

India

**ADD** (no change)

Consensus ratings\*: Buy 31 Hold 11 Sell 4

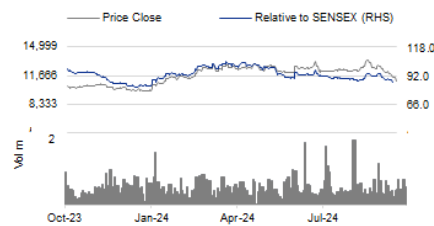
Current price:	Rs11,046
Target price:	Rs14,593
Previous target:	Rs15,541
Up/downside:	32.1%
InCred Research / Consensus:	2.2%

Reuters:	
Bloomberg:	MSIL IN
Market cap:	US\$47,826m
	Rs3,472,891m
Average daily turnover:	US\$103.4m
	Rs7511.8m
Current shares o/s:	314.4m
Free float:	41.8%

\*Source: Bloomberg

**Key changes in this note**

- Net sales volume cut by 1% for FY25F.
- EBITDA cut by 1-2% for FY25F-27F.
- PAT cut by 2% for FY25F-27F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(18.2)	(13.4)	4.6
Relative (%)	(14.1)	(12.2)	(16.6)

Major shareholders	% held
Suzuki Motor	58.2
ICICI Prudential	4.4
SBI Mutual Fund	2.3

**Research Analyst(s)**



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# Maruti Suzuki

## Inventory under control at the cost of margin

- 2Q EBITDA dip of 8% yoy missed our estimate (10%) & BB consensus (6%) due to 110bp rise in ASP discount qoq to bring channel inventory under control.
- Festival demand-led recovery, aided by discounts, provides hope. Strong other income growth in 2Q helps limit the EPS cut to 2% for FY25F.
- With forward P/E and P/BV valuations attractive vs. the 10-year mean, we reiterate our ADD rating. Strong balance sheet and new EVs to drive a rerating.

### 2Q EBITDA sacrificed to bring channel inventory under control

Maruti Suzuki's 2QFY25 EBITDA fell by 8% yoy to Rs44bn, 10% below our estimate and 6% below the Bloomberg (BB) consensus estimate. Higher raw material costs (+172bp qoq and +128bp yoy) impacted the EBITDA margin (-104bp) yoy at 11.9%, missing our estimate (-104bp) and the BB consensus estimate (-63bp). Lower depreciation and higher other income helped absorb higher interest costs, leading to in-line normalized PAT of Rs36.5bn, but a 7% beat to the BB consensus estimate.

### Festival revival helps bring channel inventory to below-normal level

Management indicated that festive demand picked up recently (14% yoy growth in the last one-month like-to-like festival period of last year), thereby helping ease the channel inventory to below 30 days. The festive demand-led revival was driven by incentives (+110bp qoq to 4.3% of ASP) and variant model launches helped to reiterate its full-year volume growth guidance of 3-4%. The new electric vehicle or EV campaign is expected to start soon. Management indicated that the gross margin dip of 170bp qoq was driven by 50bp higher raw material costs and the remaining by a weaker product mix.

### EBITDA cut by 1-2% for FY25F-27F

Car industry demand weakness in the Jul-Sep 2024 period disappointed, while Maruti Suzuki's relative outperformance (Fig. 5) and the festive season-led revival provides hope. We cut our sales volume estimate by 1% for FY25F, as interest rate reductions are also delayed to sustain demand revival. Building in the ASP discount impact witnessed in the 2Q EBITDA margin, we have cut our EBITDA estimates by 1-2% for FY25F-27F. However, the strong other income growth in 2Q helps to limit the EPS cut to 2% for FY25F-27F.

### Below-mean P/E & -1SD P/BV valuation provide comfort; retain ADD

Maruti Suzuki's deep understanding of Indian consumer behaviour comes to play in quickly, controlling its channel inventory through precision marketing like ASP discount. With the high-specification EV launch in CY25F expected to ease the technology risk, we maintain our ADD rating, as the one-year forward P/E valuation is below the 10-year mean (Fig. 10) and the P/BV valuation is below the 10-year -1SD (Fig. 11). We tweak our DCF-based target price to Rs14,593 (15,541 earlier) to reflect short-term demand challenges. Key downside risks: Any delay in demand revival or a rise in competition impacting profitability.

