

Weak Q4; one-offs weigh on margin; outlook healthy

Auto & Auto Ancillaries ▶ Result Update ▶ May 19, 2025

CMP (Rs): 439 | TP (Rs): 575

Pricol reported a weak Q4 with core revenue growth/EBITDA margin (ex-P3L) below our estimate of 9.7%/12.2% amid muted 2W segment revenue (on OBD 2B regulation change), supply chain disruptions, and delayed exports. Q4 margin was hit by forex headwinds (~Rs35mn) and higher employee costs (due to growth-focused investments in employee hiring/R&D costs), which the management expects to stabilize to ~12% (vs 13.3% in Q4) as new products scale-up over coming 8-12 quarters. The mgmt maintained its FY26 consol revenue guidance of Rs36bn (13-15% growth) led by premiumization tailwinds in DIS; P3L's integration is also under way, with margin seen improving to a high single digit/double digits by FY26/27 (vs 7% in FY25). We trim FY27E consol EPS by ~2% on gradual ramp-up in P3L's operations and higher depreciation due to growth capex; we cut FY27E core-business EPS by 4.3% amid higher depreciation; retain BUY with TP of Rs575 at 24x FY27E PER, and continue to believe Pricol is the best play on screenification (refer to our IC).

Soft quarter amid subdued growth and margin performance

Pricol's consol revenue grew ~31.7% YoY to Rs7.7bn, aided by consolidation of **Sundaram Auto Components (now P3L)** from Feb-25. Ex-P3L, core revenue growth stood at ~8% (below our estimate) due to OBD 2B emission norm changes at 2W OEMs, supply chain disruptions, and delayed exports; at ~8% growth, outperformance vs the underlying 2W industry production has declined to 2% (vs 3% in Q2/Q3). Consol EBITDA was up 8% YoY to Rs801mn. EBITDA margin dipped by ~145bps QoQ to 10.4% owing to higher staff costs, one-off acquisition-related expenses, and forex impact (~Rs35mn); adjusted EBITDA margin (ex-P3L) likely stands at ~11.2%. Consol PAT was down ~16% YoY to Rs350mn, amid higher-than-expected depreciation, interest, and tax.

Earnings Call KTAs: 1) The mgmt sustained its Rs36bn consol revenue guidance (13-15% growth ex new products), incl ~Rs8-8.5bn from P3L (eyes Rs15bn revenue in 3Y at P3L). 2) Pricol's Q4 revenue was hit by regulation change for 2W OEMs (OBD2B norms), export delays due to tariff uncertainty (US exposure limited to 5%), and supply chain disruptions; supplies have resumed, with normalcy expected from Q2 following a vendor change by Pricol. 3) Q4 EBITDA margin was hit by dollar-related forex headwinds (to be recovered in Q1-Q2) and sharp rise in employee costs due to growth-focused investments in manpower, incl subject matter experts and R&D for new product development (to increase its content/wallet share per vehicle); employee costs expected to stabilize at ~12% (vs 13.3% in Q4) as new products scale up in coming 8-12 quarters; core EBITDA margin expected to normalize to 12.5-13% by Q2/Q3. 4) P3L's FY25 EBITDA margin at ~7%, was impacted by one-time acquisition related costs; the mgmt guides to high single digit/double digit EBITDA margin in FY26/27. 6) Mechanical cluster share fell to ~45% (~70% in FY20); mechanical clusters seen fading out in next 2-3Y with TFT clusters gaining ~10% share (5% now), and electromechanical and hybrid clusters to share equal pie of the remaining pool going ahead. 7) FY26 capex guidance at ~Rs2.3bn for Pricol and ~Rs2.5bn for P3L over 2Y (de-bottlenecking, efficiency enhancement, new machines).

