BUY

Craftsman Automation

Robust 1Q; firing on all cylinders; reiterate BUY

Emkay — Your success is our success

Auto & Auto Ancillaries ▸ Result Update ▸ **July 31, 2026**

CMP (Rs): 10,047 | TP (Rs): 11,900

Craftsman (CAL) logged a robust 1Q, with consolidated revenue up 36% yoy (9% beat on our estimate). Consolidated EBITDA rose 45% yoy (8% beat, led by revenue beat). Fall in consolidated EBITDAM was restricted to 30bps qoq to 15.8% (20bps below our estimate). CAL highlighted that it is on a strong growth path, and the AP segment is expected to outpace PT/I&E, owing to strategic investments over the past few years. CAL is also on track to achieve $100mnpa revenue guidance by FY30 (FY28/FY29 to see 30/50% of this run-rate, having onboarded 6 large global customers; orders received from 4). The management indicated the tougher customer acquisition phase is behind for large-engine castings (incremental orders expected from customers, reducing time to market to 2Y vs 4Y earlier). Restructuring at Sunbeam is largely complete (90% by Dec-26); CAL is replacing 1-2 decade-old margin-decretive businesses (hence, utilization will not be hurt much). CAL guided for mid-teens EBITDAM at Sunbeam by 4Q (in line with parent AP margins). We believe CAL is entering a strong growth phase while monetizing forward-looking investments made to build new verticals (large-engine castings) and add new capabilities (SLS/DR Axion acquisition), while also diversifying revenue base, offering a strong re-rating potential. We raise FY27-28E EPS by ~10%, primarily to factor in a strong growth outlook. We raise TP by ~14% to Rs11,900 (from Rs10,400; rolled forward), at 17x Jun-28E EV/EBITDA (vs 15x earlier); retain BUY.

Beat across all parameters; margins improving

Consol revenue rose 36% yoy to Rs24.3bn (9%/12% beat vs our/street estimates), led by 25/38/52% growth in PT/AP/I&E. Consol EBITDA came in at Rs3.8bn (8% beat vs our estimate), with EBITDAM narrowing by 30bps qoq to 15.8%. Consol PT/AP EBIT was down by 90bps/10bps qoq. Consol PAT was up 93% yoy at Rs1.5bn (ahead of our/street estimates, led by EBITA beat, higher other income, and lower depreciation).

Earnings call KTAs

1) CAL indicated it is on a sustained growth path. AP segment is expected to outpace others on both pace and absolute growth, led by multiple past investments that are yet to bear fruit. CAL noted the business is fairly balanced, with several order wins at various stages (some materializing in FY27; others still in development, to reflect in FY28/FY29). 2) PT: CAL is on track to hit $100mnpa large-engine castings revenue target by FY30 – all from 6 large customers. Orders were received from 4 (worth $100mn via these); for 2 customers, machining has started but will take 1Y more. Around 30% of production will start from 4QFY28 and 50% in FY29. 3) Incremental new order wins are expected from existing customers. It will not take 4Y to secure orders and complete validation; production can now begin within 2Y. The major challenge was customer acceptance, and having passed this phase, CAL believes it is likely to accelerate from here. 4) Sunbeam's restructuring is largely complete; 90% completion expected by Dec-26. CAL is replacing 1-2-decade-old margin-decretive businesses with new ones; EBITDAM expected to touch mid-teens by 4Q even as revenue may be hit. 5) Hosur capex is for additional HPDC capacity (in phases over 2Y) covering 2Ws/PVs, as existing capacities have run out.

Craftsman Automation: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	56,905	80,693	97,342	111,444	123,371
EBITDA	8,327	12,376	16,318	19,660	22,447
Adj. PAT	2,200	3,969	6,599	9,126	11,058
Adj. EPS (Rs)	92.2	166.4	252.3	348.9	422.7
EBITDA margin (%)	14.6	15.3	16.8	17.6	18.2
EBITDA growth (%)	(5.2)	48.6	31.9	20.5	14.2
Adj. EPS growth (%)	(36.0)	80.4	51.6	38.3	21.2
RoE (%)	9.7	13.0	14.4	14.4	15.1
RoIC (%)	9.5	10.7	12.3	13.8	14.5
P/E (x)	97.6	58.5	39.8	28.8	23.8
EV/EBITDA (x)	31.5	22.2	16.9	14.0	12.1
P/B (x)	8.4	7.3	4.5	3.9	3.3
FCFF yield (%)	(2.7)	(2.4)	1.6	1.4	2.2

Source: Company, Emkay Research

Target Price – 12M	Jun-27
Change in TP (%)	**14.4**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	18.4

Stock Data	**CRAFTSMA IN**
52-week High (Rs)	10,181
52-week Low (Rs)	6,252
Shares outstanding (mn)	26.2
Market-cap (Rs bn)	263
Market-cap (USD mn)	2,746
Net-debt, FY27E (Rs mn)	13,180.0
ADTV-3M (mn shares)	0.1
ADTV-3M (Rs mn)	1,413.1
ADTV-3M (USD mn)	14.8
Free float (%)	51.3
Nifty-50	24,317.2
INR/USD	95.7

Shareholding,Jun-26	
Promoters (%)	42.4
FPIs/MFs (%)	17.3/32.9

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	6.2	30.7	46.4
Rel. to Nifty	4.2	29.0	49.6

1-Year share price trend (Rs)

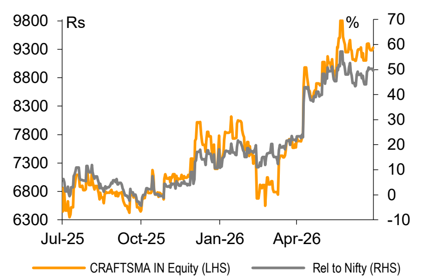

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Exhibit 1: Consolidated revenue grew ~36% yoy, with EBITDA margin expanding by 94bps yoy to 15.8%

