




Estimate changes	
TP change	
Rating change	

CMP: INR4,577 TP: INR3,920 (-14%) Sell

Operating performance in line

RE would now invest to generate demand

- Eicher Motors (EIM)'s 1QFY25 operating performance was in line. RE's ASP grew 9% YoY despite a 1% YoY decline in volumes. RE's margins also remained stable despite weak volume growth, led by a richer mix. Management expects domestic demand to pickup on the back of its new launches ahead of the festive season.
- We cut our FY25E/FY26E EPS by 5%/3% to factor in weaker-than-expected RE volumes for FY25YTD. **Reiterate Sell with a TP of INR3,920 (premised on Jun'26E SOTP).**

Demand weakness visible in 1QFY25

- EIM's 1QFY25 consol. revenue/EBITDA/adj. PAT grew ~10%/14%/20% YoY to INR43.9b/INR11.6b/INR11b (est. INR42.5b/11.2b/10.1b).
- The RE volumes declined 1% YoY, while realizations grew 9% YoY to INR187.2k per unit (vs. est. INR182.3k/unit). ASP improved QoQ due to improved mix in favor of exports and >350cc products.
- Gross margin expanded 230bp YoY (-10bp QoQ) to 46.4% (est. 46.2%).
- EBITDA margin came in at 26.5% (+90bps YoY v/s est. 26.3%). EBITDA grew 14% YoY to INR11.65b (est. INR11.2b).
- Adj. PAT grew 20% YoY to INR11b (est. INR10.1b).
- **VECV:** Volumes/realizations grew 1% YoY, leading to 2% YoY growth in revenue to INR50.7b (est. INR49b). EBITDA margin slightly contracted by 20bp YoY to 7.6% (est. 7.5%) for the quarter.

Highlights from the management commentary

- **Domestic-** EIM is currently seeing improving conversion rates. Hence, management is hopeful that demand for middle weight motorcycles and especially for RE will pick up in the festive season.
- Management targets to focus on promotional activities to help revive demand. It has realized that RE's brand salience in rural regions needs to be improved. On the other hand, in urban regions, it intends to collaborate with colleges to connect with the youth. The company would also invest in brand building around the Hunter to help revive its sales in the coming months.
- **Exports for RE grew in 1Q after many quarters.** EIM is witnessing some green shoots in its key export regions. It is experiencing a healthy growth in Latin America. Even APAC demand is picking up. The company has also recently introduced the Super Meteor in Brazil. Hence, it expects exports to improve in the coming months.
- At VECV, while near-term demand remains weak, management expects the CV demand to revive in 2H given the government's infra push and driven by steady replacement demand.

Bloomberg	EIM IN
Equity Shares (m)	274
M.Cap.(INRb)/(USDb)	1254.1 / 14.9
52-Week Range (INR)	5059 / 3272
1, 6, 12 Rel. Per (%)	-3/9/13
12M Avg Val (INR M)	2732

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	165.4	178.7	199.3
EBITDA	43.3	47.0	52.0
Adj. PAT	40.0	42.6	47.3
Adj EPS (INR)	146.3	155.6	172.8
EPS Gr (%)	37.3	6.4	11.0
BV/Sh (INR)	660	759	867

Ratios

RoE (%)	24.2	21.9	21.2
RoCE (%)	24.1	21.1	20.8
Payout (%)	34.9	36.0	37.6

Valuations

P/E (x)	31.3	29.4	26.5
P/BV (x)	6.9	6.0	5.3
Div. Yield (%)	1.1	1.2	1.4
FCF Yield (%)	2.3	3.9	2.3

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	49.1	49.1	49.2
DII	12.0	11.1	10.1
FII	28.8	29.0	30.3
Others	10.1	10.8	10.4

FII Includes depository receipts

Valuation and view

We factor in a 5% volume CAGR for RE over FY24-26E. We expect margins to largely remain stable from hereon as any benefit from improving mix (higher spares and apparel sales) is likely to be offset by the rising competitive intensity. Overall, we expect RE to deliver 11% earnings CAGR over FY24-26. Given the expected slower growth, we see no reason for the stock to trade at premium valuations. **Maintain Sell with a TP of INR3,920 (Jun'26E SoTP).**

Quarterly performance (Consolidated)

INR m Y/E March	FY24				FY25E				FY24	FY25E	FY25E	VAR (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Operating income	39,864	41,145	41,788	42,560	43,931	42,543	44,007	48,265	1,65,358	1,78,745	42,501	3.4
Growth (%)	17.3	16.9	12.3	11.9	10.2	3.4	5.3	13.4	14.5	8.1	6.6	
EBITDA	10,208	10,872	10,903	11,286	11,654	11,073	11,503	12,764	43,269	46,993	11,180	4.2
EBITDA Margins (%)	25.6	26.4	26.1	26.5	26.5	26.0	26.1	26.4	26.2	26.3	26.3	
PAT	8,179	9,146	8,821	9,386	9,269	8,305	8,384	9,837	35,533	35,795	9,211	
Share of JV Loss/(PAT)/ Min. Int.	-1,004	-1,016	-1,139	-1,318	-1,746	-1,234	-1,452	-2,342	-4,477	-6,774	-883	
Recurring PAT	9,183	10,163	9,960	10,705	11,015	9,539	9,836	12,179	40,010	42,569	10,094	9.1
Growth (%)	50.4	54.7	34.4	18.2	19.9	-6.1	-1.2	13.8	37.3	6.4	9.9	

