

India

**HOLD** (no change)

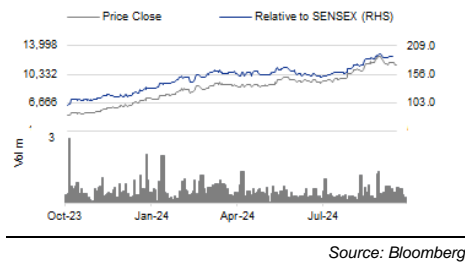
Consensus ratings\*: Buy 21 Hold 10 Sell 14

Current price:	Rs11,617
Target price:	Rs11,860 ▲
Previous target:	Rs9,205
Up/downside:	2.1%
InCred Research / Consensus:	14.7%
Reuters:	BAJA.NS
Bloomberg:	BJAUT IN
Market cap:	US\$38,621m
	Rs3,244,122m
Average daily turnover:	US\$51.7m
	Rs4343.6m
Current shares o/s:	279.2m
Free float:	45.0%

\*Source: Bloomberg

**Key changes in this note**

- Raising ASP helps in retaining our estimates.



<b>Price performance</b>	1M	3M	12M
Absolute (%)	(2.8)	19.5	126.0
Relative (%)	(0.9)	18.4	84.2

<b>Major shareholders</b>	% held
Bajaj Family	55.0
LIC	5.0
SBI Mutual Fund	1.2

**Research Analyst(s)**



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# Bajaj Auto

## In-line financial performance sustains

- 2QFY25 EPS rose 20% yoy and 12% qoq to Rs79.4, in line with our estimate and the Bloomberg consensus estimate, as peak margins sustained.
- New electric vehicle (EV) model launches in 2&3W segments & CNG vehicle volume scale-up are vital for sustaining the volume momentum in 2HFY25F.
- With successful EV transition, we raise target P/E to 30x 1-year forward, leading to SOTP-based TP of Rs11,860. Retain HOLD for export risks.

### PAT growth of 20% yoy is in line with expectations

Bajaj Auto's 2Q EBITDA stood at Rs.26.5bn, up 24% yoy and 10% qoq, in line with our estimate and the Bloomberg consensus estimate. The EBITDA margin was flat qoq at 20.2%, as the higher raw material costs were overcome by operating leverage benefit. Normalized PAT stood at Rs22.1bn, up 21% yoy and 12% qoq, in line with estimates. Management indicated Rs2.1bn as a one-off deferred tax provision for change in taxation of other income, leading to a reported PAT of Rs20bn. A big loss in the international subsidiary (PMAG) amounting to Euro 172m in 1HCY24 led to a big impact on the consolidated entity's PAT for the quarter.

### Management conference-call highlights

Management indicated that festival motorcycle demand started on muted note but expects an improvement in the Diwali festival season. The entry-level bike segment is still on the decline, despite the higher ASP discount. Export recovery is driven by Latin America, while the decline in Africa eased to single digit. The EV portfolio continues to be at EBITDA breakeven point. Bajaj Auto believes the new EV scooter and E3W launch in 2HFY25F will sustain the growth momentum and market share gain. The vehicle finance subsidiary, Bajaj Auto Credit, had Rs9.2bn equity infusion in 1HFY25 from the parent company and there are plans for a Rs12bn infusion in 2HFY25F.

### Maintain EBITDA and EPS estimates

The improved momentum in the EV portfolio and new product launch plans led us to upgrade the average selling price or ASP. However, lower profitability of the EV portfolio limits the EBITDA upgrade, which led us to retain FY25F-27F EBITDA & EPS estimates.

### Maintain HOLD rating with a higher target price of Rs11,860

We roll forward our target price on Bajaj Auto to Rs11,860, raising the target P/E to 30x one-year forward and subsidiaries' value to Rs107/share post 20% holding company discount. We value Bajaj Auto Credit's value per share at Rs34.7 or 1.2x P/BV, as investment allocation to this business rises. The risks to exports from the rising Middle East tensions and global currency volatility are areas of concern. With the recent stock price rally (20% in three months) making the P/E valuation rich above +3SD over the 10-year mean, we retain our HOLD rating on it. Upside risk: Market share gain with the help of captive financing arm and launch of new models. Downside risk: Weakness in exports.

