

As part of our 2-day Auto Virtual Conference, India: Building for the World, we hosted the managements of prominent Indian auto ancillaries (MM Forgings, GNA Axles, Nelcast, Uniparts, Emmforce Autotech, Kirloskar Ferrous) operating in the castings and forgings space and catering to the domestic and export markets across vehicles categories (mainly CVs and agri/off-highway). **KTAs:** 1) After a prolonged downturn over the past 2-3Y in the CV (Class 6-8 trucks) and Agri/Off-highway space, major export markets of North America and Europe are now seeing demand recovery (aided by an ageing fleet, improving freight conditions, EPA norm change-led pre-buy in NA). 2) After 3-4Y of weakness in domestic MHCVs, signs of a multi-year upcycle are clearly visible; tractors too are performing well on supportive macros. 3) During this downturn, Indian players invested in expanding capacity, building capabilities, and strong cost optimization, thereby positioning themselves to capitalize on this demand upturn. 4) India is fast becoming the preferred global sourcing hub, owing to an inherent low cost structure (in NA, Indian players offer 20% cost benefit despite tariffs). To capture this opportunity, we favor our coverage stocks BHFC (BUY; TP: Rs2,000), Craftsman Automation (BUY; TPRs9,800), TMCV (BUY; TP Rs650), Shriram Pistons (BUY; TP Rs4,650), and JK Tyre (BUY; TP Rs650).

Recovery is now underway across exports markets in the CV, Off-highway space

NA Class 6-8 demand is seeing the start of a replacement-led recovery after a prolonged downturn, driven by improving freight conditions, ageing installed base, and better visibility on EPA norm change (wef Jan-27)-related cost inflation (5-7% rise anticipated). Per companies' management commentary, signs of a pre-buy are visible due to improved regulatory clarity and higher expected truck prices; demand is expected to stay strong through CY26 and into H1CY27. In EU, the heavy-truck market is showing early signs of a replacement-led recovery (25-30% growth expected in the next 2-3Y) aided by ageing fleets and under-replacement in the past few years. In the off-highway/agri space, conditions are turning favorable with decline in the NA Large AG segment narrowing (CY26: 15-20% vs 30% in CY25), EU Large AG segment seeing flat-to-modest growth.

Domestic demand also remains robust, aided by recent GST cuts

After 3-4Y of weakness in the domestic MHCV industry, signs of a multi-year upcycle are clearly visible. The demand momentum remains robust (aided by recent GST cuts) and the outlook for FY27 is also positive. The domestic tractor industry is faring well, aided by favorable monsoons, healthy reservoir levels, GST cut, and firm farmer sentiment.

Structural tailwinds in place for Indian manufacturers

India is fast becoming a favored global sourcing hub. Per companies' mgmt commentary, step-up in closure of EU foundries on labor shortage, rising energy cost, worsening financial stress is creating opportunity for Indian suppliers offering huge benefits on the inherent low manufacturing cost. The trend is intensifying, as EU OEMs are aggressively seeking alternative sourcing options. In NA, Indian players offer 20-30% benefit despite tariff headwinds; this helps gain share with existing clients, catering to new clients.

Players structurally well positioned to capitalize on this demand upturn

While the end-market has seen prolonged weakness over the past 2-3Y, Indian ancillary players have made strategic and calibrated investments in expanding capacity, building capabilities, widening the range of their product offerings, and bringing about strong cost optimizations in operations (including via investments in renewable energy, to reduce power cost). A prime example is MM Forgings who invested Rs10bn over the last 5Y in building capacities and extensive machining capabilities.

Our view: BHFC, CAL, TMCV, SPRL, JKI best placed in this demand upturn

Under our coverage, we think BHFC, CAL, TMCV, SPRL, and JKI are best placed to draw on the opportunity. **BHFC's** outlook is turning positive; it will benefit from a strong India CV outlook, NA CVs bottoming out. **CAL's** investments in ICE are paying off as it is seeing increased traction in PT amid supplier consolidation; it is on track to achieve USD100mnpa guidance from large engine castings. We think **TMCV** will lead this multi-year domestic CV upcycle (**A turning CV cycle; TMCV to lead**), with Iveco offering an optionality (we factor in 50% probability weighted valuation for Iveco). We like **SPRL** (**Growth firing across verticals; valuation comfort high**) owing to its dominance in core segments, transition into a multi-product player via diversification into non-ICE. **JKI** (**Growth accelerating; margins sustained; valuation attractive**) too will benefit, given the 58% contribution from TBR to India revenue.

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Exhibit 1: After a prolonged weakness over the past 3-4Y, the NA class 8 truck market is seeing signs of recovery

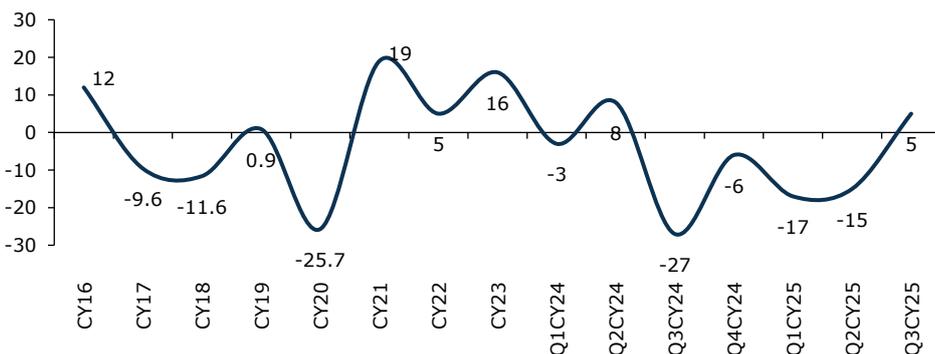
NA Class 8 trucks - Net orders growth YoY (%)



Source: FTR, Bloomberg, Emkay Research

Exhibit 2: European MHCV demand appears to have moved past the trough and entered an early post-downcycle recovery phase...

Truck industry - Volume growth in Europe (YoY %)



Source: ACEA, Emkay Research

Exhibit 3: Major Class6-8 truck players have revised their guidance upward for CY26, indicating a favorable demand environment

Volvo Trucks	CY26 Earlier Forecast	CY26 Revised Forecast	Revision in Guidance (%)	Date
North America HD trucks	250,000	265,000	6	Feb-26
Europe HD trucks	295,000	305,000	3	Feb-26

Paccar (>16T market)	CY26 Earlier Forecast	CY26 Revised Forecast	Revision in Guidance (%)	Date
US and Canada	230,000-270,000	230,000-270,000	0	Jan-26
Europe	270,000-300,000	280,000-320,000	5	Jan-26

Traton	CY26 Earlier Forecast	CY26 Revised Forecast	Revision in Guidance (%)	Date
North America Class 6-8	Not available	-5% to +10%	NA	Mar-26
Europe (>6T)	Not available	-2.5% to +7.5%	NA	Mar-26

Source: FTR, Bloomberg, Emkay Research

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

Exhibit 4: Indian players are gaining favor amid a rapidly shrinking European foundry footprint and supplier consolidation

Company	Source	Management commentary (verbatim excerpt)	Who said this	Source
Nelcast	Q1FY23 Earnings call	"We're seeing a lot of interest, a lot of potential in Europe as well. Now, with the Russia Ukraine crisis, the energy costs in Europe going up, competitiveness of European foundries seems to be quite dicey. There's a lot of opportunity that we're seeing in Europe as well, that's coming up where we believe we'll continue to see quite a bit of growth that will happen."	P Deepak, MD and CEO	Link
Happy Forgings	Q1FY23 Earnings call	" Energy prices have skyrocketed as energy prices skyrocket customers will increasingly move away from Europe that is a positive trend. There may be overall reduced volumes from Europe because of reduced demand perhaps our share will go up smartly and sharply."	Ashish Garg, MD	Link
Happy Forgings	Media interview	"We are seeing a lot of business coming in from Europe. There is high inflation in Europe, and because of this, we are seeing a lot of business getting shifted to India permanently "	Ashish Garg, MD	Link
Craftsman Automation	Q2FY25 Earnings call	" In Europe, the aluminum manufacturing footprint is going down, and in U.S., also it is going down, and this is moving to other countries, and possibly we have got a good opportunity with this scale of business"	Srinivasan Ravni, Promoter and MD	Link
Happy Forgings	Q2FY26 Earnings call	"We are expanding partnerships with leading domestic OEMs and working to build partnerships with new larger European OEMs and advancing diversification into higher value-add industrial applications "	Ashish Garg, MD	Link
Craftsman Automation	Q2FY26 Earnings call	"We see a lot of traction in this business currently, owing to the no new capacities coming up anywhere in the world in general, because we started this a little earlier, we got some head start on this business going forward. "	Srinivasan Ravni, Promoter and MD	Link
Craftsman Automation	Q2FY26 Earnings call	"We see very intense engagements between all the customers and also new customers including customers looking for export requirements who are North America to Europe as well as they are setting up base within India for their sub-assembly or product export "	Srinivasan Ravni, Promoter and MD	Link
Craftsman Automation	Q3FY26 Earnings call	"India per se, is also well poised for taking advantage of this technological growth.... Because there is not much of capacity in Europe nor in North America "	Srinivasan Ravni, Promoter and MD	Link
Nelcast	Q2 FY26 earnings call	"Europe has largely sourced within Europe. But they are, I think, getting to the reality of the fact that the foundries there are quite heavily challenged in terms of financials as well as availability of people and for labor... We would like our European business to at least get to 30% of our overall export business"	P Deepak, MD and CEO	Link

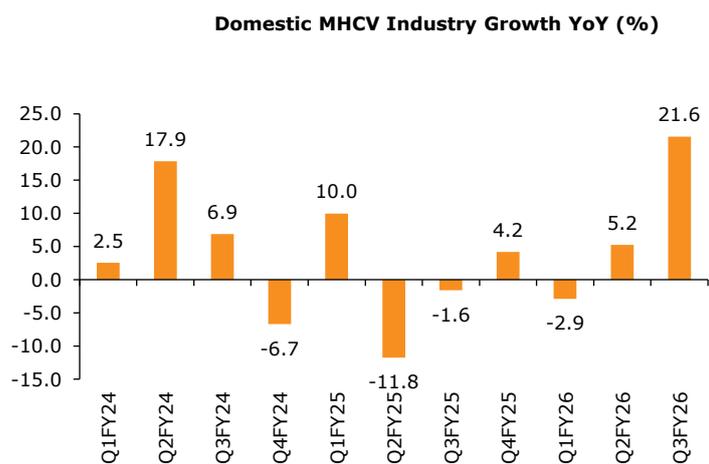
Source: Company, Emkay Research

Europe is witnessing a rapidly shrinking foundry footprint

"Around **100 ferrous foundries closed permanently in 2024.** Some cases were linked to **insolvency** and others to **strategic consolidation** or the **inability to fund** rising investment and regulatory requirements. As a result, total number of active ferrous foundries in EFF member states fell to 1,564. The combination of lower output, reduced employment and fewer plants highlights the extent of the structural transformation within the sector"

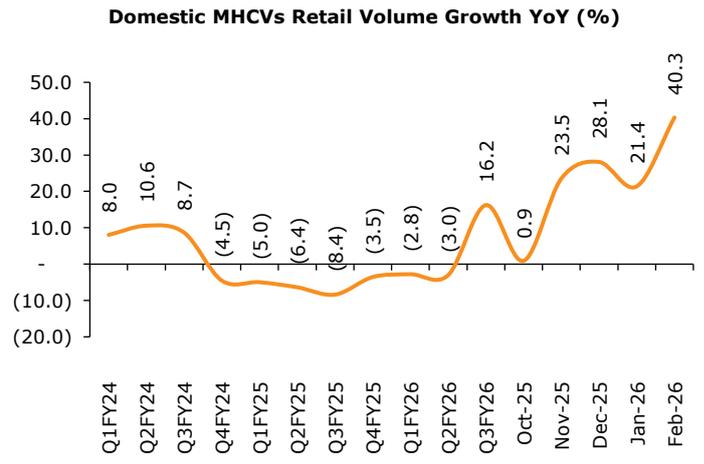
- European Foundry Association in its CY24 Annual Report ([Link](#))

Exhibit 5: Following 2-3Y of weakness, the MHCV industry is now witnessing strong growth



Source: SIAM, Emkay Research

Exhibit 6: MHCV retail volume growth has also accelerated, to 40% YoY in Feb-26 vs 20-30% growth from Nov-25 to Jan-26



Source: Vahan, Emkay Research

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

Exhibit 7: Bharat Forge - We build in 12%/15%/18% revenue/EBITDA/PAT CAGR over FY25-28E

(Rs mn)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Segmental revenue							
India CV	7,417	10,140	10,341	9,626	10,589	11,436	12,351
Growth (%)	45	37	2	(7)	10	8	8
India Non-Auto (Bulk of this is Defense)	11,665	12,978	22,360	23,283	24,071	29,145	36,110
Growth (%)	57	11	72	4	3	21	24
-- of which Defense	4,078	4,103	15,606	17,000	17,100	21,500	27,650
Growth (%)		1	280	9	1	26	29
India PV	2,936	3,513	2,997	3,622	4,165	4,499	4,813
Growth (%)	36	20	(15)	21	15	8	7
Export CV	17,180	19,120	21,134	20,144	11,851	13,429	14,911
Growth (%)	79	11	11	(5)	(41)	13	11
Export Non Auto	13,932	15,933	15,454	15,962	17,100	18,767	20,721
Growth (%)	151	14	(3)	3	7	10	10
Export PV	5,591	9,552	12,694	11,174	11,621	12,783	14,061
Growth (%)	24	71	33	(12)	4	10	10
Others	2,978	3,452	3,546	3,724	4,283	4,722	5,194
Growth (%)	78	16	3	5	15	10	10
Total Standalone revenue	62,546	75,727	89,686	88,437	84,671	95,871	109,362
Growth (%)	71	21	18	(1)	(4)	13	14
Subsidiary revenue	42,065	53,375	67,134	62,791	83,115	101,026	127,610
Growth (%)	57	27	26	(6)	32	22	26
Consolidated revenue	104,611	129,103	156,821	151,228	167,786	196,897	236,972
Growth (%)	65	23	21	(4)	11	17	20
EBITDA	19,810	17,675	25,579	26,939	29,721	36,453	45,057
Growth (%)	129	(11)	45	5	10	23	24
EBITDA Margin (%)	18.9	13.7	16.3	17.8	17.7	18.5	19.0
PAT	9,544	5,742	9,635	10,982	12,700	15,808	21,033
PAT Margin (%)	15.3	7.6	10.7	12.4	15.0	16.5	19.2
EPS (Rs)	20.5	12.3	20.7	23.0	26.6	33.1	44.0

Source: Company, Emkay Research

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Exhibit 8: Craftsman Automation – We build in 16%/26%/17R revenue CAGR for the PT/AP/I&E segments over FY25-28E...

Revenue Model (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Powertrain - consolidated	15,271	15,584	18,115	21,369	23,265	28,197
Growth YoY (%)	32.3	2.0	16.2	18.0	8.9	21.2
Share of Revenue (%)	48.0	35.0	31.8	26.6	25.4	27.5
-- Standalone including iron castings plant	15,271	15,584	16,827	18,169	19,905	24,669
-- Standalone ex Kothavadi	15,271	15,584	16,827	17,669	18,905	20,229
-- Kothavadi	-	-	-	500	1,000	4,440
-- Subsidiaries (Fronberg - 100% Oct-25)	-	-	1,288	3,200	3,360	3,528
Powertrain Consol revenue mix (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
-- Standalone including iron castings plant	100	100	93	83	81	72
-- Kothavadi	0	0	0	2	4	16
-- Subsidiaries (Fronberg - 100% Oct-25)	0	0	7	15	14	13
Powertrain Consol revenue growth (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
-- Standalone ex iron castings plant	32.3	2.0	8.0	5.0	7.0	7.0
-- Kothavadi					100.0	344.0
-- Subsidiaries (Fronberg - 100% Oct-25)				148.5	5.0	5.0
Aluminium - consolidated	9,346	21,536	30,328	47,779	55,940	60,791
Growth YoY (%)	69.3	130.4	40.8	57.5	17.1	8.7
Share of Revenue (%)	29.4	48.4	53.3	59.5	61.2	59.3
-- Standalone including 2W alloy wheels	7,406	9,175	11,580	17,645	22,986	25,103
-- Standalone ex 2W alloy wheels	7,406	9,175	10,400	13,520	15,548	17,103
-- 2W alloy wheels (Bhiwadi and Hosur)	-	-	1,180	4,125	7,438	8,000
-- Subsidiaries	1,940	12,362	18,747	30,134	32,955	35,688
-- DR Axion (76% Feb-23; 24% Oct-25)	1,940	12,362	12,985	16,881	18,906	20,797
-- Sunbeam (100% Oct-25)	-	-	5,762	13,253	14,048	14,891
Aluminium Consol revenue mix (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
-- Standalone ex 2W alloy wheels	79	43	34	28	28	28
-- 2W alloy wheels (Bhiwadi and Hosur)	-	-	4	9	13	13
-- DR Axion (Stake - 76% Feb-23; 100% Oct-25)	21	57	43	35	34	34
-- Sunbeam (Stake - 100% Oct-25)	-	-	19	28	25	24
Aluminium Consol revenue growth (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
-- Standalone ex 2W alloy wheels	34.2	23.9	13.4	30.0	15.0	10.0
-- 2W alloy wheels (Bhiwadi and Hosur)				249.6	80.3	7.6
-- DR Axion (Stake - 76% Feb-23; 100% Oct-25)		537.1	5.0	30.0	12.0	10.0
-- Sunbeam (Stake - 100% Oct-25)				130.0	6.0	6.0
Industrial and Engineering - Consolidated	7,209	7,398	8,463	11,145	12,251	13,469
Growth YoY (%)	41.2	2.6	14.4	31.7	9.9	9.9
Share of Revenue (%)	22.7	16.6	14.9	13.9	13.4	13.1
-- Standalone	7,126	7,320	8,383	11,065	12,172	13,389
-- Subsidiaries	83	78	80	80	80	80
Industrial and Engineering revenue growth YoY (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
-- Standalone	42.5	2.7	14.5	32.0	10.0	10.0
-- Subsidiaries	-21.4	-6.4	2.4	-	-	-

Source: Company, Emkay Research

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

Exhibit 9: (contd)...We build in 23%/35%/59% EBIT CAGR over FY25-28E for the PT/AP/I&E segments, respectively...

