BUY

Eicher Motors

Resilient 1Q; robust demand underpinned by capacity expansion

Emkay — Your success is our success

Auto & Auto Ancillaries | Result Update | **July 30, 2026**

CMP (Rs): 7,779 | TP (Rs): 9,100

Target Price – 12M	Jun-27
Change in TP (%)	**4.6**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	17.0

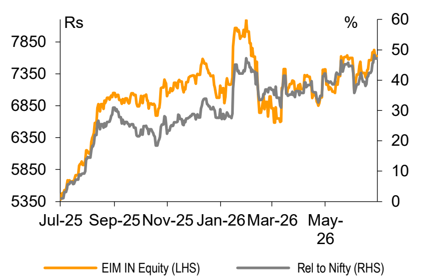
Stock Data	**EIM IN**
52-week High (Rs)	8,233
52-week Low (Rs)	5,353
Shares outstanding (mn)	274.5
Market-cap (Rs bn)	2,135
Market-cap (USD mn)	22,325
Net-debt, FY27E (Rs mn)	(179,972.0)
ADTV-3M (mn shares)	0.6
ADTV-3M (Rs mn)	4,446.2
ADTV-3M (USD mn)	46.5
Free float (%)	50.9
Nifty-50	24,250.2
INR/USD	95.6

Shareholding,Jun-26	
Promoters (%)	49.0
FPIs/MFs (%)	25.5/16.1

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	4.8	8.2	42.2
Rel. to Nifty	3.4	7.9	45.5

1-Year share price trend (Rs)



EIM RE clocked a resilient 1Q, with revenue up 31.5% led by 24% yoy/5% qoq growth in volumes/ASPs. EBITDA was up 32% yoy and EBITDAM decline was restricted to 90bps as the 290bps gross margin drop was largely offset by lower other opex. The management highlighted strong domestic demand momentum, with enquiries/bookings growing strongly (ahead of deliveries). Owing to the lean channel inventory (10-12 days of dealer inventory + 4-5 days of transit) and capacity ramp-up (now at 1.5mnpa units vs 1.4mnpa at end-FY26; expected to reach 2mnpa in FY28), the management expects growth to continue, even in 2HFY27 despite a high base of 2HFY26. In 1Q, to counter the 4-4.5% impact from commodities + other cost headwinds, EIM RE took a 1.2% price hike in Apr-26 and benefited from higher exports realizations (~1%), currency depreciation (~0.4%), and higher allied revenues (~0.6%). Export demand is robust across key markets, with weaker markets also showing green shoots. It is working on tighter cost controls/value engineering while also focusing on new product launches (a couple of refreshes lined up). Given the robust demand momentum for the 2W industry and EIM RE, we maintain BUY (Upgrade to BUY; demand and margins resilient). FY27E/28E EPS is largely unchanged. We raise TP by 4.6% to Rs9,100 (rolled forward) from Rs8,700 at 30x Jun-28E core EPS.

Strong revenue performance with EBITDAM seeing a limited impact

EIM post revenue of Rs66.3bn (up 32% yoy), largely on account of a healthy 24% yoy volume growth and 5% qoq ASP rise to Rs201k. EBITDA growth was strong at 32% yoy. EBITDAM declined by 90bps qoq to 24.0% due to a 290bps qoq gross margin contraction largely offset by lower other expenses. APAT stood at Rs14.6bn (up 21% yoy).

Earnings call KTAs

1) The management highlighted strong domestic demand momentum, with enquiries and bookings growing strongly—ahead of deliveries. Owing to the lean channel inventory (10-12 days of dealer inventory plus 4-5 days of transit), coupled with the capacity ramp-up (capacity now at 1.5mnpa units vs 1.4mnpa at the end of FY26; expected to reach 2mnpa in FY28), Management expects growth to continue even in 2HFY27, despite the high base of 2HFY26. 2) EIM RE saw a 4-4.5% net impact from commodities and other issues. This was partially offset by a 1.2% contribution from price increases (a 1.75% hike in the 350cc segment), a 1% benefit from the higher share of international business (15.1% of revenue in 1Q vs 13.7% in 4Q), 0.4% from currency depreciation, and 0.6% from allied services (now 15% of revenue), along with some benefit from strategic cost control and value engineering efforts. 3) International business momentum is also strong across key markets, such as Brazil, LatAm, Mexico, and SAARC, while other markets like the USA and APAC are now showing green shoots of improvement. 4) Owing to the ongoing brownfield capacity expansion (a new module of 500 units/day capacity has now kicked in), EIM's run-rate stands at 5-5.1k units/day versus ~4.5k units in 1Q. 5) To improve channel efficiency, EIM RE is attempting direct billing to dealers which will eliminate depot-related transit delays and increase delivery efficiency. 6) EIM RE has approved a capex of Rs12.3bn for Phase 1 of the new greenfield facility in AP, which will further increase capacity to 2.45mnpa units by FY29-30.

