

TVS Motor Company

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR2,563 TP:INR2,610 (+2%) Neutral

In-line results; positives appear priced-in

Industry growth of 7-8% YoY expected in 3QFY25

Bloomberg	TVSL IN
Equity Shares (m)	475
M.Cap.(INRb)/(USDb)	1217.6 / 14.5
52-Week Range (INR)	2958 / 1548
1, 6, 12 Rel. Per (%)	-4/22/35
12M Avg Val (INR M)	2271

- TVS Motor (TVSL) posted an in-line result, with margin at 11.7% (est. 11.1%) despite an adverse mix. On the back of better monsoons and higher reservoir levels, domestic 2W rural demand has been ahead of urban demand in 1HFY25, which is anticipated to sustain in FY25. However, the export outlook continues to be uncertain due to weak demand in Africa.
- Management expects the 2W industry to post 7-8% YoY growth in 3QFY25, which is lower than earlier envisaged. At ~48x/38x FY25E/FY26E EPS, we believe most of the positives are in the price. We maintain our FY25E/26E EPS estimates. **Reiterate Neutral** with a TP of ~INR2,610 (based on ~32x Sep'26E EPS and INR210/sh for the NBFC).

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Sales	317.8	359.7	415.7
EBITDA	35.1	41.7	50.7
Adj. PAT	20.8	25.5	32.3
EPS (INR)	43.8	53.6	67.9
EPS Gr. (%)	44.4	22.3	26.7
BV/Sh (INR)	162.7	207.3	264.2

Ratios

RoE (%)	30.2	29.0	28.8
RoCE (%)	33.8	34.5	35.2
Payout (%)	18.2	16.8	16.2

Valuations

P/E (x)	58.5	47.9	37.8
P/BV (x)	15.8	12.4	9.7
Div. Yield (%)	0.3	0.4	0.4
FCF Yield (%)	2.1	1.6	2.3

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	50.3	50.3	50.3
DII	19.0	20.1	23.1
FII	22.4	21.1	18.5
Others	8.3	8.6	8.1

FII Includes depository receipts

Launch of lower-priced iQube dents ASP

- TVSL's revenue/EBITDA/adj. PAT grew 13%/20%/23.5% YoY in 2QFY25 to INR92.3b/INR10.8b/INR6.6b (in line). 1HFY25 revenue/EBITDA/adj. PAT grew 15%/23%/23.5% YoY. Revenue/EBITDA/adj. PAT is expected to grow 12%/15%/21% YoY in 2HFY25.
- Revenue growth was led by ~14% YoY growth in volumes, but ASPs declined 1% YoY to INR75.1k (est. INR77.8k). ASP decline was mainly due to the launch of the lower-priced iQube variant in 2Q.
- Gross margin improved 250bp YoY (-10bp QoQ) and stood at 28.5% (est. 27.8%).
- Despite the adverse mix, EBITDA margin came in at 11.7% (+70bp YoY; est. 11.1%). EBITDA grew 20% YoY to INR10.8b (just 2% above our est. of INR10.6b). TVSL has not yet booked the PLI benefits in 1HFY25, although it is eligible for the same.
- Further, due to higher-than-estimated other income, adj. PAT came in at INR6.6b (est. INR6.5b); it grew 23.5% YoY. Higher other income included INR234.8m of fair valuation of investments.
- FCF stood at INR14.85b in 1HFY25 (vs. INR10.6b in 1HFY24), mainly due to better operating cash flow of INR23.1b (vs. INR16b in 1HFY24), despite a higher capex of INR8.3b (vs. INR5.4b in 1HFY24).

Key takeaways from the management interaction

- **The domestic 2W industry has grown 11% YoY during Navratras (4% YoY growth seen to date in 3QFY25), with TVSL outperforming the industry.** The overall industry is expected to see 7-8% YoY growth in 3QFY25.
- **Exports:** The ongoing Red Sea crisis continued to hurt the export transit time and timely availability of containers. However, TVSL has seen a pick-up in retails, which is higher than the industry.
- **Capex and investments:** The company has guided a capex of INR12-14b for FY25 (v/s earlier guidance of INR10-11b) and investments of INR15b.

Research analyst - Aniket Mhatre (Aniket.Mhatre@MotilalOswal.com)

Research analyst - Amber Shukla (Amber.Shukla@MotilalOswal.com) | Aniket Desai - (Aniket.Desai@MotilalOswal.com)

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Valuation and view

- The recently launched Jupiter 110 has been very well received by customers and is likely to help TVSL gain share in scooters in the coming quarters. However, in motorcycles, for the first time in many years, TVSL has underperformed the industry in H1. More importantly, TVSL has underperformed in the 125cc segment, which has been its key growth driver in recent years. Further, the export outlook, especially in Africa, remains weak.
- Given these factors, we believe TVSL at 48x/38x FY25E/FY26E EPS appears fairly valued. **Reiterate Neutral with a TP of ~INR2,610 (premised on ~32x Sep'26E EPS + INR210/share for NBFC).**

