6 November 2026
2QFY27 Results Update | Sector: Automobiles

Happy Forgings

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	HAPPYFOR IN
Equity Shares (m)	94
M.Cap.(INRb)/(USDb)	160 / 1.7
52-Week Range (INR)	2484 / 970
1, 6, 12 Rel. Per (%)	-25/22/72
12M Avg Val (INR M)	156

Consol. Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY29E
Sales	19.7	25.0	29.6
EBITDA	6.0	8.2	9.7
Adj. PAT	3.8	5.4	6.4
EPS (INR)	40.3	56.9	68.0
EPS growth %	26.2	41.1	19.4
BV/Sh. (INR)	260	309	367
Ratios			
RoE (%)	16.6	20.0	20.1
RoCE (%)	14.3	16.8	17.5
Payout (%)	13.6	14.1	15.0
Valuations			
P/E (x)	42.0	29.8	24.9
P/BV (x)	6.5	5.5	4.6
EV/EBITDA (x)	26.9	19.9	16.6
Div. Yield (%)	0.3	0.5	0.6

Shareholding Pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	78.4	78.5	78.5
DII	14.9	15.5	17.0
FII	2.4	1.9	2.0
Others	4.3	4.1	2.5

CMP: INR1,695 TP: INR2,250 (+33%) Buy

Demand remains strong, while margin takes a hit

Unwinding of the AI trade unlikely to weigh on growth

- Happy Forgings (HFL)'s 2QFY27 PAT at INR975m came in line with our estimates. While margins were below our estimate of 30.6% and 2HFY27 margins are expected to remain under pressure on account of commodity inflation, recovery is likely in FY28 and FY29.
- Due to lower than expected margins and a softer margin outlook for the balance of FY27, we cut our earnings estimate for FY27 by 5.4%. Given its healthy new order wins, we expect HFL to post a 24% standalone revenue CAGR over FY26-29. Further, while there could be some margin pressure due to rising input costs in the near term, we expect HFL to expand margins to 33% over FY26-29, led by an improved mix, operating leverage benefits, and benefits from solar power generation in the coming years. We, thus, expect HFL to post a 29% earnings CAGR over FY26-29. **We reiterate our BUY rating on the stock with a TP of INR2,250 (based on 36x Sep-28E EPS).**

In-line performance

- Standalone revenue grew 33% YoY in 2Q to INR5b (in line), led by volume growth of 25% to 18,754MT. Realization/kg improved QoQ to INR267.
- Revenue mix in 1HFY27 (vs. 1HFY26):
  - CV- 33% (37%), Farm Equipment- 31% (34%), Off-highway- 12% (10%), Industrials- 16% (13%), PV- 9% (5%).
  - Domestic – 72% (73%), Deemed exports – 12% (12%), direct exports – 16% (16%).
- EBITDA margin contracted 80bp QoQ to 30.6% (110bp below est.) due to cost headwinds. EBITDA also grew 32% YoY to INR1.5b (in-line).
- PAT grew 33% YoY to INR975m (in line)

Key highlights from the management commentary

- HFL expects FY27 volume growth guidance to be met, with export revenues improving from 3QFY27 as North American CV and PV programs ramp up. The opportunity pipeline across PV, industrials, and exports could add revenue equivalent to the current revenue base over the next 3–4 years.
- Industrials grew over 50% in H1FY27 and now contribute 16% of revenue. The company has secured ~INR3b of annual data-center engine orders with visibility until 2033 and is targeting nearly INR5b of incremental orders by Mar'27 from a ~INR10b RFQ.

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Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- Around 80% of input and operating cost inflation has been passed through, while machining mix increased to 90% from 88% in FY26. Management expects EBITDA/kg to improve further through better mix, higher value addition, and operating efficiencies, with FY27 margins broadly in line with FY26 despite near-term RM and freight pressure.
- The company is entering a higher capex phase, with the ongoing INR6.5b ultra-heavy component project supplemented by another INR5b investment across FY28–FY29. Capacity is likely to rise to ~217k T forging and ~116k T machining over 2.0–2.5 years, aided by order visibility across PV, industrials and export CV.
- The SOP for the captive solar power project is scheduled for Jan'27, and it is expected to deliver an EBITDA margin improvement of 1.0-1.5% once fully operational.

