

India
ADD (no change)

Consensus ratings*: Buy 16 Hold 3 Sell 7

Current price:	Rs1,076
Target price:	Rs1,407
Previous target:	Rs1,622
Up/downside:	30.8%
InCred Research / Consensus:	10.5%
Reuters:	BFRG.NS
Bloomberg:	BHFC IN
Market cap:	US\$5,921m
	Rs514,519m
Average daily turnover:	US\$16.9m
	Rs1464.6m
Current shares o/s:	465.7m
Free float:	54.8%

*Source: Bloomberg

Key changes in this note

- FY25F-27F sales cut by 11-15%.
- FY25F-27F EBITDA cut by 5-7%.
- FY25F-27F EPS cut by 5-12%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(8.0)	(18.6)	(1.5)
Relative (%)	(7.8)	(16.9)	(7.4)

Major shareholders	% held
Kalyani Family	45.3
Kotak Mutual Fund	5.6
Dsp Midcap Fund	2.1

Research Analyst(s)

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Bharat Forge

Margin resilience comes to the rescue

- Sales dip of ~10% in 3QFY25 disappointed, while margin expansion limited the damage on the EBITDA front.
- New order wins aid capacity build-up in the aerospace segment & India car sales to limit the damage in slow truck demand recovery. EPS cut by 5-12%.
- With a strong balance sheet and attractive valuation of below the 10-year mean level, we retain ADD rating with a lower DCF-based target price of Rs1,407.

EBITDA miss due to weak overseas operations

Bharat Forge's standalone 3QFY25 EBITDA declined by 8% yoy and 3% qoq to Rs6bn, a 2% miss vs. our estimate and 9% below Bloomberg or BB consensus estimate. Gross margin expansion (72bp qoq) helped overcome export sales weakness (-5% yoy) and cost inflation registered a 160bp beat vs. our estimate. Normalized PAT was flat qoq and down 12% yoy at Rs3.5, 7% below our estimate, due to higher tax provision. The consolidated entity recorded a decline of 15% yoy and 12% qoq in normalized PAT to Rs2.1bn due to seasonal weakness at European operations.

Management commentary

Management indicated sustained weakness in the European market while it is hopeful of demand revival in the US market. In India, passenger vehicles or (PVs) and commercial vehicles (CVs) continue to remain on the growth path led by new customer acquisition and the government's push to the infrastructure sector. The industrial division is witnessing growth in aerospace and oil and gas segments, which was largely offset by high horse power engine and railway segments. Management said the company has won a prestigious order for manufacturing landing gear for Europe defence aircraft, and the plant to start operations in FY27F.

Sales estimates cut sharply for delay in cyclical revival & new orders

Building in a gradual recovery in India truck demand, prolonged European demand slowdown and a delay in India defence sector orders, we have cut FY25F-27F consolidated sales by a sharp 11-15%. The better-than-expected EBITDA margin performance and lower-than-expected US subsidiary losses limit the consolidated EBITDA cut to 5-7% for FY25F-27F. The high value-add aerospace business will be EBITDA-accretive. However, building in equity dilution from the recent qualified institutional placement or QIP, we have cut FY25F-27F EPS by 5-12%.

Profit margin resilience overlooked by a correction in valuation

The recent stock price correction has eased forward P/E and P/BV valuations to below the 10-year mean levels. With diversified operations helping in resilient profitability, we reiterate our ADD rating on the stock with a lower DCF-based target price of Rs1,407 (Rs1,622 earlier). With a sharp reduction in net debt (Fig. 3), management is eager to do M&A and reassess the global manufacturing footprint. Downside risks: Global trade wars impacting the viability of its operations in the short term.

Financial Summary

	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue (Rsm)	129,103	156,821	157,006	174,960	201,053
Operating EBITDA (Rsm)	17,675	25,579	28,732	32,368	37,798
Net Profit (Rsm)	4,037	9,101	10,508	14,877	18,841
Core EPS (Rs)	10.5	19.7	24.7	31.9	40.5
Core EPS Growth	(53.4%)	87.0%	25.2%	29.4%	26.6%
FD Core P/E (x)	127.43	56.52	48.95	34.58	27.30
DPS (Rs)	8.0	10.0	11.0	11.0	11.0
Dividend Yield	0.72%	0.91%	1.02%	1.02%	1.02%
EV/EBITDA (x)	30.96	21.66	18.02	15.76	13.31
P/FCFE (x)	59.64	44.64	25.68	(104.17)	134.15
Net Gearing	86.2%	81.4%	27.3%	25.7%	22.9%
P/BV (x)	7.67	7.17	4.42	3.87	3.38
ROE	7.4%	13.2%	12.2%	11.9%	13.2%
% Change In Core EPS Estimates			(12.01%)	(7.47%)	(4.95%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Margin resilience comes to the rescue