### Financial Summary

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	1,175,229	1,409,326	1,565,436	1,844,346	2,127,831
Operating EBITDA (Rsm)	110,077	164,011	199,860	231,337	258,897
Net Profit (Rsm)	80,492	127,810	150,817	174,522	188,679
Core EPS (Rs)	256.0	421.5	506.3	555.1	600.1
Core EPS Growth	110.2%	64.6%	20.1%	9.6%	8.1%
FD Core P/E (x)	43.15	27.17	23.03	19.90	18.41
DPS (Rs)	90.0	125.0	160.0	190.0	210.0
Dividend Yield	0.78%	1.13%	1.45%	1.72%	1.83%
EV/EBITDA (x)	27.46	17.32	13.74	11.91	10.49
P/FCFE (x)	71.57	48.22	24.07	66.78	34.08
Net Gearing	(74.5%)	(75.3%)	(67.9%)	(60.7%)	(57.8%)
P/BV (x)	5.75	4.14	3.25	2.93	2.65
ROE	14.1%	18.4%	16.7%	15.5%	15.1%
% Change In Core EPS Estimates			(2.18%)	(1.86%)	(1.57%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Inventory under control at the cost of margin

### Management conference-call highlights➤

- **Festive season-led demand:** Industry demand in the festive season remains healthy, and the company is providing discounts and limited-edition products to drive customer excitement. It wants to remain customer-centric to drive volume growth at the retail level. The ongoing festive season, which started from the 'Shradha' period at the end of Sep 2024, witnessed volume growth of 14% in the like-to-like festival period so far for Maruti Suzuki, while the blockbuster Diwali days are pending. The festival momentum started with a slow uptrend and is improving as the Diwali festival is approaching.
- **Demand outlook:** Industry demand remains muted. For FY25F, Maruti Suzuki reiterated its full-year retail domestic volume growth of 3-4%, in line with Apr-Oct 2024 retail volume growth of 3.9% yoy. The risk to volume growth from demand slowdown in Jul-Sep 2024 seems to have eased with the help of larger incentives and the festive season-led response.
- **Rural vs urban markets:** During the quarter, the rural market grew positively while the urban market saw a dip in volume. The company is doing network expansion in rural areas to address rising demand. Sports utility vehicles or SUVs continue to see an improvement in the mix while the struggle in small cars persists.
- **Network expansion:** Maruti Suzuki inaugurated its 500<sup>th</sup> NEXA sales outlet. The company's sales networks Arena, Nexa, and Commercial now extend to 3,925 outlets covering about 2,600 towns and cities. Extended warranty options to cover the vehicle for up to six years or 160,000km.
- **Inventory outlook and market share:** By the end of Oct 2024F, management is confident of the channel inventory level easing below 30 days of sales volume. The market share of Maruti Suzuki in the overall passenger vehicle or PV industry was 40% in 2QFY25.
- **M&A:** Maruti Suzuki's board has approved the amalgamation of Suzuki Motor Gujarat Private Limited, a wholly-owned subsidiary, with the company.
- **Hybrid:** A few states like Haryana, Rajasthan and Chandigarh provide road tax concession for hybrid cars, while the others are yet to follow suit.
- **Electric vehicles or EVs:** Maruti Suzuki plans to start campaigns on its new EV launch. The upcoming EV will have a fresh design, a high range with a battery size of ~60kW. The company plans to export it to developed countries.
- **CNG portfolio:** The CNG vehicle mix continues to increase. In 2Q, one-third of the cars comprised CNG vehicle in total mix. Maruti Suzuki has introduced a CNG powertrain in its fourth generation Epic News Swift and has line-up of S-CNG vehicles with 14 models.
- **Deferred tax:** The net profit for the quarter had a Rs.8,376m withdrawal of indexation benefits due to a change in the tax rate on long-term capital gains on investment profits in mutual funds.
- **Financial performance:** EBIT stood at 10.3% vs. 11.1% in 1QFY25, impacted by adverse commodity prices and higher sales promotion expenses by ~50bp and 80bp, respectively. The forex movement was favourable during the quarter at 60bp.
- **Costs front:** Employee costs softened by 50bp qoq, which were offset by lower other operating income. Volume growth of 4% qoq led to operating leverage payout of 30-40bp.
- **Royalty and discounts:** During the quarter, royalty payment, as a percentage of sales, stood at 3.4% and the average per unit discount was Rs29,300.
- **Long-term outlook:** Currently, the company sells 18 car models, and targets to make it 28 by the end of 2030F. This will include 5-6 EVs.
- **Export business:** Revenue from export business stood at Rs52.61bn.