Rs mn	FY23	FY24	FY25	FY26E	FY27E	FY28E
Consolidated EBITDA	6,836	8,788	8,327	12,299	14,900	17,186
Growth YoY (%)	28.0	28.6	-5.2	47.7	21.1	15.3
EBITDA margin (%)	21.5	19.7	14.6	15.3	16.3	16.8
Standalone	6,592	6,416	5,563	8,138	9,777	11,351
Growth YoY (%)	25.4	-2.7	-13.3	46.3	20.1	16.1
EBITDA Margin (%)	22.1	20.0	14.5	17.1	17.8	18.0
DR Axion	220	2,348	2,259	2,971	3,346	3,702
Growth YoY (%)		967.3	-3.8	31.5	12.6	10.6
EBITDA Margin (%)	11.3	19.0	17.4	17.6	17.7	17.8
Sunbeam			330	891	1,465	1,806
Growth YoY (%)					64.3	23.3
EBITDA Margin (%)			5.7	6.7	10.4	12.1
Fronberg			82	288	302	318
Growth YoY (%)				249.4	5.0	5.0
EBITDA Margin (%)			6.4	9.0	9.0	9.0
Other Subsidiaries	24	25	92	11	11	10
Growth YoY (%)	-73	4	275	-88	-3	-2
EBITDA margin (%)	28	32	116	14	13	13
Consolidated EBIT (Rs mn)	4,620	6,011	4,857	7,645	9,609	11,497
Powertrain - consolidated	3,820	2,916	2,512	3,414	3,797	4,730
-- Standalone incl. Kothavadi	3,820	2,916	2,486	3,270	3,643	4,564
-- Standalone ex Kothavadi	3,820	2,916	2,686	3,295	3,623	4,342
-- Kothavadi (iron castings plant)			-200	-25	20	222
-- Subsidiaries (Fronberg - 100% Oct-25)	-	-	27	144	155	166
Aluminium - consolidated	773	3,220	3,117	4,910	6,524	7,649
-- Standalone including 2W alloy wheels	645	1,290	1,160	2,335	3,162	3,761
-- Standalone ex 2W alloy wheels	645	1,290	1,610	2,332	2,760	3,121
-- 2W alloy wheels (Bhiwadi and Hosur)			-450	3	403	640
-- Subsidiaries	128	1,930	1,957	2,574	3,362	3,887
-- DR Axion (Stake - 100% Oct-25)	128	1,930	1,800	2,477	2,787	3,065
-- Sunbeam (Stake - 100% Oct-25)	-	-	-73	97	575	823
Industrial and Engineering - Consolidated	672	494	185	512	622	750
-- Standalone	623	467	172	498	609	736
-- Subsidiaries	49	26	14	14	14	14
	FY23	FY24	FY25	FY26E	FY27E	FY28E
Consolidated EBIT Margin (%)	14.5	13.5	8.5	9.5	10.5	11.2
Powertrain - consolidated	25.0	18.7	13.9	16.0	16.3	16.8
-- Standalone including Kothavadi	25.0	18.7	14.8	18.0	18.3	18.5
-- Standalone ex Kothavadi	25.0	18.7	16.0	18.7	19.2	21.5
-- Kothavadi (iron castings plant)				-5.0	2.0	5.0
-- Subsidiaries (Fronberg from FY25)			2.1	4.5	4.6	4.7
Aluminium - consolidated	8.3	15.0	10.3	10.3	11.7	12.6
-- Standalone including 2W alloy wheels	8.7	14.1	10.0	13.2	13.8	15.0
-- Standalone ex 2W alloy wheels	8.7	14.1	15.5	17.3	17.8	18.3
-- 2W alloy wheels (Bhiwadi and Hosur)			-38.1	0.1	5.4	8.0
-- Subsidiaries	6.6	15.6	10.4	8.5	10.2	10.9
-- DR Axion (Stake - 100% Oct-25)	6.6	15.6	13.9	14.7	14.7	14.7
-- Sunbeam (Stake - 100% Oct-25)			-1.3	0.7	4.1	5.5
Industrial and Engineering - Consolidated	9.3	6.7	2.2	4.6	5.1	5.6
-- Standalone	8.7	6.4	2.0	4.5	5.0	5.5
-- Subsidiaries	59.1	33.6	17.0	17.0	17.0	17.0

Source: Company, Emkay Research

Exhibit 10: (contd)...We build in 22%/27%/50% revenue/EBITDA/PAT CAGR over FY25-28E

Consolidated (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	31,826	44,517	56,905	80,292	91,457	102,457
<i>Growth YoY (%)</i>	43.6	39.9	27.8	41.1	13.9	12.0
EBITDA	6,836	8,788	8,327	12,299	14,900	17,186
EBITDA Margin (%)	21.5	19.7	14.6	15.3	16.3	16.8
<i>Growth YoY (%)</i>	28.0	28.6	(5.2)	47.7	21.1	15.3
EBIT	4,620	6,011	4,857	7,645	9,609	11,497
EBIT Margin (%)	14.5	13.5	8.5	9.5	10.5	11.2
<i>Growth YoY (%)</i>	20.8	30.1	(19.2)	57.4	25.7	19.7
Consolidated PBT	3,543	4,438	2,941	5,488	7,676	9,982
<i>Growth YoY (%)</i>	41.0	25.3	-33.7	86.6	39.9	30.1
PAT	2,484	3,045	2,200	4,120	5,756	7,482
PAT Margin (%)	7.8	6.8	3.9	5.1	6.3	7.3
<i>Growth YoY (%)</i>	52.3	22.6	-27.7	87.2	39.7	30.0
Consolidated EPS	117.6	144.2	92.2	172.7	241.3	313.6
<i>Growth YoY (%)</i>	52.3	22.6	-36.0	87.2	39.7	30.0
PE Ratio (x)	42.2	34.4	53.8	28.7	20.6	15.8
EV/EBITDA (x)	19.1	15.4	16.9	11.8	9.3	7.7
Net Debt/Equity (x)	0.9	1.0	0.8	0.8	0.5	0.3
Net Debt/EBITDA (x)	1.7	1.9	2.7	2.1	1.3	0.9
FCF Yield (%)	1.7	-0.7	-4.0	-0.5	5.2	4.5
Average RoE (%)	19.8	20.1	9.7	13.5	16.3	17.9
Average RoCE (pre-tax, %)	19.0	18.6	11.0	13.4	15.3	17.4
Market Cap (%)	155,760	155,760	175,968	175,968	175,968	175,968

Source: Company, Emkay Research

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Exhibit 11: Tata Motors Commercial Vehicles – We factor in ~10%/11%/15% volume/revenue/EPS CAGR over FY25-28E

Volume (no of units)	FY24	FY25	FY26E	FY27E	FY28E	FY25-28E CAGR
Domestic MHCVs	174,438	173,295	189,350	200,476	212,481	7%
Growth YoY (%)	2.3	-0.7	9.3	5.9	6.0	
-- Trucks	158,370	151,626	167,092	175,446	187,728	7%
Growth YoY (%)	-0.4	-4.3	10.2	5.0	7.0	
-- Buses	16,068	21,669	20,802	22,466	24,264	4%
Growth YoY (%)	40.3	34.9	-4.0	8.0	8.0	
Domestic LCVs	191,662	169,615	189,969	208,966	229,862	11%
Growth YoY (%)	-11.7	-11.5	12.0	10.0	10.0	
Domestic CVs	366,100	342,910	379,319	409,442	442,344	9%
Growth YoY (%)	-5.5	-6.3	10.6	7.9	8.0	
Exports	17,677	18,164	28,154	31,955	36,429	26%
Growth YoY (%)	-12.1	2.8	55.0	13.5	14.0	
Total Volumes	383,777	361,074	407,473	441,397	478,772	10%
Growth YoY (%)	-5.9	-5.9	12.9	8.3	8.5	
Particulars (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E	FY25-28E CAGR
ASP (Rs/unit)	1,910,043	1,922,570	1,912,957	1,951,216	1,990,241	1%
Growth YoY (%)		0.7	-0.5	2.0	2.0	
Revenue	733,031	694,190	779,479	861,260	952,872	11%
Growth YoY (%)		-5.3	12.3	10.5	10.6	
EBITDA	78,701	80,820	102,940	114,602	127,268	16%
EBITDA margin (%)	10.7	11.6	13.2	13.3	13.4	
EBITDA Growth YoY (%)		2.7	27.4	11.3	11.1	
EBITDA/unit (Rs)	205,069	223,832	252,631	259,635	265,822	
EBIT	58,532	60,740	86,252	96,578	107,074	21%
EBIT margin (%)	8.0	8.7	11.1	11.2	11.2	
PBT	52,974	77,480	90,007	101,132	112,392	13%
Tax	-513	19,000	22,072	24,800	27,561	13%
Tax rate (%)	-1.0	24.5	24.5	24.5	24.5	
PAT	53,486	58,480	67,935	76,332	84,830	13%
Adj PAT Margin (%)	7.3	8.4	8.7	8.9	8.9	
EPS (Rs)	14.0	15.3	18.5	20.7	23.1	15%

Source: Company, Emkay Research; Note: EPS CAGR differs from PAT CAGR owing to the difference in share capital, post independent listing of TMCV

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

Exhibit 12: Iveco Revenue Model – Basis the management guidance, we build in CY28E revenue of €17.5bn...

Iveco - Revenue Model	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E	CY28E
Revenue	12,651	14,357	15,978	15,289	13,986	14,963	16,227	17,501
YoY (%)		13.5	11.3	(4.3)	(8.5)	7.0	8.5	7.8
EBITDA	1,087	1,245	2,306	1,724	1,487	1,742	2,057	2,404
EBITDAM (%)	8.6	8.7	14.4	11.3	10.6	11.6	12.7	13.7
Depreciation	792	779	1,440	905	880	945	1,020	1,097
% of Gross Block	8.6	8.2	14.7	9.2	8.5	8.7	8.9	9.1
Gross Block	9,188	9,474	9,787	9,858	10,358	10,858	11,458	12,058
EBIT	295	466	866	819	607	797	1,037	1,307
EBITM (%)	2.3	3.2	5.4	5.4	4.3	5.3	6.4	7.5
Interest	115	206	443	211	223	254	288	327
% of Debt	14.7	16.0	7.3	3.3	3.6	3.8	4.0	4.2
Total Debt	783	1,284	6,100	6,306	6,106	6,606	7,106	7,706
PAT	76	159	268	538	319	424	585	764
PATM (%)	0.6	1.1	1.7	3.5	2.3	2.8	3.6	4.4

Revenue break-up (€ mn)	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E	CY28E
Truck	7,262	9,018	10,617	9,960	9,265	9,728	10,215	10,725
Bus	1,377	1,999	2,260	2,561	2,987	3,394	3,700	3,996
Defense	751	1,143	984	1,133	-	-	-	-
Powertrain	3,130	3,716	4,258	3,546	3,370	3,707	3,966	4,204
Eliminations and Other	-	(1,712)	(2,479)	(2,252)	(1,955)	(2,248)	(2,135)	(2,029)
Total of Industrial Activities	12,520	14,165	15,640	14,948	13,667	14,581	15,745	16,896
Financial Services	195	281	494	558	473	544	653	784
Eliminations and Other	(64)	(89)	(156)	(217)	(155)	(162)	(171)	(179)
Total for the Group	12,651	14,357	15,978	15,289	13,986	14,963	16,227	17,501

Revenue mix (%)	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E	CY28E
Truck	57.4	62.8	66.4	65.1	66.2	65.0	62.9	61.3
Bus	10.9	13.9	14.1	16.8	21.4	22.7	22.8	22.8
Defense	5.9	8.0	6.2	7.4	-	-	-	-
Powertrain	24.7	25.9	26.6	23.2	24.1	24.8	24.4	24.0
Eliminations and Other	-	(11.9)	(15.5)	(14.7)	(14.0)	(15.0)	(13.2)	(11.6)
Total of Industrial Activities	99.0	98.7	97.9	97.8	97.7	97.4	97.0	96.5
Financial Services	1.5	2.0	3.1	3.6	3.4	3.6	4.0	4.5
Eliminations and Other	(0.5)	(0.6)	(1.0)	(1.4)	(1.1)	(1.1)	(1.1)	(1.0)
Total for the Group	100.0							

Source: Emkay Research

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Exhibit 13: ...and ~7.5% EBIT margin, with FCF from industrials at ~€775mn

EBIT (€ mn)	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E	CY28E
Truck	NA	289	618	556	361	438	562	697
Bus	NA	86	108	140	134	221	259	300
Defense	NA	87	76	113	-	-	-	-
Powertrain	NA	186	252	211	185	222	278	345
Eliminations and Other	NA	(271)	(310)	(332)	(209)	(220)	(231)	(242)
Total - Industrial Activities	302	376	744	688	472	661	868	1,099
Financial Services	74	90	122	131	135	136	170	208
Eliminations and Other	-	-	-	-	-	-	-	-
Total for the Group	295	466	866	819	607	797	1,037	1,307
EBITM (%)	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E	CY28E
Truck	NA	3.2	5.8	5.6	3.9	4.5	5.5	6.5
Bus	NA	4.3	4.8	5.5	4.5	6.5	7.0	7.5
Defense	NA	7.6	7.7	10.0	-	-	-	-
Powertrain	NA	4.7	5.9	6.0	5.5	6.0	7.0	8.2
Total - Industrial Activities	2.4	2.7	4.8	4.6	3.5	4.5	5.5	6.5
Financial Services	37.9	32.0	24.7	23.5	28.5	25.0	26.0	26.5
Eliminations and Other	-	-	-	-	-	-	-	-
Total for the Group	2.3	3.2	5.4	5.4	4.3	5.3	6.4	7.5
(€ bn)	CY21	CY22	CY23	CY24	CY25E	CY26E	CY27E	CY28E
Adjusted Industrial EBIT	302	376	744	688	472	661	868	1,099
Depreciation	792	779	1440	905	880	945	1,020	1,097
Cash interest and tax	(155)	(150)	(226)	(273)	(288)	(374)	(452)	(543)
Changes in provision	(159)	(160)	(388)	(109)	-	-	-	-
Changes in working capital	(303)	505	357	(49)	(185)	(141)	(182)	(279)
OCF from Industrial	470	1440	2049	1,162	879	1,092	1,253	1,375
Capex	(563)	(775)	(958)	(932)	(500)	(500)	(600)	(600)
Others	-39	67	-9	9				
FCF from Industrial	-132	732	1082	370	379	592	653	775
FCF Yield from Industrial activities (%)	(1.1)	5.2	6.9	2.5	2.8	4.1	4.1	4.6

Source: Emkay Research

Exhibit 14: We retain BUY on TMCV, with SOTP-based TP of Rs650; we value TMCV's SA business at 16x EV/EBITDA, in line with AL's 1YF EV/EBITDA