Rs mn	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Revenue	**11,512**	**12,140**	**15,761**	**17,493**	**17,840**	**20,016**	**20,573**	**22,264**	**24,316**	***36.3***	***9.2***
Growth yoy (%)	*10.9*	*3.0*	*39.5*	*58.3*	*55.0*	*64.9*	*30.5*	*27.3*	*36.3*		
Expenditure	**9,539**	**10,212**	**13,771**	**15,056**	**15,191**	**16,997**	**17,451**	**18,679**	**20,477**	***34.8***	***9.6***
as a % of sales	*82.9*	*84.1*	*87.4*	*86.1*	*85.1*	*84.9*	*84.8*	*83.9*	*84.2*		
Consumption of RM	6,484	6,752	8,312	9,474	9,612	10,953	11,306	12,148	13,503	*40.5*	*11.2*
as a % of sales	*56.3*	*55.6*	*52.7*	*54.2*	*53.9*	*54.7*	*55.0*	*54.6*	*55.5*		
Employee Cost	738	832	1,334	1,458	1,444	1,442	1,495	1,492	1,657	*14.8*	*11.1*
as a % of sales	*6.4*	*6.9*	*8.5*	*8.3*	*8.1*	*7.2*	*7.3*	*6.7*	*6.8*		
Other expenditure	2,316	2,628	4,126	4,125	4,135	4,601	4,650	5,038	5,317	*28.6*	*5.5*
as a % of sales	*20.1*	*21.6*	*26.2*	*23.6*	*23.2*	*23.0*	*22.6*	*22.6*	*21.9*		
EBITDA	**1,973**	**1,928**	**1,990**	**2,436**	**2,649**	**3,019**	**3,122**	**3,585**	**3,839**	***44.9***	***7.1***
Growth yoy (%)	*-7.9*	*-18.8*	*-9.6*	*17.7*	*34.3*	*56.6*	*56.9*	*47.2*	*44.9*		
EBITDA margin (%)	***17.1***	***15.9***	***12.6***	***13.9***	***14.9***	***15.1***	***15.2***	***16.1***	***15.8***		
Depreciation	725	762	1,035	949	1,019	1,090	1,149	1,181	1,204	*18.2*	*1.9*
EBIT	1,248	1,166	955	1,487	1,631	1,929	1,973	2,404	2,635	*61.6*	*9.6*
Other Income	48	64	86	52	50	96	277	191	231	*364.4*	*20.8*
Interest	492	413	583	679	663	770	794	863	862	*30.0*	*(0.1)*
PBT	805	817	458	860	1,017	1,255	1,456	1,733	2,004	*97.0*	*15.7*
Share of JVs	2	4	2	2	2	4	3	3	6		
Minority interest	-63	0	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Total Tax	212	205	183	88	241	345	351	566	505	*109.3*	*(10.9)*
Adjusted PAT after MI	***532***	***617***	***277***	***775***	***778***	***914***	***1,108***	***1,170***	***1,506***	**93.4**	***28.7***
Growth yoy (%)	*-28.6*	*-34.7*	*-62.1*	*24.3*	*46.3*	*48.1*	*300.1*	*51.0*	*93.4*		
Exceptional items Loss/(Gain)	0	0	-148	-107	-82	-5	-37	-5	0		
Reported PAT	***532***	***617***	***129***	***668***	***696***	***909***	***1,071***	***1,164***	***1,506***	***116.3***	***29.3***
Adjusted EPS (Rs)	**24.9**	**25.7**	**11.5**	**32.4**	**32.5**	**38.1**	**46.3**	**48.9**	**61.6**	***89.5***	***26.1***

(%)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (bps)	qoq (bps)
EBITDAM	17.1	15.9	12.6	13.9	14.9	15.1	15.2	16.1	15.8	94	(32)
EBITM	10.8	9.6	6.1	8.5	9.1	9.6	9.6	10.8	10.8	170	4
EBTM	7.0	6.7	2.9	4.9	5.7	6.3	7.1	7.8	8.2	254	46
PATM	4.6	5.1	1.8	4.4	4.4	4.6	5.4	5.3	6.2	183	94
Effective tax rate	26.4	25.0	40.0	10.2	23.7	27.5	24.1	32.7	25.2	149	(749)

Source: Company, Emkay Research

Exhibit 2: Actual vs estimates

Rs mn	Actual	Emkay Est	Variance %	Consensus	Variance %
Net sales	24,316	22,235	*9.4*	21,684	*12.1*
EBITDA	3,839	3,563	*7.7*	3,282	*17.0*
EBITDA margin (%)	*15.8*	*16.0*	*(24) bps*	*15.1*	*65 bps*
Adj net income	1,506	1,278	*17.8*	974	*54.6*

Source: Company, Emkay Research

Exhibit 3: Consolidated – Revenue of PT/AP/I&E segments grew ~25/38/52% yoy, with 307/1/687bps yoy improvement in EBITM

Consol Segmental (Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Powertrain											
Net Sales	4,163	4,311	4,575	5,065	4,964	5,380	5,366	6,079	6,226	*25.4*	*2.4*
Growth yoy (%)	*8.9*	*9.5*	*16.6*	*30.0*	*19.2*	*24.8*	*17.3*	*20.0*	*25.4*		
EBIT	708	636	501	667	756	788	902	1,168	1,139	*50.7*	*(2.5)*
Margins (%)	17.0	14.7	11.0	13.2	15.2	14.6	16.8	19.2	18.3	*307 bps*	*(91) bps*
Aluminum Products											
Net Sales	5,282	5,827	9,164	10,055	10,713	12,041	12,034	13,101	14,793	*38.1*	*12.9*
Growth yoy (%)	*8.3*	*(1.0)*	*68.4*	*88.7*	*102.8*	*106.6*	*31.3*	*30.3*	*38.1*		
EBIT	697	818	717	886	1,084	1,414	1,106	1,338	1,499	*38.2*	*12.0*
Margins (%)	13.2	14.0	7.8	8.8	10.1	11.7	9.2	10.2	10.1	*1 bps*	*(8) bps*
Industrials and Engineering											
Net Sales	2,067	2,002	2,022	2,372	2,163	2,596	3,174	3,084	3,297	*52.4*	*6.9*
Growth yoy (%)	*23.5*	*1.8*	*4.8*	*29.8*	*4.7*	*29.7*	*56.9*	*30.0*	*52.4*		
EBIT	43	7	3	133	47	47	213	188	298	*533.1*	*59.0*
Margins (%)	2.1	0.3	0.1	5.6	2.2	1.8	6.7	6.1	9.0	*687 bps*	*296 bps*

Source: Company, Emkay Research

Exhibit 4: Standalone revenue grew ~42% yoy, with EBITDAM expanding by 93bps yoy to 17.9%

Rs mn	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Revenue	**8,616**	**9,062**	**9,289**	**11,513**	**10,437**	**11,923**	**12,366**	**13,455**	**14,835**	***42.1***	***10.3***
Growth yoy (%)	*14.0*	*9.9*	*15.4*	*40.0*	*21.1*	*31.6*	*33.1*	*16.9*	*42.1*		
Expenditure	**7,137**	**7,741**	**8,136**	**9,903**	**8,663**	**9,918**	**10,222**	**10,945**	**12,176**	***40.6***	***11.3***
as a % of sales	*82.8*	*85.4*	*87.6*	*86.0*	*83.0*	*83.2*	*82.7*	*81.3*	*82.1*		
Consumption of RM	4,601	4,842	5,001	6,681	5,356	6,443	6,570	7,056	7,904	*47.6*	*12.0*
as a % of sales	*53.4*	*53.4*	*53.8*	*58.0*	*51.3*	*54.0*	*53.1*	*52.4*	*53.3*		
Employee cost	646	720	762	780	818	826	891	905	982	*20.0*	*8.5*
as a % of sales	*7.5*	*7.9*	*8.2*	*6.8*	*7.8*	*6.9*	*7.2*	*6.7*	*6.6*		
Other expenditure	1,890	2,179	2,373	2,441	2,489	2,649	2,762	2,984	3,291	*32.2*	*10.3*
as a % of sales	*21.9*	*24.0*	*25.5*	*21.2*	*23.9*	*22.2*	*22.3*	*22.2*	*22.2*		
EBITDA	**1,479**	**1,321**	**1,153**	**1,610**	**1,774**	**2,005**	**2,143**	**2,511**	**2,660**	***49.9***	***5.9***
Growth yoy (%)	*-9.4*	*-23.5*	*-26.7*	*8.6*	*19.9*	*51.7*	*85.9*	*55.9*	*49.9*		
EBITDA margin (%)	***17.2***	***14.6***	***12.4***	***14.0***	***17.0***	***16.8***	***17.3***	***18.7***	***17.9***		
Depreciation	617	648	686	728	757	794	828	866	883	*16.7*	*1.9*
EBIT	862	673	466	882	1,017	1,211	1,315	1,644	1,777	*74.7*	*8.1*
Other income	42	92	131	58	46	61	125	100	160	*244.4*	*59.6*
Interest	459	383	519	571	528	623	646	682	676	*28.0*	*(0.8)*
PBT	445	383	79	369	535	649	793	1,063	1,260	*135.4*	*18.6*
Total tax	122	97	26	93	138	176	201	280	321	*132.7*	*14.6*
Adjusted PAT	**323**	**286**	**53**	**275**	**397**	**472**	**592**	**783**	**939**	***136.4***	***20.0***
Growth yoy (%)	*-40.3*	*-54.4*	*-88.3*	*-22.3*	*23.0*	*65.1*	*1,019.8*	*184.1*	*136.4*		
Exceptional items loss/(gain)	0	0	0	0	0	0	-30	0	0		
Reported PAT	**323**	**286**	**53**	**275**	**397**	**472**	**622**	**783**	**939**	***136.4***	***20.0***
Adjusted EPS (Rs)	**13.5**	**12.0**	**2.2**	**11.5**	**16.7**	**19.8**	**24.8**	**32.8**	**38.6**	***131.9***	***17.7***