Management conference-call highlights ►

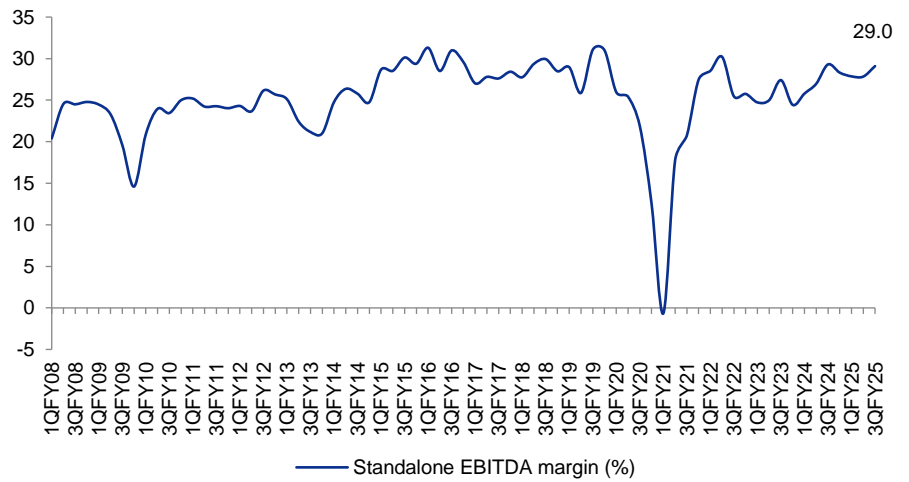
- **Overseas business:** The European market is witnessing weak demand and customer-specific problems, and so losses in the European business are expected to continue for two more quarters. The company is re-evaluating its manufacturing presence in Europe, with clarity expected in the next six months. The company's US operations reduced EBITDA losses to Rs60m, with growth expected there in the next six months. The North American commercial vehicle market is likely to grow 10% in FY26F.
- **Indian business:** In 3QFY25, standalone revenue declined by 7% yoy to Rs20.96bn, while margin remained stable at 28.1%.
- **Domestic automobile business:** Domestic passenger vehicle segment witnessed growth led by new customers and increased localization at Indian car manufacturers. In PV, the company is currently supplying new components for engine, transmission, and chassis. India's CV market is expected to be slightly better in 4QFY25F.
- **Industrial business:** In 3Q, the growth in aerospace and oil & gas businesses was impacted by the decline in the high horsepower engine segment due to temporary inventory adjustment, and also the railway segment.
- **Defence equipment business:** The order inflow is expected to increase by Mar 2025F. The company participated in the IDEX event in Abu Dhabi, and ATAGS (Advanced Towed Artillery Gun System) series deliveries are expected to start in the next 15–18 months.
- **Aerospace business:** Currently, doing a quarterly revenue run rate of Rs500-600m, which is expected to reach (Rs1bn+ per quarter) in FY26F. Management plans to set up a manufacturing facility for machining landing gear components and high-precision forgings, which is likely to be operational by 2027F.
- **Oil & gas business:** In 3Q, the segment grew by 60-70% yoy and in 9MFY25 the growth was 30%, driven by the US infrastructure sector's growth.
- **Aluminium & castings business:** In the aluminium business, management is targeting a Rs10bn annual revenue run rate in the next six-to-eight quarters and margin expansion of 250–300bp is expected over the next two years in the castings business.
- **Capex:** Standalone capex in FY26F is estimated at Rs3bn, with an additional Rs2-2.5bn for Indian subsidiaries. US capex for aluminum forgings has been completed.
- **Nuclear power business:** India's nuclear power capacity is expected to triple in the next decade led by growth in both large-scale nuclear plants and small modular reactors (SMRs). Bharat Forge supplies key components, generating Rs.0.5–1bn in revenue annually.
- **L3 Harris:** The collaboration with L3 Harris in the C4I sector (Command, Control, Communications, Computers, and Intelligence), will help Bharat Forge to expand into defence electronics and imaging technology.

Figure 1: Standalone results comparison

Y/E Mar (Rs m)	3QFY25	3QFY24	yoy % chg	2QFY25	qoq % chg	9MFY25	9MFY24	yoy % chg	Comments for the quarter
Revenue	20,959	22,634	(7.4)	22,467	(6.7)	66,807	66,400	0.6	8% below our estimate.
Raw material costs	8,401	9,491	(11.5)	9,167	(8.4)	27,346	28,654	(4.6)	
RM costs as % of revenue	40.1	41.9	(185)	40.8	(72.4)	40.9	43.2	(222)	
EBITDA	6,098	6,632	(8.0)	6,254	(2.5)	18,867	18,186	3.7	2% below our estimate.
EBITDA margin %	29.1	29.3	(20)	27.8	126	28.2	27.4	85	160bp above our estimate.
Depreciation & amortization	1,104	1,124	(1.8)	1,083	1.9	3,282	3,341	(1.8)	6% below our estimate.
EBIT	4,995	5,507	(9.3)	5,171	(3.4)	15,586	14,845	5.0	
Interest expenses	573	630	(9.0)	635	(9.8)	1,910	2,061	(7.3)	4% below our estimate.
Other income	314	346	(9.2)	348	(9.8)	1,108	1,242	(10.8)	30% below our estimate.
Pre-tax profit	4,735	5,223	(9.3)	4,884	(3.0)	14,783	14,025	5.4	
Tax	1,266	1,266	(0.0)	1,407	(10.1)	3,687	3,472	6.2	
Tax rate (%)	26.7	24.2	249	29	(209)	25	25	18	273bp above our estimate.
Normalized net profit	3,470	3,957	(12.3)	3,476	(0.2)	11,097	10,553	5.2	7% below our estimate.
Extraordinary income/expenses	(9)	(179)	nm	135	nm	(1,330)	(200)	nm	
Reported net profit	3,460	3,778	(8.4)	3,612	(4.2)	9,766	10,353	(5.7)	
Normalized EPS (Rs)	7.5	8.5	(12.3)	7.5	(0.2)	23.7	22.5	5.2	