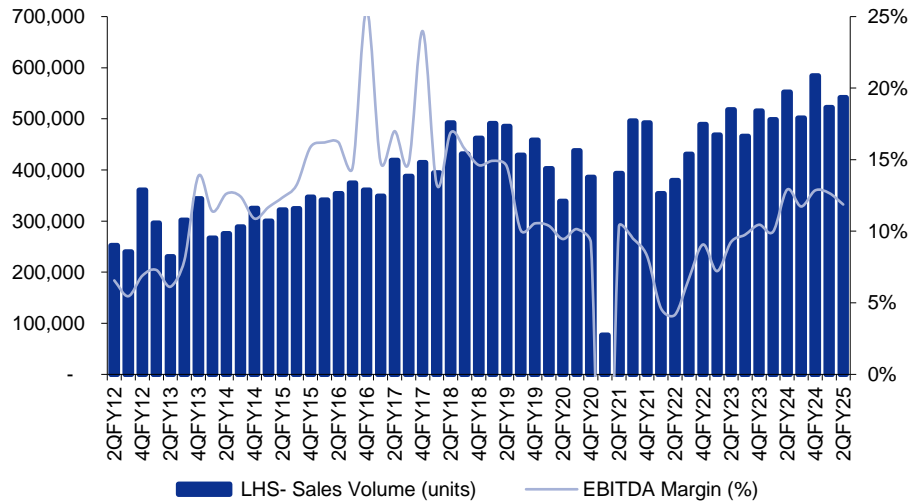
- **Kharkhoda plant:** The plant is on track to start production, and the company hopes to commission it by the end of this financial year.

**Figure 1: Results comparison**

Y/E Mar (Rs m)	2QFY25	2QFY24	yoy % chg	1QFY25	qqq % chg	1HFY25	1HFY24	yoy % chg	Comments
Revenue	3,72,028	3,70,621	0.4	3,55,314	4.7	7,27,342	6,93,890	4.8	2% below our estimate.
Raw material costs	2,67,459	2,61,690	2.2	2,49,329	7.3	5,16,788.0	4,97,007.0	4.0	
RM costs as a % of revenue	71.9	70.6	128.4	70.2	172.1	71.1	71.6	(57.5)	
<b>EBITDA</b>	<b>44,166</b>	<b>47,842</b>	<b>(7.7)</b>	<b>45,023</b>	<b>(1.9)</b>	<b>89,189</b>	<b>80,072</b>	<b>11.4</b>	10% below our estimate.
EBITDA margin (%)	11.9	12.9	(103.7)	12.7	(80.0)	12.3	11.5	72.3	104bp below our estimate.
Depreciation & amortization	7,509	7,941	(5.4)	7,310	2.7	14,819	15,416	(3.9)	12% below our estimate.
EBIT	36,657	39,901	(8.1)	37,713	(2.8)	74,370	64,656	15.0	-
Interest expenses	402	351	14.5	573	(29.8)	975	816	19.5	20% below our estimate.
Other income	14,750	8,436	74.8	9,751	51.3	24,501	18,448	32.8	48% above our estimate.
Pre-tax profit	51,005	47,986	6.3	46,891	8.8	97,896	82,288	19.0	
Tax	11,937	10,821	10.3	10,392	14.9	22,329	17,872	24.9	
Tax rate (%)	23.4	22.6	85.3	22.2	124	22.8	21.7	109	-
<b>Normalized net profit</b>	<b>39,068</b>	<b>37,165</b>	<b>5.1</b>	<b>36,499</b>	<b>7.0</b>	<b>75,567</b>	<b>64,416</b>	<b>17.3</b>	1% below our estimate.
Exceptional items	(8,376)	-	-	-	-	(8,376)	(2,400)		
Reported net profit	30,692	37,165	(17.4)	36,499	(15.9)	67,191	62,016	8.3	
<b>Normalized EPS (Rs)</b>	<b>129.3</b>	<b>123.0</b>	<b>5.1</b>	<b>120.8</b>	<b>7.0</b>	<b>250.2</b>	<b>213.2</b>	<b>17.3</b>	22% below our estimate.
Volume (nos)	5,41,550	5,52,055	(1.9)	5,21,868	3.8	10,63,418	10,50,085	1.3	
Net realization (Rs)	6,86,969	6,71,348	2.3	6,80,850	0.9	6,83,966	6,60,794	3.5	2% below our estimate.
EBITDA/vehicle	81,555	86,662	(5.9)	86,273	(5.5)	83,870	76,253	10.0	

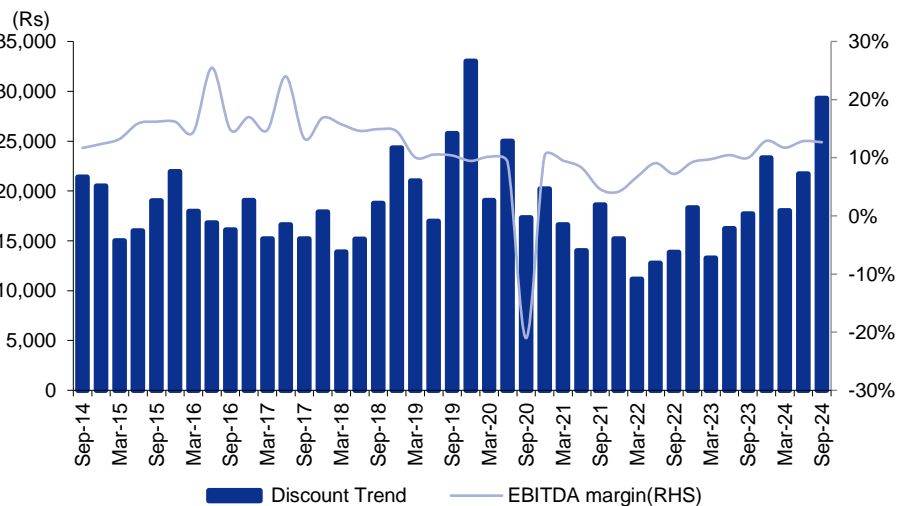
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 2: EBITDA margin and volume trends**