### Financial Summary

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	364,276	446,852	535,996	628,538	707,307
Operating EBITDA (Rsm)	65,492	88,229	109,318	127,077	139,682
Net Profit (Rsm)	56,276	74,788	91,737	106,266	116,756
Core EPS (Rs)	201.6	267.9	328.6	380.6	418.2
Core EPS Growth	22.4%	32.9%	22.7%	15.8%	9.9%
FD Core P/E (x)	57.63	43.37	35.35	30.52	27.78
DPS (Rs)	140.0	160.0	200.0	240.0	220.0
Dividend Yield	1.22%	1.38%	1.72%	2.07%	2.07%
EV/EBITDA (x)	46.00	33.94	27.23	23.17	20.78
P/FCFE (x)	88.49	33.61	48.01	35.04	59.00
Net Gearing	(83.8%)	(91.8%)	(85.4%)	(84.2%)	(83.1%)
P/BV (x)	12.76	13.05	11.40	10.02	8.68
ROE	21.6%	29.7%	34.4%	34.9%	33.5%
% Change In Core EPS Estimates			(0.73%)	0.85%	1.40%
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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## In-line financial performance sustains

### Management conference-call highlights >

- **Financial performance:** Revenue in 2QFY25 grew by 22% yoy led by double-digit volume growth, steady recovery in exports and a richer sales mix. The EBITDA margin remained above the 20% level, with the +40bp yoy accretion driven by favourable currency movement and operating leverage. There was an additional provision of Rs2.11bn to account for the cumulative one-time impact of deferred tax on investment income due to the change in taxation policy.
- **Alternate fuel business:** The EV portfolio contributes 20% to domestic revenue. The green energy portfolio, which comprises electric and CNG vehicles across two-wheeler and three-wheeler segments, accounted for 44% of the domestic revenue.
- **International market:** The export business registered a revenue of US\$415m in 2QFY25. Management remains cautiously optimistic about the international market. The LATAM region saw a growth of 20% yoy and Asia remained flat yoy, but Africa saw a decline of 9% yoy. In Nigeria, benchmark motorcycle sales, which used to be ~50k units per month, stood at 25k units in Sep 2024. The new plant in Brazil commenced production in Jun 2024 with 20k unit production capacity, and a further expansion of capacity has been initiated to ensure 35k units per annum by FY26F. 3QFY25F is likely to see a 10% qoq volume growth led by superior performance in the LATAM region.
- **Domestic festive season:** So far, the festive season industry demand remained muted, and management expects a 3-5% yoy growth in the FY25F festive season.
- **Industry trend:** In 2QFY25, the 125cc+ vehicle segment accounted for 55% of the overall industry versus 42% five years ago. In 2QFY25 also, while the overall the motorcycle industry was flat, the 100cc segment declined by 6% but the 125cc+ segment grew by 8%.
- **Market share trend:** Market share in the 125cc segment stood at 25%, just 2% short of leadership and covering over 75% of Bajaj Auto's total sales.
- **Freedom 125:** Retailed 10k units of Freedom CNG motorcycle till Sep 2024 and the company expects to hit ~18k+ plus in Oct 2024F, indicating good customer adoption. The company plans to increase its capacity to 30k units per month in 3QFY25 and 40k units per month in 4QFY25F.
- **Green energy portfolio:** The portfolio, which comprises EV2Ws and EV3Ws, now contributes 40% to total domestic business revenue, with the company selling 100k units in Sep 2024.
- **3W business:** The business clocked its highest-ever volume of 140,000 units in a quarter, of which 16,000 comprised e-autos. Bajaj's e-autos are now available at 700-plus locations and have a market share of 35% while ICE 3Ws have a market share of 78%.
- **Chetak EV:** Bajaj Chetak EV2W doubled its market share yoy at 19% in 2QFY25, and the company plans to launch a new EV model in Nov 2024F to improve its market share further. The EV scooter should be available in about 4,000 stores by Jan 2025F. Currently, it has 250 exclusive Chetak stores.
- **Pro-biking business (KTM and Triumph):** In the KTM segment, the company made two launches in Sep 2024 and upgraded Triumph Speed 400 in a new colour range on the same platform, priced at Rs217,000. In 2QFY25, domestic sales were close to 10,000 units, up 50% qoq.
- **Bajaj Auto Credit:** +70% Bajaj Auto's market stores have now been covered by Bajaj Auto Credit across both two-wheeler and three-wheeler segments and is on track to achieve 100% coverage by Jan 2025F.