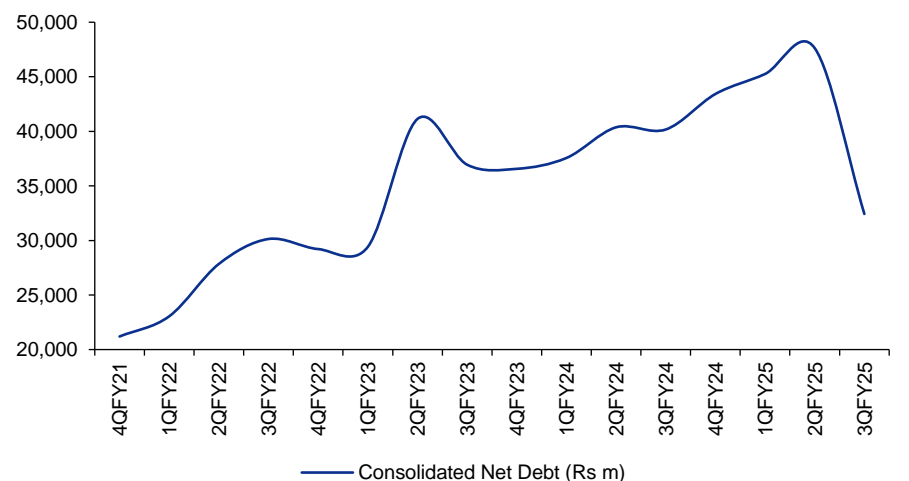
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Standalone EBITDA witnesses a sequential uptick



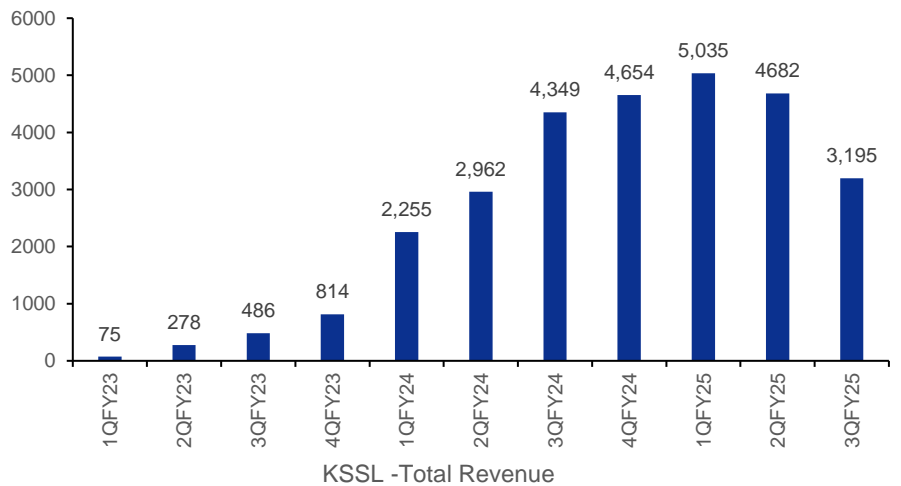
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Sharp net debt reduction with the help of funds raised from QIP



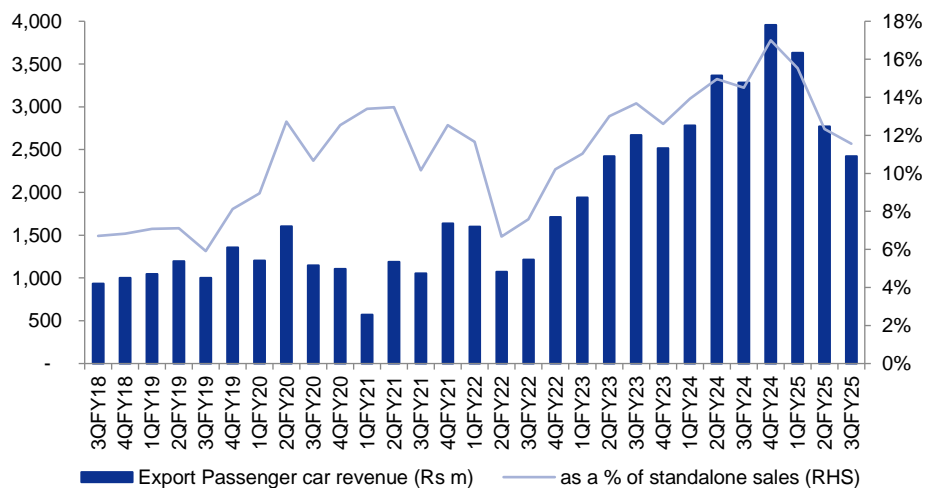
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Defence subsidiary KSSL's revenue declines on delayed execution (Rs m)



