

Shriram Pistons (SPRL) posted a healthy Q4FY25 performance, with ~16%/9% YoY consolidated/standalone revenue growth, accompanied by 120bps/100bps QoQ consolidated/standalone EBITDA margin expansion to 21.3%/22.2%. Adjusted for the recent TGPEL acquisition, consolidated revenue growth stood at 12% with ~40bps QoQ EBITDA margin expansion. SPRL highlighted the strong order visibility, and targets sustained growth momentum against the backdrop of a subdued demand environment on the back of diversified presence across powertrains and growing capabilities across applications owing to recent acquisitions. We raise FY26E/27E EPS by 2%/4.5% (implying 13% FY25-27E EPS CAGR), on sustained growth momentum and ramp-up in subsidiaries with over 20% return ratios. Valuations at 14x FY27E PER remain attractive. We retain BUY with unchanged TP of Rs2,850 at 20x FY27E PER.

Healthy quarter with in-line margin performance

Revenues grew 16% YoY to Rs9.8bn (~5% beat on estimates), aided by consolidation of TGPEL (we estimate consolidated revenues ex-TGPEL to have grown ~12% YoY). EBITDA grew 19% YoY to ~Rs2.1bn (~10% beat on estimates), with EBITDA margin expanding by ~120bps QoQ to 21.3%, driven by lower employee cost and other expenses (though gross margins contracted by ~260bps QoQ; we estimate consolidated margins ex-TGPEL at ~20.5%). Standalone EBITDA margin rose by ~100bps QoQ to 22.2%; subsidiary margins accelerated to 15.2% in Q4 vs 9.8% in Q3. Consolidated PAT grew ~22.5% YoY to Rs1.4bn.

Earnings Call KTAs

SPRL has guided to sustained outperformance vs the underlying industry, against the backdrop of a relatively subdued domestic and global demand momentum. In Q4FY25, SPRL revenue growth stood at 15% vs 3% growth in underlying industry volumes (2Ws/PVs grew 9%/5%, while CVs de-grew 1%). 2) SPRL believes that all powertrains would continue to co-exist amid enhanced focus on cleaner/alternative fuel technologies like hydrogen, biofuel, etc; SPRL would benefit from this owing to its diversified presence and offerings across powertrain technologies. Collectively, Takahata and EMFi generate less than 15% of their combined revenue from ICE-related products. 3) SPRL has doubled the revenue of its subsidiary EMFi in FY25 (vs ~Rs130mn in FY24) despite regulatory delays; EMFi has onboarded multiple customers with its new plant, to operationalize by Jun-25; several customer programs are already undergoing validation/approval. 4) The recent acquisition of Karna Intertech, a key GDC (gravity die casting) products supplier to SPRL, is a strategic step toward backward integration; Karna's skillset and machinery to enable seamless manufacturing, minimize supply chain disruptions, and strengthen SPRL's tooling capabilities. 5) TGPEL and Karna have significantly expanded SPRL's injection molding product portfolio, positioning the company favorably to offer a wider range of products across applications. 6) SPRL is actively exploring synergistic M&A opportunities (both domestic and international) focused on its existing business domains.

Target Price – 12M	Mar-26
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	34.3

Stock Data	SPRL IN
52-week High (Rs)	2,399
52-week Low (Rs)	1,556
Shares outstanding (mn)	44.0
Market-cap (Rs bn)	93
Market-cap (USD mn)	1,090
Net-debt, FY25E (Rs mn)	(5,701)
ADTV-3M (mn shares)	0
ADTV-3M (Rs mn)	119.6
ADTV-3M (USD mn)	1.4
Free float (%)	53.3
Nifty-50	24,273.8
INR/USD	85.7

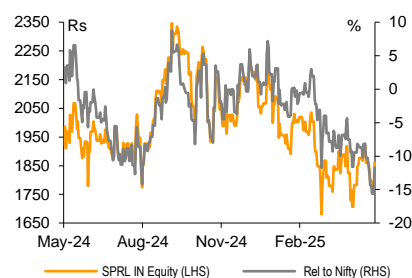
Shareholding, Mar-25

Promoters (%)	43.8
FPIs/MFs (%)	5.3/13.1

Price Performance

(%)	1M	3M	12M
Absolute	20.3	5.1	6.8
Rel. to Nifty	11.7	2.0	(1.9)

1-Year share price trend (Rs)



Shriram Pistons & Rings: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Revenue	26,093	30,893	35,498	39,898	43,714
EBITDA	4,604	6,420	7,243	8,460	9,313
Adj. PAT	2,935	4,425	5,067	5,943	6,556
Adj. EPS (Rs)	66.6	100.5	115.0	134.9	148.8
EBITDA margin (%)	17.6	20.8	20.4	21.2	21.3
EBITDA growth (%)	51.2	39.5	12.8	16.8	10.1
Adj. EPS growth (%)	79.4	50.8	14.5	17.3	10.3
RoE (%)	21.1	25.6	23.5	22.5	20.6
RoIC (%)	24.7	29.4	26.5	26.3	25.7
P/E (x)	31.9	21.1	18.4	15.7	14.3
EV/EBITDA (x)	19.5	13.8	12.2	10.5	9.5
P/B (x)	6.1	4.9	3.9	3.2	2.7
FCFF yield (%)	3.0	3.9	3.0	4.4	5.4

