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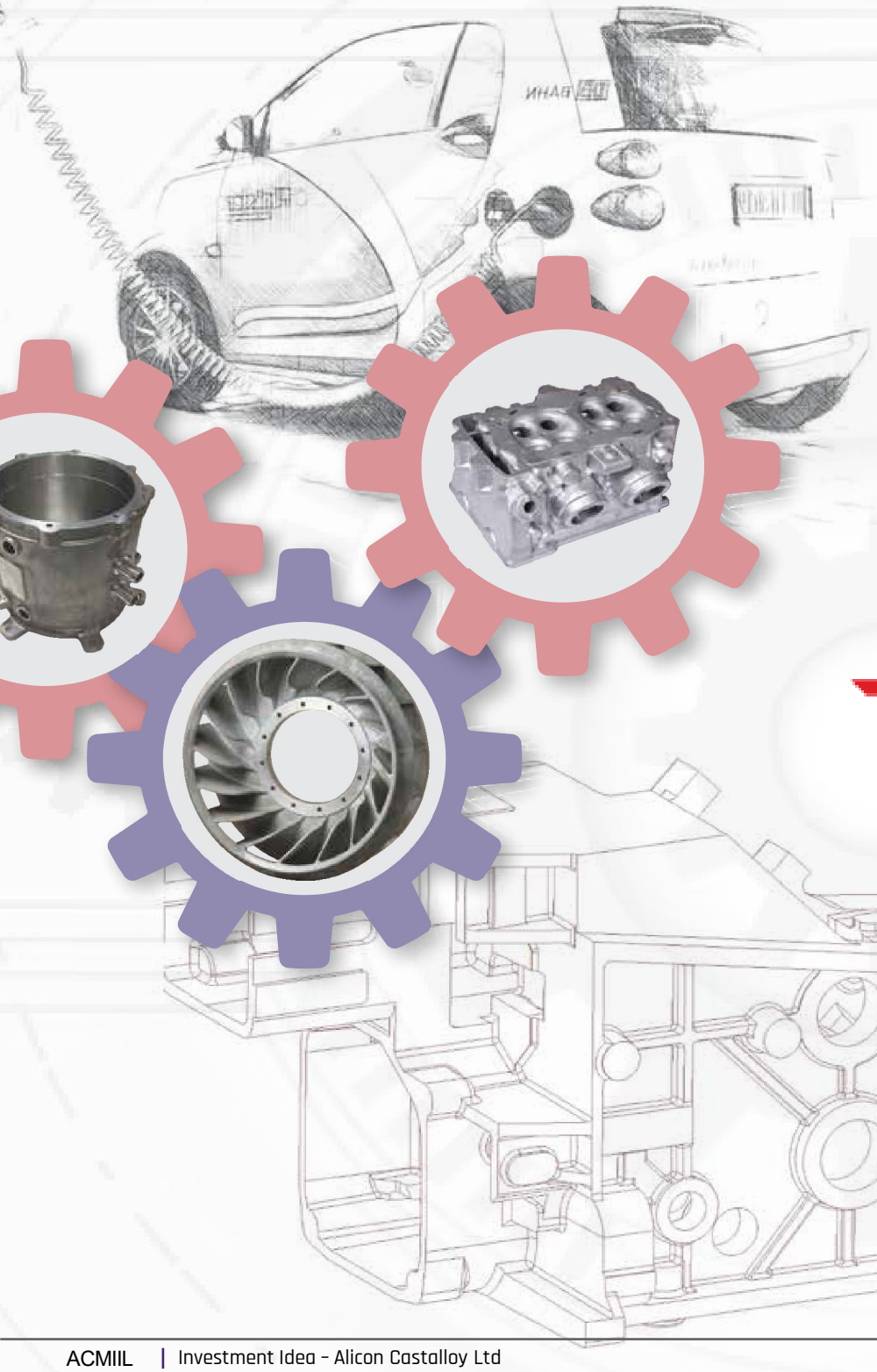
By Asit C. Mehta
A Pantomath Group Company

Alicon Castalloy Ltd

Racing towards Innovation



alicon

Alicon Castalloy Limited

Accumulate

Key Data	
DATE	31-07-2024
Reco Price	1235-1265
Target	1765
Sector	Auto Components & Equipments
BSE Code	531147
NSE Code	ALICON
Face Value (Rs.)	5.00
Market Cap (Mn)	20139.8
52-week High/Low (Rs)	1399.0/775.55

Source : NSE, BSE

Shareholding pattern (March-2024)	%
Promoters	55.72
DIIs	9.00
FIIs	0.37
Public	34.91
Total	**100.00**

Source : NSE, BSE

Price Performance

Rebase to 100

Company Background

Alicon Castalloy Limited (ALICON) is a leading global manufacturer and supplier of high-quality aluminium castings. With a rich history, it has grown into a prominent player in the casting sector, serving diverse industries worldwide. The company operates state-of-the-art manufacturing facilities in India, and has expanded its presence to strategic international locations such as Austria and Slovakia to cater to a global clientele. The firm specialises in providing innovative and technically advanced casting solutions, leveraging its expertise in various casting processes such as gravity die casting, low-pressure die casting, and sand casting. The product portfolio includes a wide range of high-performance castings for the automotive, aerospace, defence, and industrial sectors. Alicon Castalloys' commitment to quality, precision, and customer satisfaction has earned it a reputation as a trusted partner for some of the world's leading brand.

Outlook and Valuation

ALICON operates as one of the largest aluminium foundries in India, supplying engineering solutions predominantly to the automobile sector. The company is poised for tremendous growth in its topline and margins due to its substantial focus on strategic initiatives, a robust order book, and opportunities in structural parts, technology-agnostic parts, and non-automotive sectors such as defense, energy, medical, infrastructure, carbon neutrality, and agriculture. Alicon is focused on diversifying its business to reduce dependence on a single vertical, thereby propelling growth.