Valuation and view

Due to lower than expected margins and a softer margin outlook for the balance of FY27, we cut our earnings estimate for FY27 by 5.4%. Given its healthy new order wins, we expect HFL to post a 24% standalone revenue CAGR over FY26-29. Further, while there could be some margin pressure due to rising input costs in the near term, we expect HFL to expand margins to 33% over FY26-29, led by an improved mix, operating leverage benefits, and benefits from solar power generation in the coming years. We, thus, expect HFL to post a 29% earnings CAGR over FY26-29. **We reiterate our BUY rating on the stock with a TP of INR2,250 (based on 36x Sep-28E EPS).**

Quarterly (Standalone) **(INR M)**

	FY26				FY27E				FY26	FY27E		Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Net operating income	**3,538**	**3,774**	**3,913**	**4,238**	**4,494**	**5,007**	**5,048**	**5,110**	**15,463**	**19,660**	**4,831**	**3.7**
Change (%)	3.6	4.5	10.4	20.4	27.0	32.7	29.0	20.6	9.8	27.1	28.0	
RM/Sales (%)	42.1	39.7	41.1	40.6	39.3	39.2	39.2	39.1	40.9	39.2	40.7	
Staff Cost (%)	9.1	8.9	8.8	8.6	8.6	8.2	8.6	8.5	8.8	8.5	8.4	
Other Exp. (%)	20.3	20.7	19.3	19.3	20.7	22.1	22.1	22.2	19.9	21.8	19.3	
EBITDA	**1,012**	**1,158**	**1,204**	**1,333**	**1,409**	**1,531**	**1,519**	**1,542**	**4,707**	**6,001**	**1,529**	**0.2**
EBITDA Margins (%)	28.6	30.7	30.8	31.5	31.3	30.6	30.1	30.2	30.4	30.5	31.7	-110bp
Change (%)	3.6	9.9	18.7	30.4	39.3	32.2	26.2	15.6	15.7	27.5	32.0	
Non-Operating Income	104	63	82	60	111	83	85	51	308	330	65	
Interest	23	19	25	38	31	30	30	39	105	129	28	
Depreciation	206	216	224	245	262	279	280	307	890	1128	270	
PBT after EO items	**886**	**986**	**1,037**	**1,111**	**1,226**	**1,306**	**1,294**	**1,247**	**4,020**	**5,074**	**1,296**	
Tax	230	252	247	275	312	331	324	302	1004	1269	324	
Eff. Tax Rate (%)	25.9	25.5	23.9	24.8	25.4	25.3	25.0	24.2	25.0	25.0	25.0	
Rep. PAT	**657**	**734**	**789**	**836**	**915**	**975**	**971**	**945**	**3,016**	**3,806**	**972**	
Change (%)	2.9	2.8	22.4	23.3	39.2	32.8	23.0	13.1	12.7	26.2	32.3	
Adj. PAT	**657**	**734**	**789**	**836**	**915**	**975**	**971**	**945**	**3,016**	**3,806**	**972**	**0.3**
Change (%)	2.9	10.2	22.4	23.3	39.2	32.8	23.0	13.1	12.7	26.2	32.3	

E: MOFSL Estimates



Key highlights from the management commentary

Overall Business Updates

- Growth remained broad-based across domestic and export markets, with H1FY27 revenues increasing 30% and 36% YoY, respectively. Export contribution to the order book stood at over 50%, supported by order wins of ~INR950m last quarter.
- Realization improvement was supported by raw material cost pass-throughs, negotiated price increases to recover higher conversion costs and a favorable product mix. Machining contribution increased to 90% in H1FY27 from 88% in FY26, reflecting an ongoing shift towards higher value-added products.
- Approximately 80% of the increase in input and operating costs has been passed on to customers. While domestic OEMs have largely compensated for higher costs, elevated ocean freight resulted in export selling costs nearly doubling during the previous quarter, although freight rates have started softening.
- Management highlighted that absolute EBITDA per kg has improved despite cost inflation.
- Customer and end-market diversification continued to improve, with an increasing contribution from customers beyond the top 10 accounts, reducing customer concentration.
- H1FY27 ROE and ROCE stood at 17.1% and 19.6%, respectively, supported by improved operating leverage and better capital utilization.

Update on CV segment

- CV remained the largest segment, contributing 33% of H1FY27 revenues compared to 37% in FY26, and registered high-teen growth during the period.
- Domestic CV business grew in the mid-20s, broadly in line with M&HCV production and sales, supported by sustained infrastructure development, healthy replacement demand and continued transportation activity.
- Export performance remained relatively subdued during H1 due to longer shipment transit times, resulting in higher sales in transit. However, management expects North American and European programs to support a meaningful improvement in export revenues from Q3FY27 onwards.
- The company secured ~INR800m of North American CV program business during the quarter, forming part of a new global development program with a large engine manufacturer. Certain programs catering to the European market, through transmission manufacturing facilities being established in India, are also progressing well.
- Discussions are underway with a recently acquired European CV manufacturer through an existing domestic customer, with RFQ processes initiated to explore supply-chain cost rationalization opportunities. Business awards are expected to be a medium-term opportunity over the next 2-3 years.
- Management remains positive on domestic CV demand and expects continued growth, supported by a healthy order book and ramp-up of recently secured programs.