Source: Company, Emkay Research

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Exhibit 1: Q4 Consolidated snapshot – Revenue up 15.5% YoY (aided by the TGPEL acquisition), with margins up by 116bps QoQ at 21.3%

Particulars (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY %	QoQ %
Revenue	7,164	7,516	7,657	8,556	8,371	8,765	8,479	9,884	15.5	16.6
Expenditure	5,703	5,940	6,044	6,786	6,716	6,986	6,773	7,780	14.7	14.9
as a % of sales	79.6	79.0	78.9	79.3	80.2	79.7	79.9	78.7		
Consumption of RM	2,850	2,888	3,040	3,700	3,461	3,642	3,472	4,302	16.3	23.9
as a % of sales	39.8	38.4	39.7	43.2	41.4	41.5	40.9	43.5		
Employee Cost	1,107	1,155	1,192	1,192	1,290	1,260	1,264	1,324	11.1	4.8
as a % of sales	15.4	15.4	15.6	13.9	15.4	14.4	14.9	13.4		
Other expenditure	1,746	1,898	1,813	1,894	1,965	2,084	2,038	2,154	13.7	5.7
as a % of sales	24.4	25.3	23.7	22.1	23.5	23.8	24.0	21.8		
EBITDA	1,462	1,576	1,613	1,770	1,655	1,779	1,706	2,103	18.8	23.3
EBITDA margin (%)	20.4	21.0	21.1	20.7	19.8	20.3	20.1	21.3		
Depreciation	227	225	290	336	295	310	308	283	(15.8)	(8.3)
EBIT	1,235	1,351	1,323	1,434	1,359	1,469	1,397	1,821	26.9	30.3
Other Income	191	230	193	239	263	304	272	274	14.6	0.7
Interest	62	67	82	94	86	94	79	84	(11.0)	6.6
PBT	1,364	1,515	1,434	1,579	1,536	1,679	1,591	2,011	27.3	26.4
Total Tax	349	385	357	415	364	420	381	495	19.5	29.9
Adjusted PAT	1,020	1,137	1,074	1,196	1,155	1,248	1,199	1,466	22.5	22.2
Exceptional items Loss/(Gain)	0	0	0	0	0	0	0	0		
Reported PAT	1,020	1,137	1,074	1,196	1,155	1,248	1,199	1,466	22.5	22.2
Adjusted EPS (Rs)	23.1	25.8	24.4	27.2	26.2	28.3	27.2	33.3	22.5	22.2
(%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY bps	QoQ bps
EBITDAM	20.4	21.0	21.1	20.7	19.8	20.3	20.1	21.3	59	116
EBITM	17.2	18.0	17.3	16.8	16.2	16.8	16.5	18.4	166	194
EBTM	19.0	20.2	18.7	18.5	18.3	19.2	18.8	20.3	189	158
PATM	14.2	15.1	14.0	14.0	13.8	14.2	14.1	14.8	85	69
Effective Tax rate	25.6	25.4	24.9	26.2	23.7	25.0	24.0	24.6	(162)	67

Source: Company, Emkay Research

Exhibit 2: Actual vs Estimates

Rs mn	Actual	Emkay Est	Var %
Net sales	9,884	9,399	5.2
EBITDA	2,103	1,916	9.8
EBITDA Margin (%)	21.3	20.4	90 bps
Adj net income	1,466	1,410	3.9
EPS (Rs)	33.3	32.0	3.9

Source: Company, Emkay Research

Exhibit 3: Q4 Standalone snapshot – Revenue up 9.4%, with EBITDA margin expansion of 107bps QoQ to 22.2%

(Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY %	QoQ %
Revenue	7,139	7,501	7,085	7,813	7,612	7,940	7,696	8,548	9.4	11.1
Expenditure	5,664	5,915	5,535	6,123	6,048	6,272	6,067	6,647	8.6	9.6
as a % of sales	79.3	78.9	78.1	78.4	79.5	79.0	78.8	77.8		
Consumption of RM	2,826	2,874	2,670	3,205	2,975	3,119	2,969	3,514	9.6	18.3
as a % of sales	39.6	38.3	37.7	41.0	39.1	39.3	38.6	41.1		
Employee Cost	1,097	1,145	1,114	1,128	1,211	1,185	1,181	1,199	6.4	1.6
as a % of sales	15.4	15.3	15.7	14.4	15.9	14.9	15.3	14.0		
Other expenditure	1,742	1,896	1,752	1,790	1,862	1,967	1,917	1,934	8.0	0.9
as a % of sales	24.4	25.3	24.7	22.9	24.5	24.8	24.9	22.6		
EBITDA	1,475	1,586	1,550	1,690	1,564	1,668	1,629	1,901	12.5	16.7
EBITDAM (%)	20.7	21.1	21.9	21.6	20.5	21.0	21.2	22.2		
Depreciation	211	210	228	225	209	217	217	222	(1.1)	2.1
EBIT	1,264	1,376	1,322	1,466	1,354	1,451	1,412	1,679	14.6	18.9
Other Income	184	227	186	216	243	290	260	239	10.4	(8.3)
Interest	61	66	61	65	63	69	57	60	(7.1)	6.2
PBT	1,387	1,537	1,447	1,617	1,535	1,673	1,615	1,858	14.9	15.0
Total Tax	353	391	366	412	391	426	412	473	14.8	14.8
Adjusted PAT	1,034	1,146	1,082	1,206	1,143	1,246	1,204	1,385	14.9	15.1
Exceptional Loss/(Gain)	0	0	0	0	0	0	0	0		
Reported PAT	1,034	1,146	1,082	1,206	1,143	1,246	1,204	1,385	14.9	15.1
Adjusted EPS (Rs)	23.5	26.0	24.6	27.4	26.0	28.3	27.3	31.4	14.9	15.1
(%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY bps	QoQ bps
EBITDAM	20.7	21.1	21.9	21.6	20.5	21.0	21.2	22.2	61	107
EBITM	17.7	18.3	18.7	18.8	17.8	18.3	18.3	19.6	88	130
EBTM	19.4	20.5	20.4	20.7	20.2	21.1	21.0	21.7	103	74
PATM	14.5	15.3	15.3	15.4	15.0	15.7	15.6	16.2	77	56
Effective Tax rate	25.4	25.5	25.3	25.4	25.5	25.5	25.5	25.4	(1)	(5)

Source: Company, Emkay Research

Exhibit 4: SPRL dominates the auto ancillary space with ~50% revenue market share

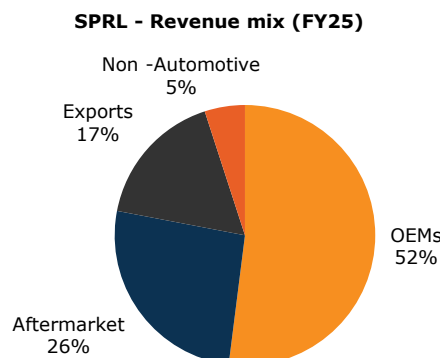
Revenue (Rs mn)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Shriram Pistons	11,697	12,444	13,930	14,626	17,294	19,549	16,068	15,966	20,647	26,093	30,893
IP Rings	949	1,126	1,317	1,914	2,067	2,121	1,979	1,985	2,727	3,233	3,167
Rane Engine Valve	2,659	3,952	3,496	3,602	3,793	4,264	3,590	3,049	3,872	5,024	5,668
Federal Mogul Goetze	11,580	15,799	13,309	12,791	13,253	13,418	10,854	11,072	13,426	16,341	16,956
Menon Pistons	1,420	1,444	1,304	1,328	1,461	1,561	1,178	1,371	2,011	2,082	2,088
Samkrg Pistons	847	1,013	1,182	1,749	2,029	2,121	1,979	1,985	2,727	2,366	2,467
Total	29,153	35,777	34,537	36,009	39,897	43,034	35,648	35,427	45,409	55,140	61,239
Revenue mkt share (%)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Shriram Pistons	40	35	40	41	43	45	45	45	45	47	50
IP Rings	3	3	4	5	5	5	6	6	6	6	5
Rane Engine Valve	9	11	10	10	10	10	10	9	9	9	9
Federal Mogul Goetze	40	44	39	36	33	31	30	31	30	30	28
Menon Pistons	5	4	4	4	4	4	3	4	4	4	3
Samkrg Pistons	3	3	3	5	5	5	6	6	6	4	4

Source: Company, Capitaline, Emkay Research; Note: For Federal Mogul, FY15 represents data for over 15 months