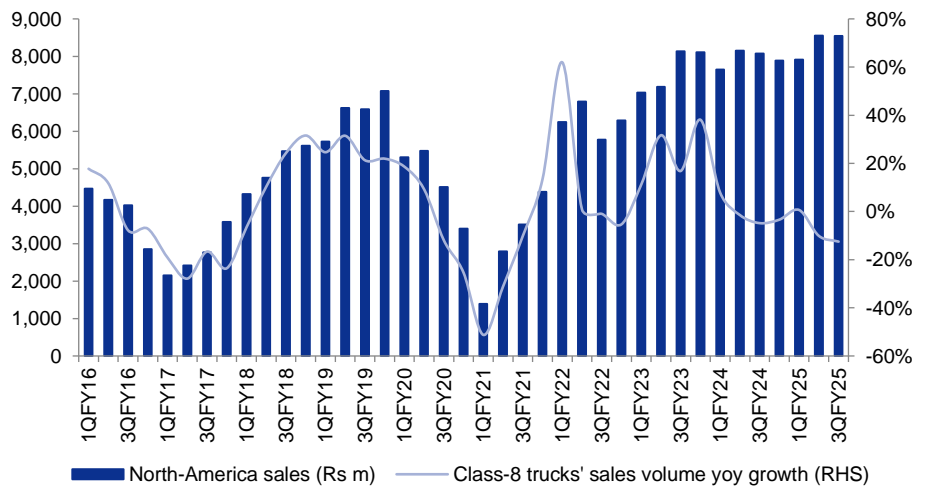
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Passenger car component exports decline due to Europe slowdown



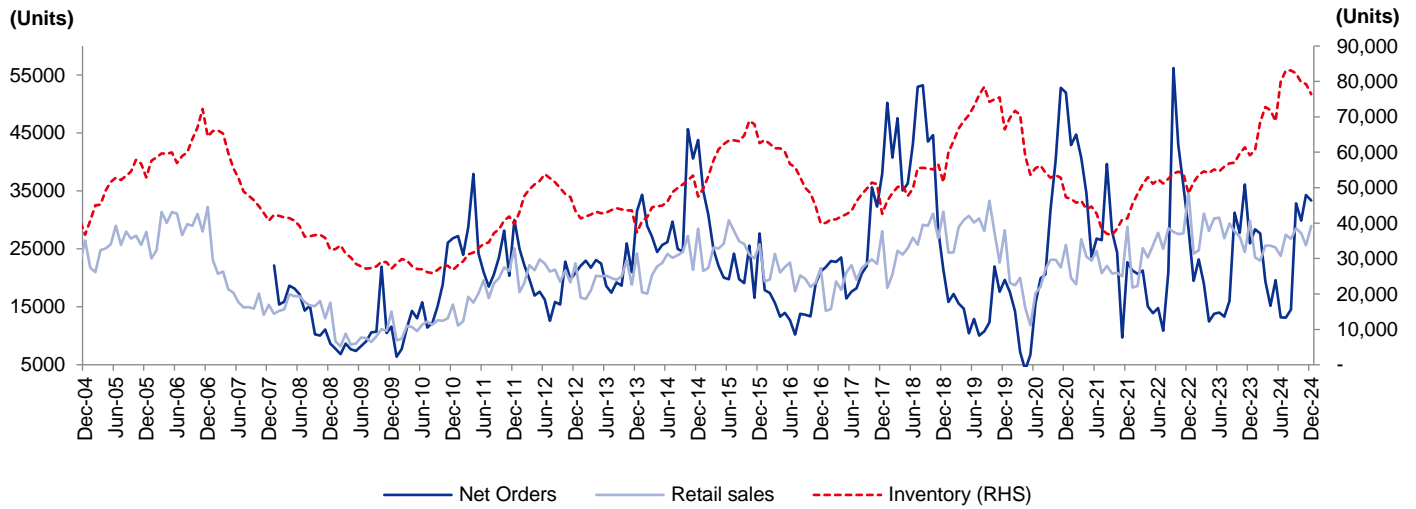
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: North America's revenue correlation to Class-8 trucks' volume growth



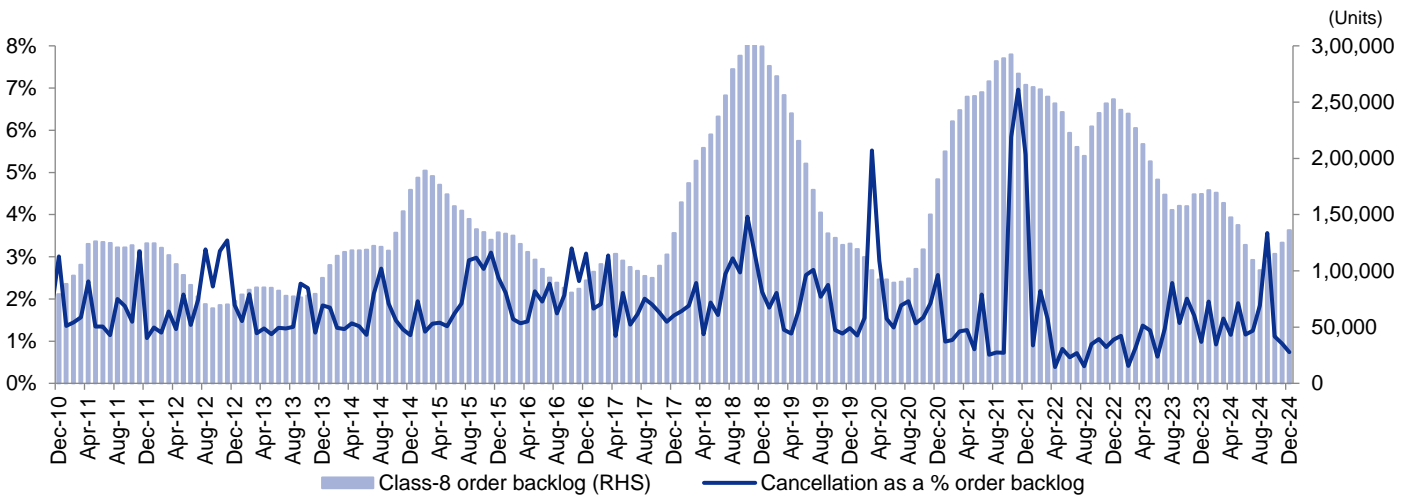
SOURCE: BLOOMBERG, INCRED RESEARCH, COMPANY REPORTS