SOTP-based value	Basis of valuation	Equity value (Rs mn)	Equity value (Rs/sh)	Contribution to SOTP (%)	Remarks
Tata Motors Commercial Vehicles	16x Dec-27E EV/EBITDA (x)	2,118,463	576	85.5	In line with AL's 1YF EV/EBITDA of 16x; TMCV currently trades at a discount of 16% at implied FY28E valuations
Tata Capital	On Market Cap basis	63,131	17	2.5	Based on TMCV's stake in Tata Capital
Iveco	Basis 4.6x CY27E EV/EBITDA (15% premium to the historical average of 3.8x) after factoring in the SPV debt (assumed 70% of transaction value with interest of Euribor + 3%)	571,471	80	12.0	We have built in €17.5bn revenue by CY28E with FCF of ~€0.8bn by CY28E, in line with the management guidance. We ascribe 50% probability-weighted valuation to Iveco, reflecting the early stage of the European CV recovery and execution risks around margin and FCF delivery.
TP (Rs)		2,753,065	673		
TP - Rounded off (Rs)			650		

Source: Company, Emkay Research

Exhibit 15: Shriram Pistons and Rings – We build in 26%/22%/20% revenue/EBITDA/EPS CAGR over FY26E-28E

Particulars (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Standalone revenue	26,050	29,537	31,795	35,604	40,557	46,251
<i>OEM</i>	13,286	15,064	16,534	18,600	21,018	23,751
<i>Exports</i>	5,210	5,612	5,405	5,838	6,596	7,454
<i>Aftermarket</i>	6,773	7,975	8,267	9,259	10,462	11,823
<i>Non-Auto</i>	782	886	1,590	1,908	2,480	3,224
Subsidiaries	43	1,356	3,703	8,649	21,454	24,377
EMFI		129	204	600	1,200	1,500
Takahata		1,226	2,952	3,394	3,836	4,334
TPGEL	-	-	1,293	1,512	1,709	1,931
Antolin Lighting			-	343	1,707	2,048
Grupo Antolin			-	2,799	13,003	14,563
Consolidated revenue	26,093	30,893	35,498	44,253	62,011	70,628
Standalone mix (%)						
OEM	51	51	52	52	52	51
Exports	20	19	17	16	16	16
Aftermarket	26	27	26	26	26	26
Non-Auto	3	3	5	5	6	7
Consolidated mix (%)						
Core ICE	100	96	90	80	65	65
Non-ICE	0	4	10	20	35	35
Consolidated Revenue	26,093	30,893	35,498	44,253	62,011	70,628
<i>Growth YoY (%)</i>	26.4	18.4	14.9	24.7	40.1	13.9
EBITDA	4,604	6,420	7,243	8,725	11,255	13,084
<i>EBITDA margin (%)</i>	17.6	20.8	20.4	19.7	18.2	18.5
EBIT	4,123	6,196	7,160	8,650	10,866	12,728
<i>EBIT margin (%)</i>	15.8	20.1	20.2	19.5	17.5	18.0
Interest	193	305	344	536	1,089	1,103
PBT	3,930	5,891	6,817	8,114	9,777	11,625
<i>Tax rate (%)</i>	25.2	25.5	24.4	25.6	25.4	25.3
PAT	2,935	4,426	5,067	5,947	7,170	8,530
<i>PAT margin (%)</i>	11.2	14.3	14.3	13.4	11.6	12.1
EPS (Rs)	66.6	100.5	115.0	135.0	162.8	193.6

Source: Company, Emkay Research

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

Exhibit 16: JK Tyre and Industries's revenue model – We build in ~11%/17%/26% revenue/EBITDA/EPS CAGR over FY26E-28E

Particulars (Rs mn)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue							
India	103,528	123,760	129,241	130,188	140,575	162,042	177,436
Standalone	80,321	96,179	103,133	109,444	140,575	162,042	177,436
Cavendish	23,208	27,580	26,108	20,744	-	-	-
Mexico (Tornel)	21,191	26,727	26,267	21,470	23,793	25,696	27,830
Others	14	7	8	13	13	13	13
less: intersegment	4,904	4,044	5,497	4,742	3,903	3,755	2,053
Consolidated	119,830	146,449	150,018	146,929	160,477	183,996	203,226
Growth YoY (%)	31.6	22.2	2.4	-2.1	9.2	14.7	10.5
Consolidated EBITDA							
	10,733	12,978	20,776	15,986	21,176	26,035	29,162
Growth YoY (%)	(18)	21	60	(23)	32	23	12
Consolidated EBITDAM (%)	9.0	8.9	13.8	10.9	13.2	14.1	14.3
EBIT margin (%)							
Standalone	6.1%	5.9%	11.1%	7.9%	11.3%	12.5%	12.7%
Cavendish	4.0%	7.4%	15.3%	12.6%	-	-	-
Mexico (Tornel)	6.7%	6.0%	5.4%	4.4%	4.7%	6.0%	7.0%
Consolidated	5.7%	6.1%	10.9%	7.8%	10.3%	11.5%	11.8%
EBIT (Rs mn)							
Standalone	4,900	5,637	11,448	8,664	15,929	20,333	22,537
Cavendish	925	2,037	3,983	2,619	-	-	-
Mexico (Tornel)	1,421	1,608	1,431	941	1,106	1,542	1,948
Consolidated EBIT	6,879	8,907	16,409	11,421	16,477	21,179	23,962
Interest	4,659	4,545	4,469	4,763	4,359	4,589	4,465
Consolidated Adjusted PAT							
	1,509	3,246	8,333	5,409	9,403	12,739	14,955
Growth YoY (%)	(49)	115	157	(35)	74	35	17
Consolidated PATM (%)	1.3	2.2	5.6	3.7	5.9	6.9	7.4
Consolidated EPS (Rs)							
	6.1	13.2	32.0	19.7	33.5	45.4	53.2

Source: Company, Emkay Research; Note: Cavendish has been amalgamated into JKI, effective 1-Apr-25

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

Exhibit 17: Valuation matrix for our coverage universe

Company	CMP	Mkt Cap	Reco	Target Price	% Upside/Downside	EPS CAGR (%)	PER (x)			P/B (x)			EV/EBITDA (x)			ROE (%)		
	(Rs)	(Rs bn)		(Rs)		FY26E-28E	FY26e	FY27e	FY28e	FY26e	FY27e	FY28e	FY26e	FY27e	FY28e	FY26e	FY27e	FY28e
OEMs																		
Ather Energy	673	257	Buy	1,000	48.6	LTP	-48.2	-156.1	103.5	9.8	10.5	9.5	-49.0	-818.6	54.2	-34.3	-6.5	9.7
TVS Motor	3,784	1,798	Buy	4,500	18.9	21%	46.4	37.4	31.5	13.8	10.7	8.4	30.0	24.5	20.4	33.7	32.1	29.8
Bajaj Auto	9,800	2,739	Buy	11,100	13.3	14%	27.9	24.4	21.6	7.8	7.0	6.3	20.1	17.3	14.9	29.1	30.2	30.9
Eicher Motors	7,626	2,092	Add	7,500	-1.6	11%	36.4	32.5	29.6	8.4	7.3	6.3	34.3	30.0	26.8	24.9	24.0	22.8
Hero MotoCorp	5,520	1,104	Add	6,300	14.1	9%	20.6	18.6	17.2	5.2	4.9	4.7	14.9	13.3	12.2	26.2	27.3	27.9
Ola Electric Mobility	24	106	Sell	20	-16.7	-2%	-5.9	-5.7	-6.1	3.2	7.1	-41.6	-15.8	-21.2	-29.3	-42.7	-76.7	-282.6
Mahindra & Mahindra	3,333	4,144	Add	3,900	17.0	9%	26.6	24.4	22.4	5.7	4.8	4.2	19.8	17.0	15.2	23.1	21.4	20.0
Maruti Suzuki India	14,139	4,445	Buy	17,000	20.2	17%	29.6	24.1	21.5	4.3	3.8	3.4	18.1	14.1	12.2	15.1	16.7	16.6
Hyundai Motor India	2,080	1,690	Add	2,400	15.4	19%	29.9	25.4	21.2	8.5	7.1	5.8	19.1	15.5	12.8	31.3	30.3	30.0
Tata Motors PV	351	1,292	Add	460	31.1	1530%	1,880.2	8.6	7.1	1.2	1.1	0.9	10.6	4.0	3.3	0.1	13.1	14.1
Tata Motors	474	1,746	Buy	650	37.1	12%	25.7	22.9	20.6	15.4	9.2	6.4	16.6	14.2	12.1	68.5	50.3	36.5
Ashok Leyland	195	1,143	Buy	240	23.3	20%	29.4	24.2	20.4	8.5	7.2	5.9	20.0	16.0	13.2	31.2	32.1	31.9
Escorts	3,281	367	Buy	4,300	31.1	12%	25.9	22.7	20.7	3.2	2.9	2.6	24.8	21.2	18.2	13.0	13.4	13.4
Ancillaries																		
JK Tyre	454	131	Buy	650	43.2	26%	13.6	10.0	8.5	2.2	1.9	1.6	9.3	7.4	6.5	17.5	20.0	20.2
Apollo Tyres	440	279	Buy	600	36.4	11%	15.0	13.9	12.2	1.7	1.6	1.5	7.2	6.6	6.1	12.1	12.1	12.8
CEAT	3,462	140	Buy	4,900	41.5	23%	18.9	15.3	12.6	2.8	2.4	2.1	8.6	7.1	5.9	15.8	17.1	18.0
Shriram Pistons & Rings	2,929	129	Buy	4,650	58.8	20%	21.7	18.0	15.1	4.4	3.7	3.0	16.8	12.7	10.5	22.4	22.3	21.9
Pricol	567	69	Buy	650	14.6	19%	28.7	23.7	20.2	5.5	4.5	3.7	16.5	13.8	11.8	21.2	20.8	19.9
Craftsman Automation	7,453	178	Buy	9,800	31.5	35%	43.2	30.9	23.8	5.5	4.7	3.9	16.4	13.2	11.1	13.5	16.3	17.9
Bharat Forge	1,915	916	Buy	2,000	4.4	29%	72.1	57.9	43.5	9.1	8.2	7.2	28.9	23.5	18.8	13.1	14.9	17.6
Minda Corporation	520	124	Buy	775	49.1	33%	37.1	27.9	20.9	4.8	3.8	3.3	22.4	18.6	15.1	14.0	15.5	17.0
MSUMI	41	274	Add	45	9.0	29%	43.0	32.6	26.0	13.0	12.0	11.0	26.2	20.5	16.6	33.4	38.3	44.3
Sandhar Technologies	498	30	Buy	825	65.6	28%	17.0	13.5	10.3	2.3	2.0	1.8	9.5	7.6	6.2	14.5	16.1	18.2
SAMIL	123	1,298	Buy	140	13.8	26%	28.6	22.0	18.0	3.4	3.0	2.7	13.0	11.0	9.5	12.5	14.5	15.8
Suprajit Engineering	425	58	Buy	575	35.2	27%	29.7	21.7	18.4	4.1	3.6	3.2	15.5	12.7	10.8	14.6	17.8	18.5
Uno Minda	1,127	651	Add	1,300	15.3	37%	57.5	40.1	30.6	9.7	8.1	6.7	32.2	24.7	19.3	18.1	22.0	23.9

Source: Company, Emkay Research

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Indian players best placed to capture the demand upturn in the export/domestic markets

Key takeaways from our meeting with the management

MMFG: At inflection point; structural growth/margin drivers in place

MMFG is a leading supplier of forged components across vehicle categories in India/overseas. 1) After a subdued FY26 (due to delay on the customer front, internal execution gaps, etc), MMFG is poised for strong rebound in FY27; the mgmt guides for 20% revenue growth (vs 15-20% during the Q3 earnings call) on robust momentum in domestic MHCVs (75% of revenue)/tractors (15% of revenue), recovery in NA Class 8 trucks, ramp up in delayed customer orders, and new business wins. 2) FY26/27 volume guidance is 75/90ktpa, implying 5% FY25-27 CAGR; MMFG is on track to reach the 'six-digit tonnage' mark by FY28. 3) It is seeing structural margin tailwinds as bulk of new order wins include high-margin machining activities primarily for export markets. 4) It is cautious of rising manpower/fuel costs, with counter measures underway; freight costs are a pass-through; investments in renewable energy are expected to deliver Rs150mnpa savings (100bps margin benefit); Rs300-350mn in interest-cost savings from refinancing/debt management will flow through to cash flow. 5) MMFG has invested Rs10bn in the last 5Y toward capacity building and creating machining capabilities; it aims to leverage this to serve customers (domestic, global). 6) MMFG believes it is at inflection point; strategic investments in the last 5Y will deliver meaningful returns.

GNA Axles: Strong end-market outlook to drive growth and sustain margin

GNA mainly caters to CVs/off-highway vehicles (60%/30% revenue share), supplying rear axle shafts (78% of revenue), spindles, and specialized forged components to tractors, agri, construction, and industrial applications. 1) After 3-4Y of weakness in domestic the MHCV and tractor industry, signs of a multi-year upcycle are now visible. 2) The NA/EU CV market is seeing recovery owing to older vehicles; this offers a strong 2-3Y outlook. 3) GNA aims for 16-18% growth in FY27 (after 3Y of flattish growth), on robust domestic momentum, recovery in NA/EU, new order wins; beyond FY27, GNA aims for a sustainable 8-10% growth as the base normalizes, with 16-16.5% EBITDAM (vs 17.6%/18.5% in Q2/Q3FY26 owing to a one-off currency-related benefit). 4) To derisk from segmental cyclicity and diversify revenue, GNA is scaling up PV/LV axle shafts, partnering with reputed OEMs and Tier-1s (aims increasing revenue share to 25% in 2-3Y vs 10% now). 5) GNA has outlined Rs4bn capex (Rs1.5bn spent; Rs2.5bn over next 2.5Y), given strong demand across categories.

Nelcast: Best growth phase ahead; domestic strong, overseas recovering

Nelcast is a leading producer of ductile/grey iron castings catering to marquee OEMs/Tier-1s across vehicle categories in the domestic/export markets. 1) Outlook strong: Domestic MHCVs (37% revenue share) are seeing robust momentum led by GST cuts, tractors (27%) doing well on favorable macros, and exports (35%) gaining momentum. 2) The NA Class 6-8 truck market is showing signs of recovery on pent-up demand and pre-buy, led by EPA norm change; a substantial part of the Rs3-4bn new business pipeline would ramp up over next 2-3Q. 3) In EU, Nelcast is winning new orders as clients aggressively seek sourcing alternatives amid closure of foundries on labor shortages, higher energy costs, financial constraints. 4) EBITDA/kg rose to Rs15-16 (from Rs11); aims expanding to Rs17-18 over next 2-3Y on better operating leverage, product mix shift to high-value complex castings (also via large casting at Pedapariya plant from FY27; EBITDA/kg of Rs25 once production stabilizes), continued cost optimization. 5) Existing 160ktpa installed capacity is enough to meet demand over next 2Y; further expansion is not being considered. 6) Nelcast is bearing fruit of past 10Y investments; it believes it has yet to see its best growth phase.

Uniparts: Worst behind; all end-markets at various stages of recovery

Uniparts is a global component supplier of 3PL, PMP, PTO+Fab (47%/51%/2% of revenue) for agri/off-highway vehicles. 1) After 2Y of weakness over FY24-25, Uniparts guides for mid-teens growth in FY26 (9M revenue already up 17% YoY) and FY27 (Rs2bn new orders in TTM); it aims to sustain this via end-market diversification, geographic rebalancing, and new business wins. 2) The worst is firmly behind across its 3 end-markets (Large AG, Small AG, CE); decline in NA Large AG is narrowing (CY26: 15-20% vs 30% in CY25); EU Large AG is seeing flat-to-modest growth; CE is ahead in its recovery in NA and EU. 3) Uniparts's dual-shoring capabilities (manufacturing in India/NA; warehouse operations in NA/Mexico) form a credible moat and are driving order wins despite ongoing geopolitical challenges. 4) It is confident of sustaining 20% EBITDAM, aided by RM cost pass-on and stringent hedging policy. 5) It is looking for strategic M&A (supported by a strong balance sheet) in PTO/Large Fab to grow horizontally with customers and expand its product portfolio. 6) It aims to gradually reduce share of NA revenue and grow share of India/EU revenue.