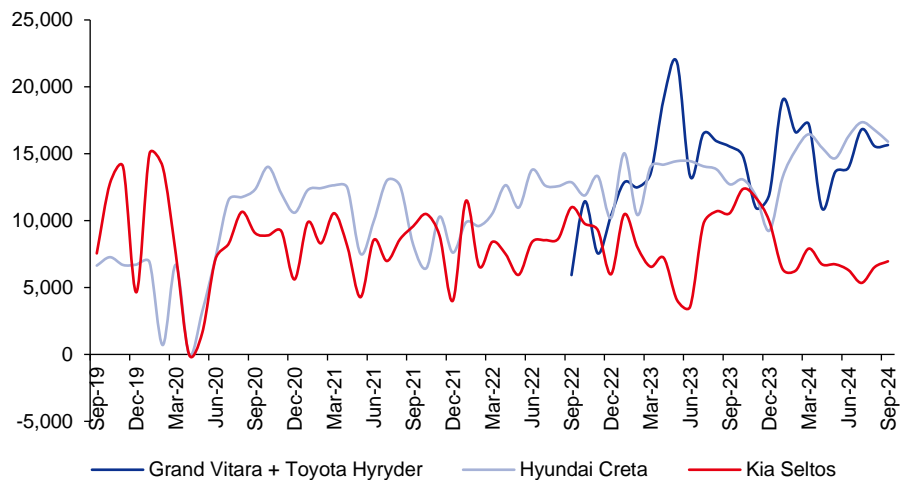
SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 3: Spike in ASP discount disappoints**



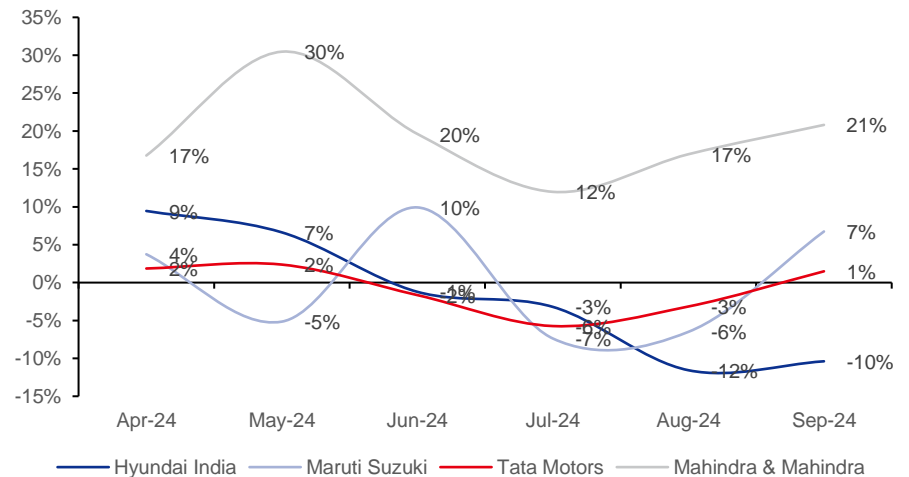
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Hyundai Creta trying to sustain leadership over Maruti Suzuki's Grand Vitara



