

BJAUT reported a steady Q1 (revenue/EBITDA up 16%/24% YoY; 20.2% EBITDA margin, aided by 50bps accrual of PLI benefit). Domestic 2W prospects are healthy, though BJAUT's position has slipped now (also in the 125cc motorcycle); response to newly-launched CNG motorcycle needs to be watched. The mgmt guided for exports recovery to be gradual, and its focus on Triumph is to build brand awareness. Valuations, though, remain expensive (trades near 2SD from LTA, at 28x FY26E PER). We raise FY26E EPS by ~2.6% (higher margin) and introduce FY27 estimates (13% FY24-27E EPS CAGR); we retain REDUCE and revise TP to Rs8,300/sh (roll over core 23x multiple to Jun-26E) + Rs900 cash & investment/sh. We prefer HMCL in 2Ws ([link](#)) amid growth/re-rating triggers (successful Xtreme 125R launch) and an attractive risk-reward.

Bajaj Auto: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	364,276	446,852	520,441	582,927	642,341
EBITDA	65,491	88,229	105,775	118,374	132,184
Adj. PAT	56,276	74,788	87,674	96,862	107,222
Adj. EPS (Rs)	198.9	271.8	314.0	347.0	384.1
EBITDA margin (%)	18.0	19.7	20.3	20.3	20.6
EBITDA growth (%)	24.5	34.7	19.9	11.9	11.7
Adj. EPS growth (%)	14.7	36.7	15.6	10.5	10.7
RoE (%)	21.6	29.7	35.2	38.2	40.7
RoIC (%)	182.6	341.7	592.3	699.8	1,556.2
P/E (x)	48.9	35.8	30.9	28.0	25.3
EV/EBITDA (x)	39.0	28.0	23.7	21.1	18.7
P/B (x)	10.8	10.8	10.9	10.5	10.1
FCFF yield (%)	1.4	2.1	1.0	3.3	4.0

Source: Company, Emkay Research

Margins sustain at over 20%

Revenue grew 16% YoY to Rs119.3bn, in line with estimates (volumes up 7% YoY; ASPs marginally higher QoQ). EBITDA was higher by 24% YoY/5% QoQ, with EBITDA margin up 17bps sequentially at 20.2% (largely on better USD-INR, at 83.4 vs 83 in Q4). Adj. PAT rose 19% YoY to ~Rs19.9bn (at a ~2% beat). Surplus cash stands at Rs167bn.

Earnings Call KTAs:

1) The management expects outperforming the 7-8% growth in the domestic 2W industry on the back of growth in the 125cc+ segment and launch of CNG motorcycle ('Freedom 125'). 2) Exports is seeing steady revival led by Latin America. Key markets (like Nigeria) in Africa continue to struggle (now at 30% of peak volumes). Brazil is expected to emerge as one of the top-3 markets in the medium term. BJAUT expects Q2 to be better than Q1. 3) Freedom 125 has an addressable market of 450-500K units/mth (mileage-conscious customers in 100-125cc); currently, capacity of 10K units/mth to be expanded to 40K/mth by Q4. The company expects new variants (bottom-end and top-end) in CNG down the line; current bookings are at 4.2K units. 4) BJAUT expects consistent volumes of over-100K units/Qtr in domestic 3Ws. E-auto volumes (at ~3K/mth now) are expected to grow owing to distribution expansion (140 locations now) and migration from E-rickshaws. BJAUT aims to be a full-range player in 3Ws, and is not worried about cannibalization of CNG 3Ws, as EVs have similar margins as ICE (incl. PLI incentives). 5) E-2W Chetak volumes are seen expanding owing to greater reach (targeting 1K stores by Sep-24 vs. 250 now) and ramp-up of the sub-Rs100K variant. The company targets becoming the second-largest E-2W player soon. Though E2Ws are still some time away from becoming profitable, increasing volumes are not dragging margins proportionately due to strong cost efforts. 6) Triumph distribution to expand to 150 stores by H1 (vs 100 now); the company focuses on brand-building beyond metros in India, and on retails in export markets. 7) PLI incentives have started being accounted for from Q1 (EVs formed 14% of domestic revenues); these incentives contributed to ~50bps of margin expansion. 8) Expects ~70bps RM increase in Q2; has taken ~0.35% price hike in July. 9) Rs7-8bn capex seen in FY25E. 10) Spares sales stood at Rs13.5bn.