(%)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (bps)	qoq (bps)
EBITDAM	17.2	14.6	12.4	14.0	17.0	16.8	17.3	18.7	17.9	93	(73)
EBITM	10.0	7.4	5.0	7.7	9.7	10.2	10.6	12.2	12.0	223	(24)
EBTM	5.2	4.2	0.9	3.2	5.1	5.4	6.4	7.9	8.5	337	60
PATM	3.7	3.2	0.6	2.4	3.8	4.0	4.8	5.8	6.3	252	51
Effective tax rate	27.5	25.3	33.1	25.3	25.8	27.2	25.3	26.3	25.5	(30)	(88)

Source: Company, Emkay Research

Exhibit 5: Standalone – PT/AP/I&E segments logged ~18%/66%/49% yoy rise in revenues

Standalone Segmental (Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Powertrain											
Net Sales	4,163	4,311	4,024	4,329	4,300	4,485	4,538	5,051	5,071	*17.9*	*0.4*
Growth yoy (%)	*8.9*	*9.5*	*2.5*	*11.1*	*3.3*	*4.0*	*12.8*	*16.7*	*17.9*		
EBIT	708	636	449	693	742	723	869	1,075	1,120	*51.0*	*4.2*
Margins (%)	17.0	14.7	11.2	16.0	17.3	16.1	19.2	21.3	22.1	*484 bps*	*81 bps*
Aluminum Products											
Net Sales	2,423	2,758	3,063	3,352	3,770	4,689	4,414	5,135	6,275	*66.4*	*22.2*
Growth yoy (%)	*16.7*	*17.4*	*37.2*	*33.2*	*55.6*	*70.0*	*44.1*	*53.2*	*66.4*		
EBIT	319	326	197	319	488	762	484	686	679	*39.1*	*(1.1)*
Margins (%)	13.2	11.8	6.4	9.5	12.9	16.2	11.0	13.4	10.8	*(213) bps*	*(255) bps*
Industrials and Engineering											
Net Sales	2,030	1,993	2,011	2,350	2,205	2,598	3,185	3,079	3,293	*49.4*	*6.9*
Growth yoy (%)	*22.5*	*1.9*	*6.1*	*29.8*	*8.6*	*30.4*	*58.4*	*31.0*	*49.4*		
EBIT	35	5	35	98	44	37	210	172	279	*539.4*	*62.1*
Margins (%)	1.7	0.2	1.7	4.1	2.0	1.4	6.6	5.6	8.5	*649 bps*	*288 bps*

Source: Company, Emkay Research

Exhibit 6: Subsidiaries – PT segment has seen ~74% yoy rise in revenue; AP segment saw ~23% yoy rise in revenue

C - S Segmental (Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Powertrain											
Net Sales	-	-	552	736	664	895	828	1,029	1,154	*73.9*	*12.2*
Growth yoy (%)	-	-	-	-	-	-	*50.1*	*39.8*	*73.9*		
EBIT	-	-	53	(26)	14	65	33	93	19	*33.1*	*(80.0)*
Margins (%)	-	-	9.5	(3.5)	2.1	7.2	4.0	9.0	1.6	*(49) bps*	*(741) bps*
Aluminum Products											
Net Sales	2,859	3,068	6,101	6,704	6,943	7,352	7,620	7,966	8,519	*22.7*	*6.9*
Growth yoy (%)	*2.0*	*(13.2)*	*90.0*	*138.5*	*142.8*	*139.6*	*24.9*	*18.8*	*22.7*		
EBIT	378	492	521	566	596	653	622	652	820	*37.6*	*25.8*
Margins (%)	13.2	16.0	8.5	8.4	8.6	8.9	8.2	8.2	9.6	*104 bps*	*145 bps*
Industrials and Engineering											
Net Sales	37	9	12	22	(41)	(2)	(11)	5	4	NA	NA
Growth yoy (%)	*136.5*	*(12.4)*	*(66.5)*	*26.9*	*(212.2)*	*(121.7)*	*(199.1)*	*(77.9)*	*(109.9)*		
EBIT	8	2	(32)	35	4	10	4	16	19	*454.3*	*24.4*
Margins (%)	22.8	18.5	(274.8)	158.1	(8.5)	(515.0)	(30.7)	318.4	473.2	NA	NA

Source: Company, Emkay Research

Other highlights from the earnings call

- **Capex guidance**
  - **Sunbeam** is largely on maintenance capex.
  - **DR Axion** involves substantial capex, with land purchased last year. It is seeing a lot of orders, the majority starting in FY29 and the rest in FY30. If traction improves, capex will accelerate. Rs4.3bn has been approved, to be spent partly in FY27 and in FY28.
  - **Standalone** capex is over Rs10bn and will continue, depending on growth seen over the next 2-3 quarters. The management may accelerate capex if demand is of similar size, but is currently in wait-and-watch mode.
  - **Consolidated** capex is estimated conservatively at Rs15bn. This could be higher, and if demand traction continues, the figure may be revised upwards toward the tail-end of the year.

