

Soft quarter; global uncertainty affects FY26 outlook

Auto & Auto Ancillaries ▶ Result Update ▶ May 09, 2025

CMP (Rs): 1,113 | TP (Rs): 1,200

BHFC's Q4 revenue fell ~7% YoY across SA/consol operations, with margin also weaker QoQ (albeit lower at consol level amid ~270bps margin expansion for subsidiaries). While order-win momentum remains healthy led by Defense (incl due to Rs37bn accretion seen from domestic artillery guns; executable book now at Rs94bn), the mgmt did not provide outlook on exports for FY26 (30% of consol operations) amid the tariff-led global uncertainty; BHFC also expects domestic PV business growth to now track underlying industry growth vs strong outperformance seen in FY25. We reduce FY26E/27E consol EPS by 8.6%/3.6%, amid weakening global demand (eg recent lowering of 2025 guidance by global truck majors) and gradual recovery expected in the domestic CV/PV space; however, valuations at LTA on 1YF P/B provide some comfort. We retain ADD with unchanged TP of Rs1,200 at 17x FY27E EV/EBITDA.

Soft performance in Q4; improvement in subsidiary margins a silver lining

Consolidated revenue declined ~7.5% YoY to Rs38.5bn, with standalone revenue lower by 7% YoY (~7% miss on Consensus). Domestic Auto revenue grew 11%, though Non-Auto revenue declined 30%; export revenue was flattish, with 8% decline in Auto and 13% growth in Non-Auto. Consolidated EBITDA grew 6% YoY to Rs6.8bn (~7.5% beat vs Consensus), with EBITDA margin down by 28bps QoQ to 17.7% amid ~240bps gross margin contraction. Margins at subsidiaries improved to 3.8% vs (0.9%) in Q4FY24 and 1.1% in Q3FY25. Adjusted consolidated PAT was higher by ~17% YoY to Rs2.9bn. Consolidated net debt for FY25 stood at Rs364bn vs Rs481bn in FY24.

Earnings Call KTAs

1) Overall orders won in FY25 entailed Rs69.6bn – Defense comprised 70%; executable Defense order book stands at Rs94bn, incl the recent domestic artillery guns order of Rs34bn. 2) Defense revenue (Rs17bn in FY25) seen growing 15-20% in FY26; domestic artillery guns order to start contributing to revenue from Q4, with overall execution over 2Y. 3) The mgmt did not provide outlook for the exports business for FY26 due to volatility and lack of visibility caused by the tariff situation (incl uncertainty around applicability on truck parts), though initial consultations with customers regarding pass-through have been positive. 4) Expects decline in CV exports in FY26, amid potential deferment of emission norm changes in the US and continued weakness in Europe; lower discretionary spends can impact PV exports. 5) Expects to grow in line with domestic PV industry in FY26. 6) JS Autocast (ferrous castings business) revenue grew 23%; on track to reach the vicinity of ~Rs10bn soon; profitability also improving; EBITDA margin now at 15-16%, return ratios at over 20%. 7) Aerospace now forms 15% of Industrial exports; on course to achieve multifold growth in coming years; new ring mill and machining facilities to come onstream in 2027. 8) Capacity utilization in Europe/US at 60-65%; working toward restructuring European steel operations; phase 2 of US aluminium operations can increase output substantially. 9) Hopeful of completing consolidation of American Axles India by Jun-25. 10) Electronics foray by H2. 11) FY26 consol capex guidance: Rs5bn.

Target Price – 12M	Mar-26
Change in TP (%)	-
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	7.8

Stock Data	BHFC IN
52-week High (Rs)	1,826
52-week Low (Rs)	919
Shares outstanding (mn)	478.1
Market-cap (Rs bn)	532
Market-cap (USD mn)	6,210
Net-debt, FY25E (Rs mn)	36,441
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	1,636.6
ADTV-3M (USD mn)	19.1
Free float (%)	54.7
Nifty-50	24,273.8
INR/USD	85.7

Shareholding, Mar-25

Promoters (%)	44.1
FPIs/MFs (%)	16.1/30.4

Price Performance

(%)	1M	3M	12M
Absolute	14.7	(2.3)	(20.8)
Rel. to Nifty	6.5	(5.2)	(27.2)