S/A Quarterly Performance

Y/E March (INR m)	FY24				FY25E				FY24	FY25E	2QE
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			
Vols ('000 units)	953.2	1,074.4	1,100.8	1,062.5	1,087.2	1,228.2	1,225.5	1,182.4	4,191	4,723	1,228.2
Growth (%)	5.1	4.6	25.2	22.4	14.1	14.3	11.3	11.3	13.8	12.7	14.3
Realn (INR '000/unit)	75.7	75.8	74.9	76.9	77.0	75.1	76.1	76.4	75.8	76.1	77.8
Growth (%)	14.3	7.9	0.6	1.1	1.7	(0.9)	1.6	(0.6)	5.8	0.4	2.6
Net Sales	72,179	81,446	82,450	81,688	83,756	92,282	93,246	90,391	3,17,764	3,59,674	95,568
Growth (%)	20.1	12.8	26.0	23.7	16.0	13.3	13.1	10.7	20.5	13.2	17.3
RM (% of sales)	74.6	74.0	73.7	72.8	71.4	71.5	71.8	72.0	73.7	71.7	72.2
Emp cost (% of sales)	5.2	4.8	4.9	5.1	5.7	5.4	5.3	5.2	5.0	5.4	5.5
Other exp (% of sales)	9.6	10.1	10.2	10.8	11.4	11.4	11.2	11.2	10.2	11.3	11.2
EBITDA	7,638	8,998	9,244	9,262	9,602	10,798	10,902	10,421	35,141	41,722	10,608
EBITDA Margin (%)	10.6	11.0	11.2	11.3	11.5	11.7	11.7	11.5	11.1	11.6	11.1
Interest	474	523	448	372	372	319	390	462	1,816	1,544	330
Depreciation	1,636	1,701	1,781	1,887	1,763	1,806	1,900	1,955	7,004	7,424	1,820
Other Income	576	462	734	-287	363	299	250	288	1,485	1,200	170
PBT after EO Exp	6,104	7,237	7,750	6,716	7,829	8,972	8,862	8,292	27,807	33,955	8,628
Tax rate (%)	23.4	25.9	23.4	27.7	26.3	26.1	25.0	22.6	25.1	25.0	25.0
Adjusted PAT	4,677	5,366	5,934	4,854	5,773	6,626	6,646	6,420	20,830	25,466	6,471
Growth (%)	45.9	31.7	68.2	33.4	23.4	23.5	12.0	32.3	44.4	22.3	20.6

Key performance indicator

Y/E March (INR m)	FY24				FY25E				FY24	FY25E	2Q
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Volumes ('000 units)	953.2	1,074.4	1,100.8	1,062.5	1,087.2	1,228.2	1,225.5	1,182.4	4,191.0	4,723	1,228.2
Growth (%)	5.1	4.6	25.2	22.4	14.1	14.3	11.3	11.3	13.8	-12.7	14.3
Dom. 2W Mkt Sh (%)	17.4	17.2	17.9	17.7	16.6	17.6			17.6		
Net Realization	75.7	75.8	74.9	76.9	77.0	75.1	76.1	76.4	75.8	76	77.8
Growth YoY (%)	14.3	7.9	0.6	1.1	1.7	-0.9	1.6	-0.6	5.8	0.4	2.6
Cost Break-up											
RM Cost (% of sales)	74.6	74.0	73.7	72.8	71.4	71.5	71.8	72.0	73.7	71.7	72.2
Staff Cost (% of sales)	5.2	4.8	4.9	5.1	5.7	5.4	5.3	5.2	5.0	5.4	5.5
Other Cost (% of sales)	9.6	10.1	10.2	10.8	11.4	11.4	11.2	11.2	10.2	11.3	11.2
Gross Margins (%)	25.4	26.0	26.3	27.2	28.6	28.5	28.2	28.0	26.3	28.3	27.8
EBITDA Margins (%)	10.6	11.0	11.2	11.3	11.5	11.7	11.7	11.5	11.1	11.6	11.1
EBIT Margins (%)	8.3	9.0	9.1	9.0	9.4	9.7	9.7	9.4	8.9	9.5	9.2

E:MOFSL Estimates

Exhibit 1: Trends in volume and volume growth

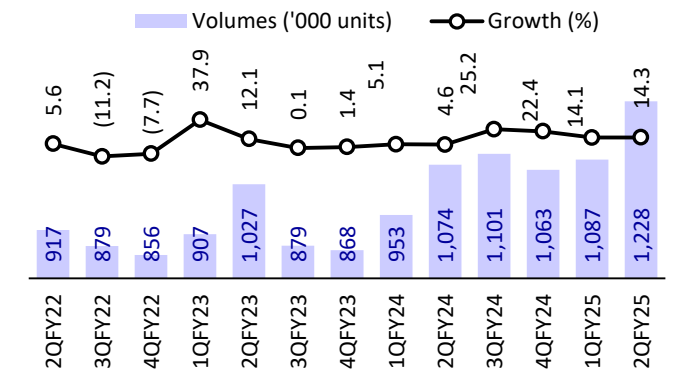


Exhibit 2: Trend in blended realizations

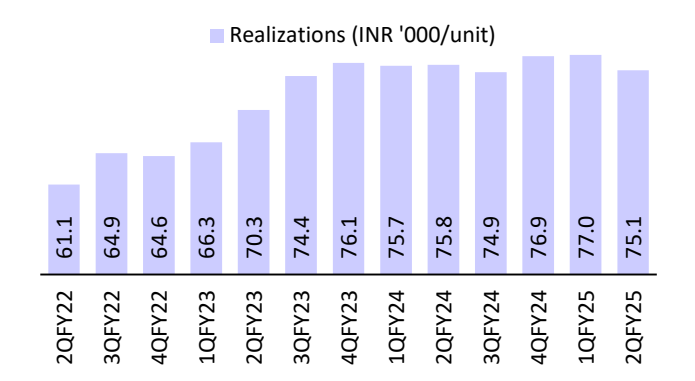


Exhibit 3: Domestic motorcycle, scooter, and overall market share trends for TVSL