Eicher Motors: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	188,704	234,076	292,178	343,881	393,111
EBITDA	47,120	57,851	72,795	86,694	100,677
Adj. PAT	47,344	55,707	66,875	79,269	90,341
Adj. EPS (Rs)	172.7	203.1	243.8	289.0	329.3
EBITDA margin (%)	25.0	24.7	24.9	25.2	25.6
EBITDA growth (%)	8.9	22.8	25.8	19.1	16.1
Adj. EPS growth (%)	18.2	17.6	20.0	18.5	14.0
RoE (%)	24.1	24.0	24.6	25.1	24.7
RoIC (%)	55.6	52.6	56.5	60.5	64.5
P/E (x)	45.1	37.9	31.9	26.9	23.6
EV/EBITDA (x)	42.7	34.3	26.8	22.1	18.6
P/B (x)	10.0	8.5	7.3	6.3	5.4
FCFF yield (%)	1.5	1.8	2.8	3.5	4.2

Source: Company, Emkay Research

Chirag Jain
chirag.jain@emkayglobal.com
+91-22-66242428

Nandan Pradhan
nandan.pradhan@emkayglobal.com
+91-22-66121238

Marazbaan Dastur
marazbaan.dastur@emkayglobal.com
+91-22-66121281

Sanskar Sahuji
sanskar.sahuji@emkayglobal.com
+91 22 66121245

Exhibit 1: RE volumes rose 24% yoy, with domestic market share at 84% in 1QFY27; ASP rose 5% qoq

Particulars	1QFY27	1QFY26	Change yoy %	4QFY26	Change qoq %
Total Volume (no of units)	**330,427**	**265,528**	**24.4**	**317,561**	**4.1**
- <350cc	294,626	227,454	29.5	280,775	4.9
- >350cc	35,801	38,074	(6.0)	36,786	(2.7)
Royal Enfield - Exports (no of units)	**29,253**	**36,749**	**(20.4)**	**32,126**	**(8.9)**
Royal Enfield - Domestic (no of units)	**301,174**	**228,779**	**31.6**	**285,435**	**5.5**
ASPs (Rs/unit)	**200,723**	**189,880**	**5.7**	**191,462**	**4.8**
Domestic Market Share (%)	**9.1**	**7.9**	**122 bps**	**8.4**	**69 bps**
Premium (>250cc) motorcycle market share (%)	**84.4**	**87.9**	**(342) bps**	**84.0**	**42 bps**

Source: Company, Emkay Research

Exhibit 2: Consolidated revenue rose 32% yoy; reported EBITDA rose 32% yoy; EBITDA margin down by ~90bps qoq; lower gross margins partially offset by lower other expenses

(Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	*yoy (%)*	*qoq (%)*
Volume	226,021	227,872	272,297	282,823	265,528	326,375	329,195	317,561	330,427	24.4	4.1
Growth yoy (%)	*-0.7*	*-0.6*	*19.4*	*24.2*	*17.5*	*43.2*	*20.9*	*12.3*	*24.4*		
ASP (Rs/unit)	194,365	187,082	182,636	185,314	189,880	189,095	185,727	191,462	200,723	5.7	4.8
Growth yoy (%)	*11.0*	*4.3*	*-0.3*	*-0.9*	*-2.3*	*1.1*	*1.7*	*3.3*	*5.7*		
Revenue	**43,931**	**42,631**	**49,731**	**52,411**	**50,418**	**61,716**	**61,140**	**60,801**	**66,324**	**31.5**	**9.1**
Growth yoy (%)	*10.2*	*3.6*	*19.0*	*23.1*	*14.8*	*44.8*	*22.9*	*16.0*	*31.5*		
Expenditure	**32,276**	**31,754**	**37,719**	**39,834**	**38,391**	**46,597**	**45,573**	**45,664**	**50,418**	**31.3**	**10.4**
as a % of sales	*73.5*	*74.5*	*75.8*	*76.0*	*76.1*	*75.5*	*74.5*	*75.1*	*76.0*		
Consumption of RM	23,562	22,824	27,317	29,269	28,126	34,748	33,982	33,821	38,796	37.9	14.7
as a % of sales	*53.6*	*53.5*	*54.9*	*55.8*	*55.8*	*56.3*	*55.6*	*55.6*	*58.5*		
Employee Cost	3,536	3,464	3,420	3,493	3,740	4,179	4,302	4,156	4,497	20.3	8.2
as a % of sales	*8.0*	*8.1*	*6.9*	*6.7*	*7.4*	*6.8*	*7.0*	*6.8*	*6.8*		
Other expenditure	5,178	5,466	6,983	7,073	6,525	7,670	7,290	7,688	7,125	9.2	(7.3)
as a % of sales	*11.8*	*12.8*	*14.0*	*13.5*	*12.9*	*12.4*	*11.9*	*12.6*	*10.7*		
EBITDA	**11,654**	**10,877**	**12,012**	**12,577**	**12,028**	**15,119**	**15,567**	**15,137**	**15,906**	**32.2**	**5.1**
EBITDA margin (%)	***26.5***	***25.5***	***24.2***	***24.0***	***23.9***	***24.5***	***25.5***	***24.9***	***24.0***		
Depreciation	1,686	1,801	1,793	2,014	1,981	1,996	2,111	2,317	2,776	40.1	19.8
EBIT	**9,968**	**9,077**	**10,219**	**10,563**	**10,047**	**13,123**	**13,456**	**12,820**	**13,131**	**30.7**	**2.4**
Other Income	2,820	3,538	2,888	3,804	4,461	3,509	3,374	3,522	4,663	4.5	32.4
Interest	123	131	134	155	149	192	173	202	217	45.3	7.2
PBT	**12,665**	**12,483**	**12,973**	**14,212**	**14,359**	**16,441**	**16,657**	**16,140**	**17,577**	**22.4**	**8.9**
Minority interest	(1,746)	(1,138)	(1,635)	(2,480)	(1,571)	(1,349)	(1,829)	(3,229)	(1,675)		
Total Tax	3,396	2,617	2,903	3,070	3,878	4,096	3,726	4,169	4,627	19.3	11.0
Adjusted PAT	**11,015**	**11,003**	**11,705**	**13,622**	**12,052**	**13,695**	**14,761**	**15,200**	**14,625**	**21.3**	**(3.8)**
Growth yoy (%)	***19.9***	***8.3***	***17.5***	***27.3***	***9.4***	***24.5***	***26.1***	***11.6***	***21.3***		
Reported PAT	**11,015**	**11,003**	**11,705**	**13,622**	**12,052**	**13,695**	**14,206**	**15,200**	**14,625**	**21.3**	**(3.8)**
Adjusted EPS	**40.2**	**40.2**	**42.7**	**49.7**	**44.0**	**50.0**	**53.7**	**55.3**	**53.2**	**20.9**	**(3.8)**

(%)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	*yoy (bps)*	*qoq (bps)*
EBITDAM	26.5	25.5	24.2	24.0	23.9	24.5	25.5	24.9	24.0	13	(91)
EBITM	22.7	21.3	20.5	20.2	19.9	21.3	22.0	21.1	19.8	(13)	(129)
EBTM	28.8	29.3	26.1	27.1	28.5	26.6	27.2	26.5	26.5	(198)	(4)
PATM	25.1	25.8	23.5	26.0	23.9	22.2	24.1	25.0	22.1	(185)	(295)
Effective Tax rate	26.8	21.0	22.4	21.6	27.0	24.9	22.4	25.8	26.3	(68)	49

Source: Company, Emkay Research

Exhibit 3: Actuals vs estimates

(Rs mn)	Actual	Emkay	% Variance	Consensus	% Variance
Net sales	66,324	64,688	2.5	63,599	4.3
EBITDA	15,906	15,654	1.6	15,266	4.2
EBITDA margin (%)	24.0	24.2	(22) bps	24.0	(2) bps
Adj net income	14,625	15,360	(4.8)	13,805	5.9

Source: Company, Emkay Research

Exhibit 4: VECV revenue rose 17% yoy; margins contracted by ~293bps qoq, coming in at 8.2% (vs 11.1% in 4QFY26)

(Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Volume (no of units)	19,897	20,704	21,010	28,677	21,612	21,901	26,086	33,805	24,815	14.8	(26.6)
ASP (Rs/unit)	2,548,123	2,674,845	2,761,066	2,489,451	2,624,005	2,788,001	2,690,715	2,449,519	2,663,711	1.5	8.7
Revenue	50,700	55,380	58,010	71,390	56,710	61,060	70,190	82,806	66,100	16.6	(20.2)
EBITDA	3,840	3,950	5,170	7,270	5,110	4,790	6,520	9,206	5,410	5.9	(41.2)
PAT	3,190	2,090	2,990	4,590	2,890	2,490	3,380	5,950	3,000	3.8	(49.6)
(%)	**1QFY25**	**2QFY25**	**3QFY25**	**4QFY25**	**1QFY26**	**2QFY26**	**3QFY26**	**4QFY26**	**1QFY27**	**yoy (bps)**	**qoq (bps)**
EBITDAM	7.6	7.1	8.9	10.2	9.0	7.8	9.3	11.1	8.2	(83)	(293)
PATM	6.3	3.8	5.2	6.4	5.1	4.1	4.8	7.2	4.5	(56)	(265)