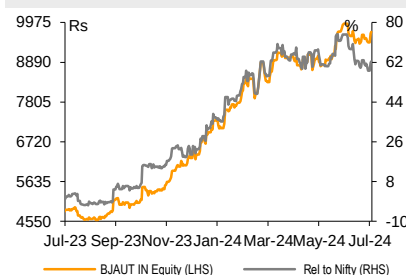
Target Price – 12M	Jun-25
Change in TP (%)	5.1
Current Reco.	REDUCE
Previous Reco.	REDUCE
Upside/(Downside) (%)	(14.6)
CMP (16-Jul-24) (Rs)	9,718.4

Stock Data	Ticker
52-week High (Rs)	10,039
52-week Low (Rs)	4,541
Shares outstanding (mn)	279.2
Market-cap (Rs bn)	2,713
Market-cap (USD mn)	32,458
Net-debt, FY25E (Rs mn)	-2,05,973
ADTV-3M (mn shares)	-
ADTV-3M (Rs mn)	3,845.9
ADTV-3M (USD mn)	46.0
Free float (%)	45.0
Nifty-50	24,613
INR/USD	83.6
Shareholding, Mar-24	
Promoters (%)	55.1
FPIs/MFs (%)	14.5/8.5

Price Performance

(%)	1M	3M	12M
Absolute	(2.4)	9.0	100.0
Rel. to Nifty	(7.0)	(2.0)	59.0

1-Year share price trend (Rs)



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Exhibit 1: Q1FY25 results snapshot – Revenue up 16% YoY, with flattish ASPs; margins up by 17bps QoQ, led by currency gain

(Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	YoY (%)	QoQ (%)
Revenue	103,098	107,773	121,135	114,847	119,280	15.7	3.9
Expenditure	83,558	86,444	96,836	91,784	95,128	13.8	3.6
as % of sales	81.0	80.2	79.9	79.9	79.8		
Consumption of RM	74,127	76,511	86,096	80,702	83,527	12.7	3.5
as % of sales	71.9	71.0	71.1	70.3	70.0		
Employee Cost	3,842	3,816	3,846	3,872	4,350	13.2	12.3
as % of sales	3.7	3.5	3.2	3.4	3.6		
Other expenditure	5,590	6,118	6,895	7,210	7,251	29.7	0.6
as % of sales	5.4	5.7	5.7	6.3	6.1		
EBITDA	19,539	21,329	24,299	23,063	24,153	23.6	4.7
EBITDA margin (%)	19.0	19.8	20.1	20.1	20.2		
Depreciation	835	876	881	906	937	12.2	3.5
EBIT	18,704	20,452	23,418	22,157	23,216	24.1	4.8
Other Income	3,463	3,614	3,461	3,487	3,209	(7.3)	(8.0)
Interest	121	65	121	228	207	71.0	(9.3)
PBT	22,046	24,000	26,758	25,416	26,218	18.9	3.2
Total Tax	5,399	5,639	6,339	6,056	6,335	17.3	4.6
Adjusted PAT	16,648	18,361	20,419	19,360	19,883	19.4	2.7
Extra ordinary items Loss/(Gain)	0	0	0	0	0		
Reported PAT	16,648	18,361	20,419	19,360	19,883	19.4	2.7
Adjusted EPS (Rs)	58.8	64.9	72.2	68.4	70.3	19.4	2.7
(%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	(bps)	(bps)
EBITDAM	19.0	19.8	20.1	20.1	20.2	130	17
EBITM	18.1	19.0	19.3	19.3	19.5	132	17
EBTM	21.4	22.3	22.1	22.1	22.0	60	(15)
PATM	16.1	17.0	16.9	16.9	16.7	52	(19)
Effective Tax rate	24.5	23.5	23.7	23.8	24.2	(33)	34

