BUY

Bharat Forge

Mixed 1Q; strong growth in 2H led by defense order ramp up

Auto & Auto Ancillaries ▸ Result Update ▸ **August 10, 2026**

CMP (Rs): 2,093 | TP (Rs): 2,400

BHFC logged a mixed 1Q, with consolidated revenue growth accelerating to 19% yoy (vs 18% in 4QFY26) and EBITDA up 5% yoy. Consolidated EBITDAM fell 190bps qoq to 15.3% (estimate: 15.6%), amid 240bps qoq decline in standalone operations (160bps hit from commodity/energy/logistics costs) and 170bps qoq decline in subsidiary operations (EBITDA loss in the US due to a breakdown). Demand outlook for BHFC remains robust, with a pronounced 2H and margin recovery from 2Q, driven by 1) sustained growth in India CVs; 2) healthy momentum in India PVs; 3) strong ramp-up in the defense business, led by order execution (ATAGS/QCB Carbine production from 2H; scale-up over 3Y); 4) sustained demand recovery in North American CVs (aging fleet and production rebound); and 5) healthy growth in other industrial verticals (expects 2x revenue in Aerospace). Owing to these positives, BHFC expects 20-25% revenue growth in FY27 for its India manufacturing operations, as it continues to re-evaluate the global footprint given profitability-related challenges in the medium term (part of EU steel production to be transferred to India post-restructuring). We revise FY27E/28E EPS by 4-5% and raise our TP by 14% to Rs2,400 (from Rs2,100 earlier) at 23x Jun-28E EV/EBITDA.

Miss on revenue; higher commodity/energy/logistics costs hit margins

Consolidated revenue rose ~19% yoy. SA revenue was up ~12% yoy. Domestic Auto revenue growth was 3.5% yoy, led by 2%/7% growth in PVs/CVs. Domestic non-auto revenue rose 16% yoy. Exports' recovery continued, with 12% yoy growth vs -12%/-21% in 4Q/3QFY26. Consolidated EBITDA rose 5% yoy; EBITDAM was down 190bps qoq on higher staff costs/other expenses. Subsidiary revenue (C-S) was up 27% yoy, with EBITDAM at 5.4% vs 7.1%/8.1% in 4Q/3QFY26. Consolidated PAT was down 5% yoy.

Earnings call KTAs

1) BHFC expects FY27 to be a strong year (2H more robust), with FY28 also strong, driven by growth capex and new businesses. 2) It plans organic capex of ~Rs18bn in India for FY27 (a fundraise of up to Rs25bn is planned for growth capex in large engines, power generation, semiconductor components, aerospace, and an energetics plant in AP). 3) BHFC secured new orders of Rs13.5bn in 1Q, including Rs6.8bn for Defense (order book: Rs112bn vs Rs110bn as of Mar-26). 4) The defense business targets a steady-state annual margin of 22-23%, while aerospace is expected to double its current Rs4bn revenue in 2Y. 5) The Odisha mega-site project (large aerospace components, multimodal facilities) faces delays on time-consuming local, central, and forest environmental clearances. 6) 1QFY27 faced manpower challenges, from the Iran war and LPG crisis, which sent contract/migrant labor home, impacting sub-suppliers and steel companies. Manpower is at 70-75% of normalcy, with some yet to return. 7) The restructuring of Bharat Forge CDP (steel business, Germany) includes a non-cash Rs30mn manpower-redundancy impact, with the entity ceasing to exist by end-CY27; part of operations to shift to India. 8) The India/NA outlook is very strong, Europe CV is strong, and PV neither strong nor weak. 9) Consumer demand for infrastructure-based assets in India is rising sharply, however, US tariffs on raw aluminum (50% from Canada) pose a challenge to achieving targeted margins.

Bharat Forge: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	151,228	168,117	206,548	247,043	293,147
EBITDA	26,939	29,267	38,621	47,676	57,453
Adj. PAT	10,982	12,341	16,543	22,750	28,681
Adj. EPS (Rs)	23.0	25.8	34.6	47.6	60.0
EBITDA margin (%)	17.8	17.4	18.7	19.3	19.6
EBITDA growth (%)	5.3	8.6	32.0	23.4	20.5
Adj. EPS growth (%)	11.0	12.4	34.1	37.5	26.1
RoE (%)	13.4	13.1	16.3	19.6	21.1
RoIC (%)	11.8	11.9	13.9	17.4	20.1
P/E (x)	106.3	92.7	60.5	44.0	34.9
EV/EBITDA (x)	38.5	35.8	27.0	21.7	17.9
P/B (x)	10.8	10.4	9.3	8.0	6.8
FCFF yield (%)	0.3	0.1	1.5	1.7	1.6

