

Sustained margin performance; growth outlook improving

Auto & Auto Ancillaries ▶ Result Update ▶ November 13, 2025

CMP (Rs): 143 | TP (Rs): 160

AL logged a strong Q2, with revenue up ~9% YoY (on 6/3% YoY volume/ASP growth) and EBITDA up 14% YoY; EBITDAM rose by 100bps QoQ, driven by cost-rationalization-led operational improvement. The management remains optimistic about faring better in H2 vs H1 on GST-cut-led improvement in demand trends in both, LCVs and MHCVs (industry's 2-4trn LCV/MHCV volumes up 15/7% YoY in Oct-25). AL's exports are seeing strong momentum (up 35% in FY26YTD) and it targets 18k/25kpa units in FY26/next 2-3Y, led by strong traction across key export geographies. The mgmt highlighted: i) leaner balance sheet with profitable growth, ii) premiumization (new launches at higher price-points for better realization), iii) strong FCF (to sustain investments), as three key focus areas. Multiple product launches in H2 (to drive volume, market-share gains) and rising share of higher margin non-truck revenue (~50% share) would drive sustained margin improvement. We hoist FY26E/27E/28E EPS by 3/6/10% to factor in improving demand outlook for CVs and robust margins. We retain BUY and raise TP to Rs160 (by ~7%) at 12x Sep-27E EV/EBITDA.

Healthy top-line growth with sustained margin performance

Revenue was up 9% YoY to Rs95.9bn, led by 6%/3% growth in volume/ASPs to 48.3k units/Rs2mn. EBITDA was up 14% YoY at Rs11.6bn with EBITDAM expanding by 100bps QoQ to 12.1% driven by 30bps/130bps lower QoQ staff costs/other expenses and partially offset by 50bps QoQ gross margin contraction. Overall, adjusted profit stood at Rs8.1bn; the PAT beat was driven by EBITDA beat + higher than expected other income.

Earnings call KTAs

1) The management remains optimistic about the growth prospects in H2 (expected to be better than H1); owing to the GST-cut-led demand boost, LCV sales already picking up, MHCVs to be buoyant in H2 (industry's MHCVs/2-4trn LCV volumes are up 7/15% YoY in Oct-25), led by broad-based consumption improvement and rising infrastructure spends. 2) With new differentiated products (multiple launches planned over Q3/Q4), AL aims to i) drive volume growth, ii) gain market share, and iii) improve margins in H2. 3) The mgmt highlighted some key focus areas: i) sustaining a lean balance sheet and profitable growth, ii) premiumization via higher-value products to command better ASPs, iii) strong cash flows to sustain investments. 4) MHCVs transitioning to the AC cabin norms; AL has passed-on cost to clients (hence, gross margin largely upheld in Q2). 5) Exports are up 35% YoY in FY26YTD and AL targets achieving 18kpa/25kpa units by FY26/next 2-3Y (20% CAGR) on strong demand in key export markets (SAARC, GCC, Africa, ASEAN). 6) Higher margin non-truck revenue is 50% of AL's revenue (FY22: 40%) with strong traction in engines, power solutions, defense, spare parts, etc. 7) Ongoing capacity expansion to raise AL's bus body building capacity from 12kpa units to 20kpa units. 8) LCV capacity to be raised to 120kpa units (80kpa units now) without any major capex, led by process/efficiency changes. 9) Switch mobility has turned EBITDA/PAT-positive in H1FY26 and AL targets an FCF-positive stance by FY27. 10) FY26 capex guidance: Rs10bn; investment in subsidiaries to not exceed Rs5bn.

Target Price – 12M	Sep-26
Change in TP (%)	6.7
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	11.9

Stock Data	AL IN
52-week High (Rs)	148
52-week Low (Rs)	95
Shares outstanding (mn)	5,873.9
Market-cap (Rs bn)	837
Market-cap (USD mn)	9,445
Net-debt, FY26E (Rs mn)	(54,878.1)
ADTV-3M (mn shares)	14
ADTV-3M (Rs mn)	2,237.3
ADTV-3M (USD mn)	25.2
Free float (%)	48.5
Nifty-50	25,875.8
INR/USD	88.6