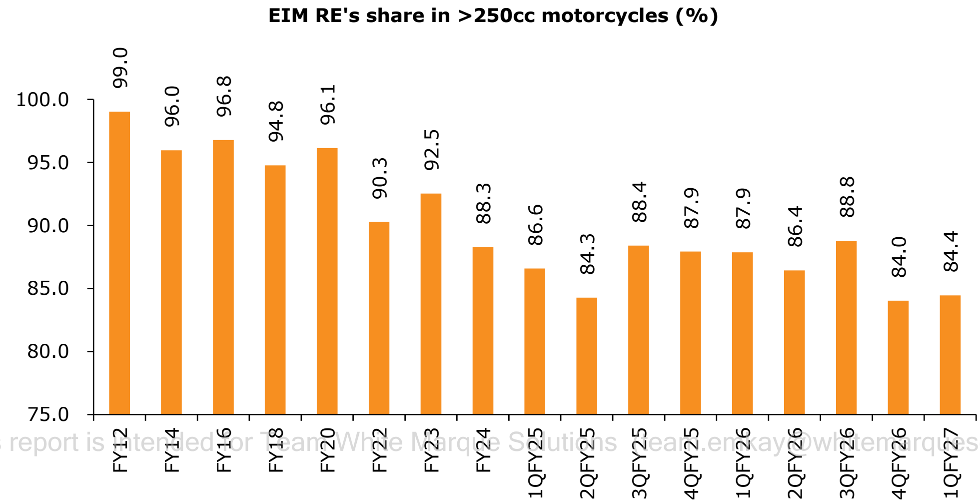
Source: Company, Emkay Research

Exhibit 5: Model mix – Bullet 350, Classic 350, and Hunter 350 continue to form ~75% of Royal Enfield's total volumes

EIM - RE's model-wise volume (%)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Bullet 350	17.9	14.2	13.8	19.4	21.4	19.2	20.2	21.6	21.4	22.7
Classic 350	35.9	34.4	36.4	35.1	33.4	31.9	31.6	35.3	33.5	34.3
Thunderbird 350	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Meteor 350	10.8	11.6	10.2	9.1	8.7	8.6	9.8	10.6	9.3	8.9
Hunter 350	18.2	20.7	19.7	18.5	17.5	19.0	19.4	19.2	19.3	19.0
Himalayan 450	3.4	4.1	2.9	1.8	2.3	2.0	2.6	1.4	1.9	1.5
Guerrilla 450	0.0	0.0	2.3	1.2	0.6	1.0	1.3	0.7	1.1	1.5
Thunderbird 500	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Classic 500	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bullet 500	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
650 Twins	2.9	3.5	3.3	2.8	3.3	3.3	3.5	1.8	2.4	3.0
Super Meteor 650	0.7	1.8	1.2	0.8	1.1	1.1	1.1	0.5	0.8	0.3
Shotgun 650	0.0	0.0	0.5	0.3	0.2	0.2	0.2	0.1	0.1	0.1
Domestic	**89.8**	**90.3**	**90.5**	**88.9**	**88.4**	**86.2**	**89.7**	**91.3**	**89.9**	**91.1**
Exports	**10.2**	**9.7**	**9.5**	**11.1**	**11.6**	**13.8**	**10.3**	**8.7**	**10.1**	**8.9**

Source: SIAM, Emkay Research

Exhibit 6: RE's premium motorcycle market share has seen a qoq recovery to ~84.5%



Source: SIAM, Emkay Research; Note: Premium refers to >250cc motorcycles

Exhibit 7: Revenue model – We build in 14%/19%/20%/19% volume/revenue/EBITDA/core EPS CAGR over FY26-28E

