

# CMS Info Systems | BUY

## FY25 a slow year; hopes pegged on FY26

4Q and FY25 were fairly weak for CMS Info Systems, revenue declining 1% YoY in 4Q and growing a mere 7% in FY25. PAT followed similar trends and registered a 7% YoY growth, both for 4Q and FY25. For the cash management business (+7/8% in 4Q and FY25), this was owing to an overall slowdown in consumption, while for the managed services vertical (-5/11% in 4Q/FY25), weakness was due to an industry-wide disruption at a major competitor. The positive was a 200bps gain in cash management market share. With the situation slowly stabilizing, management expects execution of the managed services order book, although delayed, to be completed by Sep'25. This gives them confidence of FY25-27E revenue CAGR of 14-17% in the services business, of which cash management is expected to grow 10-13% and managed services at ~25%. We cut our FY26/27E EPS estimates by 3-4%, and maintain BUY with a revised target price of INR 550 (INR 555 earlier), at 20x Mar'27E EPS.

- **4Q a miss on account of weak revenue performance:** 4QFY25 consolidated revenue at INR 6.2bn was down 1% YoY and, 8% lower than our estimate. While cash management grew in line with expectations (INR 4.1bn, +7% YoY), managed services shrank (INR 2.3bn, -5% YoY). EBITDA at INR 1.6bn, +4% YoY, was 11% below estimate. Growth in EBITDA despite negative revenue growth was due to a YoY uptick in gross margin (90.3% vs. 86.8%); aided by a better product mix. EBITDA margin at 26.2%, +140bps YoY, but was 60bps below our expectations, on the back of higher than-expected operating expenses despite improvement in gross margin. 4Q PAT at INR 976mn, grew 7% YoY, but was 8% lower than estimate of INR 1bn.
- **Order book execution key focus in FY26; this should drive growth in MS business:** CMSINFO executed only 52% of the order book as on the start of FY25; below expectation of 60%. This was due to large banks being severely affected by disruption in their ATM operations, due to issues at a key competitor. Management expects to complete those orders by end-Sep'25. In FY25 CMS won orders worth INR 12bn+, 60% of which came from private banks (inherently lower turnaround time than PSU banks).
- **Building with Vision AI (Remote monitoring platform):** Tech enabled vision AI platform is rapidly scaling and has become the number one platform in India's ATM space. The newly built in-house proprietary tech stack has helped CMS in building multiple AI modules which play a key role in winning mandates with leading banks for their branch network. Further, to diversify away from their heavy reliance on the BFSI space, CMS has also developed use cases in Non-BFSI areas such as retail and QSR outlets, warehouses and dark stores, and EV charging docks.
- **The way forward:** Management guided for FY25-27E revenue CAGR of 14-17% for services, split into 10-13% for cash management and 25-30% for managed services. The company aims to pivot to longer-term contracts (7-10 years) for a more predictable revenue stream. While management refused margin guidance, it indicated that it would consider 25% RoCE a prerequisite on new business wins.

| Financial Summary      |        |        |        |        | (INR mn) |
|------------------------|--------|--------|--------|--------|----------|
| Y/E March              | FY24A  | FY25A  | FY26E  | FY27E  | FY28E    |
| Net Sales              | 22,647 | 24,245 | 27,458 | 30,630 | 34,195   |
| Sales Growth (%)       | 18.3   | 7.1    | 13.2   | 11.6   | 11.6     |
| EBITDA                 | 5,995  | 6,268  | 7,126  | 7,987  | 9,041    |
| EBITDA Margin (%)      | 26.5   | 25.9   | 26.0   | 26.1   | 26.4     |
| Adjusted Net Profit    | 3,471  | 3,725  | 4,280  | 4,793  | 5,455    |
| Diluted EPS (INR)      | 19.9   | 21.3   | 24.5   | 27.5   | 31.2     |
| Diluted EPS Growth (%) | 10.2   | 7.3    | 14.9   | 12.0   | 13.8     |
| ROIC (%)               | 22.3   | 20.1   | 20.4   | 21.2   | 22.8     |
| ROE (%)                | 19.8   | 17.7   | 17.8   | 17.6   | 17.8     |
| P/E (x)                | 23.4   | 21.8   | 19.0   | 17.0   | 14.9     |
| P/B (x)                | 3.9    | 3.4    | 3.0    | 2.7    | 2.4      |
| EV/EBITDA (x)          | 12.2   | 11.6   | 10.1   | 8.8    | 7.5      |
| Dividend Yield (%)     | 1.2    | 2.0    | 1.8    | 2.0    | 2.3      |

