2027E
Sales	466.4	503.1	537.7
EBITDA	81.2	92.6	104.9
PAT	19.1	30.4	44.0
EBITDA (%)	17.4	18.4	19.5
EPS (INR)	25.0	39.7	57.5
EPS Gr. (%)	583.6	58.8	44.7
BV/Sh. (INR)	578	617	682
Ratios			
Net D/E	0.6	0.5	0.4
RoE (%)	7.1	10.1	13.4
RoCE (%)	10.4	11.0	12.9
Payout (%)	124.1	36.6	25.3
Valuations			
P/E (x)	26.9	17.0	11.7
EV/EBITDA (x)	8.7	7.6	6.4
Div Yield (%)	2.1	2.1	2.1
FCF Yield (%)	14.5	2.7	12.4

Shareholding Pattern (%)

	Mar-25	Dec-24	Mar-24
Promoter	33.5	33.5	32.5
DII	18.6	18.9	15.3
FII	37.2	35.5	37.0
Others	10.7	12.1	15.2

Note: FII includes depository receipts

CMP: INR677 TP: INR660 (-2%) Neutral

Strong quarter led by volume growth and better product mix

Operating performance in line

- UPL Ltd (UPLL) reported a strong quarter as EBITDA jumped 68% YoY (on a low base) to INR32.3b, fueled by a strong demand recovery (volume-driven growth; 11% YoY in 4Q), better product mix, rebate normalization, and lower COGS. Despite the challenging macro environment, UPL reported an industry-leading volume growth of ~13% YoY in FY25.
- During the capital markets day meet, the management indicated the macroeconomic conditions to remain challenging in FY26, with the overall industry growth expected to be flat (volume growth offset by price deflation). However, UPLL remains on track to accelerate its growth from 2HFY26 onwards, primarily led by the recovery in key markets and traction from newly launched products. The innovation rate is likely to improve to 17.5% in FY26 from 14% in FY25.
- Management **guided ~4-8% revenue/~10-14% EBITDA growth for FY26,** driven by volume and better product mix. We broadly retain our FY26/FY27 EBITDA estimates. Further, incorporating the Advanta stake sale (~12.5%) and an improving business scenario, we raise the minority share of profits for FY26/FY27. This, in turn, reduces our earnings by 13%/14%. **Reiterate Neutral with a TP of INR660 (based on 11x FY27 EPS).**

Growth across platforms fueled by higher volume

- UPLL reported revenue of INR155.7b (in-line) in 4QFY25, up 11% YoY (volume growth: 11%, price growth: 1%, forex decline: 1%). EBITDA stood at INR32.4b (in line), up 68% YoY. EBITDA margin was 20.8% vs. 13.7% in 4QFY24, due to a 910bp expansion in gross margin. The contribution margin was improved due to improved product mix and rebate normalization. Adj. PAT came at INR11.9b (est. Adj. PAT INR14b), up 3.3x YoY.
- The **India** revenue grew 16% YoY to INR14b, led by strong Rabi placement. **North America** revenue grew 77% YoY to INR27b on account of strong volume recovery (up 65% YoY) led by key herbicides and fungicides. **LATAM** revenue grew 2% to INR50.8b, as the volume growth was offset by price softening and unfavorable forex. **Europe** remained flat (up 1% YoY) at INR31.1b, aided by continued strong volume growth in fungicides and NPP while prices remained soft. **RoW** revenue declined 1% YoY to INR32.8b, owing to growth in China and Southeast Asia being offset by price challenges in Africa.
- Advanta's revenue increased 37% YoY to INR15.4b, driven by higher volumes and improved realizations in corn, sorghum, canola, and vegetables, while UPLL Specialty Chemical's revenue grew 24% YoY in FY25, driven by overall growth in demand, new launches, and enhanced capacities.
- Gross debt (excluding perpetual bonds) declined to INR237b in Mar'25 from INR284b as of Mar'24. Net debt declined to INR138b in Mar'25 vs. INR221b in Mar'24. The decline was due to strong cash flow generation and improved working capital days, which declined to 53 in Mar'25 from 86 in Mar'24.
- FY25 revenue/EBITDA increased 8%/47% YoY to INR466b/INR81b, while the Adj. PAT stood at INR19b, up 7x YoY.

Highlights from the management commentary

- **UPL Corp:** Despite FY24 being a challenging year for the industry, UPL capitalized on it for a strong recovery in FY25, meeting all guidance targets. For FY26, the company aims for USD130m in revenue from over 20 new product launches, primarily driven by North America, Europe, and LATAM.
- **Advanta:** It now ranks among the top 10 global seed companies, with UPL expanding its portfolio across all crops and regions. Advanta achieved 12% YoY revenue growth in FY25, driven by higher volumes and improved realizations in corn, sorghum, canola, and vegetables, despite the industry's flat growth.
- **Superform:** The newly formed businesses comprising Agchem and Natural Plant Protection (75% revenue share), Spec Chem, Health & Nutrition, and Animal Health (25%) achieved 6% YoY revenue growth in FY25. Within that, the specialty business grew 24% YoY, and the company launched seven new products in FY25. However, the EBITDA margin contracted 160bp YoY due to some captive pricing pressure and under-absorbed factory costs. UPLL entered into six binding/non-binding MoUs for contract manufacturing; peak revenue potential of INR15-20b.

Valuation and view

- UPLL has witnessed resilient growth in 2HFY25 despite macro headwinds. Building on this momentum, the company is likely to experience further growth in FY26 (largely in 2H; 1H to be subdued due to geopolitical risks). This growth will be propelled by healthy volume growth across key regions (North America, LATAM, and ROW), while pricing will remain soft. Further, new product contribution would see a healthy ramp-up, while Advanta Seeds will continue witnessing growth in both existing and new products.
- We expect revenue/EBITDA/Adj. PAT CAGR at 7%/14%/52% over FY25-27. **Reiterate Neutral with a TP of INR660 (based on 11x FY27 EPS).**

Cons.: Quarterly Earnings Model (INRb)

Y/E March	FY24				FY25				FY24	FY25	FY25E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q	%
Net Sales	**89.6**	**101.7**	**98.9**	**140.8**	**90.7**	**110.9**	**109.1**	**155.7**	**431.0**	**466.4**	**154.5**	**1%**
YoY Change (%)	-17.2	-18.7	-27.7	-15.0	1.2	9.0	10.3	10.6	-19.6	8.2	9.8	
Total Expenditure	73.7	86.0	94.7	121.5	79.2	95.2	87.5	123.4	375.8	385.2	123.6	
EBITDA	**15.9**	**15.8**	**4.2**	**19.3**	**11.5**	**15.8**	**21.6**	**32.4**	**55.2**	**81.2**	**30.9**	**5%**
Margins (%)	17.8	15.5	4.2	13.7	12.6	14.2	19.8	20.8	12.8	17.4	20.0	
Depreciation	6.4	6.6	6.8	7.9	6.6	7.0	6.9	7.1	27.6	27.5	8.1	
Interest	7.0	8.7	11.9	10.9	9.1	10.7	7.3	9.1	38.5	36.3	7.0	
Other Income	1.0	1.1	1.5	1.3	1.0	1.1	1.7	1.1	4.8	4.9	1.3	
Exch. difference on trade rec./payable	3.2	2.5	3.2	0.8	0.5	2.2	2.1	0.5	9.8	5.2	0.0	
PBT before EO expense	**0.4**	**-1.0**	**-16.2**	**0.9**	**-3.7**	**-3.0**	**7.1**	**16.8**	**-15.9**	**17.1**	**17.1**	
Extra-Ord expense	0.4	0.9	0.2	1.1	0.5	0.1	0.8	2.8	2.5	4.1	0.0	
PBT	**0.0**	**-1.9**	**-16.4**	**-0.1**	**-4.2**	**-3.1**	**6.3**	**14.0**	**-18.5**	**13.0**	**17.1**	
Tax	-1.6	-1.0	-0.6	1.1	0.7	1.4	-5.0	3.0	-2.1	0.1	3.1	
Rate (%)	3,280.0	51.9	3.6	-733.3	-17.0	-44.2	-79.0	21.2	11.3	0.7	18.0	
MI & P/L of Asso. Cos.	-0.1	1.0	-3.6	-1.7	-1.1	-0.1	3.0	2.1	-4.4	4.0	0.0	
Reported PAT	**1.7**	**-1.9**	**-12.2**	**0.4**	**-3.8**	**-4.4**	**8.3**	**9.0**	**-12.0**	**9.0**	**14.0**	
Adj PAT	**4.0**	**1.1**	**-5.9**	**3.6**	**-2.0**	**-0.6**	**9.9**	**11.9**	**2.8**	**19.1**	**14.0**	**-15%**
YoY Change (%)	-61.7	-89.8	-144.2	-65.1	-150.8	-159.3	NA	225.5	-93.7	583.6	284.8	
Margins (%)	4.5	1.0	-6.0	2.6	-2.2	-0.6	9.1	7.6	0.6	4.1	9.1	

Note: Adjusted PAT = Reported PAT + forex adjustment + exceptional item

Thermax

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	TMX IN
Equity Shares (m)	119
M.Cap.(INRb)/(USDb)	393.1 / 4.6
52-Week Range (INR)	5840 / 2930
1, 6, 12 Rel. Per (%)	-2/-40/-41
12M Avg Val (INR M)	827

Financials Snapshot (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Net Sales	103.9	115.9	129.5
EBITDA	9.1	11.3	13.3
PAT	6.3	7.4	8.8
EPS (INR)	56.4	65.7	77.9
GR. (%)	8.1	16.5	18.6
BV/Sh (INR)	438.4	489.1	552.1
Ratios			
ROE (%)	13.5	14.2	15.0
RoCE (%)	11.5	12.1	12.9
Valuations			
P/E (X)	58.6	50.2	42.4
P/BV (X)	7.5	6.7	6.0
EV/EBITDA (X)	41.5	33.1	27.9
Div Yield (%)	0.3	0.5	0.5

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	62.0	62.0	62.0
DII	12.3	12.7	15.8
FII	21.3	21.0	17.7
Others	4.4	4.4	4.5

FII Includes depository receipts

CMP: INR3,299 TP: INR3,100 (-6%) Sell

Legacy projects continue to hurt profitability

Thermax (TMX)'s 4QFY25 performance reflected improved execution while order inflows remained weak. Its 4QFY25 revenue/EBITDA/PAT grew 11.6%/10%/5% YoY. Revenue and EBITDA growth was slightly better than estimates, while a higher-than-expected tax rate resulted in a miss at the PAT level. The industrial product division continued to outshine other divisions, while the industrial infra, and green solutions division remained hit by higher costs of low-margin legacy projects in FGD, Bio-CNG, and Sulphur recovery areas. Ordering remained adversely impacted by delays in inquiry finalizations, while the pipeline remained strong. We believe that lower ordering and continued cost pressures from legacy projects will have an impact on execution and profit growth for the company. We trim our estimates by 5% each for FY26/FY27. We reiterate our Sell rating with a TP of INR3,100, based on core business valuation at 40x Mar'27E EPS and the addition of subsidiary valuations.

Results affected by cost overruns

TMX's 4QFY25 revenue/EBITDA/PAT grew 11.6%/10%/5% YoY. Revenue and EBITDA growth was slightly better than estimates, while a higher-than-expected tax rate resulted in a miss at the PAT level. Its revenue of INR30.8b (+11.6% YoY) (MOFSL est. INR29.1b) was led by 18%/4%/4%/36% YoY growth in Industrial Products/Industrial Infra/Green Solutions/Chemical segments. EBITDA margin stood at 9.7% for 4QFY25 and 8.7% for full year FY25. Gross margin contracted ~85bp QoQ but expanded ~40bp YoY to 43.4%, owing to an adverse mix in industrial infra and chemical segments. This, along with operating deleverage, led to an EBITDA margin contraction of ~20bp YoY to 9.7%, while EBITDA at INR2.9b beat our estimate by 5%. With a neutral operational performance and higher other income (up 39% YoY), adj. PAT at INR2.05b increased 5.3% YoY but was 8% below our estimates due to a higher tax rate. Order inflows for the quarter stood at INR21b (-8% YoY), and the overall order book was INR106.9b (+6% YoY).

Segment-wise performance led by the Industrial Product and Chemical division

Across segments, the industrial product and chemical segment's revenue grew 18%/36% YoY, while growth remained weak in the industrial infra and green solutions segments. Segment-wise, EBIT margin performance was strong only in the industrial product and chemical segments. EBIT margin improved to 14.4% for the industrial product segment (from 11.7% in 4QFY24). Margin in the industrial infra segment continued to remain weak at 2.8% in 4QFY25 vs. 6.1% in 4QFY24. Another disappointment came from the negative EBIT margin in the green solutions segment, as this segment's results were affected by the recognition of higher technology intervention costs amounting to INR660m in Bio-CNG projects under the Industrial Infra segment. The chemical segment's EBIT margins remained strong at 16.6%.

Base ordering weak during the quarter

Though the base ordering was weak during the quarter, the company's inquiry pipeline is strong and broad-based. Order inflow for the full year grew 11% YoY. The company expects a few projects in steel, power, waste-to-energy, and Bio CNG to be finalized in the coming months, while projects in refining, petrochemical, and cement sectors will be finalized in 2HFY26. Pipeline of projects is healthy in the industrial infra and chemicals division too, and the green solution segment has been steady. We bake in order inflows to post a CAGR of 19% over FY25-27.

Margins remain affected by low-margin projects taken in the past

TMX's margins remained quite strong for the industrial product division, but margins for the industrial infra and green solutions segment were hit by higher costs. For the industrial infra segment, the company had taken a hit of nearly INR850m for the full year on cost overruns in the bio-CNG project. There is an outstanding OB of INR3.4b left from this project, which will be over in FY26 and FY27. From the low-margin FGD projects, the outstanding order book is currently INR4.5b, which will also be over mainly in FY26 (INR3.5b) and FY27 (INR1b). The low-margin Sulphur recovery project, too, will continue until the beginning of FY27. We thus expect industrial infra segment margins to remain volatile and weak until FY27 due to a low-margin order book. The green solution segment's margins were affected by continued losses in FEPL, which can come down from FY27E, as the company hopes to realize insurance claims. TMX expects margins in the chemical segment to remain in the mid-teens despite a higher share of specialty chemicals, as the company is continuously investing in new products in the chemical segment.

Financial outlook

We expect a CAGR of 12%/21%/18% in revenue/EBITDA/PAT over FY25-27. We build in 1) 19% CAGR in order inflows, 2) a gradual recovery in EBIT margins of the Industrial Product and Chemical divisions to 11.5% and 17.0%, respectively, by FY27E, and 3) control over working capital and NWC (at 10 days).

Valuation and view

The stock is currently trading at 50.2x/42.4x FY26E/FY27E EPS. **We reiterate our Sell rating with a TP of INR3,100 based on 40x Mar'27 EPS.** With the value of investments in subsidiaries, we believe that stock is currently factoring in a possible revival in order inflows as well as margin improvement.

Key risks and concerns

A slowdown in order inflows, a spike in commodity prices, a slower-than-expected revival in private sector capex, and increased competition are the key risks to our estimates.