1-Year share price trend (Rs)**Bharat Forge: Financial Snapshot (Consolidated)**

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Revenue	129,103	156,821	151,228	155,100	181,459
EBITDA	17,675	25,579	26,939	28,095	33,051
Adj. PAT	5,742	9,635	10,982	10,336	12,879
Adj. EPS (Rs)	12.3	20.7	23.0	21.6	26.9
EBITDA margin (%)	13.7	16.3	17.8	18.1	18.2
EBITDA growth (%)	(10.8)	44.7	5.3	4.3	17.6
Adj. EPS growth (%)	(39.8)	67.8	11.0	(5.9)	24.6
RoE (%)	8.6	13.9	13.4	10.8	12.6
RoIC (%)	7.6	11.1	11.8	10.3	11.9
P/E (x)	90.3	53.8	48.5	51.5	41.3
EV/EBITDA (x)	32.0	22.1	21.0	20.2	17.1
P/B (x)	7.7	7.2	5.8	5.4	5.0
FCFF yield (%)	0.6	0.3	0.6	2.2	1.9

Source: Company, Emkay Research

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Exhibit 1: Q4 Consolidated snapshot – Revenue down 7.5% YoY, with EBITDA margin down by 28bps QoQ to 17.7%

Consolidated (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY %	QoQ %
Revenue	38,773	37,742	38,664	41,642	41,061	36,885	34,755	38,526	(7.5)	10.8
Expenditure	32,819	31,528	31,686	35,209	33,652	30,412	28,512	31,713	(9.9)	11.2
as a % of sales	84.6	83.5	82.0	84.6	82.0	82.5	82.0	82.3		
Consumption of RM	18,780	17,642	17,803	19,566	18,369	15,643	14,698	17,234	(11.9)	17.3
as a % of sales	48.4	46.7	46.0	47.0	44.7	42.4	42.3	44.7		
Employee Cost	4,726	4,627	4,498	4,749	4,987	4,672	4,362	4,678	(1.5)	7.3
as a % of sales	12.2	12.3	11.6	11.4	12.1	12.7	12.5	12.1		
Other expenditure	9,313	9,258	9,384	10,894	10,296	10,097	9,452	9,801	(10.0)	3.7
as % of sales	24.0	24.5	24.3	26.2	25.1	27.4	27.2	25.4		
EBITDA	5,954	6,214	6,979	6,433	7,410	6,473	6,244	6,813	5.9	9.1
EBITDA margin (%)	15.4	16.5	18.0	15.4	18.0	17.5	18.0	17.7		
Depreciation	2,061	2,113	2,237	2,071	2,183	2,133	2,182	2,238	8.0	2.5
EBIT	3,893	4,101	4,742	4,362	5,227	4,339	4,061	4,576	4.9	12.7
Other Income	642	525	560	548	516	616	384	621	13.3	61.9
Interest	1,145	1,243	1,368	1,155	1,237	1,098	960	880	(23.8)	(8.3)
PBT	3,389	3,382	3,933	3,755	4,506	3,858	3,485	4,317	15.0	23.9
Total Tax	1,278	1,218	1,406	1,387	1,250	1,419	1,342	1,415	2.0	5.4
Minority interest/ Associate share	(122)	(129)	(118)	(94)	(289)	3	15	29	(130.9)	91.0
Adjusted PAT	2,234	2,293	2,645	2,462	3,546	2,436	2,128	2,873	16.7	35.0
Exceptional Loss/(Gain)	0	(21)	0	(102)	(1,518)	0	0	(53)		
Reported PAT	2,234	2,272	2,645	2,360	2,028	2,436	2,128	2,820	19.5	32.5
(%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY bps	QoQ bps
EBITDAM	15.4	16.5	18.0	15.4	18.0	17.5	18.0	17.7	224	(28)
EBITM	10.0	10.9	12.3	10.5	12.7	11.8	11.7	11.9	140	19
EBTM	8.7	9.0	10.2	9.0	11.0	10.5	10.0	11.2	219	118
PATM	5.8	6.1	6.8	5.9	8.6	6.6	6.1	7.5	155	133
Effective Tax rate	37.7	36.0	35.7	36.9	27.7	36.8	38.5	32.8	(416)	(574)