MMFG is a leading supplier of forged components across vehicle categories in India and overseas. 1) After a subdued FY26 (on customer-side delay, internal execution gaps, etc), MMFG is poised for a strong rebound in FY27; the mgmt guides for 20% revenue growth (vs 15-20% during Q3 earnings call) on robust momentum in domestic MHCVs (75% of revenue)/tractors (15% of revenue), recovery in NA Class 8 trucks (aided by EPA norm change led pre-buy), ramp up in delayed customer orders, and new business wins across geographies. 2) Volume guidance is 75ktpa/90ktpa in FY26/FY27, implying 5% FY25-27 CAGR; MMFG is on track to achieve 'six-digit tonnage' mark by FY28. 3) It is seeing structural margin tailwinds as bulk of new order wins include higher-margin machining activities primarily for export markets; its new 16.5kt press can clock Rs3bn revenue pa, with margin 7-8pp higher than consolidated level. 4) It is cautious about rising manpower/fuel costs, with counter measures underway; freight costs are a pass through; investments in renewable energy are expected to deliver Rs150mn savings pa (100bps margin benefit); Rs300-350mn in interest-cost savings from refinancing/debt management will flow through to cash flow. 5) MMFG has invested Rs10bn over last 5Y toward capacity building and creating extensive machining capabilities (150ktpa); it aims to leverage this and serve customers (domestic and global). 6) MMFG believes, it is at an inflection point; seeds sown over last 5Y will be delivering meaningful returns.

Strong rebound expected in FY27; targets 'six-digit tonnage' mark by FY28

MMFG is positioned for a strong rebound after a subdued FY26 (on customer-side delays on new launches, internal execution gaps, and a sharp decline in US revenue share from 16% to 10%). With these headwinds now largely behind, the management now guides for 20% revenue growth in FY27 (earlier 15-20%), given recovery in the NA Class 8 truck market (production expected to rise from 150-180k units to 250k units in CY26, supported by pre-buy ahead of EPA emission norm changes in Jan-27), ramp-up of delayed customer projects, and new business wins across geographies. Volume guidance is 75kt/90kt for FY26/FY27; MMFG is on track to reach 'six-digit tonnage' by FY28.

Structural margin tailwinds in place, with rising share of machining

MMFG is witnessing structural margin tailwinds. The machining mix is set to improve meaningfully as new jobs/orders are largely machined products, especially crankshafts and higher-weight front axle beams from the new 16.5kt press (can alone generate Rs3bnpa revenue with EBITDAM 7-8pp higher than consolidated margin), primarily for export markets. Against these positives, MMFG is watchful of rising manpower and fuel costs and potential logistics cost increases to the US/EU owing to the ME crisis, though freight costs are largely a pass-through to customers.

MMFG at an inflection point; seeds sown over last 5Y to deliver tangible results

MMFG has invested Rs10bn over the last 5Y in building capacities anticipatively as well on customer commitments (including the 16.5kt press to be commissioned in Q1FY27) and extensive machining infra (taking capacity to 150ktpa). Per management, 50-55% of this capex has now started generating revenue; FY27 capex is guided at Rs1.6bn; debt levels to remain static over the next 2Y. The overarching strategic direction is to leverage the massive capacity build-out and proven execution capabilities to serve more customers across domestic/global markets. MMFG expressed confidence that it is at an inflection point, where the seeds sown over the last 5Y will deliver meaningful returns.

M M Forgings: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	7,521	11,396	14,619	15,631	15,252
EBITDA	1,287	2,087	2,728	2,928	2,961
Adj. PAT	461	910	1,279	1,350	1,219
Adj. EPS (Rs)	9.5	18.8	26.5	28.0	25.2
EBITDA margin (%)	17.1	18.3	18.7	18.7	19.4
EBITDA growth (%)	(2.7)	62.2	30.8	7.3	1.1
Adj. EPS growth (%)	9.9	97.5	40.6	5.5	(9.8)
RoE (%)	9.8	17.4	20.8	18.5	14.5
RoIC (%)	6.9	11.1	13.2	11.8	10.3
P/E (x)	45.5	23.1	16.4	15.5	17.2
EV/EBITDA (x)	19.0	12.3	9.7	9.6	9.5
P/B (x)	4.3	3.7	3.1	2.7	2.4
FCFF yield (%)	(0.4)	1.5	(1.5)	(3.6)	(7.8)

Source: Company, Emkay Research

Target Price – 12M	NA
Change in TP (%)	NA
Current Reco.	Not Rated
Previous Reco.	Not Rated
Upside/(Downside) (%)	NA

Stock Data	MMFG IN
52-week High (Rs)	501
52-week Low (Rs)	276
Shares outstanding (mn)	48.3
Market-cap (Rs bn)	21
Market-cap (USD mn)	229
Net-debt, (Rs mn)	918,000
ADTV-3M (mn shares)	0.2
ADTV-3M (Rs mn)	87.7
ADTV-3M (USD mn)	1.0
Free float (%)	43.7
Nifty-50	24,450.4
INR/USD	91.7

Shareholding, Dec-25

Promoters (%)	56.3
FPIs/MFs (%)	1.7/8.6

Price Performance

(%)	1M	3M	12M
Absolute	0.8	23.7	16.8
Rel. to Nifty	5.9	32.4	7.7

1-Year share price trend (Rs)



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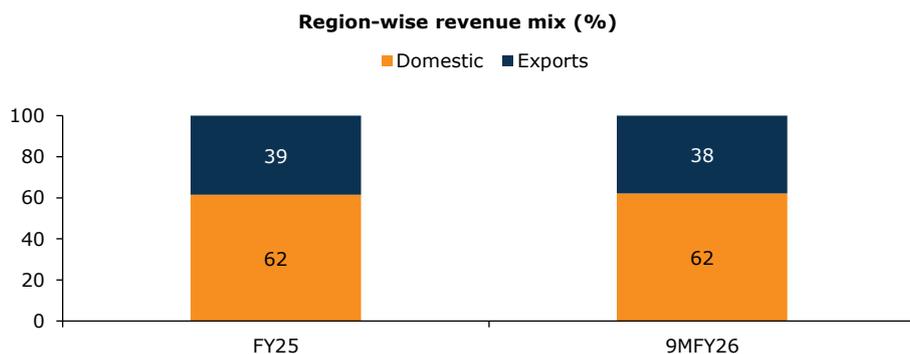
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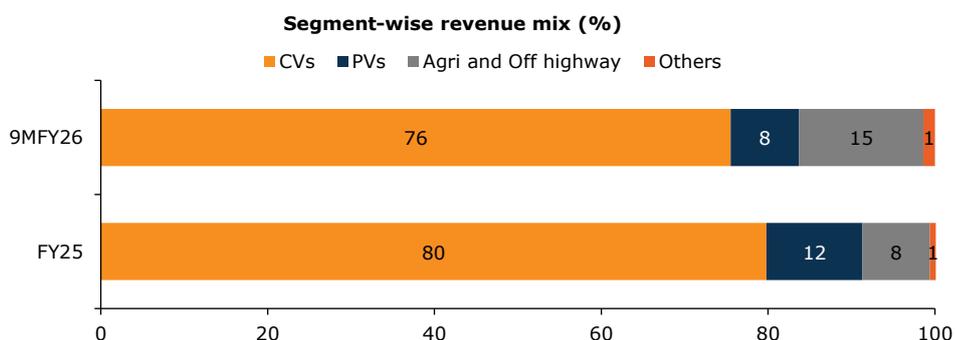
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Exhibit 18: Domestic sales form >60% of MMFG’s revenue



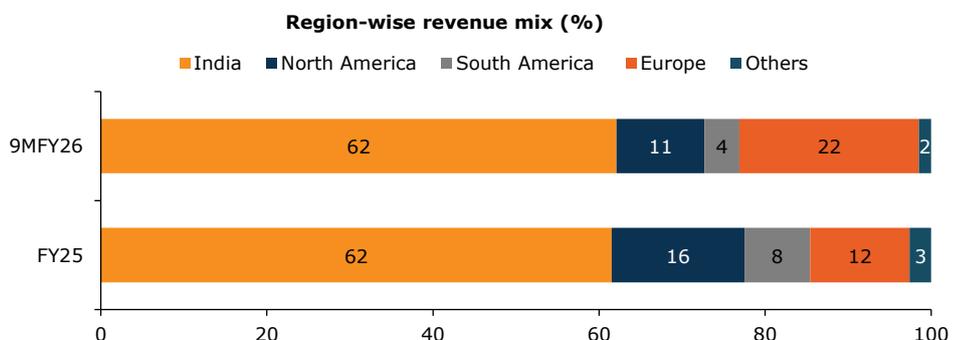
Source: Company, Emkay Research

Exhibit 19: CVs continue to form >75% of MMFG’s revenue



Source: Company, Emkay Research

Exhibit 20: India forms >60% of volume; share of NA has fallen due to a major decline in the NA Class 8 truck market



Source: Company, Emkay Research

Other highlights

- MMFG’s EV subsidiary Abhinava Razel (Rs700mn invested; Rs10mn is monthly burn) is in advanced discussions with customers for motors ranging 3–300KW, currently supplying high-end 2Ws and 3Ws, with 4W programs requiring controller, gearbox, and DC-DC convertor tie-ups with Chinese partners under evaluation.
- MMFG has gone fully green on power from mid-Jan-26, which is expected to deliver Rs150mn savings pa (~100bps rise in EBITDA margin). Additionally, Rs300-350mn in interest-cost savings from refinancing and debt management will flow through to cash flow.
- The key competitive moats that the management has highlighted are i) the ability to execute orders exceeding Rs1bn; willingness to invest in projects upfront without customer friction; iii) advanced fault detection capabilities; and iv) deep product development competencies across a wide range.
- Revenue mix is expected to be stable at 70%/15%/15% from CVs/PVs/OFH; export markets (especially NA) will contribute much more as the truck cycle recovers.

M M Forgings: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	7,521	11,396	14,619	15,631	15,252
Revenue growth (%)	(2.2)	51.5	28.3	6.9	(2.4)
EBITDA	1,287	2,087	2,728	2,928	2,961
EBITDA growth (%)	(2.7)	62.2	30.8	7.3	1.1
Depreciation & Amortization	646	678	788	828	933
EBIT	641	1,409	1,940	2,100	2,028
EBIT growth (%)	(11.7)	119.8	37.7	8.2	(3.4)
Other operating income	-	-	-	-	-
Other income	197	157	125	218	227
Financial expense	321	277	296	423	598
PBT	516	1,289	1,770	1,895	1,657
Extraordinary items	0	0	0	0	0
Taxes	56	379	490	545	439
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	461	910	1,279	1,350	1,219
PAT growth (%)	9.9	97.5	40.6	5.5	(9.8)
Adjusted PAT	461	910	1,279	1,350	1,219
Diluted EPS (Rs)	9.5	18.8	26.5	28.0	25.2
Diluted EPS growth (%)	9.9	97.5	40.6	5.5	(9.8)
DPS (Rs)	0	0	0	0	0
Dividend payout (%)	0	0	0	0	0
EBITDA margin (%)	17.1	18.3	18.7	18.7	19.4
EBIT margin (%)	8.5	12.4	13.3	13.4	13.3
Effective tax rate (%)	10.8	29.4	27.7	28.7	26.5
NOPLAT (pre-IndAS)	572	995	1,403	1,497	1,491
Shares outstanding (mn)	48	48	48	48	48

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
PBT (ex-other income)	516	1,289	1,770	1,895	1,657
Others (non-cash items)	(155)	(97)	(84)	(165)	(170)
Taxes paid	(52)	(267)	(424)	(320)	(591)
Change in NWC	(1,068)	(368)	(735)	(1,182)	(595)
Operating cash flow	203	1,504	1,603	1,487	1,816
Capital expenditure	(295)	(1,109)	(2,003)	(2,509)	(4,027)
Acquisition of business	-	-	-	-	-
Interest & dividend income	-	-	-	-	-
Investing cash flow	(114)	(1,256)	(1,872)	(2,321)	(3,582)
Equity raised/(repaid)	0	0	0	0	241
Debt raised/(repaid)	394	583	647	1,388	2,466
Payment of lease liabilities	-	-	-	-	-
Interest paid	(361)	(321)	(337)	(472)	(667)
Dividend paid (incl tax)	0	(121)	(145)	(145)	(193)
Others	-	-	-	-	-
Financing cash flow	33	141	165	771	1,847
Net chg in Cash	122	390	(104)	(64)	81
OCF	203	1,504	1,603	1,487	1,816
Adj. OCF (w/o NWC chg.)	1,272	1,873	2,338	2,669	2,412
FCFF	(92)	395	(400)	(1,022)	(2,210)
FCFE	(413)	118	(695)	(1,446)	(2,808)
OCF/EBITDA (%)	15.8	72.1	58.8	50.8	61.3
FCFE/PAT (%)	(89.6)	13.0	(54.3)	(107.1)	(230.4)
FCFF/NOPLAT (%)	(16.0)	39.7	(28.5)	(68.3)	(148.2)

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
Share capital	241	241	241	241	483
Reserves & Surplus	4,630	5,354	6,489	7,646	8,430
Net worth	4,872	5,596	6,730	7,887	8,913
Minority interests	0	0	4	4	4
Non-current liab. & prov.	272	284	311	373	460
Total debt	5,323	6,845	7,559	9,308	11,852
Total liabilities & equity	10,500	12,794	14,647	17,697	21,439
Net tangible fixed assets	6,728	7,055	8,016	9,115	9,618
Net intangible assets	-	-	-	-	-
Net ROU assets	-	-	-	-	-
Capital WIP	175	364	626	1,236	3,833
Goodwill	27	27	27	27	27
Investments [JV/Associates]	33	223	223	228	378
Cash & equivalents	1,879	2,266	2,186	2,098	2,179
Current Liab. & Prov.	1,997	1,349	1,961	1,993	2,051
NWC (ex-cash)	1,421	2,708	3,402	4,791	5,454
Total assets	10,500	12,794	14,647	17,697	21,439
Net debt	3,445	4,580	5,373	7,210	9,673
Capital employed	10,500	12,794	14,647	17,697	21,439
Invested capital	8,175	9,790	11,445	13,933	15,099
BVPS (Rs)	100.9	115.9	139.4	163.4	184.6
Net Debt/Equity (x)	0.7	0.8	0.8	0.9	1.1
Net Debt/EBITDA (x)	2.7	2.2	2.0	2.5	3.3
Interest coverage (x)	2.6	5.6	7.0	5.5	3.8
RoCE (%)	8.2	13.8	15.5	14.7	11.9

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY21	FY22	FY23	FY24	FY25
P/E (x)	45.5	23.1	16.4	15.5	17.2
P/CE(x)	19.0	13.2	10.1	9.6	9.8
P/B (x)	4.3	3.7	3.1	2.7	2.4
EV/Sales (x)	3.2	2.2	1.8	1.8	1.8
EV/EBITDA (x)	19.0	12.3	9.7	9.6	9.5
EV/EBIT(x)	38.1	18.1	13.6	13.4	13.9
EV/IC (x)	3.0	2.6	2.3	2.0	1.9
FCFF yield (%)	(0.4)	1.5	(1.5)	(3.6)	(7.8)
FCFE yield (%)	(2.0)	0.6	(3.3)	(6.9)	(13.4)
Dividend yield (%)	0	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	6.1	8.0	8.8	8.6	8.0
Total asset turnover (x)	0.7	1.0	1.1	1.0	0.8
Assets/Equity (x)	2.2	2.2	2.2	2.2	2.3
RoE (%)	9.8	17.4	20.8	18.5	14.5
DuPont-RoIC					
NOPLAT margin (%)	7.6	8.7	9.6	9.6	9.8
IC turnover (x)	0.9	1.3	1.4	1.2	1.1
RoIC (%)	6.9	11.1	13.2	11.8	10.3
Operating metrics					
Core NWC days	68.9	86.7	85.0	111.9	130.5
Total NWC days	68.9	86.7	85.0	111.9	130.5
Fixed asset turnover	0.6	0.8	1.0	0.9	0.8
Opex-to-revenue (%)	37.3	37.4	34.5	35.4	37.2

Source: Company, Emkay Research

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

1) GNA mainly caters to CVs/off-highway vehicles (60%/30% revenue share), supplying rear axle shafts (78% of revenue), spindles, and specialized forged components to tractors, agri, construction, and industrial applications. 2) GNA commands 70% market share in rear axle shafts for domestic tractors/NA Class 8 trucks. 3) After 3-4Y of weakness in domestic MHCVs/tactor industry, signs of multi-year upcycle are now visible. 4) The NA/EU CV market is seeing a recovery owing to higher vehicle age, which offers strong outlook over next 2-3Y. 5) GNA aims for 16-18% growth in FY27 (after 3Y of flattish growth on end-market weakness), driven by robust domestic momentum, recovery in NA/EU markets, and new order wins; beyond FY27, GNA aims for a sustainable 8-10% growth as base normalizes, with 16-16.5% EBITDAM (vs 17.6%/18.5% in Q2/Q3FY26 owing to one-off currency-related benefit). 6) To derisk from segmental cyclical and diversify revenues, GNA is scaling PV/LV axle shafts, partnering with reputed OEMs and Tier-1s (aims to increase revenue share to 25% in 2-3Y vs ~10% now). 7) GNA has outlined Rs4bn capex (Rs1.5bn spent; Rs2.5bn to be deployed over next 2.5Y) given strong demand across categories.

