

December 12, 2022

Analyst Meet Update

■ Change in Estimates | ☒ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY24E	FY25E	FY24E	FY25E
Rating	BUY		BUY	
Target Price	1,005		950	
Sales (Rs. m)	88,210	1,01,160	88,210	1,01,160
% Chng.	-	-	-	-
EBITDA (Rs. m)	23,552	28,021	23,552	28,021
% Chng.	-	-	-	-
EPS (Rs.)	30.0	37.8	30.0	37.8
% Chng.	-	-	-	-

Key Financials - Standalone

Y/e Mar	FY22	FY23E	FY24E	FY25E
Sales (Rs. m)	62,546	73,349	88,210	1,01,160
EBITDA (Rs. m)	17,157	18,704	23,552	28,021
Margin (%)	27.4	25.5	26.7	27.7
PAT (Rs. m)	10,532	10,777	13,992	17,618
EPS (Rs.)	22.6	23.1	30.0	37.8
Gr. (%)	230.2	2.3	29.8	25.9
DPS (Rs.)	3.0	5.5	7.0	7.0
Yield (%)	0.3	0.6	0.8	0.8
RoE (%)	16.1	14.3	16.5	18.1
RoCE (%)	12.6	12.3	14.5	16.2
EV/Sales (x)	6.7	5.7	4.7	4.1
EV/EBITDA (x)	24.3	22.4	17.8	14.8
PE (x)	37.9	37.0	28.5	22.7
P/BV (x)	5.6	5.0	4.4	3.8

Key Data

BFRG.BO | BHFC IN

52-W High / Low	Rs.897 / Rs.595
Sensex / Nifty	62,182 / 18,497
Market Cap	Rs.399bn/ \$ 4,852m
Shares Outstanding	466m
3M Avg. Daily Value	Rs.1307.19m

Shareholding Pattern (%)

Promoter's	45.25
Foreign	19.80
Domestic Institution	23.55
Public & Others	11.40
Promoter Pledge (Rs bn)	9.93

Stock Performance (%)

	1M	6M	12M
Absolute	(2.5)	26.2	18.3
Relative	(4.3)	12.3	11.9

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Bharat Forge (BHFC IN)

Rating: BUY | CMP: Rs857 | TP: Rs1,005

Capitalizing on industry tailwinds

We attended Bharat Forge's analyst meet, hosted at their Kalyani Centre for Technology & Innovation (KCTI) Pune. Management sited healthy growth outlook across segments by leveraging its investments in diversified businesses. Over the past few years, the company has redirected its focus from its traditional core business (forging components) to multiple opportunities present in segments like defense, aerospace, e-mobility, casting, light-weighting and industrial. Over 2020-2030, Bharat Forge aspires to be a key player in core components space along with expansion in industrial, electric and aerospace segments. Accordingly, a target of 12-15% revenue CAGR and 20%+ consol EBITDAM (19.3% in FY22) has been set for FY2030.

We remain positive on Bharat Forge led by (1) multiple growth levers in domestic & export automotive segment with cyclical turnaround in CV industry and easing of chip shortage going ahead, (2) strong double-digit growth in high margin non-auto business (3) rising traction in E-mobility segment and (4) potential revenue contribution from defense & renewable segment. Maintain 'BUY' with a target price of Rs 1,005 at 28x standalone EPS (Rs 950 earlier) as we roll forward to Dec-24E.

- Defence – Time has come:** Over the last decade, Bharat Forge has created an extensive defense product line and transformed itself from a component supplier to system supplier. It has already bagged export orders for artillery systems and remains poised to win huge orders from Indian army for ATAGs. Bharat Forge is already supplying KM4 vehicles to the Indian army. This vehicle is completely developed in-house by Bharat Forge. Defense revenue is expected to touch Rs 10bn over next few years, from Rs 3-5bn currently.
- Light-weighting – Extensive growth opportunity:** Bharat Forge's early entry into this segment has led to an impressive product portfolio. Currently, aluminum component business is ~15% of total turnover of overseas subsidiaries and management expects this to touch 40-45% by 2024. However, this industry is currently affected globally due to war situations and Europe's energy crisis. Bharat Forge has a strategical global footprint with plants in US, Europe and India. Management expects aluminum business to become a key growth vertical with multiple growth levers like expansion of customer, product and geographical base.
- Aerospace:** Bharat Forge caters to the component market of aerospace industry, especially exports and does component manufacturing for the commercial as well as defence aviation. Its key clientele includes, Boeing, Rolce Royce and Honeywell. The company plans to move up the value chain and make its way into sub-assemblies and integrated systems. It is trying to produce products like under carriage, transmission system and LRUs for Engines, Rotary wings etc.

- **E-mobility segment:** Since 2017, Bharat Forge has entered into multiple strategic partnerships with Tevva, Tork Motors, REFU Drive, and ElectroForge. **Tork** (Bharat Forge has ~61% stake) is now scaling up production post receiving FAME-II certification in Oct-22. It has also entered into **CV re-powering** (converting ICE to electric) which is first of its kind. This facility is expected to be ready by 1Q-2023 and has a capacity of 1000 CV conversions per annum. **ElectroForge** will manufacture electric powertrains for medium-duty CVs.
- **Components business:** Bharat Forge is the largest exporter in this field (forging components) globally with 60+ global customers and ~68% of revenue coming from overseas. Over last few years, the company increased its focus in the PV business and is working with multiple international OEMs for EV components. Export visibility is healthy for next 1-2 years, as CV OEMs have healthy order book.
- **Casting (JS Autocast):** It is a leading manufacturer of high-grade machined ductile iron castings, used in wind energy, hydraulics, automotive and power generation sectors. The company has recorded 37% revenue CAGR since inception and 23% in the past decade. Going ahead, growth will be driven from key existing customers, new customers and segments like hydraulics, earthmoving & off-highway.

Defence business: Time has come

Management highlighted that one of key reforms announced by Indian government was to allow private companies in to the Indian Defence industry. India currently remains on the forefront of defense capabilities, the company sited. It has created an extensive product line and further plans to expand, across artillery systems, protected vehicles, armored vehicles, unmanned systems and ammunition.