Standalone (Royal Enfield)

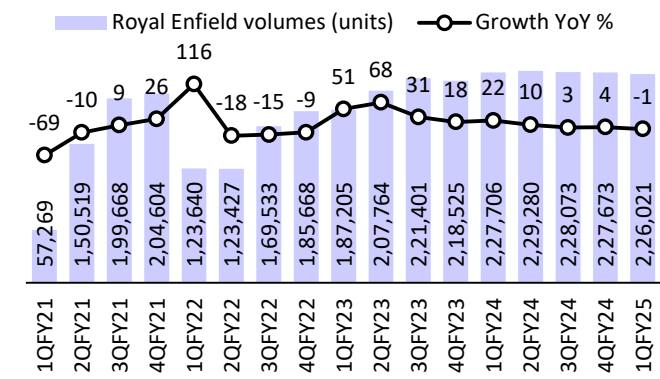
(INR Million) Y/E March	FY24				FY25E				FY24	FY25E	FY25E	VAR (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Royal Enfield ('000 units)	228	229	228	228	226	218	226	243	913	914	226	
Growth (%)	21.6	10.4	3.0	4.2	-0.7	-4.8	-1.0	6.9	9.3	0.1	-0.7	
Net Realn (INR '000/unit)	171.3	171.4	177.8	184.1	187.2	189.1	189.3	194.5	176.2	190.1	182.3	2.7
Change - YoY (%)	-1.3	4.8	9.6	5.0	9.3	10.3	6.5	5.6	4.6	7.9	6.4	
Net operating income	39,012	39,307	40,542	41,921	42,313	41,271	42,735	47,340	1,60,782	1,73,659	41,200	2.7
Growth (%)	20.1	15.7	12.9	9.4	8.5	5.0	5.4	12.9	14.3	8.0	5.6	
EBITDA	10,127	10,974	11,148	11,553	11,786	11,251	11,681	12,989	43,802	47,707	11,329	4.0
EBITDA Margins (%)	26.0	27.9	27.5	27.6	27.9	27.3	27.3	27.4	27.2	27.5	27.5	
Recurring PAT	9,139	9,385	9,137	9,833	10,880	9,809	9,899	11,254	37,494	41,842	9,506	14.5
Growth (%)	57.5	52.6	34.2	31.7	19.1	4.5	8.3	14.5	43.0	11.6	4.0	

VECV: Quarterly performance

(INR Million) Y/E March	FY24				FY25E				FY24	FY25E	FY25E	VAR (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Total CV Volumes	19,571	19,551	20,706	25,732	19,702	21,281	22,982	28,323	85,560	92,288	19,702	
Growth (%)	12.0	11.0	14.0	-2.4	0.7	8.8	11.0	10.1	7.5	7.9	0.7	
Net Realn (INR '000/unit)	2,545	2,623	2,643	2,443	2,573	2,625	2,677	2,571	2,556	2,610	2,487	
Change - YoY (%)	13.0	9.6	4.3	3.9	1.1	0.1	1.3	5.3	7.4	2.1	-2.5	
Net Op. Income	49,800	51,290	54,730	62,860	50,700	55,859	61,529	72,828	2,18,680	2,40,916	49,006	3.5
Growth (%)	26.6	21.7	18.9	1.4	1.8	8.9	12.4	15.9	15.4	10.2	-1.8	
EBITDA	3,868	4,041	4,303	4,886	3,850	4,189	4,799	6,713	17,098	19,552	3,675	
EBITDA Margins (%)	7.8	7.9	7.9	7.8	7.6	7.5	7.8	9.2	7.8	8.1	7.5	
Recurring PAT	1,810	1,651	2,067	2,702	2,329	2,268	2,669	4,309	8,230	12,452	1,623	43.6
Growth (%)	162.3	103.8	78.2	-14.3	28.7	37.4	29.1	59.5	42.1	51.3	-10.7	