Source: Company data, JM Financial. Note: Valuations as of 20/May/2025



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### Recommendation and Price Target

|                            |       |
|----------------------------|-------|
| Current Reco.              | BUY   |
| Previous Reco.             | BUY   |
| Current Price Target (12M) | 550   |
| Upside/(Downside)          | 18.1% |
| Previous Price Target      | 555   |
| Change                     | -0.9% |

### Key Data – CMSINFO IN

|                          |                  |
|--------------------------|------------------|
| Current Market Price     | INR466           |
| Market cap (bn)          | INR76.6/US\$0.9  |
| Free Float               | 87%              |
| Shares in issue (mn)     | 163.2            |
| Diluted share (mn)       | 174.6            |
| 3-mon avg daily val (mn) | INR232.6/US\$2.7 |
| 52-week range            | 617/376          |
| Sensex/Nifty             | 81,186/24,684    |
| INR/US\$                 | 85.6             |

### Price Performance

| %         | 1M   | 6M   | 12M |
|-----------|------|------|-----|
| Absolute  | 0.4  | -1.5 | 9.8 |
| Relative* | -1.8 | -6.4 | 0.0 |

\* To the BSE Sensex

JM Financial Research is also available on:  
Bloomberg - JMFR <GO>,  
Thomson Publisher & Reuters,  
S&P Capital IQ, FactSet and Visible Alpha

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

## Key takeaways from conference call

### Outlook for FY26 and FY27

- **Revenue and margins:** Management guided for FY25-27E revenue CAGR of 14-17% for services, split into 10-13% for cash management and 25-30% for managed services. The company aims to continue shifting to longer-term contracts (7-10 years) for more predictable revenue streams. While management refused to give margin guidance, it indicated that it would consider a 25% RoCE a prerequisite on new business.
- **Capex:** Capex for FY25 was ~INR 1.3bn, significantly lower than the guidance of INR 3bn+. Considering the large unexecuted order book capex will remain as guided earlier, at INR 2bn annually, albeit should be higher for FY26 at INR 3-3.2bn

### Order Book

- Executable order book as of end FY25 stood at INR 14bn. Through FY25, the Company won incremental orders to the tune of INR 12bn, of which in H2FY25, there were significant order wins (INR 8bn), and INR 5bn in Q4.
- The execution was impacted by delays due to disruptions at a key competitor delay in approvals from banks, since they prioritized freeing cash lying in the hands of the disrupted service provider.
- Ended the year with 52% order execution, short of the 60% target. Out of the INR 12bn orders won in FY25, 60% came from private banks and management expects to complete the remaining 48% of the FY25 order book by Sep'25, aided by faster execution with private sector banks.

### Competitor disruption

A key competitor faced liquidity issue, leading to disruptions in ATM operations which created a need for CMS to assist banks in managing ATM cash evacuation and operational continuity. CMS leveraged this disruption to win end-to-end managed services contracts from large banks. Hence banks are considering refreshing or expanding their ATM estates, offering further opportunities for CMS.

### Scouting M&A opportunities

The company screened 65 companies in FY25 for potential acquisitions. Future M&A activity will prioritize alignment with CMS's growth and ROCE objectives.

### Retail cash management as massive opportunity

Of India's 3 million retail touch points, only 550K+ are organized, with one-third outsourced for cash logistics. This represents a massive untapped market. CMS's 360-degree retail solution integrates cash logistics, AIoT-based monitoring, and real-time settlement processes. Key sectors include fuel, automotive, government, e-commerce logistics, and healthcare.

### Vision AI – remote monitoring offering

- The Vision AI platform (CMSINFO's remote monitoring offering) has an aggressive goal of growing from the current 30,000 sites to 50,000 in the near term. The overall software business which is 7% of the revenue should cross 10% of the revenue by FY27E.
- Focused on deploying AI-driven monitoring for both ATMs and bank branches, which remain under-penetrated (<20% adoption of monitoring solutions).
- The proprietary tech stack with AI modules enables proactive incident prevention, enhancing client satisfaction and operational efficiency. CMS has on boarded quick commerce clients for its Vision AI platform, particularly for dark store monitoring and operational efficiency.
- Pilots are underway for fleet monitoring, ambulance management, and in-store AIoT integration. The offers a unified command and control platform to ensure compliance, hygiene, and efficiency at dark stores.