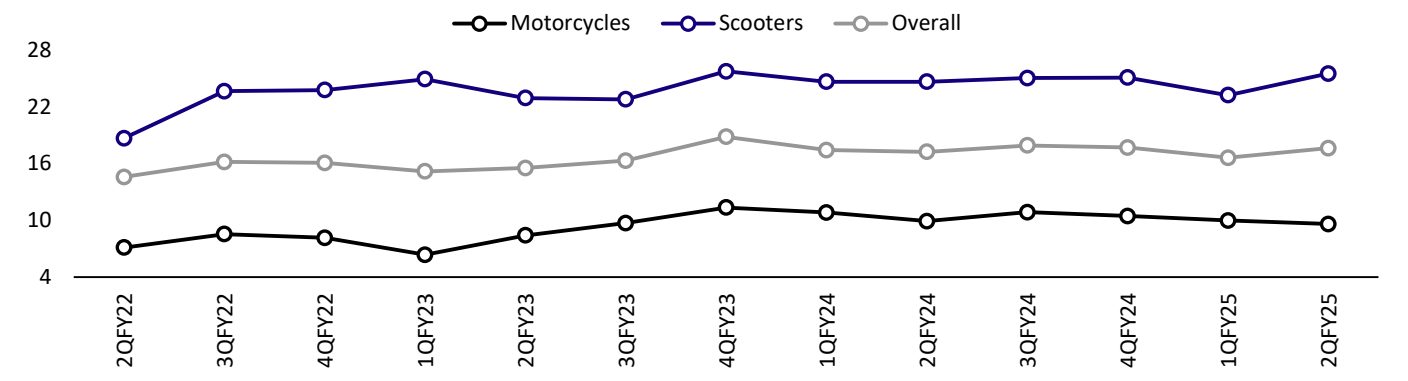


Exhibit 4: Net sales and growth trends

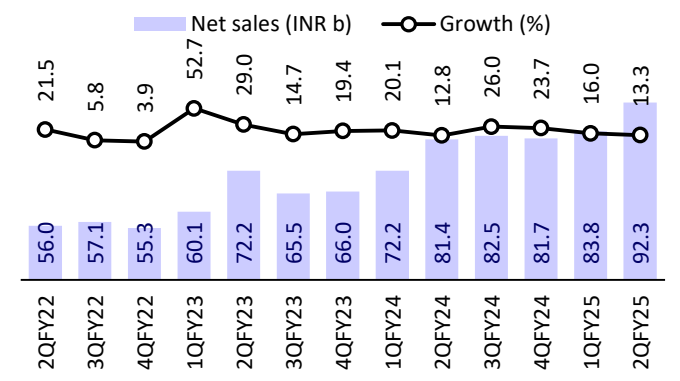


Exhibit 5: Contribution of different segments in volume mix

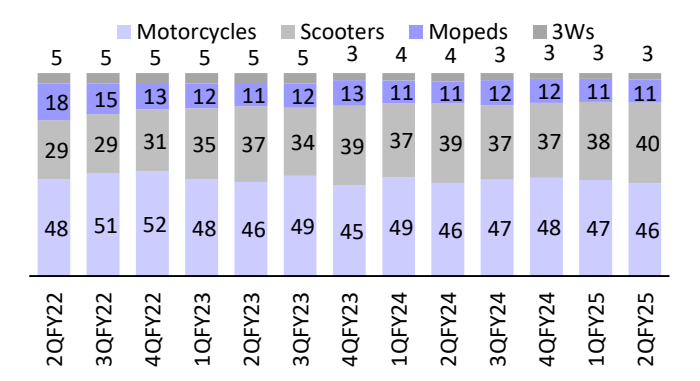


Exhibit 6: EBITDA and EBITDA margin trends

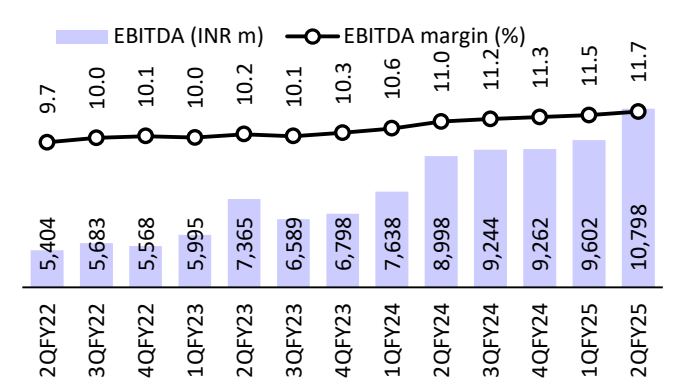
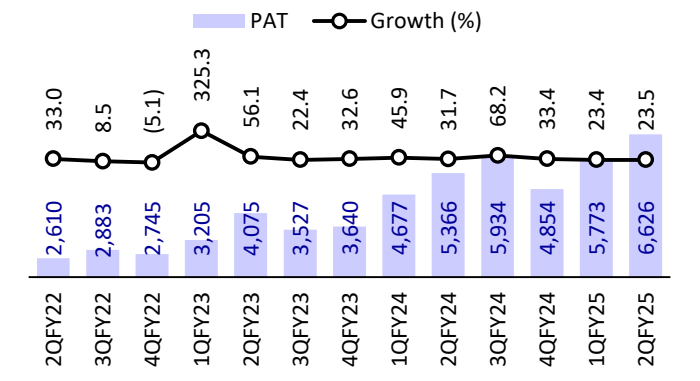


