

Healthy 2Q; structural decline in commuter motorcycle concern

Auto & Auto Ancillaries ▶ Result Update ▶ October 30, 2026

CMP (Rs): 5,107 | TP (Rs): 6,000

HMCL reported a healthy 2Q, with revenue up 21% yoy led by 10.5% yoy volume growth and ~1% qoq ASP growth, broadly in line with our estimates. EBITDA grew 8% yoy, with EBITDAM at 13.4% (up by ~10bps qoq; largely in line with estimates), despite RM pressure (impact of ~1% qoq). The management expects the domestic 2W industry to reach at mid-to-high single-digit pace in 2H despite a high base, while HMCL's growth is expected to be driven by sustained demand (supported by new launches and model refreshes), capacity expansion, and a lean dealer inventory. HMCL remains focused on market-share gains, with domestic share at ~27.3% in 2Q vs 27.4% in 1Q. While it gained ~30bps sequentially in commuter motorcycles, the declining industry commuter motorcycle mix (~60bps qoq), which accounts for ~82% of HMCL's volume mix, remains a key monitorable. Commodity inflation continues to be a headwind, with impact of ~5.5% in FY27TD – around 50% has been passed on, while balance has been mitigated via cost-saving initiatives, improving Vida unit economics (GM turned positive in 2Q), and premiumization. While inflationary pressures are expected to persist in 3Q, Management expects to sustain EBITDAM and reiterated its medium-term EBITDA guidance of 14-16%. We largely maintain FY28E/FY29E EPS but lower our valuation multiple to 14x (18x earlier; current Sep-28E core PER at ~11x with dividend yield of ~4%), factoring in the declining industry commuter motorcycle mix, normalization of growth following the GST-cut led demand boost, and rising macroeconomic risks (El Niño). We maintain ADD and cut our TP by ~10% to Rs6,000 from Rs6,700 at 14x Sep-28E core EPS.

In-line result; EBITDAM sustains sequentially despite GM contraction

Revenue rose ~21% yoy to Rs147bn led by ~10.5% volume growth and 1.4% sequential rise in ASPs. EBITDA came in at Rs19.7bn. EBITDAM came in at 13.4%, higher by 10bps qoq, despite ~30bps GM contraction. APAT grew ~5% yoy to Rs14.6bn (Emkay: Rs15.1bn).

Earnings call highlights

1) Management expects mid-to-high single-digit 2W industry growth in 2HFY27 (ICE: low single digit, with EVs lifting overall growth) despite a high base. 2) Growth is expected to be broad-based, led by sustained demand (backed by new launches/model refreshes), capacity expansion, and lean dealer inventory. Exports are expected to grow at a DD pace in 2H, aided by normalization of logistics post earthquake-related disruption in LatAm and recovery in Bangladesh post slowdown due to higher fuel prices. 3) Vida capacity has doubled to 30k units/month and is expected to rise to 45k and 80k units/month by 4QFY27 and 2QFY28, with current dealer inventory at only 1 day. 4) ICE scooter capacity has nearly doubled yoy to ~80k units/month, with further Xoom capacity planned for exports. 5) The management reiterated its medium-term EBITDAM target of 14-16%, with 3QFY27 margins expected to be broadly stable qoq amid elevated commodity costs. 6) Of the ~5.5% input cost inflation in 1H, ~50% has been recovered through price hikes, with the balance mitigated via cost initiatives, improving Vida unit economics, and premiumization. 7) The EV business turned gross margin positive in 2Q, while PLI covering ~70% of the portfolio in 2Q is expected to reach 100% from Oct-26, translating into ~13% of EV revenue eligible via PLI (vs ~6% currently, on revenue of ~Rs10bn). 8) HMCL plans 3-4 premium launches in 2H across Xtreme, Xpulse, Karizma, and the Harley-Davidson. 9) FY27 capex guidance is maintained at Rs15bn (~Rs6bn spent in 1H).

Hero MotoCorp: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	407,564	468,301	576,662	618,521	668,903
EBITDA	58,677	68,707	76,840	82,430	89,164
Adj. PAT	46,100	53,871	60,588	64,659	69,268
Adj. EPS (Rs)	230.7	269.6	303.2	323.6	346.7
EBITDA margin (%)	14.4	14.7	13.3	13.3	13.3
EBITDA growth (%)	11.6	17.1	11.8	7.3	8.2
Adj. EPS growth (%)	11.7	16.9	12.5	6.7	7.1
RoE (%)	24.4	26.0	26.9	26.5	26.2
RoIC (%)	83.9	147.3	358.3	371.0	273.6
P/E (x)	22.1	19.4	16.8	15.8	14.7
EV/EBITDA (x)	15.2	12.4	11.0	10.2	9.4
P/B (x)	5.2	4.7	4.4	4.0	3.7
FCFF yield (%)	3.8	8.6	6.8	7.2	6.7

Source: Company, Emkay Research

Target Price – 12M	Sep-27
Change in TP (%)	(10.4)
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	17.5

Stock Data	HMCL IN
52-week High (Rs)	6,390
52-week Low (Rs)	4,672
Shares outstanding (mn)	200.2
Market-cap (Rs bn)	1,022
Market-cap (USD mn)	10,731
Net-debt, FY27E (Rs mn)	(176,469.4)
ADTV-3M (mn shares)	0.7
ADTV-3M (Rs mn)	3,444.0
ADTV-3M (USD mn)	36.2
Free float (%)	65.3
Nifty-50	22,936.8
INR/USD	95.3

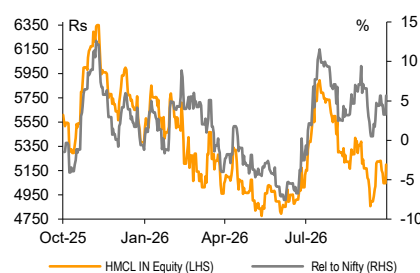
Shareholding, Sep-26

Promoters (%)	34.7
FPIs/MFs (%)	32.2/23.9

Price Performance

(%)	1M	3M	12M
Absolute	(1.9)	(0.8)	(8.0)
Rel. to Nifty	(2.9)	4.9	4.5

1-Year share price trend (Rs)



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Exhibit 1: Total volumes up 10.5% yoy, led by 8.8%/51.2% yoy rise in domestic motorcycle/scooter volumes

Particulars	2QFY27	2QFY26	yoy %	1QFY27	qoq %
Domestic motorcycles (no of units)	1,553,389	1,427,172	8.8	1,392,539	11.6
Market share (%)	42.9	42.3	57 bps	42.1	84 bps
Domestic scooters (no of units)	229,751	151,955	51.2	179,568	27.9
Market share (%)	8.3	7.1	128 bps	7.9	46 bps
Domestic volumes (no of units)	1,783,140	1,579,127	12.9	1,572,107	13.4
Market share (%)	27.3	27.9	(61) bps	27.4	(12) bps
Total volumes (no of units)	1,868,576	1,690,702	10.5	1,677,278	11.4
Realization (Rs)	78,602	71,723	9.6	77,499	1.4

Source: Company, SIAM, Emkay Research

Exhibit 2: Revenue up ~21% yoy on 10.5% volume rise and 9.6% improvement in ASP; EBITDAM rises sequentially by 10bps