SOURCE: SIAM, INCRED RESEARCH, COMPANY REPORTS

Figure 5: Recent demand slowdown impacted Hyundai the worst among top OEMs



SOURCE: SIAM, INCRED RESEARCH, COMPANY REPORTS

Figure 6: Order book in select models only, most of it to be met in FY25F

	2QFY25	2QFY24	yoy	1QFY25	qoq	1HFY25	1HFY24	yoy
<b>Mini</b>	<b>70,534</b>	<b>69,291</b>	<b>2%</b>	<b>70,625</b>	<b>0%</b>	<b>1,41,159</b>	<b>1,56,148</b>	<b>-10%</b>
Alto	24,554	24,493	0%	24,493	0%	49,047	56,732	-14%
WagonR	45,980	44,798	3%	46,132	0%	92,112	99,416	-7%
<b>Compact</b>	<b>1,04,523</b>	<b>1,30,396</b>	<b>-20%</b>	<b>1,04,092</b>	<b>0%</b>	<b>2,08,615</b>	<b>2,63,995</b>	<b>-21%</b>
S-Presso	6,417	7,657	-16%	6,323	1%	12,740	15,818	-19%
Swift	45,939	51,252	-10%	39,909	15%	85,848	1,03,306	-17%
Celerio	8,887	10,177	-13%	9,519	-7%	18,406	21,682	-15%
Baleno	36,086	53,658	-33%	41,786	-14%	77,872	1,02,648	-24%
Ignis	7,194	7,652	-6%	6,555	10%	13,749	20,541	-33%
<b>Compact Sedan</b>	<b>33,127</b>	<b>40,568</b>	<b>-18%</b>	<b>45,307</b>	<b>-27%</b>	<b>78,434</b>	<b>71,337</b>	<b>10%</b>
Dzire/ Dzire tour	33,127	40,568	-18%	45,307	-27%	78,434	71,337	10%
<b>Sedan</b>	<b>1,972</b>	<b>3,688</b>	<b>-47%</b>	<b>2,169</b>	<b>-9%</b>	<b>4,141</b>	<b>7,441</b>	<b>-44%</b>
Ciaz	1,972	3,688	-47%	2,169	-9%	4,141	7,441	-44%
<b>Van</b>	<b>34,809</b>	<b>35,043</b>	<b>-1%</b>	<b>33,791</b>	<b>3%</b>	<b>68,600</b>	<b>67,719</b>	<b>1%</b>
Eeco	34,809	35,043	-1%	33,791	3%	68,600	67,719	1%
<b>SUV</b>	<b>1,80,535</b>	<b>1,80,066</b>	<b>0%</b>	<b>1,63,130</b>	<b>11%</b>	<b>3,43,665</b>	<b>3,06,467</b>	<b>12%</b>
Grand Vitara	28,685	32,633	-12%	27,066	6%	55,751	59,738	na
Vitara Brezza	49,188	46,116	7%	44,471	11%	93,659	81,928	14%
Ertiga	51,722	40,195	29%	43,339	19%	95,061	64,677	47%
XL6/ S-Cross	9,397	13,015	-28%	10,073	-7%	19,470	22,105	-12%
Fronx	37,186	36,839	1%	36,655	1%	73,841	63,477	16%
Jimny	3,620	9,533	-62%	1,012	258%	4,632	12,604	-63%
Invicto	737	1,735	-58%	514	43%	1,251	1,938	-35%
LCV	8,485	7,379	15%	7,946	7%	16,431	15,496	6%
<b>Sales to other OEM</b>	<b>29,849</b>	<b>14,618</b>	<b>104%</b>	<b>24,248</b>	<b>23%</b>	<b>54,097</b>	<b>28,940</b>	<b>87%</b>
<b>Total</b>	<b>4,63,834</b>	<b>4,81,049</b>	<b>-4%</b>	<b>4,51,308</b>	<b>3%</b>	<b>9,15,142</b>	<b>9,17,543</b>	<b>0%</b>

SOURCE: SIAM, INCRED RESEARCH, COMPANY REPORTS

Figure 7: Key assumptions

	FY22	FY23	FY24	FY25F	FY26F	FY27F
Domestic Sales Volume	14,14,277	17,06,831	18,52,256	19,32,073	21,50,604	23,88,008
Growth (%)	3.9%	20.7%	8.5%	4.3%	11.3%	11.0%
Export Sales Volume	2,38,376	2,59,333	2,83,067	3,10,000	3,70,000	4,30,000
Growth (%)	147.9%	8.8%	9.2%	9.5%	19.4%	16.2%
<b>Total Sales Volume</b>	<b>16,52,653</b>	<b>19,66,164</b>	<b>21,35,323</b>	<b>22,42,073</b>	<b>25,20,604</b>	<b>28,18,008</b>
<b>Growth (%)</b>	<b>13.4%</b>	<b>19.0%</b>	<b>8.6%</b>	<b>5.0%</b>	<b>12.4%</b>	<b>11.8%</b>
Gross ASP per Vehicle (Rs)	5,34,266	5,97,727	6,60,006	6,98,209	7,31,708	7,55,083
Growth (%)	10.7%	11.9%	10.4%	5.8%	4.8%	3.2%
Net ASP per Vehicle (Rs)	5,34,266	5,97,727	6,60,006	6,98,209	7,31,708	7,55,083
Growth (%)	10.7%	11.9%	10.4%	5.8%	4.8%	3.2%
Contribution per Vehicle (Rs)	1,34,682	1,59,089	1,88,291	2,02,682	2,09,210	2,13,024
Growth (%)	0.6%	18.1%	18.4%	7.6%	3.2%	1.8%
EBITDA per Vehicle (Rs)	34,878	55,986	76,808	89,141	91,778	91,872
Growth (%)	-4.9%	60.5%	37.2%	16.1%	3.0%	0.1%
<b>EBITDA Margin (%)</b>	<b>6.5%</b>	<b>9.4%</b>	<b>11.6%</b>	<b>12.8%</b>	<b>12.5%</b>	<b>12.2%</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: Change in our earnings estimates