Source: Company, Emkay Research

Exhibit 2: Q4FY25 – Actual vs Consensus

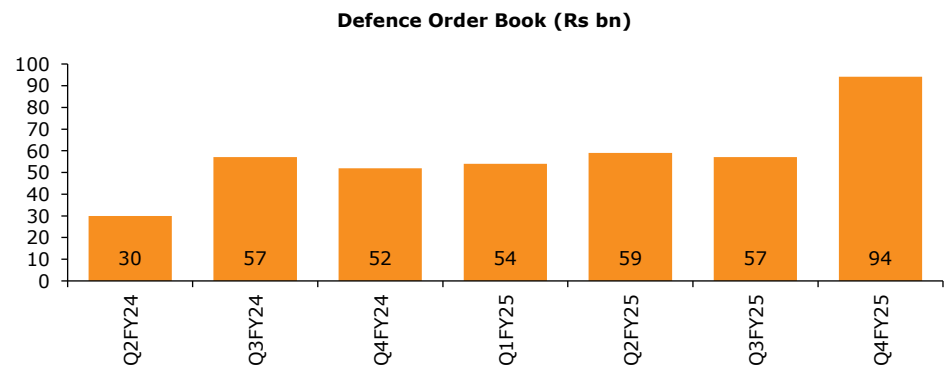
Consolidated (Rs mn)	Actual	Emkay Est	% variance	Consensus	% variance
Net sales	38,526	36,792	4.7	33,469	15.1
EBITDA	6,813	6,334	7.6	6,761	0.8
EBITDA margin (%)	17.7	17.2	47 bps	20.2	-252 bps
Standalone (Rs mn)	Actual	Emkay Est	% variance	Consensus	% variance
Net sales	21,630	20,787	4.1	23,145	(6.5)
EBITDA	6,167	5,771	6.9	6,636	(7.1)
EBITDA margin (%)	28.5	27.8	75 bps	28.7	-16 bps

Source: Company, Bloomberg, Emkay Research

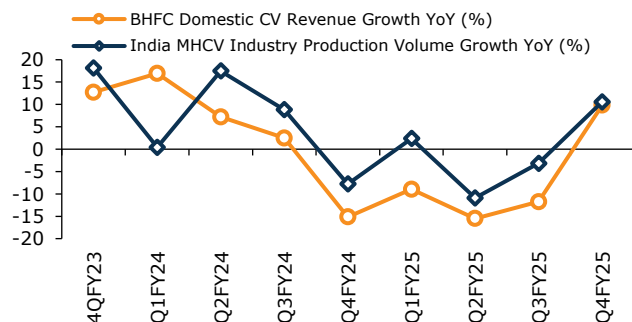
Exhibit 3: Q4 Standalone results snapshot – Revenue down 7% YoY, with EBITDA margin down by 60bps QoQ to 28.5%

