

India

HOLD (no change)

Consensus ratings*: Buy 39 Hold 2 Sell 0

Current price: Rs3,120
 Target price: ▲ Rs3,254
 Previous target: Rs3,205
 Up/downside: 4.3%
 InCred Research / Consensus: -8.3%

Reuters: MAHM.NS
 Bloomberg: MM IN
 Market cap: US\$45,733m
 Rs3,879,686m
 Average daily turnover: US\$111.9m
 Rs9490.9m
 Current shares o/s: 1,116.3m
 Free float: 81.4%

*Source: Bloomberg

Key changes in this note

- FY26F-27F volume cut by 1-2%.
- EBITDA raised by 3-4% for FY26F-27F.
- EPS raised by 3-5% for FY26F-27F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	25.2	(2.5)	42.4
Relative (%)	15.1	(5.9)	29.5

Major shareholders	% held
Mahindra Family	18.6
LIC	6.7
SBI Mutual Fund	3.8

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Mahindra & Mahindra

SUVs ease growth rate; hope lies in tractors

- The 4QFY25 standalone EBITDA rose by 5% qoq to Rs.47bn, aided by the qoq increase in inventory (4% of sales), which is difficult to sustain.
- M&M gives guidance of mid-teen SUV volume growth for FY26F aided by new launches & capacity expansion. Tractor sector growth seen in high single digit.
- We maintain HOLD rating as the P/E valuation is rich at +2SD while the SUV industry segment's growth eased to 7% yoy in the Mar 2025 quarter.

EVs drag automotive EBIT margin; tractor margin remains strong

Mahindra & Mahindra or M&M's 4QFY25 standalone EBITDA rose by 5% qoq to Rs47bn, 12% above our/Bloomberg or BB consensus estimates. Net sales stood at Rs313bn, +25% yoy, 4-5% above InCred/BB consensus estimates. The automotive division's EBIT margin was down 44bp qoq but up 44bp yoy at 9.2%, ESUVs hit blended EBIT margin by 80bp. The tractor division's EBIT margin was up 134bp qoq & 366bp yoy at 19.4%. Normalized PAT fell 18% qoq to Rs24.4bn due to higher depreciation (25% qoq) & higher interest costs (32% qoq). The Rs7.2bn charges in respect of global subsidiaries hit reported PAT.

Management conference-call highlights

Management has given guidance of mid- to high-teens volume growth in FY26F, driven by its new seven-seater ICE SUV launch, two model mid-cycle refresh, along with the export momentum in recently launched models. In the farm division (domestic), management expects high single-digit industry growth in FY26F. Gained 170bp market share, touching 43.3%, which is likely to sustain if the competitive intensity remains stable. FY26F plans include increasing the capacity for XUV3XO and Thar Roxx by 3,000 units each. M&M is creating new platform capacity of 1,20,000 units per annum at Chakan (it will be showcased on 15 Aug 2025). A new greenfield plant has been planned for FY28F and beyond.

EBITDA rises by 3–4% on operating leverage gains

We have cut sales volume estimates by 1-2% for FY26F-27F, as SUV growth slowed to single digit in 4QFY25 and the electric vehicle or EV ramp-up is gradual. Better margin management in the automotive division, expected production-linked incentive or PLI scheme benefits & operating leverage in tractors leads to a 3-4% EBITDA upgrade for FY25F-27F.

Stock valuation close to +2SD P/E: maintain HOLD rating

With softening domestic SUV growth rate (Fig. 2) coupled with M&M's forward P/E valuation at +2SD above the mean level (adjusted for subsidiaries' value, see Fig. 16), we feel there is limited upside left. We have valued M&M at 20x P/E (+2SD above the mean level) and valued its subsidiaries at Rs636/share, leading to a marginally higher sum-of-the-parts or SOTP-based target price of Rs3,254 (Rs3,205 earlier). We maintain our HOLD rating on it. Upside risk: Double-digit growth sustenance in the tractor segment in FY26F. Downside risks: Electric vehicle or EV margin drag & policy risk on hybrid vehicles.