The company has a strong order book of Rs 9,150 crore, executable over six years up to 2028-29. It aims to increase revenue from high-value segments, improve EBITDA margins, and reduce interest costs. Considering the positive factors for Alicon Castalloy Ltd. that will boost topline growth and EBITDA levels, we expect FY26 revenue to grow at CAGR of 16% on basis of FY24-FY26E. Given the strong growth and margin outlook, we estimate FY26E EPS at Rs 65.37 and assign a PE multiple of 27x to arrive at a target price of Rs 1,765, which represents an upside of approximately 41%. **We recommend an "ACCUMULATE" rating on Alicon Castalloy Ltd. for medium to long-term investment.**

Particulars (Rs. in Mn.)	FY23	FY24A	FY25E	FY26E	CAGR % (FY24 - FY26E)
Revenue	14012	15594	17933	21000	16%
EBITDA	1534	1953	2421	2877	21%
EBITDA %	10.96%	12.53%	13.50%	13.70%	
PAT	514	613	836	1053	31%
EPS (Rs.)	31.9	38.0	51.9	65.37	31%

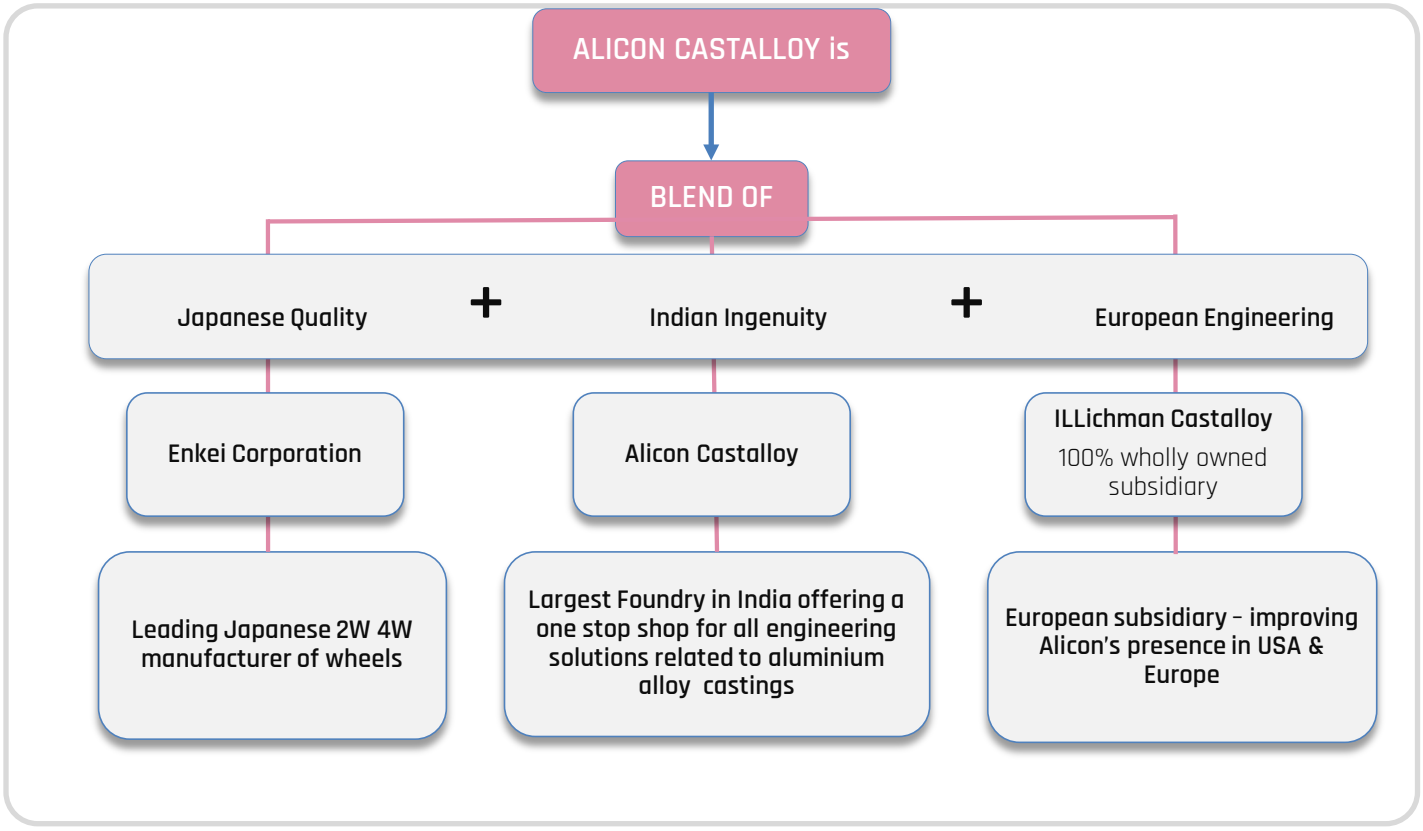
Source: Company, ACMIIL Retail Research

Company at Glance

- The Company offers comprehensive end-to-end solutions for aluminium casting needs across various industries and specializes in manufacturing components like cylinder heads, support brackets, intake manifolds, crankshafts, and engine brackets for the automotive sector.
- It is a pioneer in India for both Low Pressure Die Casting (LPDC) and Gravity Die Casting (GDC), with a predominant revenue contribution of 94% from the auto sector.
- With a diversified customer base, it continues to grow steadily in both domestic and global market across all Automotive Categories (2W, 3W, PV & CV).
- Witnessing significant traction in EV volumes, boosting production capabilities, leading the transition to hybrid technology.
- Expertise in cylinder manufacturing and observing a global sourcing shift to India, the company expects growth opportunities with key customers like Jaguar, Toyota and Maruti.