Figure 7: North America Class-8 truck net orders recover during the quarter, but inventory build-up is an area of concern



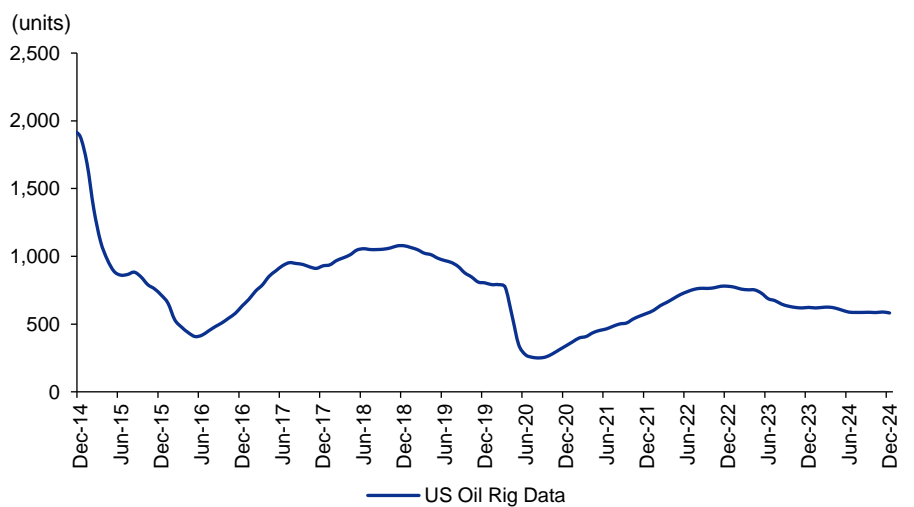
SOURCE: BLOOMBERG, INCRED RESEARCH, COMPANY REPORTS

Figure 8: North America Class-8 truck order backlog is healthy



SOURCE: BLOOMBERG, INCRED RESEARCH, COMPANY REPORTS

Figure 9: US oil rig count flattens



SOURCE: BLOOMBERG, INCRED RESEARCH, COMPANY REPORTS

Figure 10: Revenue by segment (Rs m) – growth only in domestic car and industrial exports

	3QFY25	3QFY24	% yoy	2QFY25	% qoq	9MFY25	9MFY24	%yoy
India Revenue	9,449	10,499	-10.0%	10,719	-11.8%	31,847	29,605	7.6%
Commercial vehicle	2,279	2,583	-11.8%	2,199	3.6%	6,967	7,920	-12.0%
Industrial	6,185	7,146	-13.4%	7,600	-18.6%	22,159	19,474	13.8%
Passenger car	985	770	27.9%	920	7.1%	2,721	2,211	23.1%
International Revenue	11,490	12,134	-5.3%	11,748	-2.2%	34,939	36,793	-5.0%
Commercial vehicle	4,985	5,245	-5.0%	5,198	-4.1%	15,501	15,870	-2.3%
Industrial	4,081	3,607	13.1%	3,780	8.0%	10,613	11,495	-7.7%
Passenger car	2,424	3,282	-26.1%	2,770	-12.5%	8,825	9,428	-6.4%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: Revenue and business mix by location (Rs m)

(Rs m)	3QFY25	3QFY24	% yoy	2QFY25	% qoq	9MFY25	9MFY24	%yoy
India	9,449	10,499	-10.0%	10,719	-11.8%	31,847	29,605	7.6%
USA	8,540	8,076	5.7%	8,555	-0.2%	25,007	23,872	4.8%
Europe	2,333	2,821	-17.3%	2,651	-12.0%	8,159	9,552	-14.6%
Asia	637	1,238	-48.5%	543	17.3%	1,795	3,371	-46.8%
Total	20,959	22,634	-7.4%	22,468	-6.7%	66,808	66,400	0.6%
Sales Mix								
India	45%	46%	(130)	48%	(262)	48%	45%	308
USA	41%	36%	506	38%	267	37%	36%	148
Europe	11%	12%	(133)	12%	(67)	12%	14%	(217)
Asia	3%	5%	(243)	2%	62	3%	5%	(239)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 12: Wholly-owned subsidiaries witness a muted performance in 3QFY25