Financial Summary	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue (Rsm)	996,025	1,165,680	1,313,231	1,469,802	1,633,467
Operating EBITDA (Rsm)	137,585	172,068	188,493	204,559	227,620
Net Profit (Rsm)	106,017	127,871	136,220	144,415	161,249
Core EPS (Rs)	95.0	114.5	122.0	129.4	144.4
Core EPS Growth	32.9%	20.6%	6.5%	6.0%	11.7%
FD Core P/E (x)	32.85	27.24	25.57	24.12	21.60
DPS (Rs)	23.8	25.0	27.5	30.0	30.0
Dividend Yield	0.82%	0.86%	0.95%	1.03%	1.03%
EV/EBITDA (x)	22.85	17.62	16.09	14.47	12.76
P/FCFE (x)	100.30	44.59	138.83	51.11	58.74
Net Gearing	(23.7%)	(36.9%)	(27.6%)	(29.3%)	(28.0%)
P/BV (x)	6.66	5.66	4.84	4.21	3.66
ROE	22.2%	22.5%	20.4%	18.7%	18.1%
% Change In Core EPS Estimates			4.65%	1.90%	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

SUVs ease growth rate; hope lies in tractors

Management conference-call highlights ►

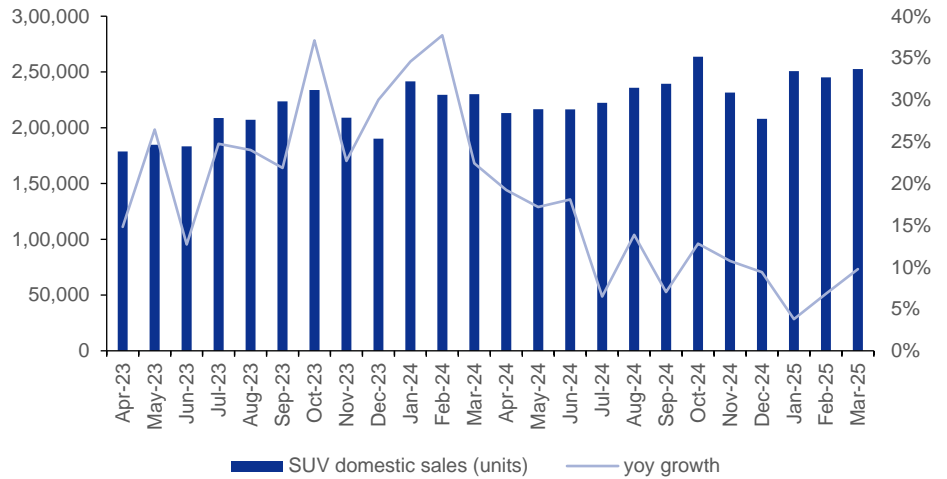
- Automotive division:** Management has given guidance of mid- to high-teens volume growth in FY26F, driven by its new seven-seater ICE SUV launch, two model mid-cycle refresh versions, along with the export momentum for recently launched models. In FY25, revenue market share improved by 210bp to 22.5%, supported by a 20% volume growth. ICE vehicle margin stood at 10% for the quarter, but M&M was impacted by EV sales drag on margin. ICE SUV capacity to be increased by 24% over FY25-27F to touch 67,000 vehicles per month by Mar 2027F.
- Farm division (domestic):** Management expects high single-digit industry growth in FY26F. The company gained 170bp market share during the quarter, reaching 43.3%, which is expected to sustain if the competitive intensity remains stable. In 4Q, industry growth was primarily driven by southern and western regions of India, a trend which is expected to continue. Notably, Chhattisgarh and Maharashtra performed significantly well.
- Farm segment global subsidiaries:** Turkey: Industry volume declined by 26% due to economic stress, but M&M maintained its market share. Brazil tractor industry (<120HP segment) grew by 12% yoy, and M&M gained 100 bp market share, supported by competitive pricing and expanded geographic reach. In the US farm industry, the 140HP segment, which accounts for 40% of the market, M&M increased its share from 3% a year ago to over 10%, despite some volume loss due to industry correction.
- Financials:** Margin improved due to operating leverage, product mix, cell pricing, and cost reduction initiatives. Future EBIT margin will be driven by volume ramp-up.
- EV portfolio:** Since their launch in Feb 2025, 6,300 EVs have been delivered; the current order book stands at Rs 84bn (~30k units). Deliveries have been intentionally slowed due to operational complexity; the average delivery time is ~ two hours, with a current waiting period of four months. 75% of the bookings are for top-end variants. However, management aims to ramp up production of lower-end variants to drive volume. The focus is on developing 79kWh (large cell) variants to reduce range anxiety, seen as a key barrier. Currently, the monthly production is 5,000 units, with the XUV 9e model accounting for 60%.
- Capacity planning:** FY26F plans include increasing the capacity for XUV3XO and Thar Roxx models by 3,000 units each. M&M is creating a new platform capacity of 1,20,000 units per annum at Chakan (which the company will showcase on 15 Aug 2025). A new greenfield plant has been planned for FY28F and beyond.