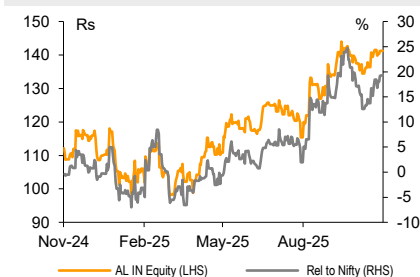
Shareholding, Sep-25

Promoters (%)	51.1
FPIs/MFs (%)	24.1/13.5

Price Performance

(%)	1M	3M	12M
Absolute	3.6	19.4	28.9
Rel. to Nifty	1.3	13.0	19.0

1-Year share price trend (Rs)



Ashok Leyland: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	383,670	387,527	419,854	457,188	494,876
EBITDA	46,066	49,306	55,364	62,401	67,736
Adj. PAT	27,116	31,996	36,637	40,845	44,517
Adj. EPS (Rs)	4.6	5.4	6.2	7.0	7.6
EBITDA margin (%)	12.0	12.7	13.2	13.6	13.7
EBITDA growth (%)	57.2	7.0	12.3	12.7	8.5
Adj. EPS growth (%)	109.3	18.0	14.5	11.5	9.0
RoE (%)	31.5	31.5	29.7	28.9	27.5
RoIC (%)	64.4	150.8	203.2	243.6	329.7
P/E (x)	32.0	25.3	22.8	20.5	18.8
EV/EBITDA (x)	17.9	16.1	14.1	12.3	11.0
P/B (x)	9.5	7.3	6.3	5.5	4.9
FCFF yield (%)	2.5	8.7	4.8	5.7	6.4

Source: Company, Emkay Research

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Exhibit 1: Standalone quarterly – Revenue grew 9% YoY led by 6%/3.3% volume/ASP growth; EBITDAM expanded by 100bps QoQ on operational improvements

Rs mn	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Revenue	81,893	96,380	92,730	112,667	85,985	87,688	94,787	119,067	87,245	95,882	9.3	9.9
Growth YoY (%)	100.0	100.0	2.7	(3.1)	5.0	(9.0)	2.2	5.7	1.5	9.3		
Expenditure	73,685	85,583	81,591	96,746	76,877	77,515	82,672	101,158	77,550	84,260	8.7	8.7
as % of sales	90.0	88.8	88.0	85.9	89.4	88.4	87.2	85.0	88.9	87.9		
Consumption of RM	60,372	70,866	66,977	80,906	62,046	62,410	67,743	84,028	61,628	68,237	9.3	10.7
as % of sales	73.7	73.5	72.2	71.8	72.2	71.2	71.5	70.6	70.6	71.2		
Employee Cost	5,376	5,728	5,695	5,535	5,498	5,987	6,064	6,515	6,122	6,478	8.2	5.8
as % of sales	6.6	5.9	6.1	4.9	6.4	6.8	6.4	5.5	7.0	6.8		
Other expenditure	7,938	8,989	8,919	10,305	9,333	9,118	8,866	10,614	9,799	9,546	4.7	(2.6)
as % of sales	9.7	9.3	9.6	9.1	10.9	10.4	9.4	8.9	11.2	10.0		
EBITDA	8,208	10,798	11,139	15,921	9,109	10,173	12,114	17,910	9,696	11,622	14.2	19.9
Growth YoY (%)	10.0	11.2	39.7	24.8	11.0	-5.8	8.8	12.5	6.4	14.2		
EBITDA margin (%)	10.0	11.2	12.0	14.1	10.6	11.6	12.8	15.0	11.1	12.1		
Depreciation	1,794	1,803	1,785	1,797	1,727	1,754	1,923	1,789	1,828	1,723	(1.8)	(5.7)
EBIT	6,414	8,995	9,355	14,124	7,382	8,419	10,191	16,121	7,867	9,899	17.6	25.8
Other Income	512	475	300	1,179	223	973	247	1,059	529	1,348	38.6	155.0
Interest	699	587	616	592	591	607	501	471	419	420	(30.8)	0.3
PBT	6,227	8,883	9,039	14,711	7,014	8,785	9,938	16,709	7,977	10,827	23.2	35.7
Total Tax	457	3,044	3,232	5,010	1,759	2,257	2,320	4,114	2,040	2,716	20.3	33.1
Adjusted PAT	5,770	5,839	5,806	9,701	5,256	6,527	7,617	12,595	5,937	8,111	24.3	36.6
Growth YoY (%)	7.0	6.1	63.8	39.6	-8.9	11.8	31.2	29.8	13.0	24.3		
Extraordinary items Loss/(Gain)	(6)	(229)	(6)	(697)	-	1,174	-	(137)	-	(400)	(134.1)	-
Reported PAT	5,764	5,610	5,800	9,004	5,256	7,701	7,617	12,459	5,937	7,711	0.1	29.9
Adjusted EPS (Rs)	2.0	2.0	2.0	3.3	1.8	2.2	2.6	4.3	1.0	1.4		

