

KPIT Technologies | BUY

Optimism sans guidance

KPIT's 3% cc QoQ growth, albeit in-line, is impressive under the circumstances. Pause in Auto OEMs' programs, as echoed by all of KPIT's peers, impacted KPIT as well. Weakness in EU (-7.4% QoQ; USD terms) and PV (-2.2%) reflect that. KPIT was able to offset that through growth in off-highway/semi-con segments – new growth areas. That said, weakness in PVs, if persists, could be concerning. That looks unlikely though. KPIT's 4Q deal wins (TCV: USD 280mn; book-to-bill: 1.6x) and pipeline is skewed towards EU PV clients. Besides, KPIT announced collaboration with Mercedes Benz for its SDV program. It remains confident of closing one of the large deals (with EU OEM) in 1Q. These are clear signs that current challenging macro, though infusing pauses and uncertainty in the near-term, is creating new opportunities for the medium-term – vendor consolidation, higher offshoring. KPIT is well placed to capture that. Elevated uncertainty however is limiting TCV-revenue conversion timelines, at least in 1HFY26. KPIT therefore suspended its annual guidance – both growth and margin. No cancellation thus far however suggests this is merely a timing issue. We cut our FY26E cc growth assumptions by 300bps to 10.7%. A c.500bps swing in cross-currency expectations (from headwind to tailwind) however means EPS changes are minimal. A still healthy 18% EPS CAGR (FY25-27E) makes 29x FY27E PER reasonable, in our view. Large deal closure and guidance re-instatement could be positive triggers. **BUY**.

- **4QFY25 – operationally in-line:** KPIT reported 3% cc QoQ growth vs JMFe (3.1%). Growth was led by US (5.9% QoQ; USD terms) in geos, Architecture & Middleware Consulting (13.1%) in business units and others (Off-highway/semi-con) in verticals. On the other hand, EU (-7.4%) and PV (-2.2%) dragged, impacted also by cross-currency headwind. Impressively, revenue/employee still expanded (+0.2% QoQ). EBITDA margin was flat QoQ at 18.1%, in-line. PAT was aided by INR 271mn one-time gain due to stake sale in Qorix to Qualcomm and higher JV profit. Adjusted for Qorix stake sale, PAT grew 18.5% QoQ to INR 2,216mn (JMFe: 2,027).
- **Outlook - optimistic sans guidance:** KPIT did not provide any guidance for growth or margin for FY26. It cited difficulty in determining the pace of deal to revenue conversion as reason for the same. Though it did mention that some of these deals are already in the transition phase, suggesting imminent pick-up once clarity emerges. Deal wins were healthy though. KPIT won USD 280mn TCV (Book-to-bill: 1.6x), highest in past eight quarters. It also indicated healthy deal pipeline. Besides, It announced a multi-year collaboration with Mercedes-Benz Research and Development India (MBRDI) for their SDV program. KPIT believes many of EU OEMs are lagging their Chinese counterparts in SDV programs and want to catch up by leveraging partners such as KPIT, a sign that outsourcing/offshoring can increase. KPIT exuded confidence in maintaining margins.
- **Cross currency turns favourable, offsetting lower growth; BUY:** We have lowered our FY26 cc growth estimate by 300bps. However a 500bps favourable cross-currency swing (based on current FX) results in higher USD estimates, limiting changes to EPS. KPIT's order backlog and execution should help it navigate the current macro. **BUY**.

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	48,715	58,423	67,642	78,308	92,086
Sales Growth (%)	44.8	19.9	15.8	15.8	17.6
EBITDA	9,852	12,251	14,382	16,742	19,898
EBITDA Margin (%)	20.2	21.0	21.3	21.4	21.6
Adjusted Net Profit	5,945	8,241	9,523	11,462	12,976
Diluted EPS (INR)	21.9	30.3	35.1	42.2	47.8
Diluted EPS Growth (%)	55.5	38.4	15.6	20.4	13.2
ROIC (%)	49.3	56.1	70.8	91.0	103.0
ROE (%)	31.3	32.6	29.3	28.7	26.7
P/E (x)	56.2	40.6	35.1	29.2	25.8
P/B (x)	15.7	11.6	9.4	7.7	6.3
EV/EBITDA (x)	33.0	25.9	21.5	18.0	14.7
Dividend Yield (%)	0.5	0.7	0.8	1.0	1.1

