ADD

Mahindra & Mahindra

Vision FY30 – To sustain SUV leadership and expand globally

Auto & Auto Ancillaries ▸ Analyst Meet Update ▸ **November 21, 2025**

CMP (Rs): 3,717 | TP (Rs): 3,800

We attended M&M's analyst meet, where the company gave guidance for implied 15-17% FY25-30 revenue CAGR for its India Auto and Farm business. The management reiterated sustained SUV leadership (H1FY26 market share: 26.4%) and guided for 20% FY25-30 consolidated Auto revenue CAGR, which implies i) 15-17% CAGR for the domestic SUV business, 10% implied volume CAGR for the LCV business, and 30% revenue CAGR for LMM. EVs are central to M&M's roadmap (20-30% volume mix by FY30 vs 8% now; multiple launches in next 2-3Y), with clear path to profitability via localization/scale-up. LCVs have emerged as a key near-term catalyst, with the GST-led TCO reset to trigger a replacement-led cycle. M&M's Farm business is benefitting from tailwinds, such as the improving horticulture/cash crop profitability and higher HP migration; this is leading to upgrade in FY25-30 industry volume CAGR guidance to 9% (7% earlier), with M&M aiming for 3x growth in FY20-30 consolidated Farm revenue (implying 5% FY25-30 CAGR). FY26-28E EPS is unchanged. Limited ICE-SUV launch visibility over the next 12-15M and high base catch-up limit the upside, in our view. Hence, we retain ADD on M&M, rolling forward to Dec-26E, with TP raised by 4.1% to Rs3,800 (from Rs3,650).

Key Takeaways

1) Autos: i) Auto consol business CAGR guidance stands at 20% over FY25-30, on a) premiumization of the SUV portfolio, b) EV scale-up with higher ASPs, c) ramp up in LCVs, and d) volume growth combined with mix enrichment; M&M targets 8x SUV revenue scale-up over FY20-30 (implies 20% FY25-30 CAGR), anchored by the NU_IQ and INGLO platforms and flexible powertrains. The mgmt reiterated that SUVs now form ~65% of the entire PV industry, and this mix is rising; ii) Also, 80% of the recent M&M customers are first-time Mahindra buyers. 2) SUVs: early post-GST data suggests strong momentum with Oct-25 SUV/small car industry growth at 19%/13% with revival in diesel SUV demand. On exports, M&M expects 3.5-4k units/month run-rate led by Scorpio-N and 3XO. 3) LCVs: remain the biggest near-term upside, as the GST-led ~10% price correction offsets 5Y of commodity-driven 25-30% cost inflation, resetting TCO and unlocking a replacement-led multi-year recovery. 4) MEAL (EVs): M&M expects EVs to reach ~20-30% of volumes by FY30, led by INGLO's global readiness, higher EV ASPs, and a strong customer funnel (~80% first-time customers). Here, ICE-like EV profitability is targeted via localization/scale, while meeting CAFÉ norms through a multi-lever strategy (diesel–petrol balancing, CNG/flex-fuel readiness, hybrid options, platform efficiencies, and EV ramp); EV capacity is being expanded from 5k to 8-9k units/month, in the medium term via NU_IQ brownfield additions and a greenfield by CY28. 5) Farm segment outlook has improved, led by higher horticulture profitability and rising per-acre earnings, placing M&M and Swaraj in a dominant competitive position. M&M has thereby raised its FY25-30 industry volume CAGR guidance to 9% (vs 7% earlier); International business is scaling-up, with 10.4% US share for <20HP tractors, 20% Brazil share for <50HP tractors, and rising competitiveness of OJA/NOVO platforms across geographies.

Target Price – 12M	Dec-26
Change in TP (%)	**4.1**
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	2.2

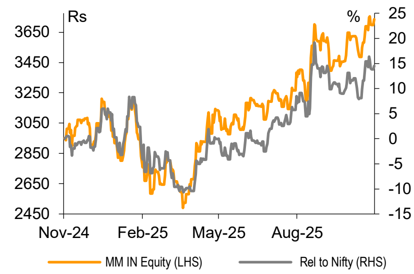
Stock Data	**MM IN**
52-week High (Rs)	3,781
52-week Low (Rs)	2,360
Shares outstanding (mn)	1,243.5
Market-cap (Rs bn)	4,622
Market-cap (USD mn)	52,103
Net-debt, FY26E (Rs mn)	(288,551.9)
ADTV-3M (mn shares)	3
ADTV-3M (Rs mn)	9,207.9
ADTV-3M (USD mn)	103.8
Free float (%)	77.8
Nifty-50	26,192.2
INR/USD	88.7

Shareholding,Sep-25	
Promoters (%)	18.1
FPIs/MFs (%)	37.4/29.5

Price Performance

(%)	1M	3M	12M
Absolute	3.3	9.5	26.0
Rel. to Nifty	1.9	4.7	13.2

1-Year share price trend (Rs)



