

Eicher Motors

Estimate changes	↔
TP change	↔
Rating change	↔

Bloomberg	EIM IN
Equity Shares (m)	274
M.Cap.(INRb)/(USDb)	1493.2 / 17.5
52-Week Range (INR)	5908 / 4254
1, 6, 12 Rel. Per (%)	-6/7/4
12M Avg Val (INR m)	2760

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	188.7	211.3	237.5
EBITDA	47.1	50.8	57.1
Adj. PAT	47.3	48.0	54.5
Adj EPS (INR)	172.7	175.0	198.8
EPS Gr (%)	18.0	1.4	13.6
BV/Sh (INR)	777	880	996

Ratios

RoE (%)	24.1	21.1	21.2
RoCE (%)	23.1	20.5	20.6
Payout (%)	40.5	41.1	41.3

Valuations

P/E (x)	31.5	31.1	27.4
P/BV (x)	7.0	6.2	5.5
Div. Yield (%)	1.3	1.3	1.5
FCF Yield (%)	2.0	2.5	2.8

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	49.1	49.1	49.1
DII	16.6	16.1	11.1
FII	25.0	25.5	29.0
Others	9.3	9.3	10.8

FII includes depository receipts

CMP: INR5,447

TP: INR4,649 (-15%)

Sell

Focus on growth continues to hurt margins

Margin pressure to result in slower earnings growth

- Eicher Motors (EIM)'s 4QFY25 PAT at INR13.6b came in ahead of our estimates of INR12.8b, led by higher other income and a lower tax rate, even as operational performance was below our estimate. Management has indicated that it would continue to invest in demand-generation activities, including brand building, to help drive growth going forward.
- We expect RE to deliver a 7% earnings CAGR over FY25-27E. Given the expected slower earnings growth, we see no reason for the stock to trade at premium valuations. **Reiterate Sell** with a TP of INR4,649 (premised on FY27E SoTP).

Focus on growth continues to hurt margins

- EIM's 4Q PAT at INR13.6b came in ahead of our estimates of INR12.8b led by higher other income and a lower tax rate, even as operational performance was below our estimates.
- The key highlight in the quarter was that the standalone EBITDA margin continued to be under pressure (down 40bp QoQ) despite the 4% increase in volumes QoQ.
- Its 4Q margin stood at 24.7%, down 290bp YoY and below our estimate of 25.5%. 4Q margin was hit by: 1) adverse model mix (30bp), 2) rise in input costs like steel and Al (20bp), and 3) provision for clearing old stock (20bp).
- Margins dipped QoQ despite the INR300m reduction in marketing spend in 4Q, as this was offset by management's focus on spending to drive volume growth (INR200m). Margin was also hit by ~INR190m for settlements towards a few European distributors who were under liquidation.
- VECV delivered another quarter of healthy performance by posting 270bp YoY increase in EBITDA margin to 10.4% (ahead of our estimate of 9.7%). As a result, VECV PAT grew 87% YoY to INR4.5b.
- For FY25, standalone margins have declined 140bp YoY to 25.8% as management's focus on driving volumes over profitability has continued to hurt margins. Hence, despite the 15% YoY growth in revenues in FY25, EBITDA has grown at just 9%. Overall, PAT grew 14% YoY due to higher other income and a lower tax rate.
- VECV margins have improved 80bp YoY to 8.6% in FY25. Overall, PAT grew 56% YoY to INR12.8b.
- For FY25, the consolidated entity generated an FCF of INR29.5b post-capex of INR10.2b.

Highlights from the management commentary

- RE expects volume growth to continue in FY26 as well. While rural areas continue to see positive sentiments, they are now seeing initial signs of recovery in urban regions, which would bode well for players like RE.
- As indicated in the prior quarters, management continues to focus on absolute growth in profitability. For the same reason, their focus has been to provide value-added features to customers at affordable price points. Hence, for the recent variant launches of Classic, Battalion Black, and Hunter, which came in with a lot of feature additions, they have just passed on the cost increase to customers.

- In exports, RE remains among the top 4 brands in many countries globally in the middle-weight motorcycle segment. For instance, it is No. 1 in the UK, No. 2 in Argentina, and No. 3 in Brazil in this segment.
- Capex plans for FY26 stand at INR12-13b and would be invested in EV manufacturing facility, new product development, etc.
- Margin improvement at VECV has been a result of multiple factors, such as better price management, operating leverage benefits, and reduced discounts.

Valuation and view

We factor in a 10% volume CAGR for RE over FY25-27E as the company plans to continue prioritizing growth over margins. Hence, we expect margins to remain under pressure, as any benefit from an improving mix (higher spares and apparel sales) is likely to be invested by RE in demand-generation activities. This is clearly visible in the past two quarters, where volume has seen a healthy pick-up, albeit at the expense of margins. Hence, we expect RE to deliver a much slower 7% earnings CAGR over FY25-27E. Given the expected slower earnings growth, we see no reason for the stock to trade at premium valuations. Reiterate Sell with a TP of INR4,649 (FY27E SoTP). We value RE at 24x FY27E EPS and VECV at 10x EV EBITDA on FY27E.