**Exhibit 1. CMS Info Systems – 4QFY25 results review**

| Year End March31 (INR mn) | Q1FY24       | Q2FY24       | Q3FY24       | Q4FY24       | FY24          | Q1FY25       | Q2FY25       | Q3FY25       | Q4FY25       | Q4FY25E      |
|---------------------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|
| <b>Total Revenues</b>     | <b>5,116</b> | <b>5,437</b> | <b>5,823</b> | <b>6,271</b> | <b>22,647</b> | <b>5,994</b> | <b>6,245</b> | <b>5,815</b> | <b>6,191</b> | <b>6,749</b> |
| <b>YoY</b>                | <b>13%</b>   | <b>15%</b>   | <b>19%</b>   | <b>25%</b>   | <b>18%</b>    | <b>17%</b>   | <b>15%</b>   | <b>0%</b>    | <b>-1%</b>   | <b>8%</b>    |
| Total Raw Material Costs  | (233)        | (369)        | (522)        | (825)        | (1,949)       | (655)        | (825)        | (309)        | (601)        | (692)        |
| % of sales                | 4.5%         | 6.8%         | 9.0%         | 13.2%        | 8.6%          | 10.9%        | 13.2%        | 5.3%         | 9.7%         | 10.2%        |
| <b>Gross Profit</b>       | <b>4,883</b> | <b>5,068</b> | <b>5,301</b> | <b>5,446</b> | <b>20,698</b> | <b>5,340</b> | <b>5,420</b> | <b>5,506</b> | <b>5,590</b> | <b>6,058</b> |
| <b>YoY</b>                | <b>16%</b>   | <b>16%</b>   | <b>15%</b>   | <b>14%</b>   | <b>15%</b>    | <b>9%</b>    | <b>7%</b>    | <b>4%</b>    | <b>3%</b>    | <b>11%</b>   |
| <b>GP Margin %</b>        | <b>95.5%</b> | <b>93.2%</b> | <b>91.0%</b> | <b>86.8%</b> | <b>91.4%</b>  | <b>89.1%</b> | <b>86.8%</b> | <b>94.7%</b> | <b>90.3%</b> | <b>89.8%</b> |
| Employee Expenses         | (733)        | (850)        | (861)        | (878)        | (3,321)       | (860)        | (869)        | (871)        | (845)        | (953)        |
| % of sales                | 14.3%        | 15.6%        | 14.8%        | 14.0%        | 14.7%         | 14.3%        | 13.9%        | 15.0%        | 13.7%        | 14.1%        |
| Other expenses            | (2,674)      | (2,762)      | (2,932)      | (3,014)      | (11,382)      | (2,957)      | (3,021)      | (3,040)      | (3,124)      | (3,293)      |
| % of sales                | 52.3%        | 50.8%        | 50.3%        | 48.1%        | 50.3%         | 49.3%        | 48.4%        | 52.3%        | 50.5%        | 48.8%        |
| <b>EBITDA</b>             | <b>1,476</b> | <b>1,456</b> | <b>1,508</b> | <b>1,554</b> | <b>5,995</b>  | <b>1,523</b> | <b>1,530</b> | <b>1,595</b> | <b>1,621</b> | <b>1,811</b> |
| <b>YoY</b>                | <b>19%</b>   | <b>9%</b>    | <b>11%</b>   | <b>8%</b>    | <b>11%</b>    | <b>3%</b>    | <b>5%</b>    | <b>6%</b>    | <b>4%</b>    | <b>17%</b>   |
| <b>EBITDA Margin %</b>    | <b>28.9%</b> | <b>26.8%</b> | <b>25.9%</b> | <b>24.8%</b> | <b>26.5%</b>  | <b>25.4%</b> | <b>24.5%</b> | <b>27.4%</b> | <b>26.2%</b> | <b>26.8%</b> |
| Total D&A Expense         | (364)        | (364)        | (377)        | (397)        | (1,502)       | (388)        | (389)        | (410)        | (427)        | (454)        |
| EBIT                      | 1,112        | 1,093        | 1,131        | 1,157        | 4,493         | 1,135        | 1,140        | 1,184        | 1,194        | 1,357        |
| YoY                       | 18%          | 9%           | 10%          | 6%           | 11%           | 2%           | 4%           | 5%           | 3%           | 17%          |
| EBIT Margin %             | 21.7%        | 20.1%        | 19.4%        | 18.5%        | 19.8%         | 18.9%        | 18.3%        | 20.4%        | 19.3%        | 20.1%        |
| Other Income              | 67           | 83           | 78           | 112          | 340           | 115          | 137          | 117          | 138          | 106          |
| Finance Costs             | (42)         | (41)         | (39)         | (40)         | (162)         | (37)         | (52)         | (47)         | (46)         | (54)         |
| <b>PBT</b>                | <b>1,137</b> | <b>1,135</b> | <b>1,170</b> | <b>1,229</b> | <b>4,671</b>  | <b>1,213</b> | <b>1,225</b> | <b>1,254</b> | <b>1,286</b> | <b>1,410</b> |
| <b>YoY</b>                | <b>23%</b>   | <b>16%</b>   | <b>13%</b>   | <b>14%</b>   | <b>16%</b>    | <b>7%</b>    | <b>8%</b>    | <b>7%</b>    | <b>5%</b>    | <b>15%</b>   |
| Income Tax Expense        | (294)        | (292)        | (299)        | (314)        | (1,199)       | (305)        | (316)        | (322)        | (311)        | (354)        |
| Rate %                    | 25.9%        | 25.7%        | 25.6%        | 25.6%        | 25.7%         | 25.1%        | 25.8%        | 25.7%        | 24.1%        | 25.1%        |
| <b>Net Profit</b>         | <b>843</b>   | <b>844</b>   | <b>871</b>   | <b>914</b>   | <b>3,471</b>  | <b>908</b>   | <b>909</b>   | <b>932</b>   | <b>976</b>   | <b>1,055</b> |
| <b>PAT Margins</b>        | <b>16.5%</b> | <b>15.5%</b> | <b>15.0%</b> | <b>14.6%</b> | <b>15.3%</b>  | <b>15.1%</b> | <b>14.6%</b> | <b>16.0%</b> | <b>15.8%</b> | <b>15.6%</b> |
| <b>YoY</b>                | <b>22%</b>   | <b>16%</b>   | <b>15%</b>   | <b>14%</b>   | <b>17%</b>    | <b>8%</b>    | <b>8%</b>    | <b>7%</b>    | <b>7%</b>    | <b>15%</b>   |