Mahindra & Mahindra: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	1,013,358	1,186,245	1,447,631	1,609,136	1,772,257
EBITDA	151,302	184,155	209,350	237,483	263,929
Adj. PAT	106,423	118,550	149,669	163,599	180,946
Adj. EPS (Rs)	85.6	95.4	120.4	131.6	145.5
EBITDA margin (%)	14.9	15.5	14.5	14.8	14.9
EBITDA growth (%)	44.9	21.7	13.7	13.4	11.1
Adj. EPS growth (%)	33.4	11.4	26.2	9.3	10.6
RoE (%)	22.3	20.8	22.3	20.8	19.8
RoIC (%)	56.2	67.1	79.7	75.3	71.5
P/E (x)	41.9	37.6	29.8	27.3	24.7
EV/EBITDA (x)	28.7	23.5	20.7	18.3	16.4
P/B (x)	8.8	7.5	6.4	5.5	4.7
FCFF yield (%)	1.5	2.8	2.5	3.0	3.6

Source: Company, Emkay Research

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Other Key Takeaways

- **Corporate structure and strategy**
  - No Auto–Farm separation planned for at least five years; the current integrated structure enables better capital allocation, platform scalability (INGLO/NU_IQ), and coordinated global expansion.
  - The management's priority is execution, supply-chain readiness, platform-led scale, and expanding global capabilities rather than organizational restructuring.
- **SUVs**
  - M&M's play is centred on 'core SUVs' (~30% of the PV market), excluding crossovers (Fronx) and MPVs (Ertiga), where capability, diesel torque, and robust platforms offer a clear right-to-win.
  - The GST cut has materially improved sentiment across PVs, leading to higher footfalls, stronger enquiries, and a 300bps rise in premium-variant mix within M&M.
  - The company targets new global markets from FY27, with entry into key RHD regions (UK, Australia, South Africa) and LHD markets (EU), supported by INGLO's regulatory compliance readiness.
  - Export expansion is based on a disciplined 'ecosystem-first' strategy, ensuring distribution, service, and spares readiness before scaling up volumes.
- **MEAL (EVs)**
  - EVs form ~8% of current volumes, with a target of 20–30% by FY27 based on CAFE-compliant scenario modelling. EV ASPs are significantly higher than ICE, enabling realization-led growth even without chasing market share.
  - Multiple levers (diesel–petrol mix, CNG/flex-fuel readiness, hybridisation on NU_IQ, and EV ramp-up) ensure CAFE compliance without profitability dilution.
- **Last Mile Mobility (LMM)**
  - LMM EV volumes have grown 5x in three years, with a 6x revenue growth roadmap by FY30. The new Telangana EV plant doubles manufacturing capacity and supports the target of 1 million EVs on the road by FY31.
  - Export-ready LMM platforms are being developed for >10 markets, including Sri Lanka, Nepal, Southeast Asia and Africa.
  - M&M remains #1 in the E-3W category, driven by strong engineering economics and cost-performance advantage; GST changes have not meaningfully affected EV adoption.
  - A 5–6-year replacement cycle supports recurring demand, with PLI benefits providing profitability support.
- **Truck and Bus/LCV**
  - M&M targets 6x revenue growth in the Truck and Bus segment by FY30, driven by new platforms and wider application coverage.
  - LCV market share strengthened to 54.1% in H1 FY26, with segment growth outpacing industry by 1.7x over FY20–26E, led by Maxx, Supro, and Veero.
  - The management expects sustained demand improvement in intra-city logistics and goods movement.

Exhibit 1: M&M aims for 8x growth in its consolidated Auto business revenue over FY20-30, implying 20% CAGR over FY25-30