Source: Company, Emkay Research

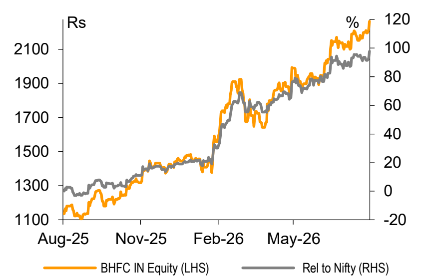
Target Price – 12M	Jun-27
Change in TP (%)	**14.3**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	14.7

Stock Data	**BHFC IN**
52-week High (Rs)	2,295
52-week Low (Rs)	1,101
Shares outstanding (mn)	478.1
Market-cap (Rs bn)	1,001
Market-cap (USD mn)	10,501
Net-debt, FY27E (Rs mn)	41,660.3
ADTV-3M (mn shares)	1.5
ADTV-3M (Rs mn)	2,620.7
ADTV-3M (USD mn)	27.5
Free float (%)	54.7
Nifty-50	24,583.8
INR/USD	95.3
Shareholding,Jun-26	
Promoters (%)	44.1
FPIs/MFs (%)	15.1/32.3

Price Performance

(%)	1M	3M	12M
Absolute	(1.1)	5.2	84.4
Rel. to Nifty	(2.6)	3.5	82.7

1-Year share price trend (Rs)



Chirag Jain
chirag.jain@emkayglobal.com
+91-22-66242428

Nandan Pradhan
nandan.pradhan@emkayglobal.com
+91-22-66121238

Marazbaan Dastur
marazbaan.dastur@emkayglobal.com
+91-22-66121281

Sanskar Sahuji
sanskar.sahuji@emkayglobal.com
+91 22 66121245

Exhibit 1: Consolidated financials – Revenue up ~19% yoy, with EBITDA up 5% yoy; EBITDAM was down by 190bps qoq

Consolidated (Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Revenue	41,061	36,885	34,755	38,526	39,087	40,319	43,429	45,280	46,399	18.7	2.5
Growth yoy (%)	*6*	*-2*	*-10*	*-7*	*-5*	*9*	*25*	*18*	*19*		
Expenditure	**33,652**	**30,412**	**28,512**	**31,713**	**32,358**	**33,063**	**35,930**	**37,498**	**39,305**	**21.5**	**4.8**
as a % of sales	*82.0*	*82.5*	*82.0*	*82.3*	*82.8*	*82.0*	*82.7*	*82.8*	*84.7*		
Consumption of RM	18,369	15,643	14,698	17,234	16,962	17,674	19,742	21,518	20,685	22.0	(3.9)
as a % of sales	*44.7*	*42.4*	*42.3*	*44.7*	*43.4*	*43.8*	*45.5*	*47.5*	*44.6*		
Employee cost	4,987	4,672	4,362	4,678	5,137	5,206	5,346	5,346	5,935	15.5	11.0
as a % of sales	*12.1*	*12.7*	*12.5*	*12.1*	*13.1*	*12.9*	*12.3*	*11.8*	*12.8*		
Other expenditure	10,296	10,097	9,452	9,801	10,260	10,183	10,843	10,635	12,684	23.6	19.3
as a % of sales	*25.1*	*27.4*	*27.2*	*25.4*	*26.2*	*25.3*	*25.0*	*23.5*	*27.3*		
EBITDA	**7,410**	**6,473**	**6,244**	**6,813**	**6,729**	**7,257**	**7,499**	**7,782**	**7,095**	**5.4**	**(8.8)**
Growth yoy (%)	*24*	*4*	*-11*	*6*	*-9*	*12*	*20*	*14*	*5*		
EBITDA margin (%)	***18.0***	***17.5***	***18.0***	***17.7***	***17.2***	***18.0***	***17.3***	***17.2***	***15.3***		
Depreciation	2,183	2,133	2,182	2,238	2,261	2,409	2,488	2,551	2,633	16.4	3.2
EBIT	**5,227**	**4,339**	**4,061**	**4,576**	**4,468**	**4,848**	**5,011**	**5,231**	**4,462**	**(0.1)**	**(14.7)**
Other income	516	616	384	621	497	535	425	530	572	15.1	8.1
Interest	1,237	1,098	960	880	822	801	766	844	897	9.1	6.3
PBT	**4,506**	**3,858**	**3,485**	**4,317**	**4,143**	**4,582**	**4,669**	**4,917**	**4,137**	**(0.1)**	**(15.9)**
Total tax	1,250	1,419	1,342	1,415	1,271	1,576	1,344	1,587	1,343	5.7	(15.3)
Minority interest/Associate share	-289	3	15	29	35	14	126	17	111	216.4	551.1
Adjusted PAT	**3,546**	**2,436**	**2,128**	**2,873**	**2,837**	**2,992**	**3,199**	**3,313**	**2,683**	**(5.4)**	**(19.0)**
Growth yoy (%)	*59*	*6*	*-20*	*17*	*-20*	*23*	*50*	*15*	*-5*		
Extraordinary items loss/(gain)	-1,518	0	0	-53	0	0	-557	-987	-3,580		
Reported PAT	**2,028**	**2,436**	**2,128**	**2,820**	**2,837**	**2,992**	**2,642**	**2,326**	**-897**	**(131.6)**	**(138.6)**