Dominant >70% share in rear axle shaft of domestic tractors/NA Class 8 trucks

GNA operates out of 2 facilities in Punjab. Domestic and export markets contribute ~50% each to revenue. Its capabilities span forging components weighing 1-200kg, serving three core segments - CVs (60% of revenue), LVs/SUVs (10%), and off-highway (30%). GNA holds dominant ~70% market share in rear axle shafts (78% of revenue) for domestic tractors and NA Class 8 trucks. CV is currently the fastest-growing segment, supported by capacity additions over the last 2-3Y. GNA's right to win/moat in NA export market is owing to the 25-30% pricing benefit being offered despite tariff headwinds.

Strong growth ahead, led by NA/EU recovery and robust domestic momentum

After 3Y of flattish growth (hit by RM price decline and a sharp 30-40% drop in NA truck volumes), GNA is entering a strong recovery phase. It aims for 16-18% revenue growth in FY27, led by re-emerging momentum in NA CVs (~Rs1.5bn revenue), off-highway exports (Rs400-500mn), robust domestic demand after GST cuts in MHCVs and tractors, and ramp-up of LV programs. It expects the EU CV market to deliver 20-25% growth over next 2-3Y as the aging fleet drives replacement demand; the NA Class 8 market is recovering, with inventory restocking underway (also aided by EPA-norm change led pre-buy). Beyond FY27, GNA expects 8-10% sustainable growth, with export share inching up ~2% pa. It is focusing on new opportunities in domestic/export markets.

Strategically de-risking revenue profile with sustained EBITDAM performance

The management is guiding for sustained 16-16.5% EBITDAM (recent quarters benefited from currency gains; not recurring in nature). GNA has outlined a capex plan of Rs4bn for capacity building (Rs1.5bn has been invested; Rs2.5bn to be deployed over next 2.5Y). Currently, CV capacity utilization stands at 60-65% (moderated due to end-market weakness), with 20-25% headroom available. LV lines are at 75%, while off-highway is running short of capacity and will require additional capex, given strong export order inflow. To derisk from segmental cyclical and diversify revenues, GNA is scaling PV/LV axle shafts by partnering with reputed OEMs and Tier-1s (aims to increase the LV/SUV share from 10% to 25% over 2Y). GNA is also pursuing R&D for EV products, including shafts/axles for E-buses, and it has started supplying prototype samples.

GNA Axles: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	8,896	12,705	15,829	15,063	15,397
EBITDA	1,439	1,810	2,327	1,973	2,106
Adj. PAT	705	888	1,302	1,000	1,071
Adj. EPS (Rs)	16.4	20.7	30.3	23.3	24.9
EBITDA margin (%)	16.2	14.2	14.7	13.1	13.7
EBITDA growth (%)	15.5	25.8	28.6	(15.2)	6.7
Adj. EPS growth (%)	49.3	25.9	46.7	(23.2)	7.1
RoE (%)	14.6	16.0	19.9	13.2	12.6
RoIC (%)	12.3	13.2	16.8	11.8	11.2
P/E (x)	26.3	20.9	14.2	18.6	17.3
EV/EBITDA (x)	13.9	11.4	8.7	10.2	9.6
P/B (x)	3.6	3.1	2.6	2.3	2.1
FCFF yield (%)	1.7	(0.2)	1.5	0.5	(0.9)

Source: Company, Emkay Research

Target Price - 12M	NA
Change in TP (%)	NA
Current Reco.	Not Rated
Previous Reco.	Not Rated
Upside/(Downside) (%)	NA

Stock Data	GNA IN
52-week High (Rs)	471
52-week Low (Rs)	270
Shares outstanding (mn)	42.9
Market-cap (Rs bn)	19
Market-cap (USD mn)	202
Net-debt, (Rs mn)	918,000
ADTV-3M (mn shares)	0.1
ADTV-3M (Rs mn)	74.4
ADTV-3M (USD mn)	0.8
Free float (%)	0.0
Nifty-50	24,450.4
INR/USD	91.7

Shareholding, Dec-25

Promoters (%)	68.6
FPIs/MFs (%)	0.3/11.4

Price Performance

(%)	1M	3M	12M
Absolute	(1.7)	38.8	44.0
Rel. to Nifty	3.3	48.6	32.8

1-Year share price trend (Rs)



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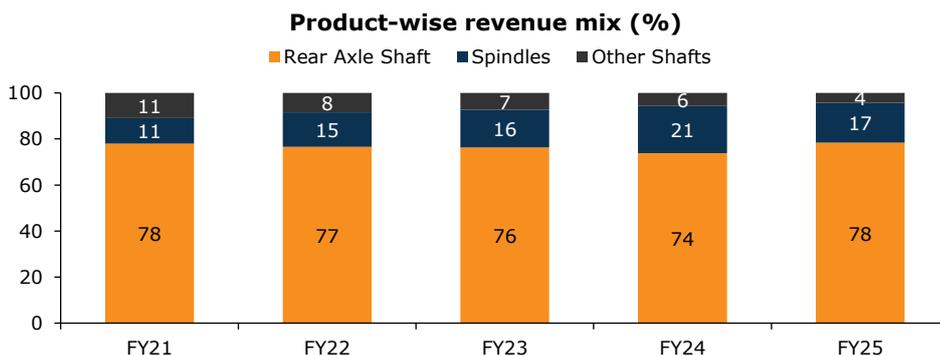
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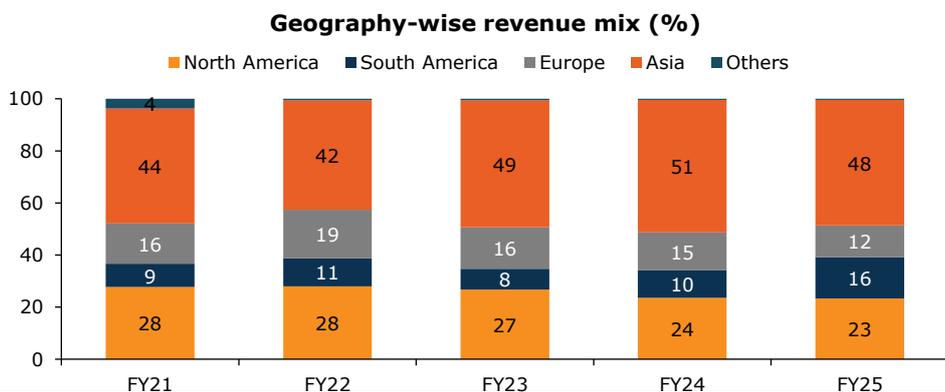
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Exhibit 21: Real axle shafts form ~80% of GNA's revenue



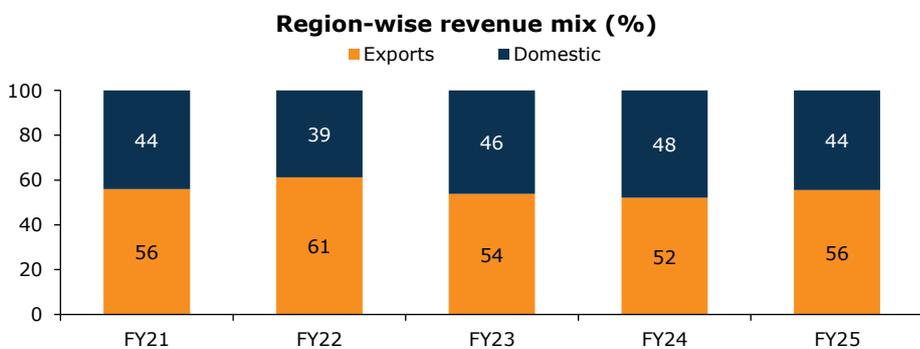
Source: Company, Emkay Research

Exhibit 22: America and Asia form ~90% of GNA's revenue



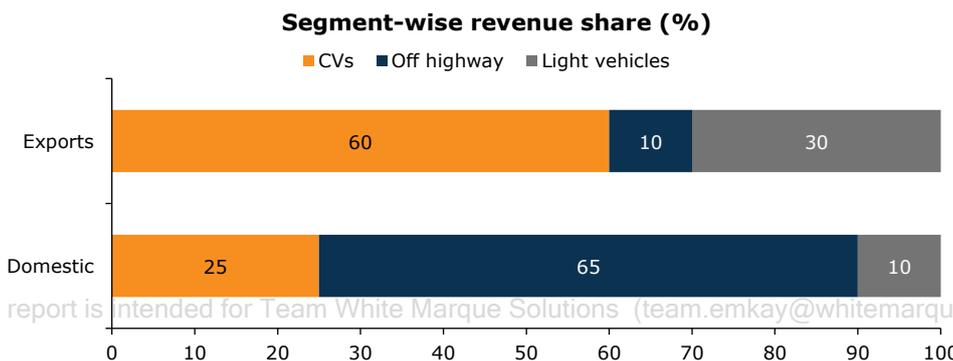
Source: Company, Emkay Research

Exhibit 23: Exports contribute 56% to GNA's revenue



Source: Company, Emkay Research

Exhibit 24: CVs form 60% of GNA exports while domestically, OFH commands 65% share



Source: Company, Emkay Research

GNA Axles: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	8,896	12,705	15,829	15,063	15,397
Revenue growth (%)	(2.1)	42.8	24.6	(4.8)	2.2
EBITDA	1,439	1,810	2,327	1,973	2,106
EBITDA growth (%)	15.5	25.8	28.6	(15.2)	6.7
Depreciation & Amortization	407	497	485	533	571
EBIT	1,031	1,313	1,842	1,439	1,535
EBIT growth (%)	25.6	27.2	40.3	(21.8)	6.6
Other operating income	-	-	-	-	-
Other income	15	6	14	24	26
Financial expense	85	112	110	115	119
PBT	961	1,206	1,746	1,348	1,442
Extraordinary items	0	0	0	0	0
Taxes	256	318	444	348	371
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	705	888	1,302	1,000	1,071
PAT growth (%)	49.3	25.9	46.7	(23.2)	7.1
Adjusted PAT	705	888	1,302	1,000	1,071
Diluted EPS (Rs)	16.4	20.7	30.3	23.3	24.9
Diluted EPS growth (%)	49.3	25.9	46.7	(23.2)	7.1
DPS (Rs)	0	0	0	0	0
Dividend payout (%)	0	0	0	0	0
EBITDA margin (%)	16.2	14.2	14.7	13.1	13.7
EBIT margin (%)	11.6	10.3	11.6	9.6	10.0
Effective tax rate (%)	26.6	26.4	25.4	25.8	25.7
NOPLAT (pre-IndAS)	757	966	1,373	1,068	1,140
Shares outstanding (mn)	43	43	43	43	43

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
PBT (ex-other income)	961	1,206	1,746	1,348	1,442
Others (non-cash items)	13	13	-	-	(5)
Taxes paid	(254)	(334)	(461)	(356)	(375)
Change in NWC	(876)	(1,059)	(797)	(619)	(797)
Operating cash flow	315	414	1,054	984	921
Capital expenditure	17	(455)	(753)	(887)	(1,109)
Acquisition of business	-	-	-	-	-
Interest & dividend income	-	-	-	-	-
Investing cash flow	(268)	(459)	(665)	(856)	(1,110)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(349)	(397)	(147)	61	622
Payment of lease liabilities	-	-	-	-	-
Interest paid	(79)	(97)	(95)	(102)	(106)
Dividend paid (incl tax)	0	(107)	(107)	(129)	(86)
Others	381	646	(39)	41	(168)
Financing cash flow	(46)	45	(389)	(129)	262
Net chg in Cash	1	(1)	1	(1)	73
OCF	315	414	1,054	984	921
Adj. OCF (w/o NWC chg.)	1,191	1,473	1,851	1,604	1,718
FCFF	332	(42)	301	97	(188)
FCFE	246	(154)	192	(18)	(307)
OCF/EBITDA (%)	21.9	22.9	45.3	49.9	43.7
FCFE/PAT (%)	35.0	(17.3)	14.7	(1.8)	(28.7)
FCFF/NOPLAT (%)	43.8	(4.3)	21.9	9.1	(16.5)

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
Share capital	215	215	215	429	429
Reserves & Surplus	4,961	5,737	6,931	7,585	8,570
Net worth	5,176	5,952	7,145	8,015	8,999
Minority interests	0	0	0	0	0
Non-current liab. & prov.	0	0	0	0	0
Total debt	1,717	2,071	1,860	1,892	2,438
Total liabilities & equity	7,234	8,247	9,252	10,193	11,646
Net tangible fixed assets	-	-	-	-	-
Net intangible assets	-	-	-	-	-
Net ROU assets	-	-	-	-	-
Capital WIP	0	0	118	82	2
Goodwill	-	-	-	-	-
Investments [JV/Associates]	0	0	0	0	0
Cash & equivalents	195	49	272	326	322
Current Liab. & Prov.	2,361	2,175	2,453	1,992	2,005
NWC (ex-cash)	3,885	4,921	5,474	6,090	6,768
Total assets	7,234	8,247	9,252	10,193	11,646
Net debt	1,522	2,023	1,588	1,566	2,116
Capital employed	7,234	8,247	9,252	10,193	11,646
Invested capital	6,832	7,827	8,530	9,534	10,824
BVPS (Rs)	120.6	138.6	166.4	186.7	209.6
Net Debt/Equity (x)	0.3	0.3	0.2	0.2	0.2
Net Debt/EBITDA (x)	1.1	1.1	0.7	0.8	1.0
Interest coverage (x)	12.2	11.7	16.9	12.7	13.2
RoCE (%)	16.1	17.7	21.8	15.5	14.6

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY21	FY22	FY23	FY24	FY25
P/E (x)	26.3	20.9	14.2	18.6	17.3
P/CE(x)	16.7	13.4	10.4	12.1	11.3
P/B (x)	3.6	3.1	2.6	2.3	2.1
EV/Sales (x)	2.3	1.6	1.3	1.3	1.3
EV/EBITDA (x)	13.9	11.4	8.7	10.2	9.6
EV/EBIT(x)	19.5	15.7	10.9	14.0	13.1
EV/IC (x)	2.9	2.6	2.4	2.1	1.9
FCFF yield (%)	1.7	(0.2)	1.5	0.5	(0.9)
FCFE yield (%)	1.3	(0.8)	1.0	(0.1)	(1.7)
Dividend yield (%)	0	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	7.9	7.0	8.2	6.6	7.0
Total asset turnover (x)	1.3	1.6	1.8	1.5	1.4
Assets/Equity (x)	1.4	1.4	1.3	1.3	1.3
RoE (%)	14.6	16.0	19.9	13.2	12.6
DuPont-RoIC					
NOPLAT margin (%)	8.5	7.6	8.7	7.1	7.4
IC turnover (x)	1.5	1.7	1.9	1.7	1.5
RoIC (%)	12.3	13.2	16.8	11.8	11.2
Operating metrics					
Core NWC days	159.4	141.4	126.2	147.6	160.4
Total NWC days	159.4	141.4	126.2	147.6	160.4
Fixed asset turnover	1.6	2.0	2.3	2.0	1.8
Opex-to-revenue (%)	21.3	20.0	19.0	20.6	20.8

Source: Company, Emkay Research

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

Nelcast is a leading producer of ductile/grey iron castings catering to marquee OEMs/Tier-1s across vehicle categories in domestic/export markets. 1) Outlook is strong – domestic MHCVs (37% revenue share) see robust momentum led by GST cuts, tractors (27%) doing well on favorable macros, and exports (35%) gaining momentum. 2) The NA Class 6-8 truck market is showing signs of recovery on pent-up demand and pre-buy led by EPA norm change; substantial share of Rs3-4bn new business pipeline would ramp up over next 2-3Q. 3) In the EU, Nelcast is winning new orders as clients aggressively look for sourcing alternatives amid closure of foundries on labor shortages, higher energy costs, financial constraints. 4) EBITDA/kg rose to Rs15-16 (from Rs11 earlier); aim to expand to Rs17-18 over next 2-3Y on better operating leverage, product mix shift to high-value complex castings (also via large casting at Pedapariya plant from FY27; EBITDA/kg of Rs25 once production stabilizes), continued cost optimization. 5) Existing 160ktpa installed capacity is enough to meet demand over next 2Y; further expansion is not considered. 6) Nelcast is bearing fruit of investments in capacity expansion, product capabilities, advanced automation over past 10Y; it believes the best growth phase lies ahead.