Exhibit 7: We build in ~17/15/12% revenue CAGR for PT/AP/I&E segments over FY26-29E

Revenue Model (Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY26-29E
Consolidated Revenue	**15,600**	**22,170**	**31,826**	**44,517**	**56,905**	**80,693**	**97,342**	**111,444**	**123,371**	**15%**
Growth yoy (%)		*42.1*	*43.6*	*39.9*	*27.8*	*41.8*	*20.6*	*14.5*	*10.7*	
Powertrain - consolidated	**8,113**	**11,544**	**15,271**	**15,584**	**18,115**	**21,789**	**25,183**	**29,805**	**35,286**	**17%**
Growth yoy (%)		*42.3*	*32.3*	*2.0*	*16.2*	*20.3*	*15.6*	*18.4*	*18.4*	
Share of Revenue (%)			*48.0*	*35.0*	*31.8*	*27.0*	*25.9*	*26.7*	*28.6*	
-- Standalone including iron castings plant	**7,976**	**11,544**	**15,271**	**15,584**	**16,827**	**18,374**	**20,846**	**24,948**	**29,944**	18%
-- Standalone ex Kothavadi	*7,976*	*11,544*	*15,271*	*15,584*	*16,827*	*18,124*	*19,846*	*22,228*	*23,784*	9%
-- Kothavadi	*-*	*-*	*-*	*-*	*-*	*250*	*1,000*	*2,720*	*6,160*	
-- Subsidiaries (Fronberg - 100% Oct-25)	***137***	***-***	***-***	***-***	***1,288***	***3,415***	***4,337***	***4,857***	***5,343***	16%
Powertrain – consolidated revenue mix (%)		***FY22***	***FY23***	***FY24***	***FY25***	***FY26***	***FY27E***	***FY28E***	***FY29E***	
-- Standalone, including iron castings plant		*100*	*100*	*100*	*93*	*83*	*79*	*75*	*67*	
-- Kothavadi		*0*	*0*	*0*	*0*	*1*	*4*	*9*	*17*	
-- Subsidiaries (Fronberg – 100%, Oct-25)		*0*	*0*	*0*	*7*	*16*	*17*	*16*	*15*	
Powertrain Consol revenue growth (%)		**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**	
-- Standalone ex iron castings plant		*44.7*	*32.3*	*2.0*	*8.0*	*7.7*	*9.5*	*12.0*	*7.0*	
-- Kothavadi							*300.0*	*172.0*	*126.5*	
-- Subsidiaries (Fronberg – 100% Oct-25)						*165.2*	*27.0*	*12.0*	*10.0*	
Aluminium – consolidated	**3,298**	**5,520**	**9,346**	**21,536**	**30,328**	**47,888**	**58,800**	**66,952**	**72,521**	**15%**
Growth yoy (%)		*67.4*	*69.3*	*130.4*	*40.8*	*57.9*	*22.8*	*13.9*	*8.3*	
Share of Revenue (%)			*29.4*	*48.4*	*53.3*	*59.3*	*60.4*	*60.1*	*58.8*	
-- Standalone, including 2W alloy wheels	**3,298**	**5,520**	**7,406**	**9,175**	**11,596**	**18,007**	**25,098**	**30,262**	**33,475**	23%
-- Standalone, ex 2W alloy wheels	*3,298*	*5,520*	*7,406*	*9,175*	*10,416*	*15,070*	*21,098*	*24,262*	*25,475*	19%
-- 2W alloy wheels (Bhiwadi and Hosur)	*-*	*-*	*-*	*-*	*1,180*	*2,938*	*4,000*	*6,000*	*8,000*	40%
-- Subsidiaries	**-**	**-**	**1,940**	**12,362**	**18,732**	**29,880**	**33,702**	**36,690**	**39,046**	9%
-- DR Axion (76% Feb-23; 24% Oct-25)			*1,940*	*12,362*	*6,357*	*15,911*	*18,615*	*20,849*	*22,412*	12%
-- Sunbeam (100% Oct-25)			*-*	*-*	*12,375*	*13,970*	*15,087*	*15,842*	*16,634*	6%
Aluminium consolidated revenue mix (%)		***FY22***	***FY23***	***FY24***	***FY25***	***FY26***	***FY27E***	***FY28E***	***FY29E***	
-- Standalone ex 2W alloy wheels		*100*	*79*	*43*	*34*	*31*	*36*	*36*	*35*	
-- 2W alloy wheels (Bhiwadi and Hosur)		*-*	*-*	*-*	*4*	*6*	*7*	*9*	*11*	
-- DR Axion (Stake - 76% Feb-23; 100% Oct-25)		*-*	*21*	*57*	*21*	*33*	*32*	*31*	*31*	
-- Sunbeam (Stake - 100% Oct-25)		*-*	*-*	*-*	*41*	*29*	*26*	*24*	*23*	
Aluminium consolidated revenue growth (%)		***FY22***	***FY23***	***FY24***	***FY25***	***FY26***	***FY27E***	***FY28E***	***FY29E***	
-- Standalone ex 2W alloy wheels		*67.4*	*34.2*	*23.9*	*13.5*	*44.7*	*40.0*	*15.0*	*5.0*	
-- 2W alloy wheels (Bhiwadi and Hosur)						*148.9*	*36.2*	*50.0*	*33.3*	
-- DR Axion (Stake - 76% Feb-23; 100% Oct-25)				*537.1*	*-48.6*	*150.3*	*17.0*	*12.0*	*7.5*	
-- Sunbeam (Stake - 100% Oct-25)						*12.9*	*8.0*	*5.0*	*5.0*	
Industrial and Engineering – Consolidated	**4,189**	**5,107**	**7,209**	**7,398**	**8,463**	**11,016**	**13,359**	**14,687**	**15,564**	**12%**
Growth yoy (%)		*21.9*	*41.2*	*2.6*	*14.4*	*30.2*	*21.3*	*9.9*	*6.0*	
Share of Revenue (%)			*22.7*	*16.6*	*14.9*	*13.7*	*13.7*	*13.2*	*12.6*	
-- Standalone	4,189	5,001	7,126	7,320	8,383	11,066	13,279	14,607	15,484	12%
-- Subsidiaries	-	106	83	78	80	-50	80	80	80	
Industrial and Engineering revenue growth yoy (%)										
-- Standalone			*42.5*	*2.7*	*14.5*	*32.0*	*20.0*	*10.0*	*6.0*	
-- Subsidiaries			*-21.4*	*-6.4*	*2.4*	*-162.5*	*-260.3*	*-*	*-*	

