

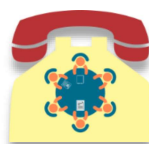
Cummins India

BSE SENSEX
80,623

S&P CNX
24,596

CMP: INR3,680
Buy

Conference Call Details


Date: 8th August 2025

Time: 12:00pm IST

Dial-in details:
[Diamond pass](#)

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Sales	103.4	120.5	140.6
EBITDA	20.7	23.7	27.7
Adj. PAT	19.9	23.1	27.1
Adj. EPS (INR)	71.7	83.3	97.9
EPS Gr. (%)	16.6	16.2	17.6
BV/Sh.(INR)	253.2	285.6	323.9

Ratios

RoE (%)	30.2	30.9	32.1
RoCE (%)	28.9	29.4	30.6

Valuations

P/E (x)	51.3	44.2	37.6
P/BV (x)	14.5	12.9	11.4
EV/EBITDA (x)	48.1	41.8	35.6
Div. Yield (%)	1.1	1.3	1.5

Strong start to the year with beat across all parameters

- Cummins India reported a strong result in 1QFY26, with a beat on all parameters.
- Revenue increased 26% YoY to INR29.1b, beating our estimate by 9%.
- Domestic sales at INR23.4b grew 25% YoY/21% QoQ, whereas export sales rose 34% YoY/9% QoQ to INR5.2b. Exports have been continuously increasing since 4QFY24.
- Gross margin at 37.0% contracted 80bp YoY/20bp QoQ. However, lower employee costs and other expenses led to EBITDA margin expansion of 110bp YoY/20bp QoQ to 21.4%. This was higher than our expectation of 20.1%, which was already above the Street's expectation of 19%.
- Absolute EBITDA rose 33% YoY/20% QoQ to INR6.2b, a 17% beat to our estimate.
- Adj. PAT increased 32% YoY to INR5.6b (13% above our estimate). During the quarter, the company had an exceptional gain of INR442m related to the sale of 100% stake in its wholly owned subsidiary, Cummins Sales & Service Private Limited (CSSPL). This is included in the reported PAT of INR5.9b.

Standalone - Quarterly Earnings Model

(InR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Net Sales	23,042	24,923	30,860	24,569	29,068	28,499	31,623	31,275	1,03,394	1,20,465	26,579	9
YoY Change (%)	4.3	31.2	21.8	6.1	26.2	14.3	2.5	27.3	15.4	16.5	15.4	
Gross profit	8,701	8,917	10,729	9,131	10,752	9,975	11,068	10,489	37,478	42,283	9,701	
Total Expenditure	18,369	20,113	24,860	19,372	22,833	22,942	25,425	25,522	82,714	96,722	21,237	
EBITDA	4,673	4,810	6,000	5,197	6,235	5,557	6,198	5,753	20,680	23,743	5,342	17
Margins (%)	20.3	19.3	19.4	21.2	21.4	19.5	19.6	18.4	20.0	19.7	20.1	
Depreciation	439	452	481	457	479	469	518	503	1,829	1,970	458	5
Interest	48	26	27	52	27	42	42	57	151	166	42	(36)
Other Income	1,322	1,611	1,209	2,119	1,529	1,696	1,875	2,024	6,261	7,124	1,619	(6)
PBT before EO expense	5,509	5,944	6,702	6,807	7,258	6,743	7,513	7,217	24,961	28,730	6,462	12
Extra-Ord expense					-442	-	-	442	-	-		
PBT	5,509	5,944	6,702	6,807	7,700	6,743	7,513	6,775	24,961	28,730	6,462	19
Tax	1,311	1,438	1,562	1,593	1,807	1,618	1,803	1,681	5,904	6,909	1,551	
Rate (%)	23.8	24.2	23.3	23.4	23.5	24.0	24.0	24.8	23.7	24.0	24.0	
Reported PAT	4,198	4,506	5,140	5,214	5,893	5,124	5,710	5,094	19,058	21,821	4,911	20
Adj PAT	4,198	4,506	5,140	5,214	5,555	5,124	5,710	5,432	19,058	21,821	4,911	13
YoY Change (%)	33.0	37.2	12.7	-7.2	32.3	13.7	11.1	4.2	14.7	14.5	17.0	
Margins (%)	18.2	18.1	16.7	21.2	19.1	18.0	18.1	17.4	18.4	18.1	18.5	