Rs m	FY25F		FY26F		FY27F	
	Old	New	Old	New	Old	New
Sales Volume (nos)	22,65,900	22,42,073	25,43,330	25,20,604	28,36,105	28,18,008
Change (%)		-1.1%		-0.9%		-0.6%
Net Sales (Rs.m)	15,82,660	15,65,436	18,51,093	18,44,346	21,28,091	21,27,831
Change (%)		-1.1%		-0.4%		0.0%
EBITDA (Rs.m)	2,04,243	1,99,860	2,35,327	2,31,337	2,62,462	2,58,897
Change (%)		-2.1%		-1.7%		-1.4%
EBITDA Margin	12.9%	12.8%	12.7%	12.5%	12.3%	12.2%
Bp		(14)		(17)		(17)
PAT (Rs.m)	1,62,737	1,59,193	1,77,822	1,74,522	1,91,692	1,88,679
Change (%)		-2.2%		-1.9%		-1.6%
EPS (Rs.)	538.7	527.0	588.7	577.7	634.6	624.6
Change (%)		-2.2%		-1.9%		-1.6%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 9: Discounted cash flow or DCF-based target price

Economic Profit Valuation			Discounted Cash Flow Valuation		
	Rs m	%		Rs m	%
Adjusted Opening Invested Capital	299261.8	8	Value of Phase 1: Explicit (2025 to 2027)	151312.5	4
NPV of Economic Profit During Explicit Period	297545.6	8	Value of Phase 2: Value Driver (2028 to 2038)	2159988.6	55
NPV of Econ Profit of Remaining Business (1, 2)	730803.3	18	Value of Phase 3: Fade (2039 to 2049)	1395361.0	35
NPV of Econ Profit of Net Inv (Grth Business) (1, 3)	2628360.9	66	Terminal Value	249224.6	6
Enterprise Value	3955971.6	100	Enterprise Value	3955886.7	100
Plus: Other Assets	0.0	0	FCF Grth Rate at end of Phs 1 implied by DCF Valuation		9
Less: Minorities	0.0	0	FCF Grth Rate at end of Phs 1 implied by Current Price		8
Less: Net Debt (as at 29 Oct 2024)	-632122.0	-16			
Equity Value	4588093.6	116			
No. Shares (millions)	314.4				
<b>Per Share Equity Value</b>	<b>14593</b>				

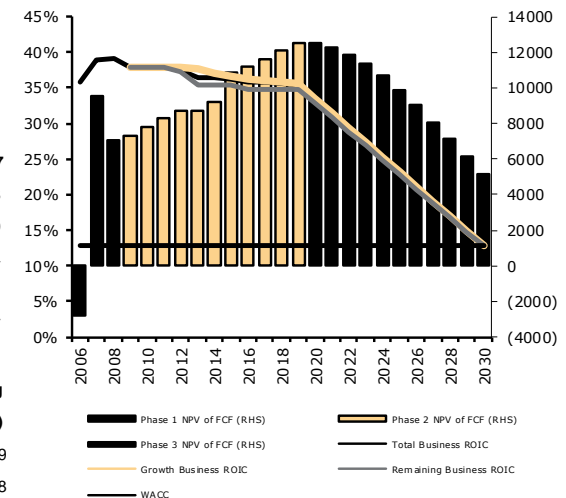
Sensitivity Table		No of Years in Fade Period				
		5	8	11	14	17
WACC	9.7%	14,373	16,019	17,680	19,349	21,018
	10.7%	13,262	14,651	16,029	17,391	18,730
	11.7%	12,273	13,447	14,593	15,706	16,784
	12.7%	11,392	12,386	13,340	14,253	15,122
	13.7%	10,605	11,448	12,244	12,993	13,697

Performance Summary		Phase 2 Avg		Phase 2 Avg	
		2025	2026	2027	(2028 - 2038)
Invested Capital Growth (%)		65.3	35.9	18.7	10.9
Operating Margin (%)		13.2	12.4	11.6	10.8
Capital Turnover (x)		7.6	5.4	4.6	4.1