Source: Company, Emkay Research

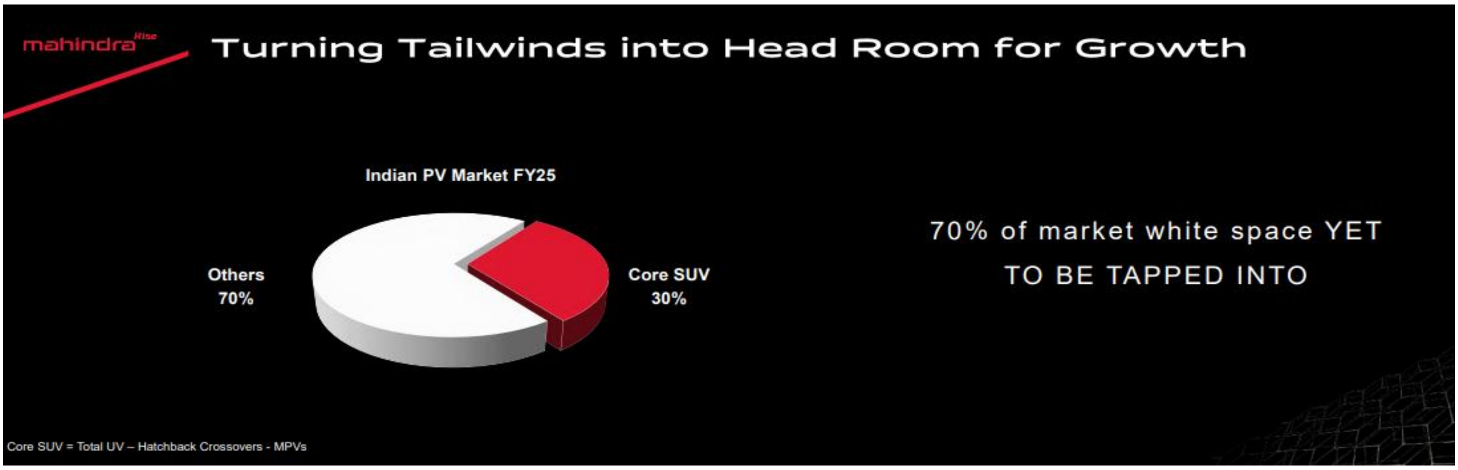
Exhibit 2: M&M targets 3x growth in consol Farm segment revenue over FY20-30 which implies 5% revenue CAGR over FY25-30

Source: Company, Emkay Research

Exhibit 3: M&M aims for 6x growth in its LMM business while growing 2x the domestic industry over FY23-30, and scaling up to 10 export markets

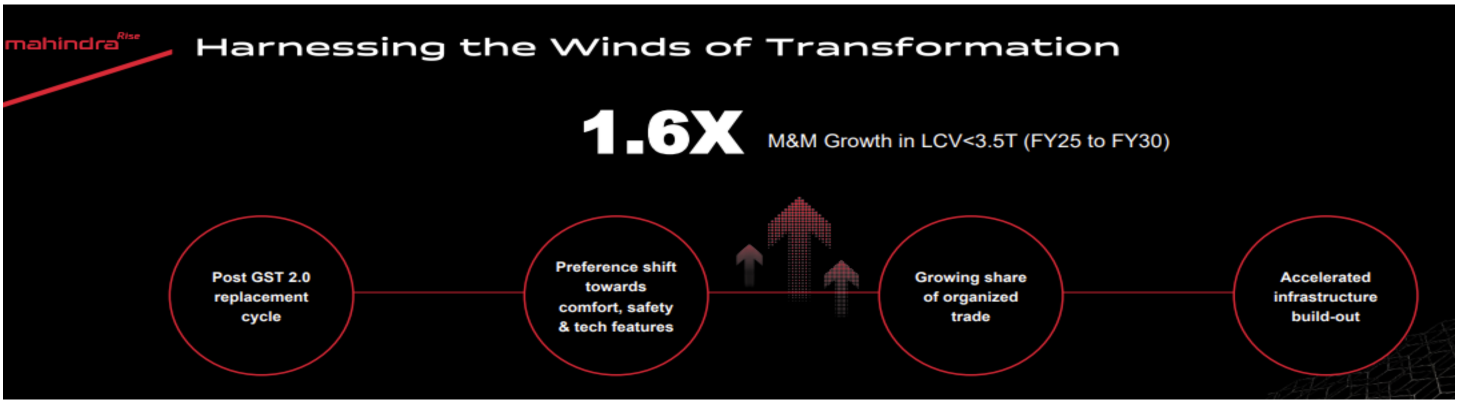
Source: Company, Emkay Research

Exhibit 4: M&M is looking to tap into the remaining 70% market, apart from the existing 30% core SUV market