Target Price – 12M	Mar-26
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	31.0

Stock Data	PRICOL IN
52-week High (Rs)	599
52-week Low (Rs)	368
Shares outstanding (mn)	121.9
Market-cap (Rs bn)	53
Market-cap (USD mn)	625
Net-debt, FY26E (Rs mn)	(137)
ADTV-3M (mn shares)	0
ADTV-3M (Rs mn)	164.6
ADTV-3M (USD mn)	1.9
Free float (%)	61.5
Nifty-50	25,019.8
INR/USD	85.5

Shareholding, Mar-25

Promoters (%)	38.5
FPIs/MFs (%)	16.3/15.7

Price Performance

(%)	1M	3M	12M
Absolute	(1.3)	(3.2)	(2.9)
Rel. to Nifty	(7.6)	(11.3)	(13.1)

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

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Revenue	19,586	22,718	26,919	37,463	42,302
EBITDA	2,285	2,731	3,129	4,372	5,127
Adj. PAT	1,150	1,406	1,670	2,356	2,812
Adj. EPS (Rs)	9.4	11.5	13.7	19.3	23.1
EBITDA margin (%)	11.7	12.0	11.6	11.7	12.1
EBITDA growth (%)	26.5	19.5	14.6	39.7	17.3
Adj. EPS growth (%)	125.0	22.3	18.8	41.1	19.4
RoE (%)	18.0	18.1	17.9	20.8	20.2
RoIC (%)	17.1	18.8	18.5	21.8	22.2
P/E (x)	46.5	38.0	32.0	22.7	19.0
EV/EBITDA (x)	23.5	19.4	17.2	12.2	10.1
P/B (x)	7.6	6.3	5.3	4.3	3.5
FCFF yield (%)	1.5	2.2	2.1	1.1	2.9

Source: Company, Emkay Research

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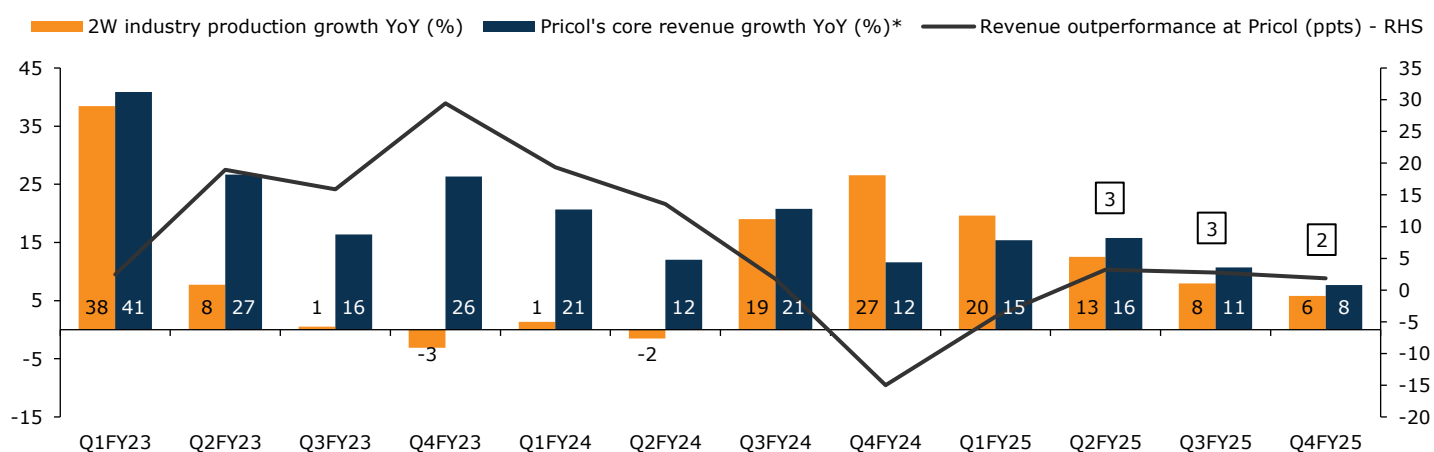
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Exhibit 1: Q4FY25 consol revenue up 32% YoY aided by P3L's consolidation; consol EBITDA margin down by 145bps QoQ to 10.4% due to higher staff costs as well as one-off expenditures and forex headwinds

(Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY %	QoQ %
Revenue	5,372	5,778	5,726	5,842	6,199	6,688	6,338	7,694	31.7	21.4
Expenditure	4,726	5,114	5,048	5,100	5,394	5,916	5,587	6,893	35.2	23.4
as % of sales	88.0	88.5	88.2	87.3	87.0	88.5	88.1	89.6		
Consumption of RM	3,679	3,985	3,893	3,995	4,253	4,679	4,375	5,300	32.7	21.2
as % of sales	68.5	69.0	68.0	68.4	68.6	70.0	69.0	68.9		
Employee Cost	611	659	694	663	694	750	779	1,024	54.4	31.4
as % of sales	11.4	11.4	12.1	11.4	11.2	11.2	12.3	13.3		
Other expenditure	436	469	461	442	447	487	433	569	28.7	31.4
as % of sales	8.1	8.1	8.1	7.6	7.2	7.3	6.8	7.4		
EBITDA	647	664	678	741	805	772	751	801	8.0	6.6
EBITDA margin (%)	12.0	11.5	11.8	12.7	13.0	11.5	11.9	10.4		
Depreciation	198	211	210	201	203	207	224	264	31.1	17.6
EBIT	448	453	468	540	602	566	527	537	(0.6)	1.9
Other Income	28	40	19	44	22	61	40	43	(0.4)	8.5
Interest	47	51	47	38	30	27	23	52	37.4	130.6
PBT	430	442	441	546	593	600	545	528	(3.2)	(3.0)
Total Tax	111	110	100	131	138	149	130	179	36.5	37.6
Adjusted PAT	319	332	340	415	456	451	415	350	(15.8)	(15.7)
Exceptional items Loss/(Gain)	0	0	0	0	0	0	0	0		
Reported PAT	319	332	340	415	456	451	415	350	(15.8)	(15.7)
Adjusted EPS (Rs)	2.6	2.7	2.8	3.4	3.7	3.7	3.4	2.9	(15.8)	(15.7)

(%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	YoY bps	QoQ bps
EBITDAM	12.0	11.5	11.8	12.7	13.0	11.5	11.9	10.4	(229)	(145)
EBITM	8.3	7.8	8.2	9.2	9.7	8.5	8.3	7.0	(227)	(134)
EBTM	8.0	7.7	7.7	9.3	9.6	9.0	8.6	6.9	(248)	(173)
PATM	5.9	5.7	5.9	7.1	7.3	6.7	6.5	4.5	(256)	(200)
Effective Tax rate	25.8	25.0	22.8	24.0	23.2	24.9	23.9	33.9	986	998

Source: Company, Emkay Research

Exhibit 2: Pricol's core revenue outperformance vs the underlying 2W industry production has fallen to 2% in Q4 vs 3% in Q2/Q3

Source: Company, Emkay Research; Note: Pricol's core revenue growth in Q4FY25 is ex P3L (erstwhile Sundaram Auto Components)

Exhibit 3: Pricol's core EBITDA/PAT margin was impacted by higher staff costs and forex headwinds

Particulars (Rs mn)	Q4FY24	Q4FY25	YoY (%)	Q3FY25	QoQ (%)	FY25	YoY (%)
Pricol's Total Consol Revenue	5,842	7,694	31.7	6,338	21.4	26,919	18.5
Less: P3L	0	1,404	-	0	-	1,404	-
Pricol's core revenue (ex-P3L)	5,842	6,290	7.7	6,338	-0.8	25,515	12.3

Particulars (Rs mn)	Q4FY24	Q4FY25	Margin (%)	Q3FY25	Margin (%)	FY25	Margin (%)
Pricol's total Consol EBITDA	741	801	10.4	751	11.9	3,129	11.6
Less: P3L		98	7.0	0	-	98	7.0
Pricol's core EBITDA (ex-P3L)	741	702	11.2	751	11.9	3,031	11.9

Particulars (Rs mn)	Q4FY24	Q4FY25	Margin (%)	Q3FY25	Margin (%)	FY25	Margin (%)
Pricol's total Consol PAT	415	350	4.5	415	6.5	1,670	6.2
Less: P3L		70	5.0	0	-	70	5.0
Pricol's core PAT (ex-P3L)	415	279	4.4	415	6.5	1,600	6.3

Source: Company, Emkay Research; Note: P3L is erstwhile Sundaram Auto Components

Exhibit 4: Margin Analysis - Pricol's consolidated EBITDA/PAT saw a major decline in Q4FY25

