

Cummins India

| | |
|-----------------|---|
| Estimate change | ↔ |
| TP change | ↓ |
| Rating change | ↔ |

| | |
|-----------------------|--------------|
| Bloomberg | KKC IN |
| Equity Shares (m) | 277 |
| M.Cap.(INRb)/(USD\$) | 878.6 / 10.3 |
| 52-Week Range (INR) | 4172 / 2580 |
| 1, 6, 12 Rel. Per (%) | 7/-12/-27 |
| 12M Avg Val (INR M) | 2357 |

Financials Snapshot (INR b)

| Y/E MARCH | FY25 | FY26E | FY27E |
|-------------|-------|-------|-------|
| Net Sales | 103.4 | 123.1 | 143.2 |
| EBITDA | 20.7 | 24.3 | 28.2 |
| PAT | 19.9 | 23.4 | 27.5 |
| EPS (INR) | 71.7 | 84.6 | 99.1 |
| GR. (%) | 16.6 | 18.0 | 17.1 |
| BV/Sh (INR) | 253.2 | 286.2 | 325.1 |

Ratios

| | | | |
|----------|------|------|------|
| ROE (%) | 30.2 | 31.4 | 32.4 |
| RoCE (%) | 28.9 | 29.9 | 30.9 |

Valuations

| | | | |
|---------------|------|------|------|
| P/E (X) | 44.3 | 37.5 | 32.0 |
| P/BV (X) | 12.5 | 11.1 | 9.8 |
| EV/EBITDA (X) | 41.3 | 35.2 | 30.0 |
| Div Yield (%) | 1.3 | 1.5 | 1.7 |

Shareholding Pattern (%)

| As On | Mar-25 | Dec-24 | Mar-24 |
|----------|--------|--------|--------|
| Promoter | 51.0 | 51.0 | 51.0 |
| DII | 22.9 | 21.9 | 23.0 |
| FII | 17.2 | 18.1 | 17.4 |
| Others | 8.9 | 9.0 | 8.6 |

FII includes depository receipts

CMP: INR3,169 TP: INR4,060 (+28%) Buy

Strong margins offset weak revenue performance

Cummins India (KKC)'s 4QFY25 results reflected weakness in revenue, while EBITDA margin and PAT outperformed our estimates. The company reported 6% YoY revenue growth, while EBITDA/PAT declined by 5%/7% YoY, mainly due to a high base of last year. For FY25, industrial, distribution and export segments' growth was broadly in line with our estimates, while powergen was slightly lower than our expectations. Export markets have been consistently improving QoQ for the last four quarters. We remain positive on KKC as we believe that the company will benefit from 1) better volumes for CPCB 4+ products in FY26 as powergen demand recovers further; 2) improved growth in railways, construction in industrial and increased penetration of distribution-led products; and 3) improving growth outlook in export markets. We marginally trim our estimates by 1% each for FY26/27 to bake in FY25 performance. We reiterate BUY on the stock with a TP of INR4,060 based on 41x Mar'27E earnings.

In-line PAT

Revenue increased 6% YoY to INR24.6b, lower than our estimate due to weak domestic revenue. Domestic revenue at INR19.4b grew 1% YoY, while exports at INR4.8b grew strongly by 39% YoY. Exports have been continuously growing since 4QFY24. Gross margin at 37.2% saw a 120bp YoY/240bp QoQ expansion, while EBITDA margin for 4QFY25 stood at 21.2%, which was much better than our expectation of 19.1%. This was fueled by a better-than-expected gross margin. Absolute EBITDA dipped 5% YoY to INR5.2b, a 5% miss on our estimate. PAT declined 7% YoY to INR5.2b, though it was broadly in line with our estimate of INR5b due to higher-than-expected other income and a lower-than-expected tax rate. For FY25, the company's revenue/EBITDA/PAT grew 15%/17%/15% YoY to INR103.4b/INR20.7b/INR19.1b, while margin expanded 30bp YoY to 20%. The company's OCF/FCF increased 32%/46% YoY to INR16.9b/INR14.6b due to lower net working capital. As of 31st Mar'25, the company was debt-free.

Powergen segment growth lower than our estimates

Powergen segment revenue declined by 7% YoY in 4QFY25, affected by a high base of last year. 4QFY25 volumes were around 80-85% of 4QFY24 level. For FY25, powergen revenue grew by 14% YoY, implying that some part of volume decline during the year due to CPCB 4+ transition was offset by an average pricing improvement of 25-30%. With competitive intensity stabilizing now and demand also recovering from key areas like residential, commercial, and infrastructure, we expect volume growth to start recovering in FY26. Beyond CPCB 4+ portfolio, KKC continues to see strong demand from data centers, and HHP portfolio continues to benefit from the same. We marginally revise our estimates and expect a CAGR of 16.5% in powergen revenue over FY25-27.

