

November 8, 2024

## Q2FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
<b>Rating</b>	<b>BUY</b>		<b>BUY</b>	
<b>Target Price</b>	<b>3,456</b>		<b>3,458</b>	
Sales (Rs. m)	13,00,698	14,83,372	13,10,803	15,04,208
% Chng.	(0.8)	(1.4)		
EBITDA (Rs. m)	1,89,902	2,19,539	1,91,377	2,22,623
% Chng.	(0.8)	(1.4)		
EPS (Rs.)	116.0	131.3	117.0	133.3
% Chng.	(0.8)	(1.5)		

### Key Financials - Standalone

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. bn)	988	1,134	1,301	1,483
EBITDA (Rs. bn)	127	164	190	220
Margin (%)	12.8	14.5	14.6	14.8
PAT (Rs. bn)	107	126	139	157
EPS (Rs.)	89.4	104.7	116.0	131.3
Gr. (%)	34.2	17.1	10.8	13.2
DPS (Rs.)	21.1	25.0	26.0	27.0
Yield (%)	0.7	0.9	0.9	0.9
RoE (%)	22.4	22.0	20.7	20.0
RoCE (%)	18.0	21.3	20.7	20.1
EV/Sales (x)	3.4	3.0	2.6	2.2
EV/EBITDA (x)	26.5	20.4	17.6	15.2
PE (x)	32.4	27.6	24.9	22.0
P/BV (x)	6.6	5.6	4.8	4.1

### Key Data

MAHM.BO | MM IN

52-W High / Low	Rs.3,222 / Rs.1,474
Sensex / Nifty	79,542 / 24,199
Market Cap	Rs.3,595bn/ \$ 42,613m
Shares Outstanding	1,244m
3M Avg. Daily Value	Rs.9658.19m

### Shareholding Pattern (%)

Promoter's	18.54
Foreign	41.80
Domestic Institution	26.49
Public & Others	13.17
Promoter Pledge (Rs bn)	0.06

### Stock Performance (%)

	1M	6M	12M
Absolute	(5.5)	31.9	95.4
Relative	(3.7)	21.9	59.5

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## Strong performance led by Auto & Farm division

### Quick Pointers:

- Healthy mix and strong product pipeline to drive volume/ASP growth
- Tractor volume guidance at increased from 4-5% to 6-7% for FY25

**M&M's Q2FY25 standalone revenue grew by 12.9% YoY, coming in 2%/3% higher than consensus/PLe. The growth in revenue was primarily driven by mix improvement specifically in UVs towards higher end variants while Tractors also reported healthy growth in its ASP. Gross profit grew by 18%YoY while margin expanded by 157bps YoY to 25.8%, benefitting from better operating leverage. EBITDA grew by 30.5% YoY while margin expanded 190bps YoY to 14.2%. Healthy overall performance enabled its PAT to increase by 13.2% YoY. The management retained its guidance to deliver mid-to-high teens volume expansion in its UVs. Given the good monsoon and healthy reservoir levels, the management expects FY25 growth to be 6-7% and remains optimistic for FY26.**

**With its new launches gathering strong response from customers in terms of bookings as well enquiries shall lead the company to outperform its peers in terms of volume growth. Additionally, the positive impact of monsoon in the subsequent year shall aid its Tractors business while its emphasis on scaling up the Farm Machine business could further boost its growth. We marginally reduce our estimates by 1-2% for the forecast period to factor in the promotional spends related to new launches and pressure in exports market for Tractors. We estimate its revenue/EBITDA/PAT to grow at a CAGR of 14.5%/20.1%/13.7% over FY24-27E. We retain our 'BUY' rating with a TP of Rs3,456 (previous Rs3,458) valuing it at 26.5x on its Sept'26E core EPS and Rs229 for its EV business and Rs411 for its listed subsidiaries.**

**Better mix in UVs led to strong performance:** Automotive division volume grew by 8.9% YoY driven by strong UV sales and capacity addition. Consequently, revenue grew by 14% YoY to Rs211.1bn (PLe: Rs206.5bn), while realization increased by 4.7% YoY to Rs 913,715/unit (PLe: Rs 893,899/unit). Despite the recent price correction in XUV700, the healthy growth in realization was aided by mix improvement towards higher variants. EBIT came in at Rs20.1bn (PLe: Rs 19.6bn), up by 17.4% YoY, while EBIT margin expanded by 27bps YoY to 9.5% (PLe: 9.5%). The robust operational performance was enabled by operating leverage and stable commodity prices. Additionally, consistent demand for existing line of UVs and new launches, led the company to further strengthen its leadership position as its revenue market share improved by 190bps YoY to 21.9%.