- Bharat Forge has already bagged export orders for artillery systems.
- It remains poised to win huge orders from the Indian army for ATAGs.
- It is already supplying KM4 vehicles to the Indian army. This vehicle is completely developed in-house by Bharat Forge.
- Ground and aerial unmanned vehicles are also developed. It plans to manufacture underwater unmanned vehicles in the future.
- Bharat Forge is well poised to expand product offerings from wheeled vehicles to the wheeled armored fighting vehicles light-weighted ones, through its end-to-end capabilities.

Exhibit 1: Defence product line



Source: Company, PL

Exhibit 2: Artillery solutions

ATAGS  Successfully Trial Evaluated Awaiting Induction	MGS ATAGS – 8X8  Ordnance Successfully Test Fired	ULH (High Strength Steel)  Successfully Test Fired	Garuda 105_v2  Successfully Trial Evaluated
BHARAT 52  Successfully Test Fired	BHARAT 45  Proven Weapon Platform	ULH (Extended Range)  Ordnance Test Fired	MaRG - BR (155mm /39 Cal)  Successfully Trial Evaluated

Source: Company, PL

Exhibit 3: Wheeled vehicles

Kalyani M-4  Inducted in Indian Army Exported	Kalyani Maverick  Successfully Tested by Indian & Military Agencies	TC 6 : Light Tactical Vehicle  Successfully Tested by Indian & Military Agencies Ongoing supplies for 50+ vehicles	TC 6 : Garuda 105  Successfully Trail Evaluated	TC6 : Light Bullet Proof Vehicle  Tested by Indian Army & VRDE
Ultra Light Strike Vehicle  Successfully Tested by Indian Military Agencies	Mine Protected Vehicle  Successfully Tested by Indian Military Agencies	Armoured Personnel Carrier  Successfully Tested by Indian Military Agencies Exported	Armoured Troop Carrier  Successfully Tested by Indian & Sri Lankan Military Agencies Exported	TC 8 : Light Armour Troop Carrier  Platform Tested by Indian Military Agencies

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Source: Company, PL

Light-weighting business: Extensive growth opportunity

Increase in auto production, especially EVs, have led to steady increase in aluminum weight per vehicle. Further, aluminum is now also being used for battery housing technology. Bharat Forge's early entry into this segment has led to an impressive product portfolio. However, this industry is currently affected globally, due to war situations and Europe's energy crisis.

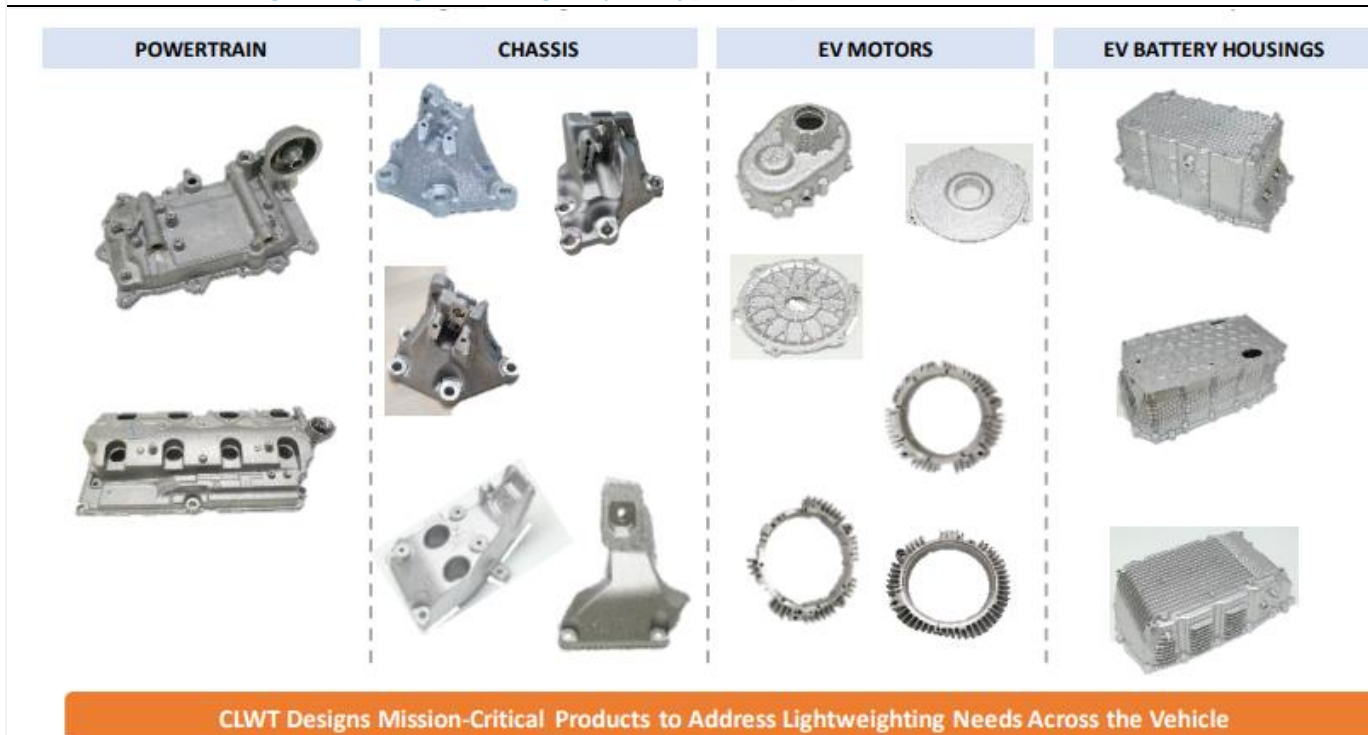
- Bharat Forge has strategical global footprint with plants in US, Europe and India. US and Europe plants, together have a capacity of 9mn units per year.
- Aluminum plant in US is brand new is expected to full ramp-up by next year.
- In India, it has casting plant set up in 2018-19 for EV parts, battery casing and some non-automotive large parts.
- The subsidiary has a large order book to service going ahead.
- Capacities for chassis components, agnostic to ICE as well as EVs are fully booked. The company expects to see a sizeable increase in revenues by 2025-26.
- Management expects aluminum business to become a key growth vertical with multiple growth levers like expansion of existing customer base, geographical expansion, expansion of product portfolio and entering non-auto markets.
- Currently, aluminum component business is ~15% of total turnover of overseas subsidiaries and management expects this to touch 40-45% by 2024.