Industrial segment growth remains strong during the year

Industrial segment delivered a healthy performance in 4QFY25, posting INR3.8b in revenue (+9% YoY), and INR17b in FY25 (+28% YoY), reflecting broad-based demand across key verticals. The construction and rail segments remained stable. Railways saw demand from diesel-electric tower cars and power cars, and momentum is also building around specialized applications such as hotel load converters and accident relief trains. The compressor business remained steady and the mining segment saw a temporary lull due to delayed Coal India tenders. With its product offerings, we believe KKC is well-positioned to capture growth across its industrial portfolio in the coming quarters. We, thus, estimate a 19% CAGR for this segment over FY25-27.

Distribution growth driven by improved offerings

KKC's distribution segment revenue grew by 5%/14% YoY in 4QFY25/FY25. Key growth drivers included increasing adoption of KKC's extended warranties, expansion of rebuild engine offerings, and rising penetration in the powergen and industrial sectors. The segment benefited from long-term contracts, value-added services, and aftermarket support, which strengthened customer relationships and service revenue streams. We bake in a CAGR of 25% in distribution segment revenue over FY25-27.

Exports continuously improving sequentially

Export revenue surged 39% YoY in 4QFY25, led by strong performance in both HHP and LLP products. Latin America and Europe continued to perform exceptionally well, while other geographies are yet to show meaningful improvement. Management is cautiously optimistic about exports for FY26 in light of the current tariffs and global trade policies. However, we believe that KKC's strategic focus on deepening its market presence by tailoring products to local needs and maintaining supply of non-emission compliant gensets will position the company to capture export growth as conditions stabilize. We expect export revenue to clock a CAGR of 10% over FY25-27.

Financial outlook

We marginally trim our estimates by 1% each for FY26/27 to bake in FY25 performance. We expect revenue/EBITDA/PAT CAGR of 18%/17%/18% over FY25-27 and build in EBITDA margin of 19.7% each for FY26/27. Our estimates factor in gross margin of 35% in FY26/27 vs. 36% in FY25 as we expect some gross margin contraction after price levels for CPCB 4+ normalize.

Valuation and view

The stock is currently trading at 37.5x/32.0x on FY26/27E EPS. We **reiterate BUY** on the stock with a revised TP of INR4,060 based on 41x Mar'27E earnings.

Key risks and concerns

Key risks to our recommendation would come from lower-than-expected demand for key segments, higher commodity prices, increased competitive intensity, and lower-than-expected recovery in exports.

Standalone - Quarterly Earnings Model

(INR m)

| Y/E March | FY24 | | | | FY25 | | | | FY24 | FY25 | FY25E 4QE | Est Var (%) |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|----------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | |
| Net Sales | 22,087 | 18,997 | 25,341 | 23,162 | 23,042 | 24,923 | 30,860 | 24,569 | 89,586 | 1,03,394 | 28,567 | (14) |
| YoY Change (%) | 31.0 | -2.6 | 16.2 | 20.3 | 4.3 | 31.2 | 21.8 | 6.1 | 15.7 | 15.4 | 23.3 | |
| Total Expenditure | 18,681 | 15,611 | 19,961 | 17,719 | 18,369 | 20,113 | 24,860 | 19,372 | 71,972 | 82,714 | 23,099 | |
| EBITDA | 3,406 | 3,386 | 5,379 | 5,443 | 4,673 | 4,810 | 6,000 | 5,197 | 17,614 | 20,680 | 5,468 | (5) |
| Margins (%) | 15.4 | 17.8 | 21.2 | 23.5 | 20.3 | 19.3 | 19.4 | 21.2 | 19.7 | 20.0 | 19.1 | |
| Depreciation | 358 | 379 | 419 | 420 | 439 | 452 | 481 | 457 | 1,576 | 1,829 | 477 | (4) |
| Interest | 77 | 67 | 63 | 62 | 48 | 26 | 27 | 52 | 268 | 151 | 60 | (15) |
| Other Income | 1,175 | 1,322 | 1,136 | 2,045 | 1,322 | 1,611 | 1,209 | 2,119 | 5,678 | 6,261 | 1,714 | 24 |
| PBT before EO expense | 4,146 | 4,263 | 6,034 | 7,006 | 5,509 | 5,944 | 6,702 | 6,807 | 21,448 | 24,961 | 6,645 | 2 |
| Extra-Ord expense | | | 17 | | | | | | 17 | - | | |
| PBT | 4,146 | 4,263 | 6,017 | 7,006 | 5,509 | 5,944 | 6,702 | 6,807 | 21,431 | 24,961 | 6,645 | 2 |
| Tax | 989 | 978 | 1,467 | 1,390 | 1,311 | 1,438 | 1,562 | 1,593 | 4,824 | 5,904 | 1,653 | |
| Rate (%) | 23.9 | 22.9 | 24.4 | 19.8 | 23.8 | 24.2 | 23.3 | 23.4 | 22.5 | 23.7 | 24.9 | |
| Reported PAT | 3,157 | 3,285 | 4,549 | 5,615 | 4,198 | 4,506 | 5,140 | 5,214 | 16,606 | 19,058 | 4,992 | 4 |
| Adj PAT | 3,157 | 3,285 | 4,562 | 5,615 | 4,198 | 4,506 | 5,140 | 5,214 | 16,619 | 19,058 | 4,992 | 4 |
| YoY Change (%) | 50.6 | 30.2 | 26.7 | 76.3 | 33.0 | 37.2 | 12.7 | -7.2 | 45.7 | 14.7 | -11.1 | |
| Margins (%) | 14.3 | 17.3 | 18.0 | 24.2 | 18.2 | 18.1 | 16.7 | 21.2 | 18.6 | 18.4 | 17.5 | |