**Farm performance aided by gain in market share:** Farm division revenue grew by 9.8% YoY to Rs65bn (PLe: Rs62bn) driven by tractors volume expansion of 3.7% YoY. Realization was up by 5.8% YoY to Rs 695,724/unit (PLe: Rs 663,850/unit). EBIT came in at Rs13.4bn (PLe: Rs10.8bn), registering a growth of 41.2% YoY, with core tractor margin of 18.7% vis-à-vis 17.5% in Q2FY24. Good monsoon and favorable base aided in healthy volume expansion in H1FY25 while good reservoir level and growth in crop output shall keep the demand momentum in positive direction in H2FY25 and FY26. Farm machining revenue increased by 13.5% YoY to Rs2.5bn.

**Exhibit 1: Q2FY25 Result Overview (Rs mn)**

Y/e March	Q2FY25	Q2FY24	YoY gr. (%)	Q2FY25E	Var (%)	Q1FY25	QoQ gr. (%)	H1FY25	H1FY24	YoY gr. (%)
<b>Net Revenues</b>	<b>2,75,533</b>	<b>2,43,948</b>	<b>12.9</b>	<b>2,67,552</b>	<b>3.0</b>	<b>2,70,388</b>	<b>1.9</b>	<b>5,45,921</b>	<b>4,85,320</b>	<b>12.5</b>
Raw Materials	2,04,440	1,83,724	11.3	1,96,650	4.0	1,99,394	2.5	4,03,834	3,64,876	10.7
<i>% of Net Sales</i>	<i>74.2</i>	<i>75.3</i>		<i>73.5</i>		<i>73.7</i>		<i>74.0</i>	<i>75.2</i>	
Personnel	11,526	11,384	1.2	11,638	(1.0)	11,753	(1.9)	23,279	21,947	6.1
<i>% of Net Sales</i>	<i>4.2</i>	<i>4.7</i>		<i>4.4</i>		<i>4.3</i>		<i>4.3</i>	<i>4.5</i>	
Manufacturing & Other Exp	20,525	18,912	8.5	19,397	5.8	19,018	7.9	39,543	35,714	10.7
<i>% of Net Sales</i>	<i>7.4</i>	<i>7.8</i>		<i>7.3</i>		<i>7.0</i>		<i>7.2</i>	<i>7.4</i>	
Total Expenditure	<b>2,36,491</b>	<b>2,14,020</b>	<b>10.5</b>	<b>2,27,686</b>	<b>3.9</b>	<b>2,30,166</b>	<b>2.7</b>	<b>4,66,657</b>	<b>4,22,537</b>	<b>10.4</b>
<b>EBITDA</b>	<b>39,042</b>	<b>29,928</b>	<b>30.5</b>	<b>39,865</b>	<b>(2.1)</b>	<b>40,222</b>	<b>(2.9)</b>	<b>79,264</b>	<b>62,783</b>	<b>26.3</b>
<i>EBITDA Margin (%)</i>	<i>14.2</i>	<i>12.3</i>		<i>14.9</i>		<i>14.9</i>		<i>14.5</i>	<i>12.9</i>	
Depreciation	9,614	8,282	16.1	8,566	12.2	9,146	5.1	18,760	16,686	12.4
<b>EBIT</b>	<b>29,428</b>	<b>21,646</b>	<b>36.0</b>	<b>31,299</b>	<b>(6.0)</b>	<b>31,076</b>	<b>(5.3)</b>	<b>60,504</b>	<b>46,097</b>	<b>31.3</b>
Interest Expenses	551	333	65.6	329	67.4	529	4.2	1,080	660	63.6
Non-operating income	20,433	21,905	(6.7)	15,973	27.9	3,515	481.3	23,948	31,195	(23.2)
<b>PBT</b>	<b>49,310</b>	<b>43,218</b>	<b>14.1</b>	<b>46,943</b>	<b>5.0</b>	<b>34,062</b>	<b>44.8</b>	<b>83,372</b>	<b>76,632</b>	<b>8.8</b>
Tax-Total	10,901	9,288	17.4	11,266	(3.2)	7,936	37.4	18,837	15,107	24.7
<i>Tax Rate (%) - Total</i>	<i>22.1</i>	<i>21.5</i>		<i>24.0</i>		<i>23.3</i>		<i>22.6</i>	<i>19.7</i>	
<b>Reported PAT</b>	<b>38,409</b>	<b>33,931</b>	<b>13.2</b>	<b>35,677</b>	<b>7.7</b>	<b>26,126</b>	<b>47.0</b>	<b>64,535</b>	<b>61,525</b>	<b>4.9</b>
PAT Margin	13.9	13.9		13.3		9.7		11.8	12.7	