Exhibit 4: Global reach with plants in US, Europe and India

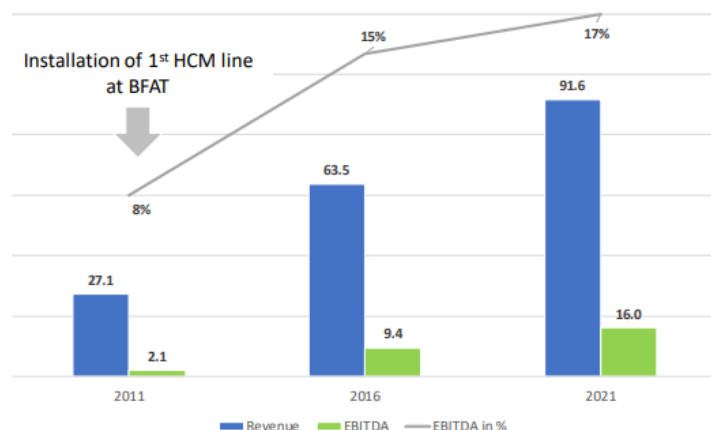
BFAL anticipates to comprise four plants leveraging relationships with marquee OEM customers, and portfolios of key products

	BFAT	BFALUS	CLWT
	Forging	Forging	Casting
Overview	<ul style="list-style-type: none"> Aluminum forging facility located in Germany, established in [1996] Holds multi-year contracts with marquee European OEM customers Demonstrable ramp in financial profile, with EBITDA margin doubling over the last 10 years, and now at ~20% 	<ul style="list-style-type: none"> Aluminum forging facility located in Sanford, USA Launched in 2019 and began shipping product in 2022 HPDC¹ technology for structural and transmission components In-house engineering and design capabilities Specialized in lightweighting, Aluminum forging, HPDC, machining, foundry, assembly 	<ul style="list-style-type: none"> Aluminum casting / lightweighting facility located in India, launched in 2018 Key products across categories: powertrain, chassis, EV motors and EV battery housing Specialized in Die Casting, Hydroforming, Carbon Fiber, Foundry, Light Tooling
Capacity	7.0mm pcs	2.0 mm pcs	2,000 tons
Products			

Source: Company, PL

Exhibit 5: Centre for Light-weighting Technologies' (CLWT) product portfolio


Source: Company, PL

Exhibit 6: Bharat Forge Aluminum Technik's financial performance
BFAT HISTORICAL PERFORMANCE (\$MM)

Key Messages

- **15+ years** experience in the Aluminum Forgings space
- **Leading & critical** supplier of aluminum forgings for premium brands in Europe
- **13% CAGR growth** in revenues
- **22% CAGR growth** in EBITDA
- **Doubling of EBITDA margin** over the period in reference
- Utilizing **Clean, Green & Efficient** processes

➤ HCM Process and further investments in Aluminum Production contributed meaningfully to EBITDA Margin Expansion

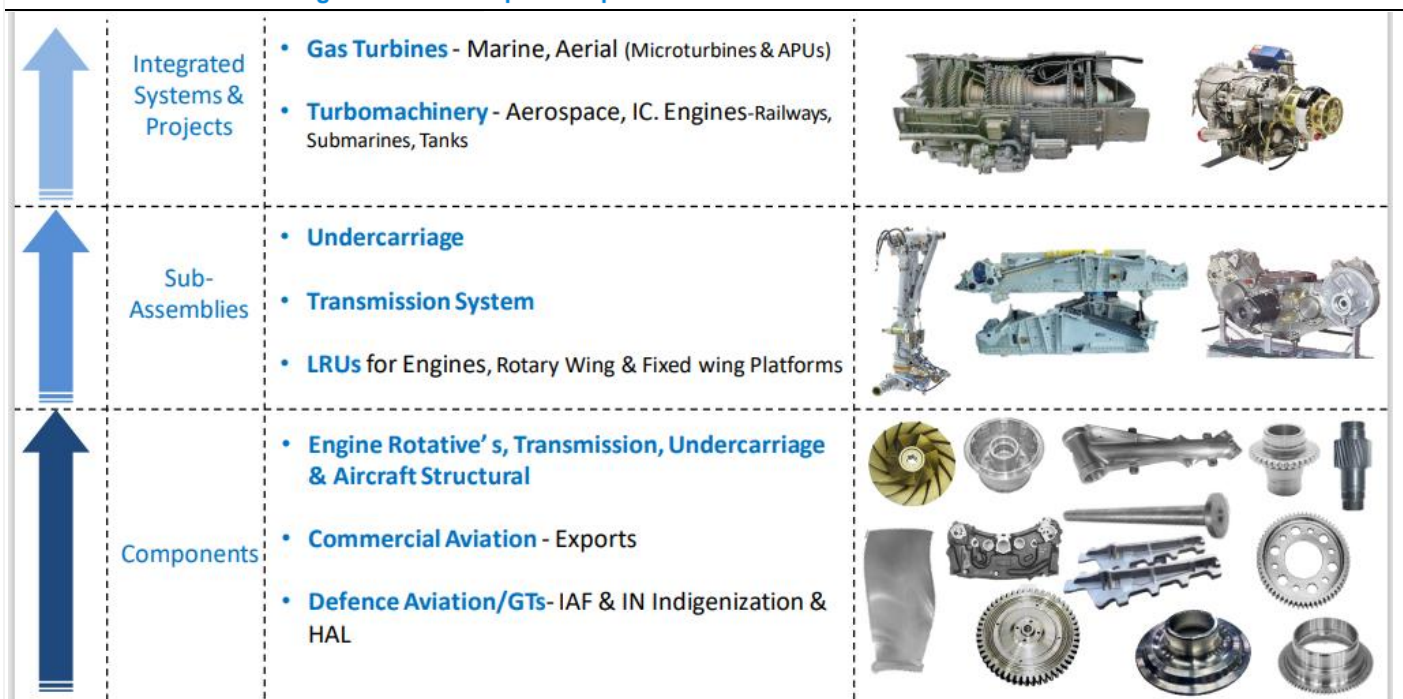
Source: Company, PL

Aerospace business

Currently, Bharat Forge caters to the component market of aerospace industry, especially exports. It is developing components like engine rotatives, transmission, undercarriage & aircraft structural. It does component manufacturing for commercial as well as defence aviation. Its key clientele includes, Boeing, Rolce Royce and Honeywell.