(%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (bps)	QoQ (bps)
EBITDAM	10.0	11.2	12.0	14.1	10.6	11.6	12.8	15.0	11.1	12.1	52	101
EBITM	7.8	9.3	10.1	12.5	8.6	9.6	10.8	13.5	9.0	10.3	72	131
EBTM	7.6	9.2	9.7	13.1	8.2	10.0	10.5	14.0	9.1	11.3	127	215
PATM	7.0	6.1	6.3	8.6	6.1	7.4	8.0	10.6	6.8	8.5	102	165
Effective Tax rate	7.3	34.3	35.8	34.1	25.1	25.7	23.3	24.6	25.6	25.1	(61)	(49)

Source: Company, Emkay Research

Exhibit 2: Actuals vs Estimates

Standalone (Rs mn)	Actual	Emkay Est	Variance	Consensus	% Variance
Net sales	95,882	92,981	3.1	95,643	0.2
EBITDA	11,622	10,948	6.2	11,285	3.0
EBITDA margin (%)	12.1	11.8	35 bps	11.8	32 bps
Adj net income	8,111	6,912	17.3	7,235	12.1

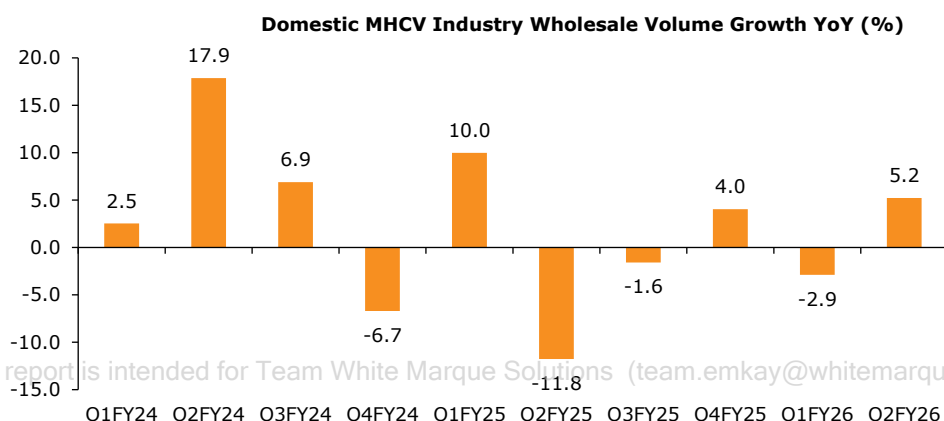
Source: Company, Emkay Research

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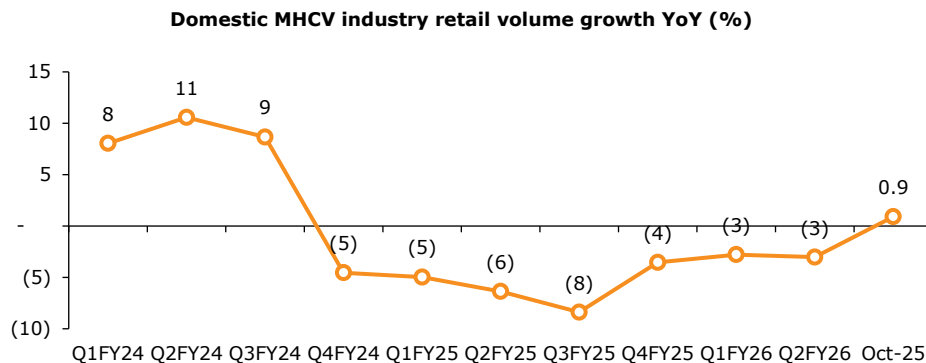
Exhibit 3: AL's volume mix has tilted toward LCVs and exports, with lower share of MHCVs in Q2FY26 (particularly buses)