Quarterly performance (Consolidated)

INR m	FY24				FY25E				FY24	FY25	4QE	VAR (%)
Y/E March	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Operating income	39,864	41,145	41,788	42,560	43,931	42,631	49,731	52,411	1,65,358	1,88,704	51,843	1
Growth (%)	17.3	16.9	12.3	11.9	10.2	3.6	19.0	23.1	14.5	14.1	21.8	
EBITDA	10,208	10,872	10,903	11,286	11,654	10,877	12,012	12,577	43,269	47,120	12,953	-3
EBITDA Margins (%)	25.6	26.4	26.1	26.5	26.5	25.5	24.2	24.0	26.2	25.0	25.0	
PAT	8,179	9,146	8,821	9,386	9,269	9,866	10,070	11,142	35,533	40,346	10,378	7
Share of JV Loss/(PAT)/ Min. Int.	-1,004	-1,016	-1,139	-1,318	-1,746	-1,138	-1,635	-2,480	-4,477	-6,998	-2,415	
Recurring PAT	9,183	10,163	9,960	10,705	11,015	11,003	11,705	13,622	40,010	47,344	12,793	6
Growth (%)	50.4	54.7	34.4	18.2	19.9	8.3	17.5	27.3	37.3	18.3	19.5	

Standalone (Royal Enfield)

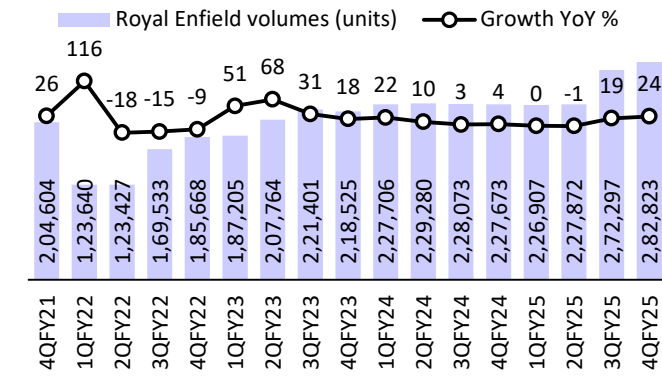
(INR m)	FY24				FY25E				FY24	FY25	4QE	VAR (%)
Y/E March	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Royal Enfield ('000 units)	228	229	228	228	226	228	272	283	913	1,010	283	0
Growth (%)	21.6	10.4	3.0	4.2	-0.7	-0.6	19.4	24.2	9.3	10.6	24.2	
Net Realn (INR '000/unit)	171.3	171.4	177.8	184.1	187.2	184.6	180.2	181	176	183	181	0
Change - YoY (%)	-1.3	4.8	9.6	5.0	9.3	7.7	1.4	-1.9	4.6	3.7	-1.7	
Net operating income	39,012	39,307	40,542	41,921	42,313	42,054	49,081	51,066	1,60,782	1,84,515	51,179	0
Growth (%)	20.1	15.7	12.9	9.4	8.5	7.0	21.1	21.8	42.9	43.5	22.1	
EBITDA	10,127	10,974	11,148	11,553	11,786	11,049	12,237	12,609	43,802	47,680	13,067	-4
EBITDA Margins (%)	26.0	27.9	27.5	27.6	27.9	26.3	24.9	24.7	27.2	25.8	25.5	
Recurring PAT	9,139	9,385	9,137	9,833	10,880	10,099	10,562	11,251	37,494	42,793	10,713	5
Growth (%)	57.5	52.6	34.2	31.7	19.1	7.6	15.6	14.4	43.0	14.1	8.9	

VECV: Quarterly performance

(INR m)	FY24				FY25				FY24	FY25	4QE	VAR (%)
Y/E March	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Total CV Volumes	19,571	19,551	20,706	25,732	19,702	20,774	21,010	28,675	85,560	90,161	28,675	0
Growth (%)	12.0	11.0	14.0	-2.4	0.7	6.3	1.5	11.4	7.5	5.4	11.4	
Net Realn (INR '000/unit)	2,545	2,622	2,648	2,440	2,573	2,666	2,761	2,490	2,556	2,612	2,498	0
Change - YoY (%)	13.0	9.6	4.5	3.8	1.1	1.7	4.3	2.0	7.4	2.2	2.4	
Net Op. Income	49,800	51,260	54,830	62,790	50,700	55,380	58,010	71,390	2,18,680	2,35,480	71,630	0
Growth (%)	26.6	21.6	19.1	1.3	1.8	8.0	5.8	13.7	44.2	34.6	14.1	
EBITDA	3,868	4,021	4,380	4,829	3,850	3,950	5,090	7,320	17,098	20,300	6,913	7
EBITDA Margins (%)	7.8	7.8	8.0	7.7	7.6	7.1	8.8	10.2	7.8	8.6	9.7	
Recurring PAT	1,810	1,870	2,110	2,440	2,296	2,090	3,010	4,572	8,230	12,840	4,440	2
Growth (%)	162.3	130.8	81.9	-22.6	26.9	11.8	42.6	87.4	42.1	56.0	82.0	