- Bharat Forge has a vertical integration strategy for aerospace business. The company plans to move up its value chain and make way into sub-assemblies and integrated systems. It is trying to produce products like under carriage, transmission system and LRUs for Engines, Rotary wings etc.
- Integrated systems would include gas turbines and turbomachinery (for railways defence etc). Within a year it will launch its own gas turbine engine.
- Bharat Forge has started turbocharger business for tanks, submarines etc. It has developed critical higher rotating products for the air force.
- These products are designed and developed by Bharat Forge.

Exhibit 7: Focus on building a value-added product portfolio



Source: Company, PL

E-mobility segment (Kalyani Powertrain Limited)

Bharat Forge entered the e-mobility business in 2016-17, where it first set-up an EV vehicle for strategic partnerships. It entered into multiple partnerships over last few years – Tevva, Tork Motors, REFU Drive, and ElectroForge. Kalyani Powertrain Limited (KPL) is a wholly-owned subsidiary for EV business.

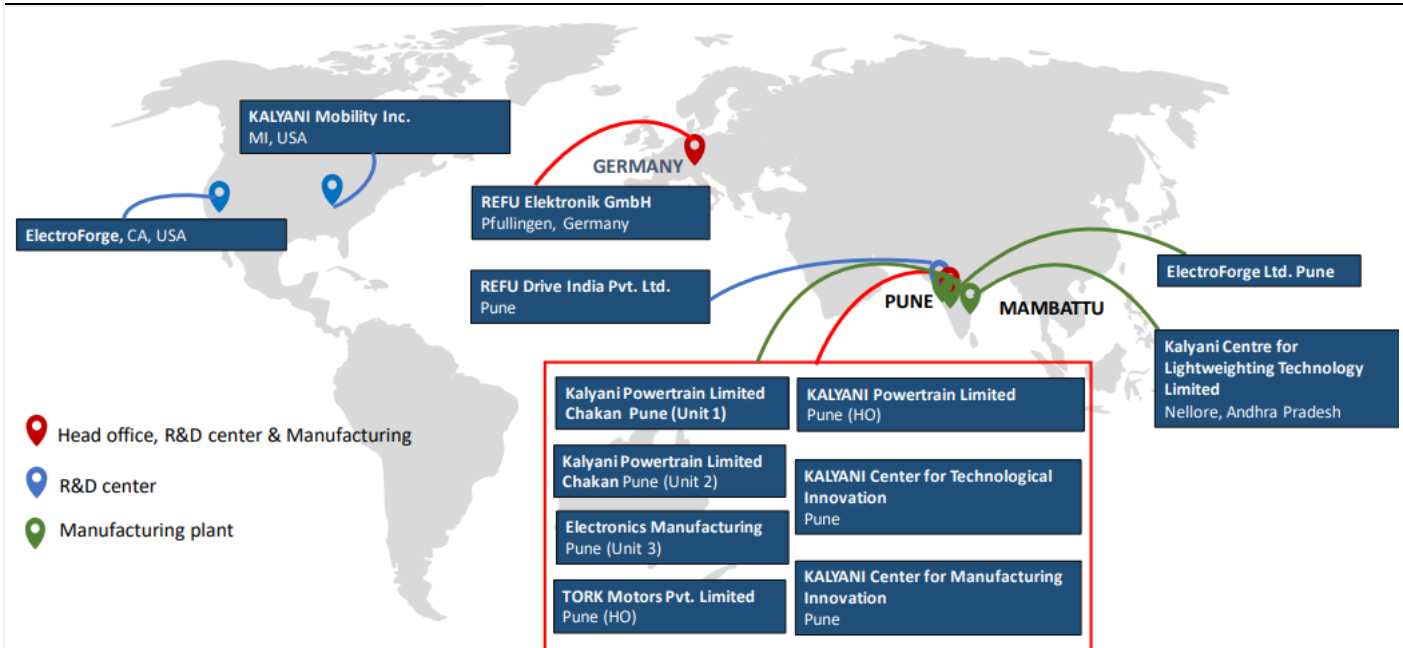
- Under e-mobility segment, the company has multiple verticals like electronic components manufacturing, commercial vehicle re-powering, 2W e-Bike & 3W Kits (TORK Motors) and traction drives, EDU & E-Axles.
- Tork Motors:** Bharat Forge made its investment in Tork Motors in 2018. This is one of the first home grown company to launch a e-2W motorbike. KPL's aggregate stake in Tork is 60.66% resulting in Tork being subsidiary of KPL and step-down subsidiary of Bharat Forge. Tork already has a 500+ customer base and has received FAME-II certification in Oct-22. It is now scaling up its production.
- ElectroForge:** KPL and Harbinger Motors have a JV to develop electrified drivetrains for the commercial trucking industry. ElectroForge to manufacture electric powertrains for medium-duty CVs. It will develop products specifically to support needs of growing e-CV market, with a wide range of customized and scalable solutions.
- CV re-powering:** Bharat Forge has entered re-powering of commercial vehicles, first of its kind. Here, a CV can be converted into an electric vehicle. It has 2 vehicle platforms, 3 model variants and end use applications ready for field deployment. The re-powering facility is expected to be ready by 1Q-2023, which has a capacity of 1000 CV conversions per annum.

Exhibit 8: KPTL e-Mobility business product portfolio and capabilities



Source: Company, PL

Exhibit 9: Kalyani Powertrain Locations



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Source: Company, PL

Exhibit 10: Electric components plant



State of the art Electronic Manufacturing Plant

- ✓ EMS Solution under 1 roof: SMT, Conformal & Box assy line
- ✓ SMT Line from reputed m/c OEM's to arrive by Dec'22
- ✓ Chakan Plant: Clean room with ESD protection
- ✓ Automotive Grade / IEC Qualified Electronic Products
- ✓ Plant SOP : Q1 / 2023

Products :

PCB-A for various products; VCU, DC-DC, OBC, Invertors, Motor Controllers, BMS.