(%)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (bps)	qoq (bps)
EBITDAM	18.0	17.5	18.0	17.7	17.2	18.0	17.3	17.2	15.3	(193)	(190)
EBITM	12.7	11.8	11.7	11.9	11.4	12.0	11.5	11.6	9.6	(181)	(194)
EBTM	11.0	10.5	10.0	11.2	10.6	11.4	10.8	10.9	8.9	(168)	(194)
PATM	8.6	6.6	6.1	7.5	7.3	7.4	7.4	7.3	5.8	(148)	(153)
Effective tax rate	27.7	36.8	38.5	32.8	30.7	34.4	28.8	32.3	32.5	179	20

Source: Company, Emkay Research

Exhibit 2: Actual vs Estimates

Consolidated (Rs mn)	Actuals	Emkay estimates	% variance	Consensus	% variance
Net sales	46,399	48,859	(5.0)	46,593	(0.4)
EBITDA	7,095	7,622	(6.9)	8,099	(12.4)
EBITDA margin (%)	15.3	15.6	-31 bps	17.4	-209 bps
Net income	2,683	2,808	(4.5)	3,664	(26.8)

Source: Company, Emkay Research

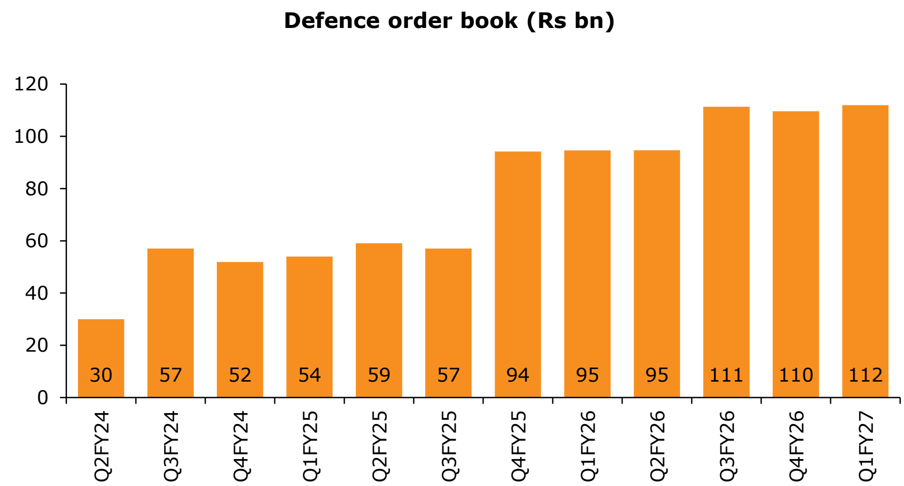
Exhibit 3: Standalone 1QFY27 – Revenue accelerated to 12% yoy; EBITDA up 2% yoy; EBITDAM compressed 236bps qoq to 25%