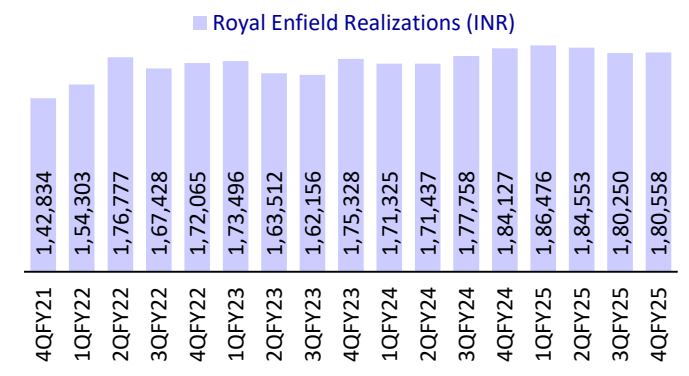
E: MOFSL Estimates

Exhibit 1: Volume trend for RE



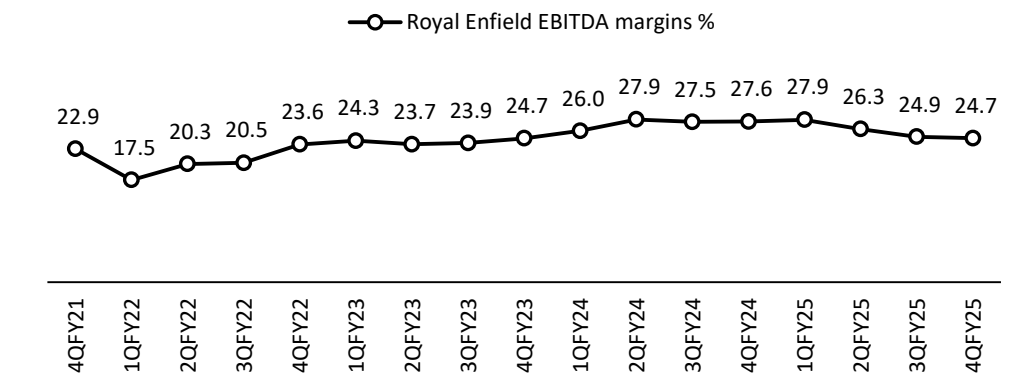
Source: Company, MOFSL

Exhibit 2: Realization trend for RE



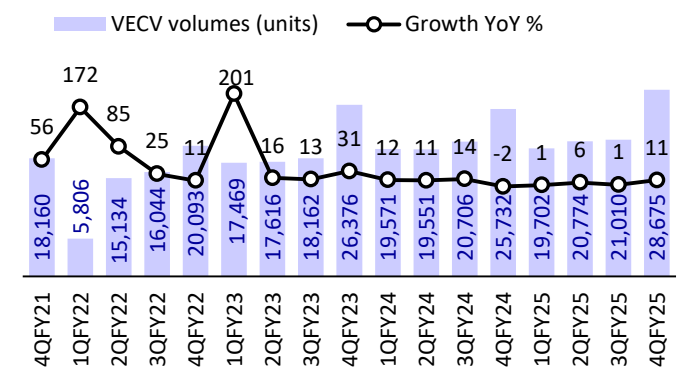
Source: Company, MOFSL

Exhibit 3: EBITDA margin trend for RE



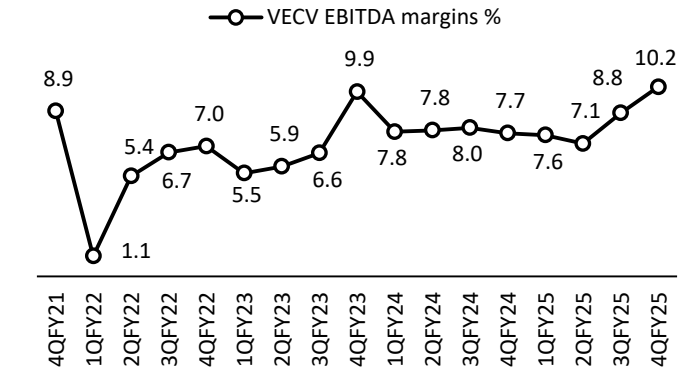
Source: Company, MOFSL

Exhibit 4: Volume growth trend for VECV



Source: Company, MOFSL

Exhibit 5: EBITDA margin trend for VECV



Source: Company, MOFSL

Exhibit 6: VECV – Product mix

	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)
L&MD - Trucks (Dom)	11,894	11,517	3.3	10,467	13.6
% of total CV volumes	41	45		50	
HD - Trucks (Dom)	6,555	6,476	1.2	5,638	16.3
% of total CV volumes	23	25		27	
Total Dom. Trucks	18,449	17,993	2.5	16,105	14.5
% of total CV volumes	64	70		77	
Buses (Dom)	7,600	5,965	27.4	3,375	125.1
% of total CV volumes	27	23		16	
Total Domestic	26,048	23,958	8.7	19,481	33.7
% of total CV volumes	91	93		93	
Total Exports	1,993	1,132	76.0	866	130.0
% of total CV volumes	7	4		4	
Total ETB	28,041	25,090	11.8	20,347	37.8
% of total CV volumes	98	98		97	
Volvo Truck India (units)	634	642	-1.2	663	-4.4
% of total CV volumes	2	2		3	
Total CV Volumes	28,675	25,732	11.4	21,010	36.5

Source: Company, MOFSL


Key takeaways from the management commentary
Royal Enfield update

- As indicated in the prior quarters, management continues to focus on absolute growth in profitability. For the same, their focus has been to provide value-added features to customers at affordable price points. They have recently launched new variants of Classic and Battalion Black with a lot of feature additions. While the increase in cost has been passed on, they have not passed on the margins on these products. The same is the case with the launch of the new Hunter, which has seen many feature additions, including assistive clutch, enhanced ride comfort, LED, a better ground clearance, USB charger, etc.
- They have seamlessly transitioned to OBD2 norms and have taken a price hike of 1.15% effective Apr'25 for the same. However, one has to remember that RE has not taken any price hike in FY25.
- RE expects volume growth to continue in FY26 as well. While rural areas continue to see positive sentiments, they are now seeing initial signs of recovery in urban regions, which would bode well for players like RE
- The average age of RE customers in FY19 was around 38-40 years. However, post COVID and post the launch of the Hunter, this has been on a downtrend as Hunter attracts a lot of young customers (avg age for Hunter consumers stands at 24-26 years). Overall, for RE, 30% of its consumers are below 25 years now and about 60-65% of customers are below 35 years age.
- Even the first-time buyer ratio for RE has increased to 19%
- Finance penetration for RE has gradually inched up to 61%
- The top 20 cities contribute to about 18-22% of RE volumes
- Capex plans for FY26 stand at INR12-13b and would be invested in EV manufacturing facility, new product development, etc.
- In exports, RE remains amongst the top 4 brands in many countries globally in the middle-weight motorcycle segment. For instance, it is No 1 in the UK, No 2 in Argentina, and No 3 in Brazil in this segment.
- The launch of the Himalayan in Brazil has received very strong customer reception in the region.