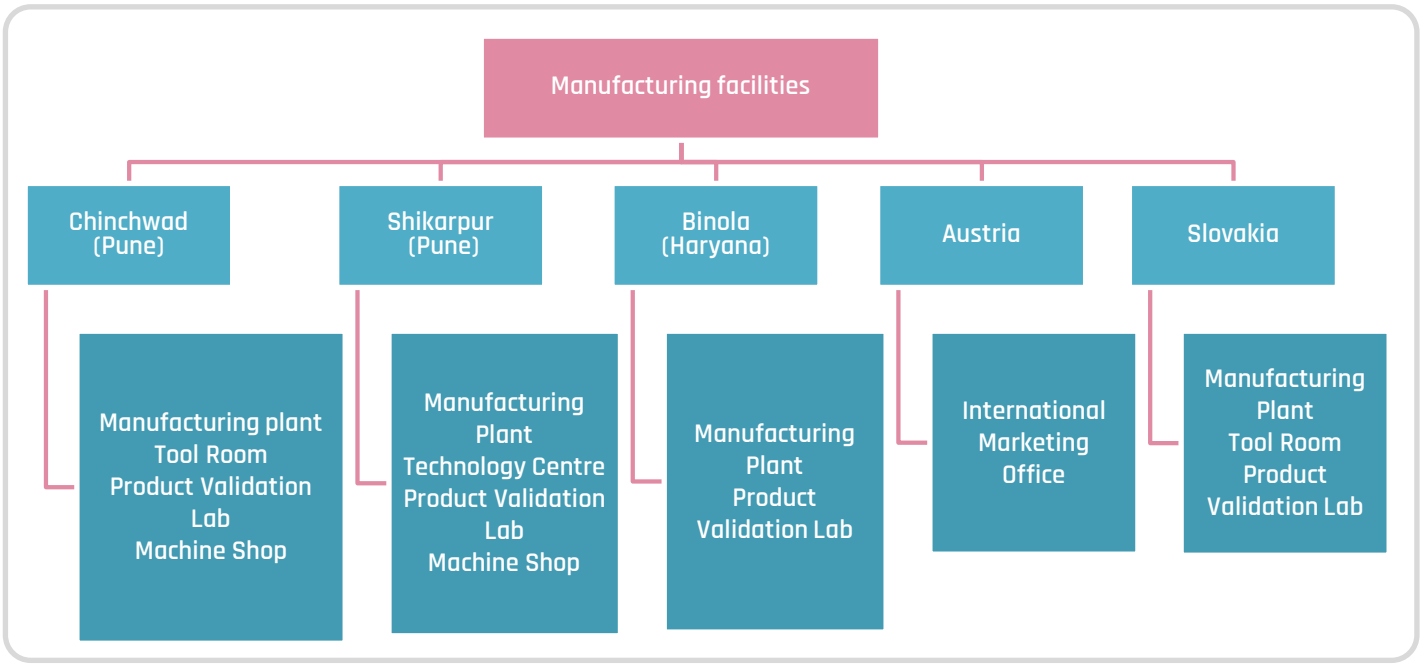
Company overview

The company is part of Alicon group, a global consortium of companies that combines European engineering, Japanese quality & Indian innovation under its umbrella to deliver exceptional lightweight alloy solutions.



Source: Company, ACMIIL Retail Research

Manufacturing Facilities



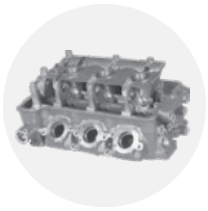
Source: Company, ACMIIL Retail Research

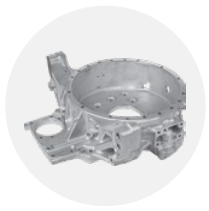
Product Portfolio


2W Cylinder Head


Compressor Housing


4W Cylinder Head


Fully Finished Cylinder Head


Housing


Trascradle


Inlet Pipe


CacTank


Swing Arm


Battery Tray


Motor Housing


Motor Stator


Controller Housing


Cooling/Junction Box


Enclosure Body

Source: Company, ACMIIL Retail Research

End user Industry

Catering to key sectors of the Indian economy

Automobile | Infrastructure | Defense | Medical | Energy | Agriculture | Aerospace | Carbon Neutral

Source: Company, ACMIIL Retail Research

Key Clients

Diversity across markets and industries provides a natural hedge

Not reliant on a single 'anchor' customer

None of the customers contribute >15% of turnover

TWO WHEELER OEM

AIKE, BMW, Bajaj Motorcycles, Honda, Hero, Husqvarna Motorcycles, KTM, Mahindra 2 Wheelers, Royal Enfield, Suzuki, Triumph

FOUR WHEELER OEM

Audi, Ashok Leyland, Daimler Truck, JLR, Honda, MAN, Maruti Suzuki Way of Life!, Mahindra, Volvo, Rimac, Renault Nissan, Stellantis, Scania, Tata, Toyota, Volkswagen

TIER 1 & NON AUTO

BorgWarner Emissions Systems, Bosch, TitanX, Doppelmayr, Danfoss, Dana, Eaton, Eaton motive, TBK, GE, Garrett Advancing Motion, JCB, John Deere, Kion Group, Knorr-Bremse, Liebherr, Marelli Driven by performance, Mahle, Mann+Hummel, Modine, New Holland, Olaer Group, Philips sense and simplicity, Rotax, Samsung, Samsung SDI, Siemens, Stabeg, ZF

ANDMANY MORE....