Particulars (no of units)	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY26-29E CAGR
Average monthly volumes	50,189	69,575	76,061	84,084	103,223	121,404	136,878	152,121	14%
Domestic volumes	521,246	734,840	834,795	902,757	1,107,343	1,318,940	1,488,085	1,649,040	14%
Growth yoy (%)	-8.7	41.0	13.6	8.1	22.7	19.1	12.8	10.8	
Export volumes	81,022	100,055	77,937	106,256	131,336	137,903	154,451	176,407	10%
Growth yoy (%)	109.8	23.5	-22.1	36.3	23.6	5.0	12.0	14.2	
Total volumes	602,268	834,895	912,732	1,009,013	1,238,679	1,456,843	1,642,537	1,825,447	14%
Growth yoy (%)	-1.2	38.6	9.3	10.5	22.8	17.6	12.7	11.1	
ASP (Rs/unit)	**168,079**	**168,484**	**176,154**	**182,865**	**183,258**	**192,207**	**200,056**	**211,242**	5%
Growth yoy (%)	18.8	0.2	4.6	3.8	0.2	4.9	4.1	5.6	
Particulars (Rs mn)									
Revenue	**102,978**	**144,422**	**165,358**	**188,704**	**234,076**	**278,726**	**324,544**	**393,111**	19%
Growth yoy (%)	18.1	40.2	14.5	14.1	24.0	19.1	16.4	21.1	
Gross Profit	**43,422**	**62,303**	**75,551**	**85,733**	**103,399**	**122,007**	**142,713**	**173,257**	19%
Gross margin (%)	42.2	43.1	45.7	45.4	44.2	43.8	44.0	44.1	
Gross Profit per vehicle (Rs)	72,097	74,624	82,775	84,967	83,475	83,748	86,886	94,912	
Employee Costs	**8,210**	**10,019**	**12,357**	**13,912**	**16,376**	**18,916**	**20,794**	**24,373**	14%
% of Revenue	8.0	6.9	7.5	7.4	7.0	6.8	6.4	6.2	
Employee Costs per vehicle (Rs)	13,632	12,001	13,538	13,788	13,220	12,984	12,660	13,352	
Other Expenses	**13,489**	**17,848**	**19,925**	**24,700**	**29,172**	**33,968**	**38,393**	**48,206**	18%
% of Revenue	13.1	12.4	12.0	13.1	12.5	12.2	11.8	12.3	
Other Expenses per vehicle (Rs)	22,397	21,377	21,830	24,479	23,551	23,316	23,374	26,408	
EBITDA	**21,723**	**34,436**	**43,269**	**47,120**	**57,851**	**65,473**	**77,372**	**100,677**	20%
EBITDA margin (%)	21.1	23.8	26.2	25.0	24.7	23.5	23.8	25.6	
EBITDA Growth yoy (%)	22.0	58.5	25.7	8.9	22.8	13.2	18.2	30.1	
EBITDA/unit (Rs)	36,068	41,246	47,406	46,699	46,704	44,942	47,105	55,152	
Depreciation	4,519	5,262	5,976	7,293	8,404	11,261	12,278	13,005	
Depreciation Per Vehicle (Rs)	7,504	6,303	6,547	7,228	6,784	7,730	7,475	7,124	
EBIT	**17,203**	**29,174**	**37,293**	**39,827**	**49,447**	**56,989**	**67,691**	**87,672**	21%
EBIT margin (%)	16.7	20.2	22.6	21.1	21.1	20.4	20.9	22.3	
EBIT/unit (Rs)	28,564	34,943	40,859	39,471	39,919	39,118	41,212	48,028	
SA PAT (Rs)	**15,862**	**26,226**	**37,494**	**42,792**	**50,963**	**56,044**	**65,390**	**82,204**	17%
Share of profits from JV/overseas subs	602	3,152	4,477	6,998	7,978	9,251	10,780	11,598	
Consol PAT	**16,766**	**29,139**	**40,010**	**47,344**	**55,707**	**63,596**	**73,935**	**90,341**	17%
PAT margin (%)	16.3	20.2	24.2	25.1	23.8	22.8	22.8	23.0	
PAT per vehicle (Rs)	27,838	34,902	43,836	46,921	44,973	43,654	45,013	49,490	
Consol EPS (Rs)	**61.3**	**106.5**	**146.1**	**172.7**	**203.4**	**232.3**	**270.0**	**329.3**	17%
Core EPS (Rs)	**50.2**	**92.7**	**117.3**	**133.2**	**174.3**	**201.9**	**237.1**	**290.7**	19%

Source: Company, Emkay Research

Exhibit 8: We build in ~121k/138k/152k monthly run-rate in FY27E/FY28E/FY29E

Dispatches (no of units)	FY25	FY26	yoy (%)	FY27E	yoy (%)	FY28E	yoy (%)	FY29E	yoy (%)
RE domestic	902,757	1,107,343	*22.7*	1,318,931	19.1	1,501,045	13.8	1,649,040	9.9
RE exports	106,256	131,336	*23.6*	137,903	5.0	154,451	12.0	176,407	14.2
RE total	**1,009,013**	**1,238,679**	***22.8***	**1,456,834**	**17.6**	**1,655,497**	**13.6**	**1,825,447**	**10.3**

Dispatches - Monthly run rate	FY25	FY26E	yoy (%)	FY27E	yoy (%)	FY28E	yoy (%)	FY29E	yoy (%)
RE domestic	75,230	92,279	*22.7*	109,911	19.1	125,087	13.8	137,420	9.9
RE exports	8,855	10,945	*23.6*	11,492	5.0	12,871	12.0	14,701	14.2
RE total	**84,084**	**103,223**	***22.8***	**121,403**	**17.6**	**137,958**	**13.6**	**152,121**	**10.3**