Robust growth in domestic MHCVs/tractors; NA/EU market recovery underway

The domestic MHCV market is seeing strong momentum, driven by GST cuts. Tractors are also performing well, on favorable macros. NA Class 6-8 is showing signs of recovery, aided by pent-up demand and pre-buy demand due to EPA norm change from Jan-27 (5-7% price rise expected). Accelerating closure of EU foundries on labor shortages, rising energy costs, and worsening financial constraints is creating an opportunity for Indian suppliers who offer significant cost benefits. Per the mgmt, this trend is intensifying, with EU OEMs aggressively seeking alternatives. In NA, despite tariffs, Indian ancillaries are winning orders as clients take a long-term call on 40% cost benefit (20% post tariffs).

Strong orderbook visibility and improving capacity utilization to drive growth

Nelcast has secured new businesses worth Rs3-4bn, with a substantial chunk expected to ramp up over the next 2-3Q. Key wins include a large order for NA tractors in the 500-780HP range, parts for a new E-truck platform in NA, and a steering system component for the Ford Super Duty truck from CY28. In India, order book includes new tractor products (incl for 4WD tractors) and tippers. Products under development include India's largest green sand casting at Pedapariya (>500kg; Rs25/kg EBITDA once production stabilizes; begins from FY27; ramp up in FY28). 160ktpa installed capacity is sufficient for next 2Y; expansion to 210ktpa needs Rs0.4-0.5bn capex (not under consideration).

Entering the best growth phase; structural rise in EBITDA/kg to continue

EBITDA/kg has structurally risen to Rs15-16 on power cost optimization, productivity, better capacity utilization, and improved product mix. Nelcast aims for Rs17-18/kg over next 2-3Y, led by operating leverage, shift of product mix to higher-value/complex castings, and continued cost discipline. Its renewable energy mix (70-80%; global benchmark) offers cost advantage and a sustainability credential that is increasingly valued by EU OEMs evaluating alternate sourcing. The management is excited about the next 3-5Y, as efforts of the last 10Y in building capabilities, expanding product range (widest in the world; 450gm-500kg), and investing in advanced automation are now translating to tangible outcomes; it believes that the best growth phase is still ahead.

Nelcast: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	6,150	9,273	12,640	12,669	12,517
EBITDA	464	581	794	923	885
Adj. PAT	90	142	297	544	335
Adj. EPS (Rs)	1.0	1.6	3.4	6.3	3.9
EBITDA margin (%)	7.5	6.3	6.3	7.3	7.1
EBITDA growth (%)	(3.9)	25.2	36.6	16.3	(4.1)
Adj. EPS growth (%)	(74.9)	57.2	109.0	83.0	(38.4)
RoE (%)	2.1	3.3	6.5	11.0	6.3
RoIC (%)	3.4	4.1	6.0	7.6	6.2
P/E (x)	111.7	69.3	33.7	18.6	27.2
EV/EBITDA (x)	25.0	21.2	15.3	13.6	14.2
P/B (x)	2.4	2.3	2.2	1.9	1.8
FCFF yield (%)	5.3	(3.9)	5.3	(1.3)	5.7

Source: Company, Emkay Research

Target Price – 12M	NA
Change in TP (%)	NA
Current Reco.	Not Rated
Previous Reco.	Not Rated
Upside/(Downside) (%)	NA

Stock Data	NELC IN
52-week High (Rs)	181
52-week Low (Rs)	78
Shares outstanding (mn)	87.0
Market-cap (Rs bn)	10
Market-cap (USD mn)	110
Net-debt, (Rs mn)	918,000
ADTV-3M (mn shares)	0.1
ADTV-3M (Rs mn)	17.4
ADTV-3M (USD mn)	0.2
Free float (%)	25.1
Nifty-50	24,450.4
INR/USD	91.7

Shareholding, Dec-25

Promoters (%)	74.9
FPIs/MFs (%)	0.4/0.1

Price Performance

(%)	1M	3M	12M
Absolute	(4.6)	8.3	26.1
Rel. to Nifty	0.3	16.0	16.3

1-Year share price trend (Rs)



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Exhibit 25: Nelcast is a leading producer of ductile and grey iron castings, catering to marquee tier 1s and global OEMs across segments



Nelcast Limited is a leading producer of Ductile & Grey Iron Castings in India with an installed capacity of 160,000 Metric Tons/Year.

The Company caters to a marquee clientele of Original Equipment Manufacturers (OEMs) and Tier-1 customers in Commercial Vehicle, Tractor, Off-Highway Equipment, Railway & Passenger Vehicle segments.

Besides a strong position in the domestic market, Nelcast has a rapidly growing presence spread across North America, Europe and Southeast Asia.



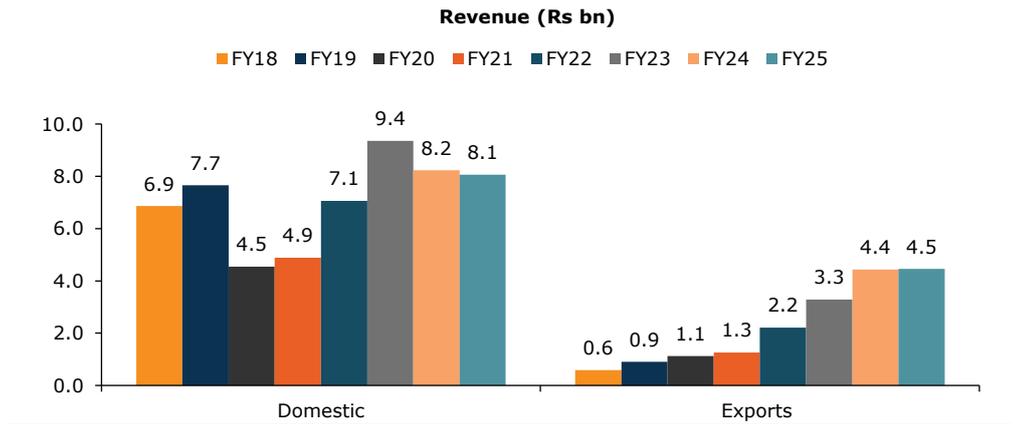
Our Segments

Where do we stand today?

- LARGEST PRODUCER of Ductile Iron Castings
- TOP 10 PRODUCER of Grey Iron Castings
- ONLY CASTING MANUFACTURER with a product range from 0.5-400Kg
- STRONG CUSTOMER BASE with supplies to 40+ customers across segments
- STATE OF ART MANUFACTURING FACILITIES for High Pressure Green Sand Moulding
- IATF & ISO CERTIFIED for Quality, Environment, Health & Safety Systems

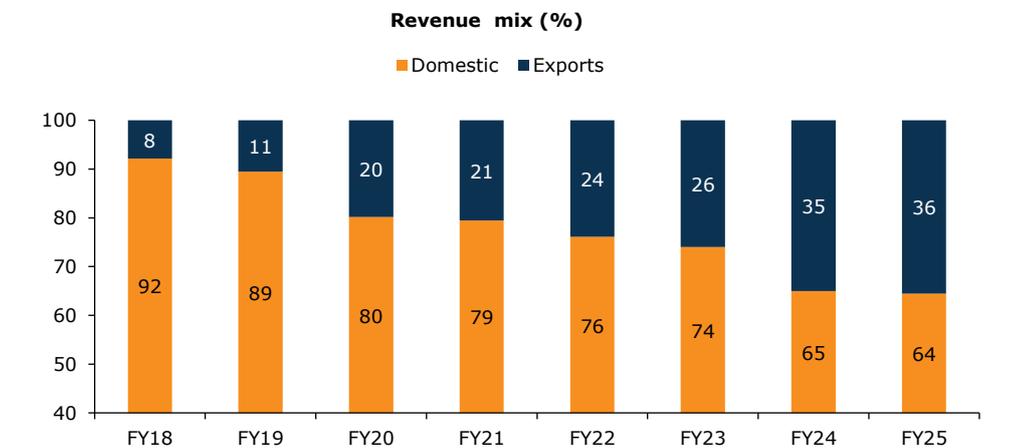
Source: Company, Emkay Research

Exhibit 26: While domestic revenue has delivered a 5% CAGR over FY22-25, export revenue has grown at a 26% CAGR



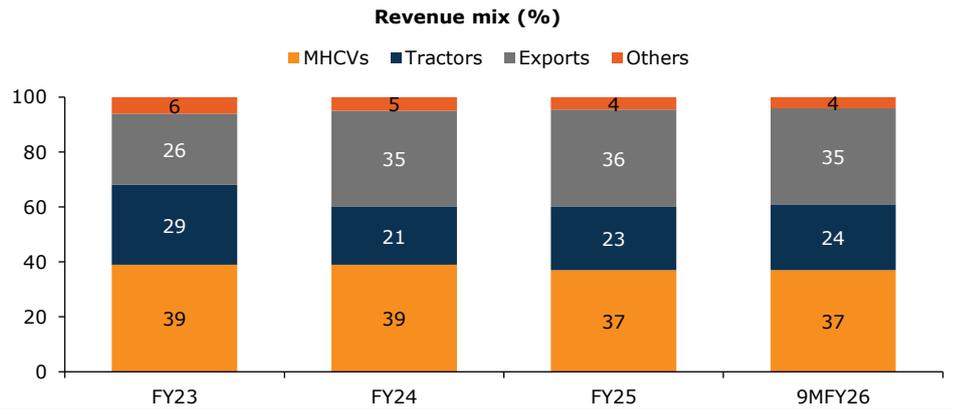
Source: Company, Emkay Research

Exhibit 27: Share of domestic business has fallen to 64% amid a sustained rise in exports



Source: Company, Emkay Research

Exhibit 28: Nelcast's revenue mix, by segment



Source: Company, Emkay Research

Exhibit 29: Nelcast's product offerings across categories

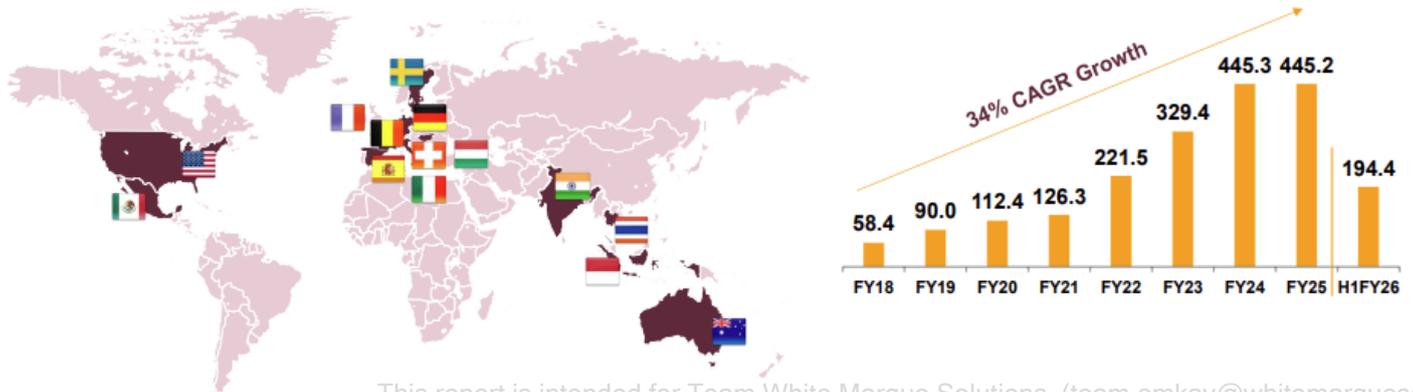


Source: Company, Emkay Research

Exhibit 30: Nelcast is seeing strong export potential, as India is increasingly becoming a favored sourcing base

- India is being viewed as a key cog in the global automotive supply chain and sourcing machined castings from India is now becoming an attractive option for global customers.
- Nelcast is among only a few companies in the industry capable of meeting the requirements of top global OEMs & Tier 1s.
- Currently, Nelcast exports machined castings to reputable corporates in North America, Europe and Southeast Asia.
- In H1FY26, exports were impacted by slowdown in the U.S. economy, due to imposition of additional tariffs leading to temporary production pauses by customers. Anticipate export volumes to recover by end of FY26

Revenue from Exports (in Rs. Cr.)



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



Source: Company, Emkay Research

Nelcast: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	6,150	9,273	12,640	12,669	12,517
Revenue growth (%)	8.5	50.8	36.3	0.2	(1.2)
EBITDA	464	581	794	923	885
EBITDA growth (%)	(3.9)	25.2	36.6	16.3	(4.1)
Depreciation & Amortization	217	226	240	241	248
EBIT	247	355	554	681	637
EBIT growth (%)	(17.1)	43.8	56.1	23.1	(6.4)
Other operating income	-	-	-	-	-
Other income	49	94	161	321	171
Financial expense	172	258	312	316	353
PBT	123	191	403	686	455
Extraordinary items	-	4	3	0	37
Taxes	33	48	106	142	120
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	91	146	300	544	372
PAT growth (%)	(74.8)	61.0	105.8	81.2	(31.6)
Adjusted PAT	90	142	297	544	335
Diluted EPS (Rs)	1.0	1.6	3.4	6.3	3.9
Diluted EPS growth (%)	(74.9)	57.2	109.0	83.0	(38.4)
DPS (Rs)	0	0	0	0	0
Dividend payout (%)	0	0	0	0	0
EBITDA margin (%)	7.5	6.3	6.3	7.3	7.1
EBIT margin (%)	4.0	3.8	4.4	5.4	5.1
Effective tax rate (%)	26.4	25.3	26.2	20.7	26.4
NOPLAT (pre-IndAS)	181	265	408	540	469
Shares outstanding (mn)	87	87	87	87	87

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
PBT (ex-other income)	123	191	403	686	493
Others (non-cash items)	1	(38)	13	(181)	(26)
Taxes paid	0	(6)	(54)	(159)	(57)
Change in NWC	347	(731)	(71)	(648)	91
Operating cash flow	826	(129)	804	192	1,048
Capital expenditure	(210)	(349)	(163)	(356)	(330)
Acquisition of business	-	-	-	-	-
Interest & dividend income	-	-	-	-	-
Investing cash flow	(176)	(319)	(234)	(306)	(382)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(335)	300	(368)	(27)	(223)
Payment of lease liabilities	-	-	-	-	-
Interest paid	(172)	(258)	(312)	(316)	(353)
Dividend paid (incl tax)	0	(17)	(26)	(35)	(35)
Others	0	0	0	0	0
Financing cash flow	(508)	24	(705)	(378)	(611)
Net chg in Cash	142	(424)	(135)	(492)	55
OCF	826	(129)	804	192	1,048
Adj. OCF (w/o NWC chg.)	478	602	875	840	957
FCFF	616	(478)	641	(164)	719
FCFE	444	(736)	329	(480)	366
OCF/EBITDA (%)	178.0	(22.2)	101.3	20.8	118.4
FCFE/PAT (%)	490.0	(504.4)	109.6	(88.3)	98.3
FCFF/NOPLAT (%)	339.7	(180.3)	157.0	(30.4)	153.1

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
Share capital	174	174	174	174	174
Reserves & Surplus	4,127	4,243	4,510	5,018	5,355
Net worth	4,301	4,417	4,684	5,192	5,529
Minority interests	27	27	27	27	27
Non-current liab. & prov.	370	409	441	460	486
Total debt	2,147	2,795	3,037	3,289	2,944
Total liabilities & equity	6,845	7,649	8,189	8,968	8,986
Net tangible fixed assets	-	-	-	-	-
Net intangible assets	-	-	-	-	-
Net ROU assets	-	-	-	-	-
Capital WIP	139	130	135	562	17
Goodwill	-	-	-	-	-
Investments [JV/Associates]	4	5	115	127	234
Cash & equivalents	651	615	1,049	850	783
Current Liab. (ex-cash)	3,003	4,176	4,355	5,220	5,463
Current Liab. & Prov.	1,552	1,982	2,096	2,348	2,657
NWC (ex-cash)	1,451	2,194	2,259	2,872	2,806
Total assets	6,845	7,649	8,188	8,968	8,986
Net debt	1,496	2,181	1,988	2,440	2,162
Capital employed	6,845	7,649	8,189	8,968	8,986
Invested capital	5,999	6,868	6,848	7,334	7,928
BVPS (Rs)	49.4	50.8	53.8	59.7	63.6
Net Debt/Equity (x)	0.3	0.5	0.4	0.5	0.4
Net Debt/EBITDA (x)	3.2	3.8	2.5	2.6	2.4
Interest coverage (x)	1.7	1.7	2.3	3.2	2.3
RoCE (%)	4.6	6.5	9.5	12.3	9.5

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY21	FY22	FY23	FY24	FY25
P/E (x)	111.7	69.3	33.7	18.6	27.2
P/CE(x)	32.9	27.5	18.8	12.9	17.4
P/B (x)	2.4	2.3	2.2	1.9	1.8
EV/Sales (x)	1.9	1.3	1.0	1.0	1.0
EV/EBITDA (x)	25.0	21.2	15.3	13.6	14.2
EV/EBIT(x)	47.1	34.7	21.9	18.4	19.7
EV/IC (x)	1.9	1.8	1.8	1.7	1.6
FCFF yield (%)	5.3	(3.9)	5.3	(1.3)	5.7
FCFE yield (%)	4.4	(7.3)	3.3	(4.7)	3.6
Dividend yield (%)	0	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	1.5	1.5	2.4	4.3	2.7
Total asset turnover (x)	0.9	1.3	1.6	1.5	1.4
Assets/Equity (x)	1.6	1.7	1.7	1.7	1.7
RoE (%)	2.1	3.3	6.5	11.0	6.3
DuPont-RoIC					
NOPLAT margin (%)	3.0	2.9	3.2	4.3	3.7
IC turnover (x)	1.2	1.4	1.8	1.8	1.6
RoIC (%)	3.4	4.1	6.0	7.6	6.2
Operating metrics					
Core NWC days	86.1	86.4	65.2	82.8	81.8
Total NWC days	86.1	86.4	65.2	82.8	81.8
Fixed asset turnover	1.4	1.7	2.4	2.3	2.1
Opex-to-revenue (%)	45.3	44.8	43.6	48.6	49.0

Source: Company, Emkay Research

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

Uniparts is a global component supplier of 3PL, PMP, PTO/Fab (47%/51%/2% of revenue) for agri/off-highway vehicles. 1) After 2Y of end-market weakness (FY24-25), Uniparts guides for mid-teens growth in FY26 (9M revenue already up 17% YoY) and FY27 (Rs2bn new orders in TTM); it aims to sustain this via end-market diversification, geographic rebalancing, and new business wins. 2) The worst is firmly behind across its 3 end-markets (Large AG, Small AG, CE); decline in NA Large AG is narrowing (CY26: 15-20% vs 30% in CY25); EU Large AG is seeing flat-to-modest growth; CE is ahead in its recovery in NA and EU. 3) Uniparts's dual-shoring capabilities (manufacturing in India and NA; warehouse operations in NA/Mexico) form a credible moat and are driving order wins despite ongoing geopolitical challenges. 4) It is confident of sustaining 20% EBITDAM, aided by RM cost pass-on and stringent hedging policy. 5) It is looking for strategic M&A (supported by a strong balance sheet) in PTO/large fab to grow horizontally with customers and expand its product portfolio. 6) It aims to gradually reduce share of NA and grow share of India and EU.