Consolidated - Quarterly Earnings Model (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
Net Sales	**19,330**	**23,025**	**23,244**	**27,637**	**21,844**	**26,116**	**25,078**	**30,849**	**93,235**	**1,03,887**	**29,092**	**6**
YoY Change (%)	16.8	10.9	13.4	19.6	13.0	13.4	7.9	11.6	15.2	11.4	5.3	
Total Expenditure	18,008	20,978	21,369	24,905	20,433	23,336	23,188	27,853	85,261	94,809	26,249	
EBITDA	**1,322**	**2,046**	**1,874**	**2,732**	**1,412**	**2,780**	**1,890**	**2,997**	**7,974**	**9,078**	**2,844**	**5**
Margins (%)	6.8	8.9	8.1	9.9	6.5	10.6	7.5	9.7	8.6	8.7	9.8	
Depreciation	294	330	358	499	360	421	351	453	1,481	1,585	363	
Interest	134	198	266	278	275	294	287	313	876	1,168	269	
Other Income	531	659	584	553	841	598	315	769	2,326	2,522	578	
PBT before EO exp	**1,425**	**2,177**	**1,834**	**2,507**	**1,617**	**2,663**	**1,568**	**3,000**	**7,943**	**8,847**	**2,790**	**8**
Extra-Ord expense	506	-	-1,261						-755			
PBT	**919**	**2,177**	**3,095**	**2,507**	**1,617**	**2,663**	**1,568**	**3,000**	**8,698**	**8,847**	**2,790**	**8**
Tax	315	589	721	633	519	683	425	951	2,258	2,578	559	
Rate (%)	34.3	27.0	23.3	25.2	32.1	25.6	27.1	31.7	26.0	29.1	20.0	
Reported PAT	**600**	**1,586**	**2,371**	**1,876**	**1,094**	**1,980**	**1,137**	**2,056**	**6,432**	**6,268**	**2,241**	**-8**
Adj PAT	**932**	**1,586**	**1,403**	**1,952**	**1,094**	**1,980**	**1,137**	**2,056**	**5,873**	**6,268**	**2,241**	**-8**
YoY Change (%)	58.1	45.3	11.0	24.9	17.4	24.9	-19.0	5.3	42.7	6.7	14.8	
Margins (%)	4.8	6.9	6.0	7.1	5.0	7.6	4.5	6.7	6.3	6.0	7.7	

	FY24				FY25				FY24	FY25
INR m	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**		
Segmental revenue										
Industrial Products	8,359	9,894	10,226	12,074	9,608	10,576	10,801	14,304	40,552	45,290
Industrial Infra	9,162	10,851	10,974	13,565	9,251	12,426	11,317	14,152	44,552	47,146
Green Solutions	1,132	1,246	1,235	1,458	1,737	1,751	1,892	1,519	5,071	6,899
Chemical	1,608	1,879	1,606	1,541	1,708	1,903	1,916	2,101	6,634	7,628
Less: Intersegmental	-931	-845	-797	-1,001	-691	-541	-849	-1,226	-3,574	-3,076
Total revenues	**19,330**	**23,025**	**23,244**	**27,637**	**21,613**	**26,116**	**25,078**	**30,849**	**93,235**	**1,03,887**
Segmental EBIT										
Industrial Products	560	988	1,015	1,407	867	1,145	1,215	2,063	3,970	5,290
Margin (%)	6.7	10.0	9.9	11.7	9.0	10.8	11.3	14.4	9.8	11.7
Industrial Infra	303	573	389	825	-184	882	13	389	2,089	1,101
Margin (%)	3.3	5.3	3.5	6.1	-2.0	7.1	0.1	2.8	4.7	2.3
Green Solutions	100	80	133	137	230	216	180	-81	449	-9
Margin (%)	8.8	6.4	10.8	9.4	13.2	12.3	9.5	-5.3	8.9	-0.1
Chemical	265	345	331	296	304	306	264	349	1,238	1,223
Margin (%)	16.5	18.4	20.6	19.2	17.8	16.1	13.8	16.6	18.7	16.0

Triveni Turbine

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	TRIV IN
Equity Shares (m)	318
M.Cap.(INRb)/(USDb)	177.9 / 2.1
52-Week Range (INR)	885 / 455
1, 6, 12 Rel. Per (%)	4/-18/-12
12M Avg Val (INR M)	1377

Financials Snapshot (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Net Sales	20.1	23.1	28.6
EBITDA	4.4	5.0	6.1
PAT	3.6	4.1	5.1
EPS (INR)	11.3	12.8	16.0
GR. (%)	33.2	13.8	25.0
BV/Sh (INR)	38.3	47.5	59.1
Ratios			
ROE (%)	33.0	29.9	30.1
RoCE (%)	33.2	30.1	30.3
Valuations			
P/E (X)	49.6	43.6	34.9
P/BV (X)	14.6	11.8	9.5
EV/EBITDA (X)	40.0	34.5	27.8
Div Yield (%)	0.4	0.6	0.8

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	55.8	55.8	55.8
DII	10.6	10.9	12.7
FII	28.0	28.3	27.3
Others	5.5	4.9	4.2

FII Includes depository receipts

CMP: INR560 TP: INR700 (+25%) Buy

Results in line, strong enquiry pipeline ahead

Triveni Turbine (TRIV)'s 4QFY25 results came in line with our expectations. For FY25, domestic order inflows were up 29% YoY, boosted by one-time large order inflow worth INR2.9b. Export order inflows were up by 23% YoY. Base order inflow was weak, but the enquiry pipeline for base orders is up strongly in both domestic and international geographies. We expect this enquiry pipeline to start translating into order inflows by 2HFY26, with some volatility expected in 1HFY26. Management is optimistic about the domestic order inflow pipeline coming from process cogeneration (doubling YoY), steel, cement, oil & gas, recycling, and food processing. TRIV also expects healthy export inflows from Europe and the US, where it has already made investments. This will further diversify its revenue stream and growth prospects. We cut our FY26/FY27 estimates by 9%/10% to factor in lower base orders in domestic geography. We maintain BUY with a TP of INR700, based on 42x Mar'27E earnings.

In-line quarter

Revenue came in line with our estimates at INR5b (up 17.5% YoY) on the back of robust execution of the opening order book of INR18.1b. Domestic/export revenue grew by 17%/26% YoY. Exports as % of sales increased to 52% in 4QFY25 vs. 48% in 4QFY24. EBITDA at INR1.2b grew by 22% YoY on the back of operating leverage benefits as gross margin was down 40bp YoY at 50.1%. EBITDA margin expanded ~280bp YoY to 22.4%. PAT at INR946m (4% below estimates) grew 26% YoY, aided by higher other income (+16% YoY). As of Mar'25, TRIV recorded an outstanding carry-forward order book of INR19.09b, up 23% YoY. The export outstanding order book stood at a record INR10.9b as of Mar'25, up 36% YoY and contributing to 57% of the closing order book. Order booking for the year reached INR23.63b, up 26% YoY, supported by increased product-led demand. This is despite downward adjustments of ~INR1.4b in order booking due to slow-moving orders while having customer advances.

Domestic ordering expected to see an uptick from FY27

In FY25, domestic order bookings grew strongly by 29% to INR8.2b, with overall softness due to a ~10% decline in the Indian turbine market. Despite a muted year, Triveni saw a sharp rise in domestic enquiry levels (+120% YoY), indicating strong pent-up demand. Key sectors driving enquiries include process cogeneration (doubling YoY), steel, cement, oil & gas, recycling, and food processing. Although many orders were deferred in FY25 due to elections and macro uncertainties, management remains confident that these enquiries will translate into order finalizations over the coming quarters, supporting a domestic recovery in FY26. However, we expect domestic ordering activity to remain weak in FY26 for a few more quarters and to pick up from FY27.

International ordering to remain strong

International ordering was a bright spot, growing 23% YoY to INR12.6b. The export order book stood at a record INR10.9b (+36% YoY), now accounting for 57% of the total order book. Strong demand was seen across regions - Middle East, Europe, North America, Southeast Asia, and Africa - spanning broad power ranges. We expect TRIV's expanding global customer base, combined with its strategy of deeper market penetration and increased references in larger turbines, to help it sustain strong international order inflows in FY26 and beyond.

Exports and aftermarket poised for global expansion and margin upside

The aftermarket business remains a stable, high-margin contributor (~32% of revenue). Growth prospects are particularly strong in refurbishment services, spares, and maintenance - both domestically and internationally. Management sees solid aftermarket expansion potential in North America and South Africa, with its US subsidiary positioned to cater to these services alongside product sales. Although aftermarket revenue as a percentage of sales remained stable, we expect steady annual increases in contribution, especially from high-margin refurbishment opportunities globally.

Future capex plans

TRIV has earmarked INR1.65b for capex in FY26 (including INR440m carry forward form FY25), focusing on capacity augmentation, R&D infrastructure, and international expansion. The Sompura facility will see new assembly bays and testing infrastructure to avoid operational bottlenecks. Additional capex is planned to strengthen international subsidiaries, notably the US unit, which will offer manufacturing flexibility amid tariff uncertainties. This investment is aligned with sustaining innovation, meeting growing order volumes, and supporting expansion in strategic markets. We have factored in capex of INR750m each in FY26/27.

API market outlook

The API turbine segment has emerged as a key growth engine, delivering strong order inflows across the Middle East, Southeast Asia, Americas, and Europe. TRIV secured approvals from multiple global refiners and petrochemical players, bolstering its inquiry pipeline. Both drive and power turbine applications are witnessing increased traction. Management emphasized that API will likely outpace renewable and energy efficiency segments in growth contribution going forward. Though highly competitive, TRIV’s technological expertise and faster turnaround capabilities position it well to capture a larger share of this lucrative market.

We expect a strong 19% CAGR in PAT over FY25-27E

We tweak our estimates to factor in lower base orders, improved export revenues and better margins for after-market. We expect TRIV’s revenue/EBITDA/PAT to clock a CAGR of 19%/18%/19% over FY25-27. Backed by a comfortable negative working capital cycle, strong margins, and low capex requirements, we expect its OCF and FCF to report a CAGR of 45% and 49% over the same period, respectively.

Valuation and view

The stock is currently trading at 43.6x/34.9x FY26E/27E P/E. We revise the TP to INR700 (from INR780) based on 42x FY27E EPS, which factors in lower base orders in domestic geography. Key risks to our recommendation would come from slower-than-expected order inflow growth, particularly in domestic markets; lower-than-expected margins; and a slowdown in global geographies.

Consolidated - Quarterly Earning (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
Net Sales	**3,764**	**3,878**	**4,317**	**4,581**	**4,633**	**5,011**	**5,034**	**5,380**	**16,539**	**20,058**	**5,482**	**-2**
YoY Change (%)	45.3	32.4	32.5	23.9	23.1	29.2	16.6	17.5	32.6	21.3	19.7	
Total Expenditure	3,055	3,134	3,480	3,682	3,677	3,897	3,941	4,176	13,351	15,691	4,320	
EBITDA	**709**	**744**	**837**	**898**	**956**	**1,114**	**1,093**	**1,204**	**3,188**	**4,367**	**1,161**	**4**
Margins (%)	18.8	19.2	19.4	19.6	20.6	22.2	21.7	22.4	19.3	21.8	21.2	
Depreciation	49	51	55	53	62	61	65	75	208	263	61	23
Interest	7	6	6	7	10	8	4	7	27	29	8	-13
Other Income	134	146	172	171	194	196	222	199	622	810	189	5
PBT before EO expense	**786**	**832**	**949**	**1,009**	**1,078**	**1,241**	**1,246**	**1,321**	**3,576**	**4,885**	**1,281**	**3**
PBT	**786**	**832**	**949**	**1,009**	**1,078**	**1,241**	**1,246**	**1,321**	**3,576**	**4,885**	**1,281**	**3**
Tax	177	190	264	252	274	331	320	375	883	1,300	293	
Rate (%)	22.4	22.8	27.8	25.0	25.4	26.7	25.7	28.4	24.7	26.6	22.9	
Reported PAT	**610**	**644**	**686**	**751**	**804**	**910**	**926**	**946**	**2,691**	**3,585**	**988**	**-4**
Adj PAT	**610**	**644**	**686**	**751**	**804**	**910**	**926**	**946**	**2,691**	**3,585**	**988**	**-4**
YoY Change (%)	59.2	39.0	30.4	35.1	31.8	41.4	35.0	25.9	39.5	33.0	31.5	
Margins (%)	16.2	16.6	15.9	16.4	17.4	18.2	18.4	17.6	16.3	17.9	18.0	

Jyothy Laboratories

Estimate change	⬇
TP change	⟷
Rating change	⟷

Bloomberg	JYL IN
Equity Shares (m)	367
M.Cap.(INRb)/(USDb)	128.8 / 1.5
52-Week Range (INR)	596 / 268
1, 6, 12 Rel. Per (%)	-14/-25/-37
12M Avg Val (INR M)	435

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Net Sales	28.5	30.6	33.1
Sales Gr. (%)	3.3	7.4	8.1
EBITDA	5.0	5.4	5.9
EBITDA Margins (%)	17.5	17.7	17.9
Adj PAT	3.7	4.1	4.5
Adj. EPS (INR)	10.2	11.1	12.2
EPS Gr. (%)	4.0	8.5	10.1
BV/Sh (INR)	55.8	57.9	63.6
Ratios			
RoE (%)	19.4	19.5	20.1
RoCE (%)	18.9	19.5	20.3
Payout (%)	41.5	59.0	53.6
Valuation			
P/E (x)	46.7	43.1	39.1
P/BV (x)	8.5	8.2	7.5
EV/EBITDA	33.9	31.1	27.9
Div. Yield (%)	0.7	1.1	1.1

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	62.9	62.9	62.9
DII	16.3	15.3	13.3
FII	13.1	14.4	16.4
Others	7.7	7.5	7.4

FII includes depository receipts

CMP: INR350 TP: INR375 (+7%) Neutral

Subdued performance; commentary remains muted

- Jyothy Laboratories (JYL) reported 1% YoY sales growth (below our est.) in 4QFY25. Volume growth was 4% (est. 7%, 8% in 3QFY25). The gap between volume and value growth was due to higher grammage and promotional price subs in select categories.
- **Fabric Care** delivered 2% value growth (led by liquid detergents), EBIT margin contracted by 60bp YoY to 22.4%, and EBIT declined by 1% YoY. Liquid detergent saw strong growth (20-25%), but the mix is small for JYL as of now. Segment EBIT margin can be 23-24% in the medium term.
- **Dishwash** posted 3% YoY growth, EBIT margin was flat, and EBIT grew 4% YoY. Large packs of Pril saw good momentum in MT, QC, and E-Commerce. Both key brands—Exo Bar and Pril Liquid—delivered double-digit volume growth in 4Q and FY25.
- **HI** remained weak and clocked 5% YoY revenue decline, primarily driven by the Coil sub-category. Liquid Vaporizer sub-category continued to register healthy growth. EBIT margin stood at -7% from -10.4% YoY.
- **Personal Care** continued to disappoint as revenue declined 9% due to a high base and overall softness in soaps. EBIT margin improved 210bp YoY to 10.6%.
- Gross margin (GM) contracted 30bp YoY to 49.2% (est. 49.5%). JYL's focus on cost management and calibrated pricing actions enabled it to improve the EBITDA margin by 40bp YoY to 16.8%. EBITDA grew 3% YoY.
- We estimate a CAGR of 8%/9% in revenue/EBITDA during FY25-27E. However, sustaining the operating margins will be challenging due to relatively slow revenue growth and competitive pressure. Going forward, market share gains and the success of new launches will be crucial for JYL's earnings growth. **We reiterate our Neutral rating on the stock with a TP of INR375 (premised on 30x FY27E P/E)**.

Miss across parameters; 4QFY25 volume growth at 4%

- **Volume growth stood at 4%:** JYL net sales rose 1% YoY to INR6,670m (est. INR6,944m). Volume growth was 4% (est. 7%) in 4QFY25. Fabric care and dishwashing saw low-single-digit growth, while HI and personal care remained on a declining trajectory.
- **Low ad spends support EBITDA margin**: Gross margin contracted 30bp YoY to 49.2% (est. 49.5%). As a percentage of sales, staff costs increased 70bp YoY to 11.7%, other expenses fell 40bp YoY to 12.7%, and ad-spends were down 100bp YoY at 8%. EBITDA margin improved 40bp YoY to 16.8%. (est. 16.7%).
- **Miss on profitability**: EBITDA grew 3% YoY to INR1,119m (est. INR1,159m). PBT grew 4% YoY to INR1,112m (est. INR1,135m). Adj. PAT grew 3% YoY to INR806m (est. INR845m).
- In FY25, net sales/EBITDA/APAT grew by 3%/4%/4%.