AL's CV volumes (no of units)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	Q3FY25	4QFY25	1QFY26	2QFY26
MHCV - Goods										
7.5 - 12 MT	1,374	1,343	1,567	2,218	2,419	1,613	1,811	2,189	1,592	2,793
12 - 16.2 MT	1,955	2,186	2,172	3,127	1,751	2,123	2,471	2,428	1,429	2,321
16.2 - 25 MT	5,010	5,726	4,892	5,517	4,878	5,159	4,840	6,142	5,091	6,290
25 MT	9,581	11,506	10,053	12,069	7,634	8,093	9,651	11,131	7,675	7,660
Tractor trailers	3,941	5,422	5,226	6,352	4,557	4,497	5,178	7,342	4,376	4,740
Total	21,861	26,183	23,910	29,283	21,239	21,485	23,951	29,232	20,163	23,804
MHCV - Passengers										
7.5 - 14.5 MT	1,570	1,184	822	1,810	1,710	1,430	1,212	1,908	1,978	1,885
14.5 - 18.5 MT	1,507	3,129	3,028	5,081	3,926	3,223	2,830	5,059	3,748	2,854
> 18.5 MT	0	34	11	16	0	2	230	287	0	0
Total	3,077	4,347	3,861	6,907	5,636	4,655	4,272	7,254	5,726	4,739
Domestic MHCVs	24,938	30,530	27,771	36,190	26,875	26,140	28,223	36,486	25,889	28,543
Domestic LCVs	14,821	16,998	16,863	17,914	15,345	17,118	14,926	17,660	15,577	18,298
Exports (MHCVs + LCVs)	2,222	2,901	3,128	3,602	2,334	3,316	4,145	5,460	3,011	4,785
Total CV Volumes	41,981	50,429	47,762	57,706	44,554	46,574	47,294	59,606	44,477	51,626
AL's Volumes Mix (%)										
MHCV Goods										
7.5 - 12 MT	3.3	2.7	3.3	3.8	5.4	3.5	3.8	3.7	3.6	5.4
12 - 16.2 MT	4.7	4.3	4.5	5.4	3.9	4.6	5.2	4.1	3.2	4.5
16.2 - 25 MT	11.9	11.4	10.2	9.6	10.9	11.1	10.2	10.3	11.4	12.2
25 MT	22.8	22.8	21.0	20.9	17.1	17.4	20.4	18.7	17.3	14.8
Tractor trailers	9.4	10.8	10.9	11.0	10.2	9.7	10.9	12.3	9.8	9.2
Total	52.1	51.9	50.1	50.7	47.7	46.1	50.6	49.0	45.3	46.1
MHCV Passengers										
7.5 - 14.5 MT	3.7	2.3	1.7	3.1	3.8	3.1	2.6	3.2	4.4	3.7
14.5 - 18.5 MT	3.6	6.2	6.3	8.8	8.8	6.9	6.0	8.5	8.4	5.5
> 18.5 MT	0.0	0.1	0.0	0.0	0.0	0.0	0.5	0.5	0.0	0.0
Total	7.3	8.6	8.1	12.0	12.6	10.0	9.0	12.2	12.9	9.2
Domestic MHCVs	59.4	60.5	58.1	62.7	60.3	56.1	59.7	61.2	58.2	55.3
Domestic LCVs	35.3	33.7	35.3	31.0	34.4	36.8	31.6	29.6	35.0	35.4
Exports (MHCVs + LCVs)	5.3	5.8	6.5	6.2	5.2	7.1	8.8	9.2	6.8	9.3

Source: Company, Emkay Research

Exhibit 4: The Domestic MHCV industry has witnessed 5% growth in Q2FY26 on a lower base

Source: SIAM, Emkay Research

Exhibit 5: Following several quarters of decline, MHCV industry retails turned flattish in Oct

Source: SIAM, Emkay Research

Exhibit 6: Industry volumes – We build in 5% growth for the CV industry, largely driven by 5% growth in LCVs and a modest 3.7% growth in domestic MHCVs; this implies 5% CV industry growth in FY26E; we build in ~7% CV industry growth in FY27E and FY28E each

