# ADD

# Maruti Suzuki India

## Downgrade to ADD; growth slowing ahead

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**Auto & Auto Ancillaries** | Result Update | **August 01, 2026**

**CMP (Rs): 14,234 | TP (Rs): 15,500**

**We downgrade MSIL to ADD from Buy and cut TP by ~8% to Rs15,500 (from Rs16,900), at 25x Jun-28E core PER + Rs3,460 cash/share (28x earlier). MSIL's revenue was up 36% yoy, led by 29% yoy volume growth, while ASPs were flattish yoy. EBITDA was down 7% yoy and EBITDAM fell by 350bps qoq to 8.2%, led by 350bps qoq drop in gross margin. MSIL indicated that growth momentum is healthy (small cars/UV volumes up 34%/28% yoy in 1Q ), with ~130k units orderbook as of 1QFY27 (vs 190k as of 4QFY26). The 2 lines at Kharkhoda/Hansalpur (250kpa units capacity each) are expected to ramp up over next 5-6M. Factoring this in, MSIL retained its 10% FY27 volume growth guidance. To offset the commodity-led margin impact, MSIL took a ~50bps price hike in Jun-26, with another lined up from Aug-26 (up to Rs30k). On exports as well, diversifying across end-markets is aiding MSIL sustain growth despite geopolitical headwinds. Our expectations of sharp growth moderation in 2H as the base catches up (expect flattish volumes vs 2HFY26) and gradual margin improvement from 1Q on limited pricing power drive our downgrade. We cut FY27-28E EPS by 5-9% to factor in aforementioned headwinds. We prefer HMIL (1Q likely a bottom quarter; new launches to aid 2H growth) and M&M.**

### Weak 1Q; in-line revenue performance; weaker-than-expected profitability

MSIL's revenue was up 36% yoy, led by 29% yoy volume growth, while ASPs were flattish yoy. EBITDA was down 7% yoy, with EBITDAM falling by ~350bps qoq to 8.2%, led by 350bps qoq gross margin drop. Adjusted PAT was down 11% yoy to Rs33.5bn.

### Earning call KTAs

1) MSIL stated that growth momentum is healthy (small cars/UV volumes up 34%/28% yoy) with ~130k units orderbook as of 1QFY27 (vs 190k as of 4QFY26). The 2 lines at Kharkhoda/Hansalpur (0.25mnpa units each) are expected to ramp up over next 5-6M. Hence, MSIL retained its 10% FY27 volume growth guidance. 2) MSIL transitioned from a quarterly to a monthly reset cycle with its suppliers (expected to continue for a couple of quarters till commodities normalize) amid high volatility in commodity prices which helps it overcome supply chain disruptions. 3) To offset commodity-led margin impact, MSIL took a ~50bps price hike in Jun-26, with another lined up from Aug-26 (up to Rs30k). 4) On exports, diversifying across end-markets is aiding MSIL sustain growth despite geopolitical headwinds. 5) EBITM declined by ~360bps qoq, led by 300bps commodity pressure (of which 100bps stemmed from a change in commodity settlement terms for suppliers; expected to gradually normalize to quarterly settlement); other adverse factors included employee costs (40bps), inventory depletion/FC absorption (30bps), forex (30bps), depreciation from new plants (20bps), and higher gas costs (20bps), partly offset by lower opex (30bps) and higher operating income (30bps). 6) Addition of the 4$^{th}$ line makes the Hansalpur plant among the top-10 plants globally in terms of capacity; MSIL has invested Rs39bn in the 4$^{th}$ line (largely dedicated to MSIL's E-PV, the E-Vitara); the next EV will be showcased at the Bharat Mobility Expo in CY27, with hybrids also under development. 7) The management expects greater clarity over the next few quarters on cost increases arising from CAFE III norms.

### Maruti Suzuki India: Financial Snapshot (Standalone)

| Y/E Mar (Rs mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Revenue | 1,528,679 | 1,832,661 | 2,128,010 | 2,389,746 | 2,630,767 |
| EBITDA | 201,492 | 214,502 | 233,465 | 277,640 | 321,268 |
| Adj. PAT | 142,976 | 144,454 | 156,617 | 186,907 | 221,924 |
| Adj. EPS (Rs) | 454.8 | 459.5 | 498.1 | 594.5 | 705.9 |
| EBITDA margin (%) | 13.2 | 11.7 | 11.0 | 11.6 | 12.2 |
| EBITDA growth (%) | 23.2 | 6.5 | 8.8 | 18.9 | 15.7 |
| Adj. EPS growth (%) | 8.2 | 1.0 | 8.4 | 19.3 | 18.7 |
| RoE (%) | 16.0 | 14.5 | 14.2 | 15.3 | 16.2 |
| RoIC (%) | 67.5 | 52.7 | 68.6 | 83.9 | 96.6 |
| P/E (x) | 31.3 | 31.0 | 28.6 | 23.9 | 20.2 |
| EV/EBITDA (x) | 19.1 | 17.4 | 15.2 | 12.4 | 10.1 |
| P/B (x) | 4.7 | 4.3 | 3.9 | 3.5 | 3.1 |
| FCFF yield (%) | 1.4 | 2.3 | 6.2 | 4.9 | 7.8 |

*Source: Company, Emkay Research*

| | |
|---|---|
| Target Price – 12M | Jun-27 |
| **Change in TP (%)** | **(8.3)** |
| Current Reco. | ADD |
| Previous Reco. | BUY |
| Upside/(Downside) (%) | 8.9 |

| Stock Data | MSIL IN |
|---|---|
| 52-week High (Rs) | 17,372 |
| 52-week Low (Rs) | 12,201 |
| Shares outstanding (mn) | 314.4 |
| Market-cap (Rs bn) | 4,475 |
| Market-cap (USD mn) | 46,914 |
| Net-debt, FY27E (Rs mn) | (920,514.3) |
| ADTV-3M (mn shares) | 0.5 |
| ADTV-3M (Rs mn) | 6,871.8 |
| ADTV-3M (USD mn) | 72.0 |
| Free float (%) | 41.7 |
| Nifty-50 | 24,383.6 |
| INR/USD | 95.4 |

| Shareholding,Jun-26 | |
|---|---|
| Promoters (%) | 58.7 |
| FPIs/MFs (%) | 12.8/25.2 |

**Price Performance**

| (%) | 1M | 3M | 12M |
|---|---|---|---|
| Absolute | 0.8 | 6.9 | 12.9 |
| Rel. to Nifty | (1.3) | 5.2 | 14.7 |

**1-Year share price trend (Rs)**

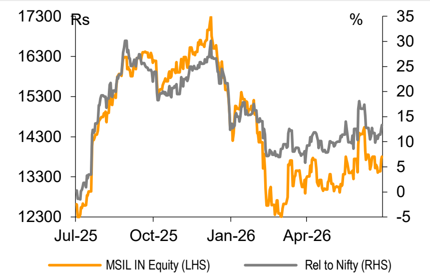



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**Exhibit 1: MSIL's domestic PV market share rose by 324bps qoq to 41.2%; ASPs were up 5% yoy/ flattish qoq**

| Particulars | 1QFY27 | 1QFY26 | yoy (%) | 4QFY26 | qoq (%) |
|---|---|---|---|---|---|
| **Total sales (no of units)** | 682,724 | 527,857 | 29.3 | 676,209 | 1.0 |
| Domestic | 557,988 | 430,885 | 29.5 | 538,994 | 3.5 |
| Exports | 124,736 | 96,972 | 28.6 | 137,215 | (9.1) |
| Realization (Rs) | 768,330 | 731,126 | 5.1 | 775,637 | (0.9) |
| Market share (%) | 41.2 | 38.5 | 263 bps | 37.9 | 324 bps |
| **Market share (incl Toyota supplies)** | 44.1 | 41.6 | 244 bps | 40.8 | 323 bps |