| INR m | FY24 | | | | FY25 | | | | FY24 | FY25 | YoY (%) |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | |
| Segmental revenue | | | | | | | | | | | |
| Powergen | 8,700 | 4,860 | 10,730 | 9,420 | 8,030 | 8,960 | 12,710 | 8,740 | 33,710 | 38,440 | 14.0 |
| Industrial | 2,400 | 3,000 | 4,104 | 3,480 | 3,720 | 4,060 | 5,110 | 3,790 | 12,984 | 16,680 | 28.5 |
| Distribution | 5,300 | 5,490 | 6,620 | 6,040 | 6,510 | 6,580 | 7,460 | 6,310 | 23,450 | 26,860 | 14.5 |
| Exports | 5,000 | 5,070 | 3,250 | 3,440 | 3,890 | 4,400 | 4,640 | 4,790 | 16,760 | 17,720 | 5.7 |
| Other | 346 | 295 | 314 | 305 | 470 | 484 | 494 | 514 | 1,260 | 1,962 | 55.7 |
| Total | 21,746 | 18,715 | 25,018 | 22,685 | 22,620 | 24,484 | 30,414 | 24,144 | 88,164 | 1,01,662 | 15.3 |



Conference call highlights

- **Domestic powergen:** Domestic powergen revenue declined 7% YoY in 4QFY25, largely due to a high base effect from CPCB-II pre-buying in 4QFY24. However, management confirmed that demand remains robust across segments like residential, commercial, infrastructure, and emerging verticals such as quick-commerce warehouses and data centers.
- **CPCB 4+ products:** Pricing for CPCB IV+ products has largely held steady, and competitive intensity has now stabilized. Management emphasized that pricing is still settling and is expected to stabilize fully in the next couple of quarters. It anticipates CPCB IV+ volumes to return to or surpass CPCB-II levels over the next one to two quarters, with current volumes tracking at 80-85% of prior norms. No incremental price hikes have been taken since CPCB IV+ implementation, and the company continues to focus on providing segment-specific solutions to defend pricing and value proposition.
- **Industrial segment:** The industrial segment clocked 29% YoY growth in FY25, with strong contributions from the construction and rail segments. Construction demand remained stable, while rail orders (especially in power cars and diesel electric tower cars) showed sustained momentum. However, in mining, expectations of a pickup did not materialize as Coal India tenders were deferred. Compressor segment, while currently stable, is anticipated to enter a cyclical downturn. **FY25 breakup** – Construction: INR6.2b, Rail: INR4.7b, Mining: INR1.3b, Compressors: INR2.0b, and Others INR2.4b. **4QFY25 breakup** – Construction: INR1,680m, Rail: INR1,140m, Mining: INR140m, Compressors: INR500m, and Others INR330m.
- **Distribution segment:** Though quarterly growth was modest at 5%, management attributed this to order timing and project execution schedules rather than demand weakness. Key drivers included extended warranties, rebuild engine orders (especially in industrials), and retrofit solutions like dual-fuel kits. New service offerings under the “Ashwasan” product suite are also gaining traction. The company remains confident about future growth in this segment, supported by higher penetration and value-added offerings.
- **Exports:** Exports grew 6% in FY25, with strong 39% YoY growth in 4QFY25. Latin America and Europe were the strongest performing regions. Cummins continues to focus on tailored go-to-market strategies for each region, including market-specific positioning, pricing, and product offerings. While momentum is visible, the global outlook remains uncertain due to ongoing geopolitical issues and evolving trade and tariff policies, particularly involving the US. **FY25 breakup** – HHP: INR8.2b (+12% YoY), LHP: INR7.8b. **4QFY25 breakup** – HHP: INR2.2b (+27% YoY/+8% QoQ), LHP: INR2.2b (+51% YoY/flat QoQ).
- **4QFY25 revenue breakup:** Industrial – INR3.8b (+9% YoY), Powergen – INR8.7b (-7% YoY), Distribution – INR6.3b (+5% YoY), HHP exports – INR2.2b (+27% YoY), and LHP exports – INR2.2b (+51% YoY).
- **Guidance:** KKC has guided for double-digit revenue growth in FY26. The growth is expected to be driven largely by domestic demand across the powergen, industrial, and distribution segments. Continued cost optimization and product value enhancements remain vital for sustaining margins.