Standalone (Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Revenue	**23,381**	**22,467**	**20,959**	**21,630**	**21,047**	**19,469**	**20,836**	**22,604**	**23,474**	**11.5**	**3.8**
Growth yoy (%)	*10*	*-0*	*-7*	*-7*	*-10*	*-13*	*-1*	*5*	*12*		
Expenditure	**16,866**	**16,212**	**14,861**	**15,464**	**15,329**	**13,958**	**15,172**	**16,431**	**17,617**	**14.9**	**7.2**
as a % of sales	*72.1*	*72.2*	*70.9*	*71.5*	*72.8*	*71.7*	*72.8*	*72.7*	*75.0*		
Consumption of RM	9,777	9,167	8,401	8,576	8,156	7,053	8,086	9,162	9,188	12.6	0.3
as a % of sales	*41.8*	*40.8*	*40.1*	*39.6*	*38.8*	*36.2*	*38.8*	*40.5*	*39.1*		
Employee cost	1,626	1,617	1,583	1,539	1,696	1,674	1,708	1,683	1,859	9.6	10.5
as a % of sales	*7.0*	*7.2*	*7.6*	*7.1*	*8.1*	*8.6*	*8.2*	*7.4*	*7.9*		
Other expenditure	5,463	5,428	4,877	5,348	5,477	5,232	5,379	5,587	6,571	20.0	17.6
as a % of sales	*23.4*	*24.2*	*23.3*	*24.7*	*26.0*	*26.9*	*25.8*	*24.7*	*28.0*		
EBITDA	**6,515**	**6,254**	**6,098**	**6,167**	**5,718**	**5,511**	**5,664**	**6,173**	**5,857**	**2.4**	**(5.1)**
Growth yoy (%)	*19*	*3*	*-8*	*-6*	*-12*	*-12*	*-7*	*0*	*2*		
EBITDA margin (%)	***27.9***	***27.8***	***29.1***	***28.5***	***27.2***	***28.3***	***27.2***	***27.3***	***25.0***		
Depreciation	1,094	1,083	1,104	1,122	1,125	1,112	1,120	1,124	1,150	2.3	2.3
EBIT	**5,420**	**5,171**	**4,995**	**5,045**	**4,593**	**4,399**	**4,544**	**5,049**	**4,707**	**2.5**	**(6.8)**
Other income	446	348	314	481	422	465	273	285	343	(18.8)	20.3
Interest	702	635	573	588	522	483	414	402	432	(17.3)	7.4
PBT	**5,164**	**4,884**	**4,735**	**4,937**	**4,493**	**4,380**	**4,402**	**4,932**	**4,618**	**2.8**	**(6.4)**
Total tax	1,014	1,407	1,266	1,278	1,108	1,202	1,035	1,180	1,159	4.6	(1.8)
Adjusted PAT	**4,151**	**3,476**	**3,470**	**3,659**	**3,385**	**3,178**	**3,367**	**3,752**	**3,459**	**2.2**	**(7.8)**
Growth yoy (%)	*33*	*-0*	*-8*	*-9*	*-18*	*-9*	*-3*	*3*	*2*		
Extraordinary loss/(gain)	1,457	-135	9	203	0	79	487	4,930	245		
Reported PAT	**2,694**	**3,612**	**3,460**	**3,456**	**3,385**	**3,099**	**2,880**	**-1,178**	**3,214**	**(5.1)**	**(372.9)**
Adjusted EPS (Rs)	**8.9**	**7.5**	**7.5**	**7.9**	**7.3**	**6.8**	**7.2**	**8.1**	**7.4**	**2.2**	**(7.8)**

(%)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (bps)	qoq (bps)
EBITDAM	27.9	27.8	29.1	28.5	27.2	28.3	27.2	27.3	25.0	(222)	(236)
EBITM	23.2	23.0	23.8	23.3	21.8	22.6	21.8	22.3	20.1	(177)	(229)
EBTM	22.1	21.7	22.6	22.8	21.3	22.5	21.1	21.8	19.7	(168)	(215)
PATM	17.8	15.5	16.6	16.9	16.1	16.3	16.2	16.6	14.7	(135)	(186)
Effective tax rate	19.6	28.8	26.7	25.9	24.7	27.4	23.5	23.9	25.1	44	117

Source: Company, Emkay Research

Exhibit 4: BHFC's defense order book stands at ~Rs112bn, as of 1QFY27



Source: Company, Emkay Research

Exhibit 5: Per management commentary of major CV OEMs, outlook for EU/NA CVs is improving

Daimler Trucks	CY25 Actuals	CY26 Earlier Forecast	CY26 Revised Forecast	Revision in Guidance (%)	Date
North America HD trucks	258,000	250,000-290,000	250,000-290,000	Maintained guidance	Aug-26
Europe HD trucks	305,000	290,000-330,000	290,000-330,000	Maintained guidance	Aug-26

Volvo Trucks	CY25 Actuals	CY26 Earlier Forecast	CY26 Revised Forecast	Revision in Guidance (%)	Date
North America HD trucks	258,000	265,000	265,000	0	Jul-26
Europe HD trucks	296,000	305,000	315,000	3	Jul-26

Paccar (>16T market)	CY25 Actuals	CY26 Earlier Forecast	CY26 Revised Forecast	Revision in Guidance (%)	Date
US & Canada	235,000	230,000-270,000	230,000-270,000	0	Jul-26
Europe	290,000	280,000-320,000	290,000-330,000	3	Jul-26

Traton	CY25 Actuals	CY26 Earlier Forecast	CY26 Revised Forecast	Revision in Guidance (%)	Date
North America Class 6-8	363,000	NA	-5% to +10%	NA	Apr-26
North America Class 8	259,000	NA	-5% to +10%	NA	Apr-26
Europe (>6T)	336,000	NA	-2.5% to +7.5%	NA	Apr-26