Update on farm segment

- Farm equipment was the second-largest segment, contributing 30% of H1FY27 revenues compared to 34% in the corresponding period last year, and registered growth of over 20%.

- Domestic farm business grew at a high-teen rate, outperforming domestic tractor production and sales. Growth was supported by market-share gains, with the company's share increasing from 42% to ~46% during the year.
- The recent ramp-up of a large OEM program has further strengthened the company's market position, with the full benefit of the market-share gain yet to be reflected as the program commenced only 2-3 months ago.
- Despite expectations of some weakness in domestic tractor demand during Nov-Dec'26, management does not anticipate a meaningful impact on its revenues, given the increased market share, incremental orders and capacity constraints across existing lines.
- Export business also recorded robust growth, supported by higher sales to key customers despite a challenging demand environment in international markets. Indirect exports account for ~4-5% of the farm segment's revenues.
- The INR1.5b vertical upsetting line under the ongoing heavy-component capex is dedicated to North American high-horsepower farm equipment and wind turbine applications. Development has commenced, with orders already secured from customers including Bonfiglioli and Liebherr.

Update on industrials segment

- Industrials contributed 16% of H1FY27 revenues compared to 13% in FY26, registering growth of over 50%, supported by strong traction across domestic and export markets.
- Demand from backup power generators for data centers and energy-related applications is emerging as a key growth driver. The company has already secured ~INR3b of annual orders for large data-center engine applications, with visibility extending until 2033. The order win is backed by dedicated machining lines, for which the customer has also made investments. The company expects these orders to ramp up as the new facilities become operational.
- An additional order pipeline of ~INR10b is under discussion across data-center applications and established medium-series genset markets. Management aims to close nearly INR5b of incremental orders by Mar'27, subject to successful capability demonstrations and customer approvals. Demand for the established 19-60-litre engine segment remains strong, supported by rising energy requirements.
- The heavy forging hammer line will be fungible across applications, including large engines, gas engines, oil & gas, wind, marine and large mining trucks, providing flexibility to address multiple industrial end markets.
- Recent order wins for tank shafts in Japan and other Asian markets are expected to support continued growth.
- Management also highlighted opportunities in railways and defense, in addition to the existing industrial portfolio, providing scope to diversify beyond data-center-related applications.

Update on PV segment

- PV contribution increased to 9% of H1FY27 revenues from 5% in H1FY26, with segment revenues nearly doubling YoY. Growth was supported by healthy domestic demand, increased wallet share and execution of previously secured export orders.

- The North American PV program, supported by the recently commissioned 4,000-ton press line, has started ramping up. However, a significant portion of 2Q shipments remained in transit due to DAP delivery terms, with revenue recognition expected from Q3FY27 onwards.
- The newly commissioned line is expected to generate ~INR800m to INR1b in annual sales. Additional North American PV programs are scheduled to commence from Feb'27 and in CY28, for which capacity additions have been incorporated into the recently announced capex.
- Domestic PV business is also progressing well, with two new programs secured, expected to commence in 4QFY27 and 2QFY28, respectively.
- Management expects the PV segment to remain a key growth driver, supported by the ramp-up of existing programs, increasing wallet share and incremental business from new customer programs.

Update on off highway segment

- Off-highway contributed 12% of H1FY27 revenue, up from 10% in H1FY26, registering growth of over 50% YoY.
- Growth was broad-based across domestic and export markets. Domestic construction-equipment demand was supported by healthy project awards, particularly in road, highway and infrastructure segments.
- Export demand benefited from continued traction in construction and mining equipment markets, with exports in heavy machinery/off-highway applications growing ~50% in H1FY27.

Capex updates

- The company incurred approximately INR3.78b of capex during H1FY27, funded through internal accruals, available liquidity and targeted borrowings.
- The captive solar project is expected to contribute approximately 1.5% to EBITDA once fully operational, with meaningful benefits expected from 1QFY28.
- Installed forging and machining capacities stood at 1,58,000 tonnes and 82,000 tonnes, respectively, with H1FY27 utilization at 60% and 77%. A new forging press was commissioned in 1QFY27 and an additional hammer in 2QFY27.
- The ongoing INR6.5b capex towards ultra-heavy component manufacturing is progressing as planned, with the facility expected to be commissioned by 4QFY28.
- Of the INR6.5b investment, INR1.5b is allocated towards a vertical upsetting line for North American farm equipment and wind applications, for which orders are already secured and development has commenced. The remaining INR5b comprises a fungible heavy forging hammer line (~INR3b) and dedicated machining facilities.
- The heavy forging hammer line has a capacity of ~2,000 tonnes per month and can process components weighing 300kg–3 tonnes. At optimal utilization and higher value-added machining, the facility has potential to generate INR16-18b of annual revenue, although further machining investments would be required to unlock this potential.
- Approximately INR3b has already been invested under the ongoing capex. The equipment for the heavy forging line has arrived, with cold trials expected in