Source: Company, PL

**Exhibit 2: Operating Metrics**

Y/e March	Q2FY25	Q2FY24	YoY gr. (%)	Q2FY25E	Var (%)	Q1FY25	QoQ gr. (%)	H1FY25	H1FY24	YoY gr. (%)
Sales Volume (nos)	<b>3,24,420</b>	<b>3,02,139</b>	<b>7.4</b>	<b>3,24,420</b>	-	<b>3,33,017</b>	<b>(2.6)</b>	<b>6,57,437</b>	<b>6,03,286</b>	<b>9.0</b>
Blended Realization/Vehicle	8,49,308	8,07,403	5.2	8,24,708	3.0	8,11,934	4.6	8,30,377	8,04,461	3.2
Material cost / vehicle	6,30,171	6,08,077	3.6	6,06,160	4.0	5,98,751	5.2	6,14,256	6,04,814	1.6
Gross Profit / vehicle	2,19,137	1,99,325	9.9	2,18,548	0.3	2,13,183	2.8	2,16,121	1,99,647	8.3
Employee cost / vehicle	35,528	37,678	(5.7)	35,875	(1.0)	35,294	0.7	35,409	36,380	(2.7)
Other expenses / vehicle	63,266	62,593	1.1	59,791	5.8	57,108	10.8	60,147	59,198	1.6
EBITDA/vehicle	1,20,343	99,054	21.5	1,22,881	(2.1)	1,20,781	(0.4)	1,20,565	1,04,068	15.9
Net Profit/vehicle	1,18,392	1,12,301	5.4	1,09,971	7.7	78,453	50.9	98,162	1,01,983	(3.7)

Source: Company, PL

**Exhibit 3: Segmental Breakup (Rs mn)**

Automotive	Q2FY25	Q2FY24	YoY gr. (%)	Q2FY25E	Var (%)	Q1FY25	QoQ gr. (%)	H1FY25	H1FY24	YoY gr. (%)
Volumes	2,31,038	2,12,078	8.9	2,31,038	-	2,11,550	9.2	4,42,588	3,98,216	11.1
Realizations	9,13,715	8,73,016	4.7	8,93,899	2.2	8,95,632	2.0	9,05,071	8,85,666	2.2
Revenue	<b>2,11,103</b>	<b>1,85,147</b>	<b>14.0</b>	<b>2,06,525</b>	<b>2.2</b>	<b>1,89,471</b>	<b>11.4</b>	4,00,574	3,52,686	<b>13.6</b>
EBIT	20,060	17,091	17.4	19,620	2.2	17,983	11.5	38,043	30,012	26.8
<i>EBIT margin %</i>	<i>9.5</i>	<i>9.2</i>	<i>27 bps</i>	<i>9.5</i>	<i>0 bps</i>	<i>9.5</i>	<i>1 bps</i>	<i>9.5</i>	<i>8.5</i>	<i>99 bps</i>
<b>Farm equipment's</b>										
Volumes	93,382	90,061	3.7	93,382	-	1,21,467	(23.1)	2,14,849	2,05,070	4.8
Realizations	6,95,724	6,57,278	5.8	6,63,850	4.8	6,70,483	3.8	6,81,453	6,52,222	4.5
Revenue	<b>64,968</b>	<b>59,195</b>	<b>9.8</b>	<b>61,992</b>	<b>4.8</b>	<b>81,442</b>	<b>(20.2)</b>	<b>1,46,410</b>	<b>1,33,751</b>	<b>9.5</b>
EBIT	13,362	9,463	41.2	10,849	23.2	15,058	(11.3)	28,420	22,490	26.4
<i>EBIT margin %</i>	<i>20.6</i>	<i>16.0</i>	<i>458 bps</i>	<i>17.5</i>	<i>307 bps</i>	<i>18.5</i>	<i>208 bps</i>	<i>19.4</i>	<i>16.8</i>	<i>260 bps</i>