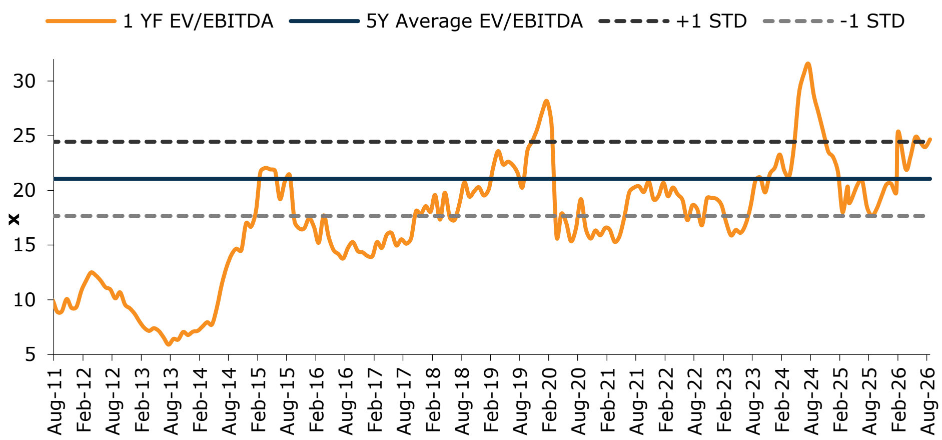
Source: Company, Emkay Research

Exhibit 6: We build in 22%/25%/32% revenue/EBITDA/PAT CAGR over FY26-29E

Rs mn	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY26-29E CAGR (%)
Segmental revenues									
India CV	7,417	10,140	10,341	9,626	10,365	11,194	12,314	13,545	9%
Growth (%)	*45*	*37*	*2*	*(7)*	*8*	*8*	*10*	*10*	
India Non-Auto (Bulk of this is Defence)	11,665	12,978	22,360	23,283	25,231	32,047	39,306	44,642	21%
Growth (%)	*57*	*11*	*72*	*4*	*8*	*27*	*23*	*14*	
-- of which Defence	*4,078*	*4,103*	*15,606*	*17,000*	*15,620*	*21,500*	*27,650*	*31,760*	
Growth (%)		*1*	*280*	*9*	*(8)*	*38*	*29*	*15*	
India PV	2,936	3,513	2,997	3,622	3,973	4,489	5,028	5,632	12%
Growth (%)	*36*	*20*	*(15)*	*21*	*10*	*13*	*12*	*12*	
Export CV	17,180	19,120	21,134	20,144	13,246	18,399	23,877	31,107	33%
Growth (%)	*79*	*11*	*11*	*(5)*	*(34)*	*39*	*30*	*30*	
Export Non-Auto	13,932	15,933	15,454	15,962	15,413	17,315	19,537	22,147	13%
Growth (%)	*151*	*14*	*(3)*	*3*	*(3)*	*12*	*13*	*13*	
Export PV	5,591	9,552	12,694	11,174	11,455	13,746	15,808	18,179	17%
Growth (%)	*24*	*71*	*33*	*(12)*	*3*	*20*	*15*	*15*	
Others	2,978	3,452	3,546	3,724	4,273	4,846	5,330	5,863	11%
Growth (%)	*78*	*16*	*3*	*5*	*15*	*13*	*10*	*10*	
Total standalone revenues	**62,546**	**75,727**	**89,686**	**88,437**	**83,956**	**102,037**	**121,200**	**141,116**	19%
Growth (%)	*71.3*	*21.1*	*18.4*	*-1.4*	*-5.1*	*21.5*	*18.8*	*16.4*	
Subsidiary revenues	42,065	53,375	67,134	62,791	84,160	104,511	125,843	152,031	
Growth (%)	*57*	*27*	*26*	*(6)*	*34*	*24*	*20*	*21*	
Consolidated revenues	**104,611**	**129,103**	**156,821**	**151,228**	**168,117**	**206,548**	**247,043**	**293,147**	20%
Growth (%)	*65.1*	*23.4*	*21.5*	*-3.6*	*11.2*	*22.9*	*19.6*	*18.7*	
EBITDA	19,810	17,675	25,579	26,939	29,267	38,621	47,676	57,453	25%
Growth (%)	129	(11)	45	5	9	32	23	21	
EBITDA margin %	*18.9*	*13.7*	*16.3*	*17.8*	*17.4*	*18.7*	*19.3*	*19.6*	
PAT	9,544	5,742	9,635	10,982	12,341	16,543	22,750	28,681	32%
PAT margin %	*15.3*	*7.6*	*10.7*	*12.4*	*14.7*	*16.2*	*18.8*	*20.3*	
EPS (Rs)	**20.5**	**12.3**	**20.7**	**23.0**	**25.8**	**34.6**	**47.6**	**60.0**	32%
ROCE (%)	12.5	9.2	13.7	13.5	13.6	17.1	19.6	21.6	
ROE (%)	15.9	8.6	13.9	13.4	13.1	16.3	19.6	21.1	
Net D/E (x)	0.5	0.7	0.7	0.4	0.5	0.4	0.3	0.2	
P/E (x)	**102.1**	**169.7**	**101.2**	**91.1**	**81.1**	**60.5**	**44.0**	**34.9**	