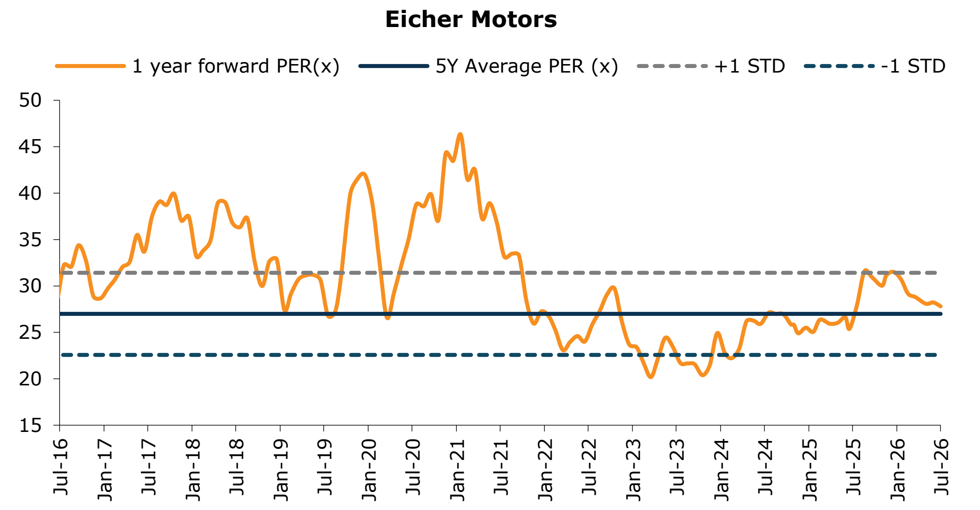
Source: Emkay Research

Exhibit 9: FY27E/28E EPS remains largely unchanged; we introduce FY29 estimates

Particulars	FY26		FY27E				FY28E				FY29E	
	Actual	% yoy	Earlier	Revised	% Change	% yoy	Earlier	Revised	% Change	% yoy	Introduced	% yoy
Royal Enfield (no of units)	1,238,679	*22.8*	1,456,843	1,456,834	*(0.0)*	*17.6*	1,642,537	1,655,497	*0.8*	*13.6*	1,825,447	*10.3*
VECV (no of units)	103,404	*14.5*	109,608	109,608	*0.0*	*6.0*	117,281	117,281	*(0.0)*	*7.0*	123,145	*5.0*
Royal Enfield ASP (Rs)	**188,972**	***1.0***	**199,824**	**200,557**	**0.4**	***6.1***	**208,394**	**207,721**	**(0.3)**	***3.6***	**215,350**	***3.7***
Consolidated (Rs mn)												
Revenue	**234,076**	***24.0***	**291,113**	**292,178**	***0.4***	***24.8***	**342,295**	**343,881**	***0.5***	***17.7***	**393,111**	***14.3***
EBITDA	57,851	*22.8*	71,947	72,795	*1.2*	*25.8*	85,281	86,694	*1.7*	*19.1*	100,677	*16.1*
EBITDAM (%)	24.7	*(26) bps*	24.7	24.9	*21 bps*	*20 bps*	24.9	25.2	*31 bps*	*30 bps*	25.6	*40 bps*
APAT	55,707	*17.7*	68,262	66,875	*(2.0)*	*20.0*	79,954	79,269	*(0.9)*	*18.5*	90,341	*14.0*
Share of JV	7,978	*14.0*	9,373	9,373	*0.0*	*17.5*	11,182	11,182	*0.0*	*19.3*	11,182	*0.0*
Adj EPS (Rs)	**203**	***17.6***	**248.9**	**243.8**	***(2.0)***	***20.0***	**291.5**	**289.0**	***(0.9)***	***18.5***	**329.3**	***14.0***