Figure 1: Results comparison

Y/E Mar (Rs m)	4QFY25	4QFY24	yoy % chg	3QFY25	qoq % chg	FY25	FY24	yoy % chg	Comments
Revenue	3,13,534	2,51,090	24.9	3,05,382	2.7	11,86,245	9,96,025	19.14%	above our estimate.
Raw material costs	2,32,299	1,84,462	25.9	2,27,268	2.2	8,63,401	7,40,064	16.7	
RM costs as a % of revenue	74.1	73.5	63	74.4	(33)	73	74	(152)	
EBITDA	46,825	32,401	44.5	44,681	4.8	1,92,635	1,37,585	40.012%	above our estimate.
EBITDA margin (%)	14.9	12.9	203	14.6	30	16.2	13.8	243102bp	above our estimate.
Depreciation & amortization	13,058	9,770	33.6	10,451	24.9	42,268	34,389	22.9	
EBIT	33,768	22,631	49.2	34,231	(1.4)	1,50,367	1,03,197	45.7	
Interest expenses	810	387	109.5	614	31.9	2,505	1,388	80.5	
Other Income	7,678	4,261	80.2	6,901	11.3	17,119	32,955	(48.1)	73% above our estimate.
Pre-tax profit	40,636	26,505	53.3	40,517	0.3	1,64,981	1,34,763	22.419%	above our estimate.
Tax	9,079	6,123	48.3	10,036	(9.5)	37,952	28,747	32.0	
Tax rate (%)	22.3	23.1	(76)	24.8	(242.7)	23.0	21.3	167.3	
Normalized net profit	31,557	20,382	54.8	30,481	3.5	1,27,029	1,06,017	19.819%	above our estimate.
Exceptional items	0	-	nm	-	nm	(8,479)	6,146	nm	
Other comprehensive income	(7,185)	-	nm	(838)	nm	-	(1,319)	nm	
Reported net profit	24,371	20,382	19.6	29,643	(17.8)	1,18,550	1,10,844	7.0	
Normalized EPS (Rs)	28.4	18.3	54.8	27.4	3.5	114	95	19.8	
Volume (nos)	3,32,221	2,85,138	16.5	3,68,197	(9.8)	13,57,855	12,03,312	12.8	
Net realization (Rs)	9,43,753	8,80,590	7.2	8,29,399	13.8	8,73,617	8,27,736	5.5	
EBITDA/vehicle	1,40,946	1,13,633	24.0	1,21,351	16.1	1,41,867	1,14,339	24.1	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Domestic SUV segment's recent sales growth weakness is an area of concern



SOURCE: SIAM, INCRED RESEARCH, COMPANY REPORTS

Figure 3: M&M's segment-wise sales volume performance

	4QFY25	4QFY24	yoy (%)	3QFY25	qoq (%)	FY24	FY25	yoy (%)
Tractors	82,767	67,369	22.9%	1,19,015	-30.5%	3,64,526	4,01,479	10.1%
Passenger vehicles	1,49,127	1,26,100	18.3%	1,42,150	4.9%	4,59,878	5,64,652	22.8%
LCV	67,683	61,654	9.8%	67,537	0.2%	2,46,579	2,56,224	3.9%
MHCV	4,011	3,796	5.7%	2,819	42.3%	14,445	20,042	38.7%
3-wheelers	21,599	17,086	26.4%	23,619	-8.6%	77,589	84,472	8.9%
Automotive exports	10,608	4,858	118.4%	9,374	13.2%	24,663	37,715	52.9%
Tractor exports	5,251	4,275	22.8%	3,683	42.6%	13,860	18,722	35.1%
Total	3,41,046	2,85,138	19.6%	3,68,197	-7.4%	12,01,540	13,83,306	15.1%