Source: Company, JM Financial

**Exhibit 2. CMS Info Systems – segmental 4QFY25 results review**

| Year End March31 (INR mn)       | Q1FY24       | Q2FY24       | Q3FY24       | Q4FY24       | FY24          | Q1FY25       | Q2FY25       | Q3FY25       | Q4FY25       |
|---------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|
| <b>Segmental Revenue</b>        |              |              |              |              |               |              |              |              |              |
| <b>Cash Management Services</b> | <b>3,507</b> | <b>3,605</b> | <b>3,750</b> | <b>3,882</b> | <b>14,744</b> | <b>3,871</b> | <b>3,899</b> | <b>4,044</b> | <b>4,138</b> |
| YoY                             | 12%          | 11%          | 11%          | 11%          | 11%           | 10%          | 8%           | 8%           | 7%           |
| <b>Managed Services</b>         | <b>1,642</b> | <b>1,821</b> | <b>2,126</b> | <b>2,374</b> | <b>7,963</b>  | <b>2,216</b> | <b>2,467</b> | <b>1,905</b> | <b>2,267</b> |
| YoY                             | 12%          | 17%          | 36%          | 55%          | 30%           | 35%          | 35%          | -10%         | -5%          |
| <b>Cards</b>                    | <b>181</b>   | <b>239</b>   | <b>200</b>   | <b>273</b>   | <b>894</b>    | <b>179</b>   | <b>170</b>   | <b>194</b>   | <b>177</b>   |
| YoY                             | 90%          | 193%         | 62%          | 62%          | 90%           | -2%          | -29%         | -3%          | -35%         |
| (-) Inter-segment sales         | (215)        | (229)        | (252)        | (258)        | (954)         | (271)        | (290)        | (329)        | (391)        |
| Total Segment Revenue           | 5,116        | 5,437        | 5,823        | 6,271        | 22,647        | 5,994        | 6,245        | 5,815        | 6,191        |
| <b>Segmental EBIT</b>           |              |              |              |              |               |              |              |              |              |
| <b>Cash Management Services</b> | <b>939</b>   | <b>953</b>   | <b>976</b>   | <b>984</b>   | <b>3,851</b>  | <b>986</b>   | <b>973</b>   | <b>1,034</b> | <b>1,020</b> |
| EBIT Margin %                   | 26.8%        | 26.4%        | 26.0%        | 25.3%        | 26.1%         | 25.5%        | 25.0%        | 25.6%        | 24.7%        |
| <b>Managed Services</b>         | <b>328</b>   | <b>362</b>   | <b>376</b>   | <b>380</b>   | <b>1,445</b>  | <b>359</b>   | <b>351</b>   | <b>313</b>   | <b>342</b>   |
| EBIT Margin %                   | 19.9%        | 19.9%        | 17.7%        | 16.0%        | 18.1%         | 16.2%        | 14.2%        | 16.4%        | 15.1%        |
| <b>Cards</b>                    | <b>14</b>    | <b>27</b>    | <b>35</b>    | <b>54</b>    | <b>129</b>    | <b>49</b>    | <b>47</b>    | <b>62</b>    | <b>47</b>    |
| EBIT Margin %                   | 7.6%         | 11.1%        | 17.4%        | 19.7%        | 14.4%         | 27.3%        | 27.8%        | 32.1%        | 26.6%        |
| Total Segment EBIT              | 1,280        | 1,341        | 1,386        | 1,418        | 5,425         | 1,394        | 1,372        | 1,410        | 1,409        |