Source: Company, Emkay Research

Exhibit 2: Q1FY25 – Actual vs estimates

(Rs mn)	Actual	Emkay Est.	%variance	Consensus	%variance
Net sales	119,280	117,781	1.3	118,036	1.1
EBITDA	24,153	23,438	3.0	23,590	2.4
EBITDA margin (%)	20.2	19.9	35bps	20.0	26bps
Adjusted net income	19,883	19,464	2.2	19,770	0.6
FDEPS (Rs)	70.3	68.8	2.2	69.9	0.6

Source: Company, Emkay Research

Exhibit 3: Margin analysis – Higher gross margins and lower staff costs QoQ, partially negated by higher other expenses

Year to March (%)	Q1FY25	Q1FY24	Change (bps)	Q4FY24	Change (bps)
Raw material	70.0	71.9	(187)	70.3	(24)
Staff costs	3.6	3.7	(8)	3.4	27
Other expenses (incl. expenses capitalised)	6.1	5.4	66	6.3	(20)
EBITDA	20.2	19.0	130	20.1	17
Adjusted net profit	16.7	16.1	52	15.4	129
Tax rate	24.2	24.5	(33)	23.8	34

Source: Company, Emkay Research

Exhibit 4: Industry mix – The 125cc motorcycle segment is now 18%/27% of domestic 2Ws/domestic motorcycles, respectively

Domestic 2Ws - Industry mix (%)	FY19	FY20	FY21	FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
Domestic Motorcycles	64.2	64.4	66.3	66.7	64.6	64.2	65.6	63.6	66.1	63.4	65.4	64.6	64.1
Up to 110cc	39.8	36.6	35.6	36.9	34.3	32.0	32.1	33.9	32.4	30.7	32.2	30.4	30.2
110-125cc	9.1	13.6	16.0	16.4	18.6	17.4	17.5	14.1	18.4	17.5	17.5	17.8	18.3
125-150cc	6.0	5.3	3.5	2.8	2.1	3.1	2.3	2.6	2.6	2.3	3.2	3.7	3.5
Over 150cc	9.3	8.9	11.1	10.7	9.7	11.7	13.7	12.9	12.6	12.8	12.5	12.6	12.2
Domestic Scooters	31.6	32.0	29.6	29.8	32.4	33.3	31.7	33.4	31.4	34.1	31.8	32.6	33.4
Domestic Mopeds	4.2	3.7	4.1	3.5	3.0	2.5	2.7	3.0	2.5	2.6	2.9	2.8	2.5
Total Domestic 2Ws	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: SIAM, Emkay Research

Exhibit 5: BJAUT mix – Dip of 330bps in motorcycle contribution YoY, amid decline in the 100cc and 125cc segments

BJAUT mix (%)	FY19	FY20	FY21	FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
Domestic Motorcycles	86.4	85.0	94.2	90.6	87.3	88.0	81.7	78.7	81.3	75.4	79.4	76.2	78.0
Up to 110cc	49.1	44.2	38.3	42.6	26.5	37.0	26.2	21.0	21.6	22.1	23.2	16.6	18.2
110-125cc	1.8	8.0	24.6	25.5	42.7	27.9	30.6	32.1	37.4	27.9	31.0	31.6	32.7
125-150cc	24.2	20.6	17.7	12.4	7.3	12.1	10.2	8.6	8.2	9.5	11.3	13.0	12.1
Over 150cc	11.4	12.3	13.7	10.2	10.8	11.0	14.8	17.0	14.2	15.8	13.9	15.0	15.0
Domestic Scooters	-	0.0	0.1	0.5	1.8	1.4	1.9	1.9	3.3	3.8	4.8	7.0	6.3
Domestic 2Ws	86.4	85.0	94.3	91.1	89.1	89.5	83.6	80.6	84.6	79.3	84.2	83.2	84.3
Domestic 3Ws	13.6	14.9	5.7	8.9	10.9	10.5	16.3	19.4	15.4	20.7	15.8	16.8	15.6
Domestic Quadricycles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: SIAM, Emkay Research

Exhibit 6: BJAUT market share – the 125cc market share has declined from its highs; overall 2W share also lower