Source: Company data, JM Financial. Note: Valuations as of 28/Apr/2025



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,700
Upside/(Downside)	38.1%
Previous Price Target	1,650
Change	3.0%

Key Data – KPITTECH IN

Current Market Price	INR1,231
Market cap (bn)	INR337.5/US\$4.0
Free Float	58%
Shares in issue (mn)	270.8
Diluted share (mn)	271.7
3-mon avg daily val (mn)	INR1,843.8/US\$21.7
52-week range	1,929/1,021
Sensex/Nifty	80,218/24,329
INR/US\$	85.0

Price Performance

%	1M	6M	12M
Absolute	-5.8	-11.2	-13.1
Relative*	-9.1	-11.0	-19.1

* To the BSE Sensex

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

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Key Highlights from the call

- **Demand:** KPIT reported healthy momentum in Q4 FY25, with demand driven by continued transformation initiatives across global OEMs. Growth was underpinned by client focus on cost reduction, SDV programs, digital cockpit, and autonomous vehicle development. The company highlighted that strategic adjacencies, including commercial vehicles and off-highway segments, are gaining traction, with work initiated for four new clients. Despite near-term macro uncertainty from trade tariffs, KPIT remains confident in its differentiated positioning, citing strong deal closures in Q4 and an expanding pipeline, especially across Europe and Asia.
- **Outlook:** Management indicated that while the macro environment remains fluid, the medium-term growth drivers are intact. They expect broad-based growth across geographies, with Europe anticipated a rebound as trade dynamics stabilize over the next few months. KPIT emphasized that transformation and large program ramps are expected to meaningfully contribute from H2 FY26. Margin stability remains a priority, with focus on AI-led productivity improvements, cost-effective delivery models, and platform-based engagement approaches.
- **Margins:** EBITDA margin for Q4 stood at 21.1%, consistent with the full-year trajectory, supported by disciplined cost management and operational efficiencies. KPIT emphasized leveraging AI, automation, and platform-based delivery to enhance productivity and manage costs effectively. Despite some one-time expenses, management maintained that margin resilience remains a priority, even as investments continue in strategic areas like cyber security, validation, autonomous driving solutions, and expansion into new verticals.
- **Bookings:** KPIT reported total deal closures of USD 280mn in Q4, marking a steady QoQ increase in wins through the year. Management highlighted that deal momentum was strong across Europe, US, and Asia, with broad-based contributions from passenger vehicles, commercial vehicles, and off-highway segments. Several engagements were linked to SDV programs, cost takeout initiatives, and cybersecurity needs. KPIT also noted that while deal ramp-ups have been slightly slower due to macro uncertainties, the overall pipeline remains robust and conversion is expected to accelerate in H2 FY26.
- **Geographies:** Management reported that **Europe** remains KPIT's largest pipeline contributor, with growth expected to be led by SDV programs across passenger vehicles and commercial trucks, supported by vendor consolidation among OEMs. In the **US**, they mentioned that growth is anticipated from new wins in passenger cars and meaningful expansion in off-highway vehicles. The company highlighted that **Asia** continued to be a key growth driver in FY25, with momentum in passenger vehicles and early-stage opportunities in trucks and off-highway segments across India, Japan, and China.
- **Strategic drivers:** KPIT highlighted that it continues to drive growth through strategic adjacencies across geographies, offerings, and verticals. The company is expanding its capabilities beyond passenger vehicles into commercial vehicles and off-highway segments, with active engagements already underway. On the offerings front, the company reported investing in areas like cybersecurity, cost optimization, and end-to-end validation to broaden its relevance with OEMs. KPIT also reported focus on China expansion.
- **China strategy:** KPIT outlined a four-pronged China strategy aimed at building a sustainable growth engine over the medium term. The approach focuses on leveraging learnings from Chinese OEMs to benefit global clients, supporting global OEMs to stay competitive in China through architecture and cost reduction initiatives, assisting Chinese OEMs in expanding globally, and directly partnering with Chinese OEMs domestically by offering differentiated tools and platforms. KPIT emphasized that the foundation has been laid through local hiring, partnerships, and capability development, with initial revenue contributions expected to build gradually over time.