Consolidated (%)	Q4FY24	Q4FY25	YoY(bps)	Q3FY25	QoQ (bps)	Comments
Raw material costs	68.4	68.9	50	69.0	(13)	Gross margin was flattish sequentially
Staff costs	11.4	13.3	196	12.3	102	Higher QoQ/YoY, due to growth-focused hiring, including R&D personnel and subject matter experts
Other expenses	7.6	7.4	(17)	6.8	56	Higher QoQ, owing to one-off acquisition-related expenses (finance, due-diligence, legal, etc)
EBITDA Margin	12.7	10.4	(229)	11.9	(145)	Margin-impact seen, owing to consolidation of P3L; Core-business margin at 11.2%
PAT Margin	7.1	4.5	(256)	6.5	(200)	Adjusted net-profit was higher owing to higher depreciation and tax expense

Source: Company, Emkay Research; Note: P3L is erstwhile Sundaram Auto Components

Exhibit 5: P3L's (Sundaram Auto Components) margin is seen improving to a high single digit/double digits by FY26E/27E

P3L (Rs mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E	Comments
Revenue	6,063	7,832	7,638	8,423	8,845	9,729	FY25 actual revenue, as per the earnings call
Growth YoY (%)	32	29	-2	10	5.0	10.0	
RM cost	4,233	5,528	5,334	5,879	6,084	6,586	
% of sales	69.8	70.6	69.8	69.8	68.8	67.7	FY25 is as per our estimates; we build in improvement over FY26E-27E, as products revenue scales up
Gross Profit	1,830	2,304	2,304	2,545	2,760	3,143	
Gross margin (%)	30.2	29.4	30.2	30.2	31.2	32.3	
Employee cost	759	870	884	1,011	1,061	1,148	FY25 is as per our estimates; we build in improvement over FY26E-27E, as products revenue scales up
% of sales	12.5	11.1	11.6	12.0	12.0	11.8	
Other Expenses	709	892	802	943	991	1,076	FY25 is as per our estimates; we build in improvement over FY26E-27E, as products revenue scales up
% of sales	11.7	11.4	10.5	11.2	11.2	11.1	
EBITDA	363	543	618	590	708	919	Rs590mn has been derived based on 7% EBITDA margin for FY25 as reported in the earnings call
EBITDAM (%)	6.0	6.9	8.1	7.0	8.0	9.5	FY25 margin as per the earnings call; mgmt. expects the margin to increase to a high single digit/double digits by FY26E/27E
Depreciation and Amortization	209	211	226	173	326	481	FY25 is as per our estimates; we expect depreciation to increase amid growth capex of Rs2-2.5bn over FY26E-27E
% of Gross Block	6.4	6.0	6.0	4.5	7.3	8.4	
Gross Block Value	3,376	3,637	3,853	3,853	5,086	6,358	We built ~Rs1.25bn gross block addition in FY26/27 each, as per the capex guidance in the earnings call
Growth YoY (%)	6.3	7.7	6.0	0.0	32.0	25.0	
EBIT	154	332	392	417	382	439	
EBITM (%)	2.5	4.2	5.1	5.0	4.3	4.5	
Other income	18	38	9	50	30	20	FY25 is as per our estimates; other income would be lower in FY26/27, as capex would increase, along with some debt repayment
					0	0	
Interest expenses	129	129	113	68	40	30	FY25 is as per our estimates; assumed FY26E/FY27E interest rate to be similar
% of Debt	9	12	13	10.0	10.0	10.0	
Gross Debt Value	1,406	1,086	905	452	339	254	FY25 is as per our estimates; assumed some debt repayment in FY26E/FY27E
Growth YoY (%)	-16	-23	-17	-50	-25	-25	
EBT	43	241	288	399	373	429	
Tax	20	86	96	100	93	107	FY25 details not available and as per our estimates; assumed 25% tax rate and a similar rate in FY26E/27E
Tax Rate	46.3	35.6	33.2	25.0	25.0	25.0	
Adj PAT	23	155	192	299	279	322	
PATM (%)	0.4	2.0	2.5	3.6	3.2	3.3	FY25 PAT margin at 3.6% based on Rs8.4bn revenue and Rs300mn PAT, as per the earnings call