Highlights from the management commentary

- While rural demand showed relative improvement in 4Q, it was not sufficient to offset the continued weakness in urban consumption. Higher spends on healthcare, rents, etc. are impacting urban wallet share. Urban demand is expected to stay subdued in 1HFY26 due to macroeconomic pressures.
- The company expects volume growth in 1HFY26 to be in mid-single digits, while it is expected to be in double digits in 2HFY26.
- Washing powder and liquid detergent have a cumulative market size of INR350b, growing at 6-7% YoY. Of which, liquid detergent is expected to be an INR30b market, growing at 20-25% YoY as per JYL.
- The company maintained its EBITDA margin guidance at 16-17% for FY26. 1HFY26 would have slightly higher margin pressure; situation to improve 2HFY26 onward.

Valuation and view

- We cut our EPS estimates by 4% each for FY26E and FY27E.
- We believe that subdued demand sentiment, high RM cost inflation and elevated competitive intensity could limit JYL’s growth in the near term. From hereon, market share gains and the success of new launches will be critical for JYL’s earnings growth. JYL’s margin expansion beyond ~18% is also constrained by its focus on the mass and rural segments. Therefore, we believe its growth potential is adequately priced in at the current valuation. **We reiterate our Neutral rating on the stock with a TP of INR375 (premised on 30x FY27E P/E).**

Consolidated Quarterly Performance (INR m)

Y/E March	FY24				FY25						FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY24	FY25	4QE	(%)
Volume growth (%)	9%	9%	11%	10%	11%	3%	8%	4%	9%	6%	7%	
Net Sales	**6,871**	**7,323**	**6,775**	**6,600**	**7,418**	**7,338**	**7,045**	**6,670**	**27,569**	**28,470**	**6,944**	-3.9
YoY change (%)	15.1	11.1	10.6	7.0	8.0	0.2	4.0	1.1	10.9	3.3	5.2	
Gross Profit	**3,289**	**3,604**	**3,371**	**3,267**	**3,805**	**3,683**	**3,506**	**3,281**	**13,531**	**14,275**	**3,436**	-4.5
Margins (%)	47.9	49.2	49.8	49.5	51.3	50.2	49.8	49.2	49.1	50.1	49.5	
EBITDA	**1,174**	**1,354**	**1,186**	**1,084**	**1,335**	**1,385**	**1,158**	**1,119**	**4,798**	**4,996**	**1,159**	-3.4
EBITDA growth %	96.2	68.3	40.6	18.7	13.7	2.3	-2.4	3.3	51.9	4.1	7.0	
Margins (%)	17.1	18.5	17.5	16.4	18.0	18.9	16.4	16.8	17.4	17.5	16.7	
Depreciation	120	123	128	129	134	139	143	146	500	561	139	
Interest	11	12	12	13	14	14	15	17	47	59	9	
Other Income	79	132	106	130	137	125	139	155	447	556	124	
PBT	**1,123**	**1,351**	**1,152**	**1,072**	**1,324**	**1,357**	**1,138**	**1,112**	**4,698**	**4,931**	**1,135**	-2.0
Tax	250	311	243	291	307	307	264	306	1,095	1,184	290	
Rate (%)	22.3	23.0	21.1	27.1	23.2	22.6	23.2	27.6	23.3	24.0	25.5	
Adjusted PAT	**873**	**1,040**	**909**	**781**	**1,017**	**1,050**	**874**	**806**	**3,603**	**3,747**	**845**	-4.7
YoY change (%)	124.1	78.2	34.9	31.9	16.6	1.0	-3.9	3.1	54.8	4.0	8.2	

E: MOFSL Estimates

Fine Organic Industries

Estimate changes	⟷
TP change	⟷
Rating change	⟷

Bloomberg	FINEORG IN
Equity Shares (m)	31
M.Cap.(INRb)/(USDb)	128 / 1.5
52-Week Range (INR)	5959 / 3355
1, 6, 12 Rel. Per (%)	-6/-19/-18
12M Avg Val (INR M)	183

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	22.1	22.6	23.7
EBITDA	4.8	4.6	4.7
PAT	3.9	3.8	3.7
EPS (INR)	127.1	122.7	122.0
EPS Gr. (%)	5.9	-3.5	-0.5
BV/Sh.(INR)	723.4	835.4	946.9
Ratios			
Net D:E	-0.4	-0.3	-0.3
RoE (%)	19.1	15.7	13.7
RoCE (%)	19.2	15.6	13.6
Payout (%)	8.7	8.7	8.7
Valuations			
P/E (x)	32.8	34.0	34.2
P/BV (x)	5.8	5.0	4.4
EV/EBITDA (x)	24.7	26.2	25.5
Div. Yield (%)	0.3	0.3	0.3
FCF Yield (%)	1.2	-1.0	1.4

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	75.0	75.0	75.0
DII	12.0	11.5	10.8
FII	4.7	5.2	4.5
Others	8.3	8.3	9.8

FII Includes depository receipts

CMP: INR4,176 TP: INR3,660 (-12%) Sell

Muted earnings outlook amid margin pressure

- Fine Organic Industries (FINEORG) reported revenue of INR5.8b in 4QFY25. EBITDA stood at INR1.1b (28% miss; down 18% YoY). EBITDAM contracted 660bp YoY to 18.8%, while gross margin dipped 640bp YoY to 37.2%. PAT was down 15% YoY to INR885m (our est. INR1.2b). In FY25, exports contributed 57%, and domestic sales formed 43% of revenue (56% and 44%, respectively, in 4QFY25).
- EBITDAM stood at 21.8% in FY25, hit by rising raw material and logistics costs due to global supply chain disruptions from 2QFY25. RM costs remained elevated but are expected to stabilize in the near future. The company maintained elevated inventory levels for both raw materials and finished goods to manage geopolitical risks and supply volatility, ensuring business continuity and readiness for demand spikes.
- All plants are running near full capacity, with Patalganga ramping up. FINEORG is setting up a wholly owned subsidiary in the UAE and plans to manufacture locally in the US, aiming to enhance supply chain efficiency and regulatory compliance. The company began trial production of new products, targeting segments like food, feed, cosmetics, and coatings, with phased expansion planned across the US, SEZ, and domestic plants.
- Despite global volatility, domestic demand remained robust across product categories, with continued focus on strengthening the India business. The company remains cautious on new contracts due to uncertainty around government policies such as import duties, which could impact pricing and margins. Regular maintenance spending was low in FY25, but some extra investment may be needed in the next six months, which is yet to be decided.
- We estimate a CAGR of 4%/-1%/-2% in revenue/EBITDA/PAT over FY25-27, with margin in the range of 19-20%. FINEORG is currently trading at ~34x FY27E EPS and ~26x FY27E EV/EBITDA. Valuations appear expensive for a company with no earnings growth during FY25-27. **We reiterate our Sell rating on the stock with a TP of INR3,660.**

Operating performance below est.; margin contracts YoY and QoQ

- Revenue was at INR5.8b (-4% from our est., +10% YoY). **Gross margin contracted 640bp YoY to 37.2%, with EBITDAM at 18.8% (-660bp YoY).**
- EBITDA stood at INR1.1b (est. of INR1.5b, -18% YoY). PAT stood at INR885m (est. of INR1.2b, -15% YoY).
- **For FY25**, revenue was at INR22b (+13% YoY), EBITDA was at INR4.8b (-1% YoY). PAT was INR3.9b (+6% YoY), while EBITDAM was 21.7% (-300bp YoY).
- The Board declared a final dividend of INR11 per equity share.

Valuation and view

- The long-term prospects for FINEORG remain robust, as the company operates within the oleochemicals industry and has consistently driven growth through R&D innovations over the years. However, we anticipate that its performance may be adversely affected in the near to medium term by the following factors: 1) longer-than-expected delays in the commissioning of new capacities for expansion; 2) existing plants operating at close to optimum utilization with no potential of debottlenecking; and 3) further delays in the ramp-up of the Thailand JV.
- We estimate a CAGR of 4%/-1%/-2% in revenue/EBITDA/PAT over FY25-27, with margin in the range of 19-20%. FINEORG is currently trading at ~34x FY27E EPS and ~26x FY27E EV/EBITDA. Valuations appear expensive for a company with no earnings growth during FY25-27. **We reiterate our Sell rating on the stock with a TP of INR3,660.**

Standalone - Quarterly Snapshot (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Gross Sales	**5,321**	**4,717**	**4,258**	**5,215**	**5,083**	**5,955**	**5,251**	**5,762**	**19,511**	**22,052**	**5,990**	**-4%**
YoY Change (%)	-29.3	-43.0	-43.2	-25.3	-4.5	26.2	23.3	10.5	-35.6	13.0	14.9	
Gross Margin (%)	42.9%	41.9%	41.8%	43.6%	42.2%	40.5%	38.6%	37.2%	42.6%	39.6%	42.9%	-5.6%
EBITDA	**1,519**	**1,044**	**924**	**1,324**	**1,218**	**1,429**	**1,079**	**1,082**	**4,810**	**4,809**	**1,494**	**-28%**
Margin (%)	28.5	22.1	21.7	25.4	24.0	24.0	20.6	18.8	24.7	21.8	24.9	-6.2
Depreciation	117	144	147	154	117	124	131	140	563	512	139	
Interest	6	7	5	5	4	4	4	5	23	17	4	
Other Income	145	172	174	226	241	217	252	256	717	966	307	
PBT before EO expense	**1,540**	**1,064**	**946**	**1,391**	**1,338**	**1,518**	**1,197**	**1,193**	**4,941**	**5,246**	**1,658**	**-28%**
Extra-Ord expense	0	0	0	6	0	0	0	0	6	0	0	
PBT	**1,540**	**1,064**	**946**	**1,385**	**1,338**	**1,518**	**1,197**	**1,193**	**4,935**	**5,246**	**1,658**	**-28%**
Tax	397	270	249	342	348	387	307	308	1,259	1,350	420	
Rate (%)	25.8	25.4	26.4	24.7	26.0	25.5	25.6	25.8	25.5	25.7	25.3	
Reported PAT	**1,142**	**794**	**697**	**1,043**	**990**	**1,131**	**890**	**885**	**3,676**	**3,897**	**1,238**	**-28%**
Adj PAT	**1,142**	**794**	**697**	**1,047**	**990**	**1,131**	**890**	**885**	**3,680**	**3,897**	**1,238**	**-28%**
YoY Change (%)	-27.4	-51.6	-46.9	-24.2	-13.3	42.5	27.8	-15.5	-37.7	5.9	18.2	
Margin (%)	21.5	16.8	16.4	20.1	19.5	19.0	17.0	15.4	18.9	17.7	20.7	-5.3

Relaxo Footwears

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	RLXF IN
Equity Shares (m)	249
M.Cap.(INRb)/(USDb)	104.7 / 1.2
52-Week Range (INR)	888 / 375
1, 6, 12 Rel. Per (%)	-8/-44/-64
12M Avg Val (INR M)	73

Financials & Valuations (INR b)

INRb	FY25	FY26E	FY27E
Net Sales	27.9	30.2	32.6
Gross Profit	16.4	17.8	19.3
EBITDA	3.8	4.2	4.7
Adj. PAT	1.7	2.0	2.3
Gross Margin (%)	58.8	59.0	59.2
EBITDA Margin (%)	13.7	14.1	14.5
Adj. EPS (INR)	6.8	8.1	9.4
EPS Gr. (%)	-15.0	17.9	16.3
BV/Sh. (INR)	84.3	90.3	97.4
Ratios			
Net D:E	0.0	-0.1	-0.2
RoE (%)	8.3	9.2	10.0
RoCE (%)	8.1	9.0	9.7
RoIC (%)	8.5	10.4	12.3
Valuations			
P/E (x)	61.5	52.1	44.8
EV/EBITDA (x)	27.1	24.0	21.1
EV/Sales (X)	3.7	3.4	3.1
Div. Yield (%)	0.7	0.5	0.6

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	71.3	71.3	71.3
DII	10.5	10.5	9.3
FII	3.1	3.3	3.3
Others	15.1	14.9	16.1

FII includes depository receipts

CMP: INR421 TP: INR375 (-11%) Sell

Another weak quarter; reiterate Sell

- Relaxo Footwears (RLXF) reported another weak quarter with EBITDA declining 7% YoY (6% miss) as volume (-10% YoY) was impacted by overall muted demand and restructuring of its distribution model.
- FY25 was a subdued year for RLXF, with a 6% YoY decline in EBITDA, led by a 9% YoY volume decline and a 25bp YoY margin contraction.
- Management believes FY25 was the bottom and expects modest revenue recovery from 2HFY26. Further, the company is prioritizing profitable growth in FY26, as it targets ~100bp EBITDA margin improvement driven by operational efficiency and a sharper focus on product and digital initiatives.
- We cut our FY26-27E revenue by 2-3% and EBITDA by 3-5%, reflecting a challenging market environment and the ongoing restructuring efforts. We build in a revenue/EBITDA CAGR of 8/11% over FY25-27E and await signs of demand recovery before we turn more constructive on the stock.
- We **reiterate our Sell rating with a revised TP of INR375** (premised on 40x FY27E P/E). The company currently trades at ~50x 1-year forward P/E.

Volume decline continues to drag performance; EBITDA dips 7% YoY

- Revenue declined 7% YoY to INR6.9b (7% miss), driven by overall muted demand in mid-range footwear.
- Volume declined 10% YoY to 4.5m pairs due to internal restructuring of the distribution model and weak demand, while ASP rose 3% YoY to INR153.
- Gross profit declined 15% YoY to INR3.8b (15% miss), with gross margins contracting 535bp YoY to 54.9% (~515bp miss) due to inventory reduction.
- The overheads decreased due to lower volumes. Employee/Other expenses declined sharply by 11%/21% YoY, with Opex as a % of sales declining to 39% (from 44% YoY).
- RLXF's EBITDA at INR1.1b declined 7% YoY (6% miss) due to weaker revenue growth. EBITDA margin was stable YoY at 16.1% (~15bp above our est.).
- PBT at INR754m dipped 8% YoY (3% miss) as lower EBITDA was partly offset by lower depreciation (-2% QoQ) and higher other income (+60% YoY).
- Reported PAT at INR562m declined 8% YoY, with margin at 8.1%.

FY25 performance: A subdued year

- Revenue at INR28b **declined 4% YoY** due to the muted overall demand scenario and heightened competition from the unorganized sector.
  - Volume **declined 9% YoY** to 17.8m pairs, while **ASP was up 5% YoY** to INR156/pair.
- Gross profit declined ~3% YoY to INR16.4b, as margins expanded ~70bp YoY to 58.8%, largely due to price hikes implemented in open footwear.
- Nevertheless, operating deleverage led to ~6% YoY decline in EBITDA to INR3.8b, with margins contracting ~25bp YoY to 13.7%.
- FY25 reported PAT at **INR1.7b declined 15% YoY**.
- Inventory days declined slightly to 177 (from 179 YoY), receivable days moderated to 41 (from 45 YoY), while payable days declined sharply to 63 (from 76 YoY).

- However, OCF (incl. lease payments) almost doubled YoY to INR3.4b, largely led by the working capital release of INR0.8b (vs. -INR1.2b YoY). FCF generation stood at INR2.3b (vs. outflows of INR0.7b in FY24).
- RLXF paid a dividend of INR747m and repaid borrowings of INR185m. Overall net cash position improved ~INR1.2b YoY to ~INR1b.

Product-wise performance

- **Hawaii:** Volume declined ~14% YoY, while ASP grew ~3% YoY to INR80, leading to ~12% YoY decline in revenue and ~200bp decline in revenue contribution to 23%.
- **Flite:** Revenue declined ~4% YoY as volume declined ~6% YoY, while ASP increased ~2% YoY to INR149. Revenue contribution was stable YoY at 37%
- **Sparx:** It was the only bright spot for Relaxo in FY25, with ~1% YoY revenue growth, as 4% YoY volume growth was partly offset by a 3% YoY decline in ASP. Sparx's revenue contribution was up ~200bp YoY to 40%.
- **Channel-wise performance:** Relaxo witnessed ~4-5.5% YoY decline in general trade, modern trade, and exports, while retail business grew 6% YoY as the company added ~13 net retail outlets in FY25.
- **Region-wise performance:** RLXF's performance was significantly impacted in the East (-28% YoY) and the South (-14% YoY), while it was stable YoY in the West. North was the lone bright spot, marking 7% YoY growth, with the contribution of North in RLXF's mix rising to 51% (from 45% YoY).