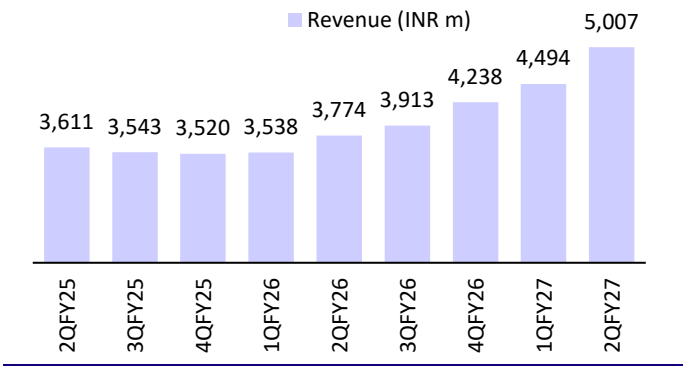
Jan-Feb'27 and hot trials by March 2027. Sample submissions will take place in FY28, with revenue contribution expected from Q3FY28 onwards.

- The Board has approved an additional INR5b capex, to be implemented in phases across FY28-FY29. Approximately 70% will be allocated towards machining capacity and the remaining 30% towards forging capacity, primarily small press lines.
- The new investment is driven by rising utilization levels and strong order visibility across PV, industrials and export-oriented CV businesses. Machining utilization had reached 80% in the previous quarter and is expected to approach 90% by 4QFY27.
- The combined capacity additions from the ongoing and newly approved investments will add ~59,000 tonnes of forging and 34,000 tonnes of machining capacity over the next 2-2.5 years, taking total installed capacity to approximately 217k tonnes and 116k tonnes, respectively.
- The INR5b incremental capex will be funded through internal accruals and debt, with a potential bank borrowing requirement of ~INR3b as a sanctioned facility. Actual utilization could be lower depending on cash flows and liquidity.
- Management indicated that capex intensity is likely to remain higher over the next few years, reflecting the expanding opportunity pipeline. However, investments will be calibrated against customer commitments and utilization of existing assets.

Outlook

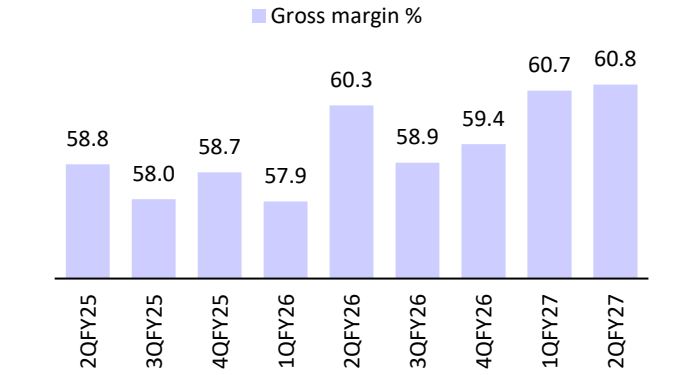
- Management remains confident of achieving its full-year FY27 volume growth guidance, supported by improving industry demand, a healthy order book and the ramp-up of recently secured programs.
- Demand visibility remains strong across CV, farm, industrials and PV segments. Domestic CV demand remains encouraging, while industrials and PV are expected to benefit from new order execution and increasing contribution from recently commissioned capacities.
- Export revenues are expected to improve from Q3FY27 onwards, supported by the ramp-up of North American PV and CV programs, alongside continued traction in Asian and European markets.
- Despite some anticipated softness in domestic tractor demand during November–December, management does not expect a material impact on farm revenues, given market-share gains, new orders and strong capacity utilization.
- Management expects gross margin and EBITDA per kg to maintain an improving trajectory, supported by favorable product mix, higher value addition and operational efficiencies. While higher raw material prices and shipment costs could exert near-term pressure, full-year profitability margins are expected to remain broadly in line with FY26.
- The company expects its ongoing diversification initiatives, particularly in data-center-related heavy forgings, energy applications, PV and exports, to materially expand its growth opportunity. Management indicated that the combined opportunities across these businesses could potentially add an amount equivalent to the company's current revenue base over the next 3-4 years.