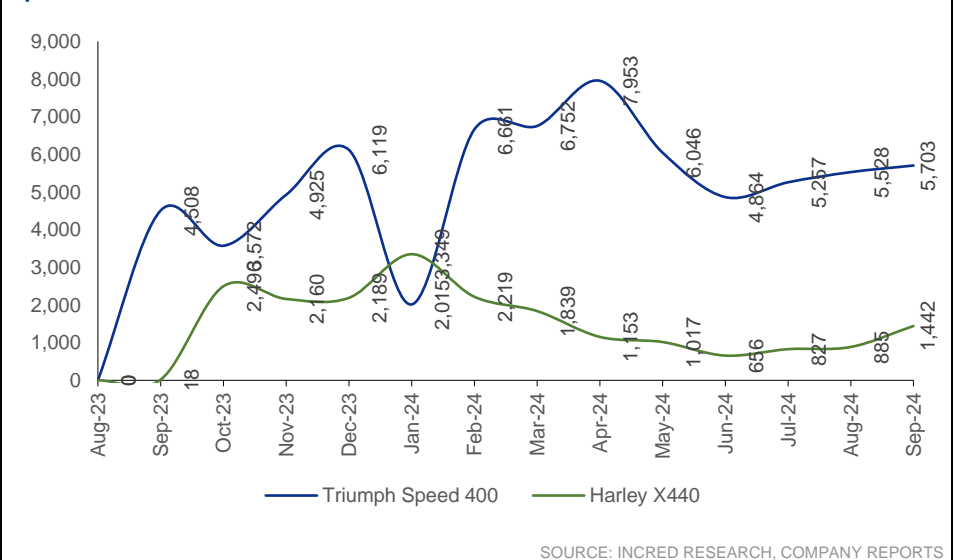
- **Raw material prices:** Raw material costs softened during the quarter, which had a 50bp impact on raw material costs as a percentage of sales.
- **Cash position:** Rs20bn of free cash flow was added during the quarter and the surplus cash now stands at Rs164bn.
- **Investments:** In 1HFY25, the company invested ~Rs.12bn, with about Rs.9.55bn in Bajaj Auto Credit or BACL and the remaining in the form of capex, primarily for the electric vehicle business. The company plans to make a further investment of ~Rs.12-14bn in BACL in 2HFY25F.
- **Consolidated PAT:** Reported a consolidated PAT of ~Rs.14bn compared to standalone PAT after an exceptional item of ~Rs.20bn - Rs.6bn primarily from accounting for the share of losses of the associate company, Pierer Mobility AG (PMAG).
- **Spare parts business:** Revenue stood at Rs15bn.

Figure 1: Quarterly results comparison

Y/E Mar (Rs m)	2QFY25	2QFY24	yoy % chg	1QFY25	qoq % chg	1HFY25	1HFY24	yoy % chg	Comments
Revenue	1,31,275	1,07,773	21.8	1,19,280	10.1	2,50,555	2,10,870	18.8	In line with our estimate.
Raw material costs	93,639	76,511	22.4	83,527	12.1	1,77,165	1,50,637	17.6	
RM costs as a % of revenue	71.3	71.0	33.8	70.0	130.5	70.7	71.4	(72.7)	113bp above our estimate.
EBITDA	26,522	21,329	24.3	24,153	9.8	50,543	40,868	23.7	In line with our estimate.
<b>EBITDA margin (%)</b>	<b>20.2</b>	<b>19.8</b>	<b>41.3</b>	<b>20.2</b>	<b>(4.5)</b>	<b>20.2</b>	<b>19.4</b>	<b>79.2</b>	<b>11bp below our estimate.</b>
Depreciation & amortization	956	876	9.1	937	2.0	1,893	1,712	10.6	2% below our estimate.
EBIT	25,566	20,452	25.0	23,216	10.1	48,650	39,156	24.2	
Interest expenses	159	65	143.8	207	(23.0)	366	186	96.5	
Other income	3,845	3,614	6.4	3,209	19.8	7,055	7,077	(0.3)	4% below our estimate.
Pre-tax profit	29,252	24,000	21.9	26,218	11.6	55,339	46,047	20.2	1% above our estimate.
Tax	9,202	5,639	63.2	6,335	45.3	15,537	11,038	40.8	
Tax rate (%)	31	23	796	24	729	28	24	410	
<b>Normalized net profit</b>	<b>20,050</b>	<b>18,361</b>	<b>9.2</b>	<b>19,883</b>	<b>0.8</b>	<b>39,802</b>	<b>35,009</b>	<b>13.7</b>	<b>11% below our estimate.</b>
Exceptional items	-	-	nm	-	nm	-	-	nm	
Other comprehensive income	-	-	nm	-	na	-	-	nm	
Reported net profit	20,050	18,361	9.2	19,883	0.8	39,802	35,009	13.7	
Normalized EPS (Rs)	71.8	65.8	9.2	71.2	0.8	140.7	123.7	13.7	
Volume (nos)	12,21,504	10,53,953	15.9	11,02,056	10.8	23,23,560	20,81,360	11.6	
Net realization (Rs)	1,07,470	1,02,256	5.1	1,08,234	(0.7)	1,07,832	1,01,314	6.4	
EBITDA/vehicle	21,712	20,237	7.3	21,916	(0.9)	21,752	19,635	10.8	