Rs mn	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	yoy (%)	qoq (%)
Volumes (no of units)	1,519,684	1,463,802	1,380,545	1,367,070	1,690,702	1,696,777	1,714,285	1,677,278	1,868,576	10.5	11.4
Growth yoy (%)	7.3	0.3	-0.9	-10.9	11.3	15.9	24.2	22.7	10.5		
ASP (Rs)	68,851	69,755	71,991	70,069	71,723	72,658	74,646	77,499	78,602	9.6	1.4
Growth yoy (%)	3.3	4.7	5.3	6.0	4.2	4.2	3.7	10.6	9.6		
Revenue	104,632	102,108	99,387	95,789	121,263	123,284	127,965	129,988	146,874	21.1	13.0
Growth yoy (%)	10.8	5.0	4.4	-5.6	15.9	20.7	28.8	35.7	21.1		
Expenditure	89,473	87,343	85,231	81,972	103,029	105,183	109,410	112,723	127,198	23.5	12.8
as a % of sales	85.5	85.5	85.8	85.6	85.0	85.3	85.5	86.7	86.6		
Consumption of RM	69,795	67,152	65,069	63,904	80,939	83,131	87,656	92,897	105,459	30.3	13.5
as a % of sales	66.7	65.8	65.5	66.7	66.7	67.4	68.5	71.5	71.8		
Employee Cost	6,535	6,622	6,711	6,260	6,981	7,050	6,814	6,991	7,400	6.0	5.9
as a % of sales	6.2	6.5	6.8	6.5	5.8	5.7	5.3	5.4	5.0		
Other expenditure	13,143	13,569	13,451	11,808	15,109	15,003	14,940	12,834	14,339	(5.1)	11.7
as % of sales	12.6	13.3	13.5	12.3	12.5	12.2	11.7	9.9	9.8		
EBITDA	15,159	14,765	14,156	13,817	18,234	18,101	18,556	17,266	19,676	7.9	14.0
Growth yoy (%)	14.1	8.4	4.1	-5.3	20.3	22.6	31.1	25.0	7.9		
EBITDA margin (%)	14.5	14.5	14.2	14.4	15.0	14.7	14.5	13.3	13.4		
Depreciation	1,937	1,969	1,921	1,928	1,970	2,044	2,039	2,053	2,163	9.8	5.3
EBIT	13,222	12,796	12,235	11,889	16,264	16,056	16,517	15,213	17,514	7.7	15.1
Other Income	2,830	3,175	2,237	3,037	2,328	2,959	2,086	4,409	1,938	(16.8)	(56.0)
Interest	49	55	47	56	57	60	55	63	61	8.5	(2.4)
PBT	16,003	15,916	14,425	14,870	18,536	18,955	18,548	19,559	19,390	4.6	(0.9)
Total Tax	3,967	3,888	3,615	3,613	4,609	4,280	4,537	5,014	4,828	4.8	(3.7)
Adjusted PAT	12,035	12,028	10,809	11,257	13,928	14,676	14,011	14,545	14,562	4.6	0.1
Growth yoy (%)	14.2	12.1	6.4	0.3	15.7	22.0	29.6	29.2	4.6		
Exceptional items Loss/(Gain)	0	0	0	0	0	1,190	0	0	0		
Reported PAT	12,035	12,028	10,809	11,257	13,928	13,486	14,011	14,545	14,562	4.6	0.1
Adjusted EPS (Rs)	60.2	60.2	54.1	56.3	69.7	67.5	70.1	72.7	72.8	4.4	0.1

(%)	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	yoy (bps)	qoq (bps)
EBITDAM	14.5	14.5	14.2	14.4	15.0	14.7	14.5	13.3	13.4	(164)	11
EBITM	12.6	12.5	12.3	12.4	13.4	13.0	12.9	11.7	11.9	(149)	22
EBTM	15.3	15.6	14.5	15.5	15.3	15.4	14.5	15.0	13.2	(208)	(184)
PATM	11.5	11.8	10.9	11.8	11.5	11.9	10.9	11.2	9.9	(157)	(127)
Effective Tax rate	24.8	24.4	25.1	24.3	24.9	22.6	24.5	25.6	24.9	4	(74)

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

Exhibit 3: Actual vs estimates

Rs mn	Actual	Emkay Est	Var %	Consensus	Var %
Net sales	146,874	147,677	(0.5)	144,705	1.5
EBITDA	19,676	19,641	0.2	19,232	2.3
EBITDA Margin (%)	13.4	13.3	10 bps	13.3	11 bps
Adj net income	14,562	15,116	(3.7)	14,897	(2.2)

Source: Company, Emkay Research

Exhibit 4: During 2QFY27, the EBITDA margin drags from EVs stood at ~220bps

%	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Reported EBITDA margin	13.8	14.1	14.0	14.3	14.4	14.5	14.5	14.2	14.4	15.0	14.7	14.5	13.3	13.4
qoq change (bps)		30	(6)	27	11	10	(3)	(22)	18	61	(35)	(18)	(122)	11
Underlying ICE EBITDA margin	14.5	15.0	16.0	15.3	16.4	16.5	16.0	16.1	16.8	17.7	17.0	17.0	15.9	15.6
qoq change (bps)		50	100	(70)	110	10	(50)	10	70	90	(70)	-	(110)	(30)
Drag from EVs	74	94	199	102	201	201	154	186	238	266	232	250	262	220

Source: Company, Emkay Research

Exhibit 5: Industry volume mix has further tilted toward ICE scooters; share of commuter motorcycles at a declining phase

Volume mix (%)	FY22	FY23	FY24	FY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Industry										
Commuter Motorcycles	39.4	40.3	40.9	38.0	36.6	35.8	34.3	33.5	31.8	31.2
-- Economy motorcycles	11.7	9.6	9.7	7.9	7.2	8.0	6.9	6.2	5.0	5.3
-- Executive motorcycles	15.6	17.2	16.5	15.4	14.9	14.6	14.5	14.5	14.4	14.4
--125cc motorcycles	12.1	13.4	14.7	14.7	14.5	13.2	12.9	12.8	12.3	11.6
Premium motorcycles	10.0	11.7	13.0	12.3	12.4	12.7	13.2	13.4	13.6	13.0
Scooters	23.5	27.2	27.9	30.3	29.9	31.0	31.3	32.1	31.3	33.7
-- ICE	21.9	23.2	23.3	25.0	24.6	26.2	25.8	26.4	24.6	26.7
-- EV	1.6	3.9	4.6	5.3	5.3	4.7	5.5	5.6	6.7	6.9
Mopeds	2.7	2.2	2.2	2.1	1.8	1.9	2.0	1.9	1.9	1.9
Exports	24.4	18.6	16.0	17.3	19.3	18.6	19.2	19.1	21.3	20.2

Source: Company, Emkay Research; Note: Here, premium refers to >125cc motorcycles