Exhibit 7: PAT and its growth trajectory



Source: Company, MOFSL

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Key takeaways from the management interaction

- **Domestic demand:** Vahan reported ~8% YoY growth for the 2W industry in 1HFY25, with rural growing ~9% YoY and urban growing 7% YoY. With normal monsoons and enhanced reservoir levels, TVSL expects rural recovery to drive sustained momentum for the industry in the coming quarters.
- 2W domestic industry has seen a 4% YoY growth beginning 3Q. During Navratras (nine-day comparison for the same period) the industry grew 11% YoY. TVSL has significantly outperformed this industry growth. Further management expects 3QFY25 industry growth of 7-8% YoY, with TVSL outperforming the same.
- **Exports:** The ongoing Red Sea crisis continued to hurt the export transit time and timely availability of containers. However, TVSL has seen a pick-up in retails, which is higher than the industry.
 - African markets (contributed 55-57% of TVSL export volumes in 1HFY25) faced currency devaluation and inflation but there has been improvement in retails sequentially. LatAm is currently small for TVSL but provides a significant growth potential. Asia markets are doing well (Bangladesh is seeing challenges, which are transient in nature).
- **New product response:** The all-new Jupiter 110cc launch has seen a very good response and is currently on waiting, in several regions. According to the management, the company does not have a capacity constraint, and one can expect a steady ramp-up in supplies based on demand.
- **EVs:** The EV penetration stood at 7% in 2QFY25. iQube volumes grew 31% YoY in 2QFY25. In 1HFY25, the company has introduced three new variants of iQube with different battery options. Due to the launch of a single pack variant of the iQube at an affordable price point, ASPs declined QoQ. 1HFY25 revenues for iQube stood at INR16b with a positive contribution margin. All its products are PLI certified; however, it has not yet accounted for PLI benefits.
- **TVS Credit-** It has now ~15m customers, and the book size is ~INR266.5b. The book size grew ~13% YoY in 2QFY25. PBT grew 20% YoY to INR2.16b. Net worth for TVS Credit stood at INR44.9b as on Sep'24 vis-à-vis ~INR43.44b as of Jun'24. CAR stood at 19.1% with cost of funds standing at 8.3%. 2W concentration contribution in the overall book has now reduced to 27% as it is now focusing on ramping up in other segments like tractors, consumer durables, used cars, etc.
- **Europe e-bicycle market update:** Despite the near-term headwinds, management believes that the long-term prospects remain intact. Management further believes that there is no need for impairment due to weaker market conditions.
- **Capex and investments:** The company has guided a capex of INR12-14b for FY25 (vs. earlier guidance of INR10-11b).
- **Financials:**
 - RM costs are not expected to see any major uptick going forward.
 - Higher employee costs are due to the focus of the company to develop future technologies. 2QFY25 also had ESOP costs worth of INR110-120m.
 - Revenue from exports was ~INR22.29b for 2QFY25. Spares revenue stood at INR9.3b.