Source: Company, ACMIIL Retail Research

Aluminium casting to various sectors

The Alicon Group is an amalgam of benchmark-setting companies that help cast the most iconic lightweight alloy solutions across the automotive and non-automotive segments. Under the Automotive Segment, the company caters to ICE, EV, 2-wheeler, 3-wheeler, passenger and commercial vehicle segments. In the non-automotive segment, the company offers diverse solutions to customers across the agriculture, defence, medical, energy, infra and aerospace sectors.

Automotive

Internal Combustion Engine

- Two-Wheeler
- Three-Wheelers passenger Car
- Multi-Utility Vehicles
- Multi-Purpose Vehicles
- Passenger Car
- Small Commercial Vehicles
- Light Commercial Vehicles
- Medium & Heavy Commercial Vehicles

E-mobility

- Medium and Heavy Commercial
- Passenger Car
- Two-Wheeler

Non-Automotive

Internal Combustion Engine

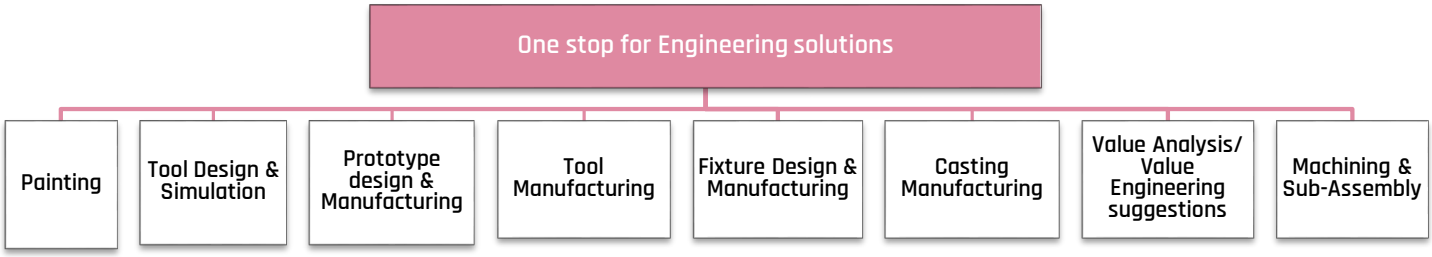
- Agriculture
- Energy
- Medical & Health
- Defence
- Infrastructure
- Locomotive
- Aero & Marine
- Telecommunication

Source: Company, ACMIIL Retail Research

Investment Rationale

One-stop shop for all engineering solutions related to aluminium alloy castings

The Company is a comprehensive engineering solutions provider specializing in aluminium alloy castings, serving as a trusted one-stop shop for customers. From the prototype stage to commercial production, they work closely with customers to reduce validation time and costs. Their integrated approach ensures convenience and a seamless experience for customers throughout the entire process. With over five decades of expertise in aluminium casting, they leverage their knowledge to offer innovative solutions across various industries. In the automotive sector, the Company holds a prominent position as the preferred manufacturer for numerous OEMs in both domestic and international markets, catering to internal combustion engines and e-mobility needs.



Source: Company, ACMIIL Retail Research

Strategic locations enable shorter time-to-market and enhanced cost optimization

The company operates four state-of-the-art plants, including one international facility. Equipped with high-end machinery, an advanced technology center, globally competitive tool rooms, and a fully equipped machine shop, the company is well-positioned to deliver exceptional value. Its global presence spans strategic locations across 18+ countries, which enhances speed-to-market, optimizes costs, and drives operational efficiencies. The company's world-class manufacturing facilities are outfitted with globally sourced machinery, a highly skilled tool manufacturing unit, and dedicated quality and testing laboratories at each location. With its comprehensive machine shop, the company upholds top-tier manufacturing capabilities that adhere to the highest global standards.

Using Advanced Technology to Create Top-Quality, Customized Solutions for New Mobility Needs

The cutting-edge technology center, supported by a talented team of over 200 researchers, drives the development of breakthrough products and processes that are both economically viable and environmentally friendly. By working closely with customers, the company translates concepts into custom designs, delivering impactful solutions tailored to their specific needs. At the forefront of technology, the company is well-positioned to address the emerging demands of electric and carbon-neutral mobility segments. Their focus on innovation enables them to provide value-added products, including BS-VI compliant components and lightweight solutions. By integrating cutting-edge technology into their offerings, they consistently deliver superior products that surpass customer expectations.

Flexible Production Capabilities for Custom and Scalable Manufacturing Solutions

The company's production capabilities are designed to be flexible and customizable, allowing them to manufacture components of all sizes. In response to the evolving landscape of shorter product lifecycles, they excel in small-batch manufacturing, ensuring quick turnaround times. Additionally, the company has the capacity to scale up for high-volume production, offering customers the versatility needed to meet market demands.

Expanding presence and entering new markets

With new orders from global customers in the carbon-neutral technology segment, they are expanding their presence and entering new markets. A notable highlight is the largest ever order win in Alicon's history: a multiyear order from a global customer for their e-mobility platform. Their unique solutions and demonstrated expertise played a pivotal role in winning this prestigious project. Based on new order wins, they expect to accelerate the momentum of their business from carbon-neutral technologies. The company is actively working to increase its sustainability footprint. It has commissioned a captive solar plant in India, and solar panels will be installed at its facility in Europe. These initiatives will significantly transform the company's energy mix.