Exhibit 6: HMCL's segment mix has slightly tilted toward scooters

HMCL - Volume mix (%)	FY22	FY23	FY24	FY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Commuter Motorcycles	86.4	88.7	88.0	87.2	87.9	83.0	83.3	81.8	82.1	81.9
-- Economy motorcycles	23.6	19.7	18.4	16.5	18.3	16.5	15.0	13.3	12.1	12.8
-- Executive motorcycles	51.4	58.4	59.9	59.0	61.5	57.0	58.3	58.3	60.5	60.3
--125cc motorcycles	11.4	10.5	9.7	11.8	8.1	9.5	10.0	10.2	9.6	8.7
Premium motorcycles	1.4	1.3	1.3	1.3	0.9	1.4	1.0	1.2	0.9	1.2
Scooters	6.2	6.7	7.1	6.6	6.5	9.0	9.7	9.7	10.7	12.3
-- ICE	6.2	6.7	6.8	5.6	4.9	6.7	7.3	7.1	7.3	8.2
-- EV	0.0	0.0	0.4	1.0	1.7	2.3	2.5	2.6	3.4	4.1
Exports	6.1	3.2	3.6	4.9	4.7	6.6	6.0	7.3	6.3	4.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: SIAM, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

Exhibit 7: HMCL sees largely flattish overall domestic 2W market share sequentially, though share in commuter motorcycles and scooters improves slightly

Market share (%)	FY22	FY23	FY24	FY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
HMCL	27.2	27.1	25.9	24.3	23.1	24.3	23.7	23.7	23.0	22.8
Commuter Motorcycles	59.6	59.7	55.8	55.7	55.5	56.5	57.6	57.9	59.4	60.0
-- Economy motorcycles	54.8	55.5	49.3	50.4	59.1	50.3	51.3	50.9	55.4	55.7
-- Executive motorcycles	89.4	92.0	94.0	93.0	95.2	94.9	95.1	95.0	96.4	95.8
--125cc motorcycles	25.7	21.3	17.1	19.5	12.8	17.6	18.5	19.0	17.8	17.3
Premium motorcycles	3.7	3.0	2.5	2.5	1.6	2.7	1.7	2.0	1.5	2.2
Scooters	7.1	6.7	6.6	5.3	5.1	7.1	7.4	7.2	7.9	8.3
-- ICE	7.7	7.8	7.6	5.5	4.6	6.2	6.7	6.3	6.8	7.0
-- EV	0.0	0.2	2.0	4.5	7.3	11.8	10.7	11.1	11.7	13.6
Mopeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exports	6.8	4.7	5.8	6.9	5.6	8.6	7.5	9.0	6.8	5.2
Domestic 2W market share (%)	33.8	32.2	29.8	27.9	27.2	27.9	27.6	27.2	27.4	27.3

Source: SIAM, Emkay Research

Exhibit 8: HMCL's domestic model mix – Continues to see dependence on economy and executive motorcycles

Model Mix (%)	Model	FY22	FY23	FY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Motorcycles														
Economy motorcycles	HF Deluxe	25.1	20.4	19.1	18.5	16.9	16.4	17.6	19.2	17.7	16.0	14.4	12.9	13.5
Executive motorcycles	Splendor	51.3	57.1	55.5	58.0	58.1	59.2	58.0	60.6	56.7	58.2	59.0	61.3	59.8
Executive motorcycles	Passion	3.4	3.3	6.6	4.1	4.1	3.4	3.7	4.1	4.6	3.8	4.0	3.3	3.6
Executive mc 125	Glamour	6.1	4.8	4.4	4.2	3.1	3.1	2.2	1.1	4.0	4.5	4.6	4.1	3.3
Executive mc 125	Super Splendor	6.1	6.0	5.4	4.9	3.8	4.1	3.8	3.9	3.1	2.6	2.8	3.1	3.2
Executive mc 125	Xtreme 125R	0.0	0.0	0.3	3.2	6.3	6.0	4.8	3.4	3.1	3.6	3.8	3.1	2.7
Premium motorcycles	Xtreme	0.8	0.6	0.6	0.4	0.5	0.5	0.7	0.3	0.4	0.4	0.4	0.2	0.2
Premium motorcycles	Xpulse	0.7	0.7	0.6	0.6	0.5	0.3	0.4	0.5	0.7	0.5	0.7	0.5	0.9
Premium motorcycles	Karizma	0.0	0.0	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Premium motorcycles	Maverick 440	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Scooters														
Scooters	Maestro	1.2	0.7	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Scooters	Pleasure	3.9	3.3	2.6	1.8	2.7	3.1	2.9	1.6	2.0	1.8	1.5	1.5	1.5
Scooters	Xoom	0.0	0.4	1.6	0.9	0.9	0.7	0.8	0.4	1.3	1.1	1.2	1.6	2.0
Scooters	Destini 125	1.5	2.5	2.6	2.4	2.0	2.3	3.5	3.0	3.9	4.8	5.0	4.7	5.1
Scooters	Vida	0.0	0.0	0.4	0.7	1.1	0.8	1.6	1.7	2.5	2.6	2.9	3.6	4.3

Source: SIAM, Emkay Research

Exhibit 9: HMCL continues to raise share in domestic motorcycles and scooters

Domestic 2W market share (%)	FY22	FY23	FY24	FY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
HMCL	33.8	31.6	29.2	27.8	27.2	27.9	27.6	27.2	27.4	27.3
BJAUT	11.9	11.0	12.2	11.5	11.1	10.6	10.4	10.6	10.2	9.3
HMSI	25.2	24.7	24.5	26.4	25.7	25.7	26.4	26.4	24.7	25.0
TVSL	15.0	15.9	17.1	17.5	19.1	19.3	19.3	19.2	20.0	20.7
Yamaha	3.5	3.5	3.8	3.4	2.9	3.3	3.1	3.6	3.6	3.4
EIM (RE)	3.8	4.5	4.5	4.5	4.8	5.2	5.2	4.9	5.3	5.2
Suzuki	4.4	4.5	5.0	5.2	5.8	5.2	5.2	5.2	5.2	5.1
Others	2.4	4.3	3.9	3.7	3.4	2.9	2.8	2.9	3.6	3.9

Domestic motorcycles market share (%)	FY22	FY23	FY24	FY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
HMCL	48.3	46.9	43.0	42.6	41.8	42.3	42.0	41.9	42.1	42.9
BJAUT	18.2	17.3	18.2	16.6	16.0	16.0	14.9	15.7	14.3	12.8
HMSI	16.5	15.7	17.2	20.1	20.2	19.5	19.8	19.9	20.0	20.1
TVSL	7.9	8.9	10.5	9.8	11.3	10.5	11.1	10.5	11.0	11.4
Yamaha	3.1	3.8	3.6	3.1	2.5	2.8	3.0	3.4	3.4	3.2
EIM (RE)	5.8	7.2	7.2	7.4	7.9	8.7	8.8	8.4	9.1	9.4
Others	6.1	0.2	0.4	0.3	0.2	0.1	0.2	0.2	0.2	0.2

Domestic ICE scooters market share (%)	FY22	FY23	FY24	FY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
HMSI	49.8	49.7	47.0	46.7	43.9	43.7	46.1	45.7	42.1	42.6
TVSL	21.5	23.6	23.5	25.3	27.9	28.9	26.6	26.8	28.7	29.0
Suzuki	14.7	14.7	16.6	16.9	18.7	16.0	15.9	15.8	16.5	15.6
HMCL	7.7	7.3	7.1	5.5	4.6	6.2	6.7	6.3	6.9	7.2
Yamaha	5.0	3.7	5.1	5.1	4.4	4.8	4.2	4.9	5.3	5.1
Others	1.3	0.9	0.7	0.5	0.5	0.4	0.5	0.5	0.5	0.5