Key highlights from the management commentary

- FY25 revenue decline was primarily volume-driven, reflecting weak consumer demand, especially in the low-income-focused Hawaii segment.
- While restructuring of the distribution model also temporarily disrupted volumes, the overall ASP remained elevated due to a better product mix and better performance in closed footwear.
- Looking forward, the company **expects a modest revenue recovery starting 2HFY26**, driven by the stabilization of its new distribution strategy and expansion in modern trade, e-commerce, and retail outlets.
- However, it does not anticipate significant volume growth, as its long-term strategy emphasizes value growth through premiumization and product mix improvements.
- Growth in revenue and profitability will be led by improvement in product mix, operational efficiencies, and better capital utilization, with ***a target of 100bp expansion in EBITDA margin and 2–3% improvement in RoCE.***

Valuation and view

- RLXF's recent performance has been impacted by a combination of i) elevated inflation, which led to weaker demand from its core consumer base, ii) intensified competition from unorganized players eroding market share, and iii) disruption caused by a structural overhaul of its traditional distribution network.
- While the company is focused on improving its product mix (higher closed footwear) to drive growth in the near term, volume revival in open footwear is equally crucial for growth and profitability.
- We cut our FY26-27E revenue by 2-3% and EBITDA by 3-5% and model a CAGR of 8/11% in revenue/EBITDA over FY25-27E.
- Despite sharp correction over the past few months, RLXF still trades at an expensive ~45x FY27E P/E.
- We **maintain our Sell rating with a revised TP of INR375** (premised on 40x FY27E P/E).

Consolidated - Quarterly Earnings Summary (INR m)

Y/E March	FY24				FY25E				FY24	FY25	FY25E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
Gross Sales	**7,388**	**7,153**	**7,127**	**7,472**	**7,482**	**6,794**	**6,669**	**6,952**	**29,141**	**27,896**	**7,452**	**-7**
YoY Change (%)	10.7	6.8	4.7	-2.3	1.3	-5.0	-6.4	-7.0	4.7	-4.3	-0.3	
Total RM Cost	3,151	3,013	3,065	2,968	2,847	2,648	2,861	3,134	12,197.0	11,489	2,975	5
Gross Profit	**4,237**	**4,140**	**4,062**	**4,504**	**4,635**	**4,146**	**3,808**	**3,818**	**16,944**	**16,407**	**4,478**	**-15**
Margins (%)	57.4	57.9	57.0	60.3	62.0	61.0	57.1	54.9	58.1	58.8	60.1	-516 bps
Total Expenditure	6,313	6,238	6,255	6,269	6,493	5,917	5,835	5,831	25,075	24,076	6,261	-7
EBITDA	**1,076**	**915**	**872**	**1,204**	**989**	**877**	**834**	**1,121**	**4,066**	**3,820**	**1,191**	**-6**
Margins (%)	14.6	12.8	12.2	16.1	13.2	12.9	12.5	16.1	14.0	13.7	16.0	14 bps
Depreciation	346	369	375	385	391	398	402	394	1,475	1,584	424	-7
Interest	45	47	48	47	49	50	54	54	187	207	54	0
Other Income	73	105	60	51	54	66	68	81	289	270	65	25
PBT before EO expense	**758**	**604**	**508**	**823**	**603**	**496**	**446**	**754**	**2,693**	**2,299**	**777**	**-3**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**758**	**604**	**508**	**823**	**603**	**496**	**446**	**754**	**2,693**	**2,299**	**777**	**-3**
Tax	195	162	123	209	160	128	116	192	688	596	196	-2
Rate (%)	25.7	26.8	24.1	25.4	26.5	25.9	26.0	25.4	25.6	25.9	25.3	
Reported PAT	**563**	**442**	**386**	**614**	**444**	**367**	**330**	**562**	**2,005**	**1,703**	**581**	**-3**
Adj PAT	**563**	**442**	**386**	**614**	**444**	**367**	**330**	**562**	**2,005**	**1,703**	**581**	**-3**
YoY Change (%)	45.6	97.0	28.3	-3.0	-21.2	-16.9	-14.4	-8.4	29.8	-15.0	-5.4	
Margins (%)	7.6	6.2	5.4	8.2	5.9	5.4	4.9	8.1	6.9	6.1	7.8	29 bps

E: MOFSL Estimates

PVR-Inox

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	PVRINOX IN
Equity Shares (m)	98
M.Cap.(INRb)/(USDb)	94.5 / 1.1
52-Week Range (INR)	1748 / 826
1, 6, 12 Rel. Per (%)	-4/-39/-38
12M Avg Val (INR M)	797

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Sales	57.8	67.1	74.9
EBITDA	3.8	7.2	8.9
Adj. PAT	-1.5	1.0	2.2
EBITDA Margin (%)	6.5	10.7	11.8
Adj. EPS (INR)	-15.4	9.8	22.4
EPS Gr. (%)	-232.4	-163.6	127.7
BV/Sh. (INR)	718.1	727.9	750.2
Ratios			
Net D:E	1.0	0.0	0.0
RoE (%)	-2.1	1.4	3.0
RoCE (%)	-0.1	2.7	4.1
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	NA	98.1	43.1
P/BV (x)	1.3	1.3	1.3
EV/EBITDA (x)	27.7	14.4	11.3
Div Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	27.5	27.5	27.8
DII	36.3	40.0	40.2
FII	20.4	19.2	16.8
Others	15.8	13.3	15.2

FII Includes depository receipts

CMP: INR963 TP: INR1,050 (+9%) Neutral

Soft end to subdued FY25; content line-up improvement key

- PVR remained impacted by a weaker content slate in 4QFY25, with revenue flat YoY (-27% QoQ, in line) as ~210bp YoY dip in occupancy to 20.5% (vs. 25.7% QoQ) was offset by 11% YoY increase in ATP to INR258 (-8% QoQ).
- PVR reported an operating loss (pre-INDAS 116) of INR105m in 4QFY25.
- FY25 has been a muted year for PVR, due to the lack of tent-pole movie releases in Hindi and the continued impact of a Hollywood strike.
- We expect the content pipeline to improve in FY26 with several tent-pole movie releases in Hindi and improvement in Hollywood movies slate.
- However, PVR's business remains highly sensitive to occupancy trends, which are dependent on the quality of content (which is not in PVR's control). Although management sounded upbeat about the FY26 content pipeline, we note that even a 200-300bp blip in occupancy could derail the company's screen economics and thereby our EBITDA estimates.
- We cut our FY26-27E EBITDA by ~4-5%, driven by lower admissions and lower contribution from capex-light screen additions. **Reiterate Neutral with a TP of INR1,050** (based on 12.5x pre-Ind-AS 116 FY27E EBITDA).

Weak performance continues

- Consolidated revenue was flat YoY (-27% QoQ) at INR12.5b (in line), due to continued weakness in content pipeline.
  - Ticketing revenue at INR6.5b (-27% QoQ) was up 2% YoY, largely on account of **11% YoY improvement in ATP** to INR258 (-8% QoQ) as **occupancy declined ~210bp YoY to 20.5%** (vs. 25.7% QoQ).
  - F&B revenue at INR3.8b (-27% QoQ) declined ~8% YoY as **spends per head (SPH) declined 4% YoY** to INR125 (-10% QoQ) and **admits declined ~6% YoY** (-18% QoQ).
  - Ad revenues declined 8% YoY (-35% QoQ) to INR962m.
- Operating loss (pre Ind-AS 116) stood at INR105m (though better than our est. of ~INR345m loss).
  - Movie exhibition cost of INR2.5b (+2% YoY) came in at ~39% as % of ticketing revenue (vs. 40% QoQ, 39% YoY).
  - F&B COGS of INR1b (-12% YoY) came in at ~26.2% of F&B sales (50bp higher QoQ, 27.4% YoY).
- PVR reported a loss of INR1.06b (vs. est. of INR1.25b loss).

Box-office weakness impacted FY25 performance

- Consolidated revenue at INR58b **declined ~5% YoY**, due to weaker footfall (**admits -10% YoY to ~137m**)
  - Ticketing revenue at INR29.5b **declined ~10% YoY**, largely due to **lower admissions (260bp YoY decline** in occupancy rate to 23%). **ATP remained stable YoY** at INR259.
  - F&B revenue at INR18.3b **declined 7% YoY** as 10% YoY lower admits were partly offset by **~2% YoY increase in SPH to INR134**.
  - Ad revenue at INR4.5b declined ~1% YoY.

- Consolidated EBITDA (pre IND-AS 116) came in at INR3.8b (-47% YoY), driven by lower occupancy rates.
  - Movie exhibition cost at INR11.8b (-16% YoY) came in at ~39.8% as % of ticketing revenue (vs. ~43% YoY).
  - F&B COGS at INR4.7b (-7% YoY) came in at ~25.6% of F&B sales (largely stable YoY).
- For FY25, PVR reported a loss of INR1.5b (vs. PAT of INR1.1b YoY).
- The company generated OCF of INR8.4b (-9% YoY as lower EBITDA was partly offset by higher WC release). It incurred capex of INR3.2b in FY25 (-48% YoY), which led to FCF generation of INR3.3b (vs. INR1.1b YoY).
- As a result, net debt declined by ~INR3.5b in FY25 to INR9.6b.

Highlights from the management commentary

- **FY25 performance**: Box office performance was impacted by an uneven content release slate, with Bollywood and Hollywood underperforming. Movies dubbed in Hindi (Pushpa 2, Kalki) performed well. Hindi box office dropped 26% due to fewer releases and a lack of superstar movies. Hollywood fell 28% owing to continued impact of Hollywood strikes and a lack of tent-pole movies.
- **Content line-up**: Management indicated that 1QFY26 has benefitted from movies such as Raid 2, Kesari 2 and Jaat performing well and remains optimistic about the prospects of upcoming film releases such as Sitare Zameen Par, War 2, Housefull 5, Jolly LLB 3, and Delhi Files. Further, management expects a pick-up in Hollywood collections in FY26 driven by strong pipeline, with titles such as Mission Impossible: Final Reckoning, Fantastic Four, Avatar 3, Formula 1 and The Conjuring sequel, etc.
- **Screen additions:** During FY25, PVR INOX opened 77 new screens, mainly in prime catchment areas, while it exited 72 underperforming ones. The closures were due to factors like deteriorating mall infrastructure or lease expiries, and resulted in EBITDA savings of INR80m. Going ahead, the company plans to add 100-110 new screens (20 already opened in 1QFY26TD), while it will continue to rationalize unviable screens. Management expects a 30:70 split between FOCO (won't be consolidated by PVR) and asset-light/lease formats for new screen additions.
- **Capex:** Management indicated a capex plan of INR4-4.3b for FY26 with ~INR2.5-3b earmarked for new projects, while the remaining would be spent on renovating the screens, maintenance capex and IT-related spends.

Valuation and view

- PVRL has taken several steps, such as curated re-releases and affordable ticket pricing on certain days, to boost footfalls, but the business remains highly sensitive to occupancy trends, which are dependent on the quality of content (which is not in PVR's control). Although management sounded upbeat about the FY26 content pipeline, we note that even a 200-300bp blip in occupancy could derail the company's screen economics.
- Improvement in occupancy, continued recovery in advertising revenues, and ramp-up of F&B business through ventures like PVR Café and food courts remain the key growth drivers for PVR.
- We cut our FY26-27E EBITDA by ~4-5% due to lower admissions and lower contribution from capex-light screen addition. **Reiterate Neutral with a TP of INR1,050** (based on 12.5x pre-Ind-AS 116 FY27E EBITDA)**.**

Quarterly Performance (INR m)

Y/E March	FY24				FY25E				FY24	FY25	FY25	Est. Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Net Sales	**13,049**	**19,999**	**15,459**	**12,564**	**11,907**	**16,221**	**17,173**	**12,498**	**61,071**	**57,799**	**12,343**	**1**
YoY Change (%)	-16.5	88.7	6.2	9.9	-8.8	-18.9	11.1	-0.5	16.9	-5.4	-1.8	
Total Expenditure	12,241	15,723	13,434	12,552	12,285	14,350	14,805	12,603	53,950	54,043	12,687	**-1**
EBITDA	**808**	**4,276**	**2,025**	**12**	**-378**	**1,871**	**2,368**	**-105**	**7,121**	**3,756**	**-344**	**69**
YoY Change (%)	-74.1	-8,018.5	-3.1	-77.4	-146.8	-56.2	16.9	-975.0	36.6	-47.3	-2,966.8	
Depreciation	1,111	1,220	1,254	1,122	1,164	1,266	1,194	1,212	4,707	4,836	1,212	**0**
Interest	464	486	451	453	451	489	490	453	1,854	1,883	498	**-9**
Other Income	195	197	234	340	179	198	215	355	966	947	345	**3**
PBT before EO expense	**-572**	**2,767**	**554**	**-1,223**	**-1,814**	**314**	**899**	**-1,415**	**1,526**	**-2,016**	**-1,709**	**17**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**-572**	**2,767**	**554**	**-1,223**	**-1,814**	**314**	**899**	**-1,415**	**1,526**	**-2,016**	**-1,709**	**17**
Tax	-131	693	142	-322	-448	90	217	-359	383.0	-500.0	-457	**21**
Rate (%)	22.9	25.0	25.6	26.3	24.7	28.7	24.1	25.4	25.1	24.8	26.7	
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	**-441**	**2,074**	**412**	**-901**	**-1,366**	**224**	**682**	**-1,056**	**1,143**	**-1,516**	**-1,252**	**16**
Adj PAT	**-441**	**2,074**	**412**	**-901**	**-1,366**	**224**	**682**	**-1,056**	**1,143**	**-1,516**	**-1,252**	**16**
YoY Change (%)	-131.0	-364.5	47.7	-38.2	209.8	-89.2	65.5	17.2	-311.6	-232.6	38.9	

Alkyl Amines Chemicals

Estimate changes	↓
TP change	⟷
Rating change	⟷

Bloomberg	AACL IN
Equity Shares (m)	51
M.Cap.(INRb)/(USDb)	87.9 / 1
52-Week Range (INR)	2499 / 1508
1, 6, 12 Rel. Per (%)	-10/-18/-26
12M Avg Val (INR M)	185

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	15.7	17.3	19.4
EBITDA	2.9	3.3	3.7
PAT	1.9	2.1	2.4
EPS (INR)	36.3	41.1	46.9
EPS Gr. (%)	24.8	13.0	14.1
BV/Sh.(INR)	273.9	303.7	337.7
Ratios			
Net D:E	-0.1	-0.1	-0.2
RoE (%)	13.9	14.2	14.6
RoCE (%)	13.2	13.4	13.9
Payout (%)	27.5	27.5	27.5
Valuations			
P/E (x)	47.2	41.7	36.6
P/BV (x)	6.3	5.6	5.1
EV/EBITDA (x)	29.5	26.2	22.7
Div. Yield (%)	0.6	0.7	0.8
FCF Yield (%)	2.5	0.8	1.9

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	72.0	72.0	72.0
DII	2.2	1.8	1.1
FII	3.2	3.2	3.0
Others	22.6	23.0	23.9

FII includes depository receipts

CMP: INR1,718 TP: INR1,640 (-5%) Neutral

Volume-led growth to persist; pricing pressure sustains

- Alkyl Amines Chemicals (AACL)'s 4QFY25 revenue increased 8% YoY to INR3.9b. The growth was mainly volume-driven, though the company continues to face pricing pressure. Gross margin dipped 330bp YoY to 45.9%, while EBITDAM stood at 17.6%. PAT came in at INR460m vs. our estimate of INR522m. Exports contributed 25% of the total revenue in FY25.
- AACL reported 13% YoY volume growth in FY25 (15% in 4QFY25), but top-line growth was muted due to continued pricing pressure (-4% YoY in FY25). Pharma demand stayed stable, while agrochem demand remained volatile amid industry-wide capacity expansions. Average capacity utilization currently stands at 65-70% for the company.
- Despite an oversupplied market and declining product prices, AACL maintained stable EBITDA margins at 18.5% in FY25, aided by falling raw material costs. Specialty chemicals faced margin stress due to Chinese dumping, but overall profitability remained intact. Prices have been subdued in the amines segment with excess supply in the domestic market.
- The company plans to invest INR1.5b in FY26, including INR1.0-1.2b at the Dahej site, with mechanical completion of the project expected by Dec'25/Jan'26. All projects are on track, with a focus on future volume growth and new product development. There are some other products, which are in the pipeline for which FID will be taken in due course of time.
- Given the lower-than-estimated 4QFY25, we cut our revenue/EBITDA/PAT estimates by 5%/11%/11% for FY26 and by 7%/13%/13% for FY27. We expect a revenue/EBITDA/EPS CAGR of 11%/13%/14% during FY25-27. **We reiterate our Neutral rating on AACL with a TP of INR1,640, based on 35x FY27E EPS.**

Operating performance below est.; margin contracts

- AACL's 4QFY25 revenue was INR3.9b (1% below our est., +8% YoY). **Gross margin dipped 330bp YoY to 45.9%, with EBITDAM at 17.6% (-170bp YoY).**
- EBITDA came in at INR678m (est. of INR820m, -2% YoY). PAT stood at INR460m (est. of INR522m, +20% YoY).
- **For FY25**, revenue stood at INR15.7b (+9% YoY), EBITDA came in at INR2.9b (+16% YoY), and PAT was at INR1.9b (+25% YoY). EBITDAM was at 18.6% (+110bp YoY).
- The Board declared a final dividend of INR10 per equity share for FY25.