*Source: Company, Emkay Research*

**Exhibit 2: 1QFY27 results snapshot – revenue up ~36% yoy, EBITDAM down by 350bps qoq to 8.2% vs 11.7% in 4QFY26**

| Rs mn | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | 2QFY26 | 3QFY26 | 4QFY26 | 1QFY27 | yoy (%) | qoq (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **ASP (Rs)** | **680,850** | **686,969** | **684,412** | **676,600** | **731,126** | **768,457** | **747,137** | **775,637** | **768,330** | ***5.1*** | ***(0.9)*** |
| *Growth yoy (%)* | *4.9* | *2.3* | *3.0* | *3.3* | *7.4* | *11.9* | *9.2* | *14.6* | *5.1* | | |
| **Volumes (no of units)** | **521,868** | **541,550** | **566,213** | **604,635** | **527,857** | **550,874** | **667,769** | **676,209** | **682,724** | ***29.3*** | ***1.0*** |
| *Growth yoy (%)* | *5* | *(2)* | *13* | *4* | *1* | *2* | *18* | *12* | *29* | | |
| **Revenue** | **355,314** | **372,028** | **387,523** | **409,096** | **385,930** | **423,323** | **498,915** | **524,493** | **524,557** | ***35.9*** | ***0.0*** |
| *Growth yoy (%)* | *9.9* | *0.4* | *16.3* | *7.0* | *8.6* | *13.8* | *28.7* | *28.2* | *35.9* | | |
| **Expenditure** | **310,291** | **327,862** | **336,877** | **360,670** | **339,562** | **372,475** | **443,198** | **462,924** | **481,446** | ***41.8*** | ***4.0*** |
| *as a % of sales* | *87.3* | *88.1* | *86.9* | *88.2* | *88.0* | *88.0* | *88.8* | *88.3* | *91.8* | | |
| Consumption of RM | 249,329 | 267,459 | 273,045 | 289,175 | 273,584 | 304,569 | 362,673 | 384,839 | 403,520 | *47.5* | *4.9* |
| *as a % of sales* | *70.2* | *71.9* | *70.5* | *70.7* | *70.9* | *71.9* | *72.7* | *73.4* | *76.9* | | |
| Employee Cost | 15,576 | 14,688 | 17,799 | 17,981 | 20,432 | 20,456 | 26,929 | 22,473 | 24,569 | *20.2* | *9.3* |
| *as a % of sales* | *4.4* | *3.9* | *4.6* | *4.4* | *5.3* | *4.8* | *5.4* | *4.3* | *4.7* | | |
| Other Expenditure | 45,386 | 45,715 | 46,033 | 53,514 | 45,546 | 47,450 | 53,596 | 55,612 | 53,357 | *17.1* | *(4.1)* |
| *as a % of sales* | *12.8* | *12.3* | *11.9* | *13.1* | *11.8* | *11.2* | *10.7* | *10.6* | *10.2* | | |
| **EBITDA** | **45,023** | **44,166** | **50,646** | **48,426** | **46,368** | **50,848** | **55,717** | **61,569** | **43,111** | ***(7.0)*** | ***(30.0)*** |
| ***EBITDA Margin (%)*** | ***12.7*** | ***11.9*** | ***13.1*** | ***11.8*** | ***12.0*** | ***12.0*** | ***11.2*** | ***11.7*** | ***8.2*** | | |
| Depreciation | 7,310 | 7,509 | 14,287 | 14,614 | 15,557 | 17,028 | 17,343 | 17,477 | 17,800 | *14.4* | *1.8* |
| **EBIT** | **37,713** | **36,657** | **36,359** | **33,812** | **30,811** | **33,820** | **38,374** | **44,092** | **25,311** | ***(17.9)*** | ***(42.6)*** |
| Other Income | 9,751 | 14,750 | 10,672 | 15,282 | 18,717 | 9,661 | 10,543 | 4,998 | 18,737 | *0.1* | *274.9* |
| Interest | 573 | 402 | 463 | 476 | 468 | 572 | 617 | 730 | 635 | *35.7* | *(13.0)* |
| **PBT** | **46,891** | **51,005** | **46,568** | **48,618** | **49,060** | **42,909** | **48,300** | **48,360** | **43,413** | ***(11.5)*** | ***(10.2)*** |
| Total Tax | 10,392 | 20,313 | 9,975 | 10,045 | 11,479 | 9,881 | 10,360 | 12,455 | 9,892 | *(13.8)* | *(20.6)* |
| **Adjusted PAT** | **36,499** | **30,692** | **36,593** | **38,573** | **37,581** | **33,028** | **37,940** | **35,905** | **33,521** | ***(10.8)*** | ***(6.6)*** |
| Extraordinary Items | - | - | - | - | - | - | - | - | - | | |
| **Reported PAT** | **36,499** | **30,692** | **36,593** | **38,573** | **37,581** | **33,028** | **37,940** | **35,905** | **33,521** | ***(10.8)*** | ***(6.6)*** |
| **Adjusted EPS (Rs)** | **116.1** | **97.6** | **116.4** | **122.7** | **119.5** | **105.1** | **120.7** | **114.2** | **106.6** | ***(10.8)*** | ***(6.6)*** |

| (%) | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | 2QFY26 | 3QFY26 | 4QFY26 | 1QFY27 | yoy (bps) | qoq (bps) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| EBITDAM | 12.7 | 11.9 | 13.1 | 11.8 | 12.0 | 12.0 | 11.2 | 11.7 | 8.2 | *(380)* | *(352)* |
| EBITM | 10.6 | 9.9 | 9.4 | 8.3 | 8.0 | 8.0 | 7.7 | 8.4 | 4.8 | *(316)* | *(358)* |
| EBTM | 13.2 | 13.7 | 12.0 | 11.9 | 12.7 | 10.1 | 9.7 | 9.2 | 8.3 | *(444)* | *(94)* |
| PATM | 10.3 | 8.2 | 9.4 | 9.4 | 9.7 | 7.8 | 7.6 | 6.8 | 6.4 | *(335)* | *(46)* |
| Effective Tax Rate | 22.2 | 39.8 | 21.4 | 20.7 | 23.4 | 23.0 | 21.4 | 25.8 | 22.8 | *(61)* | *(297)* |

*Source: Company, Emkay Research*

**Exhibit 3: Actuals vs Estimates**

| Rs mn | Actual | Emkay Est | Variance (%) | Consensus | Variance (%) |
|---|---|---|---|---|---|
| Revenues | 524,557 | 534,842 | *(1.9)* | 523,085 | *0.3* |
| EBIDTA | 43,111 | 57,905 | *(25.5)* | 52,182 | *(17.4)* |
| *Margin (%)* | *8.2* | *10.8* | *(261) bps* | *10.0* | *(176) bps* |
| APAT | 33,521 | 39,455 | *(15.0)* | 34,395 | *(2.5)* |



*Source: Company, Emkay Research*

**Exhibit 4: MSIL's reported EBITM was down by 360bps qoq to 4.8% in 1Q, on account of multiple pull-push factors**

| ***EBITM change (qoq) in 1QFY27 (bps)*** | ***(358)*** |
|---|---|
| ***Draggers (bps)*** | **440** |
| *-- Adverse commodity impact* | *300* |
| *-- Adverse gas cost (higher LPG prices)* | *20* |
| *-- Lower fixed-cost absorption (inventory depletion)* | *30* |
| *-- Unfavorable forex impact* | *30* |
| *-- Higher employee cost impact (seasonality)* | *40* |
| *-- Higher depreciation (Kharkhoda plant)* | *20* |
| | |
| ***Drivers (bps)*** | **60** |
| *-- Higher other operating income* | 30 |
| *-- Lower other opex* | 30 |