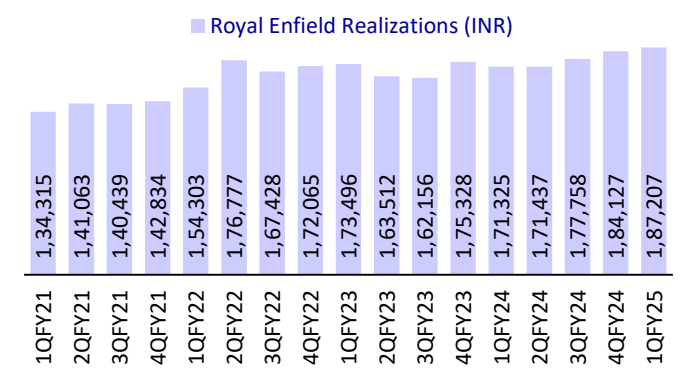
E: MOFSL Estimates

Exhibit 1: Volume trend for RE



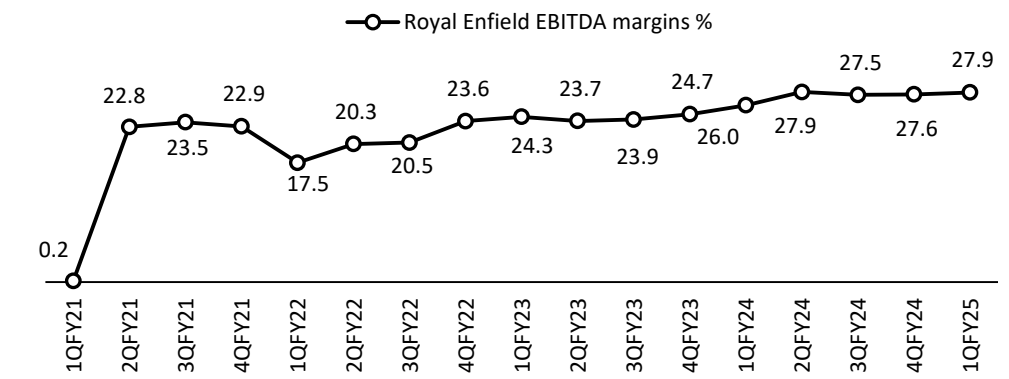
Source: Company, MOFSL

Exhibit 2: Realization trend for RE



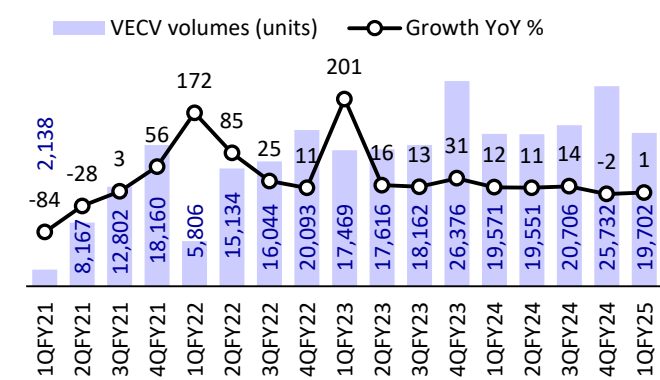
Source: Company, MOFSL

Exhibit 3: EBITDA margin trend for RE



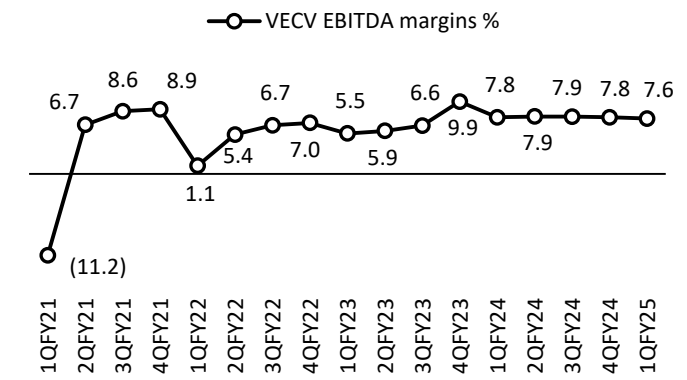
Source: Company, MOFSL

Exhibit 4: Volume growth trend for VECV



Source: Company, MOFSL

Exhibit 5: EBITDA margin trend for VECV



Source: Company, MOFSL

Exhibit 6: VECV – product mix

	1QFY25	1QFY24	YoY (%)	4QFY24	QoQ (%)
L&MD - Trucks (Dom)	8,174	8,741	-6.5	11,517	-29.0
% of total CV volumes	41	45		45	
HD - Trucks (Dom)	4,689	4,662	0.6	6,476	-27.6
% of total CV volumes	24	24		25	
Total Dom. Trucks	12,863	13,403	-4.0	17,993	-28.5
% of total CV volumes	65	68		70	
Buses (Dom)	5,232	4,842	8.1	5,965	-12.3
% of total CV volumes	27	25		23	
Total Domestic	18,095	18,245	-0.8	23,958	-24.5
% of total CV volumes	92	93		93	
Total Exports	1,192	757	57.5	1,132	5.3
% of total CV volumes	6	4		4	
Total ETB	19,287	19,002	1.5	25,090	-23.1
% of total CV volumes	98	97		98	
Volvo Truck India (units)	415	569	-27.1	642	-35.4
% of total CV volumes	2	3		2	
Total CV Volumes	19,702	19,571	0.7	25,732	-23.4