Valuation and view

- AACL boosted its aliphatic amines capacity by ~30% in FY24. The total capacity stands at ~200ktpa (including derivatives and specialty chemicals). Additionally, AACL is venturing into new specialty products that are likely to improve its margins amid robust demand (near-term headwinds persist) for amine derivatives and specialties.

- Over FY25-27, we estimate a ~11% revenue CAGR and a 14% EPS CAGR. The key risk to our outlook is high competition (domestic and imports, mainly from China), leading to limited pricing power. The commodity nature of some products could also make AACL susceptible to raw material price fluctuations. Upside risks could come from the implementation of ADD.
- The stock is trading at ~37x FY27E EPS of INR46.9 and ~23x FY27E EV/EBITDA. We reiterate our Neutral rating on AACL with a TP of INR1,640, based on 35x FY27E EPS.

Standalone - Quarterly Snapshot (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Gross Sales	**4,098**	**3,522**	**3,221**	**3,566**	**3,997**	**4,149**	**3,712**	**3,861**	**14,406**	**15,718**	**3,917**	**-1%**
YoY Change (%)	-13.5	-13.9	-17.1	-13.5	-2.5	17.8	15.3	8.3	-14.4	9.1	9.8	
Gross Margin (%)	44.7%	45.7%	47.6%	49.2%	47.0%	45.4%	48.4%	45.9%	46.7%	46.6%	49.4%	-3.5%
EBITDA	**740**	**483**	**596**	**689**	**791**	**735**	**712**	**678**	**2,507**	**2,911**	**820**	**-17%**
Margin (%)	18.1	13.7	18.5	19.3	19.8	17.7	19.2	17.6	17.4	18.5	20.9	-3.4
Depreciation	122	125	168	174	177	180	179	176	589	712	193	
Interest	9	17	11	7	2	4	9	2	44	10	5	
Other Income	55	24	46	26	47	92	66	93	151	298	81	
PBT before EO expense	**664**	**364**	**463**	**533**	**659**	**643**	**591**	**594**	**2,025**	**2,486**	**703**	**-16%**
PBT	**664**	**364**	**463**	**533**	**659**	**643**	**591**	**594**	**2,025**	**2,486**	**703**	**-16%**
Tax	166	92	129	149	170	169	153	133	536	625	180	
Rate (%)	25.0	25.2	27.8	27.9	25.9	26.2	25.9	22.5	26.5	25.1	25.7	
Adj PAT	**498**	**272**	**334**	**385**	**489**	**475**	**438**	**460**	**1,489**	**1,861**	**522**	**-12%**
YoY Change (%)	-39.2	-48.0	-26.8	-20.9	-1.8	74.2	30.9	19.7	-34.9	25.0	35.9	
Margin (%)	12.1	7.7	10.4	10.8	12.2	11.4	11.8	11.9	10.3	11.8	13.3	-1.4

Birla Corporation

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	BCORP IN
Equity Shares (m)	77
M.Cap.(INRb)/(USDb)	97.7 / 1.1
52-Week Range (INR)	1657 / 902
1, 6, 12 Rel. Per (%)	5/11/-26
12M Avg Val (INR M)	162

Financial Snapshot (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Sales	92.1	99.3	105.3
EBITDA	12.2	14.9	16.6
Adj. PAT	3.3	4.8	5.9
EBITDA Margin (%)	13.2	15.0	15.8
Adj. EPS (INR)	42.2	62.4	76.5
EPS Gr. (%)	-21.8	47.7	22.7
BV/Sh. (INR)	911	963	1,030
Ratios			
Net D:E	0.4	0.4	0.5
RoE (%)	4.8	6.7	7.7
RoCE (%)	5.1	5.9	6.1
Payout (%)	26	16	13
Valuations			
P/E (x)	30.1	20.4	16.6
P/BV (x)	1.4	1.3	1.2
EV/EBITDA(x)	9.0	7.4	6.3
EV/ton (USD)	64	60	57
Div. Yield (%)	0.8	0.8	0.8

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	62.9	62.9	62.9
DII	15.6	16.3	15.6
FII	6.3	5.6	6.8
Others	15.2	15.3	14.7

FII includes depository receipts

CMP: INR1,269 TP: INR1,540 (+21%) Buy

Performance above estimates; announces growth plans

Aiming for ~6-8% growth in FY26E, in line with industry

- BCORP's 4QFY25 earnings were above our estimates, driven by higher-than-estimated volume and realization. EBITDA grew ~13% YoY to INR5.3b (~50% beat). EBITDA/t grew ~5% YoY to INR1,027 (est. INR721), and OPM surged 1.2pp YoY to~19% (est. ~14%). Adj. PAT rose ~52% YoY to INR2.9b (~175% above estimate, aided by higher other income, lower interest cost, and ETR).
- Management highlighted that the QoQ spike in realizations was led by price hikes in the North & East regions, a better regional mix, and higher premium product sales. Current realization is flat vs. the 4QFY25 average. It targets volume growth of ~6-8% in FY26, in line with the industry. Further, BCORP announced the next leg of capacity expansion to increase its clinker/ grinding capacity to 16.7mtpa/27.6mtpa from 13.0mtpa/20.0mtpa currently.
- We raise our EBITDA by 14%/8% for FY26E/FY27E, factoring in the outperformance in realization in 4Q. The stock trades inexpensively at 7x/6x FY26E/FY27E EV/EBITDA and EV/t of USD60/USD57. We value the stock at 8x FY27E EV/EBITDA to arrive at our revised TP of INR1,540 (vs. INR1,320). **Reiterate BUY.**

Volume up 7% YoY (5% beat); realization/t down 1% YoY (6% beat)

- Consol. revenue/EBITDA/Adj. PAT stood at INR28.1b/INR5.3b/INR2.9b (up 6%/13%/52% YoY and +11%/+50%/+175% vs. our estimates) in 4QFY25. Sales volumes increased 7% YoY to 5.2mt (+5% vs. our estimate). Cement realization declined 1% YoY (up 8% QoQ) at INR5,177 (+6% vs. estimate).
- Opex/t declined ~3% YoY (in line with estimate), led by a 6% dip in variable costs. Employee cost/other expense per ton declined ~7%/2% YoY, whereas freight cost/t increased ~4% YoY. OPM increased 1.2pp YoY to ~19%, and EBITDA/t increased 5% YoY to INR1,027. Depreciation/Interest costs dipped 5%/11% YoY, whereas 'Other income' increased 88% YoY. ETR stood at ~22% vs. 29% in 4QFY24.
- In FY25, consol. revenue/EBITDA/adj PAT declined ~5%/15%/22% YoY. Volume grew 2% YoY, while realization fell ~7% YoY. EBITDA/t declined 17% YoY to INR674. OPM contracted 1.7pp to ~13%. OCF stood at INR16.7b vs. INR16.2b in FY24. Capex stood at INR4.5b vs. INR5.3b in FY24. FCF stood at INR12.3b vs. INR10.9b in FY24.

Highlights from the management commentary

- Mukutban operations have exceeded their internal expectations. BCORP is seeing a steady ramp-up and is currently operating at 80% capacity utilization. It targets this to further utilization to 85% in FY26.
- Fuel consumption costs were INR1.39/Kcal vs. INR1.50/Kcal in 3QFY25. The green power share was ~25%. It is working to reduce power costs by raising green power share (via solar, hybrid, and WHRS) to ~36–37% going forward.
- Accrued incentives stood at INR410m for 4QFY25 and INR1.03b in FY25.

Valuation and view

- BCORP reported sharp sequential improvement in profitability, led by an increase in realization and controlled opex/t. Steady growth at the Mukutban plant also helped it to achieve strong performance. The company announced capacity expansion plans to be commissioned over FY28-29. Till then, due to capacity constraints and a peak capacity utilization, we factor in a moderate volume CAGR of ~5% over FY25-27. We estimate BCORP's EBITDA/t to improve to INR785/INR832 in FY26/FY27 vs. INR672 in FY25 (five-year average INR820).
- BCORP trades inexpensively at 7x/6x FY26E/FY27E EV/EBITDA and EV/t of USD60/USD57. We value the stock at 8x FY27E EV/EBITDA to arrive at our revised TP of INR1,540 (earlier INR1,320). **Reiterate BUY.**

Consolidated performance **(INR b)**

Y/E March	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Cement Sales (MT)	4.4	4.2	4.2	4.9	4.4	4.0	4.5	5.2	17.7	18.1	5.0	5
YoY Change (%)	12.2	14.8	12.9	9.2	(0.7)	(5.0)	7.1	7.2	12.2	2.5	2.1	
Cement Realization	5,229	5,211	5,316	5,218	4,843	4,722	4,790	5,177	5,239	4,886	4,903	6
YoY Change (%)	(2.2)	1.2	2.7	(1.2)	(7.4)	(9.4)	(9.9)	(0.8)	(0.0)	(6.7)	(6.0)	
QoQ Change (%)	(0.9)	(0.3)	2.0	(1.8)	(7.2)	(2.5)	1.4	8.1			2.3	
Net Sales	**24.1**	**22.9**	**23.1**	**26.6**	**21.9**	**19.5**	**22.6**	**28.1**	**96.6**	**92.1**	**25.3**	**11**
YoY Change (%)	9.3	14.3	14.7	7.9	(9.1)	(14.6)	(2.4)	6.0	11.3	(4.6)	(4.8)	
Total Expenditure	21.1	20.0	19.3	21.8	19.3	17.8	20.1	22.8	82.3	80.0	21.7	5
EBITDA	**3.0**	**2.9**	**3.8**	**4.7**	**2.6**	**1.8**	**2.5**	**5.3**	**14.4**	**12.2**	**3.6**	**50**
Margin (%)	12.4	12.6	16.4	17.8	11.8	9.1	11.0	19.0	14.9	13.2	14.1	485
YoY Change (%)	14.9	207.4	162.1	72.2	-13.3	-38.7	-34.5	13.0	86.2	-15.3	-24.5	
Depreciation	1.4	1.4	1.4	1.5	1.5	1.5	1.4	1.4	5.8	5.7	1.4	(0)
Interest	1.0	1.0	1.0	0.8	0.9	0.9	0.8	0.7	3.7	3.3	0.9	(17)
Other Income	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.5	0.9	1.0	0.2	202
Profit before Tax	**0.8**	**0.8**	**1.5**	**2.7**	**0.4**	**-0.4**	**0.4**	**3.7**	**5.7**	**4.2**	**1.4**	**158**
EO (Income)/Expense	-	0.0	-	(0.1)	-	-	-	0.4	(0.1)	0.4	-	
Profit before Tax after EO	**0.8**	**0.8**	**1.5**	**2.7**	**0.4**	**-0.4**	**0.4**	**3.3**	**5.8**	**3.8**	**1.4**	**131**
Tax	0.2	0.2	0.4	0.8	0.1	-0.1	0.1	0.7	1.6	0.8	0.4	
Rate (%)	21.7	24.3	28.9	29.2	25.9	29.4	24.6	21.8	27.5	21.9	26.6	
Reported PAT	**0.6**	**0.6**	**1.1**	**1.9**	**0.3**	**-0.3**	**0.3**	**2.6**	**4.2**	**3.0**	**1.0**	**146**
Adj. PAT	**0.6**	**0.6**	**1.1**	**1.9**	**0.3**	**-0.3**	**0.3**	**2.9**	**4.2**	**3.3**	**1.0**	**175**
Margin (%)	2.5	2.6	4.7	7.1	1.5	-1.3	1.4	10.2	4.3	3.5	4.1	
YoY Change (%)	(16.2)	NM	NM	164.6	(45.4)	NM	(71.4)	52.2	1,052.2	(21.8)	(44.7)	
Per tonne analysis (INR)												
Blended Realization	**5,461**	**5,468**	**5,505**	**5,477**	**5,001**	**4,918**	**5,015**	**5,413**	**5,475**	**5,091**	**5,107**	**6**
YoY Change (%)	(2.6)	(0.5)	1.6	(1.2)	(8.4)	(10.1)	(8.9)	(1.2)	(0.8)	(7.0)	(6.8)	
Raw Material	958	917	782	921	666	719	749	905	896	765	746	21
Staff Cost	317	341	336	274	337	354	320	254	315	312	296	(14)
Power and Fuel	1,153	1,183	1,094	1,000	1,004	1,025	1,025	892	1,103	979	1,008	(12)
Transport and Forwarding	1,321	1,240	1,325	1,284	1,322	1,249	1,319	1,337	1,292	1,306	1,322	1
Other Exp.	1,038	1,096	1,066	1,024	1,082	1,126	1,051	999	1,061	1,065	1,014	(1)
Total Expenditure	**4,786**	**4,777**	**4,604**	**4,503**	**4,411**	**4,472**	**4,464**	**4,387**	**4,660**	**4,426**	**4,386**	**0**
EBITDA	**675**	**691**	**901**	**974**	**590**	**446**	**551**	**1,027**	**815**	**672**	**721**	**42**

Source: Company, MOFSL Estimates

Healthcare

Trump executive order: Minimal impact on US generics

May-25 Executive order 1
May-25 Executive order 2

US sales	3QFY25 sales (USDm)	% of total sales
Sun Pharma	474	30
Aurobindo	435	46
Dr. Reddy's Lab	395	40
Zydus Lifesciences	285	47
Lupin	242	38
Cipla	226	27
Glenmark	93	23
Gland	87	53
Alkem	77	19
Alembic	63	29
Torrent	32	10
Ajanta	31	21

US President Donald Trump has signed a wide-reaching executive order to lower the prices of medicines in the US.