Standalone (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY (%)	QoQ (%)
Revenue	21,273	22,494	22,634	23,286	23,381	22,467	20,959	21,630	(7.1)	3.2
Expenditure	15,786	16,426	16,002	16,694	16,866	16,212	14,861	15,464	(7.4)	4.1
as a % of sales	74.2	73.0	70.7	71.7	72.1	72.2	70.9	71.5		
Consumption of RM	9,420	9,744	9,491	9,647	9,777	9,167	8,401	8,576	(11.1)	2.1
as a % of sales	44.3	43.3	41.9	41.4	41.8	40.8	40.1	39.6		
Employee Cost	1,494	1,506	1,510	1,504	1,626	1,617	1,583	1,539	2.3	(2.8)
as a % of sales	7.0	6.7	6.7	6.5	7.0	7.2	7.6	7.1		
Other expenditure	4,873	5,175	5,002	5,543	5,463	5,428	4,877	5,348	(3.5)	9.7
as % of sales	22.9	23.0	22.1	23.8	23.4	24.2	23.3	24.7		
EBITDA	5,487	6,068	6,632	6,592	6,515	6,254	6,098	6,167	(6.4)	1.1
EBITDA margin (%)	25.8	27.0	29.3	28.3	27.9	27.8	29.1	28.5		
Depreciation	1,089	1,128	1,124	1,079	1,094	1,083	1,104	1,122	4.0	1.7
EBIT	4,398	4,940	5,507	5,512	5,420	5,171	4,995	5,045	(8.5)	1.0
Other Income	472	424	346	382	446	348	314	481	25.9	53.2
Interest	705	726	809	634	702	635	573	588	(7.2)	2.6
PBT	4,165	4,637	5,044	5,261	5,164	4,884	4,735	4,937	(6.1)	4.3
Total Tax	1,050	1,156	1,266	1,231	1,014	1,407	1,266	1,278	3.9	1.0
Adjusted PAT	3,115	3,481	3,778	4,030	4,151	3,476	3,470	3,659	(9.2)	5.5
Exceptional Loss/(Gain)	0	21	0	133	1,457	(135)	9	203		
Reported PAT	3,115	3,460	3,778	3,897	2,694	3,612	3,460	3,456	(11.3)	(0.1)
Adjusted EPS (Rs)	6.7	7.5	8.1	8.7	8.9	7.5	7.5	7.9	(9.2)	5.5
(%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY(bps)	QoQ(bps)
EBITDAM	25.8	27.0	29.3	28.3	27.9	27.8	29.1	28.5	20	(59)
EBITM	20.7	22.0	24.3	23.7	23.2	23.0	23.8	23.3	(35)	(51)
EBTM	19.6	20.6	22.3	22.6	22.1	21.7	22.6	22.8	23	23
PATM	14.6	15.5	16.7	17.3	17.8	15.5	16.6	16.9	(39)	36
Effective Tax rate	25.2	24.9	25.1	23.4	19.6	28.8	26.7	25.9	250	(84)

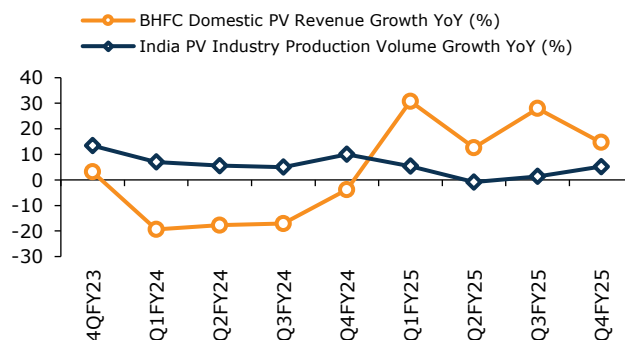
Source: Company, Emkay Research

Exhibit 4: BHFC's Defense orderbook now stands at Rs94bn, with the addition of the domestic artillery guns order

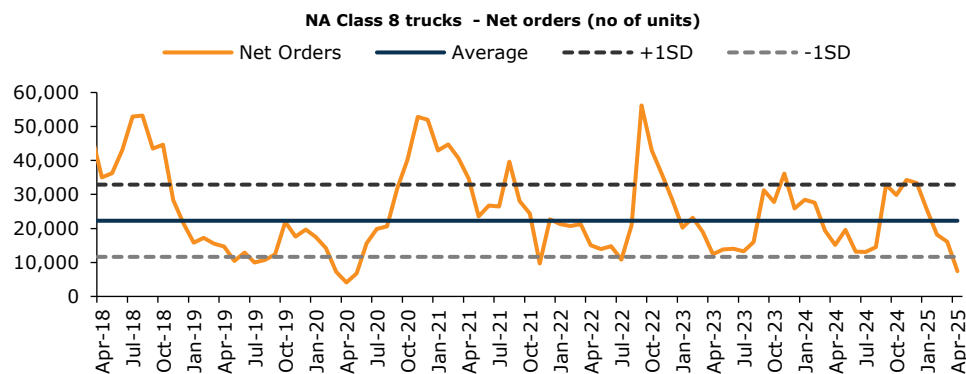
Source: Company, Emkay Research

Exhibit 5: BHFC's domestic CV revenue growth has underperformed MHCV industry production