Source: Company, Emkay Research

Exhibit 7: BHFC currently trades close to 1SD above its LTA on 1YF EV/EBITDA basis



Source: Company, Bloomberg, Emkay Research

Exhibit 8: We raise FY27E/FY28E EPS by 4-5% on better-than-expected gross margin recovery

Consolidated (Rs mn)	FY26		FY27E				FY28E				FY29E	
	Actual	% yoy	Earlier	Revised	% Change	% yoy	Earlier	Revised	% Change	% yoy	Introduced	% yoy
Revenues	168,117	11.2	209,786	206,548	(1.5)	22.9	248,681	247,043	(0.7)	19.6	293,147	18.7
EBITDA	29,267	8.6	37,549	38,621	2.9	32.0	46,500	47,676	2.5	23.4	57,453	20.5
Margin (%)	17.4	-41 bps	17.9	18.7	80 bps	129 bps	18.7	19.3	60 bps	60 bps	19.6	30 bps
Net profit	12,341	12.4	15,793	16,543	4.8	34.1	21,933	22,750	3.7	37.5	28,681	26.1
EPS (Rs)	25.8	9.5	33.0	34.6	4.8	34.1	45.9	47.6	3.7	37.5	60.0	26.1

Source: Company, Bloomberg, Emkay Research

Exhibit 9: Emkay's Auto universe – Valuation metrics

Company name	Price (Rs)	Reco	Target price (Rs)	% Upside / (Downside)	FY26-28E Revenue CAGR	FY26-28E EPS CAGR	PER (x)			PBV (x)			EV/EBITDA (x)			ROE (%)		
							FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
JK Tyre	385	Buy	600	55.8	12%	14%	12.0	15.7	9.2	1.8	1.7	1.5	7.7	8.9	6.4	16.7	11.2	17.0
Apollo Tyres	446	Buy	575	28.9	11%	-3%	11.8	16.1	12.4	1.7	1.6	1.4	7.5	7.5	6.0	15.3	10.1	11.9
CEAT	3,794	Buy	4,500	18.6	15%	19%	19.9	21.7	14.1	3.0	2.7	2.4	8.6	8.1	6.2	16.3	13.3	18.0
Pricol	733	Buy	800	9.1	18%	23%	35.6	30.6	23.7	7.1	5.9	4.9	18.6	15.6	12.4	22.1	21.1	22.6
Craftsman Automation	10,280	Buy	11,900	15.8	18%	45%	61.8	40.8	29.5	7.5	4.6	4.0	22.2	16.9	14.0	13.0	14.4	14.4
Bharat Forge	**2,093**	**Buy**	**2,400**	**14.7**	**21%**	**45%**	**81.1**	**60.5**	**44.0**	**10.4**	**9.3**	**8.0**	**35.8**	**27.0**	**21.7**	**13.1**	**16.3**	**19.6**
Minda Corporation	739	Buy	775	4.9	19%	25%	49.1	40.7	31.4	6.7	5.4	4.7	20.9	17.8	14.8	14.8	14.9	16.0
MSUMI	41	Buy	50	21.8	19%	33%	45.6	34.2	25.7	12.2	10.9	9.9	25.0	19.3	15.6	32.4	36.2	41.3
Sandhar Technologies	652	Buy	950	45.7	14%	35%	25.5	18.0	14.1	2.9	2.6	2.3	10.6	8.8	7.3	12.4	15.3	17.1
SAMIL	168	Buy	180	7.1	15%	38%	44.7	30.6	23.5	4.3	3.9	3.4	14.5	12.3	9.6	10.5	13.4	15.4
Shriram Pistons & Rings	4,434	Buy	4,850	9.4	27%	21%	33.5	27.2	23.1	6.7	5.5	4.5	22.9	17.0	14.1	22.0	22.2	21.4
Suprajit Engineering	529	Buy	625	18.2	14%	31%	38.1	26.0	22.1	5.0	4.4	3.8	19.7	13.5	11.7	14.0	18.1	18.6
SJS Enterprises	2,372	Buy	2,800	18.0	20%	27%	44.5	33.8	27.4	8.7	6.9	5.6	28.1	22.7	19.2	22.1	22.8	22.4
Uno Minda	1,288	Reduce	1,100	-14.6	20%	31%	60.7	54.8	42.8	10.4	8.9	7.6	32.4	22.8	22.4	19.5	18.1	20.4