- **The executive order directs companies to align prices of prescription drugs with those paid by similar nations (international reference pricing model).**
- **Principally, President Trump intends to take action against pharmaceutical manufacturers charging higher prices to Americans while providing steep discounts to other wealthy nations.**
- **The order also expands the efforts to include Medicaid in addition to Medicare.**
- **We believe the implementation of this order will face challenges. In addition to legal challenges (as witnessed during most favored nation; MFN rule CY20), the current order has not provided inputs on specificity of drug selection and/or payment structures.**
- **As far as the impact on Indian pharma companies is concerned, we foresee very limited impact. Based on our interaction with companies, the generics pricing spread is thin across developed nations, and hence, the scope of reduction in prices is expected to be limited on the US generics portfolio.**

Executive order details

- The order directs the US Trade Representative and Secretary of Commerce to take action to ensure foreign countries are not engaged in practices that purposefully and unfairly undercut market prices and drive price hikes in the US.
- The order instructs the Administration to communicate price targets to pharmaceutical manufacturers to establish that the US, the largest purchaser and funder of prescription drugs in the world, gets the best deal.
- The Secretary of Health and Human Services will establish a mechanism through which American patients can buy their drugs directly from manufacturers who sell to Americans at a “Most-Favored-Nation” price, bypassing middlemen.
- If drug manufacturers fail to offer most-favored-nation pricing, the order directs the Secretary of Health and Human Services to: (1) propose rules that impose most-favored-nation pricing; and (2) take other aggressive measures to significantly reduce the cost of prescription drugs to the American consumer and end anticompetitive practices.
- This order builds on actions from President Trump’s first term to make progress on reducing price disparities at home and expands those efforts by including Medicaid in addition to Medicare.
- As per media reports, the order gives drug makers price targets in the next 30 days, and will take further action to lower prices if those companies do not make "significant progress" toward those goals within six months of signing the order.

Our view

- The order is more inclined toward innovator pharma companies, which might be having pricing disparity on medicines sold in the US and other developed nations.

- Pricing of generics in the US is efficiently market-driven with minimal regulation. Generic drugs are often cheaper in the US than in other countries, given there are 500-600 manufacturers and there is consolidation at the distributor level.
- Countries like Canada, UK, Germany, France, and Japan have pricing regulated by government, based on negotiations.
- Based on our interaction with experts/company management, the spread between pricing of generic drugs in the US and other developed nations is very limited.
- ***Accordingly, we estimate a very limited impact of the executive order on US generics.***
- ***Further, the latest executive order lacks specificity on drug selection, or payment structures, raising red flags about its compliance with administrative law.***

Comparing current drug pricing with earlier and latest MFN policy

Parameter	Current Medicare Pricing Model	Original MFN Rule (2020)	Trump MFN Policy (2025 Proposal)
Pricing Basis	❖ Average Sales Price (ASP) + 6% add-on	❖ International reference pricing (lowest among selected countries)	❖ International reference pricing tied to lowest global prices
Drugs Covered	❖ All Medicare Part B drugs	❖ Top 50 costliest Medicare Part B drugs	❖ Expands efforts to include Medicaid in addition to Medicare
Reference Countries	❖ No international references used	❖ OECD countries with similar economies (e.g., Germany, UK, Canada)	❖ OECD countries with similar economies
Implementation Scope	❖ Standardized application across eligible drugs	❖ Mandatory for selected drugs under Medicare Part B	❖ Executive order targets fast-track implementation
Impact on Manufacturers	❖ Negotiations and reimbursement at market-based ASP rates	❖ Required significant price cuts; risk of market withdrawal	❖ Strong resistance expected; possible supply disruptions
Patient Access Impact	❖ Generally stable; driven by physician/provider choices	❖ Potentially reduced access due to manufacturer non-participation	❖ Concerns about reduced access, especially for high-cost therapies
Administrative Process	❖ Follows formal notice-and-comment rulemaking	❖ Issued via interim final rule without comment period	❖ Executive order with HHS rulemaking directive; legal risks remain
Legal Status	❖ Fully in force and legally established	❖ Blocked by federal court in 2020; rescinded in 2021	❖ Announced May 2025; not yet implemented, may face legal challenges

Source: MOFSL, Company

Generic Drug pricing mechanism across certain developed nations

Country/Region	Key Pricing Characteristics
United States	❖ Market-driven; minimal regulation; generics cheaper than brands
Canada	❖ Prices regulated by PMPRB; negotiated and capped
United Kingdom	❖ NHS negotiates; uniform national pricing
Germany	❖ Reference pricing; HTA-driven negotiations
France	❖ Government sets prices by therapeutic value
Japan	❖ Biennial price revisions; generics encouraged

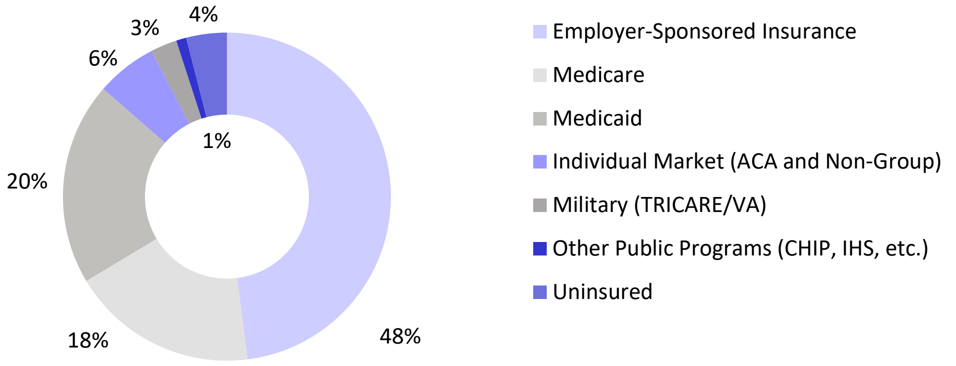
Source: MOFSL, Industry

US Healthcare coverage by type

Coverage Type	Description
Employer-Sponsored Insurance	❖ Health insurance provided by employers to employees and their dependents
Medicare	❖ Federal insurance for seniors 65+ and disabled individuals
Medicaid	❖ Joint federal-state insurance for low-income individuals
Individual Market (ACA and Non-Group)	❖ Self-purchased plans, including ACA marketplace plans
Military (TRICARE/VA)	❖ Coverage for active duty, veterans, and their families
Other Public Programs (CHIP, IHS, etc.)	❖ Includes CHIP, Indian Health Service, and others
Uninsured	❖ People without any form of health insurance

Source: MOFSL, Industry

US healthcare coverage snapshot



Source: MOFSL, Industry

US generics exposure for our coverage universe

US sales	3QFY25 (USDm)	% of total sales
Sun Pharmaceuticals	474	30%
Aurobindo Pharma	435	46%
Dr Reddy's Labs	395	40%
Zydus	285	47%
Lupin	242	38%
Glenmark Pharma	93	23%
Cipla	226	27%
Alembic Pharma	63	29%
Alkem Labs	77	19%
Torrent Pharma	32	10%
Ajanta	31	21%
Granules	98	77%
Gland	87	53%

Source: MOFSL, Industry

Tata Steel

BSE SENSEX	S&P CNX
82,430	24,925

CMP: INR151 — Neutral

In-line operating performance; lower tax outgo boosts APAT

Highlights of standalone results:

- 4QFY25 revenue at INR344b (-6% YoY and +5% QoQ) came in line with our estimate. The QoQ increase was driven by seasonally higher volumes and a marginal increase in realizations.
- Steel production stood at 5.24mt (flat YoY) and deliveries stood at 5.6mt (+3% YoY), in line with our estimates.
- ASP remained flat QoQ and declined 9% YoY to INR61,427/t.
- EBITDA stood at INR69.8b (-13% YoY and -7% QoQ), in line with our estimate. EBITDA/t came in at INR12,470/t (-16% YoY and -12% QoQ) vs. our estimate of INR12,370/t.
- 4Q APAT stood at INR37b (-21% YoY and -8% QoQ) vs. our estimate of INR36b.
- For FY25, revenue declined 6% YoY to INR1,325b, EBITDA was down 7% YoY at INR279b, and APAT fell 19% YoY to INR149b.

Highlights of consolidated results:

- Revenue of INR562b (-4% YoY and +5% QoQ) was in line with our estimate. Sales volume stood at 8.3mt (+4% YoY/+8% QoQ), which was offset by muted ASP of INR67,489/t (-8% YoY/-3% QoQ).
- Adjusted EBITDA stood at INR65.6b (-1% YoY and -8% QoQ), in line with our estimate of INR64.4b, translating into EBITDA/t of INR7,874 (-5% YoY and -15% QoQ) in 4QFY25.
- 4Q APAT stood at INR16.9b (+40% YoY and +128% QoQ) against our estimate of INR6.5b, aided by lower tax outgo.
- For FY25, revenue declined 5% YoY to INR2,185b, EBITDA grew 13% YoY to INR253b and APAT rose 27% YoY to INR43b.
- Recommended a dividend of INR3.6 per share.
- Capex stood at INR32b (INR157b in FY25). Net debt stood at INR825b.

Highlights of European operations:

- Consolidated steel deliveries stood at 2.38mt (+12% YoY/+13% QoQ), in line with our estimate.
- Revenue stood at INR208b (flat YoY and +6% QoQ) and EBITDA loss stood at INR7.5b (flat YoY and QoQ), in line with our estimates.
- EBITDA loss per ton reduced to USD38/t in 4QFY25 vs. USD42/t in 3QFY25 and USD38/t in 4QFY24 (vs. our estimate of USD40/t). UK operation fixed costs declined by ~GBP230m.

Other highlights:

- Net debt stood at INR826b as of 4QFY25 vs. INR775b in 3QFY25. Net debt-to-EBITDA ratio stood at 3.2x as of 4QFY25 vs. 3.31x in 3QFY25.

Conference Call Details

Date: 13 May 2025
Time: 2:00 pm IST
Webinar via Webex:
Link

ID: 2514 205 4215
Password: web@2025
Webinar via YouTube:

Link

Quarterly Performance (Standalone) – INR b

Y/E March	FY24				FY25				FY24	FY25	FY25	Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Sales Vol (kt)	**4,790**	**4,820**	**4,880**	**5,420**	**4,940**	**5,110**	**5,290**	**5,600**	**19,910**	**20,940**	**5,624**	**(0.4)**
Change (YoY %)	17.7	-1.8	6.3	5.2	3.1	6.0	8.4	3.3	8.4	5.2		
Change (QoQ %)	-7.0	0.6	1.2	11.1	-8.9	3.4	3.5	5.9				
ASP (INR/t)	**74,083**	**70,924**	**71,069**	**67,592**	**66,720**	**63,404**	**61,929**	**61,427**	**70,812**	**63,284**	**62,404**	**(1.6)**
Abs Change (QoQ)	203	-3,159	146	-3,478	-872	-3,316	-1,475	-503	-7,002	-7,528		
Change (YoY %)	-16.9	0.5	-3.9	-8.5	-9.9	-10.6	-12.9	-9.1	-9.0	-10.6		
Net Sales	**354.9**	**341.9**	**346.8**	**366.3**	**329.6**	**324.0**	**327.6**	**344.0**	**1,409.9**	**1,325.2**	**351.0**	**(2.0)**
Change (YoY %)	-2.2	-1.3	2.2	-3.7	-7.1	-5.2	-5.5	-6.1	-1.3	-6.0		
Change (QoQ %)	-6.7	-3.7	1.5	5.6	-10.0	-1.7	1.1	5.0				
Total Expenditure	**288.2**	**273.2**	**264.3**	**285.9**	**261.9**	**257.9**	**252.6**	**274.2**	**1,111.5**	**1,046.5**	**281.4**	
As a % of net sales	81.2	79.9	76.2	78.0	79.4	79.6	77.1	79.7	78.8	79.0		
EBITDA	**66.7**	**68.7**	**82.5**	**80.5**	**67.7**	**66.1**	**75.0**	**69.8**	**298.3**	**278.7**	**69.6**	**0.3**
Change (YoY %)	-32.0	47.2	60.6	-7.0	1.6	-3.8	-9.1	-13.3	5.5	-6.6		
Change (QoQ %)	-22.9	3.0	20.1	-2.5	-15.8	-2.4	13.5	-6.9				
(% of Net Sales)	18.8	20.1	23.8	22.0	20.6	20.4	22.9	20.3	21.2	21.0		
EBITDA(INR/t)	**13,924**	**14,248**	**16,905**	**14,846**	**13,711**	**12,935**	**14,179**	**12,463**	**14,984**	**13,307**	**12,372**	**0.7**
Interest	10.4	11.4	10.6	9.4	9.2	11.3	10.8	11.0	41.8	42.4		
Depreciation	14.7	14.7	15.1	15.3	15.2	15.6	15.6	16.2	59.7	62.5		
Other Income	14.9	8.2	3.3	4.8	3.7	8.5	4.6	5.6	31.2	22.5		
PBT (before EO Inc.)	**56.5**	**50.9**	**60.1**	**60.6**	**47.0**	**47.7**	**53.2**	**48.3**	**228.1**	**196.2**		
EO Income(exp)	-0.1	-129.9	0.1	-6.4	-2.4	0.1	-1.5	-5.3	-136.4	-9.0		
PBT (after EO Inc.)	**56.4**	**-79.0**	**60.2**	**54.2**	**44.6**	**47.9**	**51.7**	**42.9**	**91.7**	**187.2**	**47.9**	**(10.5)**
Current Tax	12.0	8.2	16.7	12.7	10.8	11.1	3.8	12.0	49.5	37.7		
Current Tax Rate%	21.3	-10.4	27.7	23.4	24.3	23.1	7.3	27.9	54.0	20.1		
Deferred Tax	-1.8	-2.1	-3.0	1.0	0.5	0.9	9.2	-0.7	-5.9	9.8		
Total Tax	10.2	6.1	13.7	13.7	11.3	11.9	13.0	11.2	43.6	47.5		
% Tax	18.1	-7.7	22.7	25.2	25.4	25.0	25.0	26.2	47.6	25.4		
Reported PAT	**46.2**	**-85.1**	**46.5**	**40.5**	**33.3**	**35.9**	**38.8**	**31.7**	**48.1**	**139.7**		
Adjusted PAT	**46.3**	**44.8**	**46.4**	**46.9**	**35.7**	**35.8**	**40.2**	**37.0**	**184.4**	**148.7**	**35.8**	**3.4**
Change (YoY %)	-22.7	100.5	95.8	-3.7	-23.0	-20.1	-13.3	-21.1	19.3	-19.4		
Change (QoQ %)	-5.0	-3.2	3.7	1.1	-24.0	0.3	12.5	-8.0				

E: MOFSL Estimates

Quarterly Performance (Consolidated) **(INR b)**

Y/E March	FY24				FY25				FY24	FY25	FY25	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Sales (k tons)	**7,200**	**7,070**	**7,150**	**7,980**	**7,390**	**7,520**	**7,720**	**8,330**	**29,400**	**30,950**	**8,084**	**3.0**
Change (YoY %)	8.6	-2.2		2.6	2.6	6.4	8.0	4.4	2.1	5.3		
Avg Realization (INR/t)	**82,625**	**78,758**	**77,359**	**73,543**	**74,116**	**71,682**	**69,493**	**67,489**	**77,949**	**70,589**	**69,321**	**(2.6)**
Net Sales	**594.9**	**556.8**	**553.1**	**586.9**	**547.7**	**539.0**	**536.5**	**562.2**	**2,291.7**	**2,185.4**	**560.4**	**0.3**
Change (YoY %)	-6.2	-7.0	-3.1	-6.8	-7.9	-3.2	-3.0	-4.2	-5.8	-4.6		
Change (QoQ %)	-5.5	-6.4	-0.7	6.1	-6.7	-1.6	-0.5	4.8				
EBITDA	**51.7**	**42.7**	**57.4**	**66.0**	**66.9**	**55.2**	**71.5**	**65.6**	**223.1**	**253.0**	**64.4**	**1.9**
Change (YoY %)	-65.4	-29.6	41.9	-8.6	29.4	29.4	24.6	-0.6	-30.9	13.4		
Change (QoQ %)	-28.3	-17.5	34.5	15.0	1.4	-17.5	29.6	-8.3				
EBITDA (INR/t)	**7,186**	**6,037**	**8,031**	**8,271**	**9,059**	**7,343**	**9,268**	**7,874**	**7,587**	**8,174**	**7,962**	**(1.1)**
Interest	18.3	19.6	18.8	18.4	17.8	19.7	18.0	17.9	75.1	73.4		
Depreciation	24.1	24.8	24.2	25.7	25.4	26.0	25.7	27.2	98.8	104.2		
Other Income	11.8	2.3	2.3	1.8	2.6	6.0	2.2	4.6	18.1	15.4		
PBT (before EO Inc.)	**21.1**	**0.6**	**16.7**	**23.7**	**26.4**	**15.5**	**30.0**	**25.1**	**67.3**	**90.8**		
EO Income(exp)	0.1	-69.0	1.9	-5.9	-3.6	6.4	-13.8	-3.9	-78.1	-8.5		
PBT (after EO Inc.)	**21.3**	**-68.4**	**18.5**	**17.7**	**22.8**	**21.9**	**16.3**	**21.2**	**-10.9**	**82.2**	**20.9**	**1.6**
Total Tax	13.3	-2.3	14.1	12.5	14.6	14.1	13.8	10.0	37.6	52.4		
% Tax	63.0	NA	84.3	53.0	55.2	90.5	45.8	39.8	55.9	57.7		
PAT before MI and Sh. of associate	**8.0**	**-66.1**	**4.5**	**5.2**	**8.3**	**7.8**	**2.5**	**11.2**	**-48.5**	**29.8**		
Minority Interests	-1.1	-3.1	0.1	-0.6	-0.4	-0.7	-0.3	-1.0	-4.7	-2.5		
Share of asso. PAT	-2.7	1.0	0.7	0.4	0.9	-0.3	0.5	0.8	-0.6	1.9		
Reported PAT (After MI & asso.)	**6.3**	**-62.0**	**5.1**	**6.1**	**9.6**	**8.3**	**3.3**	**13.0**	**-44.4**	**34.2**		
Adj. PAT (after MI & asso)	**6.2**	**7.0**	**4.4**	**12.1**	**13.2**	**4.5**	**7.4**	**16.9**	**33.8**	**42.8**	**6.5**	**160.4**
Change (YoY %)	-92.0	-54.2	LP	-28.8	112.3	-35.8	68.8	40.1	-61.0	26.6		
Change (QoQ %)	-63.4	13.2	-37.6	175.1	9.3	-65.8	64.1	128.3				