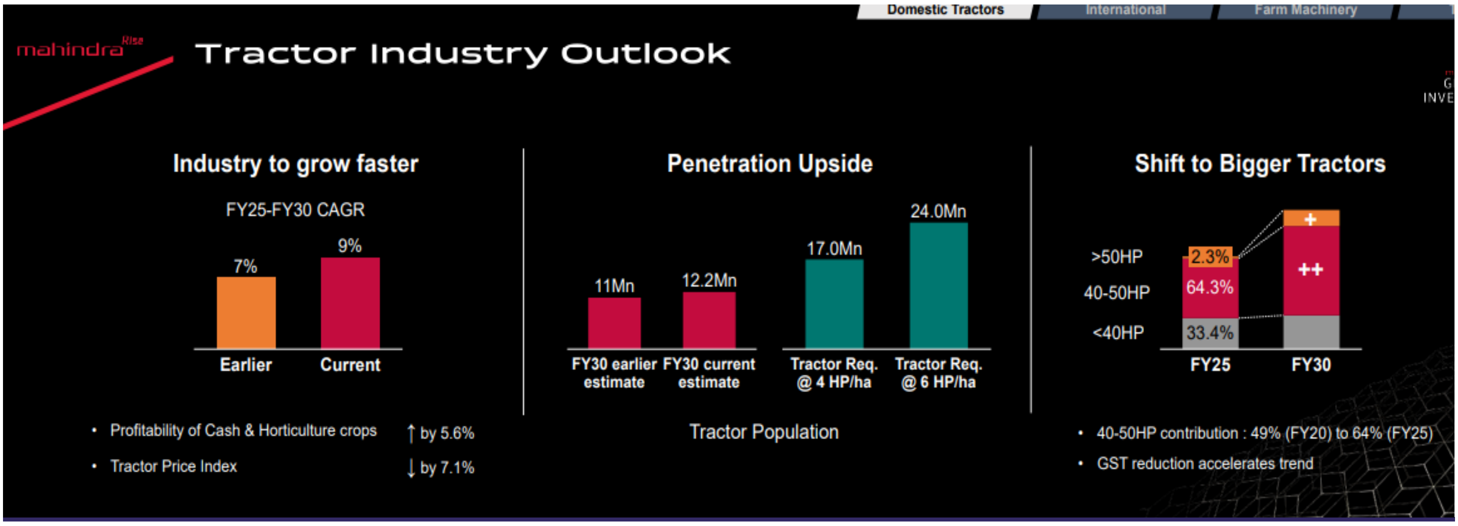
Source: Company, Emkay Research

Exhibit 5: M&M targets 1.6x growth in its LCV volumes, implying 10% CAGR over FY25-30



Source: Company, Emkay Research

Exhibit 6: M&M has upgraded its FY25-30 domestic tractor industry volume CAGR guidance to 9% vs 7% earlier



Source: Company, Emkay Research

Exhibit 7: M&M aims to gain share in the 40-50HP segment, given that it has the widest product portfolio among peers

Source: Company, Emkay Research

Exhibit 8: M&M has several launches lined up for the Brazil and NA markets

Source: Company, Emkay Research

Exhibit 9: We build in 12% growth during remaining FY26E, with 15%/9% volume growth during FY27E/28E

M&M Volumes (no of units)	FY25YTD	FY26YTD	YoY (%)	FY25 Remainder	FY26 Remainder	YoY (%)	FY25	FY26E	YoY (%)	FY27E	YoY (%)	FY28E	YoY (%)
Dom PVs - ICE	314,824	341,665	8.5	228,616	241,963	5.8	543,440	583,628	7.4	644,842	10.5	706,612	9.6
-- SUVs	314,710	341,313	8.5	228,564	241,463	5.6	543,274	582,776	7.3	643,522	10.4	705,160	9.6
-- MPVs	114	352	208.8	52	500	861.5	166	852	413.3	1,320	54.9	1,452	10.0
Dom Born EV	0	27,881		8,047	23,328	189.9	8,047	51,209	536.4	57,600	12.5	60,000	4.2
Total Dom SUVs	314,710	369,194	17.3	236,611	264,791	11.9	551,321	633,985	15.0	701,122	10.6	765,160	9.1
Total Domestic PVS	314,824	369,546	17.4	236,663	265,291	12.1	551,487	634,837	15.1	702,442	10.6	766,612	9.1
Dom CV	155,822	168,242	8.0	113,265	127,210	12.3	269,087	295,452	9.8	318,811	7.9	344,027	7.9
Dom 3W	50,440	66,340	31.5	35,392	53,825	52.1	85,832	120,165	40.0	126,173	5.0	132,482	5.0
Exports - Autos	18,227	24,324	33.5	16,482	18,730	13.6	34,709	43,054	24.0	47,295	9.9	51,973	9.9
Total Autos	539,313	628,452	16.5	401,802	465,055	15.7	941,115	1,093,507	16.2	1,194,721	9.3	1,295,094	8.4
Dom tractors	270,562	319407	18.1	136,532	136,538	0.0	407,094	455,945	12.0	501,540	10.0	551,694	10.0
Export Tractors	9,736	11,278	15.8	7,811	9,164	17.3	17,547	20,442	16.5	22,486	10.0	24,735	10.0
Total Tractors	280,298	330,685	18.0	144,343	145,703	0.9	424,641	476,388	12.2	524,026	10.0	576,429	10.0
Total Volumes	819,611	959,137	17.0	546,145	610,758	11.8	1,365,756	1,569,895	14.9	1,718,748	9.5	1,871,523	8.9