4QFY25 result review

Exhibit 1. 4QFY25 Result Summary

	3Q25 A	2Q25 A	Change (QoQ)	Estimate (JMFe)	Variance (vs. JMFe)	Estimate (Consensus)	Variance (vs. consensus)	QoQ estimate	
								JMFe	Consensus
USD-INR	86.35	83.93	2.9%	84.68	2.0%	84.68	2.0%	0.9%	0.9%
Revenue (USD mn)	177	176	0.5%	178	-0.3%	181	-2.4%	0.8%	3.0%
QoQ cc	3.0%	2.0%		3.1%				3.1%	
Revenue (INR mn)	15,283	14,780	3.4%	15,035	1.7%	15,497	-1.4%	1.7%	4.9%
EBIT (INR mn)	2,650	2,538	4.4%	2,663	-0.5%	2,751	-3.7%	5.0%	8.4%
EBIT margin	17.3%	17.2%	17bp	17.7%	-37bp	17.8%	-41bp	54bp	58bp
PAT (INR mn)	2,447	1,933	26.6%	2,027	20.7%	2,063	18.6%	4.9%	6.7%
EPS (INR)	9.01	7.12	26.5%	7.47	20.6%	7.60	18.6%	4.9%	6.7%

Source: Company, JM Financial

Exhibit 2. Key Financials

	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Revenue (USD mn)	145.2	149.0	159.0	165.0	173.2	176.1	177.3
QoQ cc growth	9.0%	4.3%	5.1%	4.7%	4.7%	2.0%	3.0%
Revenue (INR mn)	11,992	12,570	13,178	13,646	14,714	14,780	15,283
Employee benefit expenses	7,753	7,904	8,328	8,744	9,448	9,252	9,550
Other operating expenses	1,839	2,081	2,121	2,021	2,249	2,406	2,504
EBITDA	2,399	2,585	2,729	2,882	3,018	3,122	3,230
EBITDA Margin	20.0%	20.6%	20.7%	21.1%	20.5%	21.1%	21.1%
D&A expenses	480.9	499.6	527.0	525.1	560.8	584.4	579.2
EBIT	1,918	2,085	2,202	2,356	2,457	2,538	2,651
EBIT Margin	16.0%	16.6%	16.7%	17.3%	16.7%	17.2%	17.3%
Other income (Net)	-41	30	48	417	417	92	370
Profit Before Tax	1,877	2,116	2,250	2,774	2,874	2,629	3,020
Income tax expense	463	548	591	725	794	696	715
Net income from operations	1,414	1,568	1,659	2,048	2,080	1,933	2,306
Diluted EPS	5.16	5.69	6.02	7.46	7.76	6.83	8.93
Growth	5.1%	10.3%	5.8%	24.2%	4.0%	-8.3%	30.8%

Source: Company, JM Financial

	4Q24	1Q25	2Q25	3Q25	4Q25
Deal TCV (USD mn)	261	202	207	236	280
Book-to-Bill (x)	1.6	1.2	1.2	1.34	1.6

Source: Company, JM Financial

Growth driven by Asia, US, middleware and commercial vehicles

EBIT margin expanded 10 bps QoQ, EBIT margins maintained while continuing to invest. Focusing on platforms, AI and automation to drive margins holistically

PAT was aided by one time gain on dilution of INR 271.5 Mn. During the quarter, Qualcomm ventures invested EUR 10 Mn through equity infusion in Qorix, leading to the one-time gain. Adjusting for this PAT stood at INR 2216 Mn (net of taxes)

The quarter also saw INR 141 Mn profit from JV/Associate as against a loss of INR 64 Mn in the previous quarter

Company has consistently increased deal wins in the past 4 quarters. Merc Benz deal was included in the previous quarter's TCV.

Europe pipeline was reported to be strong on the back of vendor consolidation deals despite softness in the quarter.