Key Exhibits

Exhibit 1: Powergen revenue declined 7% YoY

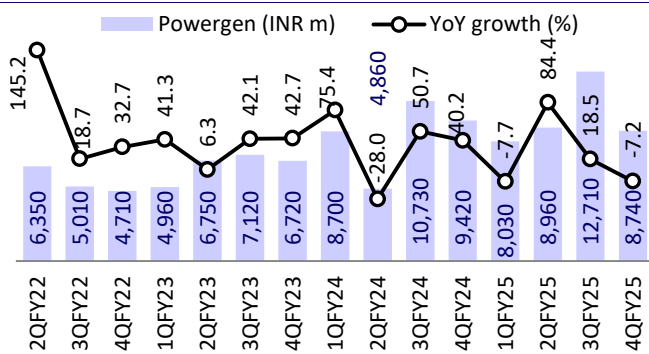


Exhibit 2: Industrial revenue grew by 9% YoY

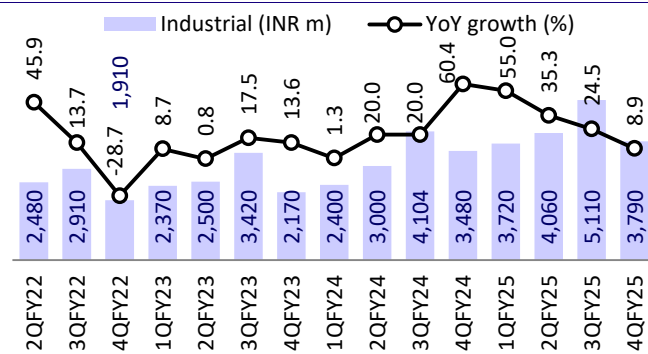


Exhibit 3: Distribution revenue grew by 5% YoY

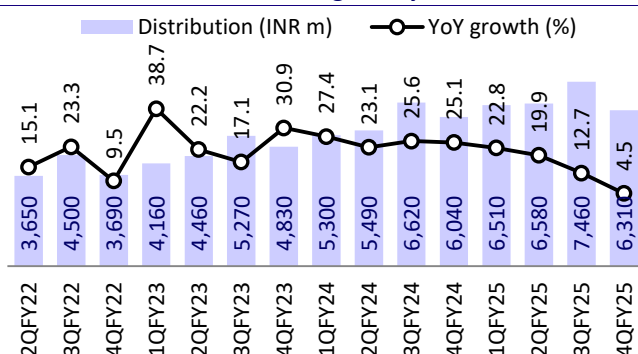


Exhibit 4: Export revenue up 39% YoY