Export opportunities

The share of international business is set to improve further. During Q4FY24, the company added 12 new parts from 4 existing customers, including 2 parts from EV or carbon-neutral sources, 2 parts from non-auto, and 8 parts from ICE. Of these 12 parts, 2 pertain to the domestic business and 10 to the international market. Globally, prominent customers such as DANA, Danfoss, TACO, and Mahle are expected to scale up volumes. Additionally, an increase in enquiries from global customers has been noted, with buyers from the US and Europe showing interest in sourcing larger quantities of products from Alicon. This reflects a clear shift in the mindset of global customers, who are increasingly recognizing Alicon as a preferred partner and supplier for critical parts in their upcoming projects. The export business is thriving, driven by a targeted strategy to increase wallet share through the development of parts for multiple customers. Apart from Europe, international markets, including the USA, Japan, and South-east Asia, have experienced improved growth rates. Energy costs in Europe have started to ease, which could benefit the overall macro environment. The ongoing challenge of constrained chip availability has begun to gradually ease, leading to better outlook for production by OEMs.

Strengthening growth through technology-agnostic structural components

The company's strategy focuses on capturing opportunities in structural parts or technology-agnostic components, which are essential regardless of the fuel technology used in vehicles. These components, such as suspension, chassis parts, and brake parts, have cross-functional applications across both internal combustion engines and electric vehicle platforms and continue to hold relevance even with the emergence of alternative technologies. Throughout the year, they maintained a strong focus on developing these technology-agnostic products by leveraging their core competencies and increasing their revenue contribution. They made significant strides in both global and domestic markets by expanding their offerings, winning new customers, and securing new parts from their existing customer base. By actively pursuing these opportunities, they aim to strengthen their position and drive growth in the structural parts segment.

Diversifying growth through non-automotive sectors

The company focuses on extracting opportunities in sectors beyond automotive, such as defense, healthcare, telecom, and more, where its expertise can be leveraged. This diversification not only drives growth from newer areas but also enhances business resilience. Notably, the company has secured an order for a prestigious telecom project under the AatmaNirbhar Bharat initiative. This large-scale project involves the implementation of the 4G/5G network, and Alicon is proud to be the sole provider of the specific part required. The project aims to promote the indigenous development of these technologies, aligning with the vision of AatmaNirbhar Bharat. Additionally, the company has secured a tender from the Department of Defence for the supply of wheels for battle tanks and cylinder heads for heavy-duty defense trucks.

Strategic Capex Investment to Drive Growth and Efficiency for Alicon

FY25 will witness a substantial increase in capital expenditure (capex), estimated to be approximately Rs. 1500 Mn .This significant investment is primarily driven by the need to build up capacity for new orders, notably for the e-Axle components required by Jaguar Land Rover (JLR). This entails acquiring larger, specialized machines and upgrading quality control processes to meet stringent requirements. Additionally, the capex will fund the installation of robotic lines for PSA Infosys projects and support new project initiatives. A portion of the capex is also allocated to enhancing process automation. This strategic move aims to control rising costs, particularly in light of increasing manpower expenses due to higher minimum wages in Maharashtra. By investing in automation, the company seeks to manage these labor cost pressures more effectively. Looking ahead to FY '26, further capex is anticipated, with plans to support the ramp-up of Jaguar e-Axle production and related components, including battery trays for the Range Rover EV. This will involve additional investments in sample submissions and validations, with a major production ramp-up expected in the following year. The capex will also accommodate ongoing expansions with Maruti and other existing customers such as Danfoss, ensuring the company can meet growing demand and maintain its competitive edge. Overall, the capex reflects Alicon's proactive approach to scaling its operations, improving efficiency, and preparing for future demands, all of which are positive indicators for the company's long-term success and market position.

Expanding Expertise and Investment in Critical Parts for Internal Combustion Engines

The company is focused on expanding its portfolio of critical parts in the traditional Internal Combustion Engine (ICE) sector, including the development of components like four-wheeler cylinder heads. To emphasize their commitment, they have invested in automation technologies to showcase their expertise and readiness in this vital area. Company's share in 4W business increased in FY24, while 2W share reduced for the same. The company is more focused on 4W segment, as it is higher margin and less competitive. It is shifting its value proposition from supplying partially finished cylinder heads to proving fully finished products. The company has secured contracts with two major domestic customers for four-wheeler cylinder heads and has successfully developed a cylinder head for a leading all-terrain vehicle manufacturer, which will be supplied to the U.S. market. This achievement is noteworthy as it represents a shift in the value proposition, moving from supplying partially finished cylinder heads to delivering fully finished products.

Adapting Strategy to Embrace a Broader Range of Carbon-Neutral Technologies

The strategy centers on leveraging opportunities in carbon-neutral technologies, including batteries, electric vehicles (EVs), hybrid EVs, plug-in hybrid vehicles, fuel cells, and hydrogen cell technologies. This year, they have broadened the focus from just EVs to encompass a wider range of carbon-neutral technologies, aligning with the evolving industry landscape. Within this space, they are targeting passenger vehicles, commercial vehicles, and export markets, recognizing the potential for significant value addition. To actively pursue these opportunities, they have increased participation in conferences, exhibitions, and customer visits both domestically and internationally.

Established expertise in the EV segment

The company's reputation and expertise in the EV segment position them well in the eyes of domestic customers, who evaluate suppliers based on capacities and track records. With rich experience and a successful track record of supplying 94 parts to 17 customers, Alicon is recognized as a trusted partner in this field. Additionally, the European subsidiary, Illichmann, has played a crucial role in growth and competency in supplying EV components since 2017. The company is exploring friction stir welding, a highly recommended technique for creating strong and high-quality joints in electric vehicles (EVs). This focus on advanced technology solutions helps the company stand out in the global market.