Exhibit 3. Key Operating Metrics

	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Revenue mix							
By geography - (USD mn)							
USA	44.2	44.6	47.2	46.5	47.6	46.4	49.1
Europe	76.4	78.8	82.3	85.0	84.5	83.2	77.0
Rest of World	24.7	25.8	29.5	33.4	41.1	46.5	51.2
By verticals - (USD mn)							
Passenger cars	110.1	116.9	125.6	132.0	139.1	143.9	140.8
Commerical vehicles	29.1	25.9	27.8	27.9	28.7	26.9	27.1
By Practices - (USD mn)							
Feature Development & Integration	89.72	93.11	98.64	100.59	103.35	109.17	104.48
Architecture & Middleware Consulting	29.40	27.61	29.70	33.78	40.60	35.71	40.38
Cloud Based connected services	26.08	28.42	30.68	30.50	29.23	31.21	32.45
Employee Metrics							
Revenue per development employee (USD)	51,773	49,926	52,725	53,018	56,558	58,992	59,138
Employee							
Development	11,219	11,949	12,064	12,438	12,248	11,940	11,993
Enabling & Sales	752	778	792	815	839	855	880
Total	11,971	12,727	12,856	13,253	13,087	12,795	12,873

Source: Company, JM Financial

Maintain BUY, Revised TP of INR 1,700

KPIT reported 3% CC growth in 4Q in-line with JMFe (3.1%). Strong deal wins, new partnerships (Merc. Benz) , new growth areas (China) and new opportunities such as vendor consolidation keeps us constructive. However, macro uncertainty clouds near term outlook. We lower our FY26 YoY cc growth by 300 bps. Sharp USD depreciation causes a cross currency boost to USD revenues. Our USD revenue estimates have been revised higher by 2.1%-2.2% over FY26-27E. Margins were in line in the quarter, management noted that they will be able to maintain margins in FY26. We lower our EBIT margin estimates for FY26E by 60bps. We expect 60 bps margin expansion in FY27E once growth recovers. Cross currency led USD growth limits changes to our EPS. Our EPS estimates are increased 0.4%-2.5% for FY26-27E. We continue to value KPIT at 40x 12M fwd EPS. We maintain BUY with a revised TP of 1,700.

Exhibit 4. What has changed

	FY26E	Old FY27E	FY28E	FY26E	New FY27E	FY28E	FY26E	Change FY27E	FY28E
Exchange rate (INR/USD)	86.33	86.33	-	85.34	85.34	85.34	-1.1%	-1.1%	-
Consolidated revenue (USD mn)	776	898	-	793	918	1,079	2.1%	2.2%	-
CC Growth	13.8%	15.7%	-	10.7%	15.8%	17.6%	-309bp	10bp	-
Growth in USD revenues (YoY)	12.2%	15.7%	-	14.6%	15.8%	17.6%	241bp	10bp	-
Consolidated revenue (INR mn)	67,014	77,515	-	67,642	78,308	92,086	0.9%	1.0%	-
EBITDA margin	21.7%	21.7%	-	21.3%	21.4%	21.6%	-46bp	-35bp	-
EBIT margin	18.1%	18.1%	-	17.6%	18.2%	17.8%	-58bp	9bp	-
Adjusted PAT (INR mn)	9,480	11,173	-	9,523	11,462	12,976	0.5%	2.6%	-
Adjusted EPS (INR)	34.9	41.1	-	35.1	42.2	47.8	0.4%	2.5%	-

Source: JM Financial estimates

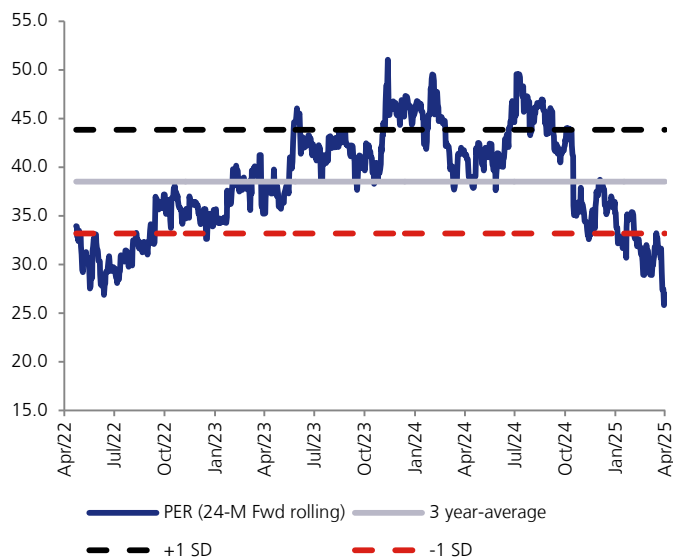
Exhibit 5. JMFe already significantly below street estimates