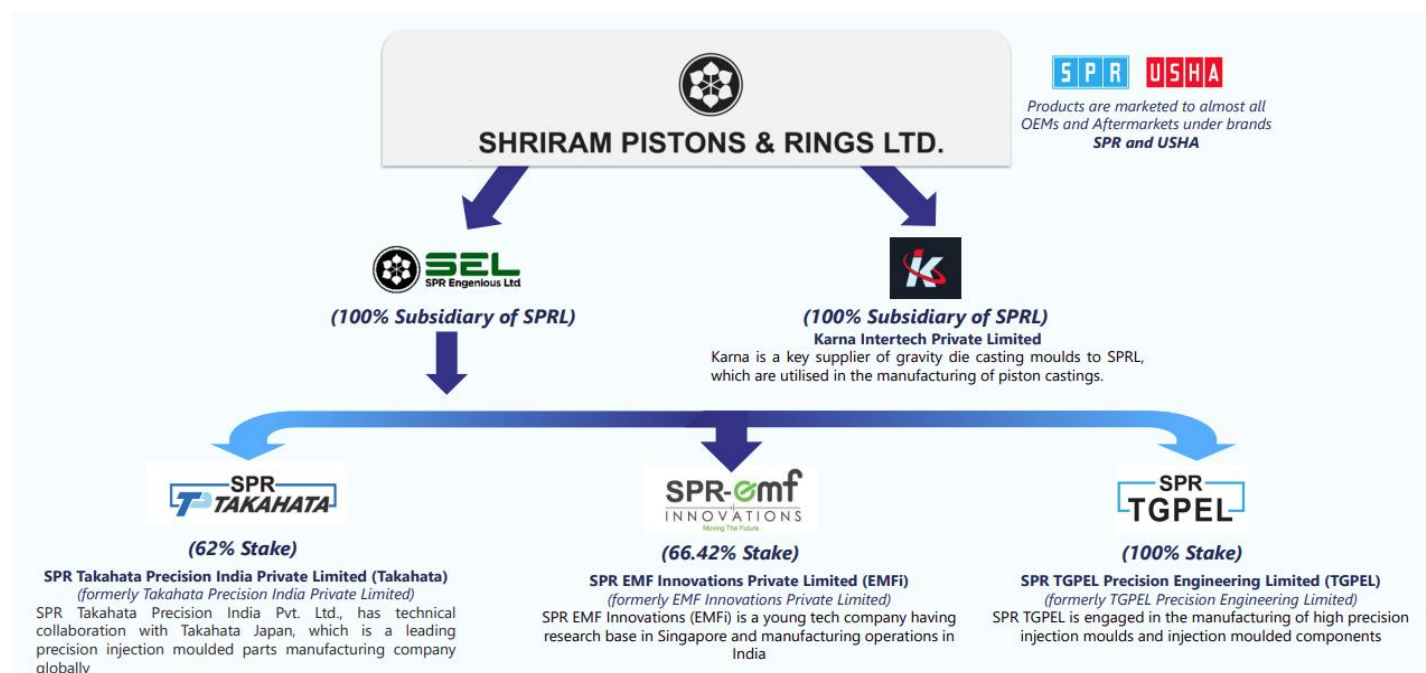
Exhibit 5: Company commands over 70% share of the profit pool, with much superior profitability relative to peers

EBITDA (Rs mn)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Shriram Pistons	2,293	1,901	2,325	2,552	2,926	2,938	1,820	2,155	3,045	4,604	6,420
IP Rings	97	128	152	146	243	276	216	245	331	259	230
Rane Engine Valve	-97	302	42	230	144	186	111	-32	106	279	467
Federal Mogul Goetze	1,429	1,873	1,757	2,146	2,276	2,264	1,304	835	1,637	2,103	2,385
Menon Pistons	87	146	114	149	158	186	107	169	306	318	315
Samkrg Pistons	-887	-889	-936	-64	-262	-318	-132	195	706	346	315
Total	2,921	3,462	3,454	5,158	5,484	5,533	3,426	3,568	6,131	7,910	10,132
EBITDA mkt share (%)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Shriram Pistons	78	55	67	49	53	53	53	60	50	58	63
IP Rings	3	4	4	3	4	5	6	7	5	3	2
Rane Engine Valve	-3	9	1	4	3	3	3	-1	2	4	5
Federal Mogul Goetze	49	54	51	42	41	41	38	23	27	27	24
Menon Pistons	3	4	3	3	3	3	3	5	5	4	3
Samkrg Pistons	-30	-26	-27	-1	-5	-6	-4	5	12	4	3
EBITDAM (%)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Shriram Pistons	19.6	15.3	16.7	17.4	16.9	15.0	11.3	13.5	14.7	17.6	20.8
IP Rings	10.2	11.4	11.5	7.6	11.7	13.0	10.9	12.4	12.1	8.0	7.3
Rane Engine Valve	-3.7	7.6	1.2	6.4	3.8	4.4	3.1	-1.0	2.7	5.6	8.2
Federal Mogul Goetze	12.3	11.9	13.2	16.8	17.2	16.9	12.0	7.5	12.2	12.9	14.1
Menon Pistons	6.2	10.1	8.7	11.2	10.8	11.9	9.1	12.4	15.2	15.3	15.1
Samkrg Pistons	-104.7	-87.7	-79.2	-3.7	-12.9	-15.0	-6.7	9.8	25.9	14.6	12.8
Total	10.0	9.7	10.0	14.3	13.7	12.9	9.6	10.1	13.5	14.3	16.5
EBIT mkt share (%)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Shriram Pistons	153.2	90.7	111.5	59.9	64.7	65.7	90.3	96.4	57.9	68.2	72.8
IP Rings	3.1	5.0	5.9	2.1	4.6	5.3	9.6	9.4	4.7	1.6	0.7
Rane Engine Valve	-33.4	1.5	-16.6	-1.5	-4.2	-3.5	-15.5	-19.0	-2.3	1.4	3.3
Federal Mogul Goetze	81.8	76.5	69.0	42.3	42.8	41.4	34.4	-0.0	19.2	20.9	18.1
Menon Pistons	5.2	8.2	4.9	3.3	3.2	4.1	4.9	8.5	6.2	4.3	3.0
Samkrg Pistons	-109.9	-81.8	-74.7	-6.0	-11.2	-12.9	-23.7	4.7	14.4	3.5	2.2
EBITM (%)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Shriram Pistons	11.8	8.9	11.3	13.1	13.1	11.4	6.1	8.3	11.2	15.8	20.1
IP Rings	3.0	5.4	6.3	3.4	7.8	8.4	5.3	6.5	6.9	3.1	1.9
Rane Engine Valve	-11.3	0.5	-6.7	-1.3	-3.9	-2.8	-4.7	-8.6	-2.4	1.7	4.9
Federal Mogul Goetze	6.4	5.9	7.3	10.6	11.4	10.5	3.5	-0.0	5.7	7.8	9.1
Menon Pistons	3.3	7.0	5.3	7.9	7.8	8.8	4.6	8.5	12.3	12.5	12.2
Samkrg Pistons	-117.1	-99.1	-89.1	-11.0	-19.3	-20.7	-13.1	3.3	21.2	9.0	7.5
Total	3.1	3.4	4.1	8.9	8.8	7.9	3.1	3.9	8.8	11.0	13.9