Source: Company, Emkay Research

Exhibit 6: We expect Pricol's blended EBITDA margins to improve to 11.7%/12.1% by FY26E/FY27E

Revenue (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	Management commentary as per the earnings call
Pricol (ex-P3L)	19,586	22,718	25,515	28,618	32,573	Pricol 13-15% growth guidance sustained even without new products
P3L	-	-	1,404	8,845	9,729	Revenue should grow 10% YoY; will acquire new customers; expects to achieve 8-8.5bn revenue in FY26
Total consolidated	19,586	22,718	26,919	37,463	42,302	Rs36bn consol revenue guidance maintained; can potentially also achieve Rs40bn
Growth YoY (%)	FY23	FY24	FY25	FY26E	FY27E	
Pricol (ex-P3L)		16.0	12.3	12.2	13.8	13-15% growth guidance sustained for core business, even without new products
P3L					10.0	Revenue growth of 10% is expected in this business
Mix %	FY23	FY24	FY25	FY26E	FY27E	
Pricol (ex-P3L)	100	100	95	76	77	
P3L	-	-	5	24	23	
EBITDA (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	
Pricol (ex-P3L)	2,285	2,731	3,031	3,663	4,208	
P3L			98	708	919	2M FY25 EBITDA based on 7% margin for full year
EBITDAM %	FY23	FY24	FY25	FY26E	FY27E	
Pricol (ex-P3L)	11.7	12.0	11.9	12.8	12.9	Pricol's core FY25 EBITDA margin stood at 11.9%. Core EBITDA margin should rebound to 12.5-13% by Q2/Q3
P3L			7.0	8.0	9.5	2M FY25 EBITDA based on 7% margin for full year: high single digit/double digit margin expected to be achieved by FY26/27
Blended EBITDAM (%)			11.6	11.7	12.1	
PAT (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	
Pricol (ex-P3L)			1,600	2,077	2,492	
P3L			70	279	322	
PATM (%)	FY23	FY24	FY25	FY26E	FY27E	
Pricol (ex-P3L)			6.3	7.3	7.6	
P3L			5.0	3.2	3.3	PAT margin for the consolidation period is 5%; full year PAT margin stands at 3.6%
Blended PATM (%)			6.2	6.3	6.6	

Source: Company, Emkay Research; Note: P3L is erstwhile Sundaram Auto Components; P3L has been consolidated for 2 months (Feb-Mar '25)

Exhibit 7: We build in 25%/ 28%/ 30% consolidated revenue/EBITDA/PAT CAGR over FY25-27E

Particulars (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Instrument Cluster	12,731	15,902	18,273	22,089	25,858
Growth YoY (%)		24.9	14.9	20.9	17.1
2Ws	8,275	10,337	13,585	16,663	19,593
Growth YoY (%)		24.9	31.4	22.7	17.6
CVs & Off road	3,819	3,589	3,413	3,794	4,036
Growth YoY (%)		-6.0	-4.9	11.2	6.4
PVs	637	991	1,276	1,632	2,228
Growth YoY (%)		55.7	28.8	27.9	36.5
ACFMS division	6,855	6,815	7,361	6,820	7,494
Growth YoY (%)		-0.6	8.0	-7.3	9.9
Of which disc brakes	0	0	0	480	900
Growth YoY (%)					87.5
Non-brakes	6,855	6,815	7,361	6,340	6,594
Growth YoY (%)		-0.6	8.0	-13.9	4.0
Pricol's core business revenue	19,586	22,718	25,515	28,618	32,573
Growth YoY (%)		16.0	12.3	12.2	13.8
P3L (Sundaram Auto Components)	-	-	1,404	8,423	8,845
Growth YoY (%)					5.0
Revenue Mix (%)	FY23	FY24	FY25E	FY26E	FY27E
Revenue split					
Instrument Cluster	65.0	70.0	67.9	58.2	59.3
ACFMS	35.0	30.0	27.3	18.2	17.7
P3L (Sundaram Auto Components)	0.0	0.0	5.2	23.6	23.0
Within Instrument Cluster Division					
2Ws	65	65	74	75	76
CVs & Off road	30	30	19	17	16
PVs	5	5	7	7	9
Total Consolidated Revenue	19,586	22,718	26,919	37,463	42,302
Growth YoY (%)	26.8	16.0	18.5	39.2	12.9
Consolidated blended EBITDA	2,285	2,731	3,129	4,372	5,127
Growth YoY (%)	26.5	19.5	14.6	39.7	17.3
Consolidated blended EBITDAM (%)	11.7	12.0	11.6	11.7	12.1
-- Pricol's Core EBITDA	2,285	2,731	3,031	3,663	4,208
Pricol's Core-EBITDAM (%)	11.7	12.0	11.9	12.8	12.9
-- P3L's EBITDA			98	708	919
P3L's EBITDAM (%)			7.0	8.0	9.5
Consolidated blended PAT	1,150	1,406	1,670	2,356	2,812
Consolidated blended PATM (%)	5.9	6.2	6.2	6.3	6.6
-- Pricol's Core PAT	1,150	1,406	1,600	2,077	2,491
Pricol's Core-PATM (%)	5.9	6.2	6.3	7.3	7.6
-- P3L's PAT			70	279	322
P3L's PATM (%)			5.0	3.2	3.3
EPS (Rs)	9.4	11.5	13.7	19.3	23.1

