

Uniparts India Ltd. CMP Rs.496

- Update

❑ Deere and Company (John Deere) Came up with their annual result day before yesterday and given outlook for next year for both Industry and Company. John Deere contributes around 1/3rd of revenue for Uniparts India Ltd.

Deer & Company US (John Deer)		
Industry	FY25 (Sep)	FY26 (Sep)
Agri Equipment	Industry	Industry
US and Canada Large Agri	-30%	-15.20%
US and Canada Small Ag and Turf	-10%	flat to 5%
Europe Ag	-0-5%	flat to 5%
South America Ag	flat to +5%	Flat
Asia Ag	flat to +5%	-5%
Construction Equipment		
US and Canada Construction Eq	-10%	flat to 5%
US and Canada Compact Construction Eq	flat to -5%	flat to 5%
global Forestry	flat to -5%	flat
Global Road building	flat	flat
Deer & Company US (John Deer)		
Company	FY25 (Sep)	FY26 (Sep)
Production and Precision Ag (Large Ag)	-15-20%	-5-10%
Small Ag and Turf	-10%	10%
Construction and Forestry	-10-15%	10%

- ❑ The Large Agri equipment is still seeing some weakness in next year but apart from this all other segment is seeing revival.
- ❑ Off-highway is a cyclical industry, and we have been seeing a down cycle in the US and European markets for the last 2 years. The cycle is generally 2–3 years down and 2–3 years up. We see the cycle is reviving, anyhow Unipart has outperformed the industry and gained market share. Uniparts will be able to benefit from the industry revival.
- ❑ The company is expected to deliver revenue and PAT CAGR of around 15% and 23% respectively over FY25–27, supported by demand recovery and margin expansion. At the current market price of ₹496, the stock trades at 12.3x FY27E EPS, which appears attractive given its improving return ratios and debt-free balance sheet. We assign a 'Buy' rating with a target price of ₹712, implying a potential upside of 43% from current levels.

(Figures in INR Crore)

Year	Revenues	Growth	EBITDA	Margin	ADJ PAT	Margin	EPS	PE	EV/EBITDA	ROE
FY24	1140	-17%	201	18%	125	11%	28	12	6.6	14%
FY25	964	-15%	146	15%	88	9%	19	16	8.3	10%
FY26E	1108	15%	218	20%	147	13%	33	15	9.2	16%
FY27E	1275	15%	258	20%	178	14%	40	12	7.6	18%