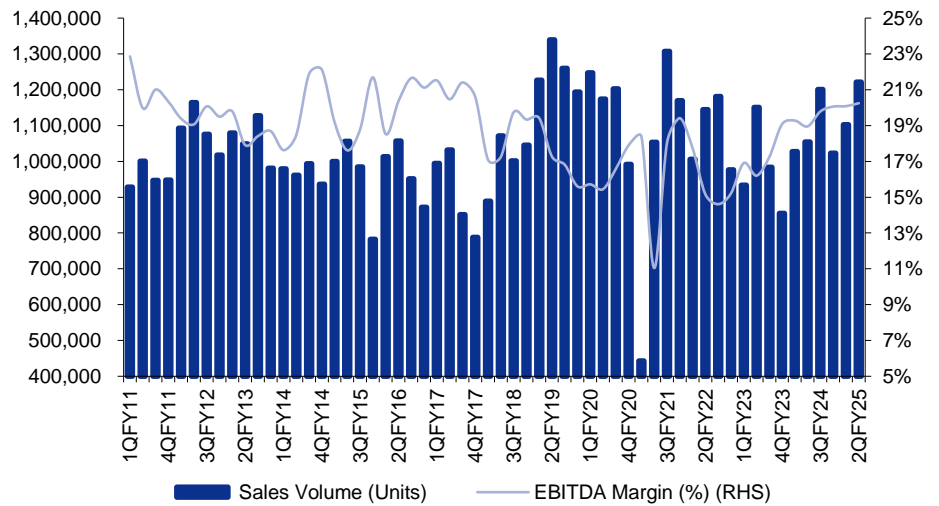
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Impressive Triumph bike's volume ramp-up while Harley X440 is yet to catch up



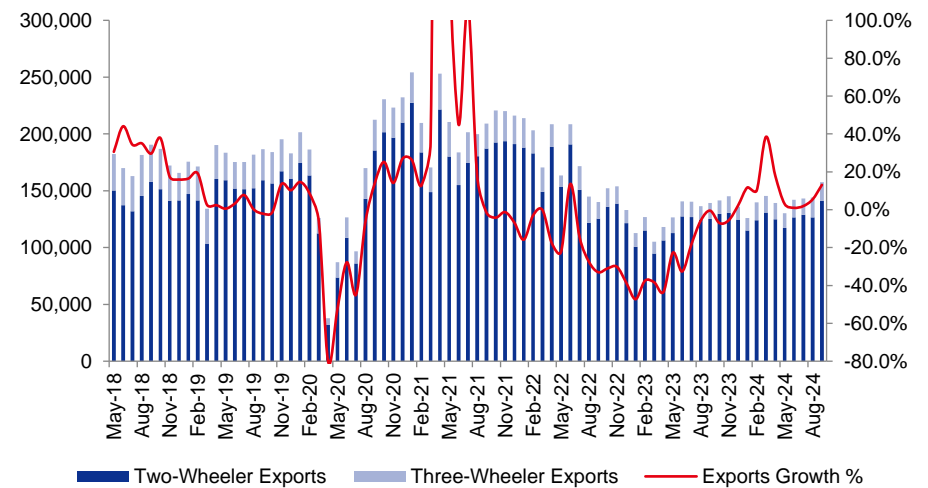
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: The EBITDA margin sustains near peak level



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Export volume witnesses uptick in the growth rate