Industry (no of units)	H1FY25	H1FY26	YoY %	H2FY25	H2FY26	YoY %	FY25	FY26	YoY %	FY27E	YoY %	FY28E	YoY %
Domestic MHCVs	168,369	170,221	1.1	205,375	212,932	3.7	373,744	383,153	2.5	397,383	3.7	412,190	3.7
-- Trucks	138,171	139,600	1.0	169,245	174,904	3.3	307,416	314,504	2.3	324,614	3.2	335,056	3.2
-- Buses	30,198	30,621	1.4	36,130	38,028	5.3	66,328	68,649	3.5	72,768	6.0	77,135	6.0
Domestic LCVs	277,496	291,326	5.0	286,019	300,365	5.0	563,515	591,691	5.0	639,026	8.0	690,148	8.0
CV Exports	35,395	41,730	17.9	41,030	47,305	15.3	76,425	89,035	16.5	97,939	10.0	107,733	10.0
Total	481,260	503,277	4.6	532,424	560,602	5.3	1,013,684	1,063,879	5.0	1,134,348	6.6	1,210,071	6.7

Monthly Run Rate (no of units)	H1FY25	H1FY26	YoY %	H2FY25	H2FY26	YoY %	FY25	FY26	YoY %	FY27E	YoY %	FY28E	YoY %
Domestic MHCVs	28,062	28,370	1.1	34,229	35,489	3.7	31,145	31,929	2.5	33,115	3.7	34,349	3.7
-- Trucks	23,029	23,267	1.0	28,208	29,151	3.3	25,618	26,209	2.3	27,051	3.2	27,921	3.2
-- Buses	5,033	5,104	1.4	6,022	6,338	5.3	5,527	5,721	3.5	6,064	6.0	6,428	6.0
Domestic LCVs	46,249	48,554	5.0	47,670	50,061	5.0	46,960	49,308	5.0	53,252	8.0	57,512	8.0
CV Exports	5,899	6,955	17.9	6,838	7,884	15.3	6,369	7,420	16.5	8,162	10.0	8,978	10.0
Total	80,210	83,880	4.6	88,737	93,434	5.3	84,474	88,657	5.0	94,529	6.6	100,839	6.7

Source: Company, Emkay Research

Exhibit 7: We build in 5.3% volume growth in FY26E and ~7% in FY27E/FY28E each, largely led by LCVs and a modest 3-4% MHCV growth

AL (no of units)	H1FY25	H1FY26	YoY %	H2FY25	H2FY26	YoY %	FY25	FY26	YoY %	FY27E	YoY %	FY28E	YoY %
Domestic MHCVs	53,015	54,432	2.7	61,778	64,017	3.6	114,793	118,449	3.2	123,315	4.1	128,422	4.1
-- Trucks	42,724	43,967	2.9	50,816	52,379	3.1	93,540	96,346	3.0	99,444	3.2	102,641	3.2
-- Buses	10,291	10,465	1.7	10,962	11,638	6.2	21,253	22,103	4.0	23,871	8.0	25,781	8.0
Domestic LCVs	32,463	33,875	4.3	32,586	34,426	5.6	65,049	68,301	5.0	75,132	10.0	82,645	10.0
CV Exports	5,650	7,796	38.0	9,605	11,044	15.0	15,255	18,840	23.5	21,101	12.0	23,633	12.0
Total	91,128	96,103	5.5	103,969	109,488	5.3	195,097	205,591	5.4	219,547	6.8	234,699	6.9

AL's Market Share %	H1FY25	H1FY26	Change bps	H2FY25	H2FY26	Change bps	FY25	FY26	Change bps	FY27E	Change bps	FY28E	Change bps
Domestic MHCVs	31.5	32.0	49 bps	30.1	30.1	2 bps	30.7	30.9	20 bps	31.0	12 bps	31.2	12 bps
-- Trucks	30.9	31.5	57 bps	30.0	29.9	8 bps	30.4	30.6	21 bps	30.6	0 bps	30.6	0 bps
-- Buses	34.1	34.2	10 bps	30.3	30.6	26 bps	32.0	32.2	15 bps	32.8	61 bps	33.4	62 bps
Domestic LCVs	11.7	11.6	7 bps	11.4	11.5	7 bps	11.5	11.5	0 bps	11.8	21 bps	12.0	22 bps
CV Exports	16.0	18.7	272 bps	23.4	23.3	6 bps	20.0	21.2	120 bps	21.5	38 bps	21.9	39 bps
Total	18.9	19.1	16 bps	19.5	19.5	0 bps	19.2	19.3	8 bps	19.4	3 bps	19.4	4 bps