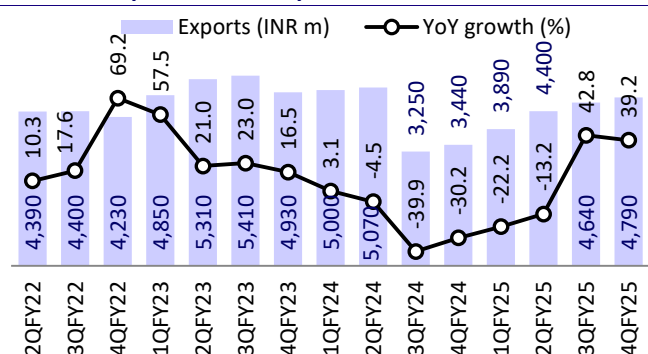


Exhibit 5: Share of exports has been increasing since 4QFY24

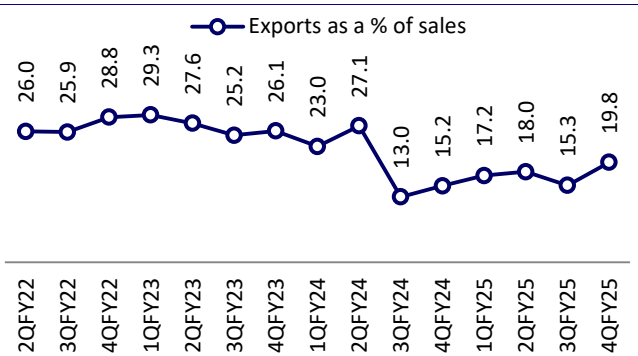


Exhibit 6: Healthy EBITDA margin at 21.2%

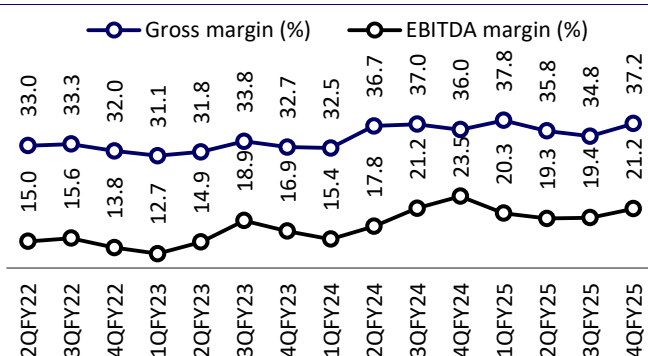
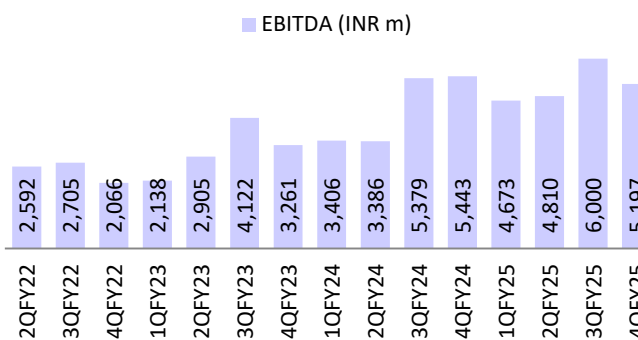
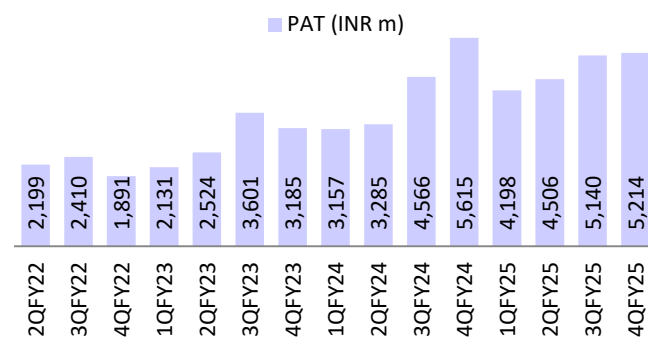