Monthly Volumes (no of units)	FY25YTD	FY26YTD	YoY (%)	FY25 Remainder	FY26 Remainder	YoY (%)	FY25	FY26E	YoY (%)	FY27E	YoY (%)	FY28E	YoY (%)
Dom PVs - ICE	44,975	48,809	8.5	45,723	48,393	5.8	45,287	48,636	7.4	53,737	10.5	58,884	9.6
-- SUVs	44,959	48,759	8.5	45,713	48,293	5.6	45,273	48,565	7.3	53,627	10.4	58,763	9.6
-- MPVs	16	50	208.8	10	100	861.5	14	71	413.3	110	54.9	121	10.0
Dom Born EV	0	3,983		1,609	4,666	189.9	671	4,267	536.4	4,800	12.5	5,000	4.2
Total Dom SUVs	44,959	52,742	17.3	47,322	52,958	11.9	45,943	52,832	15.0	58,427	10.6	63,763	9.1
Total Domestic PVS	44,975	52,792	17.4	47,333	53,058	12.1	45,957	52,903	15.1	58,537	10.6	63,884	9.1
Dom CV	22,260	24,035	8.0	22,653	25,442	12.3	22,424	24,621	9.8	26,568	7.9	28,669	7.9
Dom 3W	7,206	9,477	31.5	7,078	10,765	52.1	7,153	10,014	40.0	10,514	5.0	11,040	5.0
Exports - Autos	2,604	3,475	33.5	3,296	3,746	13.6	2,892	3,588	24.0	3,941	9.9	4,331	9.9
Total Autos	77,045	89,779	16.5	80,360	93,011	15.7	78,426	91,126	16.2	99,560	9.3	107,925	8.4
Dom tractors	38,652	45,630	18.1	27,306	27,308	0.0	33,925	37,995	12.0	41,795	10.0	45,974	10.0
Export Tractors	1,391	1,611	15.8	1,562	1,833	17.3	1,462	1,704	16.5	1,874	10.0	2,061	10.0
Total Tractors	40,043	47,241	18.0	28,869	29,141	0.9	35,387	39,699	12.2	43,669	10.0	48,036	10.0
Total Volumes	117,087	137,020	17.0	109,229	122,152	11.8	113,813	130,825	14.9	143,229	9.5	155,960	8.9

Source: Company, Emkay Research

Exhibit 10: We build in 14%/13%/17% revenue/EBIDA/core-EPS CAGR over FY25-28E

Rs mn	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Volumes (no of units)	820,299	1,106,001	1,203,325	1,365,756	1,569,895	1,718,748	1,871,523
Growth YoY (%)	*17*	*35*	*9*	*13*	*15*	*9*	*9*
Segmental volumes							
Automotive	***465,601***	***698,456***	***824,939***	***941,115***	***1,093,507***	***1,194,721***	***1,295,094***
Growth YoY (%)	*34*	*50*	*18*	*14*	*16*	*9*	*8*
i) Domestic PVs (ex-BEVs)	225,895.0	359,253.0	459,877.0	543,439.0	583,628	644,842	706,612
ii) BEVs	-	-	-	8,048	51,209	57,600	60,000
iii) Exports	10,409	10,622	11,135	15,743	20,431	22,872	25,606
A) Total PVs	***236,304***	***369,875***	***471,012***	***567,230***	***655,267***	***725,315***	***792,218***
Growth YoY (%)	*44*	*57*	*27*	*20*	*16*	*11*	*9*
B) Total CVs	***198,782***	***269,499***	***275,821***	***287,046***	***316,997***	***342,081***	***369,160***
Growth YoY (%)	*19*	*36*	*2*	*4*	*10*	*8*	*8*
C) Total 3Ws	***30,515***	***59,082***	***78,106***	***86,839***	***121,242***	***127,326***	***133,715***
Growth YoY (%)	*77*	*94*	*32*	*11*	*40*	*5*	*5*
Tractors	***354,698***	***407,545***	***378,386***	***424,641***	***476,388***	***524,026***	***576,429***
Growth YoY (%)	*0*	*15*	*(7)*	*12*	*12*	*10*	*10*
Volume mix (%)							
Automotive	*57*	*63*	*69*	*69*	*70*	*70*	*69*
Tractors	*43*	*37*	*31*	*31*	*30*	*30*	*31*
ASP (Rs/unit)	704,462	768,175	842,131	868,563	922,120	936,226	946,960
Growth YoY (%)	*11*	*9*	*10*	*3*	*6*	*2*	*1*
Revenues	**577,869**	**849,603**	**1,013,358**	**1,186,245**	**1,447,631**	**1,609,136**	**1,772,257**
Growth YoY (%)	*29.5*	*47.0*	*19.3*	*17.1*	*22.0*	*11.2*	*10.1*
Revenue mix (%)							
Automotive	*61.9*	*67.8*	*72.8*	*73.6*	*75.5*	*75.7*	*75.6*
Tractors	*34.1*	*29.4*	*24.9*	*24.6*	*22.8*	*22.8*	*23.0*
Others	*4.0*	*2.8*	*2.2*	*1.8*	*1.6*	*1.5*	*1.3*
EBITDA	**70,275**	**104,424**	**151,302**	**184,155**	**209,350**	**237,483**	**263,929**
EBITDA margin (%)	*12.2*	*12.3*	*14.9*	*15.5*	*14.5*	*14.8*	*14.9*
EBITDA Growth YoY (%)	*1.0*	*48.6*	*44.9*	*21.7*	*13.7*	*13.4*	*11.1*
EBITDA/vehicle	*85,670*	*94,416*	*125,737*	*134,837*	*133,353*	*138,172*	*141,024*
EBIT	**45,291**	**72,879**	**116,422**	**141,887**	**164,971**	**180,126**	**198,818**
EBIT margin (%)	*7.8*	*8.6*	*11.5*	*12.0*	*11.4*	*11.2*	*11.2*
Segmental margins (%)							
Automotive	*3.6*	*4.8*	*8.6*	*9.5*	*9.5*	*9.7*	*9.7*
Tractors	*18.1*	*16.2*	*16.2*	*18.4*	*19.7*	*19.5*	*19.5*
Others	*5.8*	*33.1*	*89.8*	*62.0*	*50.0*	*40.0*	*40.0*
Segmental EBIT							
Automotive	12,758	28,191	63,780	82,772	103,633	117,814	130,537
Tractors	35,799	41,709	41,159	53,710	65,261	71,769	79,735
Others	1,353	8,174	20,097	13,265	11,775	9,420	9,420
EBIT mix (%)							
Automotive	*25.6*	*36.1*	*51.0*	*55.3*	*57.4*	*59.2*	*59.4*
Tractors	*71.7*	*53.4*	*32.9*	*35.9*	*36.1*	*36.1*	*36.3*
Others	*2.7*	*10.5*	*16.1*	*8.9*	*6.5*	*4.7*	*4.3*
EPS (Rs)	**42.4**	**66.6**	**88.7**	**98.7**	**124.6**	**136.2**	**150.7**
Core EPS (Rs)	**29.9**	**51.2**	**72.4**	**80.7**	**105.7**	**116.9**	**130.9**