- Given the ongoing uncertainty in global markets, management remains cautiously optimistic on the export outlook.

VECV update

- VECV continued to outperform industry growth, having grown 5% in FY25 Vs flat industry growth. VECV was able to outperform industry growth due to the continuous expansion of its network pan-India.
- Given the favorable demand indicators, management expects the CV industry to grow in FY26 as well.
- VECV is now the market leader in the LMD truck segment with a 36.1% market share. Even in HD trucks, they have achieved the highest ever share at 9.1%. Similarly, their LMD truck market share stands at 37.1%.
- Its margin improvement has been a result of multiple factors like better price management, operating leverage benefits, and reduced discounts.

Valuation and view

- **RE no longer an affordable cruiser bike:** After reporting a solid 26.5% CAGR over the last couple of years, RE has now surpassed its previous peak achieved in FY18. In essence, RE has actually posted only a 1% volume CAGR since FY18. Given that RE forms almost 88% of this segment, the entire 250cc+ segment has seen a similar trend, with the industry posting just a 2% volume CAGR during the same period. The primary reason for this trend is the substantial price increase in the industry. For instance, RE bikes have seen as much as a 50% price increase over FY18-25. Thus, RE is no longer seen as an 'affordable' bike for cruiser enthusiasts, as it once was a few years ago.
- **RE faces rising competitive intensity:** Until FY23, RE was largely the sole player with negligible competition in the 350cc+ cruiser segment. However, the segment now faces significant competition after the launch of new models from the Hero-Harley tie-up and the Bajaj-Triumph tie-up in India. For the first time in its history, RE is now facing credible competition, which is likely to limit its volume growth over the coming years.
- **State-wise analysis reveals that RE has limited outperformance avenues:** Our state-wise analysis reveals that the top 12 states contribute to about 76% of RE's volumes and this has remained stable for the last four years. It is important to highlight that in as many as 19 states, RE's market share has now reached double-digit levels, and in almost 11 states, it has even surpassed the 20% mark. We, hence, believe that RE has limited avenues to materially outperform domestic industry growth from here on, as: 1) it appears to have reached a fairly high market share in key markets; 2) some of the larger motorcycle markets are yet to be upgraded to the cruiser segment; and 3) competition continues to intensify with each passing year.
- **Can the new 450cc platform be a significant growth driver? We do not think so:** RE has recently launched its Himalayan range on the all-new 450cc platform. Additionally, RE is expected to launch new variants on this platform in the coming quarters, which is currently driving positive investor sentiment. The key point to consider is whether this platform can help RE attract incremental new customers or simply provide existing RE customers with a compelling upgrade option. Our view is that the 450cc platform, with its different form factors, is unlikely to be a significant growth driver for RE going forward. If it were, RE's own 500cc platform could have already emerged as a strong upgrade option. However, the 500cc