Source: SIAM, Emkay Research

Exhibit 10: HMCL gaining share in economy and executive motorcycles

Economy motorcycles market share (%)	FY22	FY23	FY24	FY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
HMCL	54.8	55.5	49.3	50.4	59.1	50.3	51.3	50.9	55.4	55.7
BJAUT	36.1	34.0	28.0	26.1	22.3	26.6	23.0	23.1	23.8	24.3
HMSI	-	-	12.6	14.1	8.9	13.0	15.9	19.0	12.0	10.6
TVSL	9.1	10.4	10.0	9.5	9.6	10.1	9.8	7.0	8.8	9.4
Others	-	-	-	-	-	-	-	-	-	-
Executive motorcycles market share (%)	FY22	FY23	FY24	FY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
HMCL	89.4	92.0	94.0	93.0	95.2	94.9	95.1	95.0	96.4	95.8
BJAUT	-	-	-	-	-	-	-	-	-	-
TVSL	3.8	3.6	3.7	3.7	3.4	4.0	3.7	4.1	3.6	4.2
HMSI	6.8	4.5	2.3	3.3	1.3	1.1	1.3	0.9	0.1	-
Others	-	-	-	-	-	-	-	-	-	-

Source: SIAM, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Exhibit 11: Retail market share – HMCL has witnessed a dip in its market share to 24.1% sequentially in 2QFY27, though it has largely maintained its on yoy basis (seasonality)

2W Retail Volume (no of units)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
BJAUT	549,844	476,974	703,610	525,220	551,468	427,197	753,494	619,987	600,189	506,404
HMCL	1,380,283	1,054,166	1,852,972	1,257,807	1,429,494	1,026,930	2,207,094	1,519,685	1,554,854	1,292,723
HMSI	1,200,686	1,119,794	1,604,509	1,115,933	1,214,604	1,077,769	1,870,468	1,419,649	1,401,316	1,392,372
TVSL	804,820	736,950	1,022,456	847,701	931,785	818,703	1,314,579	1,110,746	1,101,778	1,097,772
RE	202,749	181,898	259,308	236,736	242,578	232,143	365,177	308,036	284,395	297,796
2W Industry Retails	4,651,388	4,174,301	6,107,851	4,573,132	4,974,143	4,195,246	7,275,439	5,716,614	5,688,050	5,353,157

2Ws Market Share (%)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
BJAUT	11.8	11.4	11.5	11.5	11.1	10.2	10.4	10.8	10.6	9.5
HMCL	29.7	25.3	30.3	27.5	28.7	24.5	30.3	26.6	27.3	24.1
HMSI	25.8	26.8	26.3	24.4	24.4	25.7	25.7	24.8	24.6	26.0
TVSL	17.3	17.7	16.7	18.5	18.7	19.5	18.1	19.4	19.4	20.5
RE	4.4	4.4	4.2	5.2	4.9	5.5	5.0	5.4	5.0	5.6

Source: Vahan, Emkay Research

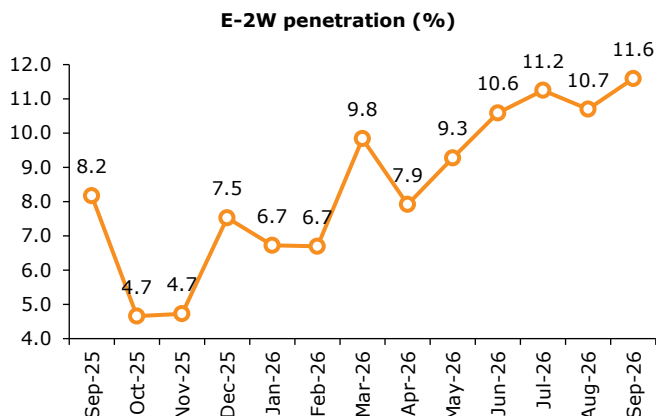
Exhibit 12: E-2W retails – HMCL has consistently maintained the #4 spot, with ~11.7% share in Sep-26; E-2W industry growth accelerated to 90% in Sep-26

E-2Ws Retails (no of units)	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Ola Electric	13,856	16,437	8,888	9,394	7,808	4,167	10,256	12,327	15,218	16,249	14,225	13,941	13,458
TVS Motor	23,925	31,075	32,310	26,826	36,132	33,493	51,593	40,011	42,965	47,418	55,807	49,284	54,366
Ather Energy	19,364	29,871	21,876	18,371	23,082	21,260	36,333	28,459	28,512	31,440	30,612	29,068	30,904
Bajaj Auto	20,274	32,463	26,825	19,912	26,573	26,337	47,733	34,555	39,507	43,505	45,856	41,341	48,725
Hero MotoCorp	13,273	16,498	12,876	11,392	13,866	12,973	22,194	15,904	19,214	21,893	22,985	19,144	24,427
Okinawa	107	180	151	100	129	113	140	133	112	129	121	143	91
Greaves Electric	4,352	7,743	5,893	4,849	5,421	4,761	7,979	7,009	7,702	10,938	10,134	8,623	9,319
Bgauss Auto	2,524	3,077	2,951	2,511	2,539	2,723	3,773	3,230	3,300	3,975	5,559	5,045	5,024
River Mobility	1,895	1,822	2,064	2,059	2,856	2,480	4,284	3,729	3,800	4,449	6,023	5,216	5,640
Revolt Intellicorp	709	1,357	1,055	536	672	664	1,342	962	742	889	1,252	918	1,038
HMSI	348	401	356	271	297	206	149	402	525	816	939	882	1,107
Others	9,249	9,964	9,715	8,493	9,876	9,211	13,482	10,573	10,856	13,250	12,052	11,066	14,484
Industry	109,876	150,888	124,960	104,714	129,251	118,388	199,258	157,294	172,453	194,951	205,565	184,671	208,583
Industry Growth yoy (%)	14.4	4.1	(1.6)	34.3	26.1	47.0	43.9	63.1	64.4	76.1	89.4	68.4	89.8

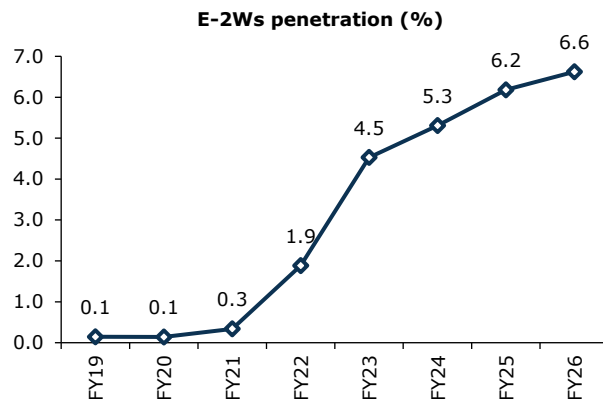
Market Share (%)	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Ola Electric	12.6	10.9	7.1	9.0	6.0	3.5	5.1	7.8	8.8	8.3	6.9	7.5	6.5
TVS Motor	21.8	20.6	25.9	25.6	28.0	28.3	25.9	25.4	24.9	24.3	27.1	26.7	26.1
Ather Energy	17.6	19.8	17.5	17.5	17.9	18.0	18.2	18.1	16.5	16.1	14.9	15.7	14.8
Bajaj Auto	18.5	21.5	21.5	19.0	20.6	22.2	24.0	22.0	22.9	22.3	22.3	22.4	23.4
Hero MotoCorp	12.1	10.9	10.3	10.9	10.7	11.0	11.1	10.1	11.1	11.2	11.2	10.4	11.7
Okinawa	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Greaves Electric	4.0	5.1	4.7	4.6	4.2	4.0	4.0	4.5	4.5	5.6	4.9	4.7	4.5
Bgauss Auto	2.3	2.0	2.4	2.4	2.0	2.3	1.9	2.1	1.9	2.0	2.7	2.7	2.4
River Mobility	1.7	1.2	1.7	2.0	2.2	2.1	2.1	2.4	2.2	2.3	2.9	2.8	2.7
Revolt Intellicorp	0.6	0.9	0.8	0.5	0.5	0.6	0.7	0.6	0.4	0.5	0.6	0.5	0.5
HMSI	0.3	0.3	0.3	0.3	0.2	0.2	0.1	0.3	0.3	0.4	0.5	0.5	0.5
Others	8.4	6.6	7.8	8.1	7.6	7.8	6.8	6.7	6.3	6.8	5.9	6.0	6.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