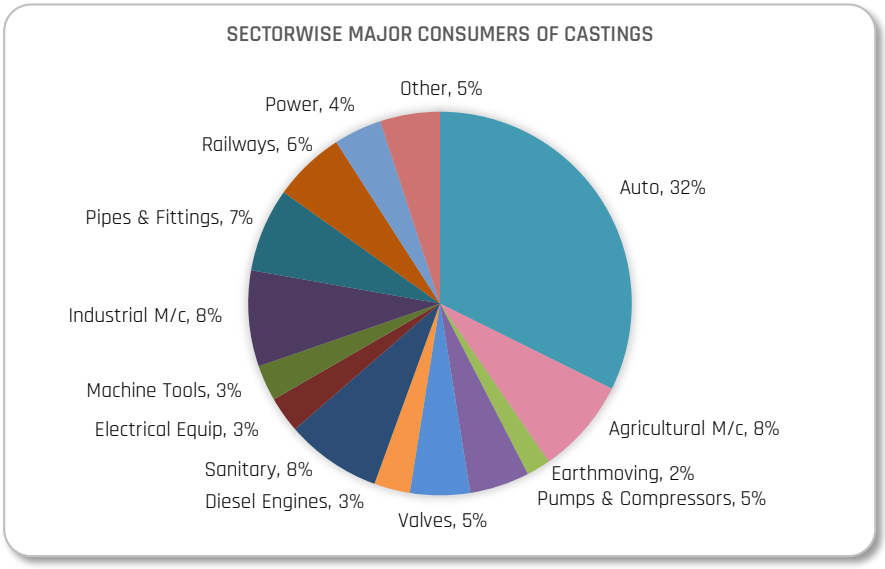
Alicon's ESG Commitment to Sustainable Waste Management

The company has robust systems in place to recycle plastics, e-waste, and hazardous waste safely and responsibly. These materials are disposed of via authorized recyclers, with returns filed to the appropriate statutory bodies. The company has optimized its processes so that most waste produced is recycled and reused within its operations, resulting in minimal disposal. Alicon demonstrates its commitment to responsible waste management by partnering with authorized recyclers and establishing advanced Wastewater Treatment Plants (WWTPs), including Effluent Treatment Plants (ETPs) and Sewage Treatment Plants (STPs) across all relevant plant sites. By adopting streamlined processes, innovative techniques, and advanced technologies, Alicon effectively reduces waste generation, contributing to environmental preservation and sustainability, while focusing on ESG practices.

Industry Overview and Growth Drivers

The global metal casting market was valued at USD 139 billion in 2021 and is projected to grow at a compound annual growth rate (CAGR) of 7.8%, reaching USD 221.3 billion by 2027. This growth reflects the increasing demand for metal cast components across various industries, including automotive, aerospace, defense, and industrial machinery. In India, the foundry industry boasts a turnover of approximately USD 19 billion, with exports totaling USD 3.1 billion. Grey iron castings dominate the sector, accounting for nearly 68% of the market. The industry manufactures metal cast components for a diverse range of applications, such as automotive, tractors, railways, machine tools, sanitary products, pipe fittings, defense, aerospace, earth-moving equipment, textiles, cement, electrical and power machinery, pumps and valves, and wind turbine generators. Currently, the Indian foundry sector provides direct employment to about 500,000 people and indirect employment to 1.5 million individuals. With its robust growth potential, the industry is expected to create an additional 2 million jobs over the next decade.

The Indian government's focus on manufacturing, as reflected in policies like 'Make in India' and 'Ease of Doing Business', supports the foundry sector's growth. The new manufacturing policy aims to increase the manufacturing sector's GDP share from 15% to 25% in the next decade. Other reforms, such as easing FDI norms and skill development initiatives, are also enhancing the sector's growth prospects.



Source: Company, ACMIIL Retail Research

The Indian automobile industry, currently valued at US$ 222 Billion, is projected to soar to US$ 300 Billion by 2026, supported by a US$ 3.5 Billion investment from the Government, which includes financial incentives of up to 18% to enhance manufacturing capabilities. Anticipated to achieve a CAGR of 11.3% until 2027, the sector's expansion is driven by increasing disposable incomes, the broad availability of credit and financing options, and demographic growth. The automotive industry has shown resilience and innovation despite facing several economic challenges. In FY 2023, the Indian automobile sector experienced a 13% volume growth, outperforming the global average of 6%. This growth was particularly notable in the passenger vehicle segment, which achieved its highest-ever domestic sales, surpassing pre-pandemic levels. Conversely, the two-wheeler segment, while witnessing a 17% increase in volume, remains 25% below its peak from FY 2019 due to factors such as tepid rural demand and regulatory changes affecting production schedules. The EV (Electric Vehicle) market in India is forecasted to expand from $5.61 billion in 2023 to $37.7 billion by 2028. The Indian automotive sector stands as the fourth-largest producer globally, boasting an annual output exceeding 4 million motor vehicles. This dynamic industry serves as a vital role in the nation's economy, characterized by significant technological and manufacturing advancements. Witnessing substantial expansion, it has emerged as a focal point for both domestic consumption and international trade. Within the Indian automotive market, distinct segments exhibit varied performance. The industry is also seeing a trend toward automation, driven by rising labor costs, particularly in regions like Maharashtra. Investments in automation are aimed at controlling costs and improving production efficiency.

Passenger Vehicle Market in India

Passenger vehicle penetration in India is currently low, with only 32 units per 1,000 people, compared to 223 units per 1,000 people in China and much higher levels in Germany, Japan, and the US. This low penetration suggests significant growth potential for the Indian passenger vehicle market. By FY2030-31, the passenger vehicle market in India is expected to comprise 60% internal combustion engine (ICE) vehicles, 25% hybrids, and 15% battery electric vehicles (BEVs). This indicates sustained relevance for ICE vehicles while highlighting emerging opportunities in the hybrid and electric vehicle segments. Mass market players like Maruti Suzuki, Hyundai, Mahindra & Mahindra and Tata Motors are lining up new models to cater to demand across segments.