segment has traditionally never been a volume driver for RE, and the company's sweet spot in India has consistently been in the 350cc segment.

- **Export retails improving, with wholesales gradually catching up:** RE is focusing on creating an affordable leisure biking segment in the 250-650cc range and in the USD3-7k price bracket. Globally, the size of the 250-650cc segment is ~1m annually, dominated by the sports/street biking segment. Exports from India are over 0.5m annually for the premium segment (excluding RE, over 150cc). RE is now focusing on ramping up supplies of the newly refreshed RE Himalayan to launch it in export markets. The company is focused on developing the LatAm and the Southeast Asian markets, similar to how it developed the Indian market. We estimate a 14% CAGR in export volumes over FY25-27.
- **Valuation and view:** We tweak our estimates and factor in a 10% volume CAGR for RE over FY25-27E, as management is now prioritizing growth over margins. Hence, we expect margins to remain under pressure from here on, as any benefit from an improving mix (higher spares and apparel sales) is likely to be invested by RE in demand-generation activities. This is clearly visible in the past two quarters, where volume has seen a healthy pick-up, albeit at the expense of margins. Hence, we expect RE to deliver a much slower 7% earnings CAGR over FY25-27E. Given the expected slower earnings growth, we see no reason for the stock to trade at premium valuations. **Reiterate Sell** with a TP of INR4,649 (based on FY27E SoTP). We value RE at 24x FY27E EPS and VECV at 10x EV EBITDA on FY27E.

Exhibit 7: Our revised estimates

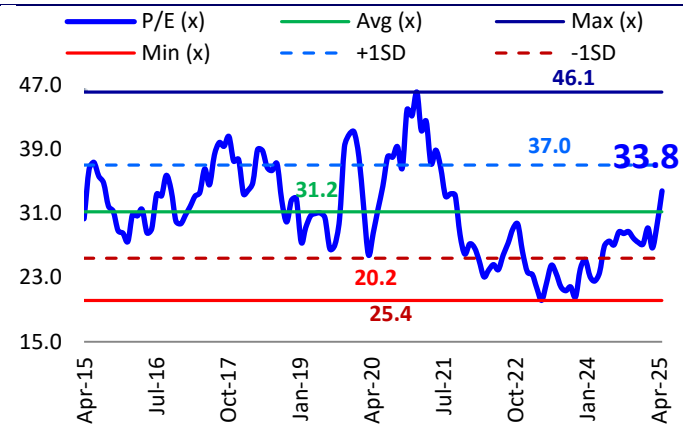
(INR m)	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Standalone (RE)						
Volumes (units)	11,04,004	11,04,005	(0.0)	12,10,564	12,10,566	(0.0)
Net Sales	2,06,681	2,06,764	(0.0)	2,32,212	2,32,305	(0.0)
EBITDA	51,622	53,436	(3.4)	58,139	59,996	(3.1)
EBITDA (%)	25.0	25.8	-90bp	25.0	25.8	-80bp
Net Profit	45,000	46,139	(2.5)	51,062	52,215	(2.2)
EPS (INR)	164	169	(2.8)	186	191	(2.5)
VECV						
Volumes (units)	96,290	96,290	-	1,02,803	1,02,803	-
Net Sales	2,59,219	2,56,741	1.0	2,81,396	2,78,706	1.0
EBITDA	21,954	21,520	2.0	23,774	23,299	2.0
EBITDA (%)	8.5	8.4	10bp	8.4	8.4	10bp
EPS (INR)	26.0	25.4	2.3	28.9	28.3	2.2
Consol EPS (INR)	175.0	179.7	(2.6)	198.8	204.3	(2.7)

Exhibit 8: SoTP valuations (FY27E based)