Exhibit 13: Domestic E-2W penetration at 11.6% in Sep-26 vs 9.8% in Mar-26 and 8.2% in Sep-25...

Source: Vahan, Emkay Research

Exhibit 14: ...with FY26 penetration at ~6.6%

Source: Vahan, Emkay Research

Exhibit 15: Commodities have seen uptick in 1QFY27/2QFY27; aluminum, though, saw some moderation in 2QFY27/3QFY27TD

Commodity	Units	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	3QFY27TD	Current Price
Steel (India HRC)	Rs/t	54,951	48,734	48,306	52,577	50,554	48,027	53,611	57,215	58,778	64,466	65,000
Aluminium (LME)	Rs/t	198,690	217,578	227,242	209,216	228,858	252,215	292,327	337,338	308,301	292,181	294,669
Domestic Rubber	Rs/kg	227	191	194	198	198	186	207	253	277	287	296
International Rubber	Rs/kg	190	204	205	182	187	181	206	243	259	270	274
Lead (LME)	Rs/t	170,739	169,303	170,275	166,479	171,698	175,355	176,624	184,837	177,484	177,517	177,946
Copper (LME)	Rs/t	768,942	775,526	808,614	813,643	856,719	991,309	1,184,077	1,239,348	1,347,621	1,388,821	1,398,733
Zinc (LME)	Rs/t	236,175	258,336	248,703	227,596	246,510	271,391	299,784	321,356	358,149	358,742	368,066
Brent Crude	Rs/bbl	6,617	6,256	6,495	5,715	5,948	5,617	7,184	9,149	8,728	10,312	10,868
Palladium	Rs/ounce	80,907	85,415	83,262	84,830	102,488	132,074	155,546	133,150	124,971	106,205	95,944
Rhodium	Rs/ounce	393,075	392,775	427,558	466,567	591,024	706,382	986,629	877,249	835,810	868,523	864,553
Platinum	Rs/ounce	81,072	82,065	84,395	92,154	121,749	152,239	201,977	182,320	166,144	158,034	147,950
Gold	Rs/ounce	206,901	224,804	247,459	281,324	302,052	370,491	444,707	426,889	407,746	393,827	384,844
PVSE Index	Rs/t	69,833	67,314	64,788	59,874	60,735	57,793	69,570	88,175	77,467	81,520	81,930

Change qoq (%)	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	3QFY27TD	Current Price vs 2QFY27 avg
Steel (India HRC)	0.0	(11.3)	(0.9)	8.8	(3.8)	(5.0)	11.6	6.7	2.7	9.7	10.6
Aluminium (LME)	(5.6)	9.5	4.4	(7.9)	9.4	10.2	15.9	15.4	(8.6)	(5.2)	(4.4)
Domestic Rubber	20.2	(15.7)	1.3	2.6	(0.2)	(6.4)	11.7	22.1	9.6	3.5	6.7
International Rubber	8.0	7.2	0.5	(11.2)	2.7	(3.4)	14.1	17.7	6.8	4.4	5.7
Lead (LME)	(5.6)	(0.8)	0.6	(2.2)	3.1	2.1	0.7	4.6	(4.0)	0.0	0.3
Copper (LME)	(5.5)	0.9	4.3	0.6	5.3	15.7	19.4	4.7	8.7	3.1	3.8
Zinc (LME)	(1.5)	9.4	(3.7)	(8.5)	8.3	10.1	10.5	7.2	11.4	0.2	2.8
Brent Crude	(6.7)	(5.5)	3.8	(12.0)	4.1	(5.6)	27.9	27.3	(4.6)	18.1	24.5
Palladium	(0.3)	5.6	(2.5)	1.9	20.8	28.9	17.8	(14.4)	(6.1)	(15.0)	(23.2)
Rhodium	0.1	(0.1)	8.9	9.1	26.7	19.5	39.7	(11.1)	(4.7)	3.9	3.4
Platinum	(1.5)	1.2	2.8	9.2	32.1	25.0	32.7	(9.7)	(8.9)	(4.9)	(11.0)
Gold	6.1	8.7	10.1	13.7	7.4	22.7	20.0	(4.0)	(4.5)	(3.4)	(5.6)
PVSE Index	3.3	(3.6)	(3.8)	(7.6)	1.4	(4.8)	20.4	26.7	(12.1)	5.2	5.8

ssSource: Bloomberg, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Exhibit 16: We build in overall 2W volume run-rate of ~604k/630k/662k in FY27E/FY28E/FY29E, implying yoy growth of 12%/4%/5%