*Source: Company, Emkay Research*

**Exhibit 5: MSIL's non-SUV share has increased to 71% in 1QFY27**

| **MSIL Product Mix (%)** | **FY22** | **FY23** | **FY24** | **1QFY25** | **2QFY25** | **3QFY25** | **4QFY25** | **1QFY26** | **2QFY26** | **3QFY26** | **4QFY26** | **1QFY27** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Entry | 15.9 | 14.5 | 8.1 | 7.4 | 7.3 | 6.5 | 7.4 | 5.0 | 5.2 | 6.8 | 7.2 | 8.3 |
| Compact Hatch | 17.2 | 17.0 | 13.6 | 13.3 | 12.9 | 11.9 | 14.3 | 11.6 | 12.1 | 10.1 | 10.1 | 11.5 |
| Entry SUV | 0.0 | 0.0 | 7.7 | 8.7 | 8.7 | 9.8 | 10.4 | 9.6 | 9.7 | 10.0 | 8.5 | 10.0 |
| Premium Hatch | 26.1 | 27.4 | 24.1 | 21.1 | 21.0 | 20.8 | 22.1 | 20.6 | 21.4 | 21.6 | 19.9 | 19.0 |
| Entry Sedan | 9.7 | 9.4 | 9.3 | 10.8 | 7.8 | 9.5 | 9.4 | 12.8 | 14.3 | 11.6 | 12.0 | 12.6 |
| Compact SUV | 8.5 | 9.1 | 10.6 | 10.9 | 12.4 | 12.1 | 9.8 | 12.3 | 9.7 | 8.7 | 10.6 | 7.4 |
| Mid-size SUV | 0.0 | 3.2 | 6.9 | 6.5 | 6.7 | 7.3 | 7.6 | 4.9 | 5.5 | 11.9 | 11.8 | 11.6 |
| SUV | 1.6 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Sedan | 1.2 | 0.8 | 0.6 | 0.5 | 0.5 | 0.4 | 0.5 | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Executive Sedan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Premium SUV | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Vans | 8.1 | 8.2 | 7.8 | 8.1 | 8.2 | 7.9 | 6.8 | 8.4 | 8.3 | 7.3 | 6.9 | 7.0 |
| MPV | 11.7 | 10.2 | 11.3 | 12.9 | 14.5 | 13.9 | 11.7 | 14.3 | 13.7 | 12.0 | 12.9 | 12.6 |
| **SUV share** | **10.1** | **12.6** | **25.2** | **26.1** | **27.9** | **29.1** | **27.8** | **26.8** | **24.9** | **30.6** | **30.9** | **29.0** |
| **Non-SUV share** | **89.9** | **87.4** | **74.8** | **73.9** | **72.1** | **70.9** | **72.2** | **73.2** | **75.1** | **69.4** | **69.1** | **71.0** |

*Source: SIAM, Emkay Research*

**Exhibit 6: MSIL's domestic market share has increased qoq to ~44% in 1QFY27**

| **MSIL's domestic PV market share (%)** | **FY22** | **FY23** | **FY24** | **1QFY25** | **2QFY25** | **3QFY25** | **4QFY25** | **1QFY26** | **2QFY26** | **3QFY26** | **4QFY26** | **1QFY27** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Entry | 80.2 | 90.7 | 93.3 | 93.0 | 94.2 | 93.7 | 95.3 | 92.5 | 95.4 | 96.3 | 96.5 | 97.3 |
| Compact Hatch | 58.8 | 59.3 | 60.6 | 62.6 | 64.6 | 62.1 | 65.3 | 57.7 | 61.2 | 60.5 | 55.4 | 67.6 |
| Entry SUV | - | - | 27.7 | 26.1 | 30.0 | 32.5 | 35.5 | 32.6 | 35.3 | 33.5 | 28.6 | 32.3 |
| Premium Hatch | 69.4 | 70.6 | 68.5 | 67.4 | 71.1 | 72.9 | 77.9 | 70.4 | 68.5 | 73.3 | 73.3 | 75.4 |
| Entry Sedan | 57.1 | 50.9 | 58.2 | 64.7 | 57.2 | 62.6 | 59.3 | 67.5 | 70.1 | 68.6 | 62.3 | 71.6 |
| Compact SUV | 20.0 | 21.4 | 27.6 | 26.2 | 26.7 | 26.5 | 23.4 | 26.1 | 20.8 | 18.7 | 22.2 | 18.6 |
| Mid-size SUV | - | 12.7 | 22.9 | 22.1 | 20.1 | 21.6 | 22.1 | 14.5 | 16.1 | 34.7 | 29.9 | 32.7 |
| SUV | 10.1 | 2.1 | - | - | - | - | - | - | - | - | - | - |
| Sedan | 18.9 | 12.6 | 10.6 | 12.2 | 11.4 | 9.4 | 13.7 | 12.7 | 1.4 | - | - | - |
| Executive Sedan | - | - | - | - | - | - | - | - | - | - | - | - |
| Premium SUV | - | - | - | - | - | - | - | - | - | - | - | - |
| Vans | 95.7 | 94.4 | 92.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| MPV | 60.3 | 49.9 | 51.2 | 51.3 | 52.7 | 48.8 | 46.5 | 46.5 | 43.5 | 45.0 | 46.2 | 48.4 |
| **Domestic PV market share** | **38.9** | **41.3** | **41.8** | **40.9** | **40.3** | **40.2** | **41.5** | **38.5** | **38.2** | **40.8** | **37.9** | **41.2** |
| Sale to other OEMs (Toyota) | 2.3 | 2.2 | 2.4 | 2.4 | 3.0 | 2.5 | 2.2 | 3.1 | 3.7 | 3.4 | 2.9 | 2.9 |
| **Domestic PV market share (incl Toyota)** | **41.2** | **43.5** | **44.2** | **43.2** | **43.4** | **42.7** | **43.7** | **41.6** | **41.8** | **44.2** | **40.8** | **44.1** |



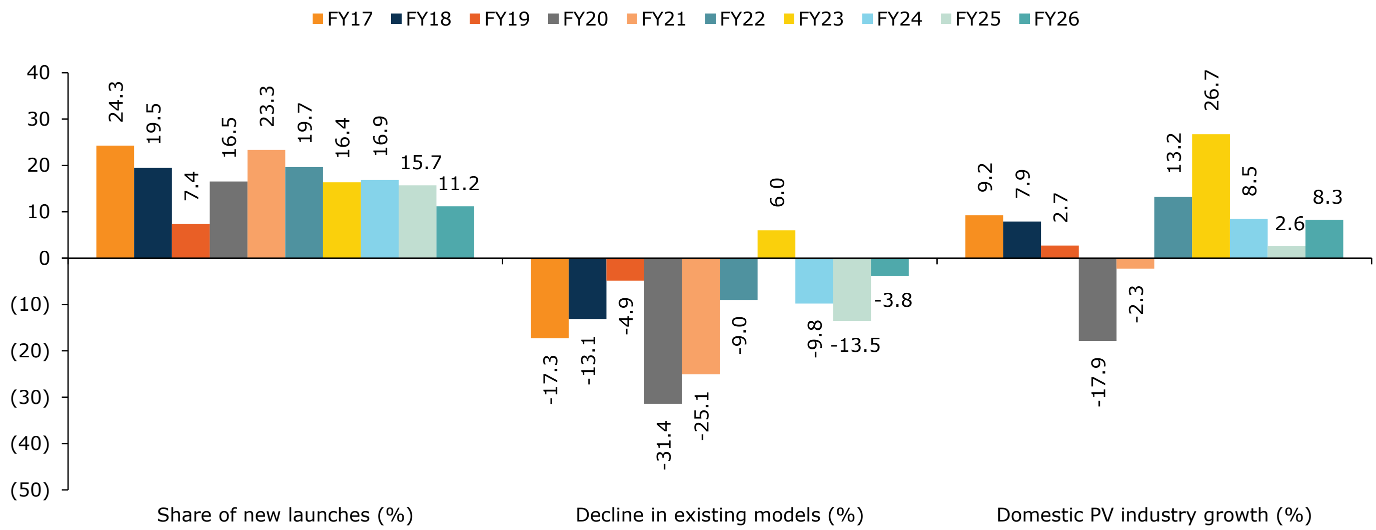
*Source: SIAM, Emkay Research*

**Exhibit 7: MSIL's domestic volume mix – Recently launched *Victoris* contributed ~7% to MSIL's domestic PV volumes in 1QFY27; Wagon R, Dzire, and Fronx saw improvement in volume share in 1QFY27**