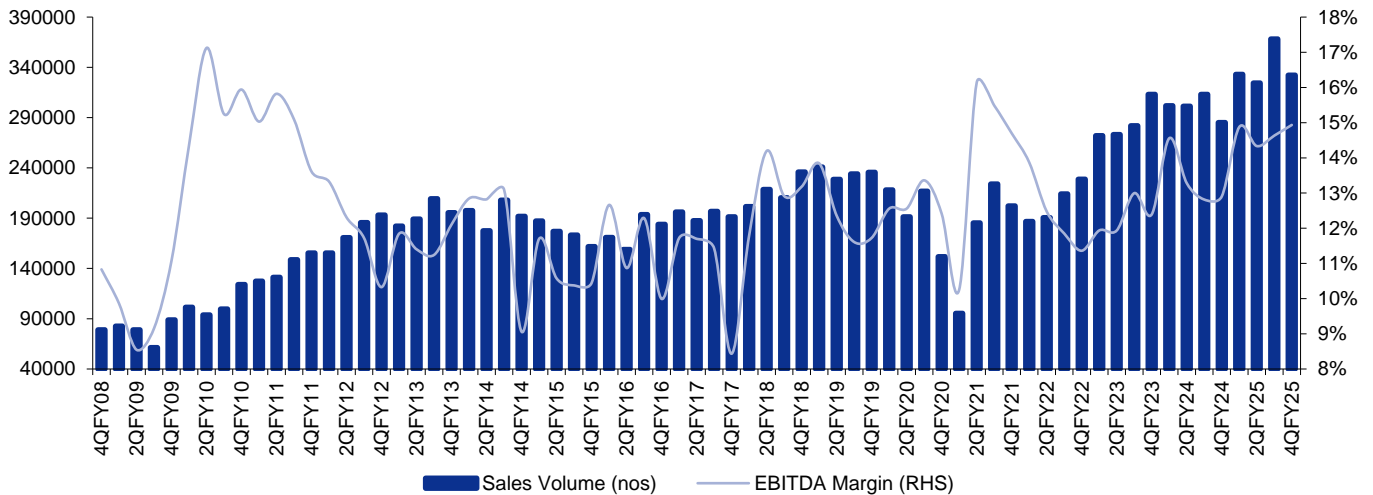
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: SUV model-wise sales volume performance

Model	FY24	FY25	Chg %
Scorpio	1,41,462	1,64,842	17%
Bolero	1,10,841	94,750	-15%
XUV 3XO	54,174	1,00,923	86%
Thar & Thar Roxx	65,246	84,834	30%
Xuv700	79,398	93,082	17%
EV portfolio	8,025	12,890	61%
Marazzo	718	166	-77%
Total	4,59,864	5,51,487	20%

SOURCE: SIAM, INCRED RESEARCH, COMPANY REPORTS

Figure 5: Quarterly sales and EBITDA margin trend



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Division-wise performance (Rs bn)

	3QFY25	3QFY24	yoy chg	2QFY25	qoq chg	FY25	FY24	yoy chg
Automotive								
Net sales	2,49,757	1,99,103	25.4%	2,24,101	11.4%	8,74,431	7,39,757	18.2%
EBIT	23,059	17,514	31.7%	21,670	6.4%	82,772	61,684	34.2%
EBIT margin (%)	9.2%	8.8%	44	9.7%	(44)	9.5%	8.3%	113
Farm Equipment								
Net sales	64,284	52,270	23.0%	81,673	-21.3%	2,92,367	2,53,366	15.4%
EBIT	12,503	8,254	51.5%	14,787	-15.4%	53,710	41,159	30.5%
EBIT margin (%)	19.4%	15.8%	366	18.1%	134	18.4%	16.2%	213