Source: Company, PL

Components business

Bharat Forge is the largest exporter in this field (forging/components) globally. It has 60+ global customers with ~68% of revenue coming from overseas.

- The company provides components for all CV OEMs (except China), PV OEMs and industrial segment (aviation, oil and gas, marine etc).
- Over last few years, the company increased its focus in the PV business and is working with multiple international OEMs for EV components.

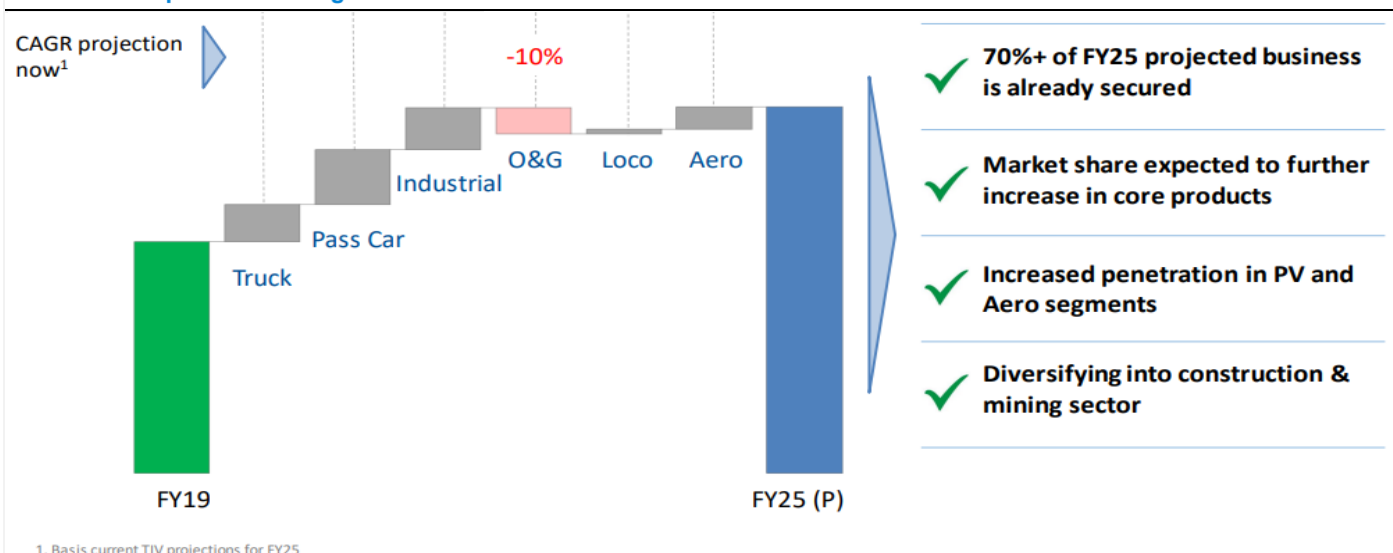
Exhibit 11: Bharat Forge's component business



Source: Company, PL

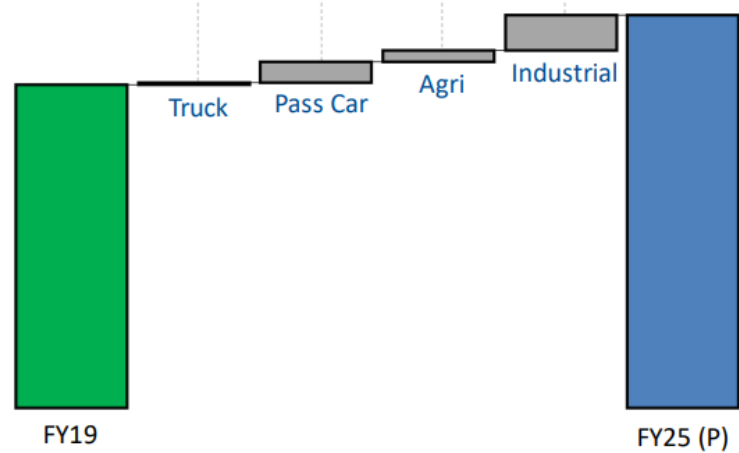
- Export visibility is healthy for next 1-2 years, as CV OEMs have healthy order book.
- Oil and gas market size has reduced globally and led to drop in O&G revenues. However, Bharat Forge is well-positioned to gain as and when this segment bounces back.

Exhibit 12: Export business growth commitment



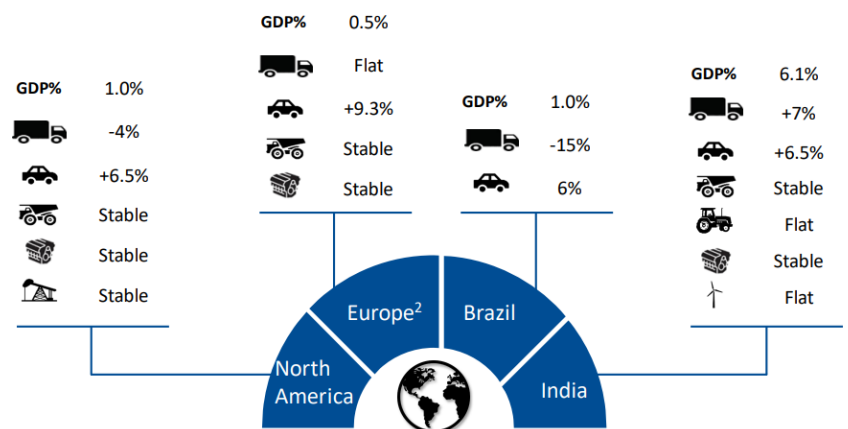
Source: Company, PL

Exhibit 13: Domestic business growth commitment



Source: Company, PL

Exhibit 14: Key market outlook for 2023



1. Sources: Reports by IMF ACT, AFS, ACEA, SIAM and internal projections basis discussions with customers
2. Europe numbers are expected to have significant uncertainty