Worst of the cycle now behind, with all-around improvement visible

The worst of the cycle is now firmly behind, with all 3 end-markets—Large AG, Small AG, and construction equipment (CE)—at different stages of recovery. NA Large AG moderated from 30% decline in CY25 to 15-20% decline in CY26; EU Large AG is seeing flat-to-modest growth on improving farm economics. CE is further ahead in its recovery in NA (energy transition, AI-related spends) and EU (public spends, green energy). In India, GST cuts have driven a strong demand impulse across CVs/tractors. After ~2Y of weakness (FY24-25), the management guides for mid-teens growth in FY26 (9M revenue already up 17% YoY). It guides for mid-teens growth in FY27, and aims to sustain this via end-market diversification, geographic rebalancing, and new business wins.

Dual-shoring capabilities are driving order wins across existing/new clients

Despite a weak industry backdrop, Uniparts has secured Rs2bn new business wins across new platforms, customer resourcing, and new customer additions, highlighting resilience of its business model. The tariff disruptions, rather than damaging the business, have brought Uniparts closer to customers, and accelerated China+1 conversations, especially in aftermarket and PMP, where new business discussions that had stalled have resumed. Uniparts's dual-shore manufacturing model with production capabilities in both India and the US, combined with warehousing in the US and Mexico, helps it offer customers flexible sourcing solutions – a moat that no competitor can easily replicate.

Confident of sustaining 20% EBITDAM; looking for M&A in PTO/large fab

The management is confident of sustaining 20% EBITDAM; any upside from favorable conditions would be incremental. Material cost pass-throughs and hedging policies provide margin protection, but quarterly fluctuations from currency movements and RM cycles will persist. On M&A, the management is actively evaluating global opportunities in hydraulics, PTOs, and large fab, to expand horizontally with existing customers, but will only pursue assets that are value-accretive from day one. Uniparts is generating Rs100-130mn/month cash and holds Rs1.5bn net cash even after distributing Rs1.4bn in dividends, providing ample firepower for strategic investments. The US facility is being leveraged, given the ability to rebalance production between India and the US (product approvals taken for both sites) to optimize for tariffs. The Mexico warehouse (now operational) positions Uniparts to serve customers assembling locally.

Uniparts India: Financial Snapshot (Consolidated)					
Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	9,281	12,265	13,652	11,395	9,637
EBITDA	1,444	2,672	2,962	2,014	1,456
Adj. PAT	932	1,658	2,026	1,247	880
Adj. EPS (Rs)	20.9	37.1	45.4	27.6	19.5
EBITDA margin (%)	15.6	21.8	21.7	17.7	15.1
EBITDA growth (%)	21.0	85.1	10.8	(32.0)	(27.7)
Adj. EPS growth (%)	48.7	77.9	22.2	(39.2)	(29.4)
RoE (%)	18.2	26.7	26.7	14.7	10.0
RoIC (%)	11.3	21.3	23.3	14.9	10.2
P/E (x)	22.0	12.3	10.1	16.6	23.5
EV/EBITDA (x)	15.2	8.2	6.9	9.9	13.1
P/B (x)	3.7	3.0	2.5	2.4	2.3
FCFF yield (%)	6.3	2.3	10.8	8.3	7.9

Source: Company, Emkay Research

Target Price – 12M	NA
Change in TP (%)	NA
Current Reco.	Not Rated
Previous Reco.	Not Rated
Upside/(Downside) (%)	NA

Stock Data	UNIPARTS IN
52-week High (Rs)	547
52-week Low (Rs)	249
Shares outstanding (mn)	45.1
Market-cap (Rs bn)	21
Market-cap (USD mn)	225
Net-debt, (Rs mn)	918,000
ADTV-3M (mn shares)	0.2
ADTV-3M (Rs mn)	42.3
ADTV-3M (USD mn)	0.5
Free float (%)	34.3
Nifty-50	24,450.4
INR/USD	91.7

Shareholding, Dec-25

Promoters (%)	65.9
FPIs/MFs (%)	2.5/4.9

Price Performance

(%)	1M	3M	12M
Absolute	(5.6)	(3.9)	46.7
Rel. to Nifty	(0.8)	2.9	35.3

1-Year share price trend (Rs)



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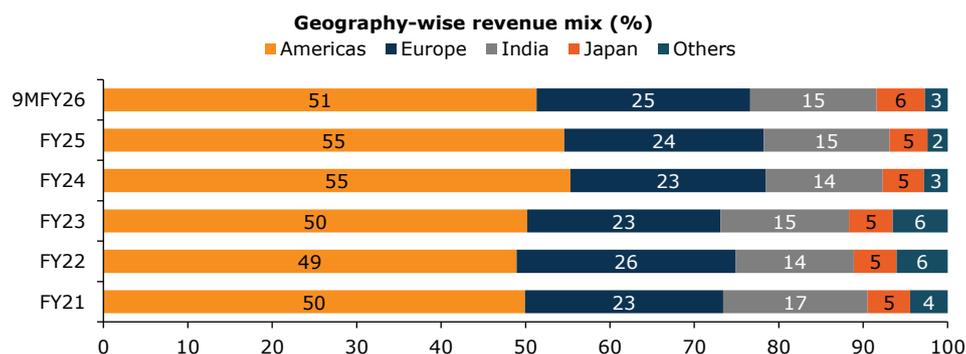
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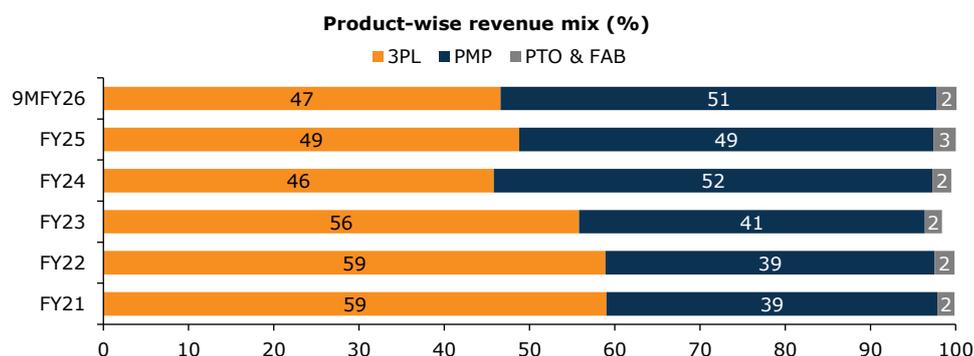
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Exhibit 31: Americas and EU form >70% of Uniparts’s revenue



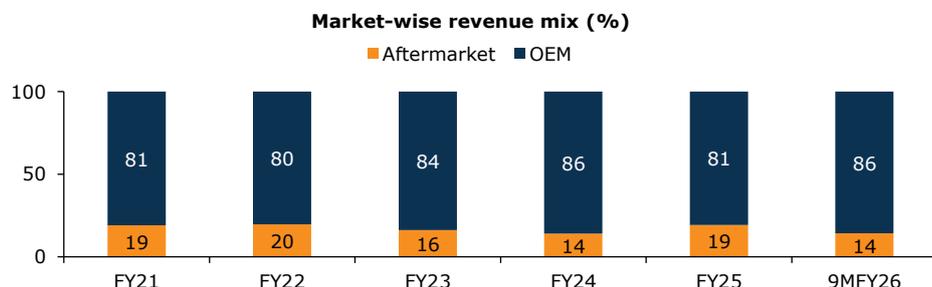
Source: Company, Emkay Research

Exhibit 32: Uniparts has 2 major offerings – 3PL and PMP



Source: Company, Emkay Research

Exhibit 33: Over 80% of Uniparts’ sales are to OEMs



Source: Company, Emkay Research

Other highlights

- Over time, Uniparts aims for a revenue mix shift to the US/the EU/India at 40-45%/30%/20%, respectively, vs 50%/25%/15%, respectively, as of 9MFY26.
- Uniparts is generating Rs100-130mn/month cash and holds Rs1.5bn net cash even after distributing Rs1.4bn in dividends, providing ample firepower for strategic investments.
- In its core 3PL product, the company is the largest Indian supplier, with a dominant Small AG share of 20-25% globally, while Large AG remains underpenetrated at single digits and is a stated focus area for growth.
- Where the company supplies aftermarket customers, it operates as a single-source supplier, underscoring the depth of customer relationships and switching costs.
- Long-term strategic direction is de-risking the revenue base across geographies, end-markets, and product lines while deepening the moat of dual-shoring capabilities.

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

Uniparts India: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
Revenue	9,281	12,265	13,652	11,395	9,637
Revenue growth (%)	(0.2)	32.2	11.3	(16.5)	(15.4)
EBITDA	1,444	2,672	2,962	2,014	1,456
EBITDA growth (%)	21.0	85.1	10.8	(32.0)	(27.7)
Depreciation & Amortization	373	366	390	417	443
EBIT	1,071	2,305	2,571	1,597	1,013
EBIT growth (%)	27.7	115.2	11.5	(37.9)	(36.5)
Other operating income	-	-	-	-	-
Other income	196	45	171	93	212
Financial expense	81	57	60	56	83
PBT	1,186	2,294	2,682	1,634	1,143
Extraordinary items	0	0	0	0	0
Taxes	254	636	656	387	263
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	932	1,658	2,026	1,247	880
PAT growth (%)	48.7	77.9	22.2	(38.5)	(29.4)
Adjusted PAT	932	1,658	2,026	1,247	880
Diluted EPS (Rs)	20.9	37.1	45.4	27.6	19.5
Diluted EPS growth (%)	48.7	77.9	22.2	(39.2)	(29.4)
DPS (Rs)	0	0	0	0	0
Dividend payout (%)	0	0	0	0	0
EBITDA margin (%)	15.6	21.8	21.7	17.7	15.1
EBIT margin (%)	11.5	18.8	18.8	14.0	10.5
Effective tax rate (%)	21.4	27.7	24.5	23.7	23.0
NOPLAT (pre-IndAS)	841	1,666	1,942	1,219	780
Shares outstanding (mn)	45	45	45	45	45

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
PBT (ex-other income)	1,186	2,294	2,682	1,634	1,143
Others (non-cash items)	(50)	(74)	(87)	(29)	(29)
Taxes paid	(243)	(640)	(643)	(403)	(263)
Change in NWC	198	(1,135)	151	364	586
Operating cash flow	1,528	849	2,528	1,997	1,820
Capital expenditure	(153)	(351)	(318)	(336)	(302)
Acquisition of business	-	-	-	-	-
Interest & dividend income	8	0	0	28	111
Investing cash flow	(157)	(326)	(536)	(1,605)	(1,062)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(1,342)	4	(1,144)	357	95
Payment of lease liabilities	-	-	-	-	-
Interest paid	(72)	(92)	(69)	(43)	(72)
Dividend paid (incl tax)	0	(405)	(539)	(903)	(643)
Others	(17)	1	8	1	2
Financing cash flow	(1,432)	(492)	(1,745)	(588)	(618)
Net chg in Cash	(61)	32	246	(196)	140
OCF	1,528	849	2,528	1,997	1,820
Adj. OCF (w/o NWC chg.)	1,330	1,985	2,377	1,634	1,234
FCFF	1,375	498	2,210	1,661	1,518
FCFE	1,302	441	2,150	1,633	1,547
OCF/EBITDA (%)	105.8	31.8	85.3	99.2	125.0
FCFE/PAT (%)	139.7	26.6	106.1	131.0	175.7
FCFF/NOPLAT (%)	163.4	29.9	113.8	136.3	194.5

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY21	FY22	FY23	FY24	FY25
Share capital	446	446	446	451	451
Reserves & Surplus	5,136	6,406	7,860	8,227	8,421
Net worth	5,582	6,852	8,306	8,679	8,872
Minority interests	-	-	-	-	-
Non-current liab. & prov.	285	248	229	226	225
Total debt	1,622	1,579	610	1,026	1,206
Total liabilities & equity	7,499	8,690	9,156	9,941	10,313
Net tangible fixed assets	-	-	-	-	-
Net intangible assets	-	-	-	-	-
Net ROU assets	-	-	-	-	-
Capital WIP	23	22	73	128	121
Goodwill	590	618	660	664	669
Investments [JV/Associates]	0	0	0	0	21
Cash & equivalents	108	140	637	1,753	2,762
Current Liab. (ex-cash)	5,511	6,728	6,404	6,011	5,447
Current Liab. & Prov.	1,434	1,622	1,418	1,347	1,384
NWC (ex-cash)	4,077	5,106	4,986	4,664	4,063
Total assets	7,499	8,690	9,156	9,941	10,313
Net debt	1,513	1,439	(27)	(728)	(1,556)
Capital employed	7,499	8,690	9,156	9,941	10,313
Invested capital	7,301	8,353	8,354	7,964	7,314
BVPS (Rs)	125.1	153.6	186.2	192.3	196.6
Net Debt/Equity (x)	0.3	0.2	-	(0.1)	(0.2)
Net Debt/EBITDA (x)	1.0	0.5	-	(0.4)	(1.1)
Interest coverage (x)	15.6	41.2	45.9	30.0	14.8
RoCE (%)	17.1	30.1	31.6	18.2	12.4

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY21	FY22	FY23	FY24	FY25
P/E (x)	22.0	12.3	10.1	16.6	23.5
P/CE(x)	15.7	10.1	8.5	12.4	15.6
P/B (x)	3.7	3.0	2.5	2.4	2.3
EV/Sales (x)	2.4	1.8	1.5	1.8	2.0
EV/EBITDA (x)	15.2	8.2	6.9	9.9	13.1
EV/EBIT(x)	20.5	9.5	7.9	12.5	18.9
EV/IC (x)	3.0	2.6	2.4	2.5	2.6
FCFF yield (%)	6.3	2.3	10.8	8.3	7.9
FCFE yield (%)	6.3	2.1	10.4	7.9	7.5
Dividend yield (%)	0	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	10.0	13.5	14.8	10.9	9.1
Total asset turnover (x)	1.2	1.5	1.5	1.2	1.0
Assets/Equity (x)	1.5	1.3	1.2	1.1	1.2
RoE (%)	18.2	26.7	26.7	14.7	10.0
DuPont-RoIC					
NOPLAT margin (%)	9.1	13.6	14.2	10.7	8.1
IC turnover (x)	1.2	1.6	1.6	1.4	1.3
RoIC (%)	11.3	21.3	23.3	14.9	10.2
Operating metrics					
Core NWC days	160.3	152.0	133.3	149.4	153.9
Total NWC days	160.3	152.0	133.3	149.4	153.9
Fixed asset turnover	1.6	2.0	2.1	1.7	1.3
Opex-to-revenue (%)	39.1	45.5	42.6	45.2	48.1

Source: Company, Emkay Research

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

Emmforce Autotech: Targets 47% FY26-28 revenue CAGR; EBITDAM/PATM to sustain at 20%/10%

Guides to 47% FY26-28 revenue CAGR, backed by a confirmed orderbook

- Emmforce is on a steep growth trajectory, given its strong revenue visibility backed by a confirmed order book. The management is now guiding to Rs1.2bn/2bn/2.5bn revenue in FY26/FY27/FY28 (**implying 47% CAGR over FY26-28**) from Rs890mn in FY25; this is based on the current order book alone, without factoring in the potential new wins).
- A multi-year order worth >Rs5bn has commenced shipments and will provide ongoing business for 9Y; Rs550-600mn expected to flow-in in FY27 alone.
- **Revenue mix is shifting meaningfully; OEM/Tier 1** business, which is currently at 10-12% of revenue, is **expected to jump to 40% in FY27** and reach Rs800mn-Rs1bn by FY28, with the balance coming from the aftermarket.
- **Agriculture is also scaling up**, expected to contribute Rs300mn in FY27 and Rs600mn in FY28, up **from a smaller base** currently.
- With Auto capacity utilization at only 50-55% and Agriculture at only 8-10% against total production capacity of Rs3.5bn, the company has **significant headroom to scale up without major capex** for the next 2Y (Rs35mn capex).
- The management is conservatively guiding for 10-11% PATM and 20% EBITDAM (in line with performance over the last decade).