Exhibit 1: SA revenue trend



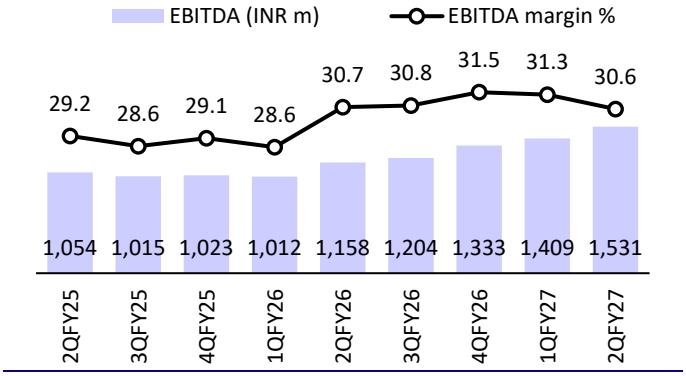
Source: Company, MOFSL

Exhibit 2: SA gross margin trend



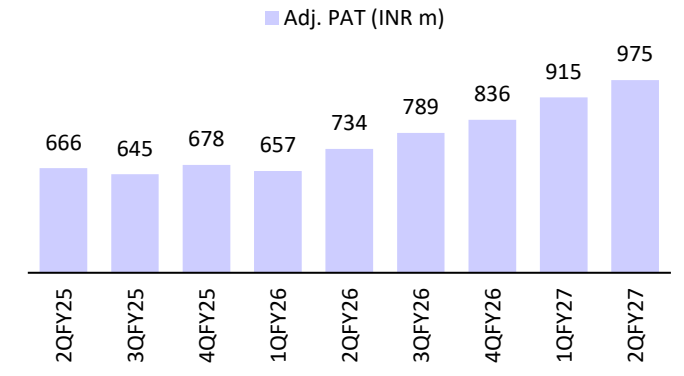
Source: Company, MOFSL

Exhibit 3: EBITDA and margin trends



Source: Company, MOFSL

Exhibit 4: Adj. PAT trend over the quarters



Source: Company, MOFSL

Valuation and view

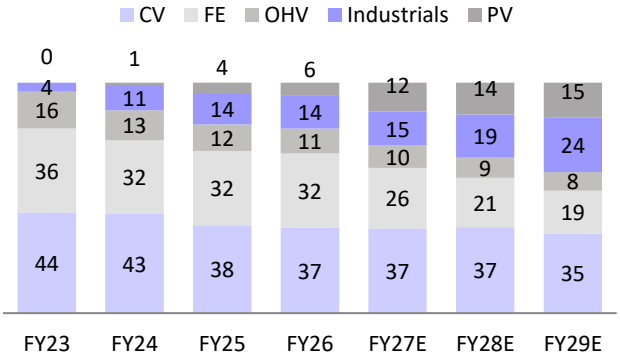
- **Industrial business to remain the long-term growth driver:** The Industrials segment remains a key growth driver for the company. HFL is now investing INR6.5b to set up a heavyweight precision components facility, which will be among the largest in Asia, capable of producing 250-3,000kg forged and fully-machined parts. The company has already secured orders worth INR3.5b from this new facility and expects a further boost once the new plant is operational and customers gain confidence in its execution capabilities. Given the company's healthy new order wins, we expect the Industrials segment to post a robust 47% revenue CAGR over FY26-29.
- **PV mix on track to reach 10% of mix in a couple of years**: The PV segment, which is a focus area for the management, remains a major growth driver, contributing 6% of revenue in FY26, up from just 1% in FY24. Leveraging its competitive advantage, the company has won multiple orders over the last few years, both for domestic and export businesses. To execute these orders, HFL has invested INR800m in the PV business in FY26. The company has also set a target for PV contribution to rise to 8-10% of revenue over the next two years.
- **Outlook has improved in core segments:** While the domestic tractor segment is expected to slow down after a strong 1HFY27 on account of higher base, monsoon deficit, lower rabi sowing expectations etc., HFL is likely to maintain its growth in the segment driven by market share gains from a leading domestic OEM. Despite the slowdown in CV volumes due to the West Asia crisis, the commencement of new orders for a domestic CV OEM is expected to drive growth for the segment over FY26-28E. Further, demand in key developed markets such as the US and Europe is now stabilizing at lower levels. The outlook for CV exports has improved for FY27E, as one of the company's key export clients anticipates a recovery. Tractor exports are also expected to drive a revenue pick-up for HFL in FY27, supported by new order wins. Overall, we expect the CV/tractor segments to deliver a 21%/3% revenue CAGR over FY26-29E, respectively.
- **Valuation and view:** Given its healthy new order wins, we expect HFL to post a 24% standalone revenue CAGR over FY26-29. Further, while there could be some margin pressure due to rising input costs in the near term, we expect HFL to expand margins to 33% over FY26-29, led by an improved mix, operating leverage benefits, and benefits from solar power generation in the coming years. We, thus, expect HFL to post a 29% earnings CAGR over FY26-29. **We reiterate our BUY rating on the stock with a TP of INR2,250 (based on 36x Sep-28E EPS).**