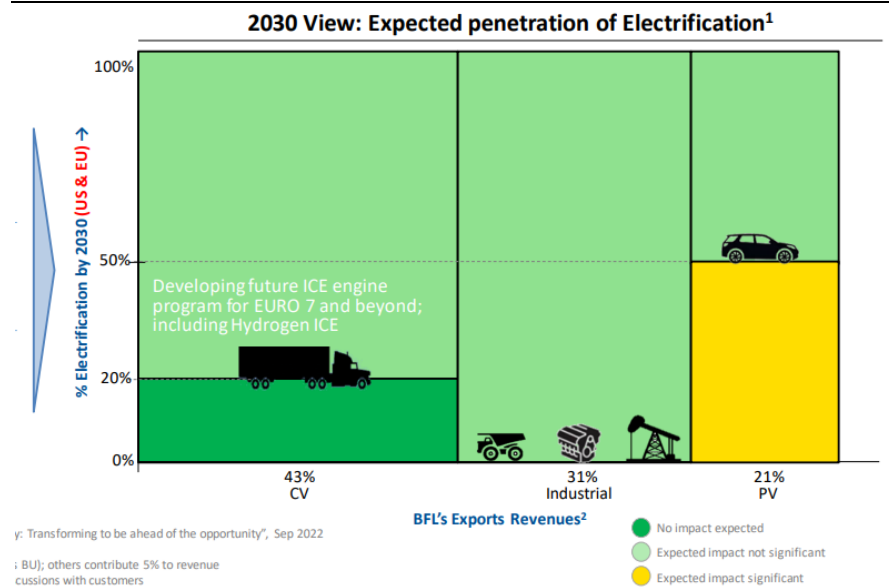
FY23 Vs FY22 for India
CY23 Vs CY22 for Rest of world

Source: Company, PL

Electrification

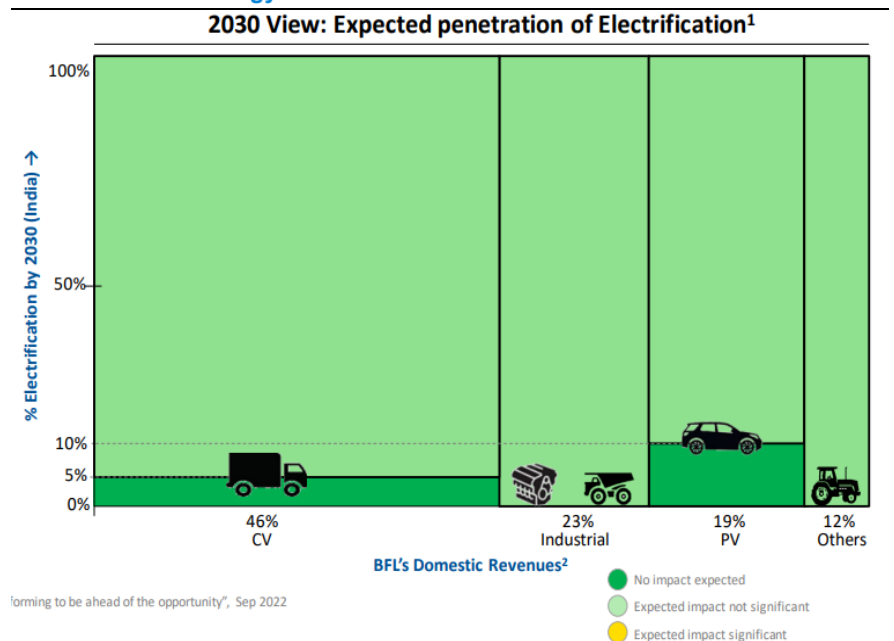
- Bharat Forge expects technology transition from ICE to EVs over coming years. However, limited impact is expected in core areas till 2033-34. Globally, electric PVs should be 50% by 2030.
- In domestic markets, the company expects only 3W & 2W to see significant EV transition. Amongst pass cars, EV transition to be slower in SUV segment.

Exhibit 15: Technology transition in export markets



Source: Company, PL

Exhibit 16: Technology transition in domestic markets



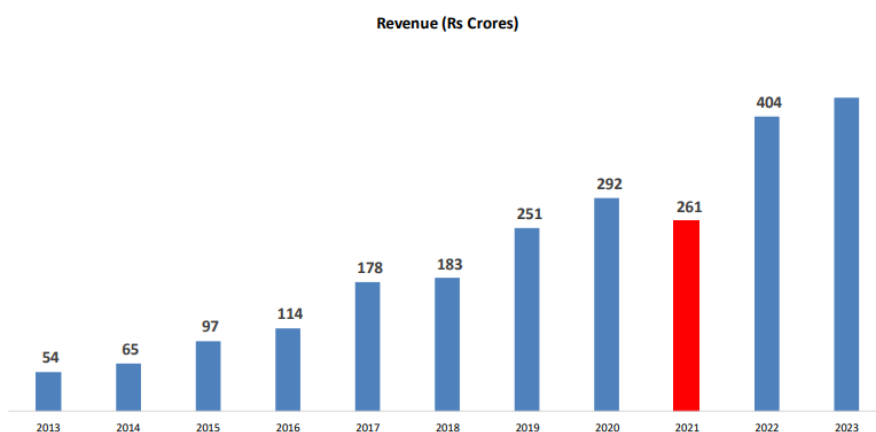
Source: Company, PL

Casting business (JS Autocast)

Bharat Forge completed acquisition of JS Autocast in Jul-22 for Rs 4.9bn. it is a leading manufacturer of high-grade machined ductile iron castings, used in wind energy, hydraulics, automotive and power generation sectors.

- JSA has been granted Environmental Clearance to expand its existing foundry operations at SIPCOT from 21,768 TPA to 72,000 TPA. This coupled with 28,800 TPA foundry capacity at Coimbatore, provides significant growth platform for the company.
- The company has also recorded 37% revenue CAGR since inception and 23% in the past decade.
- JS Auto is a leader in small sized wind turbine castings.
- Going ahead, growth will be driven from key existing customers, new customers and segments like hydraulics, earthmoving & off-highway.