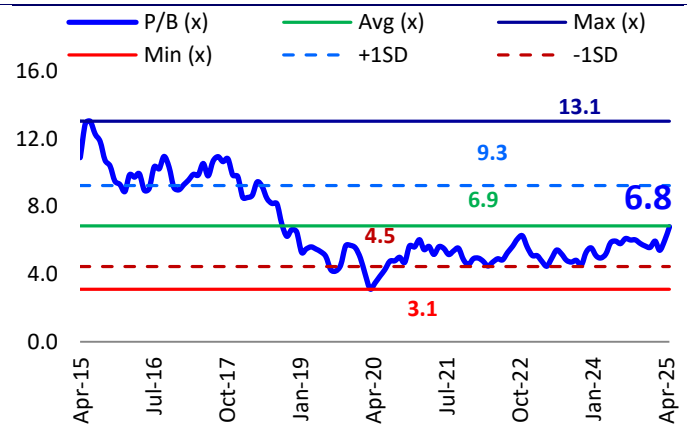
INR m	FY25	FY26E	FY27E
Royal Enfield			
PAT	40,346	40,867	46,588
Equity Value	PE @ 24x	9,80,815	11,18,111
VECV (@ 54.4% Economic interest)		10	10
EBITDA	11,043	11,943	12,933
EV	@ 10x EV/EBITDA	1,19,432	1,29,330
Net Debt	-17,511	-22,117	-27,434
Equity Value	1,27,943	1,41,549	1,56,764
Total Equity Value	10,96,254	11,22,364	12,74,876
Target Price (INR/Sh)	3,998	4,093	4,649

Source: Company, MOFSL

Exhibit 9: Valuations – P/E and P/B bands



Source: MOFSL



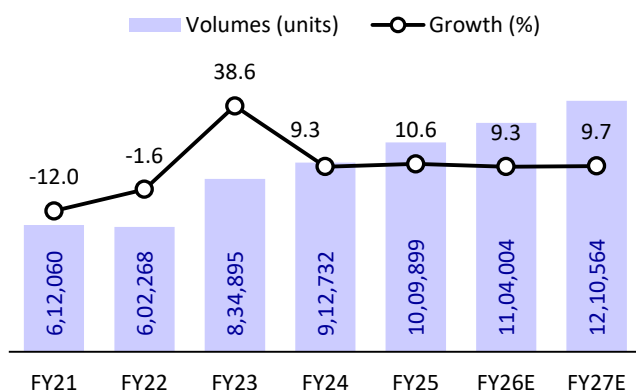
Source: MOFSL

Snapshot of Revenue Model

000 units	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
ROYAL ENFIELD (S/A)							
Total 2W (units)	612	602	835	913	1,010	1,104	1,211
Growth (%)	-12.0	-1.6	38.6	9.3	10.6	9.3	9.7
Net realn (INR'000/unit)	140	166	166	173	180	184	189
Growth (%)	8.2	18.4	0.3	4.3	3.6	2.6	2.4
RE Revenues (INR b)	86	101	141	161	185	207	232
Growth (%)	-5.1	17.4	39.0	14.3	14.8	12.0	12.4
VECV							
Dom - LMD	27	36	54	58	61	65	69
Growth (%)	-23.3	33.0	47.6	7.4	4.6	6.7	6.7
% of CV Vols	68.3	65.4	69.3	69.6	69.0	69.0	69.2
Dom - HCV	8	11	19	22	22	23	24
Growth (%)	6.0	41.3	74.0	13.5	2.4	5.0	5.0
% of CV Vols	19.2	19.5	24.4	25.9	25.1	24.8	24.4
Total Dom.	35	47	73	79	83	88	93
Growth (%)	-18.3	34.8	53.6	9.0	4.0	6.2	6.3
% of CV Vols	87.5	84.9	93.7	95.5	94.1	93.8	93.5
Exports	5	8	5	4	5	6	6
Growth (%)	10.0	67.7	-41.5	-24.6	39.2	12.3	10.4
% of CV Vols	12.5	15.1	6.3	4.5	5.9	6.2	6.5
Total CV vols	40	56	78	83	88	93	100
Growth (%)	-15.6	38.9	39.3	6.9	5.6	6.6	6.5
Net realn (INR'000/unit)	2,102	2,229	2,380	2,556	2,612	2,692	2,737
Growth (%)	20	6	7	7	2	3	2
VECV Revenues (INR b)	87	127	190	219	235	259	281
Growth (%)	1.8	46.7	48.9	15.4	7.7	10.1	8.6
Net Consol sales (INR b)	87	103	144	165	189	211	237
Growth (%)	-4.7	18.1	40.2	14.5	14.1	12.0	12.4