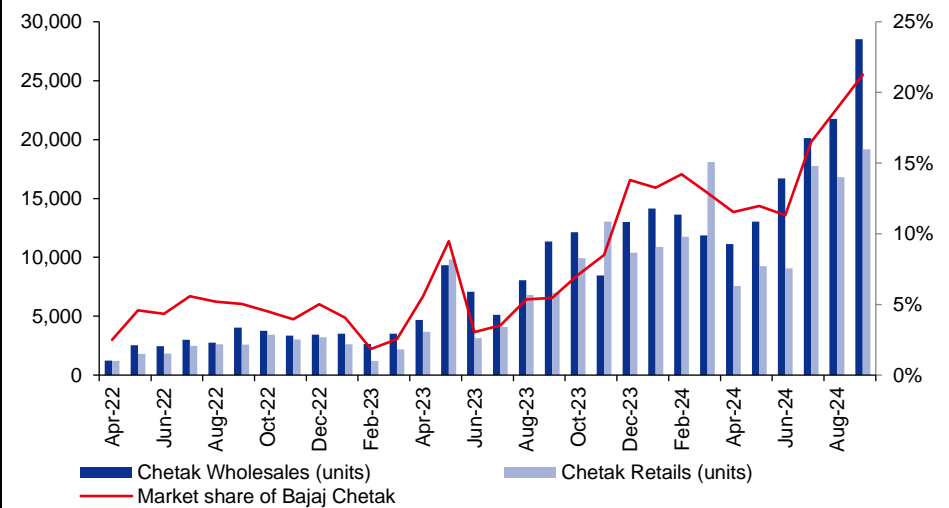
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Product mix improves with a better 3W and premium 2W mix

	2QFY25	2QFY24	% yoy	1QFY25	% qoq	1HFY25	1HFY24	% yoy
CT100	17,491	25,446	-31%	18,029	-3%	35,520	44,894	-21%
Platina	1,20,616	1,22,865	-2%	1,07,394	12%	2,28,010	2,47,891	-8%
Pulsar Family	3,51,167	2,98,769	18%	3,84,390	-9%	7,35,557	6,49,751	13%
Avenger	5,358	5,888	-9%	4,754	13%	10,112	12,492	-19%
KTM / Dominar / Husqvarna	17,455	19,637	-11%	17,600	-1%	35,055	39,358	-11%
Freedom 125	30,787	-	0%	-	0%	30,787	-	na
Chetak	70,387	21,548	227%	40,854	72%	1,11,241	42,382	162%
<b>2W domestic</b>	<b>6,23,101</b>	<b>5,02,342</b>	<b>24%</b>	<b>5,79,497</b>	<b>8%</b>	<b>12,02,598</b>	<b>10,44,957</b>	<b>15%</b>
2W Export	3,96,407	3,76,263	5%	3,68,420	8%	7,64,827	7,22,662	6%
<b>Total 2W</b>	<b>10,19,508</b>	<b>8,78,605</b>	<b>16%</b>	<b>9,47,917</b>	<b>8%</b>	<b>19,67,425</b>	<b>17,67,619</b>	<b>11%</b>
3W domestic (including Qute)	1,39,910	1,41,711	-1%	1,08,124	29%	2,48,034	2,30,861	7%
3W exports (including Qute)	48,386	40,134	21%	43,015	12%	91,401	79,586	15%
<b>Total 3W</b>	<b>1,88,296</b>	<b>1,81,845</b>	<b>4%</b>	<b>1,51,139</b>	<b>25%</b>	<b>3,39,435</b>	<b>3,10,447</b>	<b>9%</b>
<b>Total volume</b>	<b>12,07,804</b>	<b>10,60,450</b>	<b>14%</b>	<b>10,99,056</b>	<b>10%</b>	<b>23,06,860</b>	<b>20,78,066</b>	<b>11%</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 6: Chetak scooter sustains mid-teen E2W domestic market share**