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: Segment-wise EBIT margin trend (%)



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: 80bp drag on the automotive division's standalone EBIT margin (Rs cr)

	Auto Standalone*	+	eSUV Contract Mfg.#	=	Auto Standalone as reported
Revenue	22,930		2,046		24,976
PBIT	2,300		6		2,306
PBIT%	10.0%		0.3%		9.2%
	*Auto business excl eSUV Contract Mfg. for MEAL		eSUV Contract Mfg. for MEAL by Auto		Auto Standalone Results will reflect sales to MEAL

■ Auto PBIT% is diluted to the extent of eSUV contract manufacturing for MEAL in the mix

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: M&M is the leader in revenue market share in E-SUV & E-PV (4QFY25)

OEM	E-SUV Revenue MS	E-PV Revenue MS
MAHINDRA	37.2%	33.1%
OEM 1	24.5%	22.9%
OEM 2	19.1%	26.9%
OEM 3	13.3%	11.9%
OEM 4	5.3%	4.7%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: FY25 cash flow (Rs cr)

STANDALONE M&M + MEAL + LMM Co

	Auto	Farm	Services	Total
Opening Balance@				17,818
+ Inflow (incl. monetization, dividend)	12,721	5,697	2,294	20,712
- Capex	(4,241)	(792)		(5,033)
- EV: MEAL + LMM Co net# : PE funds raised	(2,697) 2,050			(2,697) 2,050
- Investments	(129)	(403)	(1,187)	(1,719)
Net cash generation	7,705	4,501	1,107	13,313
- ICDs / funding for group cos ⁵				(408)
- Borrowings and finance cost				(714)
- Dividend payout				(2,620)
Closing Balance@				27,389

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: Auto capacity plan

Per Month Capacity	F20 Exit Capacity	F23 Exit Capacity	F24 Exit Capacity	F25 Exit Capacity	F26 Exit Capacity	F27 Exit Capacity
SUVs Capacity	19K	39k	49k	54k	57k	67k
BEV Capacity				7.5k (5K Operationalised)	12k (8K Operationalised)	18k
Total Capacity				61.5k	69k	85k

- Capacity increase for XUV3XO and Thar Roxx in F26: 3k
- Creating New Platform capacity in Chakan of 1.2L p.a.
- Planning new Greenfield Plant for F28 and beyond

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 12: EPS revision summary

(Rs m)	FY26F		FY27F	
	Old	New	Old	New
Sales volume (nos)	15,01,208	14,81,702	16,40,151	16,07,119
% change		-1.3%		-2.0%
Net sales	13,01,768	13,13,231	14,51,078	14,69,802
% change		0.9%		1.3%
EBITDA	1,80,588	1,88,493	1,98,663	2,04,559
% change		4.4%		3.0%
Normalized PAT	1,29,463	1,36,220	1,40,957	1,44,415
% change		5.2%		2.5%
EPS (Rs)	116.4	122.5	126.7	129.9
% change		5.2%		2.5%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 13: Key assumptions

Nos	FY23	FY24	FY25	FY26F	FY28F
Scorpio	76,935	1,41,462	1,64,842	1,78,029	2,09,541
Growth (%)	98.8%	83.9%	16.5%	8.0%	7.0%
XYLO / Marazzo	4,451	8,743	13,056	36,000	96,000
XUV500/700	66,473	79,398	93,082	99,598	1,16,131
Growth (%)	127.2%	19.4%	17.2%	7.0%	6.0%
TUV / Thar	47,108	65,246	84,834	97,559	1,15,900
Growth (%)	24.5%	38.5%	30.0%	15.0%	8.0%
KUV100 / XUV300	60,971	54,174	1,00,923	1,16,400	1,21,091
Growth (%)	21.2%	-11.1%			
Bolero / Other hardtops	1,01,023	1,10,841	94,750	87,170	97,935
Growth (%)	53.4%	9.7%	-14.5%	-8.0%	5.0%
Pick-ups & 1-ton LCV	2,38,540	2,35,696	2,28,909	2,40,405	2,87,489
Growth (%)	39.8%	-1.2%	-2.9%	5.0%	8.4%
Total Domestic UV's & LCVs	5,95,501	6,95,560	7,80,396	8,55,161	10,44,087