(Rs m)	3QFY25	3QFY24	% yoy	3QFY25	% qoq	9MFY25	9MFY24	% yoy
Total Income	10,979	13,099	-16.2%	11,447	-4.1%	35,626	38,488	-7.4%
EBITDA	38	218	-82.6%	160	-76.3%	568	466	21.9%
Margin %	0.3%	1.7%	-132	1.4%	-105	1.6%	1.2%	38
PBT	-1,344	-1,100	na	-1,136	na	-3,009	-3,186	na
Margin %	-12.2%	-8.4%	na	-9.9%	na	-8.4%	-8.3%	na

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 13: Key assumptions

Rs m	FY22A	FY23A	FY24A	FY25F	FY26F	FY27F
International sales	78,768	97,982	1,16,417	1,13,169	1,25,423	1,43,591
Change (%)	69.4%	24.4%	18.8%	-2.8%	10.8%	14.5%
India domestic sales	25,843	31,121	40,403	43,838	49,537	57,462
Change (%)	53.2%	20.4%	29.8%	8.5%	13.0%	16.0%
Net sales	1,04,611	1,29,103	1,56,821	1,57,006	1,74,960	2,01,053
Net raw material costs	42,160	59,614	73,413	67,513	76,107	86,855
as % of net sales	40.3%	46.2%	46.8%	43.0%	43.5%	43.2%
Personnel costs	14,647	15,631	18,600	18,841	22,220	25,333
as % of net sales	14.0%	12.1%	11.9%	12.0%	12.7%	12.6%
Mfg. expenses	11,507	21,947	21,955	25,121	25,894	30,158
as % of net sales	11.0%	17.0%	14.0%	16.0%	14.8%	15.0%
Other expenses	16,138	14,235	17,274	16,800	18,371	20,910
as % of net sales	15.4%	11.0%	11.0%	10.7%	10.5%	10.4%
Total expenditure	84,451	1,11,427	1,31,242	1,28,274	1,42,592	1,63,255
EBITDA	20,159	17,675	25,579	28,732	32,368	37,798
EBITDA margin (%)	19.3	13.7	16.3	18.3	18.5	18.8

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 14: Consolidated entity's earnings revision summary

	FY25F		FY26F		FY27F	
	Old	New	Old	New	Old	New
Net sales (Rs m)	1,77,034	1,57,006	2,04,472	1,74,960	2,35,781	2,01,053
Change (%)		-11.3%		-14.4%		-14.7%
EBITDA (Rs m)	30,981	28,732	33,942	32,368	39,611	37,798
Change (%)		-7.3%		-4.6%		-4.6%
Normalized PAT (Rs m)	13,589	12,026	16,078	14,877	19,823	18,841
Change (%)		-11.5%		-7.5%		-5.0%
Normalized EPS(Rs)	29.2	25.8	34.5	31.9	42.6	40.5
Change (%)		-11.5%		-7.5%		-5.0%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 15: Standalone entity's EPS revision summary

	FY25F		FY26F		FY27F	
	Old	New	Old	New	New	New
Net sales (Rs m)	98,260	91,149	1,12,449	1,00,633	1,28,887	1,14,180
Change (%)		-7.2%		-10.5%		-11.4%
EBITDA (Rs m)	27,120	25,795	30,474	27,976	34,928	31,285
Change (%)		-4.9%		-8.2%		-10.4%
Normalized PAT (Rs m)	16,721	15,708	19,377	17,539	22,991	20,281
Change (%)		-6.1%		-9.5%		-11.8%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

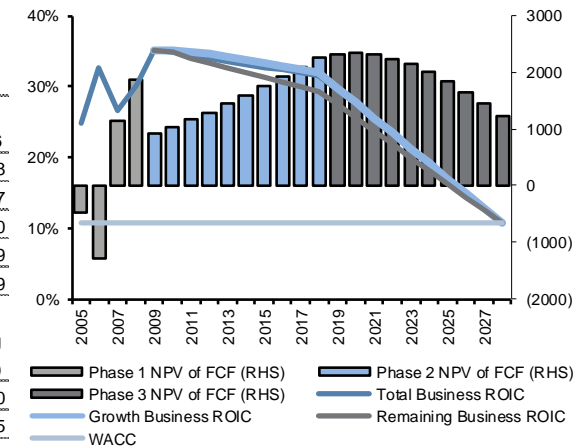
Figure 16: Discounted cash flow or DCF-based valuation

Economic Profit Valuation			Discounted Cash Flow Valuation		
	Rs m	%		Rs m	%
Adjusted Opening Invested Capital	1,27,819	18.4	Value of Phase 1: Explicit (2025 to 2027)	17,097	2.5
NPV of Economic Profit During Explicit Period	13,450	1.9	Value of Phase 2: Value Driver (2028 to 2038)	3,20,472	46.1
NPV of Econ Profit of Remaining Business (1, 2)	11,301	1.6	Value of Phase 3: Fade (2039 to 2049)	2,90,080	41.7
NPV of Econ Profit of Net Inv (Grth Business) (1, 3)	5,42,669	78.1	Terminal Value	67,576	9.7
Enterprise Value	6,95,240	100.0	Enterprise Value	6,95,224	100.0
Plus: Other Assets	0	0.0	FCF Grth Rate at end of Phs 1 implied by DCF Valuati	0	9.7
Less: Minorities	36	0.0	FCF Grth Rate at end of Phs 1 implied by Current Pric	0	9.3
Less: Net Debt (as at 13 Feb 2025)	39,832	5.7			
Equity Value	6,55,372	94.3			
No. Shares (millions)	466				
Per Share Equity Value	Rs. 1,407				