SOURCE: VAHAN.COM, INCRED RESEARCH, COMPANY REPORTS

**Figure 7: Key assumptions**

Volume Break-Up	FY23A	FY24F	FY25F	FY26F	FY27F
<b>(Number of vehicles)</b>					
Domestic motorcycles	18,01,010	22,50,585	26,17,454	30,92,990	35,18,636
Growth (%)	9.7%	25.0%	16.3%	18.2%	13.8%
Export motorcycles	16,36,956	14,77,338	16,10,298	18,11,586	20,47,092
Growth (%)	-25.4%	-9.8%	9.0%	12.5%	13.0%
Total motorcycles	34,37,966	37,27,923	42,27,752	49,04,576	55,65,728
Growth (%)	-10.4%	8.4%	13.4%	16.0%	13.5%
<b>Total 2-wheelers</b>	<b>34,37,966</b>	<b>37,27,923</b>	<b>42,27,752</b>	<b>49,04,576</b>	<b>55,65,728</b>
<b>Growth (%)</b>	<b>-10.4%</b>	<b>8.4%</b>	<b>13.4%</b>	<b>16.0%</b>	<b>13.5%</b>
3-wheelers	4,85,018	6,23,010	6,80,331	7,27,097	7,38,158
Growth (%)	2.9%	28.5%	9.2%	6.9%	1.5%
<b>Total vehicles</b>	<b>39,22,984</b>	<b>43,50,933</b>	<b>49,08,083</b>	<b>56,31,673</b>	<b>63,03,886</b>
<b>Growth (%)</b>	<b>-8.9%</b>	<b>10.9%</b>	<b>12.8%</b>	<b>14.7%</b>	<b>11.9%</b>
<b>Per Vehicle assumptions</b>					
<b>In Rs.</b>	<b>FY23A</b>	<b>FY24F</b>	<b>FY25F</b>	<b>FY26F</b>	<b>FY27F</b>
Net ASP/vehicle	92,857	1,02,703	1,09,207	1,11,608	1,12,202
Growth (%)	21.2%	10.6%	6.3%	2.2%	0.5%
Contribution/vehicle	26,441	29,745	31,779	32,143	31,865
Growth (%)	31.3%	12.5%	6.8%	1.1%	-0.9%
EBITDA/vehicle	16,694	20,278	22,273	22,565	22,158
Growth (%)	40.6%	21.5%	9.8%	1.3%	-1.8%
EBITDA Margin (%)	18.0%	19.7%	20.4%	20.2%	19.7%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 8: EPS change summary**

Rs m	FY25F		FY26F		FY27F	
	Old	New	Old	New	Old	New
Sales volume	49,53,413	49,08,083	56,84,361	56,31,673	63,22,357	63,03,886
Change		-0.9%		-0.9%		-0.3%
Net sales	5,34,208	5,35,996	6,27,398	6,28,538	7,02,910	7,07,307
Change		0.3%		0.2%		0.6%
EBITDA	1,10,203	1,09,318	1,25,899	1,27,077	1,37,566	1,39,682
Change		-0.8%		0.9%		1.5%
PBT	1,21,591	1,20,706	1,38,645	1,39,824	1,51,510	1,53,626
Change		-0.7%		0.9%		1.4%
<b>EPS (Rs)</b>	<b>331.0</b>	<b>328.6</b>	<b>377.4</b>	<b>380.6</b>	<b>412.4</b>	<b>418.2</b>
Change		-0.7%		0.9%		1.4%

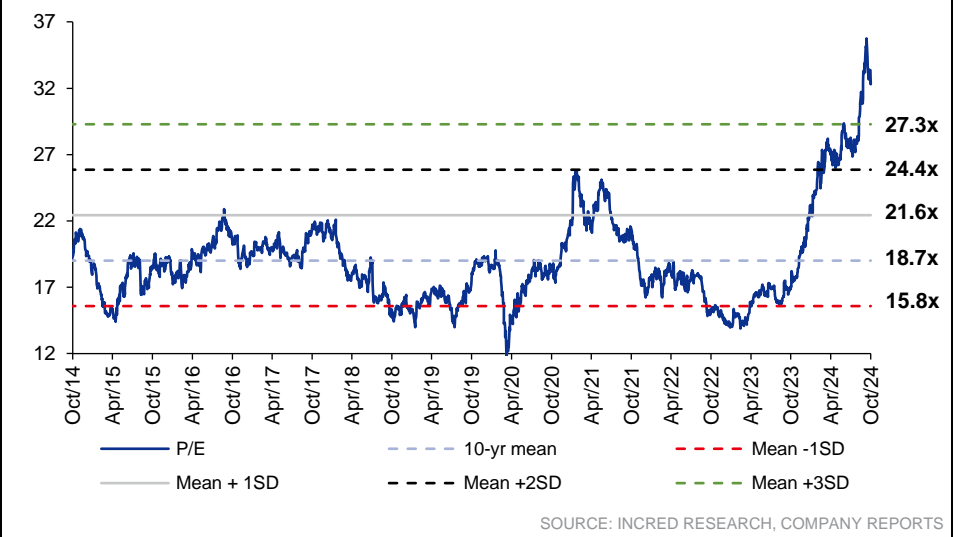
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 9: SOTP-based target price**