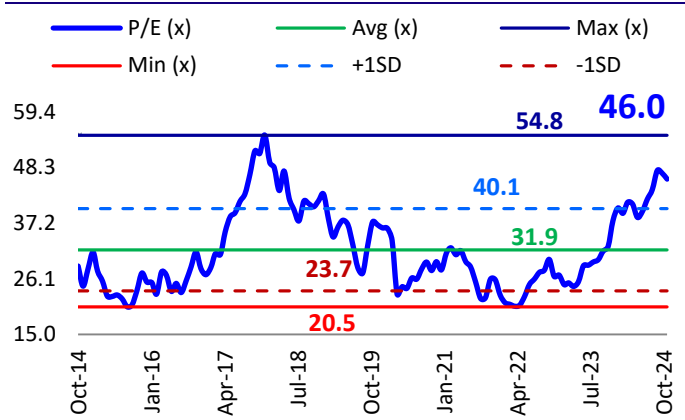
Valuation and view

- **Key beneficiary of the premiumization trend:** TVSL has emerged as a major beneficiary of the industry's transition towards the 125cc+ segment, where it has established a strong presence. The contribution of its 125cc+ segment to domestic motorcycle volumes has notably increased from 55% in FY19 to 72% in FY24. We anticipate that TVSL will sustain its pace of volume growth outpacing the broader domestic 2W industry, with an expected 11% volume CAGR over the next two years, compared to the industry's CAGR of 8-9%. This growth trajectory is anticipated to be propelled by the continued demand for its existing products in the 125cc and new product launches.
- **Emerged as the leading incumbent in EVs:** TVSL has acquired a substantial market share in the scooter segment in recent years, driven by popular products like Jupiter and Ntorq. While this has contributed to an increased revenue share from scooters, it also means that approximately 40% of its total EBITDA stems from the domestic scooter business, rendering it susceptible to potential disruptions from the emergence of electric vehicles (EVs) in the 2W market. However, the company has effectively managed this risk with the successful introduction of iQube, and has now emerged as the second-largest player in the electric 2W segment in India. Its robust performance in EVs demonstrates its adaptability and resilience to changing market dynamics, reassuring investors that TVSL is evolving into a tech-agnostic play.
- **Expect 150bp margin expansion over FY24-27:** Over the years, TVSL has worked on improving its profitability. From ~8% margin three years back, its margins have improved to 11.7% for 2QFY25. In fact, core ICE margins are likely to be higher given the current margin impact from the EV ramp-up in its financials. This improvement in performance has been driven by: 1) stringent cost-cutting measures; 2) establishing a strong brand in the market; 3) alternate sourcing strategies; etc. We expect TVSL to continue to work on improving its profitability and factor in 150bp expansion in EBITDA margin over FY24-27E. This improvement is projected to drive an earnings CAGR of approximately 23% in standalone earnings per share (EPS) over the same period.
- **Investments in subsidiaries and associates a cause for concern:** While its operational performance over the years has been amongst the best amongst listed players over the last few years, one major investor concern has been its continued investments in Associates and subsidiaries that dilute standalone performance and hurt returns. Even in FY25E, it has earmarked investments to the tune of INR15b in associates and subsidiaries. The fact that TVSL has now been investing in both Norton and e-bike businesses in Europe for over three years without any returns in sight has been a major cause of investor concern in the stock.
- **Valuation and view:** The recently launched Jupiter 110 has been very well received by customers and is likely to help TVSL gain share in scooters in the coming quarters. However, in motorcycles, for the first time in many years, TVSL has underperformed the industry in H1. More importantly, TVSL has underperformed in the 125cc segment, which has been its key growth driver in recent years. Further, exports outlook, especially in Africa, remains weak. Given these factors, we believe TVSL at 48x/38x FY25E/FY26E EPS appears fairly valued. **Reiterate Neutral with a TP of ~INR2,610 (premised on ~32x Sep'26E EPS + INR210/share for NBFC).**

Exhibit 8: Our revised forecasts (Standalone)

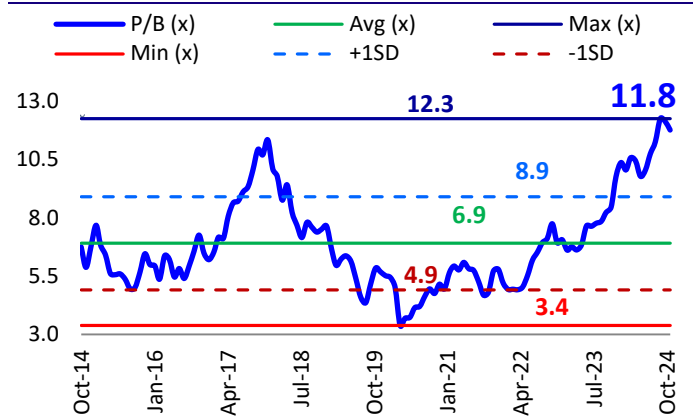
(INR M)	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Volumes (m units)	4.72	4.64	1.7	5.28	5.16	2.4
Net Sales	3,59,674	3,62,048	-0.7	4,15,736	4,12,648	0.7
EBITDA	41,722	40,911	2.0	50,720	50,343	0.7
EBITDA (%)	11.6	11.3	30bp	12.2	12.2	0bp
Net Profit	25,466	24,922	2.2	32,258	32,259	0.0
EPS (INR)	53.6	52.5	2.2	67.9	67.9	0.0