Volumes (no of units)	FY26YTD	FY27YTD	yoy (%)	FY26 Rem	FY27E Rem	yoy (%)	FY26	yoy (%)	FY27E	yoy (%)	FY28E	yoy (%)	FY29E	yoy (%)
Scooters	241,241	409,319	69.7	331,629	478,000	44.1	572,870	46.4	887,319	54.9	1,140,000	28.5	1,350,000	18.4
-- ICE	179,759	275,355	53.2	244,638	304,000	24.3	424,397	27.5	579,355	36.5	600,000	3.6	630,000	5.0
-- EVs	61,482	133,964	117.9	86,991	174,000	100.0	148,473	153.8	307,964	107.4	540,000	75.3	720,000	33.3
Motorcycles	2,640,598	2,945,358	11.5	2,850,161	2,984,906	4.7	5,490,759	5.2	5,930,264	8.0	5,913,696	-0.3	6,049,638	2.3
--Economy	529,573	442,827	-16.4	482,626	490,000	1.5	1,012,199	4.2	932,827	-7.8	840,000	-10.0	840,000	0.0
--Executive	1,804,375	2,140,640	18.6	1,985,874	2,105,000	6.0	3,790,249	8.9	4,245,640	12.0	4,291,200	1.1	4,377,024	2.0
--Executive 125cc	271,268	323,668	19.3	345,723	351,500	1.7	616,991	-11.1	675,168	9.4	708,000	4.9	754,500	6.6
--Premium	35,382	38,223	8.0	35,938	38,406	6.9	71,320	-1.4	76,629	7.4	74,496	-2.8	78,114	4.9
Total Domestic	2,881,839	3,354,677	16.4	3,181,790	3,462,906	8.8	6,063,629	8.1	6,817,583	12.4	7,053,696	3.5	7,399,638	4.9
Total Exports	176,000	190,606	8.3	226,744	239,450	5.6	402,744	39.0	430,056	6.8	500,391	16.4	547,303	9.4
Total Volumes	3,057,839	3,545,283	15.9	3,408,534	3,702,355	8.6	6,466,373	9.6	7,247,638	12.1	7,554,087	4.2	7,946,941	5.2
Monthly Run Rate (no of units)	FY26YTD	FY27YTD	yoy (%)	FY26 Rem	FY27E Rem	yoy (%)	FY26	yoy (%)	FY27E	yoy (%)	FY28E	yoy (%)	FY29E	yoy (%)
Scooters	40,207	68,220	69.7	55,272	79,667	44.1	47,739	46.4	73,943	54.9	95,000	28.5	112,500	18.4
-- ICE	29,960	45,893	53.2	40,773	50,667	24.3	35,366	27.5	48,280	36.5	50,000	3.6	52,500	5.0
-- EVs	10,247	22,327	117.9	14,499	29,000	100.0	12,373	153.8	25,664	107.4	45,000	75.3	60,000	33.3
Motorcycles	440,100	490,893	11.5	475,027	497,484	4.7	457,563	5.2	494,189	8.0	492,808	-0.3	504,136	2.3
--Economy	88,262	73,805	-16.4	80,438	81,667	1.5	84,350	4.2	77,736	-7.8	70,000	-10.0	70,000	0.0
--Executive	300,729	356,773	18.6	330,979	350,833	6.0	315,854	8.9	353,803	12.0	357,600	1.1	364,752	2.0
--Executive 125cc	45,211	53,945	19.3	57,621	58,583	1.7	51,416	-11.1	56,264	9.4	59,000	4.9	62,875	6.6
--Premium	5,897	6,371	8.0	5,990	6,401	6.9	5,943	-1.4	6,386	7.4	6,208	-2.8	6,509	4.9
Total Domestic	480,307	559,113	16.4	530,298	577,151	8.8	505,302	8.1	568,132	12.4	587,808	3.5	616,636	4.9
Total Exports	29,333	31,768	8.3	37,791	39,908	5.6	33,562	39.0	35,838	6.8	41,699	16.4	45,609	9.4
Total Volumes	509,640	590,881	15.9	568,089	617,059	8.6	538,864	9.6	603,970	12.1	629,507	4.2	662,245	5.2

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Exhibit 17: We build in 7%/13%/9% volume/revenue/PAT CAGR over FY26-29E

Revenue Model	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Avg. monthly volumes (no of units)	412,012	444,046	468,440	491,624	538,864	603,970	629,507	662,245
Volumes (no of units)	4,944,148	5,328,548	5,621,285	5,899,488	6,466,373	7,247,638	7,554,087	7,946,941
Growth yoy (%)	(14.6)	7.8	5.5	4.9	9.6	12.1	4.2	5.2
ASP (Rs/unit)	59,152	63,443	66,632	69,085	72,421	79,566	81,879	84,171
Growth yoy (%)	11.1	7.3	5.0	3.7	4.8	9.9	2.9	2.8
Revenues	292,455	338,057	374,557	407,564	468,301	576,662	618,521	668,903
Growth yoy (%)	(5.0)	15.6	10.8	8.8	14.9	23.1	7.3	8.1
Gross Profit	84,187	99,475	120,250	136,877	152,671	165,797	180,670	194,785
Gross margin (%)	28.8	29.4	32.1	33.6	32.6	28.8	29.2	29.1
Gross Profit per Vehicle	17,028	18,668	21,392	23,201	23,610	22,876	23,917	24,511
Employee Costs	19,354	21,898	24,023	25,952	27,105	29,639	31,490	33,440
% of Revenue	6.6	6.5	6.4	6.4	5.8	5.1	5.1	5.0
Employee Costs per Vehicle	3,915	4,110	4,274	4,399	4,192	4,090	4,169	4,208
Other Expenses	31,145	37,715	43,669	52,248	56,860	59,318	66,750	72,180
% of Revenue	10.6	11.2	11.7	12.8	12.1	10.3	10.8	10.8
Other expenses per Vehicle	6,299	7,078	7,769	8,856	8,793	8,184	8,836	9,083
EBITDA	33,688	39,862	52,557	58,677	68,707	76,840	82,430	89,164
EBITDA margin (%)	11.5	11.8	14.0	14.4	14.7	13.3	13.3	13.3
EBITDA Growth yoy (%)	(16.2)	18.3	31.8	11.6	17.1	11.8	7.3	8.2
EBITDA per vehicle (Rs)	6,814	7,481	9,350	9,946	10,625	10,602	10,912	11,220
Depreciation	6,498	6,570	7,114	7,759	7,980	8,747	9,447	10,148
as a % of Gross block	4.5	4.4	4.6	4.7	4.6	4.8	4.8	4.8
Depreciation per vehicle (Rs)	1,314	1,233	1,266	1,315	1,234	1,207	1,251	1,277
EBIT	27,500	33,348	45,493	50,971	60,782	68,151	73,044	79,016
EBIT margin (%)	9.4	9.9	12.1	12.5	13.0	11.8	11.8	11.8
EBIT per vehicle (Rs)	5,562	6,258	8,093	8,640	9,400	9,403	9,669	9,943
PAT	24,730	29,106	41,280	46,100	53,871	60,588	64,659	69,268
PAT margin (%)	8.5	8.6	11.0	11.3	11.5	10.5	10.5	10.4
PAT per vehicle (Rs)	5,002	5,462	7,343	7,814	8,331	8,360	8,559	8,716
EPS (Rs)	123.8	145.7	206.6	230.7	269.6	303.2	323.6	346.7
PER (x)	41.3	35.1	24.7	22.1	18.9	16.8	15.8	14.7
Core PER (x)	36.3	29.6	21.6	18.5	14.5	12.8	11.8	9.2

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Exhibit 18: We increase our FY27/FY28/FY29 estimates by ~4%/7%/0%, largely to factor in the increasing volumes