BJAUT market share (%)	FY19	FY20	FY21	FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
Domestic Motorcycles	18.7	18.5	18.0	18.2	12.8	20.4	17.6	17.7	19.1	16.5	20.0	17.2	16.8
Up to 110cc	17.1	16.9	13.6	15.5	7.3	17.2	11.5	8.9	10.3	10.0	11.9	7.9	8.3
110-125cc	2.7	8.2	19.5	20.8	21.8	23.9	24.6	32.6	31.4	22.1	29.2	25.9	24.7
125-150cc	56.3	55.0	64.1	59.8	33.6	58.8	61.7	46.6	49.2	57.6	57.4	50.8	47.6
Over 150cc	17.0	19.3	15.6	12.7	10.6	13.9	15.3	18.7	17.4	17.1	18.3	17.4	17.2
Domestic Scooters	-	0.0	0.0	0.2	0.5	0.6	0.9	0.8	1.6	1.6	2.5	3.1	2.6
Domestic 2Ws	12.0	11.9	12.0	12.2	8.4	13.3	11.8	11.5	13.1	11.0	13.9	12.1	11.7
Domestic 3Ws	56.9	57.3	49.8	61.5	50.2	60.7	64.2	64.9	68.2	67.6	65.5	66.9	65.4
Domestic Quadricycles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total	13.4	13.5	12.5	13.1	9.3	14.5	13.6	13.7	15.0	13.3	15.8	14.1	13.4

Source: SIAM, Emkay Research

Exhibit 7: Revenue model – We build in 13% EPS CAGR over FY24-27E

Revenue Model	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Domestic 2Ws (units)	2,541,320	2,078,348	1,809,375	1,641,084	1,803,748	2,237,118	2,388,750	2,537,873	2,691,944
Growth (%)	28.7	(18.2)	(12.9)	(9.3)	9.9	24.0	6.8	6.2	6.1
Domestic 3Ws (units)	398,826	364,817	109,304	160,599	300,009	463,413	495,852	515,686	531,157
Growth (%)	7.9	(8.5)	(70.0)	46.9	86.8	54.5	7.0	4.0	3.0
Domestic Total (units)	2,940,146	2,443,165	1,918,679	1,801,683	2,103,757	2,700,531	2,884,602	3,053,559	3,223,100
Growth (%)	25.4	(16.9)	(21.5)	(6.1)	16.8	28.4	6.8	5.9	5.6
Export 2Ws (units)	1,695,553	1,869,220	1,796,518	2,195,772	1,636,956	1,477,338	1,684,165	1,987,315	2,245,666
Growth (%)	21.6	10.2	(3.9)	22.2	(25.4)	(9.8)	14.0	18.0	13.0
Export 3Ws (units)	383,177	301,885	257,729	310,854	184,284	158,872	175,177	192,695	211,964
Growth (%)	43.1	(21.2)	(14.6)	20.6	(40.7)	(13.8)	10.3	10.0	10.0
Export Total (units)	2,078,730	2,171,105	2,054,247	2,506,626	1,821,240	1,636,210	1,859,342	2,180,010	2,457,630
Growth (%)	25.0	4.4	(5.4)	22.0	(27.3)	(10.2)	13.6	17.2	12.7
Total volumes (units)	5,018,876	4,614,270	3,972,926	4,308,309	3,924,997	4,336,741	4,743,944	5,233,568	5,680,731
Growth (%)	25.3	(8.1)	(13.9)	8.4	(8.9)	10.5	9.4	10.3	8.5
ASP (Rs/unit)	60,479	64,826	69,826	76,930	92,792	103,022	109,690	111,367	113,059
Growth (%)	(3.9)	7.2	7.7	10.2	20.6	11.0	6.5	1.5	1.5
Revenues	303,576	299,187	277,411	331,447	364,276	446,852	520,441	582,927	642,341
Growth (%)	20.4	(1.4)	(7.3)	19.5	9.9	22.7	16.5	12.0	10.2
EBITDA	51,925	50,962	49,285	52,586	65,491	88,229	105,775	118,374	132,184
EBITDA margin (%)	17.1	17.0	17.8	15.9	18.0	19.7	20.3	20.3	20.6
EBITDA growth (%)	7.3	(1.9)	(3.3)	6.7	24.5	34.7	19.9	11.9	11.7
EBIT	63,656	65,834	59,457	61,987	74,481	98,755	115,939	128,074	141,756
EBIT margin (%)	21.0	22.0	21.4	18.7	20.4	22.1	22.3	22.0	22.1
EPS (Rs)	153	176	157	165	199	268	314	347	384