Exhibit 9: P/E band



Source: MOFSL

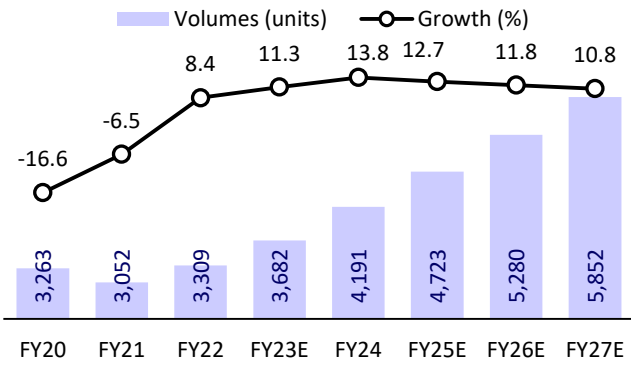
Exhibit 10: P/BV band



Source: MOFSL

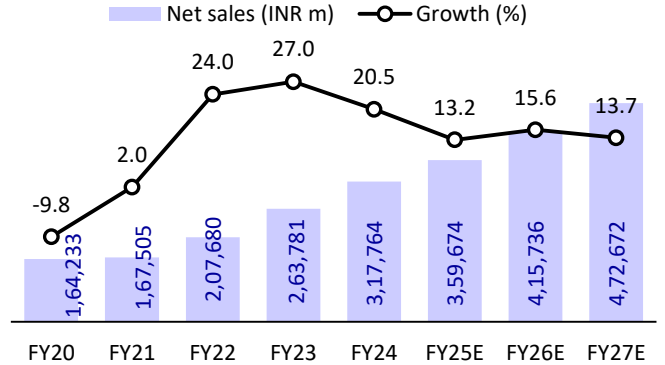
Story in charts

Exhibit 11: Volume growth trajectory



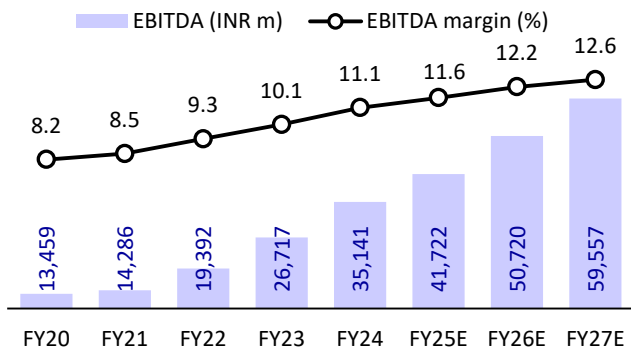
Source: Company, MOFSL

Exhibit 12: Revenue growth trend



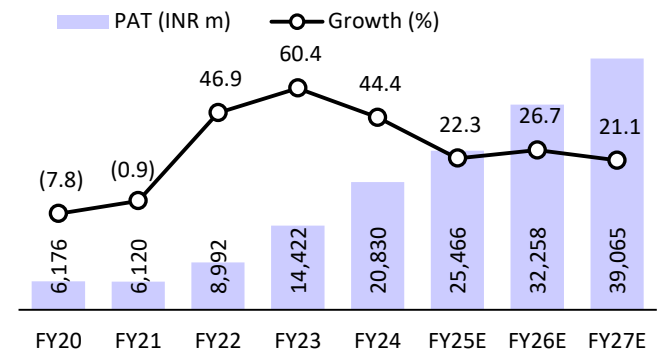
Source: Company, MOFSL

Exhibit 13: EBITDA margin trends upward



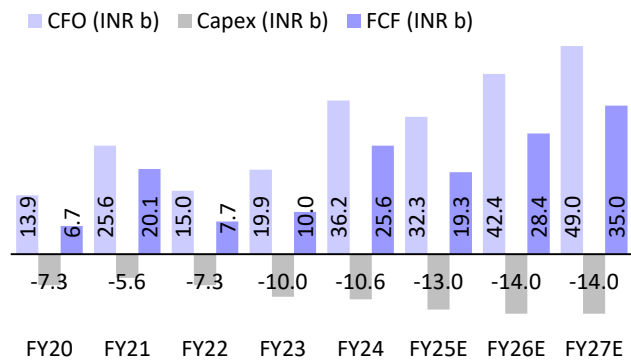
Source: Company, MOFSL

Exhibit 14: Trends in PAT and PAT growth



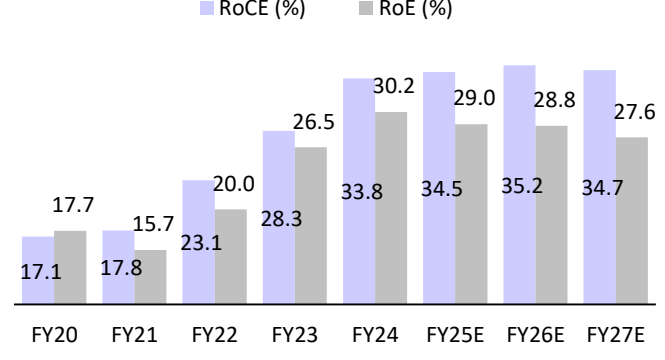
Source: Company, MOFSL

Exhibit 15: FCF to remain strong despite high capex plans



Source: Company, MOFSL

Exhibit 16: Sharp improvement in return ratios



Source: Company, MOFSL

Key operating metrics

Snapshot of the revenue model

units	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Motorcycle	15,39,226	13,48,662	13,29,213	17,13,464	17,13,975	19,74,891	21,97,259	24,75,767	27,59,835
Growth (%)	15.8	-12.4	-1.4	28.9	0.0	15.2	11.3	12.7	11.5
% of total vols	39.3	41.3	43.6	51.8	46.5	47.1	46.5	46.9	47.2
Scooter	13,01,115	10,75,203	9,60,946	9,22,578	13,33,925	15,67,240	18,23,022	20,49,768	22,86,181
Growth (%)	14.6	-17.4	-10.6	-4.0	44.6	17.5	16.3	12.4	11.5
% of total vols	33.2	32.9	31.5	27.9	36.2	37.4	38.6	38.8	39.1
Moped	8,96,917	6,50,799	6,25,560	4,83,396	4,45,773	4,84,531	5,40,530	5,67,671	5,96,177
Growth (%)	2.3	-27.4	-3.9	-22.7	-7.8	8.7	11.6	5.0	5.0
% of total vols	22.9	19.9	20.5	14.6	12.1	11.6	11.4	10.8	10.2
Total 2Ws	37,58,551	30,89,581	29,28,265	31,37,298	35,12,954	40,44,824	45,82,296	51,15,981	56,66,334
Growth (%)	11.6	-17.8	-5.2	7.1	12.0	15.1	13.3	11.6	10.8
% of total vols	96.0	94.7	96.0	94.8	95.4	96.5	97.0	96.9	96.8
3Ws	1,56,434	1,73,911	1,23,596	1,71,875	1,69,114	1,46,170	1,41,053	1,63,621	1,85,964
Growth (%)	58.5	11.2	-28.9	39.1	-1.6	-13.6	-3.5	16.0	13.7
% of total vols	4.0	5.3	4.0	5.2	4.6	3.5	3.0	3.1	3.2
Domestic	31,53,247	24,22,674	21,72,492	20,55,982	26,14,011	31,77,841	35,67,394	39,54,638	43,59,475
Growth (%)	9.0	-23.2	-10.3	-5.4	27.1	21.6	12.3	10.9	10.2
% of total vols	80.5	74.2	71.2	62.1	71.0	75.8	75.5	74.9	74.5
Exports	7,61,738	8,40,818	8,79,369	12,53,191	10,68,057	10,13,153	11,55,955	13,24,964	14,92,824
Growth (%)	32.7	10.4	4.6	42.5	-14.8	-5.1	14.1	14.6	12.7
% of total vols	19.5	25.8	28.8	37.9	29.0	24.2	24.5	25.1	25.5
Total volumes	39,14,985	32,63,492	30,51,861	33,09,173	36,82,068	41,90,994	47,23,349	52,79,602	58,52,299
Growth (%)	13.0	-16.6	-6.5	8.4	11.3	13.8	12.7	11.8	10.8
ASP (INR/unit)	46,513	50,324	54,886	62,759	71,639	75,821	76,148	78,744	80,767
Growth (%)	6.2	8.2	9.1	14.3	14.2	5.8	0.4	3.4	2.6
Net Sales (INR m)	1,82,099	1,64,233	1,67,505	2,07,680	2,63,781	3,17,764	3,59,674	4,15,736	4,72,672
Growth (%)	20.0	-9.8	2.0	24.0	27.0	20.5	13.2	15.6	13.7

Financials and valuations