	Consensus estimates			JMFe			Difference		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales (USD mn)	798	934	-	793	918	1,079	-0.7%	-1.8%	-
Sales (INR mn)	68,202	79,859	-	67,642	78,308	92,086	-0.8%	-1.9%	-
EBITDA (INR mn)	14,735	17,369	-	14,382	16,742	19,898	-2.4%	-3.6%	-
EBITDA margin	21.6%	21.7%	-	21.3%	21.4%	21.6%	-34bp	-37bp	-
EBIT (INR mn)	12,195	14,532	-	11,882	14,242	16,360	-2.6%	-2.0%	-
EBIT margin	17.9%	18.2%	-	17.6%	18.2%	17.8%	-31bp	-1bp	-
EPS (INR)	33.3	40.3	-	35.1	42.2	47.8	5.2%	4.7%	-

Note: Consensus estimates as of 9th Jan and may not reflect changes in estimates post result. Source: Visible Alpha, JM Financial estimates

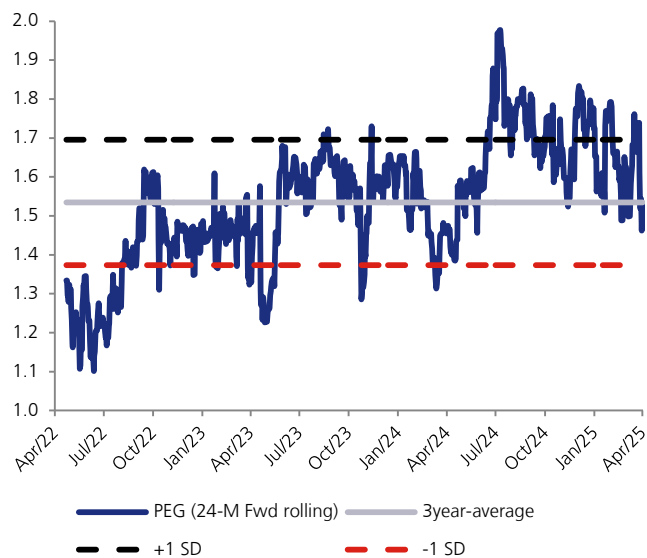
Valuation Table

Exhibit 6. KPIT PER – 24M Forward



Source: Company, JM Financial

Exhibit 7. KPIT PEG – 24M Forward



Source: Company, JM Financial

Exhibit 8. ERD – Valuation Comp

Company	CMP (LC)	Mcap (USD m)	FY25	FY26	FY27	PEG	FY25	FY26	FY27	FY25	FY26	FY27
India												
KPIT*	1229	3,917	41.4x	35.3x	30.7x	2.2x	28.4x	25.3x	22.2x	5.2x	4.7x	4.1x
Tata Tech*	704	3,319	43.4x	36.9x	30.4x	1.9x	27.2x	22.8x	19.1x	5.8x	4.9x	4.2x
L&T TS	4190	5,159	33.8x	28.9x	24.9x	1.7x	20.9x	17.5x	15.4x	3.8x	3.2x	2.9x
Cyient	1180	1,524	21.1x	16.4x	13.9x	.7x	10.8x	9.1x	7.9x	1.7x	1.5x	1.3x
Average			34.9x	29.4x	25.x	1.6x	21.8x	18.7x	16.1x	4.1x	3.6x	3.1x
Global												
Alten	71	2,492	9.6x	8.4x	8.x	.9x	5.5x	5.1x	4.8x	.6x	.6x	.6x
Bertrandt	24	242	25.2x	5.5x	5.2x	.x	6.4x	3.9x	3.7x	.4x	.4x	.3x
EDAG	6	155	13.6x	6.6x	5.3x	.1x	5.2x	4.x	3.7x	.5x	.5x	.4x
Desay SV	103	57,155	21.2x	16.6x	13.4x	.6x	16.7x	13.4x	11.2x	1.7x	1.4x	1.2x
AFRY	159	17,983	11.7x	9.7x	8.9x	.6x	7.7x	6.8x	6.4x	.8x	.8x	.7x
Etteplan	12	302	15.4x	12.6x	10.9x	.6x	8.4x	7.5x	6.8x	.9x	.9x	.9x
Assytem	37	583	15.6x	13.9x	12.7x	1.2x	8.1x	7.8x	7.1x	.8x	.7x	.7x
Thundersoft	53	24,197	69.5x	45.6x	32.9x	1.x	36.x	26.x	20.7x	3.7x	3.2x	2.7x
Arcsoft	44	17,530	108.7x	73.5x	50.3x	1.5x	85.3x	51.1x	34.7x	18.7x	14.x	10.5x
Average			15.6x	12.6x	10.9x	.6x	8.1x	7.5x	6.8x	.8x	.8x	.7x