Exhibit 5: Our revised forecasts

(INR b)	FY27E			FY28E			FY29E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	19.7	19.8	-0.8	25.0	25.1	-0.7	29.6	30.0	-1.2
EBITDA Margin (%)	**30.5**	**31.7**	**-120bp**	**32.8**	**32.7**	**0bp**	**32.8**	**32.8**	**-10bp**
PAT	3.8	4.0	-5.4	5.4	5.5	-1.7	6.4	6.6	-3.5
EPS (Rs)	**40.3**	**42.6**	**-5.4**	**56.9**	**57.9**	**-1.7**	**68.0**	**70.4**	**-3.5**

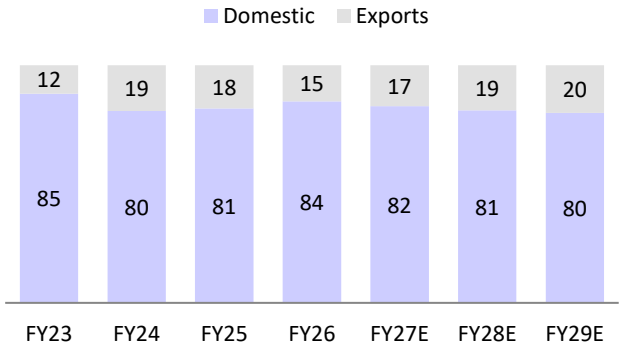
Key operating indicators

Exhibit 6: Revenue mix % – Share of industrials & PVs to rise



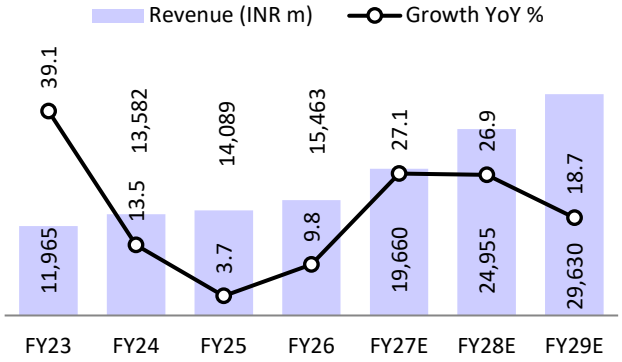
Source: Company, MOFSL

Exhibit 7: Revenue share % of exports to continue improving



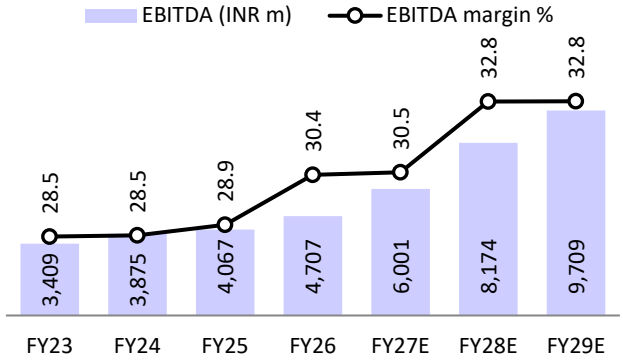
Source: Company, MOFSL

Exhibit 8: Revenue to register ~24% CAGR over FY26-29



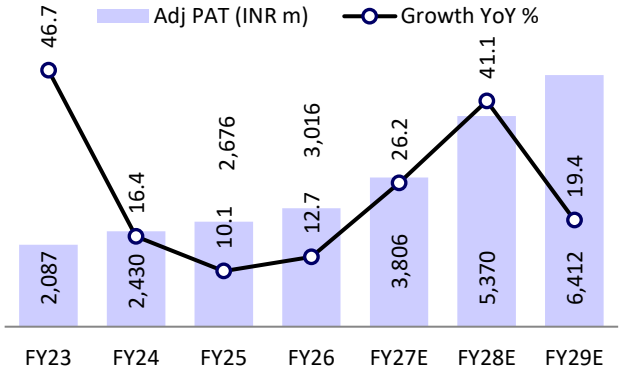
Source: Company, MOFSL

Exhibit 9: EBITDA margin to expand over FY26-29



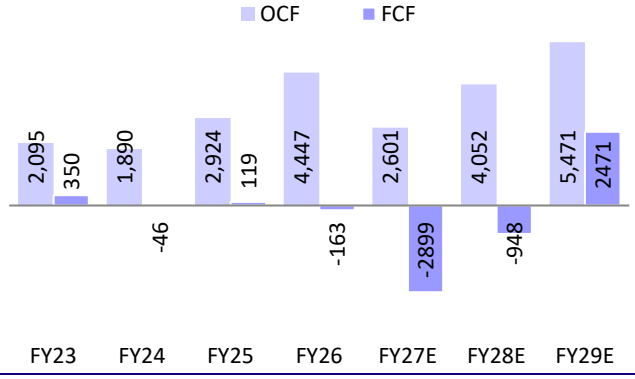
Source: Company, MOFSL

Exhibit 10: PAT to register ~29% CAGR over FY26-29



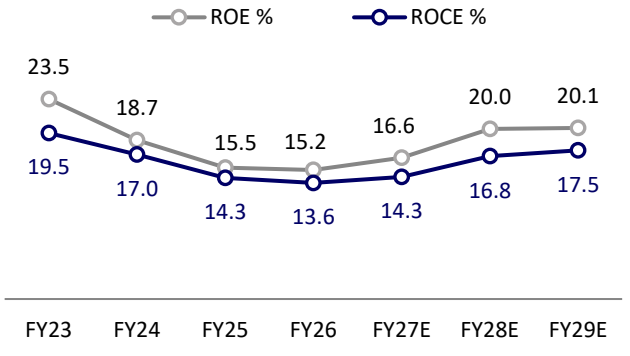
Source: Company, MOFSL

Exhibit 11: Bulk of capex will be met from internal accruals



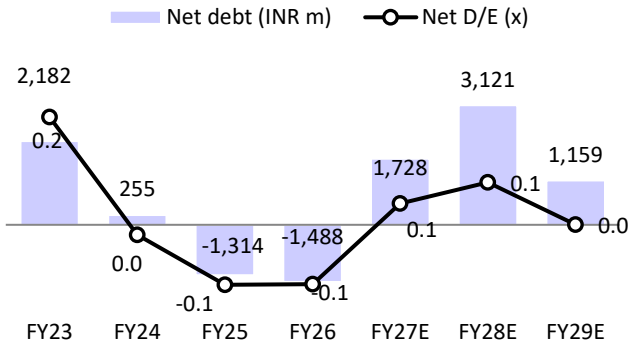
Source: Company, MOFSL

Exhibit 12: Returns set to gradually improve in future



Source: Company, MOFSL

Exhibit 13: Overall debt continues to decline



Source: Company, MOFSL

Financials and valuations

Income Statement							(INR m)
Y/E March	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Net Sales	**11,965**	**13,582**	**14,089**	**15,463**	**19,660**	**24,955**	**29,630**
Change (%)	39.1	13.5	3.7	9.8	27.1	26.9	18.7
EBITDA	**3,409**	**3,875**	**4,067**	**4,707**	**6,001**	**8,174**	**9,709**
Margin (%)	28.5	28.5	28.9	30.4	30.5	32.8	32.8
Depreciation	542	647	771	890	1,128	1,372	1,612
EBIT	**2,868**	**3,228**	**3,296**	**3,817**	**4,873**	**6,802**	**8,097**
Int. and Finance Charges	125	118	75	105	129	177	165
Other Income	58	134	376	308	330	488	618