Source: Company, Emkay Research

Exhibit 8: Change in estimates – We revise FY26E EPS by 2.6%, on higher margins, and introduce FY27 estimates

(Rs mn)	FY25E				FY26E				FY27E	
	Earlier	Revised	%Change	%YoY	Earlier	Revised	%Change	%YoY	Introduced	%YoY
Domestic 2Ws	2,554,147	2,388,750	(6.5)	6.8	2,781,170	2,537,873	(8.7)	6.2	2,691,944	6.1
Domestic 3Ws	488,251	496,577	1.7	7.0	502,871	516,411	2.7	4.0	531,903	3.0
Total Domestic	3,042,398	2,885,327	(5.2)	6.8	3,284,041	3,054,284	(7.0)	5.9	3,223,847	5.6
Export 2Ws	1,802,352	1,684,165	(6.6)	14.0	1,928,517	1,987,315	3.0	18.0	2,245,666	13.0
Export 3Ws	193,437	175,177	(9.4)	10.3	208,912	192,695	(7.8)	10.0	211,964	10.0
Total Exports	1,995,789	1,859,342	(6.8)	13.6	2,137,429	2,180,010	2.0	17.2	2,457,630	12.7
Volumes (Units)	5,038,188	4,744,669	(5.8)	9.4	5,421,470	5,234,293	(3.5)	10.3	5,681,477	8.5
Revenues	538,284	520,441	(3.3)	16.5	587,026	582,927	(0.7)	12.0	642,341	10.2
EBITDA	106,430	105,775	(0.6)	19.9	116,024	118,374	2.0	11.9	132,184	11.7
Margin (%)	19.8	20.3	55bps	58bps	19.8	20.3	54bps	-2bps	20.6	27bps
Net Profit	87,488	87,674	0.2	17.2	94,359	96,862	2.7	10.5	107,222	10.7
EPS (Rs)	313.4	314.0	0.2	17.2	338.0	347.0	2.6	10.5	384.1	10.7

Source: Emkay Research

Exhibit 9: Emkay vs Consensus estimates

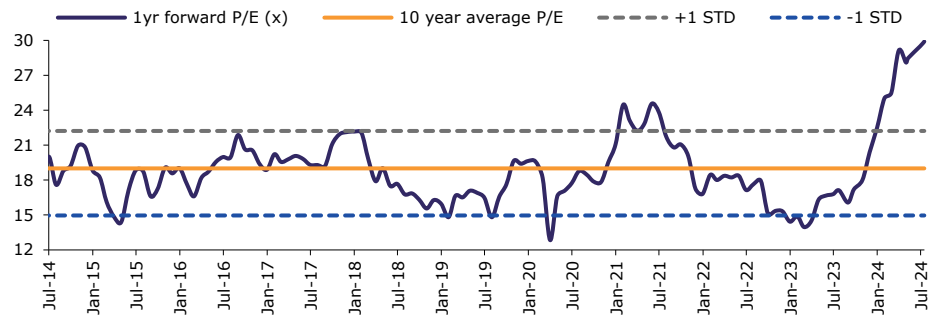
Bajaj Auto	Emkay Estimates			Bloomberg estimates			Difference (%)		
	FY25E	FY26E	FY27E	FY25	FY26	FY27	FY25	FY26	FY27
Net revenue	520,441	582,927	642,341	525,405	605,273	688,753	-0.9%	-3.7%	-6.7%
EBITDA	105,775	118,374	132,184	105,957	123,941	139,403	-0.2%	-4.5%	-5.2%
EBITDA margin (%)	20.3	20.3	20.6	20.2	20.5	20.2	16 bps	(17) bps	34 bps
EPS (Rs)	314	347	384	314	367	415	-0.1%	-5.4%	-7.4%

Source: Bloomberg, Emkay Research

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Exhibit 10: BJAUT trades well above 1SD from LTA, on PER basis