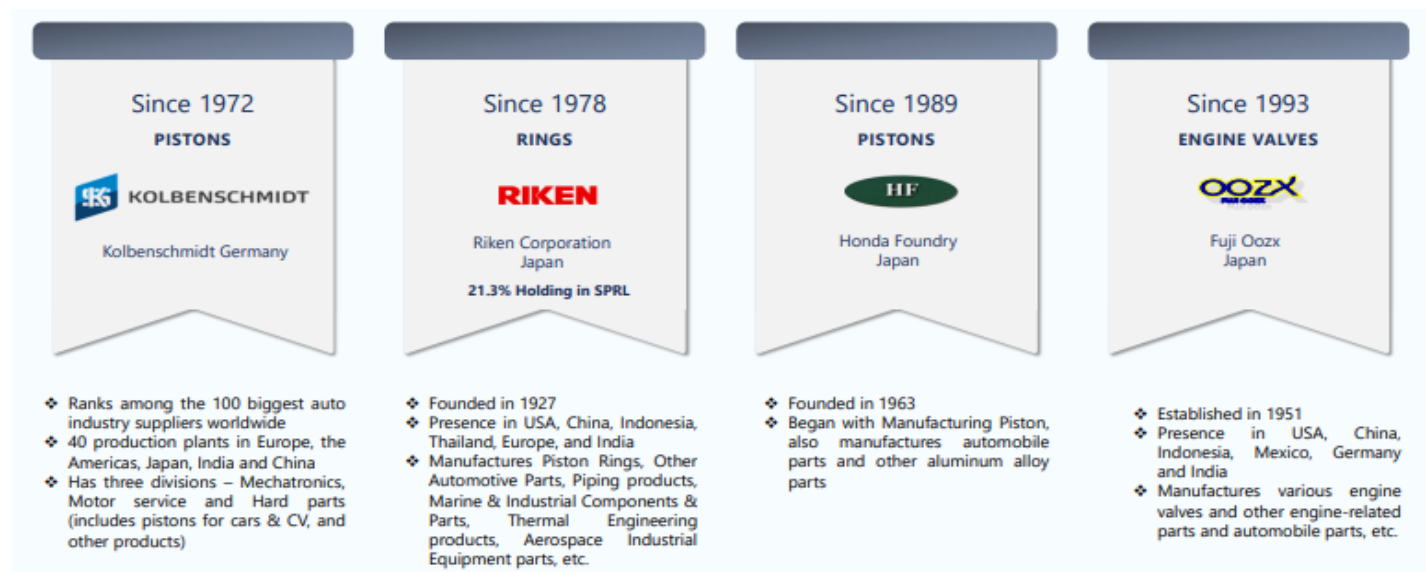
Source: Company, Capitaline, Emkay Research; Note: For Federal Mogul, FY15 represents 15 months of data

Exhibit 6: OEMs/Aftermarket/Exports formed 52%/26%/17% of revenues in FY25

Source: Company, Emkay Research

Exhibit 7: SPRL's group structure

Source: Company, Emkay Research

Exhibit 8: SPRL has longstanding technological tie-ups with players from Germany and Japan

Source: Company, Emkay Research

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Exhibit 9: ICE and EV technologies are seen co-existing, which augers well for SPRL owing to its presence across powertrains

Internal Combustion (IC) Engines : Growth Story will continue

While the EV Industry is witnessing growth, it is facing numerous challenges and still has a long way to go. In the meanwhile, Internal Combustion (IC) Engines will continue to grow with the growing Automotive Industry.

Insufficient Power Grid capabilities to support India's EV ambitions

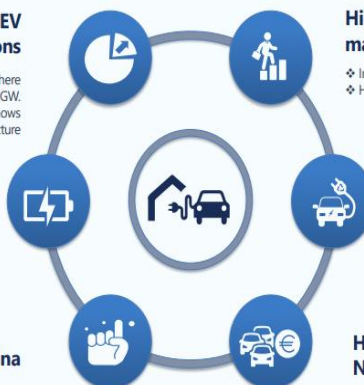
- ❖ According to a report by Brookings, in 2030, if 33% of the total auto sales are EV, there would be an electricity demand of 37,000 GW.
- ❖ Meanwhile, India had an installed generation capacity of 412 MW in 2023, which shows how behind the country's grid is to support electricity demand from EV & EV Infrastructure