Source: InCred Research

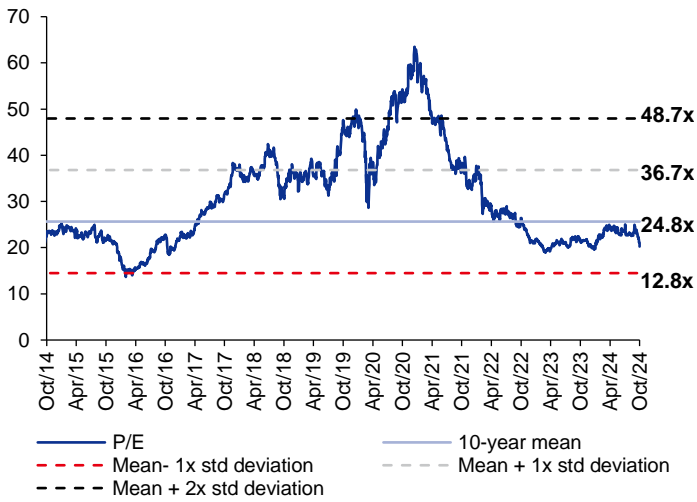
- In periods following the Explicit Period i.e. Phase 2 and Phase 3
- Remaining business is defined as Capital as at the end of Phase 1 and capex = depreciation thereafter
- Net Investment is defined as capex over and above depreciation after Phase 1

Returns, WACC and NPV of Free Cash Flow



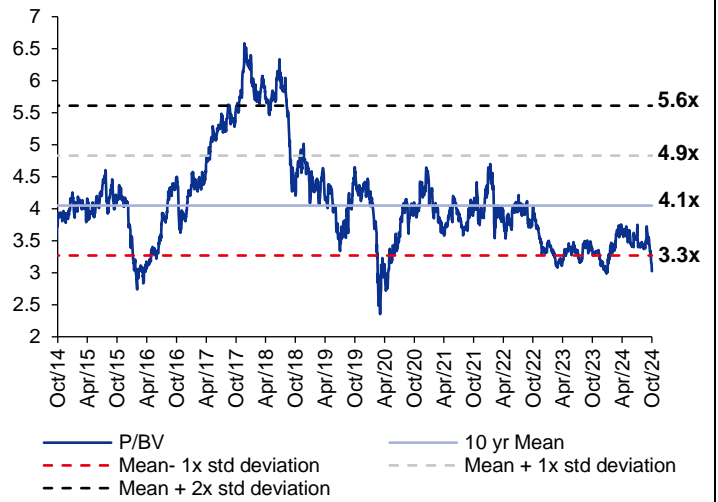
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 10: One-year forward P/E below the 10-year mean level



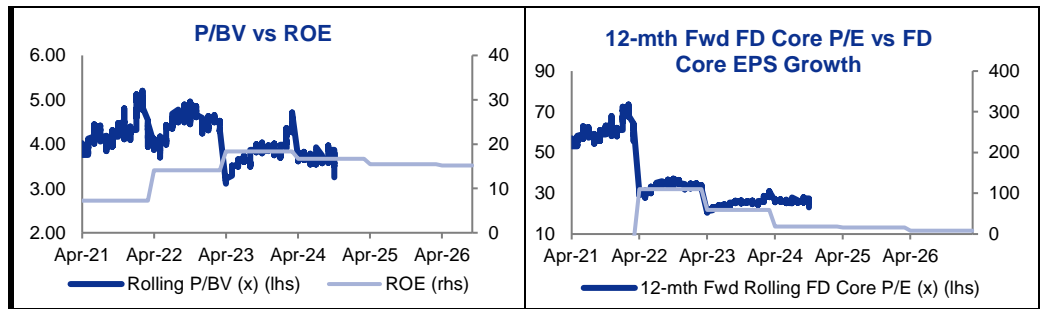
SOURCES: BLOOMBERG, INCRED RESEARCH, COMPANY REPORTS

Figure 11: One-year forward P/BV below the 10-year mean level



SOURCE: BLOOMBERG, INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>Total Net Revenues</b>	1,175,229	1,409,326	1,565,436	1,844,346	2,127,831
<b>Gross Profit</b>	312,794	402,063	454,427	527,335	600,303
<b>Operating EBITDA</b>	110,077	164,011	199,860	231,337	258,897
Depreciation And Amortisation	(28,233)	(30,223)	(35,840)	(46,284)	(57,443)
<b>Operating EBIT</b>	81,844	133,788	164,019	185,053	201,454
Financial Income/(Expense)	19,747	37,026	40,075	40,137	42,004
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
<b>Profit Before Tax (pre-EI)</b>	101,591	170,814	204,094	225,190	243,457
Exceptional Items					
<b>Pre-tax Profit</b>	101,591	170,814	204,094	225,190	243,457
Taxation	(21,099)	(38,310)	(44,901)	(50,668)	(54,778)
Exceptional Income - post-tax	(4,694)	(8,376)			
<b>Profit After Tax</b>	80,492	127,810	150,817	174,522	188,679
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	80,492	127,810	150,817	174,522	188,679
Recurring Net Profit	80,492	132,504	159,193	174,522	188,679
<b>Fully Diluted Recurring Net Profit</b>	80,492	132,504	159,193	174,522	188,679