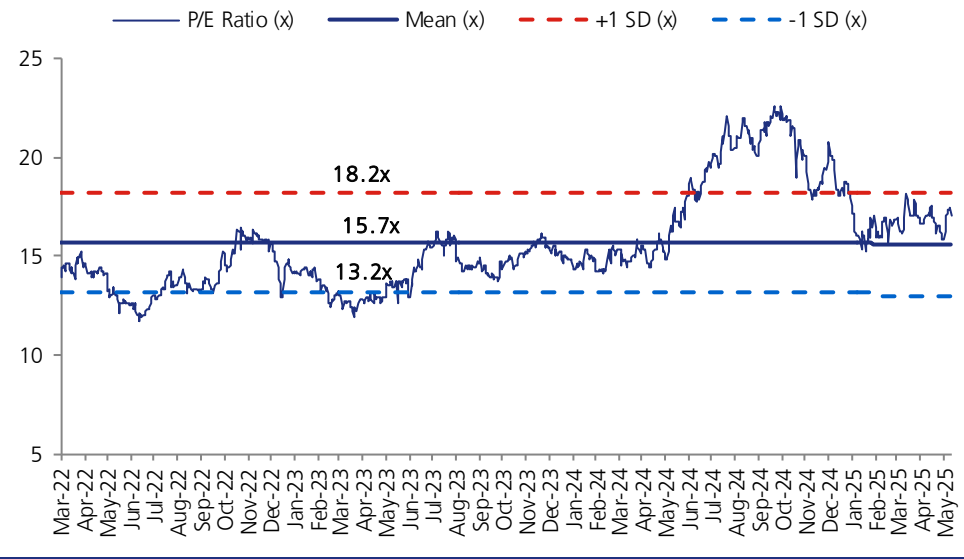
Source: Company, JM Financial

**Exhibit 3. CMS Info Systems – EPS revision table**

| Year End Mar 31 (INR mn) | FY26E  | FY27E  | FY28E  |
|--------------------------|--------|--------|--------|
| <b>Revenues</b>          |        |        |        |
| Old                      | 28,312 | 31,755 | NA     |
| New                      | 27,458 | 30,630 | 34,195 |
| Chg                      | -3.0%  | -3.5%  | NA     |
| <b>EBITDA</b>            |        |        |        |
| Old                      | 7,364  | 8,304  | NA     |
| New                      | 7,126  | 7,987  | 9,041  |
| Chg                      | -3.2%  | -3.8%  | NA     |
| <b>EBITDA Margins</b>    |        |        |        |
| Old                      | 26.0%  | 26.2%  | NA     |
| New                      | 26.0%  | 26.1%  | 26.4%  |
| bps                      | (6)    | (8)    | NA     |
| <b>PAT</b>               |        |        |        |
| Old                      | 4,419  | 4,989  | NA     |
| New                      | 4,280  | 4,793  | 5,455  |
| Chg                      | -3.1%  | -3.9%  | NA     |
| <b>FD EPS</b>            |        |        |        |
| Old                      | 25.3   | 28.6   | NA     |
| New                      | 24.5   | 27.5   | 31.2   |
| Chg                      | -3.1%  | -4.0%  | NA     |