Source: Company, MOFSL

Key takeaways from the management commentary**Royal Enfield update**

- While wholesales were weak in 1Q, RE retails grew at a low-single digit in 1Q as per the management. A part of the reason for weak wholesales was that the company moved to an auto replenishment model of inventory management and hence did not want high stock in the system around that time.
- EIM is currently seeing improving conversion rates. Hence, management is hopeful that demand for middle weight motorcycles and especially for RE will pick up in the festive season.
- Exports for RE grew in 1Q after many quarters. EIM is witnessing some green shoots in its key export regions. It is experiencing a healthy growth in Latin America. Even APAC demand is picking up. The company has also recently introduced the Super Meteor in Brazil. Hence, it expects exports to improve in the coming months.
- RE is among the top 4 bike players in the middle-weight motorcycle segment in many markets like UK, Italy, and Continental Europe. Thailand, Australia etc.
- The recent Guerilla 450 launch on the Sherpa platform has received strong reviews from most industry experts and is also seeing a lot of consumer interest at dealerships, as per management
- The company intends to bring in product interventions in Classic and Bullet models in the coming months to boost consumer interest ahead of the festive season
- Management targets to focus on promotional activities to help revive demand. It has realized that RE's brand salience in rural regions needs to be improved. On the other hand, in urban regions, it intends to collaborate with colleges to connect with the youth. The company would also invest in brand building around the Hunter to help revive its sales in the coming months.
- The first time buyer proportion at RE is 12-13% and for Hunter it is much higher at around 19%

VECV update

- In 1QFY25, while HD market share improved to 8.4%, LMD market share improved to 34%.
- VECV has seen a strong ramp-up in exports having grown 58% YoY in Q1
- VECV EBITDA margin remained stable YoY at 7.7%
- PAT saw a sharp growth of INR3.2b vs. INR1.8b YoY as it had a write back of deferred tax in 1QFY25. VECV has now moved to 25% tax rate from FY25 onwards
- At VECV, while near-term demand remains weak, management expects the CV demand to revive in 2H given the government's infra push and driven by steady replacement demand.
- Discounts continue to remain low at an industry level and have been the key to improving margins for all players in the industry. Management is hopeful of healthy pricing discipline to sustain going forward

Valuation and view

- **RE no longer an affordable cruiser bike:** After reporting a solid 26.5% CAGR over the last couple of years, RE has now surpassed its previous peak achieved in FY18. In essence, RE has actually posted only a 1% volume CAGR since FY18. Given that RE forms almost 88% of this segment, the entire 250cc+ segment has seen a similar trend - the entire 250cc+ industry has posted just 2% volume CAGR in the same period. The primary reason for the same has been the substantial price increase the industry has seen in this period. For instance, RE bikes have seen as much as a 50% price increase over FY18-24. Thus, RE has no longer remained an "affordable" bike for cruiser enthusiasts, as was the case a few years back.
- **RE faces rising competitive intensity:** Until FY23, RE was largely the sole player with negligible competition in the 350cc+ cruiser segment. However, we have now seen a significant increase in competitive intensity in the segment after the launch of new models from the Hero-Harley tie-up and the Bajaj-Triumph tie-up in India. These peers target ramping up the capacity of these models to 10k per month over the next couple of months. For the first time in its history, RE is now facing credible competition, which is likely to limit its volume growth in the coming years.
- **State-wise analysis reveals that RE has limited outperformance avenues:** Our state-wise analysis reveals that top 12 states contribute to about 76% of RE's volumes, and this has remained stable for the last four years. It is important to highlight that in as many as 19 states, RE's market share has now reached double-digit levels, and in almost 11 states, it breached even the 20% mark. We, hence believe that RE has limited avenues to materially outperform domestic industry growth from hereon, as: 1) it seems to have reached fairly high market share in key markets; 2) some of the other large motorcycle markets are yet to be upgraded to the cruiser segment in a big way; and 3) competition intensifies with each passing year.
- **Can the new 450cc platform be a big growth driver? – We do not think so:** RE has recently launched its Himalayan range on the all-new 450cc platform. We also understand that RE is expected to launch new variants on the same 450cc platform in the coming quarters, which is currently driving positive investor sentiment. The critical point to understand is whether this platform can help RE

garner incremental new customers or whether it gives existing RE customers a very good upgrade option. Our view on this is that the 450cc platform with different form factors is unlikely to be a material growth driver for RE going forward. If this were to be the case, its own 500cc platform could have emerged as a strong upgrade option even earlier. However, we have seen that the 500cc segment has traditionally never been a volume driver for RE, and RE's sweet spot in India has always been in the 350cc segment.

- **Export retails improving, with wholesales catching up gradually:** RE is focusing on creating an affordable leisure biking segment in the 250-650cc range and in the USD3-7k price bracket. Globally, the size of the 250-650cc segment is ~1m annually, dominated by the sports/street biking segment. Exports from India are over 0.5m annually for the premium segment (excluding RE, over 150cc). 4Q exports wholesales declined 12% YoY but improved 58% sequentially. It is now focusing on ramping up supplies of newly refreshed RE Himalayan so that it can launch it in export geographies. It is focusing on developing the LatAm and the South East Asian markets similar to how it developed the Indian market. We estimate an 8% CAGR in export volumes over FY24-26.
- **Valuation and view:** We cut our FY25E/FY26E EPS estimates by 5%/3% due to a lower monthly run-rate for RE. We have factored in a 5% volume CAGR over FY24-26E for RE. We now expect margins to largely remain stable from here-on as any benefit from improving mix (higher spares and apparel sales) is likely to be offset by the rising competitive intensity. Overall, we expect RE to deliver 11% earnings CAGR over FY24-26. Given the expected slower growth, we see no reason for the stock to trade at premium valuations. **Reiterate Sell** with a TP of INR3,920 (based on Jun'26E SOTP). We value RE at 22x Jun'26 EPS and VECV at 10x EV EBITDA on FY26E.