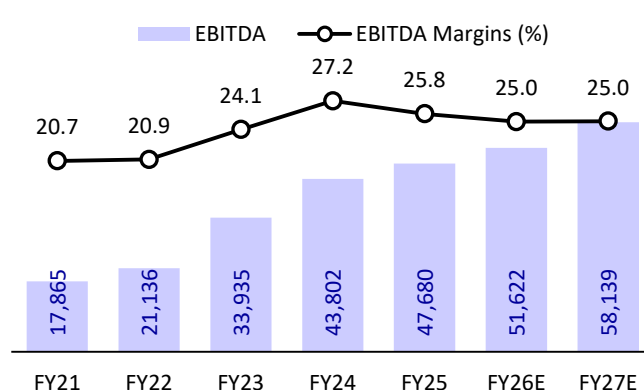
Story in charts

Exhibit 10: Volume and growth trends for RE



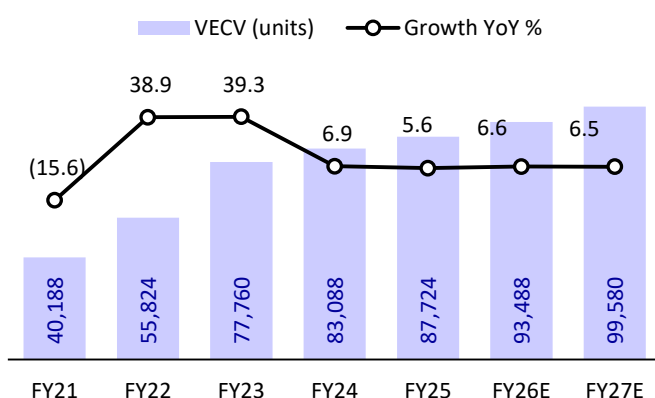
Source: Company, MOFSL

Exhibit 11: EBITDA and EBITDA margin trends for RE



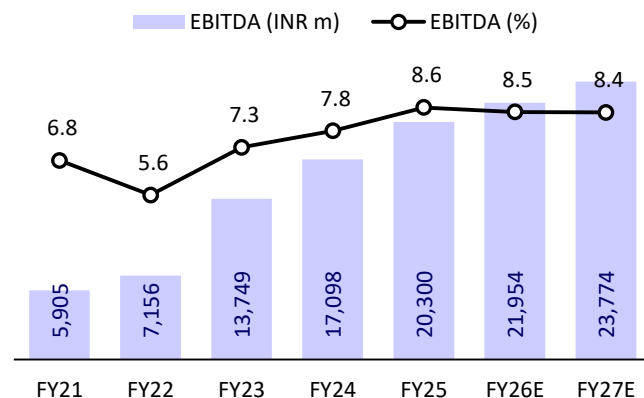
Source: Company, MOFSL

Exhibit 12: Volume growth trajectory for VECV



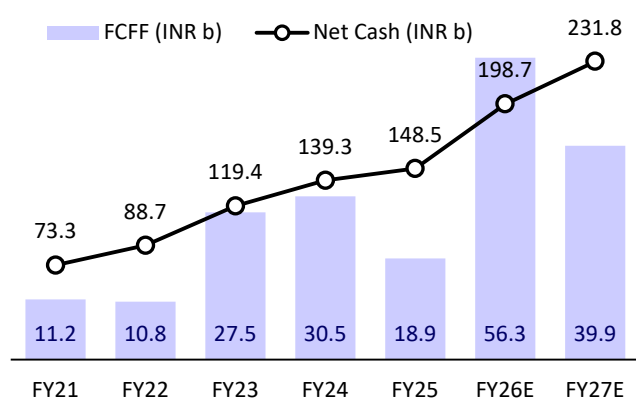
Source: Company, MOFSL

Exhibit 13: EBITDA and EBITDA margin for VECV



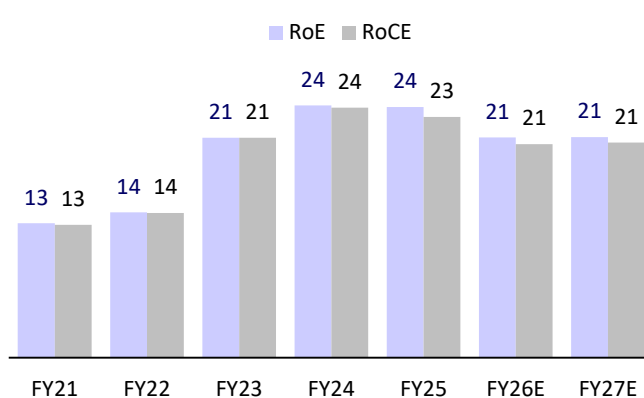
Source: Company, MOFSL

Exhibit 14: Strong FCF generation and liquidity (pro-rata)