Source: Emkay Research

Exhibit 10: At CMP, EIM trades near its LTA on 1YF PER basis



Source: Company, Bloomberg, Emkay Research

Eicher Motors: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**188,704**	**234,076**	**292,178**	**343,881**	**393,111**
Revenue growth (%)	14.1	24.0	24.8	17.7	14.3
EBITDA	**47,120**	**57,851**	**72,795**	**86,694**	**100,677**
EBITDA growth (%)	8.9	22.8	25.8	19.1	16.1
Depreciation & Amortization	7,293	8,404	11,261	12,278	13,005
EBIT	**39,827**	**49,447**	**61,534**	**74,417**	**87,672**
EBIT growth (%)	6.8	24.2	24.4	20.9	17.8
Other operating income	-	-	-	-	-
Other income	13,049	14,865	16,203	17,462	18,442
Financial expense	543	715	864	853	843
PBT	**52,333**	**63,597**	**76,874**	**91,025**	**105,271**
Extraordinary items	0	555	0	0	0
Taxes	11,986	15,868	19,372	22,938	26,528
Minority interest	6,998	7,978	9,373	11,182	11,598
Income from JV/Associates	-	-	-	-	-
Reported PAT	**47,344**	**56,261**	**66,875**	**79,269**	**90,341**
PAT growth (%)	18.3	18.8	18.9	18.5	14.0
Adjusted PAT	**47,344**	**55,707**	**66,875**	**79,269**	**90,341**
Diluted EPS (Rs)	**172.7**	**203.1**	**243.8**	**289.0**	**329.3**
Diluted EPS growth (%)	18.2	17.6	20.0	18.5	14.0
DPS (Rs)	**51.0**	**70.0**	**81.7**	**95.6**	**116.4**
Dividend payout (%)	**29.5**	**34.1**	**33.5**	**33.1**	**35.3**
EBITDA margin (%)	25.0	24.7	24.9	25.2	25.6
EBIT margin (%)	21.1	21.1	21.1	21.6	22.3
Effective tax rate (%)	22.9	25.0	25.2	25.2	25.2
NOPLAT (pre-IndAS)	**30,705**	**37,109**	**46,027**	**55,664**	**65,579**
Shares outstanding (mn)	274	274	274	274	274

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	274	274	274	274	274
Reserves & Surplus	212,691	250,727	291,392	338,727	392,076
Net worth	**212,965**	**251,002**	**291,666**	**339,001**	**392,350**
Minority interests	-	-	-	-	-
Non-current liab. & prov.	4,930	6,583	8,164	10,035	12,200
Total debt	**2,665**	**3,190**	**3,553**	**3,617**	**3,673**
Total liabilities & equity	**220,559**	**260,774**	**303,383**	**352,653**	**408,223**
Net tangible fixed assets	29,600	33,382	35,552	36,275	0
Net intangible assets	3,298	3,298	3,298	3,298	0
Net ROU assets	-	-	-	-	-
Capital WIP	4,915	7,363	6,912	6,953	6,953
Goodwill	-	-	-	-	-
Investments [JV/Associates]	25,785	25,785	25,785	25,785	25,785
Cash & equivalents	**124,754**	**151,735**	**183,525**	**223,190**	**268,914**
Current assets (ex-cash)	81,556	98,236	125,822	151,856	177,903
Current Liab. & Prov.	51,185	60,861	79,349	96,540	112,736
NWC (ex-cash)	**30,371**	**37,375**	**46,473**	**55,316**	**65,167**
Total assets	**220,559**	**260,774**	**303,383**	**352,653**	**408,223**
Net debt	(122,090)	(148,545)	(179,972)	(219,573)	(265,240)
Capital employed	220,559	260,774	303,383	352,653	408,223
Invested capital	**65,105**	**75,892**	**87,161**	**96,726**	**106,572**
BVPS (Rs)	776.7	915.1	1,063.3	1,235.9	1,430.4
Net Debt/Equity (x)	(0.6)	(0.6)	(0.6)	(0.6)	(0.7)
Net Debt/EBITDA (x)	(2.6)	(2.6)	(2.5)	(2.5)	(2.6)
Interest coverage (x)	97.3	89.9	90.0	107.7	125.9
RoCE (%)	**26.5**	**27.4**	**28.3**	**28.8**	**28.7**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	52,333	71,021	76,874	91,025	105,271
Others (non-cash items)	-	-	-	-	-
Taxes paid	(10,802)	(13,585)	(17,791)	(21,067)	(24,364)
Change in NWC	2,110	2,779	(12,898)	(14,566)	(14,909)
Operating cash flow	**39,799**	**48,048**	**67,682**	**79,705**	**91,444**
Capital expenditure	(10,285)	(12,666)	(12,980)	(13,041)	(13,000)
Acquisition of business	(17,788)	(22,469)	(25,000)	(30,000)	(30,000)
Interest & dividend income	3,240	5,547	0	0	0
Investing cash flow	**(24,833)**	**(29,640)**	**(37,980)**	**(43,041)**	**(43,000)**
Equity raised/(repaid)	869	123	0	0	0
Debt raised/(repaid)	(50)	144	363	64	57
Payment of lease liabilities	-	-	-	-	-
Interest paid	(245)	(375)	(864)	(853)	(843)
Dividend paid (incl tax)	(13,975)	(19,200)	(22,411)	(26,210)	(31,934)
Others	(399)	829	0	0	0
Financing cash flow	**(13,799)**	**(18,479)**	**(22,912)**	**(26,999)**	**(32,721)**
Net chg in Cash	1,167	(70)	6,790	9,665	15,724
OCF	39,799	48,048	67,682	79,705	91,444
Adj. OCF (w/o NWC chg.)	37,689	45,270	80,580	94,272	106,354
FCFF	29,515	35,383	54,701	66,664	78,444
FCFE	32,211	40,215	53,838	65,811	77,601
OCF/EBITDA (%)	84.5	83.1	93.0	91.9	90.8
FCFE/PAT (%)	68.0	71.5	80.5	83.0	85.9
FCFF/NOPLAT (%)	**96.1**	**95.3**	**118.8**	**119.8**	**119.6**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	45.1	37.9	31.9	26.9	23.6
P/CE(x)	39.0	33.3	27.3	23.3	20.6
P/B (x)	10.0	8.5	7.3	6.3	5.4
EV/Sales (x)	10.7	8.5	6.7	5.6	4.8
EV/EBITDA (x)	42.7	34.3	26.8	22.1	18.6
EV/EBIT(x)	50.5	40.1	31.8	25.7	21.3
EV/IC (x)	30.9	26.2	22.4	19.8	17.5
FCFF yield (%)	1.5	1.8	2.8	3.5	4.2
FCFE yield (%)	1.5	1.9	2.5	3.1	3.6
Dividend yield (%)	0.7	0.9	1.1	1.2	1.5
DuPont-RoE split					
Net profit margin (%)	25.1	23.8	22.9	23.1	23.0
Total asset turnover (x)	0.9	1.0	1.0	1.0	1.0
Assets/Equity (x)	1.0	1.0	1.0	1.0	1.0
RoE (%)	**24.1**	**24.0**	**24.6**	**25.1**	**24.7**
DuPont-RoIC					
NOPLAT margin (%)	16.3	15.9	15.8	16.2	16.7
IC turnover (x)	3.4	3.3	3.6	3.7	3.9
RoIC (%)	**55.6**	**52.6**	**56.5**	**60.5**	**64.5**
Operating metrics					
Core NWC days	58.7	58.3	58.1	58.7	60.5
Total NWC days	**58.7**	**58.3**	**58.1**	**58.7**	**60.5**
Fixed asset turnover	2.9	3.0	3.2	3.3	3.3
Opex-to-revenue (%)	20.5	19.5	18.2	18.8	18.5