Source: Company, Emkay Research

Exhibit 11: Our estimates remain largely unchanged

Standalone	FY26E				FY27E				FY28E			
Rs mn	**Earlier**	**Revised**	***% Change***	**% YoY**	**Earlier**	**Revised**	***% Change***	**% YoY**	**Earlier**	**Revised**	***% Change***	**% YoY**
Volume (units)	1,569,693	1,569,895	*0.0*	*14.9*	1,709,948	1,718,748	*0.5*	*9.5*	1,849,669	1,871,523	*1.2*	9
Revenue	1,447,694	1,447,631	*(0.0)*	*22.0*	1,600,771	1,609,136	*0.5*	*11.2*	1,751,066	1,772,257	*1.2*	10
EBITDA	209,357	209,350	*(0.0)*	*13.7*	236,507	237,483	*0.4*	*13.4*	261,455	263,929	*0.9*	11
EBITDA margin (%)	*14.5*	*14.5*	*0 bps*	*(106) bps*	*14.8*	*14.8*	*(2) bps*	*30 bps*	*14.9*	*14.9*	*(4) bps*	*13 bps*
Adj. PAT	149,674	149,669	*(0.0)*	*26.2*	162,869	163,599	*0.4*	*9.3*	179,099	180,946	*1.0*	10
EPS (Rs)	124.6	124.6	*0.0*	*26.2*	135.7	136.2	*0.4*	*9.3*	149.2	150.7	*1.0*	11

Source: Company, Emkay Research

Exhibit 12: We raise our SoTP based TP by >4% to Rs3,800, from Rs3,650 earlier

Components (Rs bn)	Basis of Valuation	Equity value (Rs bn)	M&M stake (%)	Pro-rata value	Hold-co discount (%)	Contribution To SOTP (Rs bn)	SOTP (Rs/share)	SOTP share (%)
Core standalone incl PV-EV	25x core Dec-27E EPS	4,039		4,039		4,039	3,249	85
Last Mile Mobility	40% discount to Transaction value	40		40		40	32	1
Tech Mahindra	TP (Emkay)	1,413	25.5	360	20	288	232	6
M&M Financial Services	TP (Emkay)	346	52.2	180	20	144	116	3
Mahindra Lifespaces	Current m-cap/investment value	87				36	29	1
Mahindra Holidays & Resorts	Current m-cap/investment value	67				36	29	1
CIE Automotive	Current m-cap/investment value	525				33	26	1
SML Isuzu	Current m-cap/investment value	47				22	18	0
Swaraj Engines	Current m-cap/investment value	48				20	16	0
Other Subs/investments	Current m-cap/investment value	336				79	63	2
Total (Round off)							**3,800**	