Standalone - Income Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Volumes (units)	32,63,492	30,51,861	33,09,173	36,82,068	41,90,994	47,23,349	52,79,602	58,52,299
Growth (%)	(16.6)	(6.5)	8.4	11.3	13.8	12.7	11.8	10.8
Net Sales	1,64,233	1,67,505	2,07,680	2,63,781	3,17,764	3,59,674	4,15,736	4,72,672
Change (%)	-9.8	2.0	24.0	27.0	20.5	13.2	15.6	13.7
EBITDA	13,459	14,286	19,392	26,717	35,141	41,722	50,720	59,557
Margin (%)	8.2	8.5	9.3	10.1	11.1	11.6	12.2	12.6
Depreciation	4,890	4,937	6,114	6,312	7,004	7,424	7,767	8,100
EBIT	8,568	9,349	13,278	20,405	28,138	34,298	42,953	51,457
Int. and Finance Charges	1,022	1,416	1,259	1,407	1,816	1,544	1,343	1,070
Other Income - Rec.	321	330	190	389	1,485	1,200	1,400	1,700
PBT bef. EO Exp.	7,867	8,262	12,209	19,387	27,807	33,955	43,010	52,086
EO Expense/(Income)	323	0	77	-617	0	0	0	0
PBT after EO Exp.	7,544	8,262	12,132	20,004	27,807	33,955	43,010	52,086
Current Tax	2,339	2,034	3,000	5,037	7,021	8,489	10,753	13,022
Deferred Tax	-717	108	196	87	-44	0	0	0
Tax Rate (%)	21.5	25.9	26.3	25.6	25.1	25.0	25.0	25.0
Reported PAT	5,923	6,120	8,936	14,881	20,830	25,466	32,258	39,065
PAT Adj for EO items	6,176	6,120	8,992	14,422	20,830	25,466	32,258	39,065
Change (%)	-7.8	-0.9	46.9	60.4	44.4	22.3	26.7	21.1

Standalone - Balance Sheet

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	475	475	475	475	475	475	475	475
Total Reserves	35,706	41,234	47,745	60,003	76,835	98,025	1,25,057	1,57,470
Net Worth	36,181	41,710	48,220	60,479	77,310	98,500	1,25,532	1,57,945
Deferred Liabilities	1,581	1,955	1,979	1,982	1,871	1,871	1,871	1,871
Total Loans	20,219	10,829	16,006	22,446	15,134	15,134	13,134	10,134
Capital Employed	57,981	54,493	66,205	84,906	94,315	1,15,505	1,40,537	1,69,950
Gross Block	58,077	63,490	72,064	79,879	87,263	1,05,565	1,19,565	1,33,565
Less: Accum. Deprn.	29,077	33,387	38,998	43,920	49,545	56,969	64,736	72,836
Net Fixed Assets	28,999	30,104	33,066	35,959	37,719	48,596	54,829	60,729
Capital WIP	2,854	2,787	4,245	6,277	9,301	4,000	4,000	4,000
Total Investments	28,554	33,153	47,813	61,664	71,440	86,440	1,06,440	1,31,440
Curr. Assets, Loans&Adv.	33,204	35,931	33,354	36,024	42,163	49,794	57,655	65,372
Inventory	10,389	11,518	11,227	12,364	13,708	15,767	18,224	20,720
Account Receivables	12,814	8,700	9,507	9,551	13,021	14,781	17,085	19,425
Cash and Bank Balance	4,193	9,298	4,013	2,420	5,310	5,033	6,288	7,298
Loans and Advances	5,808	6,415	8,607	11,690	10,124	14,214	16,057	17,929
Curr. Liability & Prov.	35,631	47,482	52,273	44,050	54,616	61,634	70,696	79,899
Account Payables	33,869	45,557	49,815	41,306	51,122	58,139	67,201	76,405
Provisions & other CL	1,763	1,925	2,458	2,744	3,495	3,495	3,495	3,495
Net Current Assets	-2,427	-11,551	-18,919	-8,026	-12,453	-11,839	-13,041	-14,528
Appl. of Funds	57,981	54,493	66,205	84,906	94,315	1,15,505	1,40,537	1,69,950