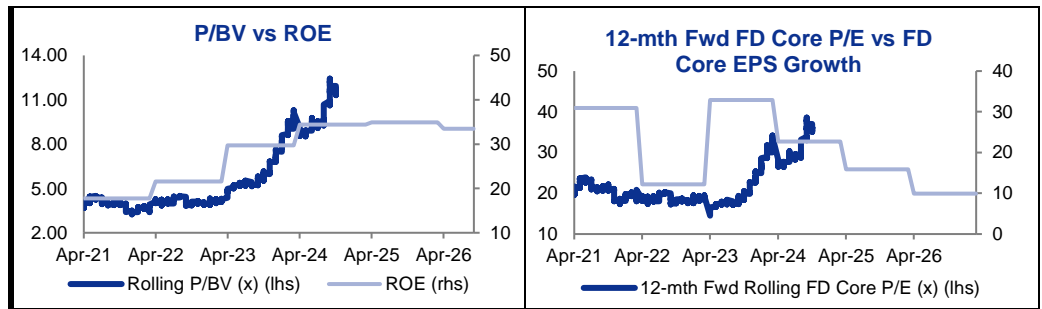
	One-year forward
EPS (Rs.) (one-year forward)	391.8
P/E(x)	30.0
Value (Rs.)	11,753
Value of stake in PMAG post 20% holding discount	73
Value of stake in BACL post 20% holding discount	35
<b>Target Price (Rs)</b>	<b>11,860</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: Forward P/E valuation above +3SD of the 10-year mean level



BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>Total Net Revenues</b>	<b>364,276</b>	<b>446,852</b>	<b>535,996</b>	<b>628,538</b>	<b>707,307</b>
<b>Gross Profit</b>	<b>89,558</b>	<b>114,518</b>	<b>139,819</b>	<b>162,589</b>	<b>180,362</b>
<b>Operating EBITDA</b>	<b>65,492</b>	<b>88,229</b>	<b>109,318</b>	<b>127,077</b>	<b>139,682</b>
Depreciation And Amortisation	(2,824)	(3,498)	(4,000)	(4,500)	(5,000)
<b>Operating EBIT</b>	<b>62,667</b>	<b>84,731</b>	<b>105,318</b>	<b>122,577</b>	<b>134,682</b>
Financial Income/(Expense)	(395)	(535)	(600)	(500)	(400)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	11,814	14,025	15,988	17,747	19,344
<b>Profit Before Tax (pre-EI)</b>	<b>74,087</b>	<b>98,220</b>	<b>120,706</b>	<b>139,824</b>	<b>153,626</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>74,087</b>	<b>98,220</b>	<b>120,706</b>	<b>139,824</b>	<b>153,626</b>
Taxation	(17,810)	(23,432)	(28,970)	(33,558)	(36,870)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>56,276</b>	<b>74,788</b>	<b>91,737</b>	<b>106,266</b>	<b>116,756</b>
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>56,276</b>	<b>74,788</b>	<b>91,737</b>	<b>106,266</b>	<b>116,756</b>
Recurring Net Profit	56,276	74,788	91,737	106,266	116,756
<b>Fully Diluted Recurring Net Profit</b>	<b>56,276</b>	<b>74,788</b>	<b>91,737</b>	<b>106,266</b>	<b>116,756</b>