Exhibit 17: JS Autocast revenue trend



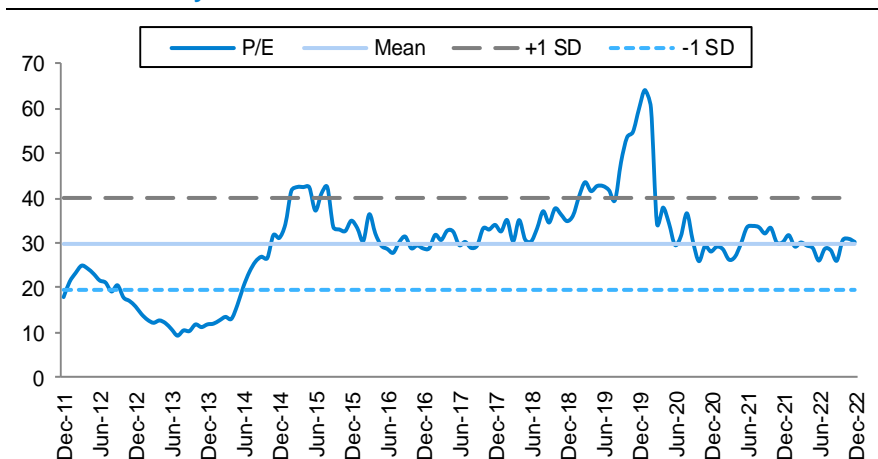
Source: Company, PL

Exhibit 18: Key revenue assumption (Rs mn)

	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
CVs	23,187	26,729	17,884	14,702	24,597	28,173	32,459	35,710
% YoY	29%	15%	-33%	-18%	67%	15%	15%	10%
% of revenue	44%	41%	39%	40%	39%	38%	37%	35%
PVs	4,847	6,967	7,314	6,657	8,555	11,834	14,371	16,064
% YoY	29%	44%	5%	-9%	29%	38%	21%	12%
% of revenue	9%	11%	16%	18%	14%	16%	16%	16%
Non-Auto	21,996	27,018	16,806	13,001	25,569	28,561	35,881	43,338
% YoY	53%	23%	-38%	-23%	97%	12%	26%	21%
% of revenue	41%	41%	37%	36%	41%	39%	41%	43%
Others	3,130	4,488	3,634	2,156	3,825	4,781	5,498	6,048
% YoY	56%	43%	-19%	-41%	77%	25%	15%	10%
% of revenue	6%	7%	8%	6%	6%	7%	6%	6%
TOTAL REVENUE	53,160	65,202	45,638	36,516	62,546	73,349	88,210	101,160

Source: Company, PL

Exhibit 19: One-year forward P/E band



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
Net Revenues	62,546	73,349	88,210	1,01,160
YoY gr. (%)	71.3	17.3	20.3	14.7
Cost of Goods Sold	25,526	31,173	36,431	41,273
Gross Profit	37,020	42,176	51,779	59,887
Margin (%)	59.2	57.5	58.7	59.2
Employee Cost	5,058	5,501	6,351	6,980
Other Expenses	14,805	17,971	21,876	24,885
EBITDA	17,157	18,704	23,552	28,021
YoY gr. (%)	135.8	9.0	25.9	19.0
Margin (%)	27.4	25.5	26.7	27.7
Depreciation and Amortization	4,118	4,385	5,098	5,192
EBIT	13,039	14,319	18,454	22,829
Margin (%)	20.8	19.5	20.9	22.6
Net Interest	1,073	1,583	1,788	1,830
Other Income	1,675	1,706	1,744	2,183
Profit Before Tax	13,959	14,406	18,410	23,182
Margin (%)	22.3	19.6	20.9	22.9
Total Tax	3,181	3,601	4,418	5,564
Effective tax rate (%)	22.8	25.0	24.0	24.0
Profit after tax	10,778	10,804	13,992	17,618
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	10,532	10,777	13,992	17,618
YoY gr. (%)	-	-	-	-
Margin (%)	16.8	14.7	15.9	17.4
Extra Ord. Income / (Exp)	246	(27)	-	-
Reported PAT	10,778	10,804	13,992	17,618
YoY gr. (%)	245.3	0.2	29.5	25.9
Margin (%)	17.2	14.7	15.9	17.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
Equity Shares O/s (m)	466	466	466	466
EPS (Rs)	22.6	23.1	30.0	37.8

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
Non-Current Assets				
Gross Block	54,962	61,962	70,462	78,962
Tangibles	54,962	61,962	70,462	78,962
Intangibles	-	-	-	-
Acc: Dep / Amortization	21,950	26,335	31,433	36,626
Tangibles	21,950	26,335	31,433	36,626
Intangibles	-	-	-	-
Net fixed assets	33,011	35,627	39,028	42,336
Tangibles	33,011	35,627	39,028	42,336
Intangibles	-	-	-	-
Capital Work In Progress	2,480	2,433	2,210	2,009
Goodwill	-	-	-	-
Non-Current Investments	20,003	20,289	20,589	20,903
Net Deferred tax assets	(2,888)	(343)	(343)	(343)
Other Non-Current Assets	8,285	9,114	10,025	11,027
Current Assets				
Investments	18,995	19,375	19,762	20,158
Inventories	11,111	11,053	13,292	15,243
Trade receivables	24,924	28,134	33,834	38,801
Cash & Bank Balance	3,828	3,290	4,089	9,231
Other Current Assets	5,468	6,015	6,616	7,278
Total Assets	1,28,409	1,35,661	1,49,811	1,67,390
Equity				
Equity Share Capital	931	931	931	931
Other Equity	70,166	78,410	89,142	1,03,501
Total Network	71,098	79,341	90,073	1,04,432
Non-Current Liabilities				
Long Term borrowings	15,159	15,462	15,926	16,404
Provisions	466	512	564	620
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	26,082	26,603	27,136	27,678
Trade payables	9,670	10,048	12,084	13,858
Other current liabilities	2,799	3,079	3,387	3,726
Total Equity & Liabilities	1,28,409	1,35,661	1,49,811	1,67,390