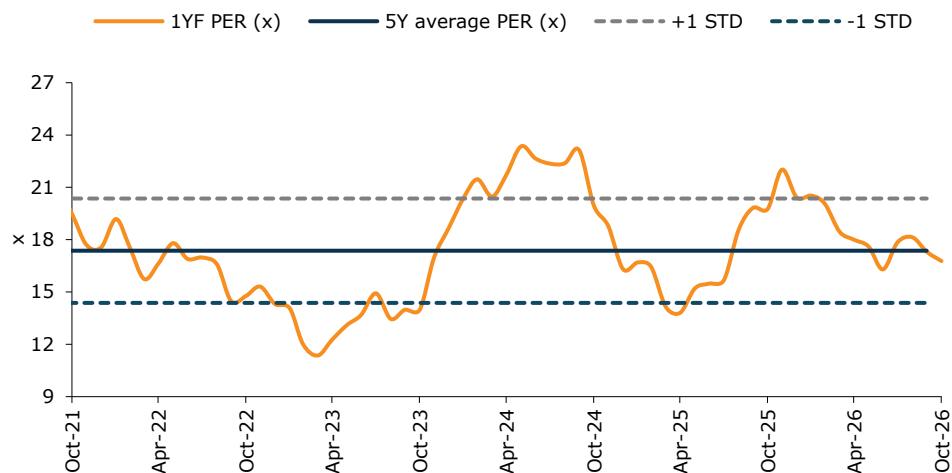
Standalone	FY26		FY27E				FY28E				FY29E			
Rs mn	Actuals	% yoy	Earlier	Revised	% Change	% yoy	Earlier	Revised	% Change	% yoy	Earlier	Revised	% Change	% yoy
Volumes (no of units)	6,466,373	9.6	6,860,444	7,247,638	5.6	12.1	7,183,811	7,554,087	5.2	4.2	7,468,925	7,946,941	6.4	5.2
ASP (Rs/unit)	72,421	4.8	79,495	79,566	0.1	9.9	81,996	81,879	(0.1)	2.9	84,602	84,171	(0.5)	2.8
Net Sales	468,301	14.9	545,371	576,662	5.7	23.1	589,044	618,521	5.0	7.3	631,887	668,903	5.9	8.1
EBITDA	68,707	17.1	73,787	76,840	4.1	11.8	81,085	82,430	1.7	7.3	89,179	89,164	(0.0)	8.2
Margin (%)	14.7	27 bps	13.5	13.3	(18) bps	(135) bps	13.8	13.3	(47) bps	0 bps	14.1	13.3	(77) bps	0 bps
APAT	53,871	16.9	58,059	60,588	4.4	12.5	63,355	64,659	2.1	6.7	69,098	69,268	0.2	7.1
EPS (Rs)	269.6	16.9	290.6	303.2	4.4	12.5	317.1	323.6	2.1	6.7	345.8	346.7	0.3	7.1
Core EPS (Rs)	227.5	20.4	244.8	254.9	4.1	12.0	269.7	273.2	1.3	7.2	346.8	347.6	0.2	27.2
Monthly run rate	538,864	9.6	571,704	603,970	5.6	12.1	598,651	629,507	5.2	4.2	622,410	662,245	6.4	5.2

Source: Company, Emkay Research

Exhibit 19: We cut our SOTP-based TP to Rs6,000 from Rs6,700 earlier

SOTP	Basis of Valuation	Equity value (Rs mn)	Equity value/sh (Rs)	Contribution to SoTP (%)
Core business	14x Sep-28E core EPS	837,869	4,158	68.7
Hero FinCorp	1x FY28E PBV (20% Holdco discount)	25,249	126	2.1
Ather Energy	on CMP (20% Holdco discount)	168,612	844	14.0
Cash per share	As of Sep-28E		921	15.2
Total			6,049	100.0
Total (Rounded off)			6,000	
Upside (%)			17.5	
Upgrade (%)			(10.4)	

Source: Company, Emkay Research

Exhibit 20: HMCL is currently trading below its 5Y LTA on 1YF PER basis

Source: Bloomberg, Emkay Research

Exhibit 21: Valuation matrix – Emkay auto OEM coverage universe

Company Name	CMP	Mkt Cap	Reco	Target Price (Rs)	% Upside / (Downside)	FY27-29E Revenue CAGR (%)	FY27-29E EPS CAGR (%)	PER (x)			PBV (x)			Core PER (x)			EV/EBITDA (x)		
	(Rs)	(Rs bn)						FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
OEMs																			
Ather Energy	1,659	658	BUY	2,250	35.6	52%	NA	3,243.6	53.9	34.9	15.7	10.6	8.1	-	-	-	483.0	40.8	26.3
TVS Motor	4,280	2,033	BUY	5,600	30.8	14%	19%	36.1	30.2	25.7	12.7	9.5	7.3	33.4	27.8	23.3	23.2	19.4	16.5
Bajaj Auto	10,371	2,850	BUY	13,100	26.3	11%	8%	21.3	19.6	18.2	7.7	6.6	5.6	21.6	19.4	17.6	15.5	13.9	12.6
Eicher Motors	7,250	1,990	BUY	9,100	25.5	16%	16%	29.7	25.1	22.0	6.8	5.9	5.1	31.4	25.6	21.6	26.8	22.1	18.6
Hero MotoCorp	5,107	1,022	ADD	6,000	17.5	8%	7%	16.8	15.8	14.7	4.4	4.0	3.7	12.8	11.7	9.2	11.0	10.2	9.4
Ola Electric Mobility	35	163	SELL	30	-14.7	16%	8%	-12.1	-11.9	-10.3	6.3	13.6	-42.7	-	-	-	-34.5	-42.2	-43.6
Maruti Suzuki India	11,435	3,595	ADD	13,300	16.3	9%	22%	26.4	21.2	17.9	3.1	2.8	2.6	28.0	21.0	16.6	13.0	10.2	8.3
Hyundai Motor India	1,922	1,562	BUY	2,300	19.7	14%	24%	29.1	20.9	19.0	6.7	5.5	4.6	29.8	20.7	18.9	16.6	12.2	10.9
Mahindra & Mahindra	2,900	3,606	BUY	4,100	41.4	10%	12%	21.1	18.7	16.8	4.2	3.6	3.1	19.2	16.7	14.9	16.3	13.6	12.0
Tata Motors Passenger Vehicles	266	980	ADD	390	46.6	10%	37%	9.0	5.9	4.8	0.8	0.7	0.6	-	-	-	4.5	3.2	2.5
Tata Motors	400	1,474	BUY	550	37.4	8%	10%	18.5	16.8	15.3	6.9	4.9	3.7	-	-	-	11.7	10.1	8.6
Ashok Leyland	145	853	BUY	240	65.3	10%	15%	18.3	15.4	13.8	5.2	4.3	3.8	-	-	-	13.4	11.0	9.6
Escorts	2,617	293	BUY	4,000	52.9	10%	9%	19.4	17.9	16.2	2.2	2.0	1.8	-	-	-	17.5	15.0	13.0

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

Hero MotoCorp: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	407,564	468,301	576,662	618,521	668,903
Revenue growth (%)	8.8	14.9	23.1	7.3	8.1
EBITDA	58,677	68,707	76,840	82,430	89,164
EBITDA growth (%)	11.6	17.1	11.8	7.3	8.2
Depreciation & Amortization	7,759	7,980	8,747	9,447	10,148
EBIT	50,918	60,727	68,093	72,983	79,016
EBIT growth (%)	12.0	19.3	12.1	7.2	8.3
Other operating income	-	-	-	-	-
Other income	10,559	10,410	13,153	13,725	13,874
Financial expense	199	228	246	265	287
PBT	61,278	70,909	81,001	86,443	92,604
Extraordinary items	0	(1,190)	0	0	0
Taxes	15,179	17,038	20,412	21,784	23,336
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	46,100	52,681	60,588	64,659	69,268
PAT growth (%)	16.2	14.3	15.0	6.7	7.1
Adjusted PAT	46,100	53,871	60,588	64,659	69,268
Diluted EPS (Rs)	230.7	269.6	303.2	323.6	346.7
Diluted EPS growth (%)	11.7	16.9	12.5	6.7	7.1
DPS (Rs)	140.1	175.2	185.0	212.3	226.5
Dividend payout (%)	60.7	66.5	61.0	65.6	65.3
EBITDA margin (%)	14.4	14.7	13.3	13.3	13.3
EBIT margin (%)	12.5	13.0	11.8	11.8	11.8
Effective tax rate (%)	24.8	24.0	25.2	25.2	25.2
NOPLAT (pre-IndAS)	38,306	46,136	50,933	54,591	59,104
Shares outstanding (mn)	200	200	200	200	200