| MSIL Volume Mix (%) | FY22 | FY23 | FY24 | 1QFY25 | 2QFY25 | 3QFY25 | 4QFY25 | 1QFY26 | 2QFY26 | 3QFY26 | 4QFY26 | 1QFY27 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Alto | 10.9 | 11.2 | 6.4 | 5.8 | 5.8 | 5.4 | 6.1 | 4.0 | 4.2 | 5.3 | 6.7 | 5.9 |
| Eeco | 8.1 | 8.2 | 7.8 | 8.1 | 8.2 | 7.9 | 6.8 | 8.4 | 8.3 | 7.3 | 6.9 | 7.0 |
| Wagon R | 14.2 | 13.2 | 11.4 | 11.0 | 10.8 | 10.5 | 12.6 | 10.2 | 11.1 | 9.2 | 9.4 | 10.2 |
| IGNIS | 2.4 | 3.7 | 1.8 | 1.6 | 1.7 | 1.3 | 1.7 | 1.3 | 1.4 | 1.3 | 1.0 | - |
| Ertiga | 8.8 | 7.9 | 8.5 | 10.3 | 12.2 | 11.6 | 9.5 | 11.7 | 11.7 | 10.1 | 10.5 | 10.6 |
| CELERIO | 3.0 | 3.8 | 2.3 | 2.3 | 2.1 | 1.4 | 1.7 | 1.4 | 1.0 | 0.9 | 0.7 | 1.3 |
| Vitara Brezza | 8.5 | 9.1 | 9.7 | 10.6 | 11.6 | 11.3 | 9.6 | 12.0 | 9.4 | 8.3 | 10.3 | 7.1 |
| Swift | 12.6 | 11.0 | 11.1 | 9.5 | 10.8 | 9.9 | 10.5 | 10.7 | 10.5 | 10.3 | 9.4 | 9.6 |
| Baleno | 11.1 | 12.6 | 11.1 | 10.0 | 8.5 | 9.6 | 9.9 | 8.6 | 9.5 | 10.0 | 9.5 | 9.4 |
| DZIRE | 9.7 | 9.4 | 9.3 | 10.8 | 7.8 | 9.5 | 9.4 | 12.8 | 14.3 | 11.6 | 12.0 | 12.6 |
| S-Cross | 1.6 | 0.3 | - | - | - | - | - | - | - | - | - | - |
| Ciaz | 1.2 | 0.8 | 0.6 | 0.5 | 0.5 | 0.4 | 0.5 | 0.5 | 0.0 | - | - | - |
| Grand Vitara | - | 3.2 | 6.9 | 6.5 | 6.7 | 7.3 | 7.6 | 4.9 | 4.4 | 5.8 | 3.3 | 3.1 |
| Jimny | - | - | 1.0 | 0.2 | 0.9 | 0.8 | 0.2 | 0.4 | 0.3 | 0.4 | 0.4 | 0.3 |
| Fronx | - | - | 7.7 | 8.7 | 8.7 | 9.8 | 10.4 | 9.6 | 9.7 | 10.0 | 8.5 | 10.0 |
| Invicto | - | - | 0.3 | 0.1 | 0.2 | 0.4 | 0.3 | 0.2 | 0.2 | 0.2 | 0.1 | 0.2 |
| XL6 | 2.9 | 2.3 | 2.6 | 2.4 | 2.2 | 1.9 | 1.9 | 2.5 | 1.8 | 1.7 | 2.3 | 1.9 |
| E-Vitara | - | - | - | - | - | - | - | - | - | - | 0.6 | 1.8 |
| Victoris | - | - | - | - | - | - | - | - | 1.1 | 6.1 | 7.8 | 6.6 |
| S-Presso | 5.0 | 3.3 | 1.7 | 1.5 | 1.5 | 1.0 | 1.3 | 1.0 | 1.0 | 1.5 | 0.5 | 2.4 |

*Source: Emkay Research*

**Exhibit 8: Historically, new model launches have been the key driver of volume growth in the PV industry**




*Source: SIAM, Emkay Research*

**Exhibit 9: Revenue model – We build in 9%/13%/16% volume/revenue/core-EPS CAGR over FY26-29E**

| No of units | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E | FY29E | FY26-29E CAGR |
|---|---|---|---|---|---|---|---|---|---|
| Domestic PC | 932,512 | 1,109,550 | 980,446 | 905,089 | 922,374 | 1,020,412 | 1,041,840 | 1,073,160 | 5% |
| *Growth yoy (%)* | *-5%* | *19%* | *-12%* | *-8%* | *2%* | *11%* | *2%* | *3%* | |
| Domestic SUV | 134,461 | 202,040 | 447,408 | 492,101 | 524,952 | 629,385 | 745,176 | 797,910 | 15% |
| *Growth yoy (%)* | *3%* | *50%* | *121%* | *10%* | *7%* | *20%* | *18%* | *7%* | |
| Domestic MVPs | 156,240 | 164,102 | 194,887 | 228,083 | 236,035 | 252,282 | 261,450 | 272,790 | |
| *Growth yoy (%)* | *37%* | *5%* | *19%* | *17%* | *3%* | *7%* | *4%* | *4%* | |
| Domestic Vans | 108,345 | 131,191 | 137,139 | 135,672 | 139,769 | 153,557 | 160,680 | 163,894 | 5% |
| *Growth yoy (%)* | *3%* | *21%* | *5%* | *-1%* | *3%* | *10%* | *5%* | *2%* | |
| **Domestic PVs** | **1,331,558** | **1,606,883** | **1,759,880** | **1,760,945** | **1,823,130** | **2,055,636** | **2,209,146** | **2,307,754** | |
| *Growth yoy (%)* | *0%* | *21%* | *10%* | *0%* | *4%* | *13%* | *7%* | *4%* | |
| Domestic LCVs | 34,240 | 38,006 | 33,763 | 34,492 | 38,575 | 41,661 | 44,994 | 48,593 | 8% |
| *Growth yoy (%)* | *16%* | *11%* | *-11%* | *2%* | *12%* | *8%* | *8%* | *8%* | |
| **Total Domestic** | **1,365,798** | **1,644,889** | **1,793,643** | **1,795,437** | **1,861,705** | **2,097,297** | **2,254,140** | **2,356,347** | 8% |
| *Growth yoy (%)* | *0%* | *20%* | *9%* | *0%* | *4%* | *13%* | *7%* | | |
| **Exports** | **238,376** | **255,439** | **280,712** | **332,585** | **447,774** | **470,163** | **540,687** | **605,570** | 11% |
| *Growth yoy (%)* | *148%* | *7%* | *10%* | *18%* | *35%* | *5%* | *15%* | *12%* | |
| **Total own PV Volumes** | 1,604,174 | 1,900,328 | 2,074,355 | 2,128,022 | 2,309,479 | 2,567,459 | 2,794,827 | 2,961,917 | 9% |
| *Growth yoy (%)* | *10%* | *18%* | *9%* | *3%* | *9%* | *11%* | *9%* | | |
| **Sales to OEMs** | 48,475 | 61,911 | 58,612 | 106,422 | 113,235 | 120,029 | 127,231 | 134,865 | 6% |
| *Growth yoy (%)* | | | | *82%* | *6%* | *6%* | *6%* | | |
| **Total Volumes** | **1,652,649** | **1,962,239** | **2,132,967** | **2,234,444** | **2,422,714** | **2,687,488** | **2,922,058** | **3,096,781** | 9% |
| *Growth yoy (%)* | *13%* | *18.7%* | *8.7%* | *4.8%* | *8.4%* | *10.9%* | *8.7%* | *6%* | |