E: MOSL Estimates; t=ton of steel sales;

Hindalco

BSE SENSEX	S&P CNX
84,430	24,925

CMP: INR651 **Buy**

Novelis 4QFY25: Operating performance in line; lower tax outgo drives APAT beat

- Shipment volume stood at 957kt (flat YoY and 6% QoQ) against our estimate of 930kt. The growth was primarily fueled by higher beverage packaging, specialties, and aerospace, partially offset by lower automotive shipments.
- Novelis' 4QFY25 revenue stood at USD4.6b (+13% YoY and +12% QoQ) against our estimate of USD4.4b, mainly driven by higher aluminum prices.
- Adjusted EBITDA stood at USD473m (-8% YoY and +29% QoQ) against our estimate of USD443m. EBITDA was primarily impacted by higher aluminum scrap prices and operating costs, partially offset by higher product pricing.
- Adj. EBITDA/t stood at USD494 (-9% YoY and +22% QoQ) vs. our estimate of USD476 during the quarter.
- APAT stood at USD294m in 4QFY25 (vs our estimate of USD162m), primarily driven by lower income tax outgo. Net Debt/EBITDA as of Mar'25 stood at 2.9x.
- For FY25, revenue grew 6% YoY to USD17.2b, while adj. EBITDA declined 3% YoY to USD1.8b and APAT dipped 1% to USD816m. Shipment stood at 3.76mt, registering a growth of 2% YoY during FY25.

Key highlights from the management commentary

Operating performance outlook

- Short-term demand outlook remains uncertain because of volatile market conditions caused by tariffs and trade tension.
- Management foresees potential difficulties in the automotive market, while strong tailwinds are expected in the specialty market.
- The average recycling rate stood at 63% (target to achieve 75%), whereas the ramp-up of the Guthrie 240kt and Ulsan 100kt recycling plants will lead to more absorption of scrap, increasing scrap consumption.
- The company expects stability in the scrap market as the withdrawal of the VAT subsidy by China has muted the Chinese export.
- If aluminum and scrap prices stay constant, the higher Midwest premiums would benefit Novelis' profitability.
- In 4QFY25, Novelis completed a new debt raising and refinancing transaction: a) USD750m in senior unsecured notes due Jan'30, and b) USD1.25b Term Loan B due Mar'32 (proceeds primarily used to repay earlier issued Term Loan A).
- The company has also announced a USD300m cost-cutting target by FY28E, out of which USD200mn will be through increasing operational efficiencies and the remaining through reduction in SG&A costs.
- The company is expecting a USD40m impact from the tariff announcements, which will reflect during 1QFY26E.

Capital Allocation Update

- Some capacity enhancement projects are on track for commissioning in FY26: a) USD130m to debottleneck 65kt of rolling capacity in Oswego, US b) USD150m to debottleneck 80kt in Logan, US c) USD50m to debottleneck 30kt in Pinda, Brazil (following a previously completed 40kt expansion).

- Total capex in FY25 stood at USD1.69b, towards new rolling and recycling capacity. Management expects to spend ~USD1.9b-2.2b in FY26 and about USD300-350m for maintenance capex.
- The Bay Minette 600kt project remains on schedule for commissioning by 2HCY26. Novelis incurred ~USD1.6b as of FY25, out of the USD4.1b total announced capex for the Bay Minette.

Demand outlook:

- Volume outlook: FY26 is expected to see strong demand across the geographies, especially for the Beverage Can business, however, guidance is not provided owing to the price volatility and the current tariff situation.
- Cautious on the UBC scrap pricing going ahead. The company believes that the prices shall remain above the last 5-year average going forward.
- North America shipments were lower towards the automotive and beverage industries. EBITDA was hit by higher scrap prices, but offset by higher product prices.
- EU demand was robust for beverage packaging, higher specialty shipments, offset by lower automotive demand due to softer demand.
- The company foresees a 4% growth in the aluminum FRP market. Global beverage packaging demand remains strong.
- Asia beverage demand was strong, offset by lower automotive and specialty shipments. Higher volume and favorable FX supported EBITDA, offset by unfavorable product mix and higher operating costs.

Quarterly Performance USD m

Y/E March	FY24				FY25				FY24	FY25	FY25E	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q	(%)
Sales (000 tons)	**879**	**933**	**910**	**951**	**951**	**945**	**904**	**957**	**3,673**	**3,757**	**930**	**2.9**
Change (YoY %)	-8.6	-5.2	0.2	1.6	8.2	1.3	-0.7	0.6	-3.1	2.3		
Change (QoQ %)	-6.1	6.1	-2.5	4.5	0.0	-0.6	-4.3	5.9	0.0	0.0		
Net Sales	**4,091**	**4,107**	**3,935**	**4,077**	**4,187**	**4,295**	**4,080**	**4,587**	**16,210**	**17,149**	**4,365**	**5.1**
Change (YoY %)	-19.6	-14.4	-6.3	-7.3	2.3	4.6	3.7	12.5	-12.3	5.8		
Change (QoQ %)	-7.0	0.4	-4.2	3.6	2.7	2.6	-5.0	12.4	0.0	0.0		
EBITDA (adjusted)	**421**	**484**	**454**	**514**	**500**	**462**	**367**	**473**	**1,873**	**1,802**	**443**	**6.9**
Change (YoY %)	-25.0	-4.3	33.1	27.5	18.8	-4.5	-19.2	-8.0	3.4	-3.8		
Change (QoQ %)	4.5	15.0	-6.2	13.2	-2.7	-7.6	-20.6	28.9	0.0	0.0		
EBITDA per ton (USD)	**479**	**519**	**499**	**540**	**526**	**489**	**406**	**494**	**510**	**480**	**476**	**3.8**
Interest	70	74	67	64	64	67	61	60	275	252		
Depreciation	131	136	139	148	140	141	142	152	554	575		
PBT (before EO item)	**220**	**274**	**248**	**302**	**296**	**254**	**164**	**261**	**1,044**	**975**		
Extra-ordinary Income	(10)	(66)	(73)	(77)	(86)	(74)	(15)	42	(226)	(133)		
PBT (after EO item)	**210**	**208**	**175**	**225**	**210**	**180**	**149**	**303**	**818**	**842**	**222**	
Total Tax	54	51	54	59	60	51	39	9	218	159		
% Tax	25.7	24.5	30.9	26.2	28.6	28.3	26.2	3.0	26.7	18.9		
Reported PAT (after MI)	**156**	**157**	**121**	**166**	**151**	**128**	**110**	**294**	**600**	**683**		
Change (YoY %)	-49	-14	908	6	-3	-18	-9	77	-9	14		
Adjusted PAT	**166**	**223**	**194**	**243**	**237**	**202**	**125**	**252**	**826**	**816**	**162**	**55.1**
Change (YoY %)	-40.5	-9.3	33.8	23.4	42.8	-9.4	-35.6	3.7	-4.7	-1.2		
Change (QoQ %)	-15.7	34.3	-13.0	25.3	-2.5	-14.8	-38.1	101.6				

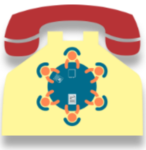
E: MOFSL Estimates

Volumes -Rolled products (in kt)	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
North America	390	362	391	388	396	360	375
Europe	256	230	246	263	233	226	265
Asia	175	176	183	194	198	186	201
South America	144	176	164	154	162	166	164
Elimination	-32	-34	-33	-48	-44	-34	-48
Total Third Party Shipments	**933**	**910**	**951**	**951**	**945**	**904**	**957**
Adj. EBITDA (USD m)							
North America	208	165	210	183	185	122	150
Europe	100	59	74	90	63	49	104
Asia	82	81	84	92	91	75	89
South America	93	150	145	132	123	121	129
Adj. EBITDA per ton (USD)							
North America	533	456	537	472	467	339	400
Europe	391	257	301	342	270	217	392
Asia	469	460	459	474	460	403	443
South America	646	852	884	857	759	729	787

SRF

BSE SENSEX	S&P CNX
82,430	24,925

Conference Call Details



Date: 13th May 2025
Time: 3:00pm IST
Dial-in details:
Click Here

CMP: INR3,011 Buy

Operating performance above estimates

- SRF reported total revenue of INR43.1b (in line) in 4QFY25, up ~21% YoY. Chemical/Packaging film revenue grew 30%/19% YoY to ~INR23.6b/INR14.1b, while Technical textile revenue declined 2% YoY to INR4.6b.
- EBITDA margins expanded by 330bp YoY to 23.2% (est. 21.4%).
- As a percentage of sales, RM costs stood at 51.8% (vs. 51.4% in 4QFY24), employee costs at 6.4% (vs. 6.9%), power costs at 7.7% (vs. 9.2%), and other expenses at 10.9% (vs. 12.6%).
- EBITDA stood at INR10.0b (est. INR8.9b), up 41% YoY.
- EBIT margin in Chemical biz/Packaging film business expanded by 440bp/460bp YoY to 31.8%/7.4%, while Technical Textile EBIT margin contracted by 610bp YoY to 8.7%.
- Adj. PAT grew 30% YoY to INR5.7b (est. INR4.7b) -- adjusted for forex loss of INR451m in 4QFY25.
- In FY25, revenue/EBITDA grew 12%/7% YoY to INR147b/INR28b, while adj. PAT declined 3% to INR13.7b.
- During the quarter, the Specialty Chemicals Business demonstrated strong performance, driven by positive momentum in recently launched products and a pick-up in demand for certain key agrochemical intermediates. The cost-competitive pricing strategies, along with robust export market performance, further contributed to revenue growth.
- In the Performance Films & Foil business, margins improved for both BOPET and BOPP due to increased capacity utilization, driven by rising demand.
- During the quarter, demand for Polyester Tyre Cord Fabric and Polyester Industrial Yarn remained robust, while volumes of Nylon Tyre Cord Fabric were flat.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q	%
Net Sales	**33,384**	**31,774**	**30,530**	**35,697**	**34,641**	**34,243**	**34,913**	**43,133**	**1,31,385**	**1,46,931**	**41,608**	**4**
YoY Change (%)	-14.3	-14.8	-12.0	-5.5	3.8	7.8	14.4	20.8	-11.6	11.8	16.6	
Total Expenditure	26,184	25,320	24,691	28,581	28,435	28,637	28,375	33,108	1,04,777	1,18,555	32,693	
EBITDA	**7,200**	**6,453**	**5,839**	**7,116**	**6,207**	**5,606**	**6,538**	**10,025**	**26,608**	**28,376**	**8,916**	**12**
Margins (%)	21.6	20.3	19.1	19.9	17.9	16.4	18.7	23.2	20.3	19.3	21.4	
Depreciation	1,566	1,612	1,689	1,859	1,882	1,939	1,943	1,952	6,726	7,715	2,100	
Interest	656	793	674	900	965	938	963	894	3,023	3,760	940	
Other Income	118	291	188	234	253	333	396	345	830	1,327	350	
PBT before EO expense	**5,095**	**4,339**	**3,664**	**4,591**	**3,612**	**3,063**	**4,029**	**7,525**	**17,689**	**18,229**	**6,226**	
Extra-Ord expense & DO	237	191	181	158	172	226	342	451	767	1,192	0	
PBT	**4,858**	**4,148**	**3,483**	**4,433**	**3,440**	**2,837**	**3,687**	**7,074**	**16,922**	**17,037**	**6,226**	
Tax	1,265	1,140	949	211	918	822	976	1,813	3,565	4,529	1,526	
Rate (%)	24.8	26.3	25.9	4.6	25.4	26.9	24.2	24.1	20.2	24.8	24.5	
Reported PAT	**3,593**	**3,008**	**2,534**	**4,222**	**2,522**	**2,014**	**2,711**	**5,261**	**13,357**	**12,508**	**4,700**	
Adj PAT	**3,830**	**3,199**	**2,715**	**4,380**	**2,695**	**2,240**	**3,053**	**5,712**	**14,124**	**13,700**	**4,700**	**22**
YoY Change (%)	-39.5	-38.1	-48.4	-25.8	-29.6	-30.0	12.4	30.4	-37.7	-3.0	7	
Margins (%)	11.5	10.1	8.9	12.3	7.8	6.5	8.7	13.2	10.8	9.3	11.3	

Prudent Corporate Advisory

BSE Sensex	S&P CNX
82,430	24,925

Conference Call Details

Date: 13th May 2025
Time: 11:00 AM IST
Link for the call

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Revenues	11,036	14,079	17,476
Opex	8,412	10,820	13,440
PBT	2,621	3,251	4,159
PAT	1,956	2,425	3,103
EPS (INR)	47.2	58.6	74.9
EPS Gr. (%)	41.0	28.9	27.9
BV/Sh. (INR)	32.3	42.0	55.1
Ratios (%)			
EBIDTA Margin	23.8	23.2	23.1
PAT margin	17.7	17.2	17.8
RoE	34.1	31.9	30.9
Div. Payout	5.3	10.2	12.0
Valuations			
P/E (x)	49.7	38.3	29.9
P/BV (x)	72.7	53.5	40.7
Div. Yield (%)	0.1	0.3	0.4

CMP: INR2,346 **Neutral**

16% PAT beat driven by better-than-expected operating margin and other income

- Prudent reported operating revenue of INR2.8b, +18% YoY (in line) in 4QFY25. For FY25, operating revenue grew 37% YoY to INR11b.
- Commission and fees income for the quarter rose 18% YoY to INR2.8b, of which INR2.3b (+26% YoY) was contributed by the distribution of MF products and INR402m (+2% YoY) by insurance products.
- QAUM stood at INR1t, up 26% YoY. Monthly SIP flow grew to INR9.81b from INR7.26b in 4QFY24.
- Total insurance premium for the quarter came in at INR2.6b (+17% YoY), of which life insurance premium stood at INR2.1b (+15% YoY) and general insurance premium stood at INR494m (+29% YoY).
- Other income for 4QFY25 rose 37% YoY to INR85m (11% beat).
- Operating expenses grew 20% YoY to INR2.1b (in line), with fees and commission expenses growing 29% YoY (in line), employee expenses growing 5% YoY (20% below estimates) and other expenses declining 9% YoY (10% above estimates).
- EBITDA grew by 13% YoY to INR686m (15% beat), reflecting EBITDA margin of 24.3% (vs. 25.4% in 4QFY24 and our est. of 21.7%).
- PAT at INR516m grew 16% YoY (16% beat). For FY25, PAT grew 41% YoY to ~INR2b.
- The board has recommended a final dividend of INR2.5/share.