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
<b>EBITDA</b>	110,077	164,011	199,860	231,337	258,897
Cash Flow from Invt. & Assoc.					
Change In Working Capital	30	16,607	(7,149)	9,170	9,320
(Incr)/Decr in Total Provisions	10,845	(27,381)	35,882	7,825	24,260
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(292)	(4,433)	(8,809)	(800)	(800)
Net Interest (Paid)/Received	19,747	37,026	40,075	40,137	42,004
Tax Paid	(21,099)	(38,310)	(44,901)	(50,668)	(54,778)
<b>Cashflow From Operations</b>	119,308	147,520	214,958	237,001	278,903
Capex	(68,785)	(73,496)	(197,096)	(183,000)	(175,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments			128,411		
Other Investing Cashflow	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
<b>Cash Flow From Investing</b>	(70,785)	(75,496)	(70,685)	(185,000)	(177,000)
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(18,841)	(39,300)	(50,304)	(59,736)	(63,420)
Preferred Dividends					
Other Financing Cashflow	9,640	135,951	(78)	(16)	(15)
<b>Cash Flow From Financing</b>	(9,201)	96,651	(50,382)	(59,752)	(63,435)
Total Cash Generated	39,322	168,675	93,890	(7,751)	38,468
<b>Free Cashflow To Equity</b>	48,523	72,024	144,273	52,001	101,903
<b>Free Cashflow To Firm</b>	50,389	73,956	146,273	55,201	105,403

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	461,779	632,453	726,344	718,593	757,061
Total Debtors	32,958	46,013	51,466	60,636	75,786
Inventories	42,838	41,196	55,755	70,742	87,445
Total Other Current Assets	67,620	113,572	96,200	107,000	117,800
<b>Total Current Assets</b>	<b>605,195</b>	<b>833,234</b>	<b>929,765</b>	<b>956,971</b>	<b>1,038,092</b>
Fixed Assets	235,242	322,388	411,548	548,264	665,821
Total Investments	16,162	18,162	20,162	22,162	24,162
Intangible Assets					
Total Other Non-Current Assets	3,411	1,124	1,124	1,124	1,124
<b>Total Non-current Assets</b>	<b>254,815</b>	<b>341,674</b>	<b>432,834</b>	<b>571,550</b>	<b>691,107</b>
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	117,804	145,824	158,688	192,014	233,187
Other Current Liabilities	87,505	103,359	120,088	136,431	169,061
<b>Total Current Liabilities</b>	<b>205,309</b>	<b>249,183</b>	<b>278,776</b>	<b>328,445</b>	<b>402,248</b>
Total Long-term Debt	12,158	331	314	299	284
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
<b>Total Non-current Liabilities</b>	<b>12,158</b>	<b>331</b>	<b>314</b>	<b>299</b>	<b>284</b>
Total Provisions	10,500	13,478	14,826	16,308	17,939
<b>Total Liabilities</b>	<b>227,967</b>	<b>262,992</b>	<b>293,916</b>	<b>345,052</b>	<b>420,471</b>
Shareholders Equity	603,820	839,820	1,068,683	1,183,469	1,308,728
Minority Interests					
<b>Total Equity</b>	<b>603,820</b>	<b>839,820</b>	<b>1,068,683</b>	<b>1,183,469</b>	<b>1,308,728</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	33.1%	19.9%	11.1%	17.8%	15.4%
Operating EBITDA Growth	91.0%	49.0%	21.9%	15.7%	11.9%
Operating EBITDA Margin	9.4%	11.6%	12.8%	12.5%	12.2%
Net Cash Per Share (Rs)	1,430.09	2,010.57	2,309.25	2,284.65	2,407.05
BVPS (Rs)	1,920.55	2,671.18	3,399.12	3,764.21	4,162.62
Gross Interest Cover	43.86	69.25	82.01	57.83	57.56
Effective Tax Rate	20.8%	22.4%	22.0%	22.5%	22.5%
Net Dividend Payout Ratio	33.8%	29.7%	31.6%	34.2%	33.6%
Accounts Receivables Days	8.27	10.23	11.36	11.09	11.70
Inventory Days	16.54	15.23	15.93	17.53	18.90
Accounts Payables Days	45.58	47.77	50.02	48.60	50.80
ROIC (%)	37.2%	50.0%	39.4%	36.3%	29.0%
ROCE (%)	17.8%	23.7%	21.6%	20.3%	19.8%
Return On Average Assets	8.3%	10.6%	10.5%	10.2%	9.9%

<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.)	11.9%	10.4%	5.8%	4.8%	3.2%
Unit sales grth (% , main prod./serv.)	19.0%	8.6%	5.0%	12.4%	11.8%

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.*

##### 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.