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	400	400	400	400	400
Reserves & Surplus	197,669	215,381	233,557	252,955	274,428
Net worth	198,069	215,781	233,957	253,355	274,828
Minority interests	-	-	-	-	-
Non-current liab. & prov.	5,096	5,831	6,671	7,568	8,529
Total debt	0	0	0	0	0
Total liabilities & equity	205,845	224,093	243,653	264,167	286,600
Net tangible fixed assets	49,490	50,131	54,826	60,379	65,231
Net intangible assets	5,593	5,593	5,593	5,593	5,593
Net ROU assets	-	-	-	-	-
Capital WIP	4,925	7,442	9,000	9,000	9,000
Goodwill	-	-	-	-	-
Investments [JV/Associates]	23,795	33,795	43,795	53,795	63,795
Cash & equivalents	128,833	166,211	176,469	183,661	184,395
Current assets (ex-cash)	61,531	54,167	68,644	73,627	89,386
Current Liab. & Prov.	73,356	98,352	120,038	127,057	137,406
NWC (ex-cash)	(11,825)	(44,185)	(51,394)	(53,430)	(48,021)
Total assets	205,845	224,093	243,653	264,167	286,600
Net debt	(128,833)	(166,211)	(176,469)	(183,661)	(184,395)
Capital employed	205,845	224,093	243,653	264,167	286,600
Invested capital	47,189	15,470	12,957	16,474	26,735
BVPS (Rs)	991.3	1,080.0	1,171.0	1,268.0	1,375.5
Net Debt/Equity (x)	(0.7)	(0.8)	(0.8)	(0.7)	(0.7)
Net Debt/EBITDA (x)	(2.2)	(2.4)	(2.3)	(2.2)	(2.1)
Interest coverage (x)	308.6	312.6	330.5	326.6	324.0
RoCE (%)	32.5	34.4	36.1	35.6	35.2

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	61,279	69,720	81,001	86,443	92,604
Others (non-cash items)	(4,334)	(6,596)	(5,449)	(2,850)	(2,533)
Taxes paid	(15,341)	(11,156)	(19,572)	(20,887)	(22,376)
Change in NWC	(3,336)	25,838	7,495	2,450	(6,848)
Operating cash flow	41,819	83,149	72,467	74,869	71,282
Capital expenditure	(8,103)	(9,936)	(15,000)	(15,000)	(15,000)
Acquisition of business	(12,898)	(38,255)	(15,000)	(12,500)	(3,000)
Interest & dividend income	5,143	0	0	0	0
Investing cash flow	(15,858)	(48,191)	(30,000)	(27,500)	(18,000)
Equity raised/(repaid)	69	25	0	0	0
Debt raised/(repaid)	0	0	0	0	0
Payment of lease liabilities	(50)	80	0	0	0
Interest paid	(540)	(683)	(246)	(265)	(287)
Dividend paid (incl tax)	(27,998)	(35,011)	(36,963)	(42,412)	(45,261)
Others	-	-	-	-	-
Financing cash flow	(28,519)	(35,589)	(37,209)	(42,677)	(45,548)
Net chg in Cash	(2,558)	(631)	5,258	4,692	7,733
OCF	41,819	83,149	72,467	74,869	71,282
Adj. OCF (w/o NWC chg.)	45,156	57,311	64,972	72,419	78,129
FCFF	33,716	73,213	57,467	59,869	56,282
FCFE	38,660	72,986	57,221	59,604	55,995
OCF/EBITDA (%)	71.3	121.0	94.3	90.8	79.9
FCFE/PAT (%)	83.9	138.5	94.4	92.2	80.8
FCFF/NOPLAT (%)	88.0	158.7	112.8	109.7	95.2

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	22.1	19.4	16.8	15.8	14.7
P/CE(x)	18.9	16.5	14.7	13.8	12.8
P/B (x)	5.2	4.7	4.4	4.0	3.7
EV/Sales (x)	2.2	1.8	1.5	1.4	1.2
EV/EBITDA (x)	15.2	12.4	11.0	10.2	9.4
EV/EBIT(x)	17.5	14.1	12.4	11.5	10.6
EV/IC (x)	18.9	55.2	65.1	50.8	31.3
FCFF yield (%)	3.8	8.6	6.8	7.2	6.7
FCFE yield (%)	3.8	7.1	5.6	5.8	5.5
Dividend yield (%)	2.7	3.4	3.6	4.2	4.4
DuPont-RoE split					
Net profit margin (%)	11.3	11.5	10.5	10.5	10.4
Total asset turnover (x)	2.1	2.2	2.5	2.4	2.4
Assets/Equity (x)	1.0	1.0	1.0	1.0	1.0
RoE (%)	24.4	26.0	26.9	26.5	26.2
DuPont-RoIC					
NOPLAT margin (%)	9.4	9.9	8.8	8.8	8.8
IC turnover (x)	8.9	14.9	40.6	42.0	31.0
RoIC (%)	83.9	147.3	358.3	371.0	273.6
Operating metrics					
Core NWC days	(10.6)	(34.4)	(32.5)	(31.5)	(26.2)
Total NWC days	(10.6)	(34.4)	(32.5)	(31.5)	(26.2)
Fixed asset turnover	2.5	2.7	3.1	3.1	3.1
Opex-to-revenue (%)	19.2	17.9	15.4	15.9	15.8

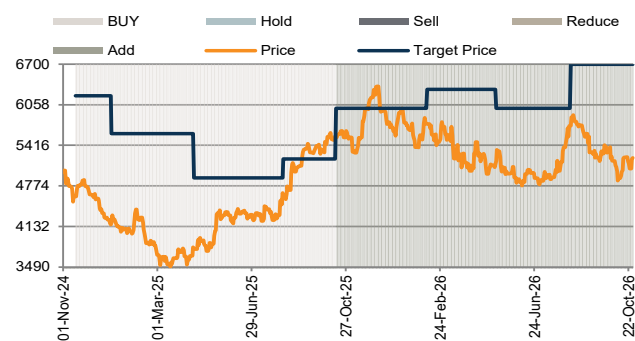
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
20-Sep-26	5,286	6,700	Add	Chirag Jain
01-Sep-26	5,555	6,700	Add	Chirag Jain
09-Aug-26	5,725	6,700	Add	Chirag Jain
05-Jul-26	4,853	6,000	Add	Chirag Jain
06-May-26	5,170	6,000	Add	Chirag Jain
16-Apr-26	5,160	6,300	Add	Chirag Jain
09-Mar-26	5,480	6,300	Add	Chirag Jain
07-Feb-26	5,754	6,300	Add	Chirag Jain
15-Nov-25	5,539	6,000	Add	Chirag Jain
14-Oct-25	5,572	6,000	Add	Chirag Jain
08-Aug-25	4,600	5,200	Buy	Chirag Jain
15-May-25	4,325	4,900	Buy	Chirag Jain
16-Apr-25	3,782	4,900	Buy	Chirag Jain
08-Feb-25	4,275	5,600	Buy	Chirag Jain
10-Jan-25	4,122	5,600	Buy	Chirag Jain
01-Jan-25	4,184	5,600	Buy	Chirag Jain
16-Nov-24	4,604	6,200	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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