| Particulars (Rs mn) | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E | FY29E | FY26-29E CAGR |
|---|---|---|---|---|---|---|---|---|---|
| Volumes (no of units) | 1,652,649 | 1,962,239 | 2,132,967 | 2,234,444 | 2,422,714 | 2,687,488 | 2,922,058 | 3,096,781 | 9% |
| *Growth yoy (%)* | 13.4 | 18.7 | 8.7 | 4.8 | 8.4 | 10.9 | 8.7 | 6.0 | |
| ASP (Rs/unit) | 534,267 | 598,922 | 660,735 | 684,143 | 756,450 | 791,821 | 817,830 | 849,517 | 4% |
| *Growth yoy (%)* | 10.7 | 12.1 | 10.3 | 3.5 | 10.6 | 4.7 | 3.3 | 3.9 | |
| **Revenue** | **882,956** | **1,175,229** | **1,409,326** | **1,528,679** | **1,832,661** | **2,128,010** | **2,389,746** | **2,630,767** | 13% |
| *Growth yoy (%)* | 25.5 | 33.1 | 19.9 | 8.5 | 19.9 | 16.1 | 12.3 | 10.1 | |
| **EBITDA** | **57,012** | **110,077** | **163,601** | **201,492** | **214,502** | **233,465** | **277,640** | **321,268** | 14% |
| EBITDA margin (%) | 6.5 | 9.4 | 11.6 | 13.2 | 11.7 | 11.0 | 11.6 | 12.2 | |
| EBITDA growth (%) | 6.7 | 93.1 | 48.6 | 23.2 | 6.5 | 8.8 | 18.9 | 15.7 | |
| EBITDA (Rs/unit) | 34,497 | 56,098 | 76,701 | 90,175 | 88,538 | 86,871 | 95,015 | 103,743 | |
| **EBIT** | **29,147** | **82,249** | **133,378** | **146,119** | **147,794** | **157,423** | **190,893** | **225,500** | 15% |
| *EBIT margin (%)* | *3.3* | *7.0* | *9.5* | *9.6* | *8.1* | *7.4* | *8.0* | *8.6* | |
| Other income | 17,935 | 21,613 | 38,958 | 50,647 | 43,919 | 53,252 | 60,153 | 71,044 | |
| **PBT** | **45,823** | **101,591** | **170,404** | **194,127** | **188,629** | **207,439** | **247,641** | **294,036** | 16% |
| Tax | 8,160 | 21,099 | 38,310 | 51,151 | 44,175 | 50,823 | 60,734 | 72,112 | |
| *Tax rate (%)* | *18* | *20.8* | *22.5* | *26.3* | *23.4* | *24.5* | *24.5* | *25* | |
| **PAT** | **37,663** | **80,492** | **132,094** | **142,976** | **144,454** | **156,617** | **186,907** | **221,924** | 15% |
| **EPS (Rs)** | **124.7** | **266.5** | **420.1** | **454.8** | **459.5** | **498.1** | **594.5** | **705.9** | 15% |
| **Core EPS (Rs)** | **69.3** | **199.6** | **314.5** | **351.4** | **342.0** | **369.7** | **449.5** | **534.1** | 16% |
| **PER (x)** | **205.5** | **53.4** | **33.9** | **31.3** | **31.0** | **28.6** | **23.9** | **20.6** | |
| **Core PER (x)** | **185.6** | **63.9** | **38.5** | **34.8** | **34.7** | **30.6** | **24.3** | **19.3** | |

*Source: Company, Emkay Research*

### Exhibit 10: We build in 9% volume CAGR over FY27-29E

| No of units | Apr-Jun | | | Jul-Mar | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY26YTD | FY27YTD | yoy (%) | FY26 Rem | FY27E Rem | yoy (%) | FY26 | yoy (%) | FY27E | yoy (%) | FY28E | yoy (%) | FY29E | yoy (%) |
| **Domestic PVs (own)** | **393,568** | **525,228** | **33.5** | **1,429,562** | **1,530,408** | **7.1** | **1,823,130** | **3.5** | **2,055,636** | **12.8** | **2,209,146** | **7.5** | **2,307,754** | **4.5** |
| -- PCs | 198,599 | 269,786 | 35.8 | 723,775 | 750,626 | 3.7 | 922,374 | 1.9 | 1,020,412 | 10.6 | 1,041,840 | 2.1 | 1,073,160 | 3.0 |
| -- SUVs | 105,447 | 152,466 | 44.6 | 419,505 | 476,919 | 13.7 | 524,952 | 6.7 | 629,385 | 19.9 | 745,176 | 18.4 | 797,910 | 7.1 |
| -- MPVs | 56,417 | 66,419 | 17.7 | 179,618 | 185,863 | 3.5 | 236,035 | 3.5 | 252,282 | 6.9 | 261,450 | 3.6 | 272,790 | 4.3 |
| -- Vans | 33,105 | 36,557 | 10.4 | 106,664 | 117,000 | 9.7 | 139,769 | 3.0 | 153,557 | 9.9 | 160,680 | 4.6 | 163,894 | 2.0 |
| **Sales to OEMs** | **28,807** | **23,181** | **-19.5** | **84,428** | **96,848** | **14.7** | **113,235** | **6.4** | **120,029** | **6.0** | **127,231** | **6.0** | **134,865** | **6.0** |
| **LCV** | **8,510** | **9,579** | **12.6** | **30,065** | **32,082** | **6.7** | **38,575** | **11.8** | **41,661** | **8.0** | **44,994** | **8.0** | **48,593** | **8.0** |
| **Exports** | **96,972** | **124,736** | **28.6** | **350,802** | **345,427** | **-1.5** | **447,774** | **34.6** | **470,163** | **5.0** | **540,687** | **15.0** | **605,570** | **12.0** |
| **Total** | **527,857** | **682,724** | **29.3** | **1,894,857** | **2,004,764** | **5.8** | **2,422,714** | **8.4** | **2,687,488** | **10.9** | **2,922,058** | **8.7** | **3,096,781** | **6.0** |

| Monthly run rate | Apr-Jun | | | Jul-Mar | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | FY26YTD | FY27YTD | yoy (%) | FY26 Rem | FY27E Rem | yoy (%) | FY26 | yoy (%) | FY27E | yoy (%) | FY28E | yoy (%) | FY29E | yoy (%) |
| **Domestic PVs (own)** | **112,384** | **152,936** | **36.1** | **138,883** | **149,394** | **7.6** | **132,258** | **3.5** | **150,279** | **13.6** | **162,308** | **8.0** | **169,580** | **4.5** |
| -- PCs | 66,200 | 89,929 | 35.8 | 80,419 | 83,403 | 3.7 | 76,865 | 1.9 | 85,034 | 10.6 | 86,820 | 2.1 | 89,430 | 3.0 |
| -- UVs | 35,149 | 50,822 | 44.6 | 46,612 | 52,991 | 13.7 | 43,746 | 6.7 | 52,449 | 19.9 | 62,098 | 18.4 | 66,492 | 7.1 |
| -- Vans | 11,035 | 12,186 | 10.4 | 11,852 | 13,000 | 9.7 | 11,647 | 3.0 | 12,796 | 9.9 | 13,390 | 4.6 | 13,658 | 2.0 |
| Sales to OEMs | 9,602 | 7,727 | -19.5 | 9,381 | 10,761 | 14.7 | 9,436 | 6.4 | 10,002 | 6.0 | 10,603 | 6.0 | 11,239 | 6.0 |
| LCV | 2,837 | 3,193 | 12.6 | 3,341 | 3,565 | 6.7 | 3,215 | 11.8 | 3,472 | 8.0 | 3,749 | 8.0 | 4,049 | 8.0 |
| Exports | 32,324 | 41,579 | 28.6 | 38,978 | 38,381 | -1.5 | 37,315 | 34.6 | 39,180 | 5.0 | 45,057 | 15.0 | 50,464 | 12.0 |
| **Total** | **175,952** | **227,575** | **29.3** | **210,540** | **222,752** | **5.8** | **201,893** | **8.4** | **223,957** | **10.9** | **243,505** | **8.7** | **258,065** | **6.0** |