Exhibit 7: Our revised estimates

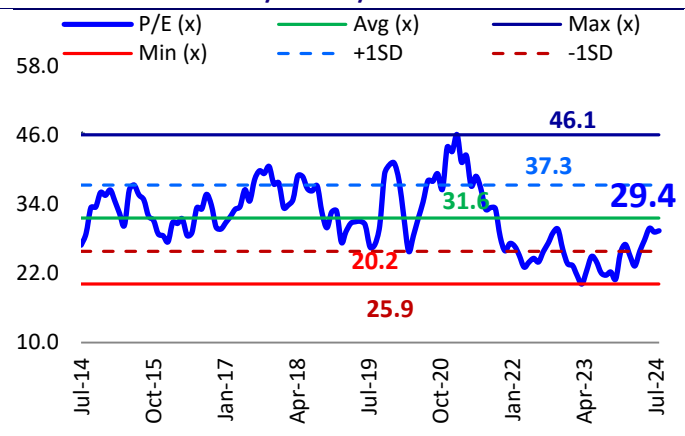
(INR M)	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Standalone (RE)						
Volumes (units)	9,13,511	10,09,461	(9.5)	10,08,798	10,96,601	(8.0)
Net Sales	1,73,659	1,83,585	(5.4)	1,93,620	2,02,525	(4.4)
EBITDA	47,707	48,768	(2.2)	52,762	53,404	(1.2)
EBITDA (%)	27.5	26.6	90bp	27.3	26.4	90bp
Net Profit	41,842	40,562	3.2	46,239	43,634	6.0
EPS (INR)	153	148	3.2	169	160	6.0
Consol EPS (INR)	155.6	164.3	(5.3)	172.8	178.2	(3.0)

Exhibit 8: SoTP valuations – INR3,920 (Jun'26 based)

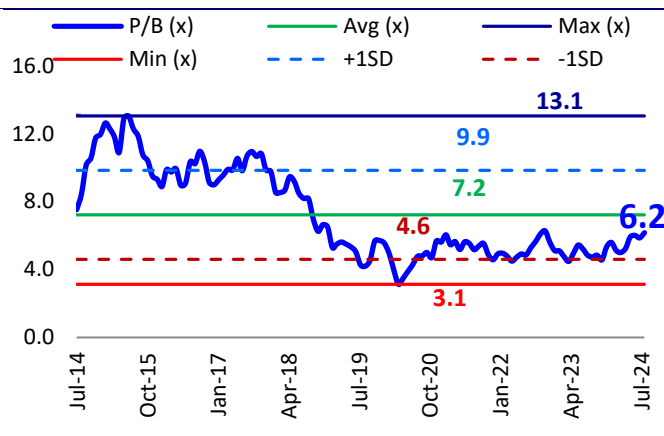
INR Mn		FY25E	FY26E	FY27E
Royal Enfield				
PAT		35,795	40,787	47,554
Equity Value	PE @ 22x	7,87,485	8,96,093	10,46,194
VECV (@ 54.4% Economic interest)				
EBITDA		10,636	11,629	12,731
EV	@ 10x EV/EBITDA	1,06,363	1,15,480	1,27,309
Net Debt		-14,841	-19,205	-24,412
Equity Value		1,21,204	1,34,685	1,51,721
Total Equity Value		9,08,689	10,30,777	11,97,915
Target Price (INR/Sh)		3,322	3,769	4,380