Source: Company, PL

## Conference Call Highlights:

### Automotive Division

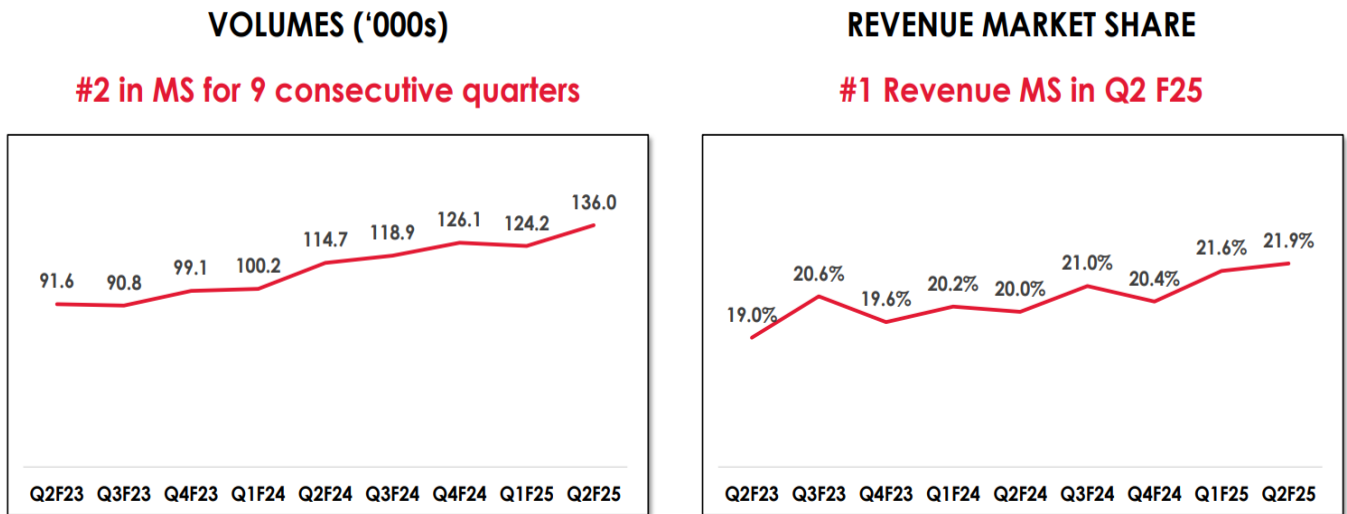
- New range of BEVs to be showcased in Nov'24 and will be launched in Q4FY25.
- The new "Thar Roxx" has received encouraging response with strong booking, the Thar capacity is fungible and the company will be looking to increase the monthly production in the upcoming months
- The festive sales have been quite robust for M&M as well as the overall industry. With revival in rural participation, the management remains optimistic on growth outlook.
- The pricing action on XUV700 worked in the favor of the company as the mix of higher end variant had drop to 55% which has increased to 70-75% with the price correction.
- The current capacity in UVs stands at ~54k units/month with the additional capacity aimed towards BEVs.
- With strong orderbook across models, it might face some capacity constraints which it will look to address strategically.
- The company expects some cannibalization effect with XUV700 and Scorpio due to the launch of BEVs.
- The growth in LCV category has been tepid due to floods and heavy rainfall impacting crops which eventually impact Mandi arrivals and demand for LCVs. However, it has seen some improvement in Oct'24 and the expects demand momentum to continue to improve

### Farm Segment

- Market share increased 90bps YoY to 42.5% led by a good monsoon and new range of Tractors gaining good traction.
- The management revised its growth outlook upwards from 4-5% to 6-7% and are optimistic on growth outlook for FY26.
- Its key international market is facing pressure in terms of demand, especially in US where the industry has de-grown for 11 quarters. The management expects demand to improve in the anticipation of interest rate cuts and revival in demand trend.

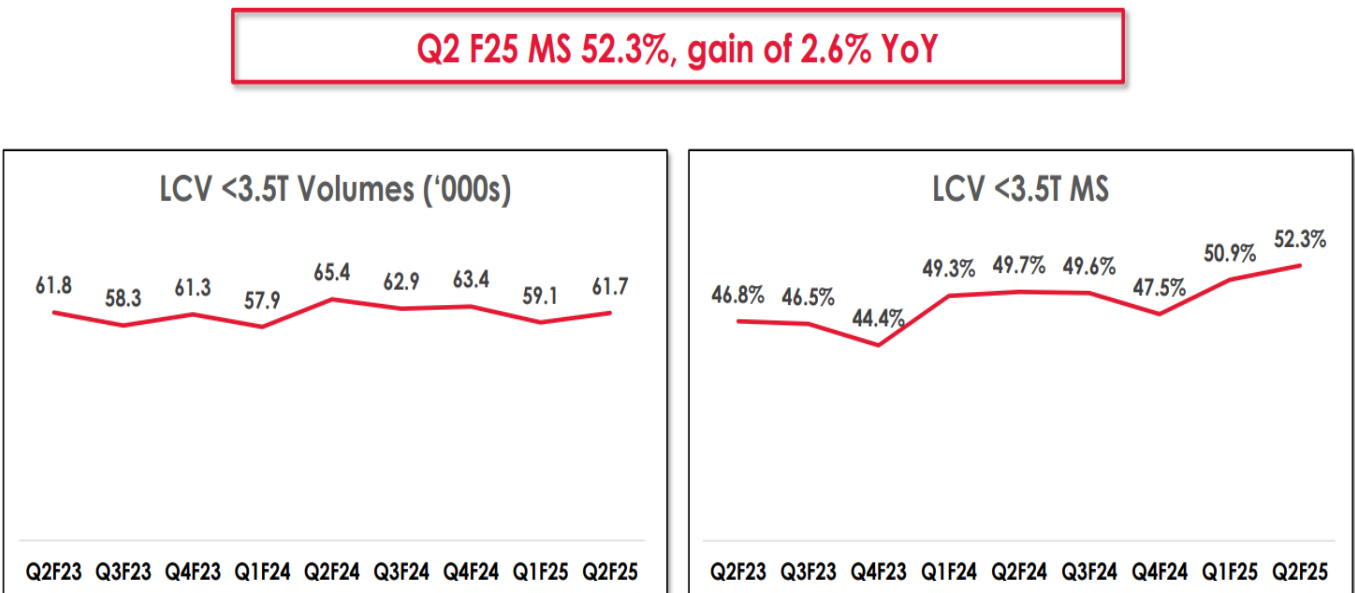
## Key charts:

Exhibit 4: Strong volume growth has helped maintain revenue market share.



Source: Company, PL

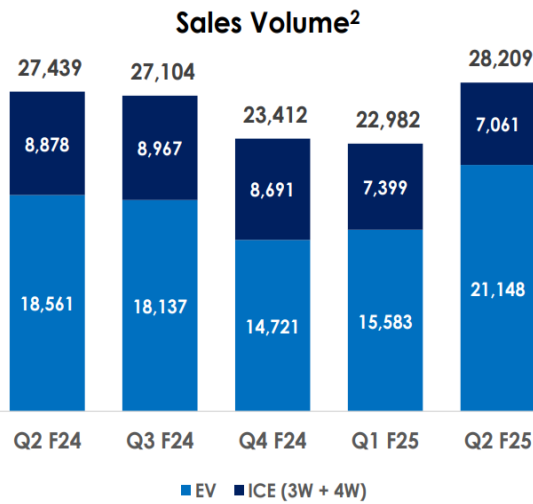
Exhibit 5: Slowdown in LCV demand led to volume de-growth of 5.7% YoY



Source: Company, PL

**Exhibit 6: Last Mile Mobility – Electrification in 3Ws continue to gain traction**

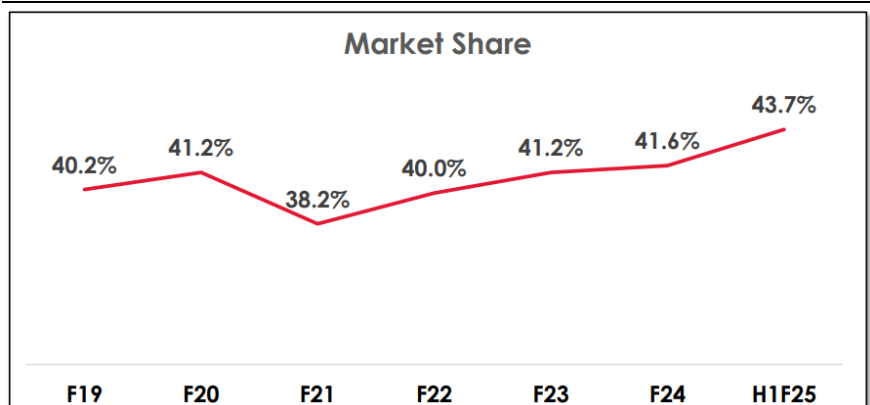
**Market Leadership in E-3W with 43.6%<sup>1</sup> MS in Q2 F25**  
**Highest ever quarterly E-3W billing at 21K in Q2 F25**



- L5<sup>3</sup> electrification is at 20.0% in Q2 F25
- Two new product refreshes:
  - **eAlfa Plus**: higher range, better performance, longer warranty
  - **Alfa Duo** with dual fuel technology
- **Zeo Launch**: E-4W featuring highly energy efficient high-voltage architecture, DC fast charging & cloud connected fleet services