Source: Company, SIAM, Emkay Research

Exhibit 6: However, domestic PV business has strongly outperformed the underlying industry in the past year

Source: Company, SIAM, Emkay Research

Exhibit 7: Class 8 truck orders touched a 5-year low in Apr-25, amid uncertainty caused by the recent tariff situation

Source: Bloomberg, Emkay Research

Exhibit 8: Global heavy truck majors expect decline in the North American market this year, with downgrades in recent updated forecasts

2025 projection			
No of units	Latest	Previous	Difference
Paccar			
USA and Canada	235,000 – 265,000	250,000 – 280,000	(15,000)
Europe	270,000 – 300,000	270,000 – 300,000	-
Volvo			
North America	275,000	300,000	(25,000)
Europe	290,000	290,000	-

Source: Company, Emkay Research

Exhibit 9: Revenue Model – We build-in 10%/8% consolidated revenue/EPS CAGR over FY25-27E

Particulars	FY22	FY23	FY24	FY25	FY26E	FY27E
Domestic MHCV Industry Production ('000; no of units)	272	379	392	391	403	423
Growth YoY (%)	50	39	4	0	3	5
Domestic PV Industry Production ('000; no of units)	3,651	4,583	4,902	4,887	5,082	5,336
Growth YoY (%)	19	26	7	(0)	4	5
North America Class 8 Build ('000; no of units)	271	319	332	311	280	266
Growth YoY (%)	26	18	4	(6)	(10)	(5)

(Rs mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
Segmental revenues						
India CVs	7,417	10,140	10,341	9,626	9,722	10,014
Growth YoY (%)	45	37	2	(7)	1	3
India Non-Auto	11,665	12,978	22,360	23,283	23,849	35,962
Growth YoY (%)	57	11	72	4	2	51
India PVs	2,936	3,513	2,997	3,622	3,767	3,955
Growth YoY (%)	36	20	(15)	21	4	5
Export CVs	17,180	19,120	21,134	20,152	18,878	18,772
Growth YoY (%)	79	11	11	(5)	(6)	(1)
Export Non-Auto	13,932	15,933	15,454	15,962	16,743	18,362
Growth YoY (%)	151	14	(3)	3	5	10
Export PVs	5,591	9,552	12,694	11,167	11,725	12,312
Growth YoY (%)	24	71	33	(12)	5	5
Others	2,978	3,452	3,546	3,724	3,910	4,311
Growth YoY (%)	78	16	3	5	5	10
Total Standalone revenues	62,546	75,727	89,686	88,437	89,586	104,778
Growth YoY (%)	71	21	18	(1)	1	17
Standalone EBITDA	16,798	19,288	24,778	25,034	24,803	29,015
Growth YoY (%)	129	15	28	1	(1)	17
EBITDA Margin %	26.9	25.5	27.6	28.3	27.7	27.7
Subsidiary revenues	42,065	53,375	67,134	62,791	65,514	76,681
Growth YoY (%)	57	27	26	(6)	4	17
Subsidiary EBITDA	3,012	(1,613)	802	1,905	3,291	4,035
Growth YoY (%)	131	(154)	(150)	138	73	23
EBITDA Margin %	7.2	(3.0)	1.2	3.0	5.0	5.3
Consolidated revenues	104,611	129,103	156,821	151,228	155,100	181,459
Growth YoY (%)	65	23	21	(4)	3	17
Consolidated EBITDA	19,810	17,675	25,579	26,939	28,095	33,051
Growth YoY (%)	129	(11)	45	5	4	18
EBITDA Margin %	18.9	13.7	16.3	17.8	18.1	18.2
Standalone PAT	10,101	11,034	14,404	14,756	14,308	17,112
Growth YoY (%)	209	9	31	2	(3)	20
Consolidated PAT	9,544	5,742	9,635	10,982	10,336	12,879
Growth YoY (%)	426	(40)	68	14	(6)	25
Consolidated EPS (Rs.)	20.5	12.3	20.7	23.0	21.6	26.9
Average RoCE (%)	12.6	9.3	13.7	13.5	12.5	14.1
Average ROE (%)	15.9	8.6	13.9	13.4	10.8	12.6
Net D/E (x)	0.49	0.71	0.67	0.39	0.33	0.30