Source: Company, JM Financial

Exhibit 4. CMS Info Systems – 1-yr forward P/E chart



Source: Company, JM Financial

## Financial Tables (Consolidated)

| Income Statement (INR mn)   |               |               |               |               |               |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|
| Y/E March                   | FY24A         | FY25A         | FY26E         | FY27E         | FY28E         |
| Net Sales                   | 22,647        | 24,245        | 27,458        | 30,630        | 34,195        |
| Sales Growth                | 18.3%         | 7.1%          | 13.2%         | 11.6%         | 11.6%         |
| Other Operating Income      | 0             | 0             | 0             | 0             | 0             |
| <b>Total Revenue</b>        | <b>22,647</b> | <b>24,245</b> | <b>27,458</b> | <b>30,630</b> | <b>34,195</b> |
| Cost of Goods Sold/Op. Exp  | 1,949         | 2,389         | 2,197         | 2,450         | 2,736         |
| Personnel Cost              | 0             | 0             | 0             | 0             | 0             |
| Other Expenses              | 14,703        | 15,588        | 18,135        | 20,193        | 22,418        |
| <b>EBITDA</b>               | <b>5,995</b>  | <b>6,268</b>  | <b>7,126</b>  | <b>7,987</b>  | <b>9,041</b>  |
| EBITDA Margin               | 26.5%         | 25.9%         | 26.0%         | 26.1%         | 26.4%         |
| EBITDA Growth               | 11.5%         | 4.6%          | 13.7%         | 12.1%         | 13.2%         |
| Depn. & Amort.              | 1,502         | 1,615         | 1,843         | 2,073         | 2,303         |
| EBIT                        | 4,493         | 4,654         | 5,283         | 5,914         | 6,738         |
| Other Income                | 337           | 507           | 542           | 580           | 621           |
| Finance Cost                | 162           | 182           | 152           | 136           | 116           |
| PBT before Excep. & Forex   | 4,667         | 4,978         | 5,673         | 6,358         | 7,243         |
| Excep. & Forex Inc./Loss(-) | 3             | 0             | 50            | 50            | 50            |
| PBT                         | 4,671         | 4,978         | 5,723         | 6,408         | 7,293         |
| Taxes                       | 1,199         | 1,254         | 1,442         | 1,615         | 1,838         |
| Extraordinary Inc./Loss(-)  | 0             | 0             | 0             | 0             | 0             |
| Assoc. Profit/Min. Int.(-)  | 0             | 0             | 0             | 0             | 0             |
| Reported Net Profit         | 3,471         | 3,725         | 4,280         | 4,793         | 5,455         |
| <b>Adjusted Net Profit</b>  | <b>3,471</b>  | <b>3,725</b>  | <b>4,280</b>  | <b>4,793</b>  | <b>5,455</b>  |
| Net Margin                  | 15.3%         | 15.4%         | 15.6%         | 15.6%         | 16.0%         |
| Diluted Share Cap. (mn)     | 174.6         | 174.6         | 174.6         | 174.6         | 174.6         |
| <b>Diluted EPS (INR)</b>    | <b>19.9</b>   | <b>21.3</b>   | <b>24.5</b>   | <b>27.5</b>   | <b>31.2</b>   |
| Diluted EPS Growth          | 10.2%         | 7.3%          | 14.9%         | 12.0%         | 13.8%         |
| Total Dividend + Tax        | 938           | 1,561         | 1,397         | 1,561         | 1,726         |
| Dividend Per Share (INR)    | 5.8           | 9.5           | 8.5           | 9.5           | 10.5          |