Exhibit 7: EBITDA at INR5.2b declined 5% YoY



Source: Company, MOFSL

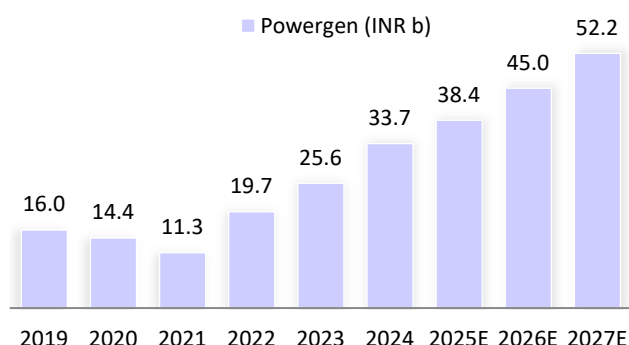
Exhibit 8: PAT declined 7% YoY



Source: Company, MOFSL

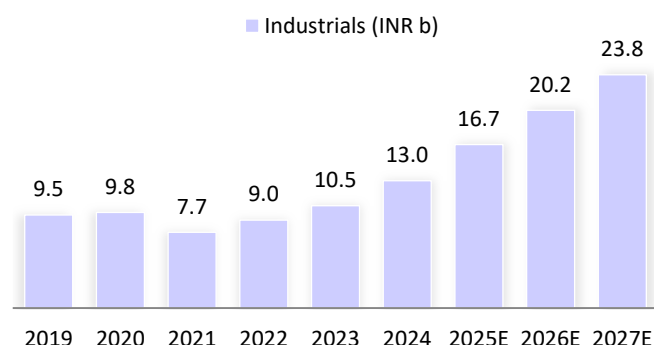
Financial Outlook

Exhibit 9: We expect an 17% CAGR in the Powergen segment over FY25-FY27E



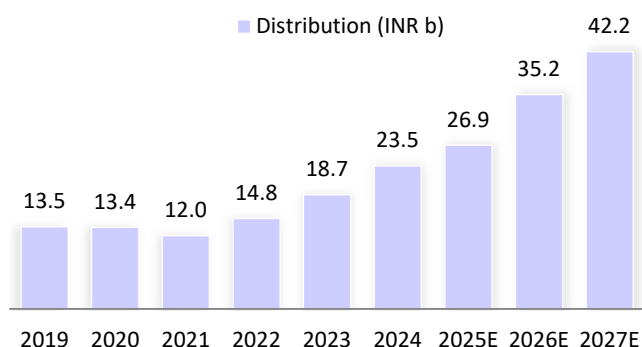
Source: Company, MOFSL

Exhibit 10: We expect a 19% CAGR in the Industrial segment over FY25-FY27E



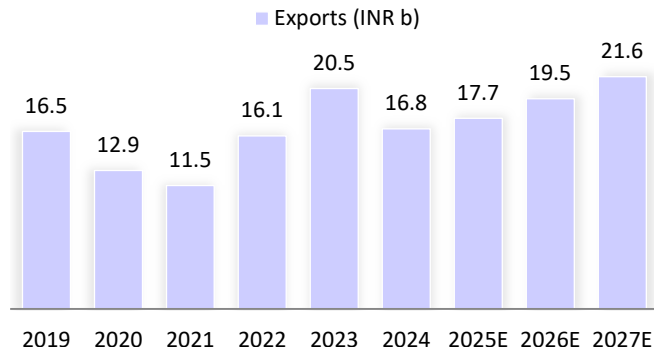
Source: Company, MOFSL

Exhibit 11: We expect a 25% CAGR in the Distribution segment over FY25-FY27E



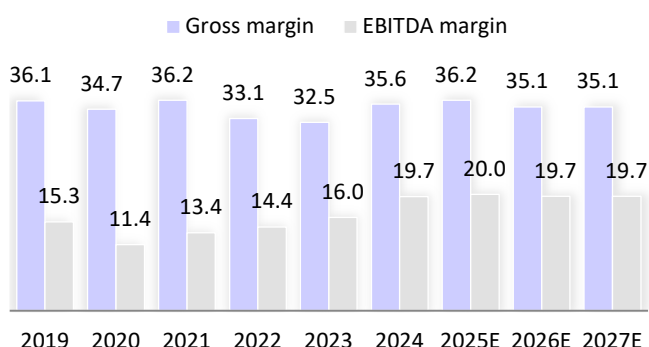
Source: Company, MOFSL

Exhibit 12: Exports to clock 10% CAGR on a low base over FY25-FY27E



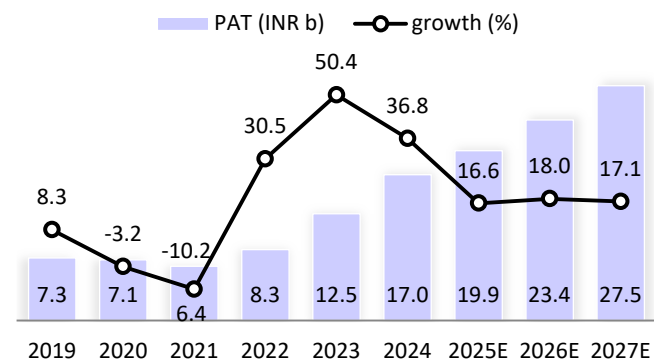
Source: Company, MOFSL

Exhibit 13: Margin to be stable in FY26 & FY27



Source: Company, MOFSL

Exhibit 14: PAT to clock 18% CAGR over FY25-27E



Source: Company, MOFSL

Exhibit 15: We marginally tweak our estimates to factor in FY25 performance

| (INR M) | FY26E | | | FY27E | | |
|------------|----------|----------|---------|----------|----------|---------|
| | Rev | Old | Chg (%) | Rev | Old | Chg (%) |
| Net Sales | 1,23,135 | 1,25,171 | (1.6) | 1,43,202 | 1,45,859 | (1.8) |
| EBITDA | 24,267 | 24,657 | (1.6) | 28,241 | 28,751 | (1.8) |
| EBITDA (%) | 19.7 | 19.7 | 1 bps | 19.7 | 19.7 | 1 bps |
| Adj. PAT | 23,450 | 23,624 | (0.7) | 27,470 | 27,765 | (1.1) |
| EPS (INR) | 84.6 | 85.2 | (0.7) | 99.1 | 100.2 | (1.1) |

Source: MOFSL

Financials and valuations

Standalone - Income Statement

(INR m)