Source: Company, Emkay Research

Exhibit 8: Revenue model – We build in 6%/8%/11% volume/revenue/EBITDA CAGR over FY25-28E

Particulars (no of units)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Domestic MHCVs	114,247	116,199	114,793	118,449	123,315	128,422
Growth YoY (%)	75.5	1.7	(1.2)	3.2	4.1	4.1
-- Trucks	103,480	98,113	93,540	96,346	99,444	102,641
Growth YoY (%)	68.8	(5.2)	(4.7)	3.0	3.2	3.2
-- Buses	10,767	18,086	21,253	22,103	23,871	25,781
Growth YoY (%)	184.2	68.0	17.5	4.0	8.0	8.0
Domestic LCVs	66,669	66,633	65,049	68,301	75,132	82,645
Growth YoY (%)	27.7	(0.1)	(2.4)	5.0	10.0	10.0
Domestic CVs	180,916	182,832	179,842	186,751	198,447	211,066
Growth YoY (%)	54.2	1.1	(1.6)	3.8	6.3	6.4
Exports	11,289	11,853	15,255	18,840	21,101	23,633
Growth YoY (%)	2.5	5.0	28.7	23.5	12.0	12.0
Total Volumes	192,205	194,685	195,097	205,591	219,547	234,699
Growth YoY (%)	49.8	1.3	0.2	5.4	6.8	6.9
Particulars (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenues	361,441	383,670	387,527	419,854	457,188	494,876
Growth YoY (%)	66.7	6.2	1.0	8.3	8.9	8.2
EBITDA	29,307	46,066	49,306	55,364	62,401	67,736
EBITDA margin (%)	8.1	12.0	12.7	13.2	13.6	13.7
EBITDA Growth YoY (%)	194.7	57.2	7.0	12.3	12.7	8.5
EBITDA/unit (Rs)	152,478	236,617	252,724	269,291	284,225	288,606
EBIT	22,444	39,385	42,528	48,407	53,920	58,767
EBIT margin (%)	6.2	10.3	11.0	11.5	11.8	11.9
PBT	20,258	38,859	42,446	48,980	54,605	59,515
Tax	7,303	11,743	10,450	12,343	13,761	14,998
Tax rate (%)	36	30	25	25	25	25
PAT	12,955	27,116	31,996	36,637	40,845	44,517
EPS (Rs)	4.4	9.2	10.9	6.2	7.0	7.6

Source: Company, Emkay Research

Exhibit 9: We raise FY26E-28E EPS by 3%/6%/10%, led by improving growth outlook as well as better margin performance

(Rs mn)	FY26E				FY27E				FY28E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
ASP (Rs)	2,042,186			2.8	2,082,412			2.0	2,108,555			1.3
Volumes (no of units)	198,604	205,591	3.5	5.4	206,236	219,547	6.5	6.8	213,529	234,699	9.9	6.9
Revenue	413,895	419,854	1.4	8.3	442,071	457,188	3.4	8.9	464,233	494,876	6.6	8.2
EBITDA	54,185	55,364	2.2	12.3	59,393	62,401	5.1	12.7	62,495	67,736	8.4	8.5
EBITDA margin	13.1	13.2	9 bps	46 bps	13.4	13.6	21 bps	46 bps	13.5	13.7	23 bps	4 bps
Adj PAT	35,523	36,637	3.1	14.5	38,570	40,845	5.9	11.5	40,586	44,517	9.7	9.0
EPS (Rs)	6.1	6.2	3.1	14.5	6.6	7.0	5.9	11.5	6.9	7.6	9.7	9.0