Source: Company, Emkay Research

Exhibit 10: We trim FY26E/27E EPS by 8.6%/3.6% amid uncertainty in exports

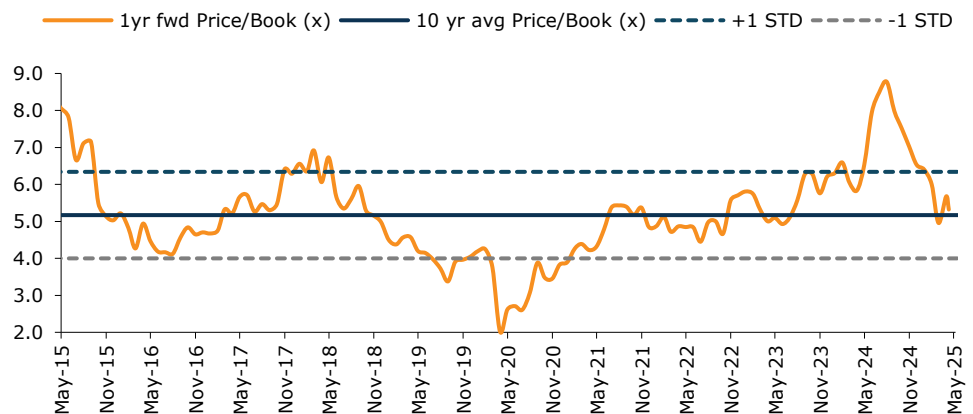
Consolidated (Rs mn)	FY25		FY26E				FY27E			
	Actual	%YoY	Earlier	Revised	%Change	%YoY	Earlier	Revised	%Change	%YoY
Revenues	151,228	(3.6)	163,822	155,100	(5.3)	2.6	187,856	181,459	(3.4)	17.0
EBITDA	26,939	5.3	29,324	28,095	(4.2)	4.3	33,626	33,051	(1.7)	17.6
Margin (%)	17.8	150bps	17.9	18.1	21bps	30bps	17.9	18.2	31bps	10bps
Net Profit	10,982	14.0	11,309	10,336	(8.6)	(5.9)	13,357	12,879	(3.6)	24.6

Source: Emkay Research

Exhibit 11: FY26E/27E EPS reduction for standalone business stands at 4.5%/3.6%, respectively

Standalone (Rs mn)	FY25		FY26E				FY27E			
	Actual	%YoY	Earlier	Revised	%Change	%YoY	Earlier	Revised	%Change	%YoY
Revenue	88,437	(1.4)	93,856	89,586	(4.5)	1.3	107,374	104,778	(2.4)	17.0
EBITDA	25,034	1.0	26,309	24,803	(5.7)	(0.9)	30,459	29,015	(4.7)	17.0
Margin (%)	28.3	68bps	28.0	27.7	-34bps	-62bps	28.4	27.7	-67bps	1bps
Net Profit	14,756	2.4	14,990	14,308	(4.5)	(3.0)	17,756	17,112	(3.6)	19.6