Design-delivery business model ensures deeper customer lock-in

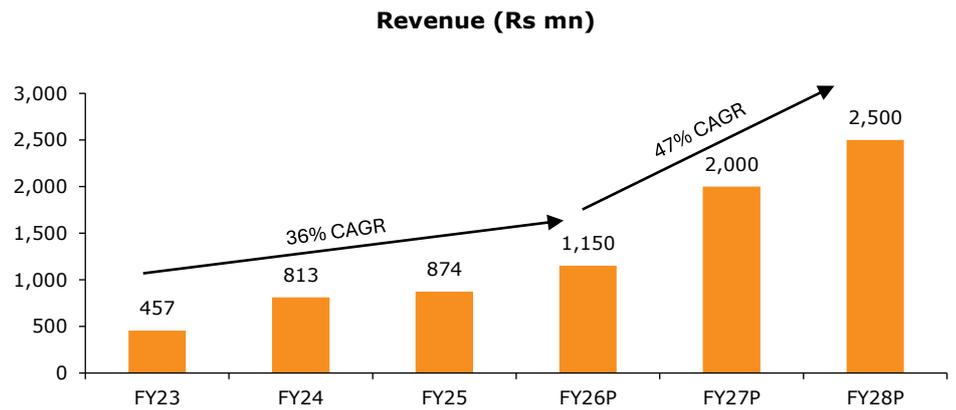
- The company's core differentiation lies in **its Design to Delivery business model** (with strong vertical integration capabilities); it designs products for customers, handles the full manufacturing chain, and delivers products ranging from 5gm to 30kg.
- This **positions it effectively as a Tier 1 supplier** rather than a commodity parts maker. The company has **never charged tooling costs to customers**, instead amortizing them and generating returns through sustained production volumes (**a model that deepens customer lock-in**).
- **R&D is the core focus** (2% of revenue), enabling continuous product upgrades and new capability development. Patents are registered in the customer's name, further embedding the relationship.
- The management stated that the company has **no direct competitor "doing what they do at this scale and capability range"**. Customer relationships are deep-rooted, spanning decades.
- **Despite 95% of revenue from NA** with all the associated tariff headwinds, **the company has continued to grow**. This is a testament to stickiness of its customer relationships and the value it delivers.

Rising share of OEM business to improve quality, predictability of revenue

- The company originally built its reputation in performance racing aftermarket products in NA and has since expanded into 4WD vehicles, OEMs, and agri applications.
- The strategic pivot toward OEM business (volume, predictability, and duration of contracts are superior) is now gaining real traction and will fundamentally reshape the company's revenue profile by FY28.
- While NA/Asia dominate today, the management has **flagged EU as a market** to pursue.
- **Post-FY27, the company will begin evaluating a new greenfield facility** for supporting the next phase of growth once the current capacity (especially in the agriculture segment) starts approaching fuller utilization.
- The combination of a large unfilled order book, low current utilization, minimal near-term capex needs, and a shift toward higher-quality OEM revenue makes the growth profile distinctly capital-efficient.

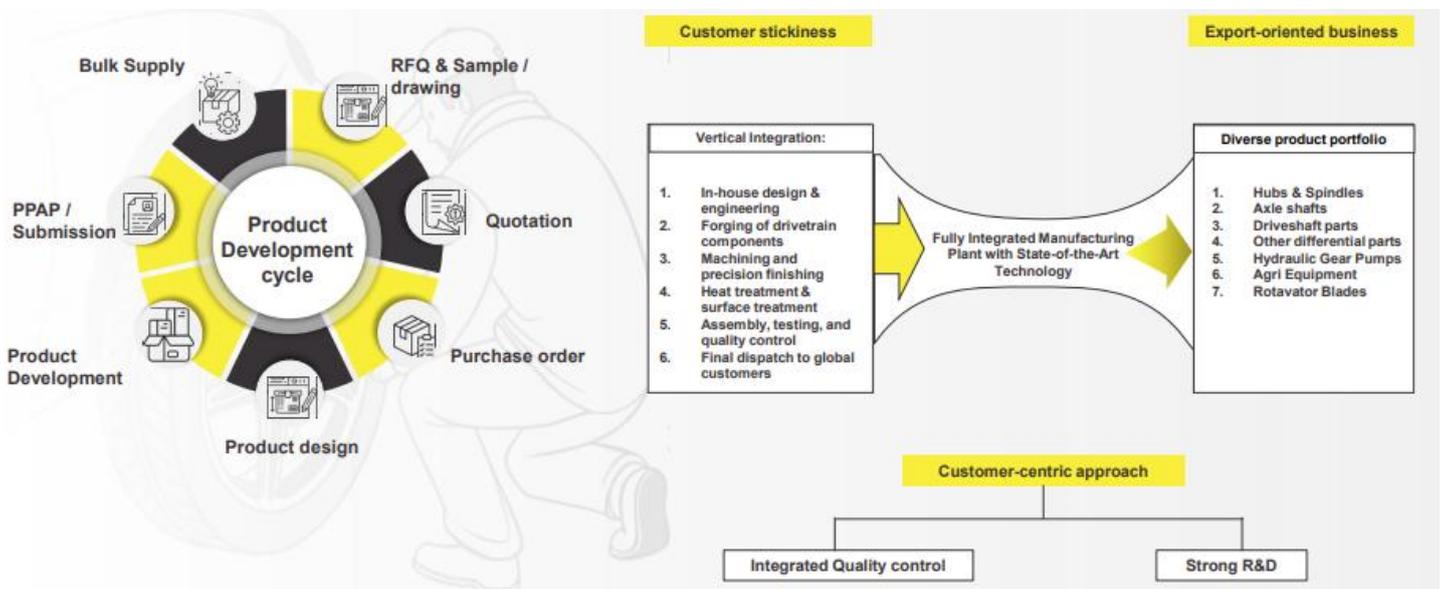
This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions.com)

Exhibit 34: The management guides to 47% revenue CAGR over FY26-28



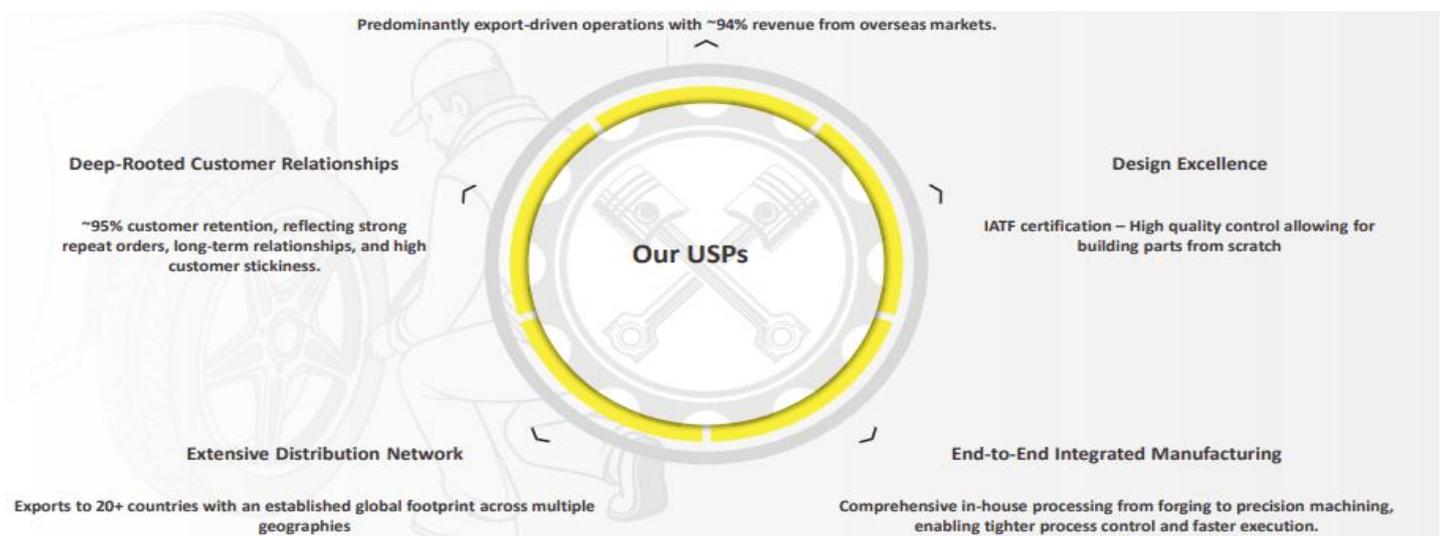
Source: Company, Emkay Research

Exhibit 35: Emmforce’s design-delivery business model positions it as a Tier 1 supplier.



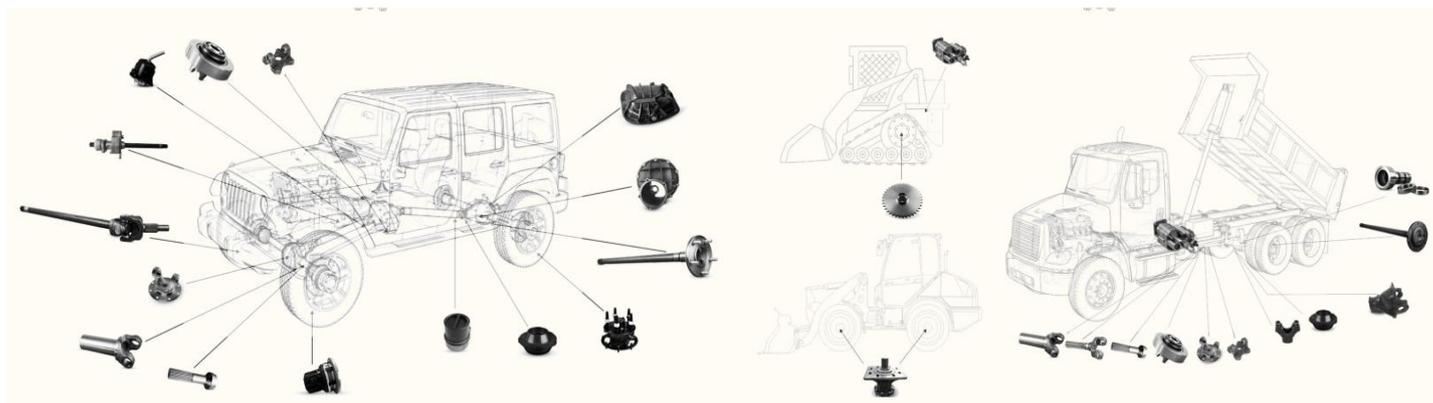
Source: Company, Emkay Research

Exhibit 36: Emmforce has an export-led globally-scaled business



Source: Company, Emkay Research

Exhibit 37: Emmforce has a wide range of offerings across the CV, Off-highway, PV, and Construction equipment space



Source: Company, Emkay Research

Exhibit 38: Emmforce has strong vertical integration capabilities



Source: Company, Emkay Research

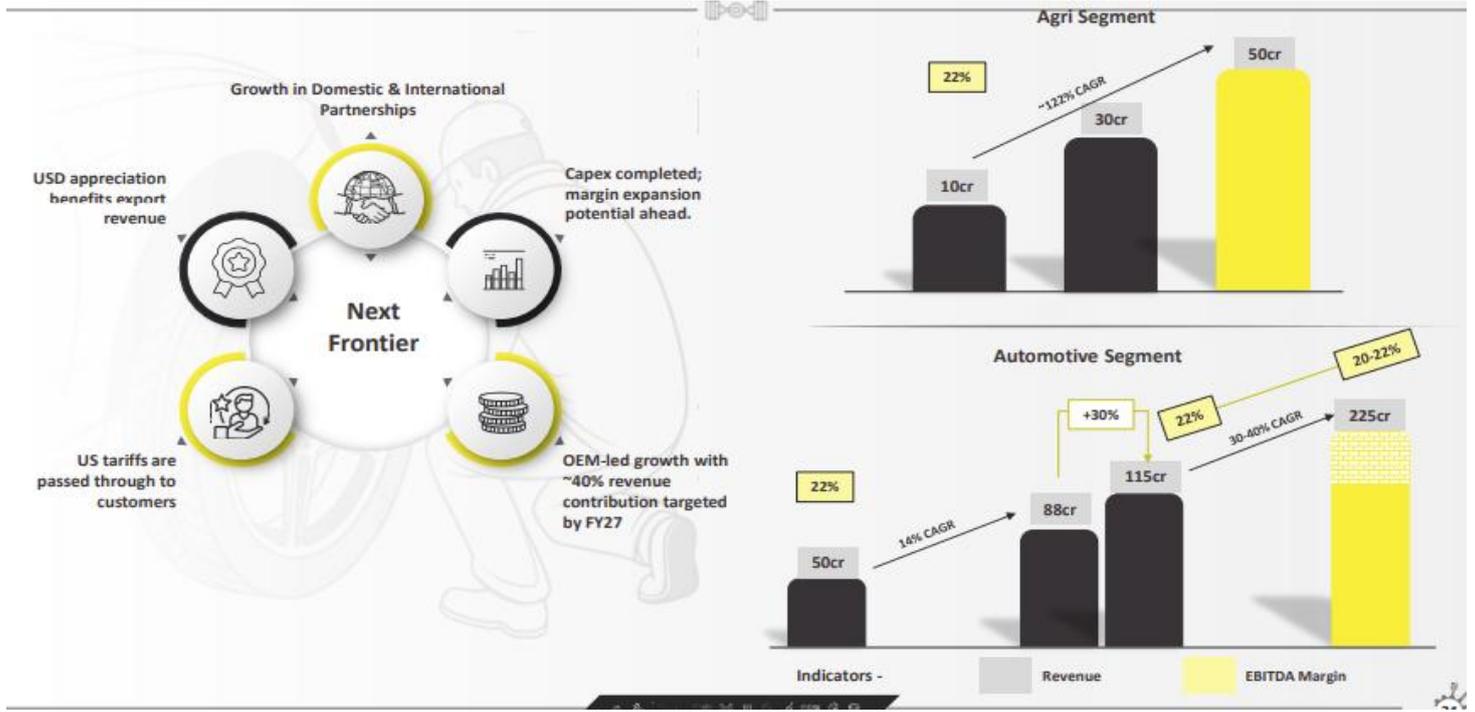
Exhibit 39: Emmforce caters to several global majors in the CV, Off-highway, and PV space

1. The recently secured **Rs. 470 Cr U.S. export order** has commenced commercial production and is expected to generate approximately **Rs. 55 Cr of annual revenue** over a nine-year period beginning FY27. The Company also expects to recognise approximately **Rs.10 crore** in revenues from this order in FY26.
2. A new long-term drivetrain supply order worth **Rs. 10.50 Cr** in annual revenue, awarded in October 2025.
3. Additional US customer order estimated to **contribute Rs. 10 Cr** per annum.
4. **TAFE** has approved the blade, and **commercial sales** began from January 2026.



Source: Company, Emkay Research

Exhibit 40: Multiple growth drivers in place for Emmforce over FY26-28



Source: Company, Emkay Research

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ADD	5-15% upside
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