Quarterly Performance **(INR m)**

Y/E March	FY24				FY25				FY24	FY25	4Q FY25E	Act v/t Est. (%)	YoY	QOQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q						
Commission and Fees Income	1,644	1,886	2,084	2,376	2,477	2,845	2,827	2,809	7,990	10,958	2,736	2.7	18%	-1%
Other Operating revenue	10	14	15	21	17	15	23	20	61	76	22	-7.5	-4%	-13%
Revenue from Operations	**1,654**	**1,900**	**2,099**	**2,397**	**2,494**	**2,861**	**2,850**	**2,829**	**8,051**	**11,034**	**2,758**	2.6	18%	-1%
Change YoY (%)	28.7	28.7	32.5	35.5	50.8	50.5	35.8	18.0	31.7	37.1	15.1			
Operating Expenses	1,262	1,469	1,599	1,789	1,904	2,174	2,191	2,143	6,120	8,412	2,160	-0.8	20%	-2%
Change YoY (%)	31.1	39.4	38.1	51.0	50.8	48.0	37.0	19.8	40.4	37.5	20.7			
EBIDTA	**392**	**432**	**500**	**608**	**590**	**687**	**659**	**686**	**1,932**	**2,622**	**598**	**14.8**	13%	4%
Depreciation	59.6	61.3	63.0	64.3	62.9	67.2	73.7	74.8	248	279	74	0.8	16%	2%
Finance Cost	6.0	5.0	3.6	7.8	4.9	5.7	6.4	6.7	21	24	6	4.0	-14%	5%
Other Income	49	41	45	62	70	78	66	85	196	299	77	10.9	37%	29%
PBT	**375**	**406**	**479**	**598**	**592**	**693**	**645**	**690**	**1,858**	**2,619**	**594**	**16.2**	15%	7%
Change YoY (%)	34.1	9.6	24.4	5.6	57.9	70.6	34.7	15.4	18.5	41.0	-0.7			
Tax Provisions	95.5	101.7	121.6	152.1	149.9	177.9	163.1	173.5	471	664	150	15.7	14%	6%
Net Profit	**279**	**304**	**357**	**446**	**442**	**515**	**482**	**516**	**1,387**	**1,955**	**444**	**16.4**	16%	7%
Change YoY (%)	31.4	10.0	25.1	4.6	58.3	69.2	35.0	15.9	18.9	40.9	-0.4			
Key Operating Parameters (%)														
EBIDTA Margin	23.7	22.7	23.8	25.4	23.6	24.0	23.1	24.3	24.0	23.8	21.7	259bp	-110bp	113bp
Cost to Income Ratio	21.3	23.0	22.2	21.3	19.5	18.9	17.8	17.6	21.9	18.4	19.4	-178bp	-376bp	-20bp
PBT Margin	22.7	21.4	22.8	24.9	23.7	24.2	22.6	24.4	23.1	23.7	21.5	286bp	-55bp	175bp
Tax Rate	25.5	25.0	25.4	25.4	25.3	25.7	25.3	25.2	25.3	25.4	25.3	-10bp	-30bp	-14bp
PAT Margins	16.9	16.0	17.0	18.6	17.7	18.0	16.9	18.2	17.2	17.7	16.1	216bp	-34bp	134bp
MF revenue / QAAUM (bps)	94.1	91.3	91.9	90.0	91.9	91.8	91.8	90.3	91.8	91.3	82.6	767bp		
Revenue from Operations (INR m)														
Commission and Fees Income														
Distribution of MF Products-Trail Revenue	1,385	1,519	1,653	1,820	2,052	2,343	2,421	2,297	6,377	7,044	2,224	3.3	26%	-5%
Distribution of Insurance Products	163	251	299	395	261	339	286	402	1,108	1,206	390	3.1	2%	41%
Stock Broking and Allied Services	41	59	61	76	77	73	49	41	237	273	49	-16.0	-46%	-16%
Other Financial and Non-Financial Products	56	57	71	84	87	90	71	69	268	299	74	-6.2	-18%	-3%
Revenue from Operations Mix (%)														
As % of Commission and Fees Income														
Distribution of MF Products-Trail Revenue	83.7	79.9	78.7	75.9	82.3	81.9	84.9	81.2	79.2	63.8	80.6	56bp	526bp	-375bp
Distribution of Insurance Products	9.9	13.2	14.2	16.5	10.5	11.9	10.0	14.2	13.8	10.9	14.1	7bp	-227bp	418bp
Stock Broking and Allied Services	2.5	3.1	2.9	3.2	3.1	2.6	1.7	1.4	2.9	2.5	1.8	-32bp	-172bp	-27bp
Other Financial and Non-Financial Products	3.4	3.0	3.4	3.5	3.5	3.1	2.5	2.4	3.3	2.7	2.7	-23bp	-107bp	-5bp
Opex Mix (%)														
Fees and commission	72.1	70.3	70.9	71.4	74.4	75.1	76.9	76.8	71.2	75.8			537bp	-9bp
Employees expenses	17.6	15.9	15.0	13.0	14.2	13.6	13.7	11.3	15.2	13.2			-165bp	-233bp
Other expenses	10.3	13.9	14.1	15.6	11.3	11.3	9.5	11.9	13.7	11.0			-372bp	242bp

Raymond Lifestyle

BSE SENSEX	S&P CNX
82,430	24,925

Conference Call Details

Date: 13th May 2025

Time: 17:00 IST

Financial Snapshot

Y/E MARCH	FY25	FY26E	FY27E
Net Sales	61,767	66,865	72,953
EBITDA	4,678	8,297	9,723
NP	1,005	3,412	4,453
EPS (INR)	16.5	56.0	73.1
BV/Share (INR)	1,574	1,667	1,740
P/E (x)	60.7	17.9	13.7
P/BV (x)	0.6	0.6	0.6
RoE (%)	2.3	7.2	8.7
RoCE (%)	5.6	10.2	11.3

CMP: INR1,005 BUY

Weaker than our muted expectations

- Raymond Lifestyle's (RLL) consolidated revenue declined 11% YoY to INR15b (-15% QoQ) in 4QFY25.
  - Revenue was significantly impacted by continued weak consumer demand, high inflation, and operational disruptions caused by a ransomware attack.
  - RLL opened 35 new stores in 4Q, taking its total retail store network to 1,688.
- Gross profit declined 20% YoY (-16% QoQ) to INR6.2b (in line) as gross margins contracted by 455bp YoY to 41.8%.
- EBITDA **declined sharply** to INR135m (vs. INR2.5b YoY and our est. of ~INR770m) due to operating deleverage, adverse sales mix and investments in retail store expansions.
  - EBITDA margin stood at ~1% (vs. 14.6% in 4QFY24 and our est. of 5.3%).
- Depreciation and amortization increased 30% YoY, while finance costs jumped 13% YoY.
- Other income doubled YoY (2.1x of our estimate), led by subsidy benefits in the high-value shirting segment.
- Despite higher other income, the company reported a loss of INR450m (higher than our est. ~INR120m).
- As per RLL, it has **once again become net debt free** (vs. INR5.7b net debt in 2Q). This is likely driven by better secondary sales and thereby improved collections in 3QFY25.

Segmental performance:

- **Branded Textile:** Revenue at INR7.3b (5% beat) declined ~21% YoY on account of continued weakness in customer demand and ransomware attack. EBITDA declined 75% YoY to INR0.5b (26% miss) as margin contracted sharply to 7% (vs. 21.8% YoY, 300bp miss) on account of operating deleverage.
- **Branded Apparel:** Revenue at INR3.9b (in line) declined 4% YoY as higher store addition (35 stores) was offset by a likely decline in SSSG as market conditions remained challenging amid muted consumer demand. EBITDA came in at modest INR16m (vs. est. of INR307m) due to upfront retail investments and unfavorable channel mix.
- **Garmenting:** Revenue at INR2.5b (5% beat) was stable YoY amid a cautious approach by customers ahead of US tariff announcements. However, segment slipped into operating loss, with a loss of INR72m (vs. ~INR300m profit in 4QFY24), impacted by an adverse sales mix and higher manpower costs for new lines.
- **High-value cotton shirting (HVCS):** Revenue at INR1.85b (7% miss) declined ~11% YoY. EBITDA at INR611m was boosted by the one-time subsidy of INR530m. Adjusted for this, EBITDA at INR81m declined 61% YoY.

FY25 a challenging year

- Consol. revenue declined 5% YoY to INR61.7b, driven by weaker customer demand, especially in branded textile (-13% YoY)
  - RLL opened 170 new stores (including 128 EBOs) in FY25, taking total retail store network to 1,688 stores (up 11%).
  - The company opened 38 EBOs of Ethnix by Raymond in FY25, taking the total store count to 152.
- Consol. EBITDA declined sharply by 50% YoY to INR4.7b, due to operating deleverage, adverse sales mix and investments in retail network expansions.
- For FY25, RLL reported a modest PAT of INR382b (vs. INR4.8b YoY).
- Net working capital (NWC) days stood at 80 in FY25 (vs. 78 as of Mar'24 end). Impact of inventory stocking (up by 7 days to 104 days) in the retail and distribution network was offset by higher payables (up by 6 days to 78 days).
- OCF declined 46% YoY to INR5.3b, while FCF outflow stood at INR1.4b (though improvement on INR5.1b outflow as of 1HFY25).
- RLL reported net cash of INR0.9b (vs. net cash of INR0.2b at end-Mar'24).

Consol P&L (INR m)

	4QFY24	3QFY25	4QFY25	YoY%	QoQ%	4QFY25E	v/s Est (%)
Total Revenue	**16,846**	**17,542**	**14,942**	**-11**	**-15**	**14,443**	**3**
Raw Material cost	9,041	10,090	8,698	-4	-14	8,175	6
Gross Profit	**7,805**	**7,453**	**6,243**	**-20**	**-16**	**6,268**	**0**
Gross margin (%)	**46.3%**	**42.5%**	**41.8%**	**-454.6**	**-69.9**	**43.4%**	**-161.4**
Employee Costs	2,383	2,437	2,249	-6	-8	2,447	-8
Other expenses	2,959	3,219	3,859	30	20	3,050	27
EBITDA	**2,462**	**1,797**	**135**	**-94**	**-92**	**772**	-82
EBITDA margin (%)	**14.6%**	**10.2%**	**0.9%**	**-1371.0**	**-933.6**	**5.3%**	**-443.5**
Depreciation and amortization	702	794	911	30	15	773	18
EBIT	1,760	1,003	-775	-144	-177	-2	49,937
EBIT margin (%)	0.1	5.7%	-5.2%	NM	NM	0.0%	-5.2
Finance Costs	473	544	534	13	-2	562	-5
Other income	430	413	856	99	107	405	111
Exceptional item	0	-4	-20	NM	NM	0	NM
Profit before Tax	**1,717**	**867**	**-473**	**-128**	**-155**	**-159**	**198**
Tax	423	226	-23	-106	-110	-40	-42
Tax rate (%)	24.6%	26.0%	4.9%	-79.9	-81.0	25%	-80.6
Profit after Tax	**1,294**	**642**	**-450**	**-135**	**-170**	**-118**	**281**
Adj Profit after Tax	**1,294**	**645**	**-430**	**-133**	**-167**		

Segment Revenue	4QFY24	3QFY25	4QFY25	YoY%	QoQ%	4QFY25E	v/s Est (%)
Branded Textile	9,199	8,563	7,274	-21%	-15%	6,947	**5%**
Branded Apparel	4,086	4,580	3,912	-4%	-15%	3,854	**2%**
Garmenting	2,495	3,088	2,480	-1%	-20%	2,353	**5%**
HVCS	2,129	2,010	1,847	-13%	-8%	1,985	**-7%**
Consolidated Revenue	**16,846**	**17,542**	**14,942**	**-11%**	**-15%**	**14,443**	**3%**
Elimination	**1,064**	**698**	**571**			**695**	
Segment EBITDA	**4QFY24**	**3QFY25**	**4QFY25**	**YoY%**	**QoQ%**	**4QFY25E**	**v/s Est (%)**
Branded Textile	2,010	1,538	509	-75%	-67%	692	**-26%**
Branded Apparel	552	438	16	-97%	-96%	307	**-95%**
Garmenting	299	240	-72	-124%	-130%	159	**-145%**
HVCS	241	207	81	-66%	-61%	122	**-34%**
Consolidated EBITDA	**2,462**	**1,797**	**135**	**-94%**	**-92%**	**772**	**-82%**
Elimination	**639**	**626**	**399**			**508**	

Segment EBITDA Margin	4QFY24	3QFY25	4QFY25	YoY%	QoQ%	4QFY25E	v/s Est (%)
Branded Textile	21.8	18.0	7.0	-1484.9	-1096.2	10.0	-296.3
Branded Apparel	13.5	9.6	0.4	-1310.0	-916.4	8.0	-755.8
Garmenting	12.0	7.8	-2.9	-1490.0	-1067.2	6.8	-965.7
HVCS	11.3	10.3	4.4	-690.3	-590.3	6.2	-176.0
Consolidated EBITDA	**14.6**	**10.2**	**0.9**	**-1371.0**	**-933.6**	**5.3**	**-443.5**

Motherson Sumi Wiring:Expansion In Q1 & Q2FY26 Will Contribute Approx 20% To Growth H2 Onwards; CFO Mahendra Chhabra & COO Anurag Galot

- Reported a steady Q4 with 12% YoY revenue growth, though profits declined due to commodity costs and expansion-related expenses.
- EVs contribute 4% to revenue, with upcoming plants expected to drive 20% growth.
- Margin pressure stemmed from greenfield costs and copper price lag.
- Localization is progressing toward 50% per model.
- Expects stable product mix and improved profitability in FY26 driven by rising content per vehicle and industry growth.

Read More

Swiggy: Continue To Maintain 18-22% Growth In Food Delivery Gross Order Value; Rohit Kapoor & Rahul Bothra

- Food delivery margins improved to 2.9%, with long-term target at 5%.
- Bolt now contributes 12% of orders; Swiggy sees a path to profitability.
- Quick commerce gross order value doubled YoY, but losses widened.
- Added 2.8M users and 316 stores in Q4.
- CM breakeven expected in 3–5 quarters, delayed due to rising competition.

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Thermax: Losses From Bio CNG Project Will Not Hit Earnings Q1FY26 Onwards; Ashish Bhandari, MD & CEO

- Q4 performance missed estimates due to weak industrial infra and green solutions.
- FY25 saw ₹150 cr loss in Bio-CNG; issue now resolved.
- Chemicals grew 15%, expected to grow 20%+ in FY26.
- Order inflow, especially industrial infra, remains a key focus.
- Exports to exceed 25% of revenue; pipeline looks promising.

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Triveni Turbine:Have Localised Presence In Houston, USA; Nikhil Sawhney, Vice Chair & MD

- FY25 revenue rose 21%, PAT 33%, order book grew 26%, boosting FY26 outlook.
- Aftermarket share is ~33%, margins stable, exports key growth lever.
- R&D-led innovation drives entry into energy storage, SMRs.
- ₹1,000 crore cash; >35% payout, no M&A plans

Read More

PVR Inox Average Ticket Price In FY26 To Grow Largely Led By Inflation, Mix Of Films; Gaurav Sharma CFO

- Q4 saw flat operational metrics; revenue down 1%, EBITDA up 2%, with margins improving to 22.6%.
- Hollywood and regional films expected to boost Q1 with strong movie lineup.
- Occupancies in Q4 were 20.5%, expected to improve in FY25-26.
- Ticket prices flat, but expected to rise in line with inflation and film mix.
- PVR plans to open 100 screens annually, and reduce debt, currently ₹950 crore.

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Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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