Source: Company, JM Financial

| Cash Flow Statement (INR mn) |               |               |               |               |               |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| Y/E March                    | FY24A         | FY25A         | FY26E         | FY27E         | FY28E         |
| Profit before Tax            | 4,671         | 4,978         | 5,723         | 6,408         | 7,293         |
| Depn. & Amort.               | 1,502         | 1,615         | 1,843         | 2,073         | 2,303         |
| Net Interest Exp. / Inc. (-) | 0             | 0             | 0             | 0             | 0             |
| Inc (-) / Dec in WCap.       | -644          | 372           | -1,731        | -1,317        | -1,540        |
| Others                       | -22           | -8            | 0             | 0             | 0             |
| Taxes Paid                   | -1,199        | -1,254        | -1,442        | -1,615        | -1,838        |
| <b>Operating Cash Flow</b>   | <b>4,308</b>  | <b>5,703</b>  | <b>4,393</b>  | <b>5,550</b>  | <b>6,218</b>  |
| Capex                        | -1,414        | -3,227        | -2,000        | -2,000        | -2,000        |
| Free Cash Flow               | 2,894         | 2,476         | 2,393         | 3,550         | 4,218         |
| Inc (-) / Dec in Investments | -2,059        | -1,312        | 0             | 0             | 0             |
| Others                       | 126           | -437          | 217           | 269           | 300           |
| <b>Investing Cash Flow</b>   | <b>-3,347</b> | <b>-4,976</b> | <b>-1,783</b> | <b>-1,731</b> | <b>-1,700</b> |
| Inc / Dec (-) in Capital     | 1,310         | 1,034         | 0             | 0             | 0             |
| Dividend + Tax thereon       | -938          | -1,561        | -1,397        | -1,561        | -1,726        |
| Inc / Dec (-) in Loans       | -225          | 87            | -176          | -219          | -244          |
| Others                       | 0             | 0             | 0             | 0             | 0             |
| <b>Financing Cash Flow</b>   | <b>147</b>    | <b>-440</b>   | <b>-1,573</b> | <b>-1,781</b> | <b>-1,970</b> |
| <b>Inc / Dec (-) in Cash</b> | <b>1,108</b>  | <b>286</b>    | <b>1,036</b>  | <b>2,039</b>  | <b>2,548</b>  |
| Opening Cash Balance         | 1,563         | 2,670         | 2,957         | 3,993         | 6,031         |
| Closing Cash Balance         | 2,670         | 2,957         | 3,993         | 6,031         | 8,579         |

Source: Company, JM Financial

| Balance Sheet (INR mn)            |               |               |               |               |               |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Y/E March                         | FY24A         | FY25A         | FY26E         | FY27E         | FY28E         |
| Shareholders' Fund                | 19,468        | 22,665        | 25,548        | 28,780        | 32,510        |
| Share Capital                     | 1,628         | 1,644         | 1,644         | 1,644         | 1,644         |
| Reserves & Surplus                | 17,840        | 21,021        | 23,905        | 27,137        | 30,866        |
| Preference Share Capital          | 0             | 0             | 0             | 0             | 0             |
| Minority Interest                 | 0             | 0             | 0             | 0             | 0             |
| Total Loans                       | 0             | 0             | 0             | 0             | 0             |
| Def. Tax Liab. / Assets (-)       | -390          | -399          | -399          | -399          | -399          |
| <b>Total - Equity &amp; Liab.</b> | <b>19,077</b> | <b>22,267</b> | <b>25,150</b> | <b>28,382</b> | <b>32,111</b> |
| Net Fixed Assets                  | 6,983         | 8,595         | 8,752         | 8,679         | 8,376         |
| Gross Fixed Assets                | 9,506         | 11,269        | 13,269        | 15,269        | 17,269        |
| Intangible Assets                 | 2,061         | 2,061         | 2,061         | 2,061         | 2,061         |
| Less: Depn. & Amort.              | 4,765         | 6,380         | 8,223         | 10,296        | 12,599        |
| Capital WIP                       | 181           | 1,645         | 1,645         | 1,645         | 1,645         |
| Investments                       | 600           | 1,255         | 1,255         | 1,255         | 1,255         |
| Current Assets                    | 18,612        | 20,951        | 23,218        | 26,676        | 30,882        |
| Inventories                       | 1,269         | 796           | 732           | 816           | 911           |
| Sundry Debtors                    | 7,197         | 8,146         | 9,594         | 11,130        | 12,923        |
| Cash & Bank Balances              | 2,670         | 2,957         | 3,993         | 6,031         | 8,579         |
| Loans & Advances                  | 0             | 0             | 0             | 0             | 0             |
| Other Current Assets              | 7,476         | 9,053         | 8,900         | 8,698         | 8,469         |
| Current Liab. & Prov.             | 7,118         | 8,534         | 8,075         | 8,228         | 8,402         |
| Current Liabilities               | 5,632         | 5,134         | 4,675         | 4,828         | 5,002         |
| Provisions & Others               | 1,486         | 3,400         | 3,400         | 3,400         | 3,400         |
| Net Current Assets                | 11,495        | 12,417        | 15,143        | 18,448        | 22,480        |
| <b>Total - Assets</b>             | <b>19,077</b> | <b>22,267</b> | <b>25,150</b> | <b>28,382</b> | <b>32,111</b> |