Strong Sales Performance and Growth Projections for Commercial Vehicles

The commercial vehicle sector in India is poised for substantial growth, driven by projected infrastructure spending and urbanization trends. The outlook for two-wheeler volumes is also positive, supported by anticipated election spending and expectations of a normal monsoon, which is likely to sustain rural demand. Sales of commercial vehicles (CVs) in India have exceeded expectations, with over 234,000 trucks and buses sold in Q1FY25, marking a 4.5% increase from the Q1FY24. This strong performance is expected to continue, with projections of 9-12% growth, potentially reaching over 1 million units in FY25. Continued government investment in infrastructure, including a record Rs 11.11 lakh crore allocation for FY25, is anticipated to significantly boost CV demand. Key projects like the dedicated freight corridors (DFC) are expected to further drive sales. Recovery in rural demand and improving global trade have led the Reserve Bank of India (RBI) to raise its GDP growth forecast for FY25 to 7.2%. Positive trends in freight movement, freight rates, and key sectors such as steel, cement, and iron-ore also support a strong outlook for CVs. Leading commercial vehicle manufacturers like Tata Motors and Ashok Leyland are expressing confidence in the market, anticipating good single-digit growth for the year. Additionally, Ashok Leyland is set to introduce six new light commercial vehicles. Despite initial concerns about the election model code of conduct and infrastructure activity slowdown, the industry expects a strong second half following the monsoon season. Overall, robust demand drivers and positive economic conditions support continued growth in the CV sector.

Government Enhances Support for EV Market with New Policies and Subsidy Adjustments

The Centre extended the Electric Mobility Promotion Scheme (EMPS) 2024 by two months, now valid until the end of September. The scheme's budget has been increased to Rs 778 crore from Rs 500 crore. EV buyers can receive subsidies up to Rs 10,000 for two-wheelers and Rs 50,000 for three-wheelers, with companies selling locally made EVs at a discount and claiming subsidies from the Ministry of Heavy Industries. Target numbers under the scheme have been raised to 561,000 EVs from the initial 372,000, comprising 500,080 electric two-wheelers (e-2Ws) and 60,709 electric three-wheelers (e-3Ws). Originally set to run from April 1 to July 31, EMPS 2024 was introduced to support the sales of clean energy vehicles following the end of the Faster Adoption & Manufacturing of Electric Vehicles (FAME) subsidy scheme on March 31, 2024. The government is optimistic about meeting targets due to strong EV sales. Approved EV makers under EMPS include Hero MotoCorp, Bajaj Auto, TVS, Ather, Ola, and Kinetic Green. The FAME scheme, launched in 2015 with Rs 5,172 crore, was followed by FAME II in 2019 with a Rs 10,000-crore budget, lasting five years..

Significant Growth Opportunity in Electric 3-Wheelers

The 3-wheeler segment, led by electric goods carriers, is the fastest-growing in the automotive industry. Their lower purchase price, low running costs, and suitable payload capacities make them ideal for last-mile delivery. The widespread use of three-wheelers for short-distance public transport and urban logistics, driven by the rise of e-commerce, has spiked their demand. Additionally, the shift towards eco-friendly mobility solutions has accelerated the adoption of electric three-wheelers, presenting a significant opportunity in the automotive market.

Additional Key growth drivers

- Growing working population and expanding middle class are expected to remain key demand drivers.
- By 2025, 4 million of EVs could be sold each year and 10 million by 2030. The market is expected to reach US$ 206 billion by 2030.
- The Indian auto component industry is set to become the 3rd largest globally by 2025.
- India is emerging as a global hub for auto component sourcing, with the industry exporting over 25% of its production annually. This growth is driven by India's strategic proximity to key automotive markets, including ASEAN, Europe, Japan, and Korea.
- Auto component exports are expected to grow and reach US$ 30 billion in FY26.
- India has a competitive advantage in auto components categories such as shafts, bearings and fasteners due to large number of players. This factor is likely to result into higher exports in coming years.
- 100% FDI is allowed under the automatic route for auto components sector.
- PLI Scheme Extended by 1 year, government extends tenure of automobile, component PLI scheme by 1 year. Five year to start from FY24 and ending in FY28. Government in interim budget increased allocation to Rs 3,500 crore for PLI Auto, Components scheme in FY25.
- Extended anti-dumping duty on imports of "Aluminium Alloy Road Wheel" originating in or exported from China PR for five years.

Story in Charts (Values in Mn.)