Source: Company, Emkay Research

Bharat Forge: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**151,228**	**168,117**	**206,548**	**247,043**	**293,147**
Revenue growth (%)	(3.6)	11.2	22.9	19.6	18.7
EBITDA	**26,939**	**29,267**	**38,621**	**47,676**	**57,453**
EBITDA growth (%)	5.3	8.6	32.0	23.4	20.5
Depreciation & Amortization	8,736	9,709	11,337	12,086	12,926
EBIT	**18,203**	**19,557**	**27,284**	**35,590**	**44,526**
EBIT growth (%)	6.5	7.4	39.5	30.4	25.1
Other operating income	-	-	-	-	-
Other income	2,138	1,987	2,086	2,170	2,256
Financial expense	4,175	3,233	3,623	3,517	3,689
PBT	**16,166**	**18,311**	**25,747**	**34,242**	**43,094**
Extraordinary items	(1,571)	(1,544)	0	0	0
Taxes	5,426	5,778	9,011	11,300	14,221
Minority interest	-	-	-	-	-
Income from JV/Associates	242	(192)	(192)	(192)	(192)
Reported PAT	**9,412**	**10,797**	**16,543**	**22,750**	**28,681**
PAT growth (%)	(1.0)	14.7	53.2	37.5	26.1
Adjusted PAT	**10,982**	**12,341**	**16,543**	**22,750**	**28,681**
Diluted EPS (Rs)	**23.0**	**25.8**	**34.6**	**47.6**	**60.0**
Diluted EPS growth (%)	11.0	12.4	34.1	37.5	26.1
DPS (Rs)	**8.8**	**8.3**	**8.6**	**10.6**	**11.6**
Dividend payout (%)	**44.8**	**36.7**	**24.8**	**22.2**	**19.4**
EBITDA margin (%)	17.8	17.4	18.7	19.3	19.6
EBIT margin (%)	12.0	11.6	13.2	14.4	15.2
Effective tax rate (%)	33.6	31.6	35.0	33.0	33.0
NOPLAT (pre-IndAS)	**12,094**	**13,386**	**17,735**	**23,845**	**29,833**
Shares outstanding (mn)	478	478	478	478	478