Note: Median used for P/E averages of global ER&D companies. Bloomberg estimates as on 11th Apr. Source: Bloomberg, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	48,715	58,423	67,642	78,308	92,086
Sales Growth	44.8%	19.9%	15.8%	15.8%	17.6%
Other Operating Income	0	0	0	0	0
Total Revenue	48,715	58,423	67,642	78,308	92,086
Cost of Goods Sold/Op. Exp	584	558	812	861	1,013
Personnel Cost	31,120	36,993	41,369	48,256	56,533
Other Expenses	7,160	8,622	11,080	12,449	14,642
EBITDA	9,852	12,251	14,382	16,742	19,898
EBITDA Margin	20.2%	21.0%	21.3%	21.4%	21.6%
EBITDA Growth	58.8%	24.4%	17.4%	16.4%	18.9%
Depn. & Amort.	1,958	2,250	2,500	2,500	3,538
EBIT	7,894	10,002	11,882	14,242	16,360
Other Income	664	1,720	1,000	1,242	1,148
Finance Cost	548	424	15	15	1
PBT before Excep. & Forex	8,010	11,297	12,867	15,469	17,507
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	8,010	11,297	12,867	15,469	17,507
Taxes	2,025	2,929	3,217	3,867	4,377
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	40	127	127	139	153
Reported Net Profit	5,945	8,241	9,523	11,462	12,976
Adjusted Net Profit	5,945	8,241	9,523	11,462	12,976
Net Margin	12.2%	14.1%	14.1%	14.6%	14.1%
Diluted Share Cap. (mn)	271.2	271.7	271.7	271.7	271.7
Diluted EPS (INR)	21.9	30.3	35.1	42.2	47.8
Diluted EPS Growth	55.5%	38.4%	15.6%	20.4%	13.2%
Total Dividend + Tax	2,187	2,780	3,270	3,924	4,578
Dividend Per Share (INR)	6.6	8.4	9.9	11.9	13.9

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	5,980	10,600	9,650	11,602	13,130
Depn. & Amort.	1,958	2,250	2,500	2,500	3,538
Net Interest Exp. / Inc. (-)	436	274	-985	-1,227	-1,146
Inc (-) / Dec in WCap.	871	2,167	1,580	530	987
Others	119	-71	0	0	0
Taxes Paid	-1,371	-2,049	-3,217	-3,867	-4,377
Operating Cash Flow	7,993	13,170	9,528	9,537	12,132
Capex	-1,549	-1,273	-2,708	-2,695	-5,466
Free Cash Flow	6,444	11,897	6,820	6,842	6,666
Inc (-) / Dec in Investments	-455	-1,442	0	0	0
Others	-3,634	-3,356	1,000	1,242	1,148
Investing Cash Flow	-5,638	-6,072	-1,709	-1,453	-4,318
Inc / Dec (-) in Capital	0	0	127	139	153
Dividend + Tax thereon	-1,287	-1,928	-2,741	-3,289	-3,804
Inc / Dec (-) in Loans	-3	-2	0	0	0
Others	-1,109	-1,495	-15	-15	249
Financing Cash Flow	-2,400	-3,424	-2,629	-3,164	-3,402
Inc / Dec (-) in Cash	-45	3,674	5,191	4,920	4,412
Opening Cash Balance	2,009	2,009	2,009	2,009	2,009
Closing Cash Balance	1,964	5,682	7,200	6,929	6,421