Source: Bloomberg, Emkay Research

Bajaj Auto: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	364,276	446,852	520,441	582,927	642,341
Revenue growth (%)	9.9	22.7	16.5	12.0	10.2
EBITDA	65,491	88,229	105,775	118,374	132,184
EBITDA growth (%)	24.5	34.7	19.9	11.9	11.7
Depreciation & Amortization	2,824	3,498	3,919	4,498	4,741
EBIT	62,667	84,731	101,856	113,876	127,443
EBIT growth (%)	25.6	35.2	20.2	11.8	11.9
Other operating income	0	0	0	0	0
Other income	11,814	14,025	14,083	14,198	14,313
Financial expense	395	535	578	624	674
PBT	74,086	98,220	115,361	127,450	141,082
Extraordinary items	0	0	0	0	0
Taxes	17,810	23,432	27,687	30,588	33,860
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	56,276	74,788	87,674	96,862	107,222
PAT growth (%)	12.1	32.9	17.2	10.5	10.7
Adjusted PAT	56,276	74,788	87,674	96,862	107,222
Diluted EPS (Rs)	198.9	271.8	314.0	347.0	384.1
Diluted EPS growth (%)	14.7	36.7	15.6	10.5	10.7
DPS (Rs)	140.0	140.0	310.0	320.0	340.0
Dividend payout (%)	70.4	51.5	98.7	92.2	88.5
EBITDA margin (%)	18.0	19.7	20.3	20.3	20.6
EBIT margin (%)	17.2	19.0	19.6	19.5	19.8
Effective tax rate (%)	24.0	23.9	24.0	24.0	24.0
NOPLAT (pre-IndAS)	47,602	64,517	77,411	86,546	96,857
Shares outstanding (mn)	283.0	275.2	279.2	279.2	279.2

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
PBT	74,086	98,220	1,15,361	1,27,450	1,41,082
Others (non-cash items)	0	0	0	0	0
Taxes paid	(19,184)	(23,826)	(27,802)	(30,715)	(32,590)
Change in NWC	7,234	10,171	2,325	6,612	6,682
Operating cash flow	43,305	60,758	32,277	91,479	100,693
Capital expenditure	(8,064)	(7,957)	(8,000)	(8,000)	(1,918)
Acquisition of business	(3,000)	0	0	0	(3,000)
Interest & dividend income	4,153	3,805	3,805	3,805	3,805
Investing cash flow	25,152	12,632	4,083	4,198	5,394
Equity raised/(repaid)	(30,939)	(39,307)	0	0	0
Debt raised/(repaid)	0	8,327	0	0	0
Payment of lease liabilities	0	0	0	0	0
Interest paid	(380)	(519)	(578)	(624)	(674)
Dividend paid (incl tax)	(40,470)	(39,614)	(38,525)	(86,546)	(89,338)
Others	306	231	0	0	0
Financing cash flow	(71,483)	(70,882)	(39,103)	(87,170)	(90,012)
Net chg in Cash	(3,026)	2,509	(2,743)	8,507	16,075
OCF	43,305	60,758	32,277	91,479	1,00,693
Adj. OCF (w/o NWC chg.)	36,071	50,587	29,953	84,867	94,010
FCFF	35,241	52,801	24,277	83,479	98,774
FCFE	38,999	56,071	27,504	86,659	101,905
OCF/EBITDA (%)	66.1	68.9	30.5	77.3	76.2
FCFE/PAT (%)	69.3	75.0	31.4	89.5	95.0
FCFF/NOPLAT (%)	74.0	81.8	31.4	96.5	102.0