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	956	956	956	956	956
Reserves & Surplus	91,577	94,842	106,331	123,522	146,087
Net worth	**92,533**	**95,798**	**107,288**	**124,478**	**147,044**
Minority interests	(328)	(230)	(38)	154	346
Non-current liab. & prov.	(703)	(1,907)	(1,665)	(1,344)	(940)
Total debt	**62,884**	**68,746**	**76,187**	**80,131**	**83,806**
Total liabilities & equity	**154,387**	**162,408**	**181,772**	**203,418**	**230,255**
Net tangible fixed assets	28,723	28,588	29,308	28,513	27,476
Net intangible assets	103	103	103	103	103
Net ROU assets	-	-	-	-	-
Capital WIP	17,317	12,984	6,498	7,797	7,797
Goodwill	2,628	3,903	3,903	3,903	3,903
Investments [JV/Associates]	7,379	5,927	7,927	8,927	9,927
Cash & equivalents	**26,443**	**21,639**	**34,527**	**46,110**	**56,287**
Current assets (ex-cash)	81,855	98,059	114,673	137,156	165,162
Current Liab. & Prov.	44,595	58,069	68,871	82,203	93,623
NWC (ex-cash)	**37,259**	**39,990**	**45,802**	**54,953**	**71,539**
Total assets	**154,387**	**162,408**	**181,772**	**203,418**	**230,255**
Net debt	36,441	47,108	41,660	34,021	27,519
Capital employed	154,387	162,408	181,772	203,418	230,255
Invested capital	**103,247**	**121,858**	**132,819**	**140,584**	**156,244**
BVPS (Rs)	193.5	200.4	224.4	260.3	307.5
Net Debt/Equity (x)	0.4	0.5	0.4	0.3	0.2
Net Debt/EBITDA (x)	1.4	1.6	1.1	0.7	0.5
Interest coverage (x)	4.9	6.7	8.1	10.7	12.7
RoCE (%)	**13.5**	**13.5**	**16.9**	**19.5**	**21.5**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	14,521	16,766	25,747	34,242	43,094
Others (non-cash items)	730	0	0	0	0
Taxes paid	(6,050)	(5,606)	(8,770)	(10,979)	(13,817)
Change in NWC	(3,457)	(2,885)	(6,762)	(9,656)	(17,142)
Operating cash flow	**17,963**	**21,218**	**25,175**	**29,211**	**28,750**
Capital expenditure	(14,439)	(19,982)	(10,000)	(12,000)	(12,000)
Acquisition of business	-	-	-	-	-
Interest & dividend income	-	-	-	-	-
Investing cash flow	**(19,643)**	**(16,740)**	**(12,000)**	**(15,000)**	**(15,000)**
Equity raised/(repaid)	16,500	0	0	0	0
Debt raised/(repaid)	(12,944)	5,862	7,441	3,943	3,676
Payment of lease liabilities	0	0	0	0	0
Interest paid	(4,729)	(3,233)	(3,623)	(3,517)	(3,689)
Dividend paid (incl tax)	(4,221)	(3,958)	(4,105)	(5,054)	(5,560)
Others	3,089	0	0	0	0
Financing cash flow	**(2,306)**	**(1,330)**	**(287)**	**(4,628)**	**(5,573)**
Net chg in Cash	(3,985)	3,149	12,888	9,583	8,177
OCF	17,963	21,218	25,175	29,211	28,750
Adj. OCF (w/o NWC chg.)	21,421	24,103	31,938	38,867	45,892
FCFF	3,524	1,236	15,175	17,211	16,750
FCFE	(651)	(1,997)	11,552	13,694	13,061
OCF/EBITDA (%)	66.7	72.5	65.2	61.3	50.0
FCFE/PAT (%)	(6.9)	(18.5)	69.8	60.2	45.5
FCFF/NOPLAT (%)	**29.1**	**9.2**	**85.6**	**72.2**	**56.1**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	106.3	92.7	60.5	44.0	34.9
P/CE(x)	50.8	45.4	35.9	28.7	24.1
P/B (x)	10.8	10.4	9.3	8.0	6.8
EV/Sales (x)	6.9	6.2	5.0	4.2	3.5
EV/EBITDA (x)	38.5	35.8	27.0	21.7	17.9
EV/EBIT(x)	57.0	53.6	38.2	29.1	23.1
EV/IC (x)	10.0	8.6	7.8	7.4	6.6
FCFF yield (%)	0.3	0.1	1.5	1.7	1.6
FCFE yield (%)	(0.1)	(0.2)	1.2	1.4	1.3
Dividend yield (%)	0.4	0.4	0.4	0.5	0.6
DuPont-RoE split					
Net profit margin (%)	7.3	7.3	8.0	9.2	9.8
Total asset turnover (x)	1.0	1.1	1.2	1.3	1.4
Assets/Equity (x)	1.8	1.7	1.7	1.7	1.6
RoE (%)	**13.4**	**13.1**	**16.3**	**19.6**	**21.1**
DuPont-RoIC					
NOPLAT margin (%)	8.0	8.0	8.6	9.7	10.2
IC turnover (x)	1.5	1.5	1.6	1.8	2.0
RoIC (%)	**11.8**	**11.9**	**13.9**	**17.4**	**20.1**
Operating metrics					
Core NWC days	89.9	86.8	80.9	81.2	89.1
Total NWC days	**89.9**	**86.8**	**80.9**	**81.2**	**89.1**
Fixed asset turnover	1.3	1.2	1.3	1.4	1.6
Opex-to-revenue (%)	38.6	37.4	36.6	36.3	36.0

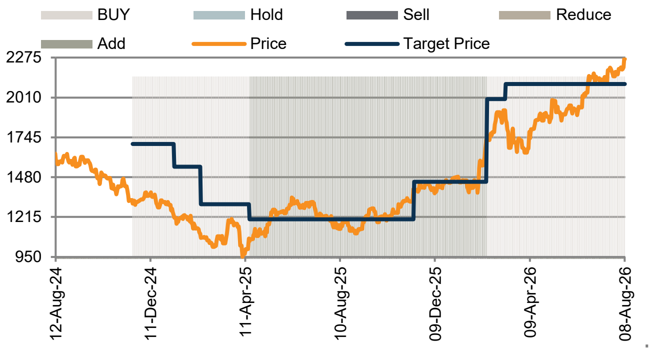
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
07-May-26	1,993	2,100	Buy	Chirag Jain
09-Mar-26	1,862	2,100	Buy	Chirag Jain
13-Feb-26	1,739	2,000	Buy	Chirag Jain
12-Nov-25	1,389	1,450	Add	Chirag Jain
07-Aug-25	1,162	1,200	Add	Chirag Jain
09-May-25	1,166	1,200	Add	Chirag Jain
16-Apr-25	1,055	1,200	Add	Chirag Jain
13-Feb-25	1,076	1,300	Buy	Chirag Jain
10-Jan-25	1,210	1,550	Buy	Chirag Jain
18-Nov-24	1,305	1,700	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.
CIN - L67120MH1995PLC084899
7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

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