Source: Company, Emkay Research; Note: P3L is erstwhile Sundaram Auto Components

Exhibit 8: We trim consol FY27E revenue and EPS to factor in the gradual ramp-up in P3L's revenue and the higher depreciation on account of growth capex in core business as well as in P3L

Total Consolidated	FY25		FY26E				FY27E			
(Rs mn)	Actual	%YoY	Earlier	Revised	%Change	%YoY	Earlier	Revised	%Change	%YoY
Net Sales	26,919	18.5	37,792	37,463	(0.9)	39.2	43,247	42,302	(2.2)	12.9
EBITDA	3,129	14.6	4,399	4,372	(0.6)	39.7	5,077	5,127	1.0	17.3
Margin (%)	11.6	(40)bps	11.6	11.7	3bps	5bps	11.7	12.1	38bps	45bps
APAT	1,670	18.8	2,336	2,356	0.9	41.1	2,864	2,812	(1.8)	19.4
Margin (%)	6.2	2bps	6.2	6.3	11bps	8bps	6.6	6.6	3bps	36bps
EPS (Rs)	13.7	18.8	19.2	19.3	0.9	41.1	23.5	23.1	(1.8)	19.4
Pricol's Core business	FY25		FY26E				FY27E			
(Rs mn)	Actual	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Net Sales	25,515	12.3	28,570	28,618	0.2	12.2	32,641	32,573	(0.2)	13.8
EBITDA	3,031	11.0	3,639	3,663	0.7	20.9	4,203	4,208	0.1	14.9
Margin (%)	11.9	(14)bps	12.7	12.8	6bps	92bps	12.9	12.9	4bps	12bps
APAT	1,600	13.8	2,074	2,077	0.2	29.8	2,602	2,491	(4.3)	19.9
Margin (%)	6.3	8bps	7.3	7.3	(0)bps	99bps	8.0	7.6	(32)bps	39bps
EPS (Rs)	13.1	13.8	17.0	17.0	0.2	29.8	21.3	20.4	(4.3)	19.9
P3L	FY25		FY26E				FY27E			
(Rs mn)	2MFY25	Full Year	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Net Sales	1,404	8,423	9,223	8,845	(4.1)	5.0	10,606	9,729	(8.3)	10.0
EBITDA	98	590	760	708	(6.8)	20.2	874	919	5.2	29.8
Margin (%)	7.0	7.0	8.2	8.0	(23)bps	101bps	8.2	9.5	121bps	144bps
APAT	70	300	262	279	6.7	(6.9)	312	322	3.1	15.2
Margin (%)	5.0	3.6	2.8	3.2	32bps	(40)bps	2.9	3.3	36bps	15bps
EPS (Rs)	0.6	2.5	2.1	2.3	6.7	(6.9)	2.6	2.6	3.1	15.2

Source: Company, Emkay Research; Note: P3L (erstwhile Sundaram Auto Components) has been consolidated for 2 months (Feb-Mar '25)