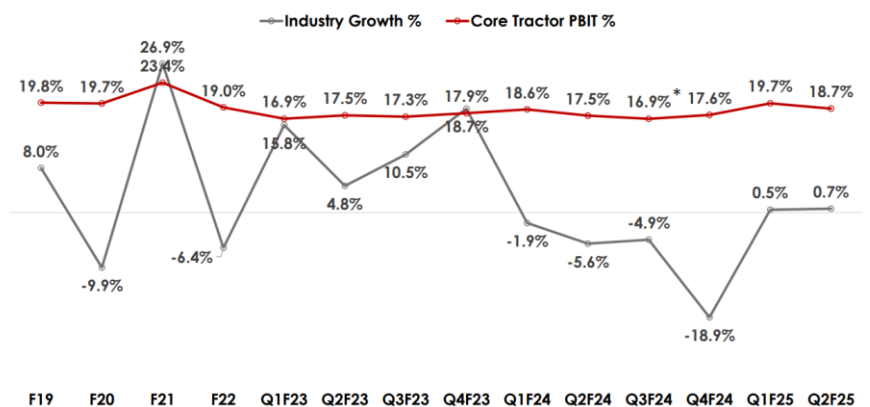
Source: Company, PL

**Exhibit 7: Consistent rise in market share**



Source: Company, PL

**Exhibit 8: Core tractor margin improved by ~120bps YoY**



Note: Core Tractor comprises of Tractor business (incl exports) and excludes Powerol & Farm Machinery business

Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Net Revenues</b>	<b>9,87,634</b>	<b>11,33,844</b>	<b>13,00,698</b>	<b>14,83,372</b>
YoY gr. (%)	16.2	14.8	14.7	14.0
Cost of Goods Sold	7,40,064	8,37,911	9,59,915	10,91,762
Gross Profit	2,47,571	2,95,933	3,40,783	3,91,610
Margin (%)	25.1	26.1	26.2	26.4
Employee Cost	44,164	48,755	59,182	67,493
Other Expenses	76,745	82,771	91,699	1,04,578
<b>EBITDA</b>	<b>1,26,662</b>	<b>1,64,407</b>	<b>1,89,902</b>	<b>2,19,539</b>
YoY gr. (%)	22.0	29.8	15.5	15.6
Margin (%)	12.8	14.5	14.6	14.8
Depreciation and Amortization	34,389	38,519	47,059	56,939
<b>EBIT</b>	<b>92,273</b>	<b>1,25,889</b>	<b>1,42,843</b>	<b>1,62,600</b>
Margin (%)	9.3	11.1	11.0	11.0
Net Interest	1,388	993	765	745
Other Income	43,944	36,071	36,316	40,047
<b>Profit Before Tax</b>	<b>1,34,830</b>	<b>1,60,966</b>	<b>1,78,394</b>	<b>2,01,902</b>
Margin (%)	13.7	14.2	13.7	13.6
Total Tax	27,652	35,413	39,247	44,419
Effective tax rate (%)	20.5	22.0	22.0	22.0
<b>Profit after tax</b>	<b>1,07,178</b>	<b>1,25,554</b>	<b>1,39,147</b>	<b>1,57,484</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>1,07,178</b>	<b>1,25,554</b>	<b>1,39,147</b>	<b>1,57,484</b>
YoY gr. (%)	34.3	17.1	10.8	13.2
Margin (%)	10.9	11.1	10.7	10.6
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>1,07,178</b>	<b>1,25,554</b>	<b>1,39,147</b>	<b>1,57,484</b>
YoY gr. (%)	63.7	17.1	10.8	13.2
Margin (%)	10.9	11.1	10.7	10.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,07,178	1,25,554	1,39,147	1,57,484
<b>Equity Shares O/s (m)</b>	<b>1,199</b>	<b>1,199</b>	<b>1,199</b>	<b>1,199</b>
<b>EPS (Rs)</b>	<b>89.4</b>	<b>104.7</b>	<b>116.0</b>	<b>131.3</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>4,12,243</b>	<b>5,27,243</b>	<b>6,49,243</b>	<b>7,74,243</b>
Tangibles	4,12,243	5,27,243	6,49,243	7,74,243
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>2,36,963</b>	<b>2,75,481</b>	<b>3,22,541</b>	<b>3,79,480</b>
Tangibles	2,36,963	2,75,481	3,22,541	3,79,480
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>1,75,280</b>	<b>2,51,761</b>	<b>3,26,702</b>	<b>3,94,763</b>
Tangibles	1,75,280	2,51,761	3,26,702	3,94,763
Intangibles	-	-	-	-
Capital Work In Progress	37,558	35,680	37,464	39,337
Goodwill	-	-	-	-
Non-Current Investments	2,21,864	2,32,513	2,43,695	2,57,784
Net Deferred tax assets	(15,551)	(16,328)	(17,145)	(18,002)
Other Non-Current Assets	-	-	-	-
<b>Current Assets</b>				
Investments	79,021	79,021	79,021	79,021
Inventories	95,048	1,11,831	1,28,288	1,46,305
Trade receivables	45,495	52,230	59,916	68,330
Cash & Bank Balance	55,259	61,209	66,327	74,111
Other Current Assets	48,788	56,106	64,522	74,201
<b>Total Assets</b>	<b>8,46,823</b>	<b>9,77,713</b>	<b>11,15,465</b>	<b>12,59,812</b>
<b>Equity</b>				
Equity Share Capital	5,996	5,996	5,996	5,996
Other Equity	5,16,769	6,12,342	7,20,309	8,45,413
<b>Total Networth</b>	<b>5,22,766</b>	<b>6,18,338</b>	<b>7,26,305</b>	<b>8,51,410</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	14,652	13,652	13,152	12,652
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	5,712	5,712	5,712	5,712
Trade payables	1,85,920	2,11,237	2,42,322	2,72,290
Other current liabilities	1,02,223	1,12,445	1,10,829	99,746
<b>Total Equity &amp; Liabilities</b>	<b>8,46,823</b>	<b>9,77,713</b>	<b>11,15,465</b>	<b>12,59,812</b>