Source: Emkay Research

Exhibit 12: BHFC trades at LTA on 1YF P/B basis

Source: Company, Bloomberg, Emkay Research

Bharat Forge: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Revenue	129,103	156,821	151,228	155,100	181,459
Revenue growth (%)	23.4	21.5	(3.6)	2.6	17.0
EBITDA	17,675	25,579	26,939	28,095	33,051
EBITDA growth (%)	(10.8)	44.7	5.3	4.3	17.6
Depreciation & Amortization	7,356	8,482	8,736	10,584	11,342
EBIT	10,319	17,097	18,203	17,511	21,708
EBIT growth (%)	(17.5)	65.7	6.5	(3.8)	24.0
Other operating income	-	-	-	-	-
Other income	1,729	2,274	2,138	2,245	2,357
Financial expense	2,986	4,912	4,175	3,840	4,141
PBT	9,062	14,460	16,166	15,915	19,924
Extraordinary items	(458)	(123)	(1,571)	0	0
Taxes	3,186	5,288	5,426	5,820	7,287
Minority interest	-	-	-	-	-
Income from JV/Associates	(135)	463	242	242	242
Reported PAT	5,284	9,511	9,412	10,336	12,879
PAT growth (%)	(51.2)	80.0	(1.0)	9.8	24.6
Adjusted PAT	5,742	9,635	10,982	10,336	12,879
Diluted EPS (Rs)	12.3	20.7	23.0	21.6	26.9
Diluted EPS growth (%)	(39.8)	67.8	11.0	(5.9)	24.6
DPS (Rs)	7.0	8.2	8.8	8.3	9.0
Dividend payout (%)	61.6	40.0	44.8	38.3	33.3
EBITDA margin (%)	13.7	16.3	17.8	18.1	18.2
EBIT margin (%)	8.0	10.9	12.0	11.3	12.0
Effective tax rate (%)	35.2	36.6	33.6	36.6	36.6
NOPLAT (pre-IndAS)	6,692	10,845	12,094	11,107	13,769
Shares outstanding (mn)	466	466	478	478	478

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Share capital	931	931	956	956	956
Reserves & Surplus	66,124	70,771	91,577	97,621	105,366
Net worth	67,055	71,702	92,533	98,577	106,323
Minority interests	361	(49)	(328)	(569)	(811)
Non-current liab. & prov.	658	39	(703)	(703)	(703)
Total debt	68,523	75,221	62,884	64,156	72,817
Total liabilities & equity	136,597	146,913	154,387	161,461	177,626
Net tangible fixed assets	30,088	29,275	28,723	32,271	31,979
Net intangible assets	103	103	103	103	103
Net ROU assets	-	-	-	-	-
Capital WIP	7,012	9,912	17,317	8,940	8,940
Goodwill	2,955	2,960	2,628	2,628	2,628
Investments [JV/Associates]	15,191	8,238	7,379	8,379	9,379
Cash & equivalents	20,896	27,154	26,443	31,210	41,450
Current assets (ex-cash)	77,642	83,444	81,855	83,950	98,218
Current Liab. & Prov.	45,749	44,927	44,595	44,800	52,800
NWC (ex-cash)	31,893	38,517	37,259	39,150	45,418
Total assets	136,597	146,913	154,387	161,461	177,626
Net debt	47,628	48,067	36,441	32,946	31,367
Capital employed	136,597	146,913	154,387	161,461	177,626
Invested capital	93,499	101,608	103,247	112,931	117,856
BVPS (Rs)	144.0	154.0	193.5	206.2	222.4
Net Debt/Equity (x)	0.7	0.7	0.4	0.3	0.3
Net Debt/EBITDA (x)	2.7	1.9	1.4	1.2	0.9
Interest coverage (x)	4.0	3.9	4.9	5.1	5.8
RoCE (%)	9.3	13.7	13.5	12.5	14.1

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
PBT (ex-other income)	7,935	14,443	14,521	15,915	19,924
Others (non-cash items)	(504)	(1,012)	730	0	0
Taxes paid	(4,172)	(5,185)	(6,050)	(5,820)	(7,287)
Change in NWC	(363)	(4,236)	(3,457)	(2,225)	(7,108)
Operating cash flow	12,945	16,644	17,963	22,294	21,012
Capital expenditure	(9,699)	(15,003)	(14,439)	(10,000)	(10,000)
Acquisition of business	-	-	-	-	-
Interest & dividend income	-	-	-	-	-
Investing cash flow	(16,713)	(6,667)	(19,643)	(12,879)	(13,000)
Equity raised/(repaid)	0	0	16,500	0	0
Debt raised/(repaid)	8,443	6,669	(12,944)	1,272	8,661
Payment of lease liabilities	0	0	0	0	0
Interest paid	(2,387)	(4,896)	(4,729)	(3,840)	(4,141)
Dividend paid (incl tax)	(3,253)	(3,801)	(4,221)	(3,958)	(4,293)
Others	23	(1,446)	3,089	0	0
Financing cash flow	2,826	(3,472)	(2,306)	(6,527)	228
Net chg in Cash	(943)	6,504	(3,985)	2,888	8,240
OCF	12,945	16,644	17,963	22,294	21,012
Adj. OCF (w/o NWC chg.)	13,308	20,880	21,421	24,519	28,121
FCFF	3,246	1,641	3,524	12,294	11,012
FCFE	260	(3,271)	(651)	8,453	6,872
OCF/EBITDA (%)	73.2	65.1	66.7	79.4	63.6
FCFE/PAT (%)	4.9	(34.4)	(6.9)	81.8	53.4
FCFF/NOPLAT (%)	48.5	15.1	29.1	110.7	80.0