Source: Company, Emkay Research

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

Ashok Leyland: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	383,670	387,527	419,854	457,188	494,876
Revenue growth (%)	6.2	1.0	8.3	8.9	8.2
EBITDA	46,066	49,306	55,364	62,401	67,736
EBITDA growth (%)	57.2	7.0	12.3	12.7	8.5
Depreciation & Amortization	7,178	7,193	7,406	8,966	9,492
EBIT	38,888	42,112	47,958	53,435	58,244
EBIT growth (%)	76.9	8.3	13.9	11.4	9.0
Other operating income	-	-	-	-	-
Other income	2,466	2,503	2,748	2,953	3,115
Financial expense	2,494	2,169	1,726	1,783	1,844
PBT	38,859	42,446	48,980	54,605	59,515
Extraordinary items	(937)	1,037	0	0	0
Taxes	11,743	10,450	12,343	13,761	14,998
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	26,179	33,033	36,637	40,845	44,517
PAT growth (%)	89.7	26.2	10.9	11.5	9.0
Adjusted PAT	27,116	31,996	36,637	40,845	44,517
Diluted EPS (Rs)	4.6	5.4	6.2	7.0	7.6
Diluted EPS growth (%)	109.3	18.0	14.5	11.5	9.0
DPS (Rs)	1.3	3.5	3.1	3.4	3.7
Dividend payout (%)	29.2	61.8	50.1	48.9	48.1
EBITDA margin (%)	12.0	12.7	13.2	13.6	13.7
EBIT margin (%)	10.1	10.9	11.4	11.7	11.8
Effective tax rate (%)	30.2	24.6	25.2	25.2	25.2
NOPLAT (pre-IndAS)	27,136	31,744	35,873	39,970	43,566
Shares outstanding (mn)	5,872	5,872	5,872	5,872	5,872

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	2,936	2,937	5,872	5,872	5,872
Reserves & Surplus	85,167	112,251	125,987	145,398	166,427
Net worth	88,104	115,188	131,859	151,270	172,299
Minority interests	-	-	-	-	-
Non-current liab. & prov.	5,563	5,479	5,430	5,375	5,316
Total debt	22,994	14,817	15,274	15,802	16,335
Total liabilities & equity	116,661	135,484	152,563	172,447	193,949
Net tangible fixed assets	43,955	42,892	46,734	47,768	48,277
Net intangible assets	8,694	8,694	8,694	8,694	8,694
Net ROU assets	-	-	-	-	-
Capital WIP	2,015	4,248	3,000	3,000	3,000
Goodwill	-	-	-	-	-
Investments [JV/Associates]	53,107	56,543	61,543	68,293	73,293
Cash & equivalents	36,872	57,247	70,152	86,203	106,184
Current assets (ex-cash)	83,945	78,530	85,081	92,646	100,283
Current Liab. & Prov.	118,797	119,538	129,509	141,025	152,651
NWC (ex-cash)	(34,852)	(41,008)	(44,428)	(48,379)	(52,367)
Total assets	116,661	135,484	152,563	172,447	193,949
Net debt	(13,878)	(42,429)	(54,878)	(70,401)	(89,850)
Capital employed	116,661	135,484	152,563	172,447	193,949
Invested capital	24,666	17,447	17,868	14,952	11,472
BVPS (Rs)	15.0	19.6	22.5	25.8	29.3
Net Debt/Equity (x)	(0.2)	(0.4)	(0.4)	(0.5)	(0.5)
Net Debt/EBITDA (x)	(0.3)	(0.9)	(1.0)	(1.1)	(1.3)
Interest coverage (x)	16.6	20.6	29.4	31.6	33.3
RoCE (%)	34.7	37.0	36.6	35.9	34.5