Sustainability: Well-to-Wheels ICE vs. EV

- ❖ 60% thermal power being generated today is not fully sustainable
- ❖ India has committed to 50% Renewable energy by 2030 with production to increase by 500GW
- ❖ For a park of 100 Mn. vehicles (with 60% 2-Wheelers); the volume of power required will be huge
- ❖ The correct way of disposing off used batteries will be a challenge

India is not comparable to the West & China

- ❖ The framework that has been a success in the West and China cannot be applied to India due to the different demographics in India
- ❖ India is also not as technologically matured as other countries which would make EV adoption much slower than what these countries have witnessed



Higher Ownership Costs of EV makes it unaffordable for majority of the population

- ❖ Initial Cost of owning an EV is 2x the cost of an ICE vehicle.
- ❖ Higher cost of EV technology and unavailability of several components in India

Lack of EV charging Infrastructure in the country

- ❖ 200+ EVs per commercial charging point in India, compared to ~20 in US and less than 10 in China
- ❖ Very few charging stations in cities apart from few Metros, Malls and Office spaces also lack infrastructure making it challenging for daily commuters.

High Replacement Costs & Miniscule Maintenance Network

- ❖ The replacement costs of EV batteries are very high (up to Rs. 7 lakh for some vehicles)
- ❖ Due to the high technology used in EVs, the repair technicians in India have little knowledge about EV and it is highly risky to repair in local workshops.

Source: Company, Emkay Research

Exhibit 10: To address the electrification risk, SPRL has diversified into EV-specific parts and engine-agnostic parts via recent acquisitions



SPR (through its 100% subsidiary SPR Engenious Ltd.) acquired 66.42% stake in SPR EMF Innovations Pvt. Ltd.

- ❖ SPR EMF Innovations (EMFI) is a young tech company having research base in Singapore and manufacturing operations in India
- ❖ Enables SPR to move towards electrifying its product portfolio and provide complete solutions for Electric Vehicles
- ❖ Technology tie-up with GLE and Lingbo
- ❖ **Design & Manufacturing** Capability of products for mobility applications in the plant located in **Coimbatore, Tamil Nadu**

Products



Broad Application Range



SPR (through its 100% subsidiary SPR Engenious Ltd.) acquired 62% stake in SPR Takahata Precision India Pvt. Ltd.

- ❖ SPR Takahata Precision India Pvt. Ltd., has technical collaboration with Takahata Japan, which is a leading precision injection moulded parts manufacturing company globally
- ❖ Manufactures a wide range of products such as automotive parts, office automation equipment parts, optical equipment parts, residential facilities parts and medical equipment parts.



Wide Range of Products

- ❖ FI - Components
- ❖ FI - Connectors
- ❖ Throttle Unit
- ❖ ECU
- ❖ Brake Unit
- ❖ Air Bags
- ❖ Steering
- ❖ Brake Unit
- ❖ Door Lock

State-of-the-art manufacturing facility in **Neemrana, Rajasthan**, capable of developing moulds from 20T - 350T & 30-35 MOL. Enables TPI to design, manufacturing, trials, maintenance, and inspection all under one roof

Key Automotive Customers



SPR (through its 100% subsidiary SPR Engenious Ltd.) acquired 100% stake in TGPEL Precision Engineering Ltd.

- ❖ TGPEL is an organization in precision tooling and is recognized for manufacturing of precision engineered plastic components in India.
- ❖ It is among the few precision engineering companies providing end-to-end solutions, starting from mould conceptualization and design to produce high-precision plastic injection moulded components and product assembly.

Wide Range of Products

Automotive

- ❖ Speaker Grills
- ❖ Air Vents
- ❖ Flange Covers
- ❖ Manifolds
- ❖ Bobbins
- ❖ Door Handles
- ❖ Fuse Box Covers
- ❖ CRB Housing
- ❖ Clamps
- ❖ Connectors

Non-Auto

- ❖ Electrical Parts
- ❖ Industrial Parts
- ❖ Medical Parts



Source: Company, Emkay Research

Exhibit 11: Revenue Model – We build in 11%/13%/13% revenue/EBITDA/EPS CAGR over FY25-27E

Particulars (Rs mn)	FY20	FY21	FY22	FY23	FY24E	FY25	FY26E	FY27E
Standalone revenue				26,050	29,537	31,795	34,644	37,856
OEM				13,286	15,064	16,534	18,187	20,006
Exports				5,210	5,612	5,405	5,621	6,071
Aftermarket				6,773	7,975	8,267	8,928	9,642
Non-Auto				782	886	1,590	1,908	2,137
Consolidated revenue				26,093	30,893	35,498	39,898	43,714
Standalone mix (%)								
OEM				51	51	52	52	53
Exports				20	19	17	16	16
Aftermarket				26	27	26	26	25
Non-Auto				3	3	5	6	6
Consolidated mix (%)								
Standalone				100	96	90	87	87
Subsidiaries				0	4	10	13	13
Consolidated Revenue	16,068	15,966	20,647	26,093	30,893	35,498	39,898	43,714
Growth YoY (%)	-17.8	-0.6	29.3	26.4	18.4	14.9	12.4	9.6
EBITDA	1,820	2,155	3,045	4,604	6,420	7,243	8,460	9,313
EBITDA margin (%)	11.3	13.5	14.7	17.6	20.8	20.4	21.2	21.3
EBIT	790	1,130	2,024	3,656	5,343	6,046	7,097	7,764
EBIT margin (%)	4.9	7.1	9.8	14.0	17.3	17.0	17.8	17.8
Interest	124	126	114	193	305	344	342	327
PBT	864	1,200	2,202	3,930	5,891	6,817	7,975	8,786
Tax rate (%)	15	26	26	25	26	24	24	24
PAT	730	887	1,636	2,935	4,426	5,067	5,943	6,556
PAT margin (%)	4.5	5.6	7.9	11.2	14.3	14.3	14.9	24.4
EPS (Rs)	16.3	19.8	37.1	66.6	100.5	115.0	134.9	148.8