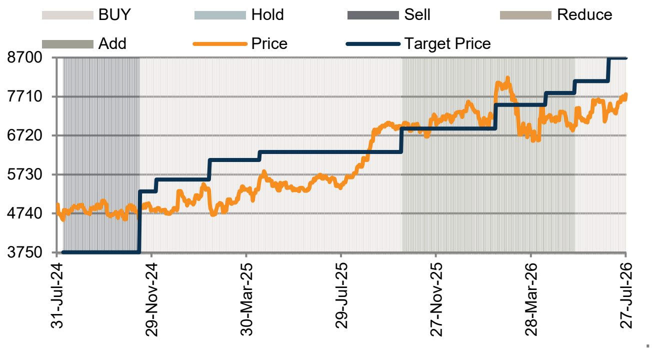
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
05-Jul-26	7,340	8,700	Buy	Chirag Jain
23-May-26	6,982	8,100	Buy	Chirag Jain
16-Apr-26	7,131	7,800	Add	Chirag Jain
09-Mar-26	7,266	7,500	Add	Chirag Jain
11-Feb-26	7,771	7,500	Add	Chirag Jain
14-Nov-25	6,695	6,900	Add	Chirag Jain
14-Oct-25	6,887	6,900	Add	Chirag Jain
01-Aug-25	5,528	6,300	Buy	Chirag Jain
15-May-25	5,466	6,300	Buy	Chirag Jain
16-Apr-25	5,616	6,300	Buy	Chirag Jain
11-Feb-25	4,972	6,100	Buy	Chirag Jain
10-Jan-25	5,058	5,600	Buy	Chirag Jain
01-Jan-25	4,885	5,600	Buy	Chirag Jain
05-Dec-24	4,838	5,600	Buy	Chirag Jain
14-Nov-24	4,884	5,300	Buy	Chirag Jain
08-Aug-24	4,577	3,750	Sell	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL . All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons1 may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests2 in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

[1] An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

[2] Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report-:

1. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of July 30, 2026
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report

Disclosure of previous investment recommendation produced:

3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of July 30, 2026
5. EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the July 30, 2026
6. EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
7. EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
8. EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.
CIN - L67120MH1995PLC084899
7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) -:

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

Seshadri Kumar Sen

Digitally signed by Seshadri Kumar Sen
Date: 2026.07.30 00:00:31 +05'30'