Source: Company, MOFSL

Exhibit 9: Valuations – P/E and P/B bands



Source: MOFSL



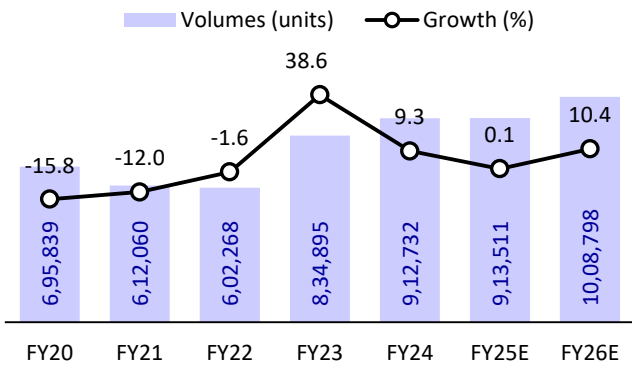
Source: MOFSL

Exhibit 10: Snapshot of the revenue model

000 units	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
ROYAL ENFIELD (S/A)							
Total 2W (units)	696	612	602	835	913	914	1,009
Growth (%)	-15.8	-12.0	-1.6	38.6	9.3	0.1	10.4
Net realn (INR'000/unit)	129	140	166	166	173	187	189
Growth (%)	10.1	8.2	18.4	0.3	4.3	7.9	1.1
RE Revenues (INR b)	91	86	101	141	161	174	194
Growth (%)	-7.3	-5.1	17.4	39.0	14.3	8.0	11.5
VECV							
Dom - LMD	36	27	36	54	58	62	67
Growth (%)	-26.2	-23.3	33.0	47.6	7.4	7.8	7.9
% of CV Vols	75.1	68.3	65.4	69.3	69.6	69.7	69.6
Dom - HCV	7	8	11	19	22	23	24
Growth (%)	-45.2	6.0	41.3	74.0	13.5	6.0	7.0
% of CV Vols	15.3	19.2	19.5	24.4	25.9	25.5	25.3
Total Dom.	43	35	47	73	79	85	92
Growth (%)	-30.3	-18.3	34.8	53.6	9.0	7.3	7.7
% of CV Vols	90.4	87.5	84.9	93.7	95.5	95.2	94.9
Exports	5	5	8	5	4	4	5
Growth (%)	-54.4	10.0	67.7	-41.5	-24.6	15.0	15.0
% of CV Vols	9.6	12.5	15.1	6.3	4.5	4.8	5.1
Total CV vols	48	40	56	78	83	89	97
Growth (%)	-33.6	-15.6	38.9	39.3	6.9	7.7	8.0
MDEP Vols ('000 Ex captive)	31	22	23	24	26	0	12
Net realn (INR'000/unit)	1,750	2,102	2,229	2,380	2,556	2,610	2,666
Growth (%)	10	20	6	7	7	2	2
VECV Revenues (INR b)	85	87	127	190	219	241	266
Growth (%)	-26.5	1.8	46.7	48.9	15.4	10.2	10.6
Net Consol sales (INR b)	92	87	103	144	165	179	199
Growth (%)	-6.6	-4.7	18.1	40.2	14.5	8.1	11.5