Source: Company, Emkay Research

Exhibit 8: We build in ~25/24/36% EBIT CAGR for PT/AP/I&E segments over FY26-29E

Rs mn	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY26-29E
Consolidated EBITDA	**5,342**	**6,836**	**8,788**	**8,327**	**12,376**	**16,318**	**19,660**	**22,447**	**22%**
Growth yoy (%)	*21.9*	*28.0*	*28.6*	*-5.2*	*48.6*	*31.9*	*20.5*	*14.2*	
EBITDA margin (%)	*24.1*	*21.5*	*19.7*	*14.6*	*15.3*	*16.8*	*17.6*	*18.2*	
Standalone	**5,255**	**6,592**	**6,416**	**5,563**	**8,433**	**11,167**	**13,319**	**15,140**	**22%**
Growth yoy (%)	*21.1*	*25.4*	*-2.7*	*-13.3*	*51.6*	*32.4*	*19.3*	*13.7*	
EBITDA Margin (%)	23.8	22.1	20.0	14.5	17.5	18.9	19.1	19.2	
DR Axion		**220**	**2,348**	**2,259**	**2,949**	**3,243**	**3,694**	**3,971**	**10%**
Growth yoy (%)			*967.3*	*-3.8*	*30.5*	*10.0*	*13.9*	*7.5*	
EBITDA Margin (%)		*11.3*	*19.0*	*35.5*	*18.5*	*17.4*	*17.7*	*17.7*	
Sunbeam				**330**	**565**	**1,514**	**1,917**	**2,383**	**62%**
Growth yoy (%)						*168.2*	*26.6*	*24.3*	
EBITDA Margin (%)				*2.7*	*4.0*	*10.0*	*12.1*	*14.3*	
Fronberg				82	305	477	534	588	**24%**
Growth yoy (%)					*270.0*	*56.4*	*12.0*	*10.0*	
EBITDA Margin (%)				*6.4*	*8.9*	*11.0*	*11.0*	*11.0*	
Other Subsidiaries	***86***	***24***	***25***	***92***	***125***	***-83***	***195***	***365***	
Growth yoy (%)	*105*	*-73*	*4*	*275*	*35*	*-166*	*-336*	*87*	
EBITDA margin (%)	*82*	*28*	*32*	*116*	*-250*	*-104*	*244*	*456*	
Consolidated EBIT (Rs mn)	**3,825**	**4,620**	**6,011**	**4,857**	**7,810**	**11,133**	**13,363**	**15,246**	**25%**
Powertrain – consolidated	**3,037**	**3,820**	**2,916**	**2,512**	**3,563**	**4,681**	**5,717**	**6,934**	**25%**
-- Standalone including Kothavadi	3,037	3,820	2,916	2,486	3,409	4,482	5,489	6,677	25%
-- Standalone ex Kothavadi	*3,037*	*3,820*	*2,916*	*2,686*	*3,421*	*4,462*	*5,353*	*6,185*	*22%*
-- Kothavadi (iron castings plant)				*-200*	*-13*	*20*	*136*	*493*	
-- Subsidiaries (Fronberg – 100% Oct-25)	-	-	-	27	154	199	228	256	19%
Aluminium – consolidated	**410**	**773**	**3,220**	**3,117**	**4,856**	**6,774**	**8,391**	**9,339**	***24%***
-- Standalone including 2W alloy wheels	410	645	1,290	1,160	2,420	3,336	4,340	4,756	*25%*
-- Standalone ex 2W alloy wheels	*410*	*645*	*1,290*	*1,610*	*2,473*	*3,145*	*3,860*	*4,116*	*19%*
-- 2W alloy wheels (Bhiwadi and Hosur)				*-450*	*-53*	*191*	*480*	*640*	
-- Subsidiaries	-	128	1,930	1,957	2,436	3,438	4,052	4,582	*23%*
-- DR Axion (Stake – 100% Oct-25)	-	128	1,930	1,800	2,444	2,690	3,042	3,214	*10%*
-- Sunbeam (Stake – 100% Oct-25)	-	-	-	-740	-8	749	1,009	1,368	
Industrial and Engineering – Consolidated	**378**	**672**	**494**	**185**	**495**	**946**	**1,112**	**1,255**	***36%***
-- Standalone	330	623	467	172	462	930	1,096	1,239	*39%*
-- Subsidiaries	48	49	26	14	33	16	16	16	
	FY22	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**	
Consolidated EBIT Margin (%)	**17.3**	**14.5**	**13.5**	**8.5**	**9.7**	**11.4**	**12.0**	**12.4**	
Powertrain – consolidated	**26.3**	**25.0**	**18.7**	**13.9**	**16.4**	**18.6**	**19.2**	**19.7**	
-- Standalone including Kothavadi	26.3	25.0	18.7	14.8	18.6	21.5	22.0	22.3	
-- Standalone ex Kothavadi	*26.3*	*25.0*	*18.7*	*16.0*	*18.9*	*22.5*	*24.1*	*26.0*	
-- Kothavadi (iron castings plant)					*-5.0*	*2.0*	*5.0*	*8.0*	
-- Subsidiaries (Fronberg from FY25)				*2.1*	*4.5*	*4.6*	*4.7*	*4.8*	
Aluminium – consolidated	**7.4**	**8.3**	**15.0**	**10.3**	**10.1**	**11.5**	**12.5**	**12.9**	
-- Standalone including 2W alloy wheels	7.4	8.7	14.1	10.0	13.4	13.3	14.3	14.2	
-- Standalone ex 2W alloy wheels	*7.4*	*8.7*	*14.1*	*15.5*	*16.4*	*14.9*	*15.9*	*16.2*	
-- 2W alloy wheels (Bhiwadi and Hosur)				*-38.1*	*-1.8*	*4.8*	*8.0*	*8.0*	
-- Subsidiaries		6.6	15.6	10.4	8.2	10.2	11.0	11.7	
-- DR Axion (Stake – 100% Oct-25)		*6.6*	*15.6*	*28.3*	*15.4*	*14.4*	*14.6*	*14.3*	
-- Sunbeam (Stake – 100% Oct-25)				*-6.0*	*-0.1*	*5.0*	*6.4*	*8.2*	
Industrial and Engineering – Consolidated	**7.4**	**9.3**	**6.7**	**2.2**	**4.5**	**7.1**	**7.6**	**8.1**	
-- Standalone	6.6	8.7	6.4	2.0	4.2	7.0	7.5	8.0	
-- Subsidiaries	45.7	59.1	33.6	17.0	-65.9	20.0	20.0	20.0	

Source: Company, Emkay Research

Exhibit 9: We build in ~15/22/36% revenue/EBITDA/PAT CAGR over FY26-29E

Consolidated (Rs mn)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY26-29E CAGR
Revenue	**22,170**	**31,826**	**44,517**	**56,905**	**80,693**	**97,342**	**111,444**	**123,371**	**15%**
Growth yoy (%)	*42.1*	*43.6*	*39.9*	*27.8*	*41.8*	*20.6*	*14.5*	*10.7*	
EBITDA	**5,342**	**6,836**	**8,788**	**8,327**	**12,376**	**16,318**	**19,660**	**22,447**	**22%**
EBITDA Margin (%)	24.1	21.5	19.7	14.6	15.3	16.8	17.6	18.2	
Growth yoy (%)	*21.9*	*28.0*	*28.6*	*(5.2)*	*48.6*	*31.9*	*20.5*	*14.2*	
EBIT	**3,825**	**5,266**	**6,630**	**4,918**	**8,914**	**12,401**	**15,220**	**17,527**	**25%**
EBIT Margin (%)	17.3	16.5	14.9	8.6	11.0	12.7	13.7	14.2	
Growth yoy (%)	*26.4*	*37.7*	*25.9*	*(25.8)*	*81.3*	*39.1*	*22.7*	*15.2*	
Consolidated PBT	**2,514**	**3,543**	**4,438**	**2,941**	**5,461**	**9,089**	**12,576**	**15,242**	**41%**
Growth yoy (%)	*69.2*	*41.0*	*25.3*	*-33.7*	*85.7*	*66.4*	*38.4*	*21.2*	
PAT	**1,631**	**2,484**	**3,045**	**2,200**	**3,969**	**6,599**	**9,126**	**11,058**	**41%**
PAT Margin (%)	**7.4**	**7.8**	**6.8**	**3.9**	**4.9**	**6.8**	**8.2**	**9.0**	
Growth yoy (%)	*67.5*	*52.3*	*22.6*	*-27.7*	*80.4*	*66.2*	*38.3*	*21.2*	
Consolidated EPS	**77.2**	**117.6**	**144.2**	**92.2**	**166.4**	**252.3**	**348.9**	**422.7**	**36%**
Growth yoy (%)	*67.5*	*52.3*	*22.6*	*-36.0*	*80.4*	*51.6*	*38.3*	*21.2*	
PER (x)	64	42.2	34.4	53.8	29.8	19.7	14.2	11.7	
EV/EBITDA (x)	46.3	36.8	29.2	31.5	22.2	16.9	14.0	12.1	
EV/Sales (x)	11.2	7.9	5.8	4.6	3.4	2.8	2.5	2.2	
Price/Book (x)	21.1	17.4	14.5	8.4	7.3	4.5	3.9	3.3	
Price/Sales (x)	10.8	7.5	5.4	4.2	3.0	2.7	2.4	2.1	
Net Debt/Equity (x)	0.7	0.9	1.0	0.8	1.1	0.2	0.2	0.1	
Net Debt/EBITDA (x)	1.4	1.7	1.9	2.7	2.8	0.8	0.6	0.3	
FCF Yield (%)	0.6	1.3	-0.5	-2.9	-2.7	1.7	1.4	2.3	
ROE (%)	15.5	19.8	20.1	9.7	13.0	14.4	14.4	15.1	
ROCE (pre-tax, %)	16.8	19.0	18.6	11.0	13.1	14.3	15.5	16.9	