Source: Company Data, PL Research



### Cash Flow (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	1,34,830	1,60,966	1,78,394	2,01,902
Add. Depreciation	34,389	38,519	47,059	56,939
Add. Interest	1,388	993	765	745
Less Financial Other Income	43,944	36,071	36,316	40,047
Add. Other	(43,944)	(36,071)	(36,316)	(40,047)
Op. profit before WC changes	1,26,662	1,64,407	1,89,902	2,19,539
Net Changes-WC	(6,244)	(4,148)	(15,260)	(33,654)
Direct tax	(26,804)	(34,635)	(38,430)	(43,561)
<b>Net cash from Op. activities</b>	<b>93,614</b>	<b>1,25,625</b>	<b>1,36,212</b>	<b>1,42,323</b>
Capital expenditures	(77,858)	(1,23,771)	(1,34,966)	(1,40,962)
Interest / Dividend Income	-	-	-	-
Others	43,944	36,071	36,316	40,047
<b>Net Cash from Invst. activities</b>	<b>(33,914)</b>	<b>(87,700)</b>	<b>(98,650)</b>	<b>(1,00,915)</b>
Issue of share cap. / premium	7,324	-	-	-
Debt changes	(29,891)	(1,000)	(500)	(500)
Dividend paid	(25,304)	(29,981)	(31,180)	(32,379)
Interest paid	(1,388)	(993)	(765)	(745)
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>(49,258)</b>	<b>(31,974)</b>	<b>(32,445)</b>	<b>(33,624)</b>
<b>Net change in cash</b>	<b>10,442</b>	<b>5,950</b>	<b>5,117</b>	<b>7,785</b>
Free Cash Flow	43,995	12,503	12,428	15,450

Source: Company Data, PL Research

### Quarterly Financials (Rs m)

Y/e Mar	Q3FY24	Q4FY24	Q1FY25	Q2FY25
<b>Net Revenue</b>	<b>2,52,885</b>	<b>2,51,828</b>	<b>2,70,388</b>	<b>2,75,533</b>
YoY gr. (%)	16.8	11.6	12.0	12.9
Raw Material Expenses	1,90,660	1,84,348	1,99,394	2,04,440
Gross Profit	62,225	67,481	70,994	71,092
Margin (%)	24.6	26.8	26.3	25.8
<b>EBITDA</b>	<b>32,364</b>	<b>31,770</b>	<b>40,222</b>	<b>39,042</b>
YoY gr. (%)	15.0	13.9	22.4	30.5
Margin (%)	12.8	12.6	14.9	14.2
Depreciation / Depletion	8,179	9,882	9,146	9,614
<b>EBIT</b>	<b>24,186</b>	<b>21,888</b>	<b>31,076</b>	<b>29,428</b>
Margin (%)	9.6	8.7	11.5	10.7
Net Interest	348	397	529	551
Other Income	7,370	4,753	3,515	20,433
<b>Profit before Tax</b>	<b>31,207</b>	<b>26,244</b>	<b>34,062</b>	<b>49,310</b>
Margin (%)	12.3	10.4	12.6	17.9
Total Tax	6,668	6,243	7,936	10,901
Effective tax rate (%)	21.4	23.8	23.3	22.1
<b>Profit after Tax</b>	<b>24,540</b>	<b>20,001</b>	<b>26,126</b>	<b>38,409</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>24,540</b>	<b>20,001</b>	<b>26,126</b>	<b>38,409</b>
YoY gr. (%)	13.8	(2.9)	(5.3)	13.2
Margin (%)	9.7	7.9	9.7	13.9
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>24,540</b>	<b>20,001</b>	<b>26,126</b>	<b>38,409</b>
YoY gr. (%)	60.6	29.1	(5.3)	13.2
Margin (%)	9.7	7.9	9.7	13.9
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>24,540</b>	<b>20,001</b>	<b>26,126</b>	<b>38,409</b>
Avg. Shares O/s (m)	1,198	1,198	1,198	1,198
<b>EPS (Rs)</b>	<b>20.5</b>	<b>16.7</b>	<b>21.8</b>	<b>32.1</b>