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	37,922	43,483	48,980	54,605	59,515
Others (non-cash items)	(327)	(2,224)	(1,615)	(1,468)	(2,055)
Taxes paid	(6,245)	(9,407)	(12,392)	(13,815)	(15,057)
Change in NWC	(15,229)	37,615	3,421	3,951	3,988
Operating cash flow	25,031	78,194	47,526	54,021	57,726
Capital expenditure	(4,815)	(9,004)	(10,000)	(10,000)	(10,000)
Acquisition of business	12,404	(32,655)	(5,000)	(6,750)	(5,000)
Interest & dividend income	1,432	880	0	0	0
Investing cash flow	9,021	(40,779)	(15,000)	(16,750)	(15,000)
Equity raised/(repaid)	17	17	0	0	0
Debt raised/(repaid)	(8,896)	(7,760)	457	528	533
Payment of lease liabilities	-	-	-	-	-
Interest paid	(2,461)	(1,491)	(1,726)	(1,783)	(1,844)
Dividend paid (incl tax)	(7,634)	(20,408)	(18,351)	(19,965)	(21,434)
Others	(200)	(593)	0	0	0
Financing cash flow	(19,175)	(30,235)	(19,620)	(21,221)	(22,744)
Net chg in Cash	14,878	7,181	12,906	16,050	19,982
OCF	25,031	78,194	47,526	54,021	57,726
Adj. OCF (w/o NWC chg.)	40,260	40,580	44,105	50,070	53,738
FCFF	20,217	69,190	37,526	44,021	47,726
FCFE	19,154	67,901	35,799	42,238	45,883
OCF/EBITDA (%)	54.3	158.6	85.8	86.6	85.2
FCFE/PAT (%)	73.2	205.6	97.7	103.4	103.1
FCFF/NOPLAT (%)	74.5	218.0	104.6	110.1	109.5

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	32.0	25.3	22.8	20.5	18.8
P/CE(x)	24.4	21.4	19.0	16.8	15.5
P/B (x)	9.5	7.3	6.3	5.5	4.9
EV/Sales (x)	2.1	2.1	1.9	1.7	1.5
EV/EBITDA (x)	17.9	16.1	14.1	12.3	11.0
EV/EBIT(x)	21.2	18.9	16.3	14.3	12.8
EV/IC (x)	33.4	45.5	43.8	51.3	65.1
FCFF yield (%)	2.5	8.7	4.8	5.7	6.4
FCFE yield (%)	2.3	8.1	4.3	5.0	5.5
Dividend yield (%)	0.9	2.4	2.2	2.4	2.6
DuPont-RoE split					
Net profit margin (%)	7.1	8.3	8.7	8.9	9.0
Total asset turnover (x)	3.1	3.1	2.9	2.8	2.7
Assets/Equity (x)	1.4	1.2	1.2	1.1	1.1
RoE (%)	31.5	31.5	29.7	28.9	27.5
DuPont-RoIC					
NOPLAT margin (%)	7.1	8.2	8.5	8.7	8.8
IC turnover (x)	9.1	18.4	23.8	27.9	37.5
RoIC (%)	64.4	150.8	203.2	243.6	329.7
Operating metrics					
Core NWC days	(33.2)	(38.6)	(38.6)	(38.6)	(38.6)
Total NWC days	(33.2)	(38.6)	(38.6)	(38.6)	(38.6)
Fixed asset turnover	3.4	3.3	3.3	3.3	3.4
Opex-to-revenue (%)	15.2	16.0	15.7	15.5	15.4

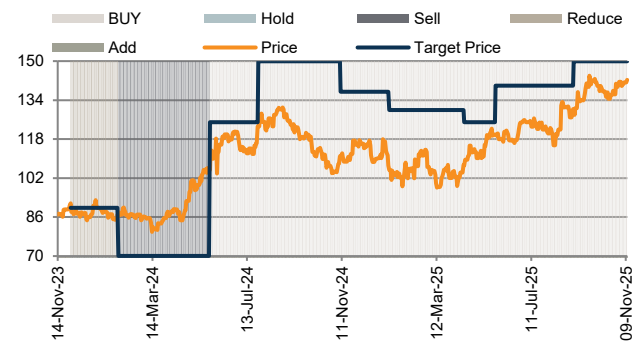
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
03-Sep-25	130	150	Buy	Chirag Jain
10-Jun-25	121	140	Buy	Chirag Jain
26-May-25	120	140	Buy	Chirag Jain
16-Apr-25	107	125	Buy	Chirag Jain
27-Feb-25	113	130	Buy	Chirag Jain
13-Feb-25	109	130	Buy	Chirag Jain
10-Jan-25	105	130	Buy	Chirag Jain
09-Nov-24	111	138	Buy	Chirag Jain
27-Jul-24	123	150	Buy	Chirag Jain
26-May-24	105	125	Buy	Chirag Jain
30-Jan-24	86	70	Sell	Chirag Jain
11-Jan-24	88	90	Reduce	Chirag Jain
30-Nov-23	92	90	Reduce	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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

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