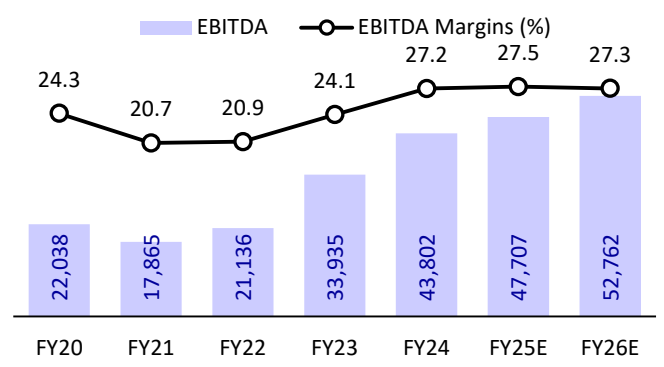
Story in charts

Exhibit 11: Volume and growth trends for RE



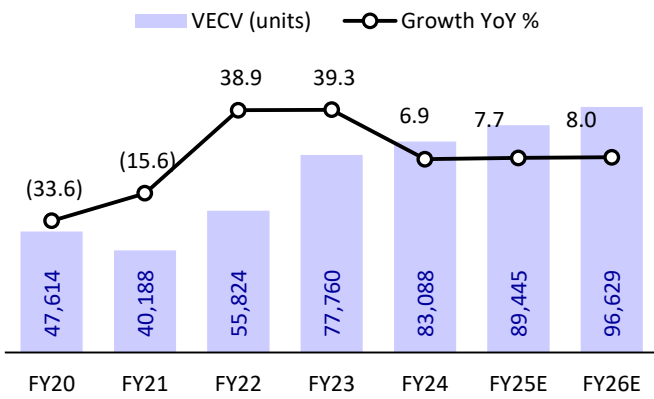
Source: Company, MOFSL

Exhibit 12: EBITDA and EBITDA margin trends for RE



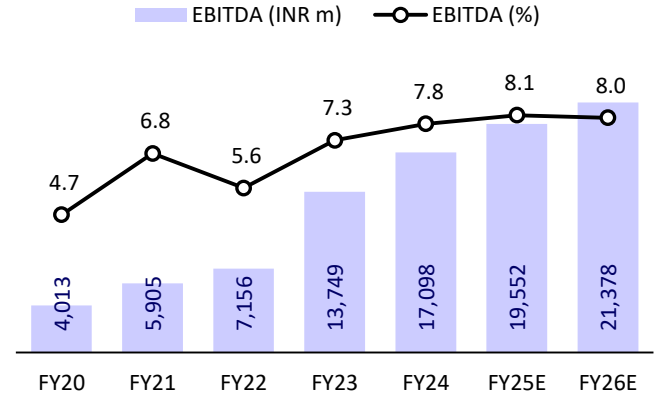
Source: Company, MOFSL

Exhibit 13: Volume growth trajectory for VECV



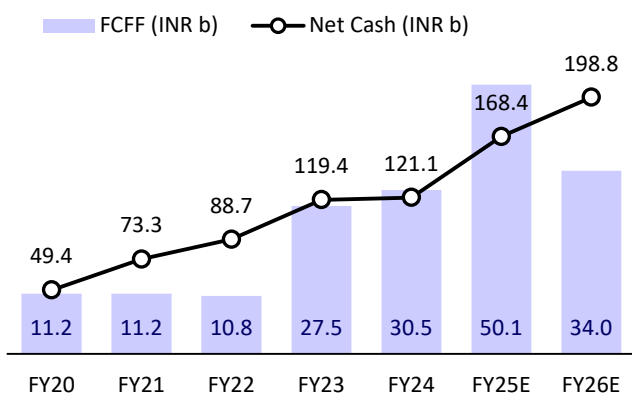
Source: Company, MOFSL

Exhibit 14: EBITDA and EBITDA margin for VECV



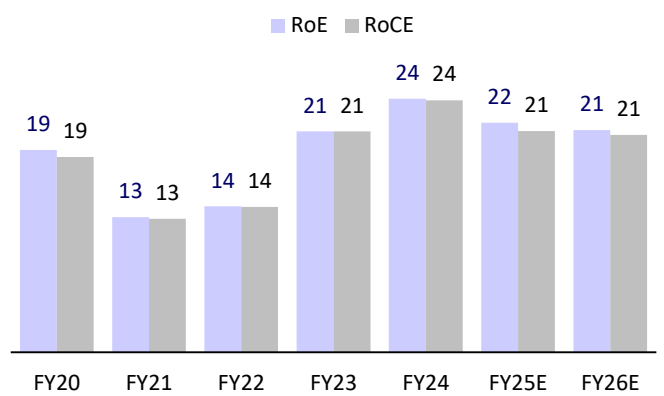
Source: Company, MOFSL

Exhibit 15: Strong FCF generation and liquidity (pro-rata)



Source: Company, MOFSL

Exhibit 16: Return ratios to improve



Source: Company, MOFSL

Financials and valuations

Income Statement (Consolidated)									(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Net Op. Income	92,193	97,971	91,536	87,204	1,02,978	1,44,422	1,65,358	1,78,745	1,99,261
Change (%)	16.1	6.3	-6.6	-4.7	18.1	40.2	14.5	8.1	11.5
EBITDA	28,076	29,031	21,804	18,313	21,723	34,436	43,269	46,993	51,953
EBITDA Margin (%)	31.5	29.9	24.0	21.1	21.4	23.8	26.2	26.3	26.1
Depreciation	2,233	3,003	3,815	4,507	4,519	5,262	5,976	6,699	7,074
EBIT	25,843	26,028	17,988	13,805	17,203	29,174	37,293	40,294	44,879
Interest cost	53	73	189	165	188	280	509	550	200
Other Income	2,801	4,434	5,433	4,532	4,408	5,951	10,759	8,174	9,922
PBT	28,591	30,389	23,232	18,173	21,424	34,845	47,543	47,918	54,601
Tax	9,359	10,770	5,275	4,527	5,259	8,857	12,010	12,123	13,814
Effective Rate (%)	32.7	35.4	22.7	24.9	24.5	25.4	25.3	25.3	25.3
PAT	19,232	19,619	17,957	13,646	16,165	25,988	35,533	35,795	40,787
Change (%)	26.2	2.0	-8.5	-24.0	18.5	60.8	36.7	0.7	13.9
Less: Minority Interest	-2,566	-2,584	-317	-311	-602	-3,152	-4,477	-6,774	-6,481
Adj. PAT	21,017	22,203	18,274	13,829	16,766	29,139	40,010	42,569	47,268
Change (%)	22.7	5.6	-17.7	-24.3	21.2	73.8	37.3	6.4	11.0

Balance Sheet (Consolidated)									(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Sources of Funds									
Share Capital	273	273	273	273	273	274	274	274	274
Reserves	70,028	88,914	99,536	1,14,108	1,25,807	1,49,629	1,80,182	2,07,434	2,36,924
Net Worth	70,301	89,187	99,809	1,14,381	1,26,080	1,49,903	1,80,455	2,07,708	2,37,198
Deferred Tax	1,421	2,739	2,522	2,215	2,201	2,913	4,483	4,611	4,611
Loans	1,508	1,868	1,444	1,574	588	1,957	2,756	1,723	1,723
Capital Employed	73,230	93,794	1,03,775	1,18,170	1,28,869	1,54,773	1,87,694	2,14,041	2,43,531
Application of Funds									
Gross Fixed Assets	21,443	27,673	36,194	40,904	44,234	51,415	56,868	65,736	75,736
Less: Depreciation	6,426	8,927	12,419	16,571	19,991	24,516	27,724	34,423	41,497
Net Fixed Assets	15,017	18,746	23,775	24,333	24,243	26,899	29,144	31,313	34,239
Capital WIP	3,332	4,497	3,122	3,143	5,048	4,721	5,551	5,000	5,000
- of which Goodwill	223	223	223	0	0	0	0	0	0
Investments	55,808	49,225	57,488	39,021	77,206	1,23,207	1,35,270	1,80,350	2,07,210
Curr.Assets, L & Adv.	21,065	41,400	40,113	79,089	55,514	37,149	61,187	41,150	45,885
Inventory	3,946	6,334	5,724	8,746	11,324	12,784	14,096	14,273	15,914
Sundry Debtors	680	903	868	1,582	3,020	3,689	3,738	9,516	10,609
Cash & Bank Balances	12,120	29,653	29,506	58,304	27,225	8,571	1,463	1,423	1,591
Loans & Advances	7	13	1	4,592	6,768	5,889	4,769	7,612	8,487
Others	4,312	4,497	4,014	5,866	7,177	6,215	37,121	8,326	9,283
Current Liab. & Prov.	21,992	20,075	20,722	27,416	33,141	37,204	43,457	43,772	48,803
Sundry Creditors	11,719	12,341	10,277	15,358	17,881	18,104	20,901	21,410	23,871
Other Liabilities	9,511	6,928	9,472	10,930	13,362	16,520	19,810	19,031	21,219
Provisions	763	807	974	1,128	1,898	2,579	2,746	3,330	3,713
Net Current Assets	-927	21,325	19,391	51,673	22,373	-54	17,730	-2,621	-2,918
Application of Funds	73,230	93,794	1,03,775	1,18,170	1,28,869	1,54,772	1,87,694	2,14,041	2,43,531