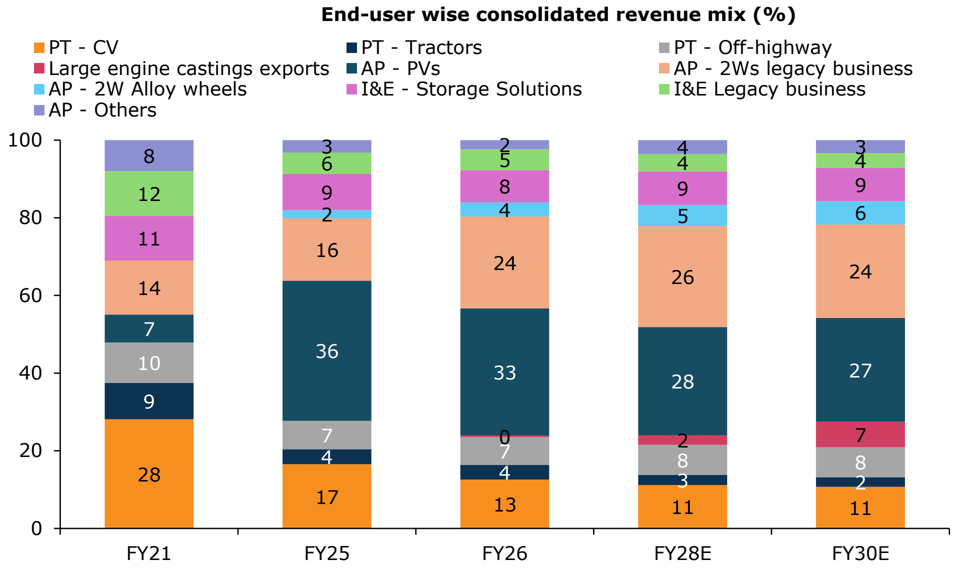
Source: Company, Emkay Research; Note: EPS growth is lower than PAT growth, owing to change in no of shares post-QIP

Exhibit 10: We raise FY27E/28E EPS by ~10% to factor in higher growth and resilient margin performance

Particulars (Rs mn)	Revised Estimates		Introduced	Earlier Estimates		% Change		Growth yoy %		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY29E
Revenue										
PT Segment										
Standalone	20,846	24,948	29,944	20,662	25,638	*0.9*	*(2.7)*	*13.5*	*19.7*	*20.0*
Subsidiaries (Fronberg)	4,337	4,857	5,343	3,756	4,132	*15.5*	*17.6*	*27.0*	*12.0*	*10.0*
Consolidated	25,183	29,805	35,286	24,418	29,770	*3.1*	*0.1*	*15.6*	*18.4*	*18.4*
AP Segment										
Standalone	25,098	30,262	33,475	22,084	26,796	*13.6*	*12.9*	*39.4*	*20.6*	*10.6*
DR Axion	18,615	20,849	22,412	18,844	21,105	*(1.2)*	*(1.2)*	*13.6*	*12.0*	*7.5*
Sunbeam	15,087	15,842	16,634	14,574	15,303	*3.5*	*3.5*	*11.8*	*5.0*	*5.0*
Consolidated	58,800	66,952	72,521	55,501	63,204	*5.9*	*5.9*	*22.8*	*13.9*	*8.3*
I&E Segment										
Standalone	13,279	14,607	15,484	12,173	13,390	*9.1*	*9.1*	*20.0*	*10.0*	*6.0*
Subsidiaries	80	80	80	80	80	*0.0*	*0.0*	*(260.3)*	*0.0*	*0.0*
Consolidated	13,359	14,687	15,564	12,253	13,470	*9.0*	*9.0*	*21.3*	*9.9*	*6.0*
Standalone Revenue	**59,223**	**69,817**	**78,903**	**54,918**	**65,824**	***7.8***	***6.1***	***22.9***	***17.9***	***13.0***
Consolidated Revenue	**97,342**	**111,444**	**123,371**	**92,172**	**106,444**	***5.6***	***4.7***	***20.6***	***14.5***	***10.7***
EBITDA Margin (%)										
Standalone	**18.9**	**19.1**	**19.2**	**18.6**	**18.9**	***24 bps***	***16 bps***	***135 bps***	***22 bps***	***11 bps***
DR Axion	17.4	17.7	17.7	16.8	17.1	*62 bps*	*62 bps*	*(57.9)*	*30 bps*	*0 bps*
Sunbeam	10.0	12.1	14.3	10.2	11.8	*(17) bps*	*30 bps*	*585.1*	*207 bps*	*222 bps*
Fronberg	11.0	11.0	11.0	8.9	8.9	*207 bps*	*207 bps*	*207.0*	*0 bps*	*0 bps*
Consolidated	**16.8**	**17.6**	**18.2**	**16.5**	**17.1**	***27 bps***	***52 bps***	***143 bps***	***88 bps***	***55 bps***
EBIT										
PT Segment										
Standalone	4,482	5,489	6,677	4,132	5,256	*8.5*	*4.4*	*31.5*	*22.5*	*21.7*
Subsidiaries (Fronberg)	199	228	256	173	194	*15.5*	*17.6*	*(2.3)*	*14.4*	*12.3*
Consolidated	4,681	5,717	6,934	4,305	5,450	*8.7*	*4.9*	*29.6*	*22.1*	*21.3*
AP Segment										
Standalone	3,336	4,340	4,756	3,085	4,017	*8.1*	*8.0*	*37.8*	*30.1*	*9.6*
DR Axion	2,690	3,042	3,214	2,690	3,070	*0.0*	*(0.9)*	*10.0*	*13.1*	*5.6*
Sunbeam	749	1,009	1,368	708	946	*5.8*	*6.8*	*(9,458.6)*	*34.8*	*35.6*
Consolidated	6,774	8,391	9,339	6,483	8,032	*4.5*	*4.5*	*37.1*	*23.9*	*11.3*
I&E Segment										
Standalone	930	1,096	1,239	545	666	*70.6*	*64.4*	*101.1*	*17.9*	*13.1*
Subsidiaries	16	16	16	0	0			*(51.4)*	*0.0*	*0.0*
Consolidated	946	1,112	1,255	545	666	*73.5*	*66.8*	*91.0*	*17.6*	*12.9*
Segmental EBITM (%)										
PT Segment										
Standalone	21.5	22.0	22.3	20.0	20.5	*150 bps*	*150 bps*	*295 bps*	*50 bps*	*30 bps*
Consolidated	18.6	19.2	19.7	17.6	18.3	*96 bps*	*87 bps*	*201 bps*	*59 bps*	*47 bps*
AP Segment										
Standalone	13.3	14.3	14.2	14.0	15.0	*(68) bps*	*(65) bps*	*(15) bps*	*105 bps*	*(13) bps*
Consolidated	11.5	12.5	12.9	11.7	12.7	*(16) bps*	*(18) bps*	*120 bps*	*101 bps*	*34 bps*
I&E Segment										
Standalone	7.0	7.5	8.0	4.5	5.0	*252 bps*	*252 bps*	*282 bps*	*50 bps*	*50 bps*
Consolidated	7.1	7.6	8.1	4.4	4.9	*263 bps*	*262 bps*	*258 bps*	*49 bps*	*49 bps*
Standalone EBIT	**7,479**	**9,067**	**10,391**	**6,365**	**8,150**	***17.5***	***11.2***	***44.2***	***21.2***	***14.6***
EBIT margin (%)	12.6	13.0	13.2	11.6	12.4	*104 bps*	*60 bps*	*186 bps*	*36 bps*	*18 bps*
Consolidated EBIT	**11,037**	**13,546**	**15,599**	**9,936**	**12,360**	***11.1***	***9.6***	***39.1***	***22.7***	***15.2***
EBIT margin (%)	11.3	12.2	12.6	10.8	11.6	*56 bps*	*54 bps*	*150 bps*	*82 bps*	*49 bps*
Standalone PAT	**4,144**	**5,895**	**7,219**	**2,859**	**4,233**	***45.0***	***39.3***	***84.6***	***42.3***	***22.5***
PAT Margin (%)	7.0	8.4	9.1	5.2	6.4	*179 bps*	*201 bps*	*234 bps*	*145 bps*	*71 bps*
Consolidated PAT	**6,599**	**9,126**	**11,058**	**5,441**	**7,541**	***21.3***	***21.0***	***66.2***	***38.3***	***21.2***
PAT Margin (%)	6.8	8.2	9.0	5.9	7.1	*88 bps*	*110 bps*	*186 bps*	*141 bps*	*77 bps*
Consolidated EPS (Rs)	**252.3**	**348.9**	**422.7**	**228.0**	**316.1**	***10.6***	***10.4***	***51.6***	***38.3***	***21.2***