Source: Company, Emkay Research

Exhibit 12: We raise FY26E/27E EPS by 2%/4.5% on sustained growth momentum and ramp-up in subsidiaries

Consolidated (Rs mn)	FY25		FY26E				FY27E			
	Actual	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Net Sales	35,498	14.9	38,747	39,898	3.0	12.4	41,919	43,714	4.3	9.6
EBITDA	7,243	12.8	8,214	8,460	3.0	16.8	8,887	9,313	4.8	10.1
Margin (%)	20.4	(38) bps	21.2	21.2	0 bps	80 bps	21.2	21.3	10bps	10bps
APAT	5,067	14.5	5,808	5,943	2.3	17.3	6,242	6,556	5.0	10.3
EPS (Rs)	115.0	14.5	131.9	134.9	2.3	17.3	141.7	148.8	5.0	10.3

Source: Company, Emkay Research

Shriram Pistons & Rings: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Revenue	26,093	30,893	35,498	39,898	43,714
Revenue growth (%)	26.4	18.4	14.9	12.4	9.6
EBITDA	4,604	6,420	7,243	8,460	9,313
EBITDA growth (%)	51.2	39.5	12.8	16.8	10.1
Depreciation & Amortization	947	1,077	1,197	1,363	1,549
EBIT	3,656	5,343	6,046	7,097	7,764
EBIT growth (%)	80.7	46.1	13.2	17.4	9.4
Other operating income	-	-	-	-	-
Other income	467	853	1,114	1,219	1,349
Financial expense	193	305	344	342	327
PBT	3,930	5,891	6,817	7,975	8,786
Extraordinary items	(45)	0	0	0	0
Taxes	991	1,505	1,661	1,943	2,141
Minority interest	(4)	39	(89)	(89)	(89)
Income from JV/Associates	0	0	0	0	0
Reported PAT	2,890	4,425	5,067	5,943	6,556
PAT growth (%)	78.2	53.1	14.5	17.3	10.3
Adjusted PAT	2,935	4,425	5,067	5,943	6,556
Diluted EPS (Rs)	66.6	100.5	115.0	134.9	148.8
Diluted EPS growth (%)	79.4	50.8	14.5	17.3	10.3
DPS (Rs)	7.0	7.5	10.0	20.2	22.3
Dividend payout (%)	10.7	7.5	8.7	15.0	15.0
EBITDA margin (%)	17.6	20.8	20.4	21.2	21.3
EBIT margin (%)	14.0	17.3	17.0	17.8	17.8
Effective tax rate (%)	25.2	25.5	24.4	24.4	24.4
NOPLAT (pre-IndAS)	2,734	3,978	4,573	5,368	5,872
Shares outstanding (mn)	44	44	44	44	44

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Share capital	220	441	441	441	441
Reserves & Surplus	15,054	18,816	23,496	28,547	34,120
Net worth	15,275	19,257	23,937	28,988	34,561
Minority interests	141	949	1,037	1,125	1,214
Non-current liab. & prov.	199	348	539	539	539
Total debt	3,332	4,866	5,078	4,962	4,796
Total liabilities & equity	18,945	25,419	30,590	35,615	41,110
Net tangible fixed assets	4,712	6,324	8,149	9,836	11,288
Net intangible assets	1,318	1,539	1,539	1,539	1,539
Net ROU assets	-	-	-	-	-
Capital WIP	47	315	578	528	528
Goodwill	331	466	1,335	1,335	1,335
Investments [JV/Associates]	48	48	100	100	100
Cash & equivalents	7,144	9,717	10,779	13,286	16,567
Current assets (ex-cash)	9,158	11,937	13,736	15,438	16,914
Current Liab. & Prov.	4,783	5,938	6,635	7,457	8,170
NWC (ex-cash)	4,375	6,000	7,101	7,981	8,744
Total assets	18,946	25,419	30,590	35,615	41,110
Net debt	(3,812)	(4,851)	(5,701)	(8,324)	(11,771)
Capital employed	18,945	25,419	30,590	35,615	41,110
Invested capital	11,707	15,339	19,133	21,701	23,915
BVPS (Rs)	346.7	437.2	543.4	658.1	784.6
Net Debt/Equity (x)	(0.2)	(0.3)	(0.2)	(0.3)	(0.3)
Net Debt/EBITDA (x)	(0.8)	(0.8)	(0.8)	(1.0)	(1.3)
Interest coverage (x)	21.4	20.3	20.8	24.3	27.8
RoCE (%)	25.1	28.3	26.0	25.5	24.1