Pricol: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Revenue	19,586	22,718	26,919	37,463	42,302
Revenue growth (%)	26.8	16.0	18.5	39.2	12.9
EBITDA	2,285	2,731	3,129	4,372	5,127
EBITDA growth (%)	26.5	19.5	14.6	39.7	17.3
Depreciation & Amortization	779	821	898	1,142	1,317
EBIT	1,506	1,910	2,232	3,230	3,810
EBIT growth (%)	52.5	26.8	16.8	44.8	18.0
Other operating income	-	-	-	-	-
Other income	46	132	166	175	183
Financial expense	183	183	132	208	178
PBT	1,369	1,859	2,266	3,197	3,816
Extraordinary items	98	0	0	0	0
Taxes	219	453	596	841	1,003
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	1,247	1,406	1,670	2,356	2,812
PAT growth (%)	144.1	12.8	18.8	41.1	19.4
Adjusted PAT	1,150	1,406	1,670	2,356	2,812
Diluted EPS (Rs)	9.4	11.5	13.7	19.3	23.1
Diluted EPS growth (%)	125.0	22.3	18.8	41.1	19.4
DPS (Rs)	0	0	0	0	0
Dividend payout (%)	0	0	0	0	0
EBITDA margin (%)	11.7	12.0	11.6	11.7	12.1
EBIT margin (%)	7.7	8.4	8.3	8.6	9.0
Effective tax rate (%)	16.0	24.4	26.3	26.3	26.3
NOPLAT (pre-IndAS)	1,265	1,445	1,645	2,381	2,809
Shares outstanding (mn)	122	122	122	122	122

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
PBT (ex-other income)	1,466	1,859	2,266	3,197	3,816
Others (non-cash items)	(93)	49	(38)	0	0
Taxes paid	(368)	(381)	(567)	(841)	(1,003)
Change in NWC	(295)	43	437	(604)	(311)
Operating cash flow	1,663	2,548	3,093	3,102	3,996
Capital expenditure	(842)	(1,376)	(1,966)	(2,500)	(2,500)
Acquisition of business	-	-	-	-	-
Interest & dividend income	9	20	36	0	0
Investing cash flow	(700)	(1,313)	(3,805)	(2,500)	(2,500)
Equity raised/(repaid)	0	-	0	0	0
Debt raised/(repaid)	(457)	(428)	695	773	(1,000)
Payment of lease liabilities	0	(78)	0	0	0
Interest paid	(181)	(182)	(133)	(208)	(178)
Dividend paid (incl tax)	0	0	0	0	0
Others	0	-	0	0	0
Financing cash flow	(638)	(689)	562	565	(1,178)
Net chg in Cash	334	565	(114)	1,167	318
OCF	1,663	2,548	3,093	3,102	3,996
Adj. OCF (w/o NWC chg.)	1,958	2,505	2,656	3,706	4,307
FCFF	821	1,172	1,127	602	1,496
FCFE	648	1,010	1,031	394	1,318
OCF/EBITDA (%)	72.8	93.3	98.8	71.0	77.9
FCFE/PAT (%)	51.9	71.8	61.7	16.7	46.9
FCFF/NOPLAT (%)	64.9	81.1	68.5	25.3	53.3

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Share capital	122	122	122	122	122
Reserves & Surplus	6,921	8,331	10,038	12,395	15,207
Net worth	7,043	8,453	10,160	12,517	15,329
Minority interests	0	0	0	0	0
Non-current liab. & prov.	407	348	301	301	301
Total debt	1,103	609	1,347	2,120	1,120
Total liabilities & equity	8,553	9,410	11,809	14,938	16,750
Net tangible fixed assets	2,678	3,122	5,594	6,952	8,136
Net intangible assets	2,032	2,032	2,032	2,032	2,032
Net ROU assets	-	-	-	-	-
Capital WIP	146	383	704	704	704
Goodwill	695	596	517	517	517
Investments [JV/Associates]	12	12	71	71	71
Cash & equivalents	876	1,188	1,090	2,257	2,575
Current assets (ex-cash)	6,054	6,457	8,920	12,089	13,577
Current Liab. & Prov.	4,506	4,946	7,685	10,250	11,428
NWC (ex-cash)	1,548	1,511	1,235	1,839	2,149
Total assets	8,553	9,410	11,809	14,938	16,750
Net debt	228	(579)	257	(137)	(1,455)
Capital employed	8,553	9,410	11,809	14,938	16,750
Invested capital	7,520	7,827	9,944	11,906	13,400
BVPS (Rs)	57.8	69.3	83.3	102.7	125.8
Net Debt/Equity (x)	-	(0.1)	-	-	(0.1)
Net Debt/EBITDA (x)	0.1	(0.2)	0.1	-	(0.3)
Interest coverage (x)	8.5	11.2	18.2	16.4	22.4
RoCE (%)	20.1	23.7	23.3	26.0	25.7