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	21,459	29,122	35,904	44,078	53,251
Share Capital	2,712	2,717	2,717	2,717	2,717
Reserves & Surplus	18,746	26,405	33,187	41,361	50,534
Preference Share Capital	0	0	0	0	0
Minority Interest	171	0	127	266	420
Total Loans	445	15	15	15	15
Def. Tax Liab. / Assets (-)	0	0	0	0	0
Total - Equity & Liab.	22,075	29,136	36,046	44,359	53,685
Net Fixed Assets	19,734	19,812	20,021	20,216	22,144
Gross Fixed Assets	2,395	2,344	2,553	2,748	3,175
Intangible Assets	17,339	17,468	17,468	17,468	18,968
Less: Depn. & Amort.	0	0	0	0	0
Capital WIP	0	0	0	0	0
Investments	0	0	0	0	0
Current Assets	21,945	30,517	41,454	52,403	64,488
Inventories	902	847	1,353	1,566	1,842
Sundry Debtors	7,489	7,548	8,710	9,654	11,353
Cash & Bank Balances	8,959	15,865	24,146	32,794	41,429
Loans & Advances	0	0	0	0	0
Other Current Assets	4,594	6,258	7,246	8,388	9,864
Current Liab. & Prov.	19,604	21,193	25,429	28,260	32,947
Current Liabilities	14,681	17,203	21,439	24,270	28,707
Provisions & Others	4,923	3,990	3,990	3,990	4,240
Net Current Assets	2,341	9,324	16,025	24,143	31,541
Total - Assets	22,075	29,136	36,046	44,359	53,685

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	12.2%	14.1%	14.1%	14.6%	14.1%
Asset Turnover (x)	1.4	1.4	1.3	1.3	1.3
Leverage Factor (x)	1.8	1.6	1.6	1.5	1.5
RoE	31.3%	32.6%	29.3%	28.7%	26.7%

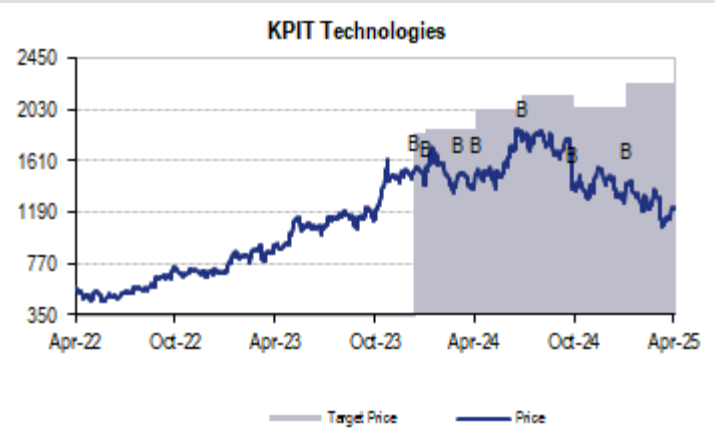
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	78.4	106.3	131.0	160.8	194.3
ROIC	49.3%	56.1%	70.8%	91.0%	103.0%
ROE	31.3%	32.6%	29.3%	28.7%	26.7%
Net Debt/Equity (x)	-0.4	-0.5	-0.7	-0.7	-0.8
P/E (x)	56.2	40.6	35.1	29.2	25.8
P/B (x)	15.7	11.6	9.4	7.7	6.3
EV/EBITDA (x)	33.0	25.9	21.5	18.0	14.7
EV/Sales (x)	6.7	5.4	4.6	3.8	3.2
Debtor days	56	47	47	45	45
Inventory days	7	5	7	7	7
Creditor days	23	14	25	23	24

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
8-Jan-24	Buy	1,830	
30-Jan-24	Buy	1,860	1.6
27-Mar-24	Buy	1,860	0.0
30-Apr-24	Buy	2,030	9.1
25-Jul-24	Buy	2,140	5.4
24-Oct-24	Buy	2,040	-4.7
30-Jan-25	Buy	2,250	10.3

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

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Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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