Growth (%)	51.0%	16.8%	12.2%	9.6%	9.8%
Export UV's & LCVs	32,107	24,663	27,869	32,050	42,386
Growth (%)	-1.2%	-23.2%	13.0%	15.0%	15.0%
CVs	10,036	27,114	40,178	43,392	52,027
Growth (%)	56.0%	170.2%	48.2%	8.0%	9.0%
3-wheelers	58,520	77,589	85,832	94,415	1,09,106
Growth (%)	94.6%	32.6%	10.6%	10.0%	7.0%
Tractors domestic	2,30,731	2,07,326	2,32,205	2,48,459	2,66,100
Growth (%)	20.0%	-10.1%	12.0%	7.0%	5.0%
Swaraj Tractors	1,58,800	1,57,200	1,75,435	1,91,224	2,08,779
Growth (%)	9.7%	-1.0%	11.6%	9.0%	6.0%
Tractors exports	18,014	13,860	15,939	17,000	21,000
Growth (%)	2.1%	-23.1%	15.0%	6.7%	10.5%
Tractors total	4,07,545	3,78,386	4,23,579	4,56,684	4,95,879
Growth (%)	14.9%	-7.2%	11.9%	7.8%	5.6%
Total sales volume	11,03,709	12,03,312	13,57,855	14,81,702	17,43,485
Growth (%)	34.9%	9.0%	12.8%	9.1%	8.5%
Rs per unit metrics					
Net sales realization	7,69,770	8,27,736	8,58,472	8,86,299	9,36,898
Growth (%)	9.7%	7.5%	3.7%	3.2%	2.4%
Contribution	1,84,850	2,12,714	2,22,615	2,26,006	2,34,224
Growth (%)	0.2%	15.1%	4.7%	1.5%	2.4%
EBITDA	94,612	1,14,339	1,26,721	1,27,214	1,30,555
EBITDA (%)	12.3%	13.8%	14.8%	14.4%	13.9%
PAT	72,285	88,104	94,172	91,935	92,487
Growth (%)	15.0%	21.9%	6.9%	-2.4%	2.9%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 14: Updated valuation of subsidiaries

Subsidiary Company	Tech Mahindra	Mahindra Holidays	Mahindra Financial Services	Mahindra Lifespaces	Last Mile Mobility EV	E4W subsidiary	Mahindra Logistics	Swaraj Engines
Value Per share of M&M (Rs)	265.2	29.7	119.6	18.9	14.6	134.4	8.8	17.9
Eq Capital of Company (m)	974.2	201.2	1,235.4	154.6	na	na	72.0	12.1
M&M Holding	25%	67%	52%	51%	86.4%	95%	58.1%	52.1%
Valuation method	CMP	CMP	CMP	CMP	deal lower range	PE deal lower range	CMP	CMP
Current/ derived Price (Rs)	1,492.0	307.0	259.0	333.0	18.3	168.0	295.0	3,939.0
Subsidiary Company	Mahindra China Tractors	Mahindra Heavy Engines	EPC Industry	Mahindra First Choice	PORTER	Mahindra Susten	Mahindra Agri solution	Total
Value Per share of M&M (Rs)	(5.3)	4.6	1.5	10.3	8.1	3.4	4.3	636
Eq Capital of Company (m)	705.1	634.4	27.8	330.0	-	195.5	81.3	
M&M Holding	100%	100%	54%	51%	30%	20%	98%	
Valuation method	8xFY221F P/E	10xFY22F P/E	CMP	P/E valuation	P/E valuation	Deal value	2xFY22F MCAP/Sales	
Current/ derived Price (Rs)	(10.6)	10.2	135.0	85.0	33.6	121.3	88.7	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 15: SOTP valuation