Source: Company, Emkay Research

Mahindra & Mahindra: Standalone Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	**1,013,358**	**1,186,245**	**1,447,631**	**1,609,136**	**1,772,257**
Revenue growth (%)	19.3	17.1	22.0	11.2	10.1
EBITDA	**151,302**	**184,155**	**209,350**	**237,483**	**263,929**
EBITDA growth (%)	44.9	21.7	13.7	13.4	11.1
Depreciation & Amortization	34,880	42,268	44,379	57,358	65,111
EBIT	**116,422**	**141,887**	**164,971**	**180,126**	**198,818**
EBIT growth (%)	59.7	21.9	16.3	9.2	10.4
Other operating income	-	-	-	-	-
Other income	19,561	17,119	37,413	40,803	45,078
Financial expense	1,405	2,505	2,292	2,214	1,989
PBT	**134,578**	**156,501**	**200,092**	**218,715**	**241,907**
Extraordinary items	0	0	0	0	0
Taxes	28,155	37,952	50,423	55,116	60,961
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	**106,423**	**118,550**	**149,669**	**163,599**	**180,946**
PAT growth (%)	62.5	11.4	26.2	9.3	10.6
Adjusted PAT	**106,423**	**118,550**	**149,669**	**163,599**	**180,946**
Diluted EPS (Rs)	**85.6**	**95.4**	**120.4**	**131.6**	**145.5**
Diluted EPS growth (%)	33.4	11.4	26.2	9.3	10.6
DPS (Rs)	**16.3**	**21.1**	**24.4**	**31.3**	**34.2**
Dividend payout (%)	**18.3**	**21.3**	**19.6**	**23.0**	**22.7**
EBITDA margin (%)	14.9	15.5	14.5	14.8	14.9
EBIT margin (%)	11.5	12.0	11.4	11.2	11.2
Effective tax rate (%)	20.9	24.3	25.2	25.2	25.2
NOPLAT (pre-IndAS)	**92,065**	**107,480**	**123,398**	**134,734**	**148,716**
Shares outstanding (mn)	1,243	1,243	1,243	1,243	1,243

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	5,996	6,004	6,004	6,004	6,004
Reserves & Surplus	516,916	609,847	720,602	841,665	975,565
Net worth	**522,912**	**615,851**	**726,606**	**847,669**	**981,569**
Minority interests	-	-	-	-	-
Non-current liab. & prov.	15,631	16,629	18,125	19,761	21,570
Total debt	**20,507**	**16,818**	**17,337**	**15,657**	**13,981**
Total liabilities & equity	**559,050**	**649,298**	**762,068**	**883,087**	**1,017,120**
Net tangible fixed assets	138,553	157,020	188,863	231,506	266,395
Net intangible assets	39,261	39,261	39,261	39,261	39,261
Net ROU assets	-	-	-	-	-
Capital WIP	37,630	39,046	62,824	62,824	62,824
Goodwill	232	232	232	232	232
Investments [JV/Associates]	207,282	223,786	231,286	238,786	246,286
Cash & equivalents	**141,434**	**238,800**	**305,888**	**385,890**	**487,601**
Current assets (ex-cash)	272,694	298,344	364,083	404,702	445,728
Current Liab. & Prov.	278,036	347,191	430,370	480,114	531,207
NWC (ex-cash)	**(5,342)**	**(48,847)**	**(66,287)**	**(75,411)**	**(85,479)**
Total assets	**559,050**	**649,298**	**762,068**	**883,087**	**1,017,120**
Net debt	(120,928)	(221,982)	(288,552)	(370,232)	(473,621)
Capital employed	559,050	649,298	762,068	883,087	1,017,120
Invested capital	**172,703**	**147,666**	**162,069**	**195,588**	**220,409**
BVPS (Rs)	420.6	495.4	584.5	681.8	789.6
Net Debt/Equity (x)	(0.2)	(0.4)	(0.4)	(0.4)	(0.5)
Net Debt/EBITDA (x)	(0.8)	(1.2)	(1.4)	(1.6)	(1.8)
Interest coverage (x)	96.8	63.5	88.3	99.8	122.6
RoCE (%)	**26.5**	**27.0**	**29.4**	**27.5**	**26.2**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	134,578	156,501	200,092	218,715	241,907
Others (non-cash items)	(35,956)	(25,709)	0	0	0
Taxes paid	(29,005)	(35,415)	(48,927)	(53,480)	(59,151)
Change in NWC	8,835	26,023	8,905	5,503	5,558
Operating cash flow	**114,736**	**166,172**	**206,741**	**230,309**	**255,413**
Capital expenditure	(48,457)	(46,489)	(100,000)	(100,000)	(100,000)
Acquisition of business	-	-	-	-	-
Interest & dividend income	21,878	25,980	0	0	0
Investing cash flow	**(53,840)**	**(138,740)**	**(135,000)**	**(125,000)**	**(125,000)**
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(32,235)	(6,171)	519	(1,680)	(1,676)
Payment of lease liabilities	0	0	0	0	0
Interest paid	(3,018)	(1,181)	(2,292)	(2,214)	(1,989)
Dividend paid (incl tax)	(20,213)	(26,196)	(30,380)	(38,914)	(42,536)
Others	1,547	57,377	0	0	0
Financing cash flow	**(53,919)**	**23,829**	**(32,153)**	**(42,807)**	**(46,201)**
Net chg in Cash	6,978	51,260	39,588	62,501	84,212
OCF	114,736	166,172	206,741	230,309	255,413
Adj. OCF (w/o NWC chg.)	105,902	140,150	197,836	224,806	249,855
FCFF	66,280	119,683	106,741	130,309	155,413
FCFE	86,753	143,159	104,449	128,094	153,424
OCF/EBITDA (%)	75.8	90.2	98.8	97.0	96.8
FCFE/PAT (%)	81.5	120.8	69.8	78.3	84.8
FCFF/NOPLAT (%)	**72.0**	**111.4**	**86.5**	**96.7**	**104.5**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	41.9	37.6	29.8	27.3	24.7
P/CE(x)	32.7	28.7	23.8	20.9	18.8
P/B (x)	8.8	7.5	6.4	5.5	4.7
EV/Sales (x)	4.3	3.7	3.0	2.7	2.4
EV/EBITDA (x)	28.7	23.5	20.7	18.3	16.4
EV/EBIT(x)	37.2	30.6	26.3	24.1	21.8
EV/IC (x)	25.1	29.4	26.8	22.2	19.7
FCFF yield (%)	1.5	2.8	2.5	3.0	3.6
FCFE yield (%)	1.9	3.1	2.3	2.8	3.3
Dividend yield (%)	0.4	0.6	0.7	0.8	0.9
DuPont-RoE split					
Net profit margin (%)	10.5	10.0	10.3	10.2	10.2
Total asset turnover (x)	1.9	2.0	2.1	2.0	1.9
Assets/Equity (x)	1.1	1.1	1.1	1.0	1.0
RoE (%)	**22.3**	**20.8**	**22.3**	**20.8**	**19.8**
DuPont-RoIC					
NOPLAT margin (%)	9.1	9.1	8.5	8.4	8.4
IC turnover (x)	6.2	7.4	9.3	9.0	8.5
RoIC (%)	**56.2**	**67.1**	**79.7**	**75.3**	**71.5**
Operating metrics					
Core NWC days	(1.9)	(15.0)	(16.7)	(17.1)	(17.6)
Total NWC days	**(1.9)**	**(15.0)**	**(16.7)**	**(17.1)**	**(17.6)**
Fixed asset turnover	2.6	2.7	2.9	2.7	2.6
Opex-to-revenue (%)	12.0	11.7	10.3	16.2	16.1