PBT after EO Exp.	**2,800**	**3,244**	**3,597**	**4,020**	**5,074**	**7,112**	**8,549**
Current Tax	685	748	848	899	1,269	1,742	2,137
Deferred Tax	29	65.67	72.81	104.69	-	-	-
Tax Rate (%)	25.5	25.1	25.6	25.0	25.0	24.5	25.0
Reported PAT	**2,087**	**2,430**	**2,676**	**3,016**	**3,806**	**5,370**	**6,412**
Adj PAT	**2,087**	**2,430**	**2,676**	**3,016**	**3,806**	**5,370**	**6,412**
Change (%)	47	16	10	13	26	41	19

Balance Sheet							(INR m)
Y/E March	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Equity Share Capital	179	188	188	189	189	189	189
Total Reserves	9,704	15,937	18,308	21,094	24,381	28,996	34,446
Net Worth	**9,883**	**16,125**	**18,497**	**21,283**	**24,570**	**29,184**	**34,635**
Deferred Liabilities	230	316	393	490	490	490	490
Total Loans	2,185	1,430	2,273	3,296	5,296	6,496	4,496
Capital Employed	**12,299**	**17,871**	**21,163**	**25,069**	**30,356**	**36,171**	**39,621**
Gross Block	8,591	9,880	12,277	14,871	20,371	25,371	28,371
Less: Accum. Deprn.	1,807	2,444	3,205	3,792	4,920	6,292	7,905
Net Fixed Assets	**6,784**	**7,437**	**9,072**	**11,079**	**15,451**	**19,079**	**20,467**
Capital WIP	748	1,267	1,227	2,374	2,374	2,374	2,374
Total Investments	**3**	**1,169**	**3,457**	**4,528**	**3,028**	**3,028**	**3,028**
Curr. Assets, Loans&Adv.	**5,726**	**8,987**	**8,390**	**8,348**	**10,912**	**13,469**	**15,858**
Inventory	1,696	2,242	2,324	2,328	2,957	3,754	4,457
Account Receivables	3,081	3,569	4,265	3,948	5,221	6,627	7,869
Cash and Bank Balance	0	5	129	256	540	347	309
Loans and Advances	950	3,170	1,671	1,817	2,194	2,741	3,224
Curr. Liability & Prov.	**963**	**988**	**983**	**1,261**	**1,410**	**1,780**	**2,107**
Creditors	477	555	454	594	666	846	1,004
Other Current Liabilities	448	388	481	632	708	898	1,067
Provisions	38	45	49	34	36	36	36
Net Current Assets	**4,763**	**7,998**	**7,407**	**7,088**	**9,502**	**11,689**	**13,752**
Appl. of Funds	**12,299**	**17,871**	**21,163**	**25,069**	**30,356**	**36,171**	**39,621**