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|-------------------------------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|
| Total Income from Operations | 43,292 | 61,404 | 77,444 | 89,586 | 1,03,394 | 1,23,135 | 1,43,202 |
| Change (%) | -16.1 | 41.8 | 26.1 | 15.7 | 15.4 | 19.1 | 16.3 |
| Raw Materials | 27,606 | 41,068 | 52,309 | 57,701 | 65,916 | 79,915 | 92,938 |
| Gross Profit | 15,687 | 20,336 | 25,135 | 31,886 | 37,478 | 43,220 | 50,264 |
| Employee Cost | 4,926 | 5,956 | 6,298 | 7,793 | 7,740 | 9,110 | 10,594 |
| Other Expenses | 4,965 | 5,529 | 6,411 | 6,479 | 9,058 | 9,844 | 11,429 |
| Total Expenditure | 37,497 | 52,553 | 65,018 | 71,972 | 82,714 | 98,868 | 1,14,961 |
| % of Sales | 86.6 | 85.6 | 84.0 | 80.3 | 80.0 | 80.3 | 80.3 |
| EBITDA | 5,795 | 8,851 | 12,426 | 17,614 | 20,680 | 24,267 | 28,241 |
| Margin (%) | 13.4 | 14.4 | 16.0 | 19.7 | 20.0 | 19.7 | 19.7 |
| Depreciation | 1,255 | 1,340 | 1,405 | 1,576 | 1,829 | 2,010 | 2,366 |
| EBIT | 4,540 | 7,511 | 11,022 | 16,037 | 18,851 | 22,257 | 25,874 |
| Int. and Finance Charges | 162 | 115 | 158 | 268 | 151 | 166 | 166 |
| Other Income | 3,702 | 2,875 | 4,200 | 5,678 | 6,261 | 7,124 | 8,601 |
| PBT bef. EO Exp. | 8,080 | 10,271 | 15,064 | 21,448 | 24,961 | 29,214 | 34,309 |
| EO Items | 0 | 1,059 | -143 | -17 | 0 | | |
| PBT after EO Exp. | 8,080 | 11,330 | 14,921 | 21,431 | 24,961 | 29,214 | 34,309 |
| Total Tax | 1,901 | 2,463 | 3,623 | 4,824 | 5,904 | 7,025 | 8,251 |
| Tax Rate (%) | 23.5 | 21.7 | 24.3 | 22.5 | 23.7 | 24.0 | 24.0 |
| Reported PAT | 6,179 | 8,866 | 11,298 | 16,606 | 19,058 | 22,189 | 26,059 |
| Adjusted PAT | 6,350 | 8,284 | 12,460 | 17,046 | 19,872 | 23,450 | 27,470 |
| Change (%) | -10.2 | 30.5 | 50.4 | 36.8 | 16.6 | 18.0 | 17.1 |
| Margin (%) | 14.7 | 13.5 | 16.1 | 19.0 | 19.2 | 19.0 | 19.2 |

Standalone - Balance Sheet

(INR m)

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Equity Share Capital | 554 | 554 | 554 | 554 | 554 | 554 | 554 |
| Total Reserves | 43,513 | 47,972 | 53,125 | 61,077 | 69,626 | 78,773 | 89,554 |
| Net Worth | 44,068 | 48,527 | 53,680 | 61,631 | 70,180 | 79,327 | 90,108 |
| Total Loans | 156 | 3,933 | 3,500 | 1,000 | 0 | 0 | 0 |
| Deferred Tax Liabilities | 823 | 971 | 1,057 | 941 | 913 | 913 | 913 |
| Sources of fund | 45,047 | 53,430 | 58,237 | 63,572 | 71,093 | 80,240 | 91,021 |
| Gross Block | 20,337 | 22,278 | 23,458 | 26,183 | 29,119 | 34,054 | 39,071 |
| Less: Accum. Deprn. | 8,684 | 10,024 | 11,429 | 13,005 | 14,834 | 16,844 | 19,210 |
| Net Fixed Assets | 11,654 | 12,254 | 12,030 | 13,178 | 14,285 | 17,210 | 19,860 |
| Capital WIP | 1,275 | 608 | 413 | 968 | 849 | 968 | 968 |
| Total Investments | 13,892 | 15,939 | 21,042 | 21,927 | 18,925 | 19,045 | 19,045 |
| Curr. Assets, Loans & Adv. | 29,950 | 39,230 | 41,625 | 48,884 | 61,829 | 69,836 | 82,338 |
| Inventory | 5,578 | 7,288 | 8,862 | 9,369 | 10,222 | 14,102 | 16,400 |
| Account Receivables | 10,745 | 12,473 | 15,927 | 20,776 | 22,925 | 25,335 | 29,464 |
| Cash and Bank Balance | 9,652 | 14,267 | 13,808 | 15,047 | 25,103 | 25,744 | 31,060 |
| Loans and Advances | 1,517 | 2,646 | 539 | 505 | 812 | 708 | 824 |
| Other Current Assets | 2,459 | 2,556 | 2,488 | 3,188 | 2,767 | 3,947 | 4,590 |
| Curr. Liability & Prov. | 11,922 | 14,621 | 16,883 | 21,413 | 24,964 | 26,820 | 31,190 |
| Other Current Liabilities | 9,723 | 12,362 | 14,497 | 18,602 | 21,644 | 23,041 | 26,796 |
| Provisions | 2,199 | 2,258 | 2,386 | 2,810 | 3,321 | 3,778 | 4,394 |
| Net Current Assets | 18,029 | 24,609 | 24,741 | 27,472 | 36,865 | 43,017 | 51,147 |
| Misc Expenditure | 199 | 21 | 11 | 27 | 169 | 0 | 0 |
| Appl. of Funds | 45,047 | 53,430 | 58,237 | 63,572 | 71,093 | 80,240 | 91,021 |