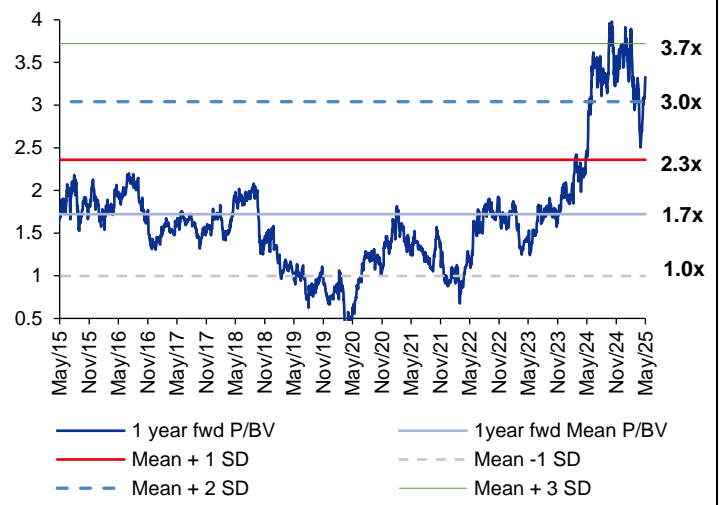
Sum-of-the-parts valuation (Rs)	
Standalone business value	2,618
One-year forward EPS	130.9
P/E (x)	20.0
Total subsidiaries' value per share	636
Target price	3,254

SOURCE: INCRED RESEARCH, COMPANY REPORTS

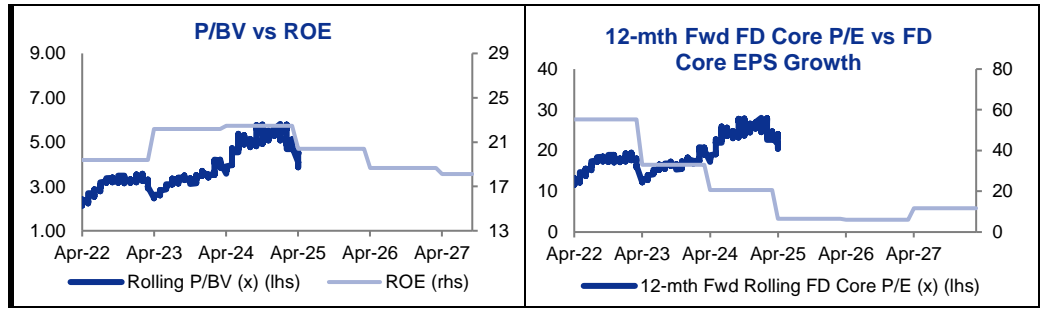
Figure 16: Forward P/E valuation, adjusted for subsidiaries' valuation, is rich at +2SD level



Figure 17: Forward P/BV valuation, adjusted for subsidiaries' valuation, is above rich +2SD level



BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Net Revenues	996,025	1,165,680	1,313,231	1,469,802	1,633,467
Gross Profit	255,961	302,279	334,874	367,451	408,367
Operating EBITDA	137,585	172,068	188,493	204,559	227,620
Depreciation And Amortisation	(34,389)	(42,268)	(50,193)	(59,277)	(65,469)
Operating EBIT	103,197	129,800	138,300	145,282	162,152
Financial Income/(Expense)	(1,388)	(2,505)	(3,000)	(3,500)	(4,000)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	32,955	38,527	41,609	45,770	51,263
Profit Before Tax (pre-EI)	134,763	165,823	176,910	187,553	209,414
Exceptional Items					
Pre-tax Profit	134,763	165,823	176,910	187,553	209,414
Taxation	(28,747)	(37,952)	(40,689)	(43,137)	(48,165)
Exceptional Income - post-tax					
Profit After Tax	106,017	127,871	136,220	144,415	161,249
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	106,017	127,871	136,220	144,415	161,249
Recurring Net Profit	106,017	127,871	136,220	144,415	161,249
Fully Diluted Recurring Net Profit	106,017	127,871	136,220	144,415	161,249