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Basic (INR)							
EPS	**23.3**	**25.8**	**28.4**	**32.0**	**40.3**	**56.9**	**68.0**
Cash EPS	29.4	32.7	36.6	41.4	52.3	71.5	85.0
BV/Share	110.4	171.2	196.3	225.6	260.4	309.3	367.1
DPS	-	4.0	3.0	4.0	5.5	8.0	10.2
Payout (%)	-	15.5	10.6	12.5	13.6	14.1	15.0
Dividend Yield (%)	-	0.2	0.2	0.2	0.3	0.5	0.6
FCF per share	3.9	-0.5	1.3	-1.7	-30.7	-10.1	26.2
Valuation (x)							
P/E	72.7	65.7	59.7	53.0	42.0	29.8	24.9
Cash P/E	57.7	51.9	46.3	40.9	32.4	23.7	19.9
P/BV	15.3	9.9	8.6	7.5	6.5	5.5	4.6
EV/Sales	12.9	11.8	11.2	10.2	8.2	6.5	5.4
EV/EBITDA	45.1	41.3	38.9	33.6	26.9	19.9	16.6
Return Ratios (%)							
RoE	23.5	18.7	15.5	15.2	16.6	20.0	20.1
RoCE (Post-tax)	19.5	17.0	14.3	13.6	14.3	16.8	17.5
RoIC	21.5	17.9	15.4	16.7	17.3	18.7	18.9
Working Capital Ratios							
Fixed Asset Turnover (x)	1.4	1.4	1.1	1.0	1.0	1.0	1.0
Inventory (Days)	54	53	59	55	49	49	51
Debtor (Days)	81	89	101	97	85	87	89
Creditor (Days)	14	14	13	12	12	11	11
Working Capital (Days)	131	171	198	167	147	148	153
Leverage Ratio (x)							
Net Debt/Equity	0.2	0.0	-0.1	-0.1	0.1	0.1	0.0

Cash Flow Statement

(INR m)

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Operating PBT	2,800	3,244	3,597	4,020	5,074	7,112	8,549
Depreciation	542	647	771	890	1,128	1,372	1,612
Interest/Div paid	-125	118	75	105	129	177	165
Direct Taxes Paid	-638	-839	-832	-932	-1,269	-1,742	-2,137
(Inc)/Dec in WC	-779	-1,230	486	589	-2,131	-2,380	-2,101
Other items	295	-50	**-1,172**	**-225**	**-330**	**-488**	**-618**
CF from Operations	**2,095**	**1,890**	**2,924**	**4,447**	**2,601**	**4,052**	**5,471**
(inc)/dec in FA	-1,745	-1,936	-2,804	-4,610	-5,500	-5,000	-3,000
Free Cash Flow	**350**	**-46**	**119**	**-163**	**-2,899**	**-948**	**2,471**
(Pur)/Sale of Investments	15	-2,770	-587	-578	1,500	-	-
Others	5	12	**196**	**212**	**330**	**488**	**618**
CF from Investments	**-1,725**	**-4,694**	**-3,194**	**-4,976**	**-3,670**	**-4,513**	**-2,383**
Issue of Shares	-	3,810	7	21	-	-	-
Inc/(Dec) in Debt	-251	-755	839	1,023	2,000	1,200	-2,000
Interest Paid	-119	-130	-74	-105	-129	-177	-165
Dividend Paid	-	-116	-377	-283	-519	-755	-962
CF from Fin. Activity	**-370**	**2,809**	**395**	**656**	**1,352**	**268**	**-3,127**
Inc/Dec of Cash	**-0**	**5**	124	127	283	-192	-38
Add: Beginning Balance	0	0	**5**	**129**	**256**	**540**	**347**
Closing Balance	**0**	**5**	**129**	**256**	**540**	**347**	**309**

E: MOFSL Estimates

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UNDER REVIEW	Rating may undergo a change
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