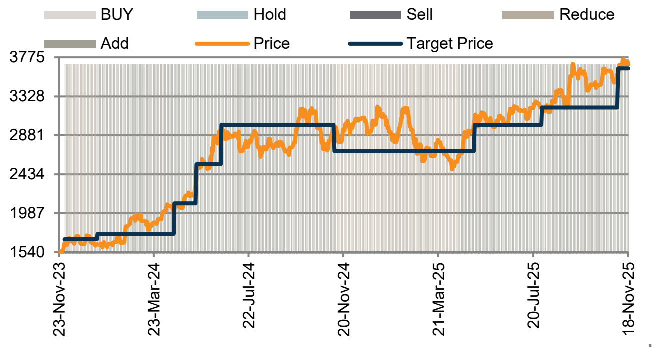
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
05-Nov-25	3,581	3,650	Add	Chirag Jain
31-Jul-25	3,203	3,200	Add	Chirag Jain
06-May-25	3,068	3,000	Add	Chirag Jain
29-Apr-25	2,910	2,700	Add	Chirag Jain
16-Apr-25	2,635	2,700	Add	Chirag Jain
08-Feb-25	3,198	2,700	Reduce	Chirag Jain
10-Jan-25	3,093	2,700	Reduce	Chirag Jain
18-Dec-24	3,051	2,700	Reduce	Chirag Jain
27-Nov-24	3,005	2,700	Reduce	Chirag Jain
08-Nov-24	2,975	2,700	Reduce	Chirag Jain
01-Aug-24	2,828	3,000	Add	Chirag Jain
10-Jul-24	2,732	3,000	Add	Chirag Jain
17-Jun-24	2,929	3,000	Add	Chirag Jain
16-May-24	2,372	2,550	Add	Chirag Jain
18-Apr-24	2,025	2,100	Add	Chirag Jain
14-Feb-24	1,657	1,750	Add	Chirag Jain
11-Jan-24	1,629	1,750	Add	Chirag Jain
30-Nov-23	1,648	1,690	Reduce	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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