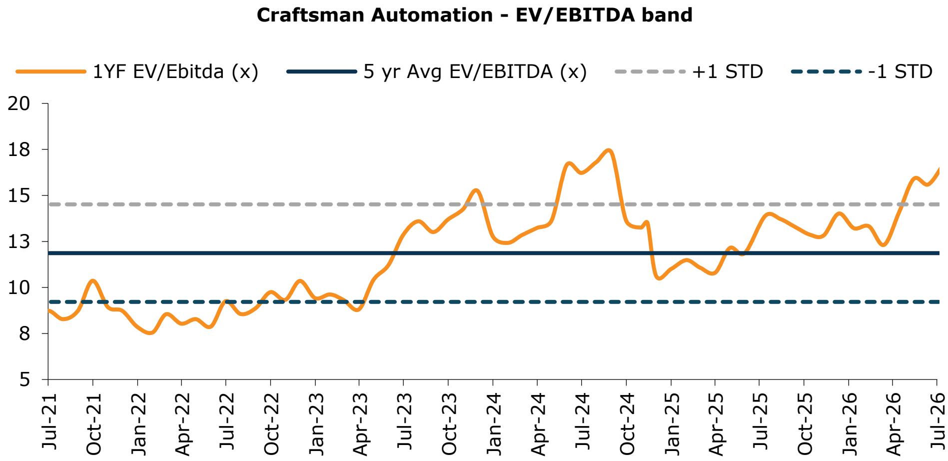
Source: Company, Emkay Research

Exhibit 11: CAL witnessed and is still undergoing major revenue diversification



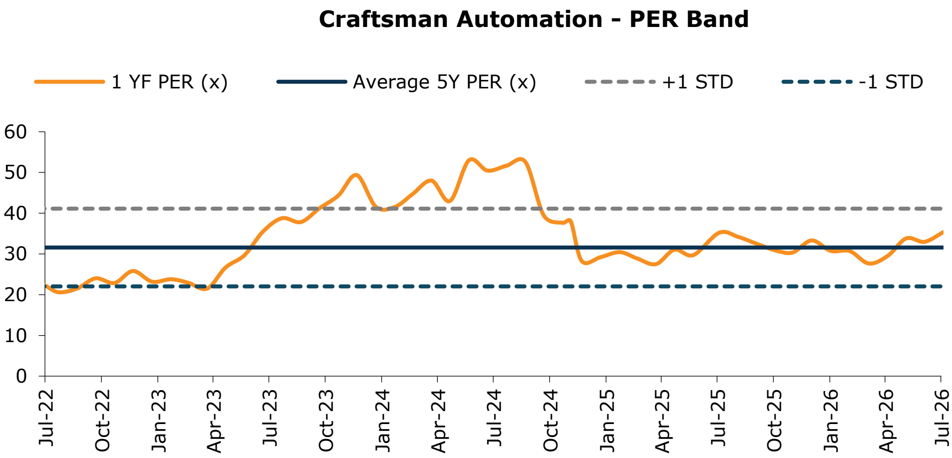
Source: Company, Emkay Research

Exhibit 12: At CMP, CAL trades near its 1SD on 1YF EV/EBITDA basis



Source: Company, Emkay Research

Exhibit 13: At CMP, CAL trades near LTA on 1YF EV/EBITDA basis



Source: Company, Emkay Research

Craftsman Automation: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**56,905**	**80,693**	**97,342**	**111,444**	**123,371**
Revenue growth (%)	27.8	41.8	20.6	14.5	10.7
EBITDA	**8,327**	**12,376**	**16,318**	**19,660**	**22,447**
EBITDA growth (%)	(5.2)	48.6	31.9	20.5	14.2
Depreciation & Amortization	3,470	4,439	5,394	6,113	6,832
EBIT	**4,857**	**7,937**	**10,924**	**13,547**	**15,615**
EBIT growth (%)	(19.2)	63.4	37.6	24.0	15.3
Other operating income	-	-	-	-	-
Other income	251	614	1,069	1,213	1,377
Financial expense	2,166	3,090	2,904	2,183	1,750
PBT	**2,941**	**5,461**	**9,089**	**12,576**	**15,242**
Extraordinary items	255	130	0	0	0
Taxes	688	1,503	2,502	3,461	4,195
Minority interest	(63)	0	0	0	0
Income from JV/Associates	10	11	11	11	11
Reported PAT	**2,455**	**4,099**	**6,599**	**9,126**	**11,058**
PAT growth (%)	(19.4)	67.0	61.0	38.3	21.2
Adjusted PAT	**2,200**	**3,969**	**6,599**	**9,126**	**11,058**
Diluted EPS (Rs)	**92.2**	**166.4**	**252.3**	**348.9**	**422.7**
Diluted EPS growth (%)	(36.0)	80.4	51.6	38.3	21.2
DPS (Rs)	**10.0**	**5.0**	**7.0**	**8.0**	**9.0**
Dividend payout (%)	**9.7**	**2.9**	**2.8**	**2.3**	**2.1**
EBITDA margin (%)	14.6	15.3	16.8	17.6	18.2
EBIT margin (%)	8.5	9.8	11.2	12.2	12.7
Effective tax rate (%)	23.4	27.5	27.5	27.5	27.5
NOPLAT (pre-IndAS)	**3,721**	**5,753**	**7,917**	**9,818**	**11,317**
Shares outstanding (mn)	24	24	26	26	26