Source: Company Data, PL Research

### Key Financial Metrics

Y/e Mar	FY24	FY25E	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	89.4	104.7	116.0	131.3
CEPS	118.0	136.8	155.3	178.8
BVPS	435.9	515.6	605.6	710.0
FCF	36.7	10.4	10.4	12.9
DPS	21.1	25.0	26.0	27.0
<b>Return Ratio(%)</b>				
RoCE	18.0	21.3	20.7	20.1
ROIC	19.3	21.8	20.4	19.4
RoE	22.4	22.0	20.7	20.0
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.2)	(0.2)	(0.2)	(0.2)
Net Working Capital (Days)	(17)	(15)	(15)	(14)
<b>Valuation(x)</b>				
PER	32.4	27.6	24.9	22.0
P/B	6.6	5.6	4.8	4.1
P/CEPS	24.5	21.1	18.6	16.2
EV/EBITDA	26.5	20.4	17.6	15.2
EV/Sales	3.4	3.0	2.6	2.2
Dividend Yield (%)	0.7	0.9	0.9	0.9

Source: Company Data, PL Research

### Key Operating Metrics

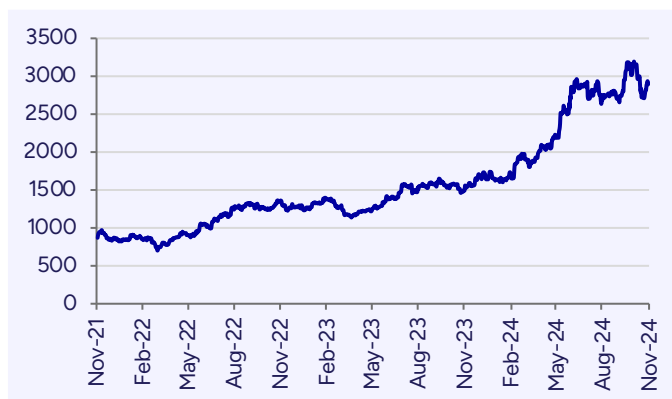
Y/e Mar	FY24	FY25E	FY26E	FY27E
Tractor Volumes	3,78,386	4,06,675	4,32,073	4,60,606
Auto volumes	8,24,926	9,12,096	10,11,771	10,90,930

Source: Company Data, PL Research



**Price Chart**

**Recommendation History**



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Oct-24	BUY	3,458	3,060
2	23-Sep-24	BUY	3,326	2,951
3	01-Aug-24	BUY	3,330	2,908
4	08-Jul-24	BUY	3,250	2,881
5	18-Jun-24	BUY	3,250	2,929
6	17-May-24	BUY	2,716	2,372
7	08-Apr-24	BUY	2,306	2,013
8	15-Feb-24	BUY	1,875	1,657
9	08-Jan-24	BUY	1,830	1,642
10	10-Nov-23	BUY	1,740	1,524

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Reduce	512	551
2	Ashok Leyland	Accumulate	257	222
3	Bajaj Auto	Hold	11,859	11,617
4	Bharat Forge	Accumulate	1,369	1,437
5	Bharat Petroleum Corporation	Hold	316	310
6	Bharti Airtel	Accumulate	1,782	1,637
7	CEAT	Hold	3,063	2,973
8	Clean Science and Technology	Hold	1,561	1,579
9	Deepak Nitrite	Reduce	2,582	3,000
10	Divgi Torqtransfer Systems	Hold	633	591
11	Eicher Motors	BUY	5,416	4,668
12	Endurance Technologies	Accumulate	2,569	2,182
13	Exide Industries	Hold	520	481
14	Fine Organic Industries	Accumulate	5,568	5,142
15	GAIL (India)	Hold	204	209
16	Gujarat Fluorochemicals	Reduce	3,770	4,158
17	Gujarat Gas	Hold	646	596
18	Gujarat State Petronet	Hold	422	411
19	Hero Motocorp	Accumulate	5,906	5,495
20	Hindustan Petroleum Corporation	Accumulate	412	372
21	Indian Oil Corporation	Hold	156	147
22	Indraprastha Gas	Hold	402	417
23	Jubilant Ingrevia	Hold	695	682
24	Laxmi Organic Industries	Reduce	240	270
25	Mahanagar Gas	Accumulate	1,627	1,497
26	Mahindra & Mahindra	BUY	3,458	3,060
27	Mangalore Refinery & Petrochemicals	Sell	128	173
28	Maruti Suzuki	BUY	14,586	11,046
29	Navin Fluorine International	Accumulate	3,523	3,307

**PL's Recommendation Nomenclature (Absolute Performance)**

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



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