Source: Company, JM Financial

| Dupont Analysis     |       |       |       |       |       |
|---------------------|-------|-------|-------|-------|-------|
| Y/E March           | FY24A | FY25A | FY26E | FY27E | FY28E |
| Net Margin          | 15.3% | 15.4% | 15.6% | 15.6% | 16.0% |
| Asset Turnover (x)  | 1.2   | 1.1   | 1.1   | 1.1   | 1.1   |
| Leverage Factor (x) | 1.1   | 1.1   | 1.1   | 1.0   | 1.0   |
| RoE                 | 19.8% | 17.7% | 17.8% | 17.6% | 17.8% |

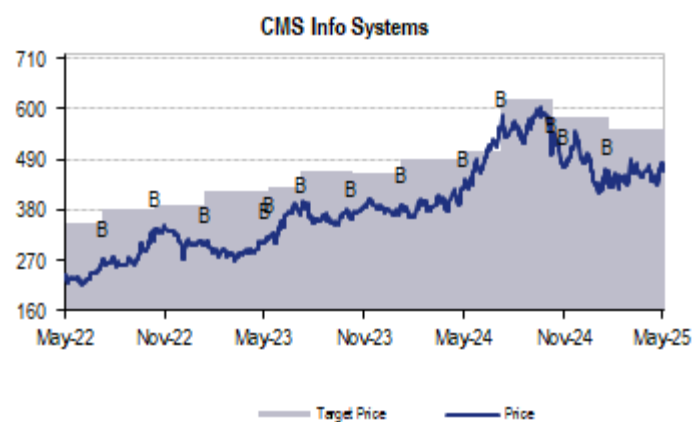
| Key Ratios          |       |       |       |       |       |
|---------------------|-------|-------|-------|-------|-------|
| Y/E March           | FY24A | FY25A | FY26E | FY27E | FY28E |
| BV/Share (INR)      | 119.3 | 137.9 | 155.4 | 175.1 | 197.8 |
| ROIC                | 22.3% | 20.1% | 20.4% | 21.2% | 22.8% |
| ROE                 | 19.8% | 17.7% | 17.8% | 17.6% | 17.8% |
| Net Debt/Equity (x) | -0.1  | -0.1  | -0.2  | -0.2  | -0.3  |
| P/E (x)             | 23.4  | 21.8  | 19.0  | 17.0  | 14.9  |
| P/B (x)             | 3.9   | 3.4   | 3.0   | 2.7   | 2.4   |
| EV/EBITDA (x)       | 12.2  | 11.6  | 10.1  | 8.8   | 7.5   |
| EV/Sales (x)        | 3.2   | 3.0   | 2.6   | 2.3   | 2.0   |
| Debtor days         | 116   | 123   | 128   | 133   | 138   |
| Inventory days      | 20    | 12    | 10    | 10    | 10    |
| Creditor days       | 88    | 71    | 58    | 58    | 58    |

Source: Company, JM Financial

## History of Recommendation and Target Price

| Date      | Recommendation | Target Price | % Chg. |
|-----------|----------------|--------------|--------|
| 25-Apr-22 | Buy            | 350          |        |
| 11-May-22 | Buy            | 350          | 0.0    |
| 28-Jul-22 | Buy            | 380          | 8.6    |
| 2-Nov-22  | Buy            | 390          | 2.6    |
| 30-Jan-23 | Buy            | 420          | 7.7    |
| 23-May-23 | Buy            | 420          | 0.0    |
| 29-May-23 | Buy            | 430          | 2.4    |
| 25-Jul-23 | Buy            | 465          | 8.1    |
| 26-Oct-23 | Buy            | 460          | -1.1   |
| 25-Jan-24 | Buy            | 490          | 6.5    |
| 20-May-24 | Buy            | 510          | 4.1    |
| 27-Jul-24 | Buy            | 620          | 21.6   |
| 28-Oct-24 | Buy            | 580          | -6.5   |
| 18-Nov-24 | Buy            | 580          | 0.0    |
| 6-Feb-25  | Buy            | 555          | -4.3   |

## Recommendation History



## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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

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

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

\* REITs refers to Real Estate Investment Trusts.

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