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	2,830	2,792	2,792	2,792	2,792
Reserves & Surplus	251,429	245,813	246,942	254,466	266,767
Net worth	254,259	248,605	249,734	257,258	269,559
Minority interests	0	0	0	0	0
Deferred tax liability (net)	3,452	5,069	4,954	4,827	6,096
Total debt	1,242	9,599	9,599	9,599	9,599
Total liabilities & equity	258,952	263,273	264,287	271,683	285,254
Net tangible fixed assets	26,353	31,379	35,408	38,910	36,414
Net intangible assets	307	119	119	119	119
Net ROU assets	0	0	0	0	0
Capital WIP	819	275	326	326	0
Goodwill	0	0	0	0	0
Investments [JV/Associates]	34,465	34,465	34,465	34,465	37,465
Cash & equivalents	198,126	216,315	215,572	226,079	246,154
Current assets (ex-cash)	51,207	59,954	66,471	70,433	73,806
Current Liab. & Prov.	52,325	79,233	88,075	98,649	108,704
NWC (ex-cash)	(1,118)	(19,279)	(21,604)	(28,216)	(34,898)
Total assets	258,952	263,273	264,287	271,683	285,254
Net debt	(196,884)	(206,716)	(205,973)	(216,480)	(236,556)
Capital employed	258,952	263,273	264,287	271,683	285,254
Invested capital	25,542	12,218	13,923	10,813	1,635
BVPS (Rs)	898.6	903.4	894.5	921.5	965.5
Net Debt/Equity (x)	(0.8)	(0.8)	(0.8)	(0.8)	(0.9)
Net Debt/EBITDA (x)	(3.0)	(2.3)	(1.9)	(1.8)	(1.8)
Interest coverage (x)	0.0	0.0	0.0	0.0	0.0
RoCE (%)	18.3	24.3	29.0	31.9	34.3

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	48.9	35.8	30.9	28.0	25.3
P/CE(x)	46.5	34.2	29.6	26.8	24.2
P/B (x)	10.8	10.8	10.9	10.5	10.1
EV/Sales (x)	7.0	5.5	4.8	4.3	3.9
EV/EBITDA (x)	39.0	28.0	23.7	21.1	18.7
EV/EBIT(x)	40.7	29.1	24.6	21.9	19.4
EV/IC (x)	100.0	202.0	180.1	230.9	1,515.2
FCFF yield (%)	1.4	2.1	1.0	3.3	4.0
FCFE yield (%)	1.4	2.1	1.0	3.2	3.8
Dividend yield (%)	1.4	1.4	3.2	3.3	3.5
DuPont-RoE split					
Net profit margin (%)	15.4	16.7	16.8	16.6	16.7
Total asset turnover (x)	1.4	1.7	2.0	2.2	2.3
Assets/Equity (x)	1.0	1.0	1.1	1.1	1.1
RoE (%)	21.6	29.7	35.2	38.2	40.7
DuPont-RoIC					
NOPLAT margin (%)	13.1	14.4	14.9	14.8	15.1
IC turnover (x)	14.0	23.7	39.8	47.1	103.2
RoIC (%)	182.6	341.7	592.3	699.8	1,556.2
Operating metrics					
Core NWC days	(1.1)	(15.7)	(15.2)	(17.7)	(19.8)
Total NWC days	(1.1)	(15.7)	(15.2)	(17.7)	(19.8)
Fixed asset turnover	7.3	7.7	7.9	7.9	8.2
Opex-to-revenue (%)	10.5	9.2	8.6	8.6	8.5

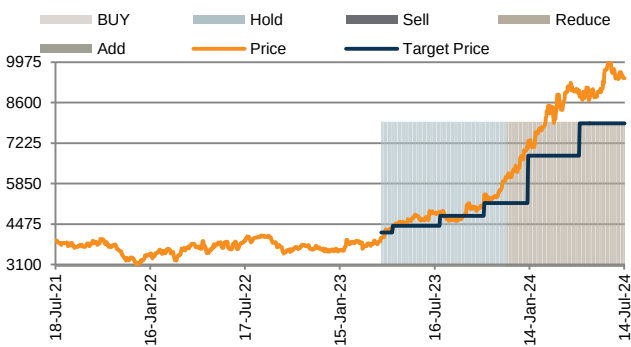
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
19-Apr-24	8,805	7,900	Reduce	Chirag Jain
25-Jan-24	7,598	6,800	Reduce	Chirag Jain
11-Jan-24	7,299	6,800	Reduce	Chirag Jain
30-Nov-23	6,091	5,190	Reduce	Chirag Jain
19-Oct-23	5,483	5,190	Hold	Chirag Jain
26-Jul-23	4,870	4,760	Hold	Chirag Jain
26-Apr-23	4,299	4,420	Hold	Chirag Jain
04-Apr-23	3,994	4,190	Hold	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	<15% downside

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