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25	FY26E	FY27E
P/E (x)	46.5	38.0	32.0	22.7	19.0
P/CE(x)	27.7	24.0	20.8	15.3	12.9
P/B (x)	7.6	6.3	5.3	4.3	3.5
EV/Sales (x)	2.7	2.3	2.0	1.4	1.2
EV/EBITDA (x)	23.5	19.4	17.2	12.2	10.1
EV/EBIT(x)	35.6	27.7	24.1	16.5	13.6
EV/IC (x)	7.1	6.8	5.4	4.5	3.9
FCFF yield (%)	1.5	2.2	2.1	1.1	2.9
FCFE yield (%)	1.2	1.9	1.9	0.7	2.5
Dividend yield (%)	0	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	5.9	6.2	6.2	6.3	6.6
Total asset turnover (x)	2.4	2.5	2.5	2.8	2.7
Assets/Equity (x)	1.3	1.2	1.1	1.2	1.1
RoE (%)	18.0	18.1	17.9	20.8	20.2
DuPont-RoIC					
NOPLAT margin (%)	6.5	6.4	6.1	6.4	6.6
IC turnover (x)	2.7	3.0	3.0	3.4	3.3
RoIC (%)	17.1	18.8	18.5	21.8	22.2
Operating metrics					
Core NWC days	28.9	24.3	16.7	17.9	18.5
Total NWC days	28.9	24.3	16.7	17.9	18.5
Fixed asset turnover	1.8	1.9	1.9	2.2	2.2
Opex-to-revenue (%)	18.2	19.5	19.3	18.8	18.4

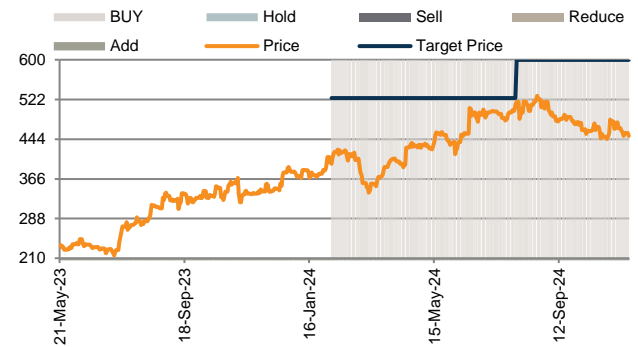
Source: Company, Emkay Research

RECOMMENDATION HISTORY – DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
16-Apr-25	444	575	Buy	Chirag Jain
16-Apr-25	444	575	Buy	Chirag Jain
21-Mar-25	449	575	Buy	Chirag Jain
21-Mar-25	449	575	Buy	Chirag Jain
31-Jan-25	505	600	Buy	Chirag Jain
31-Jan-25	505	600	Buy	Chirag Jain
10-Jan-25	559	650	Buy	Chirag Jain
10-Jan-25	559	650	Buy	Chirag Jain
02-Dec-24	495	600	Buy	Chirag Jain
02-Dec-24	495	600	Buy	Chirag Jain
08-Nov-24	466	600	Buy	Chirag Jain
08-Nov-24	466	600	Buy	Chirag Jain
10-Sep-24	482	600	Buy	Chirag Jain
10-Sep-24	482	600	Buy	Chirag Jain
02-Aug-24	517	600	Buy	Chirag Jain
02-Aug-24	517	600	Buy	Chirag Jain
16-May-24	452	525	Buy	Chirag Jain
16-May-24	452	525	Buy	Chirag Jain
06-Feb-24	396	525	Buy	Chirag Jain
06-Feb-24	396	525	Buy	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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