Exhibit 1: Sales

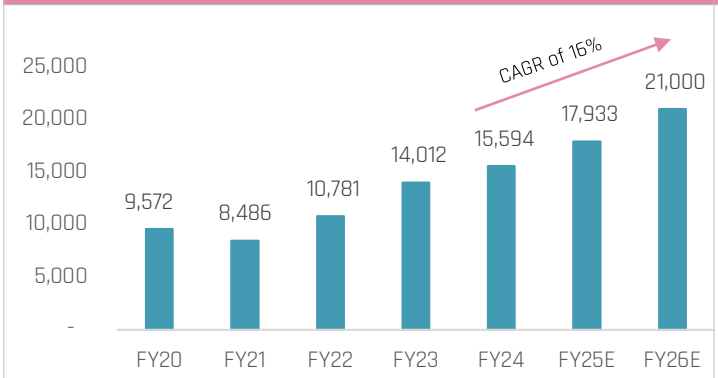


Exhibit 2: EBITDA & EBITDA Margin

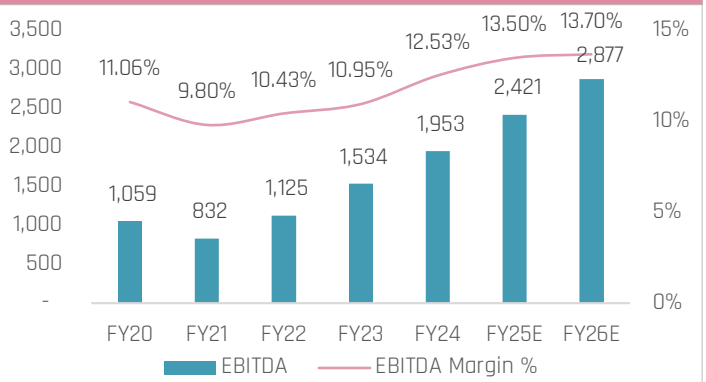


Exhibit 3: PAT & PAT Margin

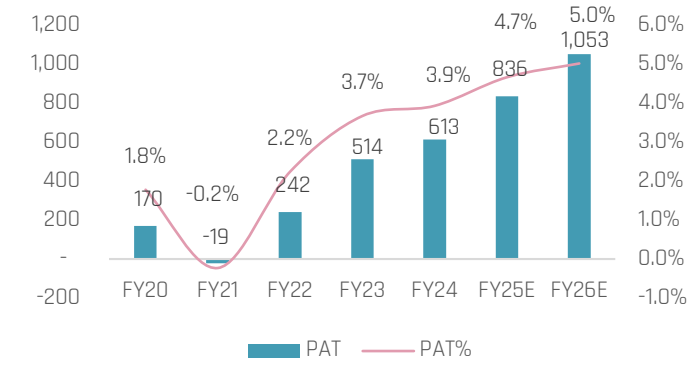


Exhibit 4: Revenue Mix (FY24)

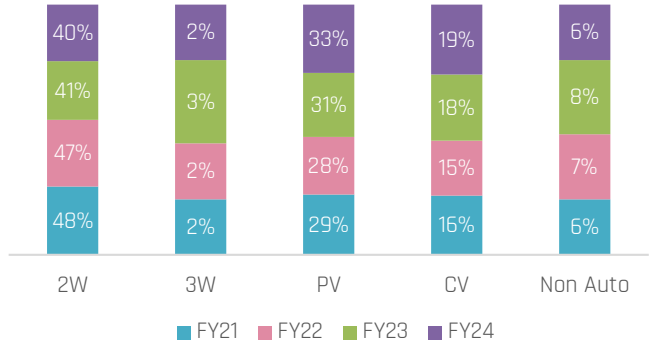


Exhibit 5: Revenue Mix Geography wise (FY24)

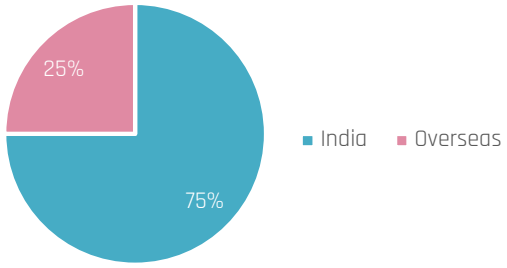
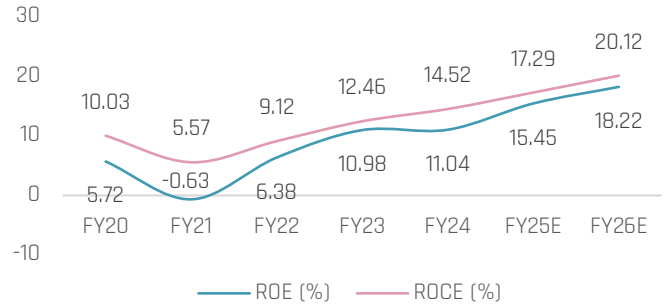


Exhibit 6: ROCE & ROE



Source: Company, ACMIIL Retail Research

Financial Statements

Consolidated Profit & Loss Statement:

Particulars (Rs. in Mn.)	FY20	FY21	FY22	FY23	FY24A	FY25E	FY26E
Sales	9,572	8,486	10,781	14,012	15,594	17,933	21,000
Expenses	8,513	7,654	9,656	12,477	13,641	15,512	18,123
EBITDA	**1,059**	**832**	**1,125**	**1,534**	**1,953**	**2,421**	**2,877**
EBITDA Margin %	**11.06%**	**9.80%**	**10.43%**	**10.95%**	**12.53%**	**13.50%**	**13.70%**
Other Income	28	29	33	35	38	38	39
Depreciation	440	488	531	636	775	923	1,067
Interest	393	361	301	312	407	428	454
PBT	**253**	**11**	**326**	**621**	**809**	**1,107**	**1,395**
Tax	83	30	84	107	196	271	342
PAT	**170**	**-19**	**242**	**514**	**613**	**836**	**1,053**
PAT%	**1.8%**	**-0.2%**	**2.2%**	**3.7%**	**3.9%**	**4.7%**	**5.0%**
EPS (Rs.)	10.57	-1.20	15.01	31.92	38.04	51.90	65.37
ROCE%	**10.03%**	**5.57%**	**9.12%**	**12.46%**	**14.52%**	**17.29%**	**20.12%**
ROE%	**5.72%**	**-0.63%**	**6.38%**	**10.98%**	**11.04%**	**15.45%**	**18.22%**

Source: Company, ACMIIL Retail Research

Risks and concerns

- The slowdown in the Indian and global economy will impact the business.
- Heavy reliance on the automotive sector exposes the company to industry-specific risks such as regulatory changes or shifts in consumer preferences.
- Dependency on key customers poses a significant risk, as declines in their business could severely affect the company's revenue and profitability.

ACMIIL Retail Research Products

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