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	13.0	12.9	18.9	30.4	43.8	53.6	67.9	82.2
Growth (%)	-7.8	-0.9	46.9	60.4	44.4	22.3	26.7	21.1
Cash EPS	23.3	23.3	31.8	43.6	58.6	69.2	84.2	99.3
BV/Share	76.2	87.8	101.5	127.3	162.7	207.3	264.2	332.4
DPS	3.5	3.5	4.5	5.0	8.0	9.0	11.0	14.0
Payout (%)	33.8	27.2	23.9	16.0	18.2	16.8	16.2	17.0
Valuation (x)								
P/E	197.3	199.1	135.5	84.5	58.5	47.9	37.8	31.2
Cash P/E	110.1	110.2	80.7	58.8	43.8	37.1	30.4	25.8
P/BV	33.7	29.2	25.3	20.2	15.8	12.4	9.7	7.7
EV/Sales	7.5	7.3	5.9	4.7	3.9	3.4	2.9	2.6
EV/EBITDA	91.7	85.4	63.5	46.4	35.0	29.5	24.2	20.5
Dividend Yield (%)	0.1	0.1	0.2	0.2	0.3	0.4	0.4	0.5
Return Ratios (%)								
EBITDA Margins (%)	8.2	8.5	9.3	10.1	11.1	11.6	12.2	12.6
Net Profit Margins (%)	3.8	3.7	4.3	5.5	6.6	7.1	7.8	8.3
RoE	17.7	15.7	20.0	26.5	30.2	29.0	28.8	27.6
RoCE	17.1	17.8	23.1	28.3	33.8	34.5	35.2	34.7
RoIC	26.2	37.2	74.0	86.2	109.8	123.7	124.3	130.8
Operating Ratios								
Fixed Asset Turnover (x)	2.8	2.6	2.9	3.3	3.6	3.4	3.5	3.5
Inventory (Days)	23.1	25.1	19.7	17.1	15.7	16.0	16.0	16.0
Debtor (Days)	28	19	17	13	15	15	15	15
Creditor (Days)	75	99	88	57	59	59	59	59
Working Capital (Days)	-15	-45	-40	-14	-20	-17	-17	-17
Leverage Ratio (x)								
Current Ratio	0.9	0.8	0.6	0.8	0.8	0.8	0.8	0.8
Debt/Equity	0.6	0.3	0.3	0.4	0.2	0.2	0.1	0.1

Standalone - Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
NP/ (Loss) bef Tax and EO	7,544	8,262	12,132	20,004	27,807	33,955	43,010	52,086
Depreciation	4,890	4,937	6,114	6,312	7,004	7,424	7,767	8,100
Interest & Finance Charges	1,022	1,416	1,259	1,407	1,816	1,544	1,343	1,070
Direct Taxes Paid	1,850	2,020	3,100	4,826	6,162	8,489	10,753	13,022
(Inc)/Dec in WC	2,926	12,918	-962	-2,051	5,359	-891	2,457	2,496
CF from Operations	14,532	25,513	15,444	20,846	35,824	33,543	43,825	50,731
Others	-596	96	-469	-918	349	-1,200	-1,400	-1,700
CF from Operations	13,936	25,609	14,976	19,929	36,173	32,343	42,425	49,031
(inc)/dec in FA	-7,267	-5,557	-7,279	-9,968	-10,555	-13,000	-14,000	-14,000
Free Cash Flow	6,669	20,052	7,697	9,960	25,618	19,343	28,425	35,031
CF from Investments	-12,889	-9,206	-21,410	-23,118	-18,963	-26,800	-32,600	-37,300
(Inc)/Dec in Debt	4,013	-10,700	1,300	3,100	-4,400	0	-2,000	-3,000
Interest Paid	-1,003	-1,129	-1,231	-1,371	-2,137	-1,544	-1,343	-1,070
Dividend Paid	-2,000	-998	-1,904	-2,918	-3,801	-4,276	-5,226	-6,651
CF from Fin. Activity	2,705	-11,956	1,132	2,245	-14,696	-5,820	-8,569	-10,722
Inc/Dec of Cash	3,753	4,447	-5,302	-944	2,515	-277	1,256	1,009
Add: Beginning Balance	390	4,143	8,590	3,287	2,343	4,858	4,581	5,837
Closing Balance	4,143	8,590	3,287	2,343	4,858	4,581	5,837	6,846

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Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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