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	119	119	131	131	131
Reserves & Surplus	28,448	32,520	58,917	67,834	78,657
Net worth	**28,567**	**32,640**	**59,048**	**67,965**	**78,788**
Minority interests	0	0	0	0	0
Non-current liab. & prov.	61	223	223	223	223
Total debt	**23,582**	**36,235**	**26,003**	**20,794**	**16,719**
Total liabilities & equity	**52,286**	**69,180**	**85,373**	**89,096**	**95,856**
Net tangible fixed assets	30,470	40,530	46,825	50,712	53,880
Net intangible assets	43	43	43	43	43
Net ROU assets	-	-	-	-	-
Capital WIP	3,453	3,823	2,135	2,135	2,135
Goodwill	1,901	1,901	1,901	1,901	1,901
Investments [JV/Associates]	106	135	135	135	135
Cash & equivalents	**1,232**	**1,788**	**12,823**	**8,942**	**8,941**
Current assets (ex-cash)	24,863	31,658	38,990	45,249	50,768
Current Liab. & Prov.	18,878	20,602	24,319	27,232	29,470
NWC (ex-cash)	**5,985**	**11,056**	**14,671**	**18,017**	**21,298**
Total assets	**52,286**	**69,181**	**85,373**	**89,096**	**95,856**
Net debt	22,350	34,447	13,180	11,852	7,778
Capital employed	52,286	69,180	85,373	89,096	95,856
Invested capital	**46,181**	**61,319**	**67,729**	**74,963**	**81,411**
BVPS (Rs)	1,197.3	1,368.0	2,257.3	2,598.1	3,011.9
Net Debt/Equity (x)	0.8	1.1	0.2	0.2	0.1
Net Debt/EBITDA (x)	2.7	2.8	0.8	0.6	0.3
Interest coverage (x)	2.4	2.8	4.1	6.8	9.7
RoCE (%)	**11.7**	**14.1**	**15.6**	**17.0**	**18.4**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	2,696	5,343	9,100	12,588	15,254
Others (non-cash items)	(360)	(653)	0	0	0
Taxes paid	(736)	(914)	(2,502)	(3,461)	(4,195)
Change in NWC	(4,277)	(5,983)	(4,034)	(3,702)	(3,581)
Operating cash flow	**2,833**	**5,217**	**10,862**	**13,720**	**16,060**
Capital expenditure	(9,893)	(11,686)	(6,500)	(10,000)	(10,000)
Acquisition of business	-	-	-	-	-
Interest & dividend income	-	-	-	-	-
Investing cash flow	**(16,683)**	**(13,134)**	**(6,500)**	**(10,000)**	**(10,000)**
Equity raised/(repaid)	11,802	0	19,992	0	0
Debt raised/(repaid)	4,509	11,511	(10,232)	(5,208)	(4,075)
Payment of lease liabilities	-	-	-	-	-
Interest paid	(2,139)	(3,117)	(2,904)	(2,183)	(1,750)
Dividend paid (incl tax)	(238)	(119)	(183)	(209)	(235)
Others	0	0	0	0	0
Financing cash flow	**13,934**	**8,275**	**6,673**	**(7,601)**	**(6,061)**
Net chg in Cash	85	358	11,035	(3,880)	(1)
OCF	2,833	5,217	10,862	13,720	16,060
Adj. OCF (w/o NWC chg.)	7,110	11,200	14,896	17,422	19,641
FCFF	(7,060)	(6,469)	4,362	3,720	6,060
FCFE	(9,226)	(9,558)	1,458	1,537	4,310
OCF/EBITDA (%)	34.0	42.2	66.6	69.8	71.5
FCFE/PAT (%)	(375.8)	(233.2)	22.1	16.8	39.0
FCFF/NOPLAT (%)	**(189.7)**	**(112.4)**	**55.1**	**37.9**	**53.5**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	97.6	58.5	39.8	28.8	23.8
P/CE(x)	42.3	28.5	21.9	17.2	14.7
P/B (x)	8.4	7.3	4.5	3.9	3.3
EV/Sales (x)	4.6	3.4	2.8	2.5	2.2
EV/EBITDA (x)	31.5	22.2	16.9	14.0	12.1
EV/EBIT(x)	54.0	34.5	25.3	20.3	17.3
EV/IC (x)	5.7	4.5	4.1	3.7	3.3
FCFF yield (%)	(2.7)	(2.4)	1.6	1.4	2.2
FCFE yield (%)	(3.5)	(3.6)	0.6	0.6	1.6
Dividend yield (%)	0.1	-	0.1	0.1	0.1
DuPont-RoE split					
Net profit margin (%)	3.9	4.9	6.8	8.2	9.0
Total asset turnover (x)	1.3	1.3	1.3	1.3	1.3
Assets/Equity (x)	2.0	2.0	1.7	1.4	1.3
RoE (%)	**9.7**	**13.0**	**14.4**	**14.4**	**15.1**
DuPont-RoIC					
NOPLAT margin (%)	6.5	7.1	8.1	8.8	9.2
IC turnover (x)	1.4	1.5	1.5	1.6	1.6
RoIC (%)	**9.5**	**10.7**	**12.3**	**13.8**	**14.5**
Operating metrics					
Core NWC days	38.4	50.0	55.0	59.0	63.0
Total NWC days	**38.4**	**50.0**	**55.0**	**59.0**	**63.0**
Fixed asset turnover	1.2	1.2	1.3	1.3	1.3
Opex-to-revenue (%)	30.9	30.1	28.5	28.0	28.5

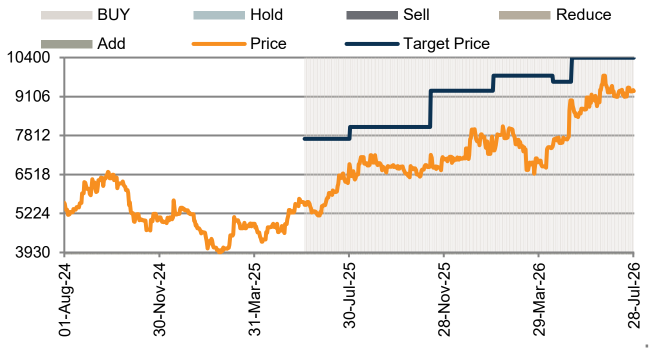
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
10-May-26	8,982	10,400	Buy	Chirag Jain
16-Apr-26	7,513	9,600	Buy	Chirag Jain
09-Mar-26	7,288	9,800	Buy	Chirag Jain
30-Jan-26	7,317	9,800	Buy	Chirag Jain
11-Nov-25	7,176	9,300	Buy	Chirag Jain
31-Jul-25	6,752	8,100	Buy	Chirag Jain
03-Jun-25	5,514	7,700	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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REDUCE	5% upside to 15% downside
SELL	>15% downside

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