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
PBT (ex-other income)	2,939	5,891	6,817	7,975	8,786
Others (non-cash items)	1,026	(82)	(101)	0	0
Taxes paid	(1,039)	(1,561)	(1,691)	(1,943)	(2,141)
Change in NWC	213	(101)	(1,396)	(880)	(763)
Operating cash flow	3,952	4,867	4,344	6,856	7,758
Capital expenditure	(1,219)	(1,419)	(1,681)	(3,000)	(3,000)
Acquisition of business	-	-	-	-	-
Interest & dividend income	-	-	-	-	-
Investing cash flow	(2,085)	(4,216)	(3,847)	(3,000)	(3,000)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	1,032	171	144	(115)	(167)
Payment of lease liabilities	0	0	0	0	0
Interest paid	(191)	(263)	(314)	(342)	(327)
Dividend paid (incl tax)	(308)	(330)	(441)	(891)	(983)
Others	573	0	0	0	0
Financing cash flow	1,105	(422)	(610)	(1,349)	(1,477)
Net chg in Cash	2,971	230	(114)	2,507	3,280
OCF	3,952	4,867	4,344	6,856	7,758
Adj. OCF (w/o NWC chg.)	3,739	4,969	5,740	7,736	8,521
FCFF	2,733	3,448	2,662	3,856	4,758
FCFE	2,540	3,144	2,319	3,514	4,430
OCF/EBITDA (%)	85.8	75.8	60.0	81.0	83.3
FCFE/PAT (%)	87.9	71.0	45.8	59.1	67.6
FCFF/NOPLAT (%)	99.9	86.7	58.2	71.8	81.0

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25	FY26E	FY27E
P/E (x)	31.9	21.1	18.4	15.7	14.3
P/CE(x)	24.1	17.0	14.9	12.8	11.5
P/B (x)	6.1	4.9	3.9	3.2	2.7
EV/Sales (x)	3.4	2.9	2.5	2.2	2.0
EV/EBITDA (x)	19.5	13.8	12.2	10.5	9.5
EV/EBIT(x)	24.5	16.6	14.7	12.5	11.4
EV/IC (x)	7.7	5.8	4.6	4.1	3.7
FCFF yield (%)	3.0	3.9	3.0	4.4	5.4
FCFE yield (%)	2.7	3.4	2.5	3.8	4.7
Dividend yield (%)	0.3	0.4	0.5	1.0	1.1
DuPont-RoE split					
Net profit margin (%)	11.2	14.3	14.3	14.9	15.0
Total asset turnover (x)	1.6	1.4	1.3	1.2	1.1
Assets/Equity (x)	1.2	1.3	1.3	1.3	1.2
RoE (%)	21.1	25.6	23.5	22.5	20.6
DuPont-RoIC					
NOPLAT margin (%)	10.5	12.9	12.9	13.5	13.4
IC turnover (x)	2.4	2.3	2.1	2.0	1.9
RoIC (%)	24.7	29.4	26.5	26.3	25.7
Operating metrics					
Core NWC days	61.2	70.9	73.0	73.0	73.0
Total NWC days	61.2	70.9	73.0	73.0	73.0
Fixed asset turnover	1.9	1.9	1.8	1.7	1.7
Opex-to-revenue (%)	40.3	38.8	37.7	36.8	36.7

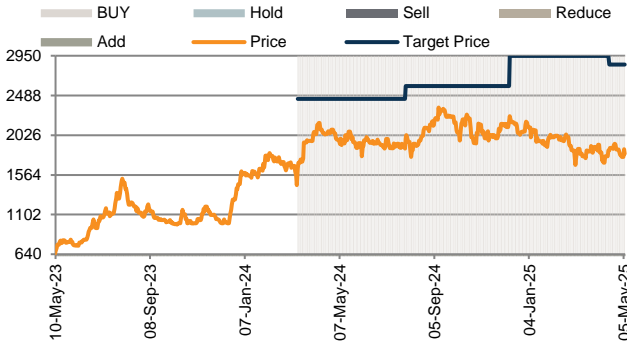
Source: Company, Emkay Research

RECOMMENDATION HISTORY – DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
16-Apr-25	1,851	2,850	Buy	Chirag Jain
04-Feb-25	2,002	2,950	Buy	Chirag Jain
10-Jan-25	2,083	2,950	Buy	Chirag Jain
18-Dec-24	2,160	2,950	Buy	Chirag Jain
10-Dec-24	2,248	2,950	Buy	Chirag Jain
29-Oct-24	2,052	2,600	Buy	Chirag Jain
30-Jul-24	1,990	2,600	Buy	Chirag Jain
30-Jul-24	1,990	2,600	Buy	Chirag Jain
16-May-24	1,969	2,450	Buy	Chirag Jain
08-Apr-24	2,147	2,450	Buy	Chirag Jain
14-Mar-24	1,640	2,450	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.

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