Sensitivity Table		No of Years in Fade Period				
		6	9	11	13	16
WACC	9.1%	1425	1653	1809	1967	2208
	10.1%	1274	1465	1594	1723	1917
	11.1%	1142	1301	1407	1513	1670
	12.1%	1024	1158	1246	1333	1459
	13.1%	920	1033	1106	1177	1279

Performance Summary		Phase 2 Avg			
	2025	2026	2027	(2028 - 2038)	
Invested Capital Growth (%)	10.1	9.4	9.7	10.0	
Operating Margin (%)	14.1	14.9	15.7	12.5	
Capital Turnover (x)	1.4	1.4	1.5	1.3	

Returns, WACC and NPV of Free Cash Flow

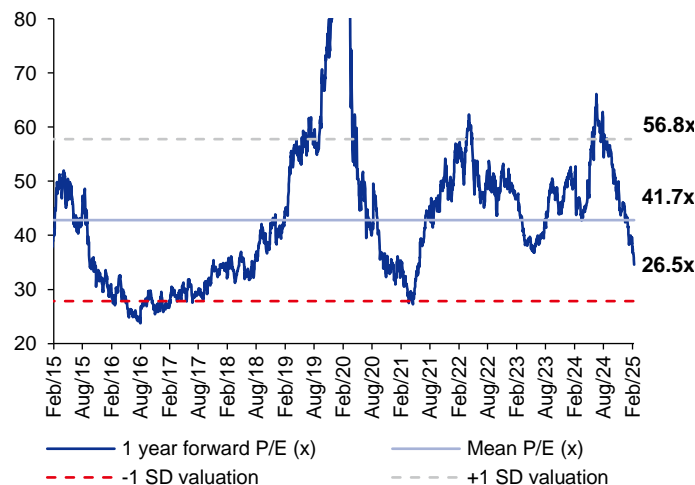


Note:

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

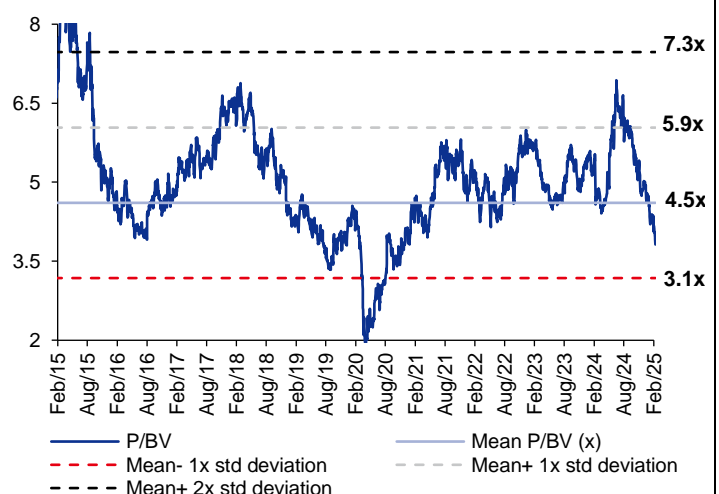
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 17: Forward P/E valuation eases below the 10-year mean level



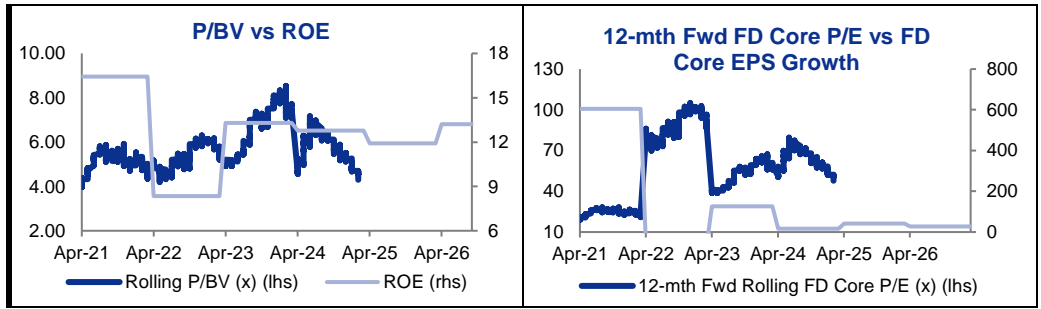
SOURCE: BLOOMBERG, INCRED RESEARCH, COMPANY REPORTS

Figure 18: Forward P/BV valuation eases 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
Total Net Revenues	129,103	156,821	157,006	174,960	201,053
Gross Profit	31,911	42,853	45,532	50,738	58,708
Operating EBITDA	17,675	25,579	28,732	32,368	37,798
Depreciation And Amortisation	(7,356)	(8,482)	(8,922)	(9,029)	(9,347)
Operating EBIT	10,319	17,097	19,810	23,339	28,451
Financial Income/(Expense)	(2,986)	(4,912)	(4,456)	(3,330)	(2,711)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	1,729	2,274	2,317	2,760	3,034
Profit Before Tax (pre-EI)	9,062	14,460	17,671	22,768	28,774
Exceptional Items	(1,505)	(123)	(1,518)		
Pre-tax Profit	7,557	14,336	16,153	22,768	28,774
Taxation	(3,186)	(5,288)	(5,655)	(7,741)	(9,783)
Exceptional Income - post-tax					
Profit After Tax	4,371	9,048	10,498	15,027	18,991
Minority Interests	(334)	53	10	(150)	(150)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	4,037	9,101	10,508	14,877	18,841
Recurring Net Profit	4,907	9,179	11,495	14,877	18,841
Fully Diluted Recurring Net Profit	4,907	9,179	11,495	14,877	18,841