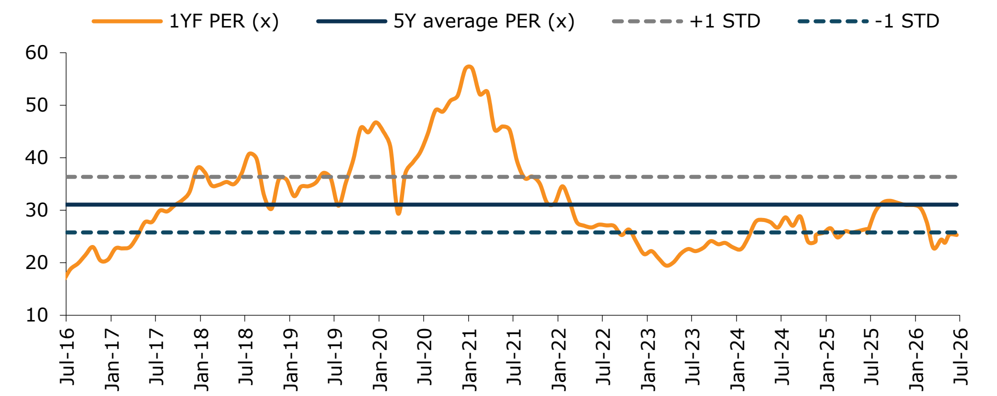
*Source: Company, Emkay Research*

### Exhibit 11: FY27-28E EPS cut by 5-10% to factor in slower-than-anticipated margin recovery

| Standalone | FY27E | | | | FY28E | | | | FY29E | |
|---|---|---|---|---|---|---|---|---|---|---|
| (Rs mn) | Earlier | Revised | Change % | yoy % | Earlier | Revised | Change % | yoy % | Introduced | yoy (%) |
| Volumes (no of units) | 2,680,756 | 2,687,488 | 0.3 | 10.9 | 2,882,403 | 2,922,058 | 1.4 | 8.7 | 3,096,781 | 6.0 |
| ASP | 798,860 | 791,821 | (0.9) | 4.7 | 828,146 | 817,830 | (1.2) | 3.3 | 849,517 | 3.9 |
| Revenue | 2,141,548 | 2,128,010 | (0.6) | 16.1 | 2,387,050 | 2,389,746 | 0.1 | 12.3 | 2,630,767 | 10.1 |
| EBITDA | 254,222 | 233,465 | (8.2) | 8.8 | 289,893 | 277,640 | (4.2) | 18.9 | 321,268 | 15.7 |
| *Margin (%)* | 11.9 | 11.0 | (90) bps | (73) bps | 12.1 | 11.6 | (53) bps | 65 bps | 12.2 | 59 bps |
| Depreciation | 76,843 | 76,843 | 0.0 | 14.0 | 87,668 | 87,668 | 0.0 | 14.1 | 95,768 | 9.2 |
| EBIT | 177,379 | 156,622 | (11.7) | 6.5 | 202,225 | 189,972 | (6.1) | 21.3 | 225,500 | 18.7 |
| *Margin (%)* | 8.3 | 7.4 | (92) bps | (67) bps | 8.5 | 7.9 | (52) bps | 59 bps | 8.6 | 62 bps |
| Other income | 53,252 | 53,252 | 0.0 | 21.3 | 60,153 | 60,153 | 0.0 | 13.0 | 71,044 | 18.1 |
| PAT | 172,288 | 156,617 | (9.1) | 8.4 | 196,155 | 186,907 | (4.7) | 19.3 | 221,924 | 18.7 |
| **EPS (Rs)** | **548.0** | **498.1** | **(9.1)** | **8.4** | **623.9** | **594.5** | **(4.7)** | **19.3** | **705.9** | **18.7** |
| Core EPS (Rs) | 419.2 | 369.7 | (11.8) | 8.1 | 478.7 | 449.5 | (6.1) | 21.6 | 528.4 | **17.6** |
| Monthly run rate | 223,396 | 223,957 | 0.3 | 10.9 | 240,200 | 243,505 | 1.4 | 8.7 | 258,065 | 6.0 |