Financials and valuation

Ratios

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Basic (INR) | | | | | | | |
| EPS | 22.9 | 29.9 | 45.0 | 61.5 | 71.7 | 84.6 | 99.1 |
| Cash EPS | 27.4 | 34.7 | 50.0 | 67.2 | 78.3 | 91.8 | 107.6 |
| BV/Share | 159.0 | 175.1 | 193.7 | 222.3 | 253.2 | 286.2 | 325.1 |
| DPS | 14.0 | 10.5 | 25.0 | 34.2 | 39.9 | 47.0 | 55.1 |
| Payout (%) | 62.8 | 32.8 | 61.3 | 57.1 | 58.0 | 58.8 | 58.6 |
| Valuation (x) | | | | | | | |
| P/E | 138.5 | 106.1 | 70.6 | 51.6 | 44.3 | 37.5 | 32.0 |
| Cash P/E | 115.6 | 91.4 | 63.4 | 47.2 | 40.5 | 34.5 | 29.5 |
| P/BV | 20.0 | 18.1 | 16.4 | 14.3 | 12.5 | 11.1 | 9.8 |
| EV/Sales | 20.1 | 14.2 | 11.2 | 9.7 | 8.3 | 6.9 | 5.9 |
| EV/EBITDA | 150.1 | 98.2 | 69.9 | 49.1 | 41.3 | 35.2 | 30.0 |
| Dividend Yield (%) | 0.4 | 0.3 | 0.8 | 1.1 | 1.3 | 1.5 | 1.7 |
| FCF per share | 24.3 | 28.1 | 23.7 | 36.0 | 52.6 | 50.4 | 74.9 |
| Return Ratios (%) | | | | | | | |
| RoE | 14.8 | 17.9 | 24.4 | 29.6 | 30.2 | 31.4 | 32.4 |
| RoCE | 13.9 | 16.8 | 21.0 | 28.1 | 28.9 | 29.9 | 30.9 |
| RoIC | 15.9 | 27.4 | 36.6 | 51.1 | 55.5 | 55.7 | 52.8 |
| Working Capital Ratios | | | | | | | |
| Fixed Asset Turnover (x) | 2.1 | 2.8 | 3.3 | 3.4 | 3.6 | 3.6 | 3.7 |
| Asset Turnover (x) | 1.0 | 1.1 | 1.3 | 1.4 | 1.5 | 1.5 | 1.6 |
| Inventory (Days) | 47 | 43 | 42 | 38 | 36 | 42 | 42 |
| Debtor (Days) | 91 | 74 | 75 | 85 | 81 | 75 | 75 |
| Creditor (Days) | 82 | 73 | 68 | 76 | 76 | 68 | 68 |
| Leverage Ratio (x) | | | | | | | |
| Current Ratio | 2.5 | 2.7 | 2.5 | 2.3 | 2.5 | 2.6 | 2.6 |
| Interest Cover Ratio | 28.1 | 65.3 | 69.8 | 59.9 | 124.7 | 133.8 | 155.6 |
| Net Debt/Equity | -0.5 | -0.5 | -0.6 | -0.6 | -0.6 | -0.6 | -0.6 |

Standalone - Cashflow Statement

(INR m)

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E |
|------------------------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|
| OP/(Loss) before Tax | 8,711 | 9,614 | 11,631 | 17,773 | 22,502 | 25,880 | 34,027 |
| Direct Taxes Paid | -832 | -2,543 | -3,520 | -4,972 | -5,614 | -7,025 | -8,251 |
| CF from Operations | 7,879 | 7,071 | 8,111 | 12,801 | 16,888 | 18,855 | 25,776 |
| (Inc)/Dec in FA | -1,140 | 705 | -1,540 | -2,812 | -2,294 | -4,885 | -5,017 |
| Free Cash Flow | 6,738 | 7,776 | 6,571 | 9,989 | 14,593 | 13,969 | 20,760 |
| (Pur)/Sale of Investments | -75 | -7,597 | 376 | -2,967 | -7,575 | -120 | 0 |
| Others | 1,371 | 1,030 | 1,857 | 3,106 | 4,056 | 0 | 0 |
| CF from Investments | 155 | -5,862 | 694 | -2,673 | -5,813 | -5,005 | -5,017 |
| Dividend Paid | -3,881 | -4,435 | -6,237 | -8,593 | -10,534 | -13,042 | -15,278 |
| Others | -4,844 | 3,661 | -607 | -2,733 | -1,125 | -166 | -166 |
| CF from Fin. Activity | -8,724 | -774 | -6,844 | -11,326 | -11,659 | -13,208 | -15,444 |
| Inc/Dec of Cash | -691 | 434 | 1,960 | -1,198 | -585 | 641 | 5,316 |
| Opening Balance | 4,538 | 9,652 | 14,267 | 13,808 | 15,047 | 25,103 | 25,744 |
| Other adjustments | 5,804 | 4,181 | -2,420 | 2,437 | 10,641 | | |
| Closing Balance | 9,652 | 14,267 | 13,808 | 15,047 | 25,103 | 25,744 | 31,060 |

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| Explanation of Investment Rating | |
|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

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