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>EBITDA</b>	<b>65,492</b>	<b>88,229</b>	<b>109,318</b>	<b>127,077</b>	<b>139,682</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	136	8,923	(1,768)	(2,377)	(4,087)
(Incr)/Decr in Total Provisions	9,752	17,579	(16,998)	(200)	(1,700)
Other Non-Cash (Income)/Expense	(582)	1,618			
Other Operating Cashflow					
Net Interest (Paid)/Received	11,419	13,490	15,388	17,247	18,944
Tax Paid	(18,548)	(22,836)	(28,970)	(33,558)	(36,870)
<b>Cashflow From Operations</b>	<b>67,668</b>	<b>107,003</b>	<b>76,970</b>	<b>108,189</b>	<b>115,969</b>
Capex	(11,695)	(7,781)	(3,360)	(8,639)	(8,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(19,335)	(2,741)	(6,000)	(7,000)	(53,000)
<b>Cash Flow From Investing</b>	<b>(31,030)</b>	<b>(10,522)</b>	<b>(9,360)</b>	<b>(15,639)</b>	<b>(61,000)</b>
Debt Raised/(repaid)	15	16	(58)		
Proceeds From Issue Of Shares	(64)	(38)			
Shares Repurchased		(49,282)			
Dividends Paid	(39,614)	(44,669)	(55,836)	(67,003)	(67,003)
Preferred Dividends					
Other Financing Cashflow					
<b>Cash Flow From Financing</b>	<b>(39,664)</b>	<b>(93,973)</b>	<b>(55,894)</b>	<b>(67,003)</b>	<b>(67,003)</b>
Total Cash Generated	(3,026)	2,509	11,716	25,547	(12,035)
<b>Free Cashflow To Equity</b>	<b>36,653</b>	<b>96,498</b>	<b>67,552</b>	<b>92,550</b>	<b>54,969</b>
<b>Free Cashflow To Firm</b>	<b>37,033</b>	<b>97,016</b>	<b>68,210</b>	<b>93,050</b>	<b>55,369</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25F</b>	<b>Mar-26F</b>	<b>Mar-27F</b>
Total Cash And Equivalents	214,227	229,407	244,123	273,670	311,635
Total Debtors	17,761	21,224	26,433	32,718	38,757
Inventories	13,979	16,956	19,090	24,108	29,067
Total Other Current Assets	19,467	21,774	24,500	27,000	30,000
<b>Total Current Assets</b>	<b>265,433</b>	<b>289,361</b>	<b>314,146</b>	<b>357,496</b>	<b>409,459</b>
Fixed Assets	23,835	26,760	31,260	35,760	38,760
Total Investments	17,864	20,884	23,884	26,884	29,884
Intangible Assets					
Total Other Non-Current Assets					
<b>Total Non-current Assets</b>	<b>41,699</b>	<b>47,645</b>	<b>55,145</b>	<b>62,645</b>	<b>68,645</b>
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	40,739	56,102	61,676	70,603	77,513
Other Current Liabilities	9,918	29,581	15,000	17,000	18,000
<b>Total Current Liabilities</b>	<b>50,656</b>	<b>85,683</b>	<b>76,676</b>	<b>87,603</b>	<b>95,513</b>
Total Long-term Debt	1,242	1,258	1,200	1,200	1,200
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
<b>Total Non-current Liabilities</b>	<b>1,242</b>	<b>1,258</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>
Total Provisions	5,120	6,960	7,269	7,569	7,869
<b>Total Liabilities</b>	<b>57,018</b>	<b>93,902</b>	<b>85,146</b>	<b>96,372</b>	<b>104,583</b>
Shareholders Equity	254,259	248,605	284,506	323,769	373,521
Minority Interests					
<b>Total Equity</b>	<b>254,259</b>	<b>248,605</b>	<b>284,506</b>	<b>323,769</b>	<b>373,521</b>

<b>Key Ratios</b>					
	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25F</b>	<b>Mar-26F</b>	<b>Mar-27F</b>
Revenue Growth	10.4%	22.7%	19.9%	17.3%	12.5%
Operating EBITDA Growth	28.0%	34.7%	23.9%	16.2%	9.9%
Operating EBITDA Margin	18.0%	19.7%	20.4%	20.2%	19.7%
Net Cash Per Share (Rs)	762.89	817.21	870.13	975.96	1,111.95
BVPS (Rs)	910.73	890.48	1,019.08	1,159.71	1,337.92
Gross Interest Cover	158.73	158.38	175.53	245.15	336.71
Effective Tax Rate	24.0%	23.9%	24.0%	24.0%	24.0%
Net Dividend Payout Ratio	70.4%	59.7%	60.9%	63.1%	57.4%
Accounts Receivables Days	16.50	15.92	16.23	17.17	18.44
Inventory Days	17.46	16.99	16.60	16.92	18.42
Accounts Payables Days	51.20	53.18	54.25	51.81	51.30
ROIC (%)	164.0%	267.5%	7,866.4%	383.6%	324.2%
ROCE (%)	28.1%	38.4%	44.5%	45.2%	43.4%
Return On Average Assets	18.1%	23.3%	26.1%	27.0%	26.1%

<b>Key Drivers</b>					
	<b>Mar-23A</b>	<b>Mar-24A</b>	<b>Mar-25F</b>	<b>Mar-26F</b>	<b>Mar-27F</b>
ASP (% chg, main prod./serv.)	21.2%	10.6%	6.3%	2.2%	(100.0%)
Unit sales grth (%, main prod./serv.)	(8.9%)	10.9%	12.8%	14.7%	(87.1%)

SOURCE: INCRED RESEARCH, COMPANY REPORTS



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- 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.*

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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.

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Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
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