*Source: Company, Emkay Research*

### Exhibit 12: At CMP, MSIL trades near its -1SD on 1YF PER basis




*Source: Emkay Research*

### Exhibit 13: Valuation matrix – peer companies

| Company Name | Price | Mkt Cap | Reco | Target Price | % Upside / (Downside) | FY26-28E Revenue CAGR | FY26-28E EPS CAGR | PER (x) | | | | PBV (x) | | | | EV/EBITDA (x) | | | | ROE (%) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (Rs) | (Rs bn) | | (Rs) | | (%) | (%) | FY25 | FY26 | FY27E | FY28E | FY25 | FY26e | FY27e | FY28e | FY25 | FY26 | FY27E | FY28E | FY25 | FY26 | FY27E | FY28E |
| Ather Energy | 1,260 | 497 | Buy | 1,350 | 7.1 | 46% | LTP | -45.1 | -93.5 | -162.6 | 212.7 | 74.3 | 18.6 | 21.0 | 19.1 | -56.9 | -103.4 | -313.2 | 107.9 | -156.4 | -33.4 | -12.1 | 9.4 |
| TVS Motor | 4,313 | 2,049 | Buy | 5,300 | 22.9 | 21% | 30% | 78.7 | 56.0 | 40.7 | 33.0 | 20.7 | 18.2 | 13.3 | 10.0 | 43.8 | 32.3 | 24.7 | 20.3 | 29.5 | 34.6 | 37.7 | 34.6 |
| Bajaj Auto | 11,521 | 3,220 | Buy | 13,700 | 18.9 | 18% | 17% | 39.5 | 32.7 | 26.4 | 23.8 | 10.0 | 9.2 | 8.8 | 7.7 | 28.8 | 24.0 | 18.9 | 16.6 | 28.6 | 29.3 | 33.9 | 34.7 |
| Eicher Motors | 7,834 | 2,150 | Buy | 9,100 | 16.2 | 21% | 19% | 45.4 | 38.2 | 32.1 | 27.1 | 10.1 | 8.6 | 7.4 | 6.3 | 42.7 | 34.3 | 26.8 | 22.1 | 24.1 | 24.0 | 24.6 | 25.1 |
| Hero MotoCorp | 5,386 | 1,078 | Add | 6,000 | 11.4 | 9% | 5% | 23.3 | 20.0 | 19.6 | 18.1 | 5.4 | 5.0 | 4.6 | 4.3 | 14.3 | 11.7 | 11.4 | 10.3 | 24.4 | 26.0 | 24.5 | 24.7 |
| Ola Electric Mobility | 39 | 179 | Sell | 30 | -22.4 | 14% | -9% | -7.6 | -9.3 | -11.6 | -11.3 | 3.3 | 5.1 | 7.5 | 22.7 | -11.4 | -21.2 | -35.4 | -38.6 | -62.9 | -43.1 | -53.4 | -100.3 |
| Maruti Suzuki India | 14,234 | 4,475 | Add | 15,500 | 8.9 | 10% | 14% | 31.3 | 31.0 | 28.6 | 23.9 | 4.7 | 4.3 | 3.9 | 3.5 | 19.1 | 17.4 | 15.2 | 12.4 | 16.0 | 14.5 | 14.2 | 15.3 |
| Hyundai Motor India | 2,181 | 1,772 | Buy | 2,450 | 12.3 | 16% | 19% | 31.4 | 32.6 | 30.5 | 23.0 | 10.9 | 8.9 | 7.5 | 6.1 | 17.5 | 18.0 | 16.3 | 12.3 | 41.8 | 29.9 | 26.6 | 29.2 |
| Mahindra & Mahindra | 3,399 | 4,226 | Buy | 4,100 | 20.6 | 15% | 9% | 34.4 | 26.0 | 24.7 | 21.9 | 6.9 | 5.7 | 4.9 | 4.2 | 20.2 | 17.5 | 16.3 | 13.6 | 20.8 | 23.2 | 20.5 | 20.0 |
| Tata Motors PV | 340 | 1,251 | Add | 390 | 14.8 | 14% | 163% | 0.0 | 49.9 | 10.7 | 7.2 | 0.0 | 1.1 | 1.0 | 0.9 | 0.0 | 7.9 | 4.3 | 3.2 | 0.0 | 4.5 | 9.9 | 13.2 |
| Tata Motors | 437 | 1,609 | Buy | 650 | 48.8 | 14% | 14% | 28.6 | 22.8 | 20.2 | 17.6 | 19.7 | 12.0 | 7.5 | 5.3 | 20.6 | 15.5 | 12.5 | 10.5 | 137.9 | 64.6 | 45.8 | 35.2 |
| Ashok Leyland | 166 | 976 | Buy | 220 | 32.4 | 13% | 18% | 30.5 | 24.9 | 21.6 | 18.0 | 8.5 | 7.4 | 6.0 | 5.0 | 18.7 | 15.8 | 13.1 | 10.7 | 31.5 | 31.8 | 30.9 | 30.3 |
| Escorts | 3,086 | 345 | Buy | 4,000 | 29.6 | 9% | 10% | 30.4 | 25.4 | 23.0 | 21.1 | 3.3 | 2.8 | 2.6 | 2.4 | 25.4 | 17.5 | 16.2 | 13.9 | 11.5 | 11.9 | 11.6 | 11.6 |

*Source: Company, Emkay Research*

# Maruti Suzuki India: Standalone Financials and Valuations

## Profit & Loss

| Y/E Mar (Rs mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| **Revenue** | **1,528,679** | **1,832,661** | **2,128,010** | **2,389,746** | **2,630,767** |
| Revenue growth (%) | 8.5 | 19.9 | 16.1 | 12.3 | 10.1 |
| **EBITDA** | **201,492** | **214,502** | **233,465** | **277,640** | **321,268** |
| EBITDA growth (%) | 23.2 | 6.5 | 8.8 | 18.9 | 15.7 |
| Depreciation & Amortization | 56,070 | 67,405 | 76,843 | 87,668 | 95,768 |
| **EBIT** | **145,422** | **147,097** | **156,622** | **189,972** | **225,500** |
| EBIT growth (%) | 9.0 | 1.2 | 6.5 | 21.3 | 18.7 |
| Other operating income | - | - | - | - | - |
| Other income | 50,647 | 43,919 | 53,252 | 60,153 | 71,044 |
| Financial expense | 1,942 | 2,387 | 2,435 | 2,483 | 2,508 |
| **PBT** | **194,127** | **188,629** | **207,439** | **247,641** | **294,036** |
| Extraordinary items | 0 | 0 | 0 | 0 | 0 |
| Taxes | 51,151 | 44,175 | 50,823 | 60,734 | 72,112 |
| Minority interest | - | - | - | - | - |
| Income from JV/Associates | - | - | - | - | - |
| **Reported PAT** | **142,976** | **144,454** | **156,617** | **186,907** | **221,924** |
| PAT growth (%) | 8.2 | 1.0 | 8.4 | 19.3 | 18.7 |
| **Adjusted PAT** | **142,976** | **144,454** | **156,617** | **186,907** | **221,924** |
| **Diluted EPS (Rs)** | **454.8** | **459.5** | **498.1** | **594.5** | **705.9** |
| Diluted EPS growth (%) | 8.2 | 1.0 | 8.4 | 19.3 | 18.7 |
| **DPS (Rs)** | **135.0** | **140.0** | **151.8** | **181.1** | **215.1** |
| **Dividend payout (%)** | **29.7** | **30.5** | **30.5** | **30.5** | **30.5** |
| EBITDA margin (%) | 13.2 | 11.7 | 11.0 | 11.6 | 12.2 |
| EBIT margin (%) | 9.5 | 8.0 | 7.4 | 7.9 | 8.6 |
| Effective tax rate (%) | 26.3 | 23.4 | 24.5 | 24.5 | 24.5 |
| **NOPLAT (pre-IndAS)** | **107,104** | **112,648** | **118,250** | **143,381** | **170,196** |
| Shares outstanding (mn) | 314 | 314 | 314 | 314 | 314 |

*Source: Company, Emkay Research*

## Balance Sheet

| Y/E Mar (Rs mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Share capital | 1,572 | 1,572 | 1,572 | 1,572 | 1,572 |
| Reserves & Surplus | 942,709 | 1,049,526 | 1,158,421 | 1,288,376 | 1,442,678 |
| **Net worth** | **944,281** | **1,051,098** | **1,159,993** | **1,289,948** | **1,444,250** |
| Minority interests | - | - | - | - | - |
| Non-current liab. & prov. | 15,252 | 17,112 | 18,203 | 19,505 | 21,052 |
| **Total debt** | **870** | **1,025** | **1,093** | **1,150** | **1,203** |
| **Total liabilities & equity** | **994,227** | **1,101,987** | **1,217,641** | **1,353,674** | **1,513,919** |
| Net tangible fixed assets | 317,441 | 332,847 | 399,886 | 441,718 | 0 |
| Net intangible assets | 6,368 | 6,368 | 6,368 | 6,368 | 0 |
| Net ROU assets | - | - | - | - | - |
| Capital WIP | 79,290 | 98,382 | 84,500 | 45,000 | 45,000 |
| Goodwill | - | - | - | - | - |
| Investments [JV/Associates] | 17,090 | 17,090 | 17,090 | 17,090 | 17,090 |
| **Cash & equivalents** | **632,820** | **746,329** | **921,607** | **1,041,338** | **1,235,178** |
| Current assets (ex-cash) | 196,381 | 219,105 | 185,047 | 222,047 | 244,442 |
| Current Liab. & Prov. | 297,109 | 365,435 | 451,236 | 480,230 | 535,942 |
| **NWC (ex-cash)** | **(100,728)** | **(146,330)** | **(266,190)** | **(258,183)** | **(291,501)** |
| **Total assets** | **994,227** | **1,101,987** | **1,217,641** | **1,353,674** | **1,513,919** |
| Net debt | (631,950) | (745,304) | (920,514) | (1,040,188) | (1,233,976) |
| Capital employed | 994,227 | 1,101,987 | 1,217,641 | 1,353,674 | 1,513,919 |
| **Invested capital** | **228,985** | **198,789** | **145,968** | **195,807** | **156,721** |
| BVPS (Rs) | 3,003.4 | 3,343.2 | 3,689.5 | 4,102.9 | 4,593.7 |
| Net Debt/Equity (x) | (0.7) | (0.7) | (0.8) | (0.8) | (0.9) |
| Net Debt/EBITDA (x) | (3.1) | (3.5) | (3.9) | (3.7) | (3.8) |
| Interest coverage (x) | 101.0 | 80.0 | 86.2 | 100.7 | 118.2 |
| **RoCE (%)** | **22.0** | **19.1** | **19.0** | **20.4** | **21.7** |