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25	FY26E	FY27E
P/E (x)	90.3	53.8	48.5	51.5	41.3
P/CE(x)	39.6	28.6	27.0	25.4	22.0
P/B (x)	7.7	7.2	5.8	5.4	5.0
EV/Sales (x)	4.4	3.6	3.7	3.7	3.1
EV/EBITDA (x)	32.0	22.1	21.0	20.2	17.1
EV/EBIT(x)	54.9	33.1	31.1	32.4	26.1
EV/IC (x)	6.1	5.6	5.5	5.0	4.8
FCFF yield (%)	0.6	0.3	0.6	2.2	1.9
FCFE yield (%)	0.1	(0.6)	(0.1)	1.6	1.3
Dividend yield (%)	0.6	0.7	0.8	0.7	0.8
DuPont-RoE split					
Net profit margin (%)	4.4	6.1	7.3	6.7	7.1
Total asset turnover (x)	1.0	1.1	1.0	1.0	1.1
Assets/Equity (x)	2.0	2.0	1.8	1.7	1.7
RoE (%)	8.6	13.9	13.4	10.8	12.6
DuPont-RoIC					
NOPLAT margin (%)	5.2	6.9	8.0	7.2	7.6
IC turnover (x)	1.5	1.6	1.5	1.4	1.6
RoIC (%)	7.6	11.1	11.8	10.3	11.9
Operating metrics					
Core NWC days	90.2	89.6	89.9	92.1	91.4
Total NWC days	90.2	89.6	89.9	92.1	91.4
Fixed asset turnover	1.4	1.5	1.3	1.2	1.2
Opex-to-revenue (%)	40.1	36.6	38.6	38.2	38.2

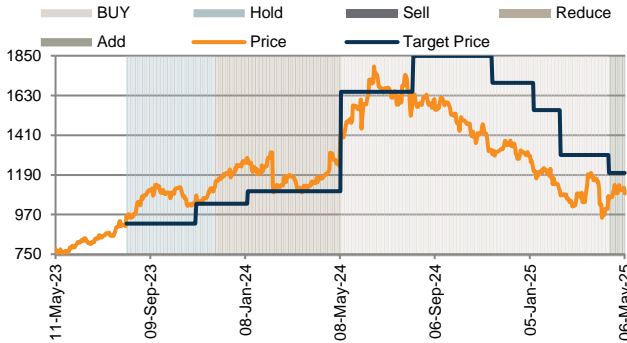
Source: Company, Emkay Research

RECOMMENDATION HISTORY – DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
16-Apr-25	1,055	1,200	Add	Chirag Jain
13-Feb-25	1,076	1,300	Buy	Chirag Jain
10-Jan-25	1,210	1,550	Buy	Chirag Jain
18-Nov-24	1,305	1,700	Buy	Chirag Jain
09-Aug-24	1,637	1,850	Buy	Chirag Jain
09-May-24	1,413	1,650	Buy	Chirag Jain
13-Feb-24	1,092	1,100	Reduce	Chirag Jain
11-Jan-24	1,275	1,100	Reduce	Chirag Jain
30-Nov-23	1,120	1,030	Reduce	Chirag Jain
06-Nov-23	1,076	1,030	Hold	Chirag Jain
09-Aug-23	963	920	Hold	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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