Cash Flow

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
EBITDA	137,585	172,068	188,493	204,559	227,620
Cash Flow from Invt. & Assoc.					
Change In Working Capital	3,151	28,092	(33,712)	(8,549)	13,544
(Incr)/Decr in Total Provisions	(12,929)	6,471	(5,000)	(5,000)	(5,000)
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	8,313	(2,610)			
Net Interest (Paid)/Received	31,567	36,023	38,609	42,270	47,263
Tax Paid	(28,747)	(37,952)	(40,689)	(43,137)	(48,165)
Cashflow From Operations	138,941	202,092	147,701	190,143	235,262
Capex	(44,544)	(64,757)	(116,508)	(80,000)	(145,469)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(29,083)	(54,727)	(1,106)	(37,000)	(30,000)
Cash Flow From Investing	(73,627)	(119,483)	(117,614)	(117,000)	(175,469)
Debt Raised/(repaid)	(30,588)	(4,498)	(5,000)	(5,000)	(500)
Proceeds From Issue Of Shares	6	8			
Shares Repurchased					
Dividends Paid	(28,482)	(30,020)	(33,021)	(36,023)	(36,023)
Preferred Dividends					
Other Financing Cashflow	6,837	4,556			
Cash Flow From Financing	(52,228)	(29,955)	(38,021)	(41,023)	(36,523)
Total Cash Generated	13,085	52,654	(7,934)	32,120	23,270
Free Cashflow To Equity	34,725	78,110	25,087	68,143	59,293
Free Cashflow To Firm	66,701	85,113	33,087	76,643	63,793

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Cash And Equivalents	139,726	238,800	204,971	244,092	267,362
Total Debtors	45,495	57,256	75,556	92,618	102,931
Inventories	95,048	103,333	125,926	132,886	147,683
Total Other Current Assets	50,204	47,709	54,209	60,709	67,209
Total Current Assets	330,473	447,098	460,662	530,304	585,184
Fixed Assets	212,615	251,835	301,643	322,366	402,366
Total Investments	215,487	223,786	250,786	280,786	310,786
Intangible Assets					
Total Other Non-Current Assets					
Total Non-current Assets	428,103	475,621	552,429	603,152	713,152
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	185,920	234,058	241,239	256,712	295,367
Other Current Liabilities					
Total Current Liabilities	185,920	234,058	241,239	256,712	295,367
Total Long-term Debt	15,849	11,351	6,351	1,351	851
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
Total Non-current Liabilities	15,849	11,351	6,351	1,351	851
Total Provisions	34,265	44,951	46,451	47,951	49,451
Total Liabilities	236,033	290,360	294,041	306,014	345,669
Shareholders Equity	522,766	615,851	719,050	827,442	952,668
Minority Interests					
Total Equity	522,766	615,851	719,050	827,442	952,668

Key Ratios

	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue Growth	17.2%	17.0%	12.7%	11.9%	11.1%
Operating EBITDA Growth	31.8%	25.1%	9.5%	8.5%	11.3%
Operating EBITDA Margin	13.8%	14.8%	14.4%	13.9%	13.9%
Net Cash Per Share (Rs)	110.97	203.75	177.93	217.45	238.74
BVPS (Rs)	468.30	551.68	644.13	741.23	853.41
Gross Interest Cover	74.37	51.82	46.10	41.51	40.54
Effective Tax Rate	21.3%	22.9%	23.0%	23.0%	23.0%
Net Dividend Payout Ratio	26.9%	23.5%	24.2%	24.9%	22.3%
Accounts Receivables Days	15.74	16.09	18.46	20.88	21.85
Inventory Days	45.34	41.93	42.77	42.85	41.80
Accounts Payables Days	88.13	88.77	88.66	82.44	82.24
ROIC (%)	42.6%	44.8%	45.9%	34.5%	34.6%
ROCE (%)	19.7%	21.6%	19.8%	18.2%	17.8%
Return On Average Assets	15.0%	15.4%	14.3%	13.7%	13.5%

Key Drivers

	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
ASP (% chg, main prod./serv.)	7.5%	3.7%	3.2%	3.2%	2.4%
Unit sales grth (% , main prod./serv.)	9.0%	12.8%	9.1%	8.5%	8.5%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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Recommendation Framework

Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.