*Source: Company, Emkay Research*

## Cash flows

| Y/E Mar (Rs mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| PBT (ex-other income) | 194,127 | 188,629 | 207,439 | 247,641 | 294,036 |
| Others (non-cash items) | - | - | - | - | - |
| Taxes paid | (38,047) | (43,351) | (49,732) | (59,432) | (70,566) |
| Change in NWC | (3,352) | 16,375 | 114,675 | (18,482) | 21,502 |
| **Operating cash flow** | **161,314** | **190,631** | **351,661** | **259,879** | **343,248** |
| Capital expenditure | (105,796) | (103,444) | (130,000) | (90,000) | (90,000) |
| Acquisition of business | - | - | - | - | - |
| Interest & dividend income | - | - | - | - | - |
| **Investing cash flow** | **(144,523)** | **(146,960)** | **(314,244)** | **(195,000)** | **(210,000)** |
| Equity raised/(repaid) | 0 | 0 | 0 | 0 | 0 |
| Debt raised/(repaid) | (331) | 0 | 68 | 57 | 53 |
| Payment of lease liabilities | 0 | 0 | 0 | 0 | 0 |
| Interest paid | (1,667) | (2,037) | (2,435) | (2,483) | (2,508) |
| Dividend paid (incl tax) | (39,300) | (42,444) | (44,016) | (47,722) | (56,952) |
| Others | (253) | (359) | 0 | 0 | 0 |
| **Financing cash flow** | **(41,551)** | **(44,840)** | **(46,383)** | **(50,148)** | **(59,407)** |
| Net chg in Cash | (24,760) | (1,169) | (8,966) | 14,731 | 73,840 |
| OCF | 161,314 | 190,631 | 351,661 | 259,879 | 343,248 |
| Adj. OCF (w/o NWC chg.) | 164,666 | 174,256 | 236,986 | 278,361 | 321,746 |
| FCFF | 55,518 | 87,187 | 221,661 | 169,879 | 253,248 |
| FCFE | 53,576 | 84,800 | 219,226 | 167,396 | 250,740 |
| OCF/EBITDA (%) | 80.1 | 88.9 | 150.6 | 93.6 | 106.8 |
| FCFE/PAT (%) | 37.5 | 58.7 | 140.0 | 89.6 | 113.0 |
| **FCFF/NOPLAT (%)** | **51.8** | **77.4** | **187.5** | **118.5** | **148.8** |

*Source: Company, Emkay Research*

## Valuations and key Ratios

| Y/E Mar | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| P/E (x) | 31.3 | 31.0 | 28.6 | 23.9 | 20.2 |
| P/CE(x) | 22.5 | 21.1 | 19.2 | 16.3 | 14.1 |
| P/B (x) | 4.7 | 4.3 | 3.9 | 3.5 | 3.1 |
| EV/Sales (x) | 2.5 | 2.0 | 1.7 | 1.4 | 1.2 |
| EV/EBITDA (x) | 19.1 | 17.4 | 15.2 | 12.4 | 10.1 |
| EV/EBIT(x) | 26.4 | 25.4 | 22.7 | 18.1 | 14.4 |
| EV/IC (x) | 16.8 | 18.8 | 24.4 | 17.5 | 20.7 |
| FCFF yield (%) | 1.4 | 2.3 | 6.2 | 4.9 | 7.8 |
| FCFE yield (%) | 1.2 | 1.9 | 4.9 | 3.7 | 5.6 |
| Dividend yield (%) | 0.9 | 1.0 | 1.1 | 1.3 | 1.5 |
| **DuPont-RoE split** | | | | | |
| Net profit margin (%) | 9.4 | 7.9 | 7.4 | 7.8 | 8.4 |
| Total asset turnover (x) | 1.6 | 1.7 | 1.8 | 1.9 | 1.8 |
| Assets/Equity (x) | 1.0 | 1.1 | 1.0 | 1.0 | 1.0 |
| **RoE (%)** | **16.0** | **14.5** | **14.2** | **15.3** | **16.2** |
| **DuPont-RoIC** | | | | | |
| NOPLAT margin (%) | 7.0 | 6.1 | 5.6 | 6.0 | 6.5 |
| IC turnover (x) | 9.6 | 8.6 | 12.3 | 14.0 | 14.9 |
| **RoIC (%)** | **67.5** | **52.7** | **68.6** | **83.9** | **96.6** |
| **Operating metrics** | | | | | |
| Core NWC days | (24.1) | (29.1) | (45.7) | (39.4) | (40.4) |
| **Total NWC days** | **(24.1)** | **(29.1)** | **(45.7)** | **(39.4)** | **(40.4)** |
| Fixed asset turnover | 2.9 | 2.7 | 2.7 | 2.6 | 2.5 |
| Opex-to-revenue (%) | 16.5 | 16.0 | 15.0 | 14.8 | 14.6 |

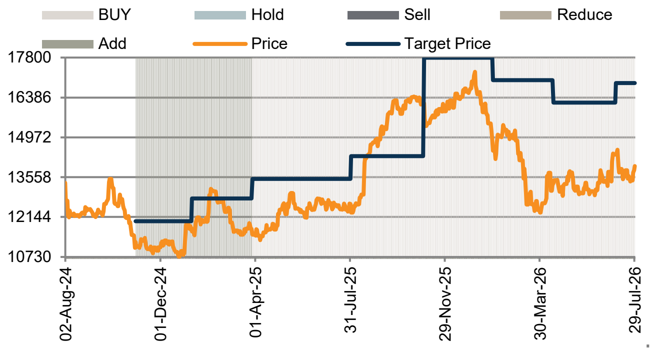
*Source: Company, Emkay Research*

## RECOMMENDATION HISTORY - DETAILS

| Date | Closing Price (Rs) | TP (Rs) | Rating | Analyst |
|---|---|---|---|---|
| 05-Jul-26 | 14,366 | 16,900 | Buy | Chirag Jain |
| 29-Apr-26 | 13,257 | 16,200 | Buy | Chirag Jain |
| 16-Apr-26 | 13,335 | 16,200 | Buy | Chirag Jain |
| 09-Mar-26 | 13,508 | 17,000 | Buy | Chirag Jain |
| 29-Jan-26 | 14,502 | 17,000 | Buy | Chirag Jain |
| 02-Nov-25 | 16,186 | 17,800 | Buy | Chirag Jain |
| 01-Aug-25 | 12,302 | 14,300 | Buy | Chirag Jain |
| 01-Aug-25 | 12,302 | 14,300 | Buy | Chirag Jain |
| 10-Jun-25 | 12,520 | 13,500 | Buy | Chirag Jain |
| 27-Apr-25 | 11,698 | 13,500 | Buy | Chirag Jain |
| 16-Apr-25 | 11,664 | 13,500 | Buy | Chirag Jain |
| 28-Mar-25 | 11,522 | 13,500 | Buy | Chirag Jain |
| 29-Jan-25 | 11,978 | 12,800 | Add | Chirag Jain |
| 10-Jan-25 | 11,631 | 12,800 | Add | Chirag Jain |
| 18-Dec-24 | 11,002 | 12,000 | Add | Chirag Jain |
| 30-Oct-24 | 11,256 | 12,000 | Add | Chirag Jain |
| 01-Aug-24 | 13,359 | 12,000 | Reduce | Chirag Jain |

*Source: Company, Emkay Research*

## RECOMMENDATION HISTORY - TREND




*Source: Company, Bloomberg, Emkay Research*

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

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