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY22	FY23E	FY24E	FY25E
PBT	13,959	14,406	18,410	23,182
Add. Depreciation	4,118	4,385	5,098	5,192
Add. Interest	1,073	1,583	1,788	1,830
Less Financial Other Income	1,675	1,706	1,744	2,183
Add. Other	(1,993)	(1,669)	(1,744)	(2,183)
Op. profit before WC changes	17,157	18,704	23,552	28,021
Net Changes-WC	(14,077)	(3,072)	(6,230)	(5,504)
Direct tax	(2,639)	(6,146)	(4,418)	(5,564)
Net cash from Op. activities	441	9,486	12,903	16,953
Capital expenditures	(2,320)	(6,953)	(8,277)	(8,299)
Interest / Dividend Income	-	-	-	-
Others	(4,648)	627	612	952
Net Cash from Invt. activities	(6,967)	(6,326)	(7,665)	(7,347)
Issue of share cap. / premium	2,231	-	-	-
Debt changes	6,053	825	996	1,020
Dividend paid	(1,397)	(2,561)	(3,260)	(3,260)
Interest paid	(1,073)	(1,583)	(1,788)	(1,830)
Others	-	-	-	-
Net cash from Fin. activities	5,814	(3,319)	(4,051)	(4,069)
Net change in cash	(713)	(159)	1,187	5,537
Free Cash Flow	(1,879)	2,534	4,626	8,654

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY22	Q4FY22	Q1FY23	Q2FY23
Net Revenue	16,021	16,741	17,594	18,639
YoY gr. (%)	54.7	28.1	28.2	16.0
Raw Material Expenses	6,681	7,250	7,272	8,281
Gross Profit	9,340	9,491	10,322	10,358
Margin (%)	58.3	56.7	58.7	55.6
EBITDA	4,079	4,312	4,351	4,530
YoY gr. (%)	89.9	20.1	11.2	(6.7)
Margin (%)	25.5	25.8	24.7	24.3
Depreciation / Depletion	1,031	1,042	1,064	1,066
EBIT	3,047	3,270	3,286	3,465
Margin (%)	19.0	19.5	18.7	18.6
Net Interest	118	407	263	357
Other Income	358	662	259	477
Profit before Tax	4,247	3,499	3,252	3,579
Margin (%)	26.5	20.9	18.5	19.2
Total Tax	873	879	815	897
Effective tax rate (%)	20.5	25.1	25.1	25.1
Profit after Tax	3,374	2,620	2,437	2,681
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	2,612	2,638	2,459	2,686
YoY gr. (%)	169.7	28.0	15.3	(13.9)
Margin (%)	16.3	15.8	14.0	14.4
Extra Ord. Income / (Exp)	762	(19)	(23)	(5)
Reported PAT	3,374	2,620	2,437	2,681
YoY gr. (%)	264.1	27.5	46.2	(14.0)
Margin (%)	21.1	15.6	13.8	14.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
Avg. Shares O/s (m)	-	-	-	-
EPS (Rs)	-	-	-	-

Source: Company Data, PL Research

Key Financial Metrics

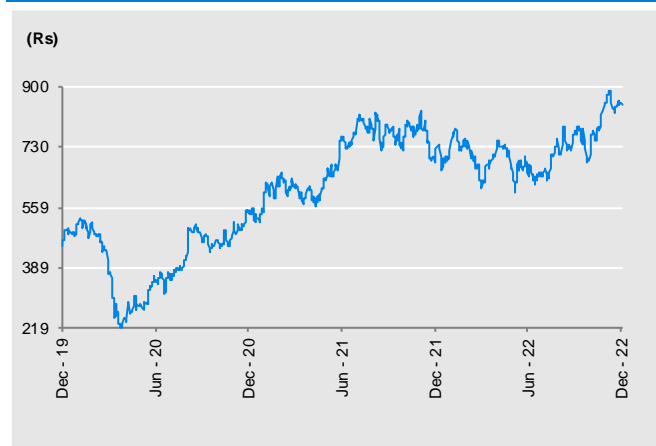
Y/e Mar	FY22	FY23E	FY24E	FY25E
Per Share(Rs)				
EPS	22.6	23.1	30.0	37.8
CEPS	31.5	32.6	41.0	49.0
BVPS	152.7	170.4	193.4	224.3
FCF	(4.0)	5.4	9.9	18.6
DPS	3.0	5.5	7.0	7.0
Return Ratio(%)				
RoCE	12.6	12.3	14.5	16.2
ROIC	12.5	11.4	13.6	15.6
RoE	16.1	14.3	16.5	18.1
Balance Sheet				
Net Debt : Equity (x)	0.3	0.2	0.2	0.1
Net Working Capital (Days)	139	131	133	133
Valuation(x)				
PER	37.9	37.0	28.5	22.7
P/B	5.6	5.0	4.4	3.8
P/CEPS	27.3	26.3	20.9	17.5
EV/EBITDA	24.3	22.4	17.8	14.8
EV/Sales	6.7	5.7	4.7	4.1
Dividend Yield (%)	0.3	0.6	0.8	0.8

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY22	FY23E	FY24E	FY25E
Shipment tonnage (MT)	2,21,514	2,43,665	2,80,215	3,22,247
Net realisation (Rs/ton)	2,82,357	3,01,025	3,14,793	3,13,922

Source: Company Data, PL Research

Price Chart

Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	14-Nov-22	BUY	950	859
2	06-Oct-22	BUY	875	707
3	11-Aug-22	BUY	900	736
4	08-Jul-22	BUY	900	664
5	16-May-22	BUY	900	663
6	11-Apr-22	BUY	942	740
7	11-Feb-22	BUY	980	728
8	12-Jan-22	BUY	1,110	702

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Ashok Leyland	BUY	200	148
2	Bajaj Auto	Hold	3,865	3,571
3	Bharat Forge	BUY	950	859
4	CEAT	Accumulate	1,775	1,617
5	Eicher Motors	BUY	4,190	3,701
6	Endurance Technologies	BUY	1,600	1,394
7	Exide Industries	UR	-	157
8	Hero Motocorp	BUY	3,175	2,598
9	InterGlobe Aviation	Accumulate	2,015	1,798
10	Mahindra & Mahindra	BUY	1,500	1,287
11	Maruti Suzuki	BUY	10,230	9,493
12	Tata Motors	BUY	520	433
13	TVS Motors	BUY	1,275	1,114

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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