E: MOFSL Estimates

Financials and valuations

Ratios (Consolidated)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)									
EPS	77.1	81.4	66.9	50.7	61.3	106.5	146.3	155.6	172.8
EPS Growth (%)	23.5	5.6	-17.8	-24.3	21.1	73.7	37.3	6.4	11.0
Book Value per Share	258	327	366	419	461	548	660	759	867
DPS	11.0	12.5	12.5	17.0	21.0	37.0	51.0	56.0	65.0
Payout (Incl. Div. Tax) %	15.6	17.9	21.7	33.6	34.2	34.7	34.9	36.0	37.6
Valuation (x)									
P/E	59.4	56.3	68.4	90.4	74.7	43.0	31.3	29.4	26.5
EV/EBITDA	35.8	34.2	49.6	55.8	46.5	27.4	21.3	18.6	16.4
EV/Sales	8.3	7.4	8.8	8.8	6.8	4.6	4.0	3.6	3.1
Price to Book Value	17.8	14.0	12.5	10.9	9.9	8.4	6.9	6.0	5.3
Dividend Yield (%)	0.2	0.3	0.3	0.4	0.5	0.8	1.1	1.2	1.4
Profitability Ratios (%)									
RoE	34.0	27.8	19.3	12.9	13.9	21.1	24.2	21.9	21.2
RoCE	32.6	26.4	18.7	12.8	13.9	21.1	24.1	21.1	20.8
RoIC	1,373.6	298.2	117.5	67.6	72.4	128.0	98.0	96.8	134.6
Turnover Ratios									
Debtors (Days)	3	3	3	7	11	9	8	19	19
Inventory (Days)	16	24	23	37	40	32	31	29	29
Creditors (Days)	48	46	41	64	63	46	46	44	44
Working Capital (Days)	-29	-19	-15	-21	-13	-4	-7	5	5
Asset Turnover (x)	1.2	1.0	0.9	0.7	0.8	0.9	0.9	0.8	0.8
Leverage Ratio									
Net Debt/Equity (x)	-0.7	-0.6	-0.7	-0.7	-0.7	-0.7	-0.6	-0.7	-0.7

Cash Flow Statement (Consolidated)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
(INR m)									
Profit before Tax	28,956	32,798	23,549	17,984	22,025	37,996	52,020	54,692	61,082
Depreciation	2,233	3,003	3,815	4,507	4,519	5,262	5,976	6,699	7,074
Direct Taxes Paid	-8,071	-9,085	-6,283	-4,566	-5,136	-7,703	-10,678	-12,123	-13,814
(Inc)/Dec in Working Capital	4,380	-4,557	862	2,578	-1,503	657	3,880	-5,446	-273
Interest/Div. Received	-394	-1,304	-2,207	-3,103	-2,440	-1,765	-2,037	-5,400	-7,000
Other Items	-2,282	-5,126	-2,795	-265	-2,195	-6,221	-11,924	18,133	-8,984
CF from Oper. Activity	24,823	15,730	16,941	17,136	15,270	28,227	37,237	56,554	38,084
(Inc)/Dec in FA+CWIP	-7,460	-7,874	-5,445	-5,375	-6,387	-6,737	-8,144	-8,317	-10,000
Free Cash Flow	17,363	7,855	11,497	11,760	8,883	21,490	29,094	48,237	28,084
(Pur)/Sale of Invest.	-13,991	1,301	-9,639	-11,104	-3,446	-17,231	-20,196	-39,680	-19,860
CF from Inv. Activity	-21,450	-6,574	-15,084	-16,479	-9,833	-23,968	-28,339	-47,997	-29,860
Issue of Shares	195	361	289	384	65	112	466	0	0
Inc/(Dec) in Debt	390	247	-709	130	-1,046	440	64	-1,033	0
Interest Paid	-34	-50	-75	-91	-142	-134	-250	-550	-200
Dividends Paid	-3,171	-3,482	-8,087	0	-4,647	-5,742	-10,129	-15,316	-17,778
CF from Fin. Activity	-2,620	-2,923	-8,583	-148	-5,934	-4,174	-8,444	-16,899	-17,978
Inc/(Dec) in Cash	752	6,233	-6,725	509	-496	84	454	-8,342	-9,754
Add: Beginning Balance	172	925	7,158	432	941	445	530	984	-7,358
Closing Balance	924	7,158	432	941	445	530	984	-7,358	-17,112

E: MOFSL Estimates

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