Cash Flow

(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
EBITDA	17,675	25,579	28,732	32,368	37,798
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(8,210)	(572)	(3,857)	(2,768)	(5,496)
(Incr)/Decr in Total Provisions	8,833	(6,052)	708	800	700
Other Non-Cash (Income)/Expense	(1,060)	(619)	3,030	2,294	1,239
Other Operating Cashflow	(1,505)	(123)	(1,518)		
Net Interest (Paid)/Received	(1,258)	(2,637)	(2,140)	(571)	323
Tax Paid	(3,952)	(5,691)	(4,418)	(4,554)	(5,755)
Cashflow From Operations	10,523	9,884	20,538	27,570	28,808
Capex	(13,581)	(12,862)	(17,000)	(18,600)	(17,600)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(296)	7,803	28,217	(6,157)	(6,624)
Cash Flow From Investing	(13,877)	(5,060)	11,217	(24,757)	(24,224)
Debt Raised/(repaid)	11,978	6,697	(11,725)	(7,750)	(750)
Proceeds From Issue Of Shares	(534)	(356)	25		
Shares Repurchased					
Dividends Paid	(3,725)	(4,656)	(5,259)	(5,259)	(5,259)
Preferred Dividends					
Other Financing Cashflow		(5)			
Cash Flow From Financing	7,718	1,680	(16,960)	(13,009)	(6,009)
Total Cash Generated	4,365	6,504	14,795	(10,197)	(1,425)
Free Cashflow To Equity	8,625	11,522	20,030	(4,938)	3,834
Free Cashflow To Firm	(367)	9,736	36,211	6,143	7,295

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Total Cash And Equivalents	10,395	16,899	31,694	21,497	20,072
Total Debtors	30,988	31,769	35,273	38,347	42,965
Inventories	31,263	32,161	33,552	38,347	44,066
Total Other Current Assets	15,392	19,514	20,000	21,500	23,000
Total Current Assets	88,038	100,344	120,519	119,692	130,103
Fixed Assets	65,666	70,046	78,124	87,695	95,948
Total Investments	25,688	18,490	28,490	38,490	46,490
Intangible Assets	2,955	2,960	2,960	2,960	2,960
Total Other Non-Current Assets					
Total Non-current Assets	94,309	91,496	109,574	129,145	145,398
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	21,513	22,621	23,658	28,761	33,601
Other Current Liabilities	21,923	18,999	20,000	22,000	24,000
Total Current Liabilities	43,436	41,620	43,658	50,761	57,601
Total Long-term Debt	68,523	75,221	63,496	55,746	54,996
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
Total Non-current Liabilities	68,523	75,221	63,496	55,746	54,996
Total Provisions	2,971	3,346	6,568	9,163	10,601
Total Liabilities	114,931	120,186	113,723	115,669	123,198
Shareholders Equity	67,055	71,702	116,429	133,077	152,062
Minority Interests	361	(49)	(59)	91	241
Total Equity	67,416	71,653	116,370	133,168	152,304

Key Ratios					
	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
Revenue Growth	23.4%	21.5%	0.1%	11.4%	14.9%
Operating EBITDA Growth	(12.3%)	44.7%	12.3%	12.7%	16.8%
Operating EBITDA Margin	13.7%	16.3%	18.3%	18.5%	18.8%
Net Cash Per Share (Rs)	(124.83)	(125.25)	(68.29)	(73.55)	(75.00)
BVPS (Rs)	144.00	153.98	250.04	285.79	326.56
Gross Interest Cover	3.46	3.48	4.45	7.01	10.49
Effective Tax Rate	42.2%	36.9%	35.0%	34.0%	34.0%
Net Dividend Payout Ratio	67.2%	50.5%	43.7%	35.4%	27.9%
Accounts Receivables Days	74.53	73.03	77.93	76.79	73.81
Inventory Days	109.60	101.56	107.58	105.63	105.66
Accounts Payables Days	71.03	70.67	75.77	77.01	79.95
ROIC (%)	7.3%	11.1%	11.6%	12.4%	13.8%
ROCE (%)	7.9%	12.1%	12.0%	12.4%	13.9%
Return On Average Assets	4.7%	6.7%	7.1%	7.2%	7.9%

Key Drivers					
	Mar-23A	Mar-24A	Mar-25F	Mar-26F	Mar-27F
ASP (% chg, main prod./serv.)	10.5%	7.1%	1.5%	(6.4%)	13.5%
Unit sales grth (% , main prod./serv.)	9.5%	10.6%	0.1%	17.9%	N/A

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