Source: Company, MOFSL

Exhibit 15: Return ratios to stabilize



Source: Company, MOFSL

Financials and valuations

Income Statement (Consolidated)							(INR m)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Op. Income	87,204	1,02,978	1,44,422	1,65,358	1,88,704	2,11,346	2,37,451
Change (%)	-4.7	18.1	40.2	14.5	14.1	12.0	12.4
EBITDA	18,313	21,723	34,436	43,269	47,120	50,837	57,079
EBITDA Margin (%)	21.1	21.4	23.8	26.2	25.0	24.1	24.0
Depreciation	4,507	4,519	5,262	5,976	7,293	7,703	8,362
EBIT	13,805	17,203	29,174	37,293	39,827	43,134	48,717
Interest cost	165	188	280	509	543	500	450
Other Income	4,532	4,408	5,951	10,759	13,049	12,075	14,100
PBT	18,173	21,424	34,845	47,543	52,333	54,709	62,367
Tax	4,527	5,259	8,857	12,010	11,986	13,841	15,779
Effective Rate (%)	24.9	24.5	25.4	25.3	22.9	25.3	25.3
PAT	13,646	16,165	25,988	35,533	40,346	40,867	46,588
Change (%)	-24.0	18.5	60.8	36.7	13.5	1.3	14.0
Less: Minority Interest	-311	-602	-3,152	-4,477	-6,998	-7,126	-7,920
Adj. PAT	13,829	16,766	29,139	40,010	47,344	47,993	54,508
Change (%)	-24.3	21.2	73.8	37.3	18.3	1.4	13.6

Balance Sheet (Consolidated)							(INR m)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Share Capital	273	273	274	274	274	274	274
Reserves	1,14,108	1,25,807	1,49,629	1,80,182	2,12,691	2,40,941	2,72,964
Net Worth	1,14,381	1,26,080	1,49,903	1,80,455	2,12,965	2,41,215	2,73,239
Deferred Tax	2,215	2,201	2,913	4,483	4,930	4,930	4,930
Loans	1,574	588	1,957	4,194	4,581	4,123	3,711
Capital Employed	1,18,170	1,28,869	1,54,773	1,89,132	2,22,476	2,50,268	2,81,879
Application of Funds							
Gross Fixed Assets	40,904	44,234	51,415	56,868	69,752	81,752	93,752
Less: Depreciation	16,571	19,991	24,516	27,724	35,017	42,720	51,082
Net Fixed Assets	24,333	24,243	26,899	29,144	34,735	39,032	42,670
Capital WIP	3,143	5,048	4,721	5,551	4,915	4,915	4,915
- of which Goodwill	0	0	0	0	0	0	0
Investments	39,021	77,206	1,23,207	1,53,831	1,68,613	1,91,113	2,18,113
Curr.Assets, L & Adv.	79,089	55,514	37,149	42,626	63,482	70,794	78,633
Inventory	8,746	11,324	12,784	14,096	15,638	17,514	19,677
Sundry Debtors	1,582	3,020	3,689	3,738	5,496	6,156	6,916
Cash & Bank Balances	58,304	27,225	8,571	1,072	2,190	2,148	1,507
Loans & Advances	4,592	6,768	5,889	5,160	4,900	5,488	6,166
Others	5,866	7,177	6,215	18,560	35,258	39,489	44,366
Current Liab. & Prov.	27,416	33,141	37,204	42,019	49,268	55,585	62,451
Sundry Creditors	15,358	17,881	18,104	20,901	25,298	28,333	31,833
Other Liabilities	10,930	13,362	16,520	18,372	20,794	23,289	26,165
Provisions	1,128	1,898	2,579	2,746	3,177	3,964	4,453
Net Current Assets	51,673	22,373	-54	607	14,213	15,209	16,182
Application of Funds	1,18,170	1,28,869	1,54,772	1,89,133	2,22,476	2,50,268	2,81,879

E: MOFSL Estimates

Financials and valuations

Ratios (Consolidated)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)							
EPS	50.7	61.3	106.5	146.3	172.7	175.0	198.8
EPS Growth (%)	-24.3	21.1	73.7	37.3	18.0	1.4	13.6
Book Value per Share	419	461	548	660	777	880	996
DPS	17.0	21.0	37.0	51.0	70.0	72.0	82.0
Payout (Incl. Div. Tax) %	33.6	34.2	34.7	34.9	40.5	41.1	41.3
Valuation (x)							
P/E	107.5	88.8	51.1	37.2	31.5	31.1	27.4
EV/EBITDA	67.1	56.0	33.1	25.4	22.9	20.4	17.8
EV/Sales	10.6	8.2	5.6	4.8	4.3	3.7	3.3
Price to Book Value	13.0	11.8	9.9	8.3	7.0	6.2	5.5
Dividend Yield (%)	0.3	0.4	0.7	0.9	1.3	1.3	1.5
Profitability Ratios (%)							
RoE	12.9	13.9	21.1	24.2	24.1	21.1	21.2
RoCE	12.8	13.9	21.1	24.1	23.1	20.5	20.6
RoIC	67.6	72.4	128.0	98.0	95.7	76.0	77.3
Turnover Ratios							
Debtors (Days)	7	11	9	8	11	11	11
Inventory (Days)	37	40	32	31	30	30	30
Creditors (Days)	64	63	46	46	49	49	49
Working Capital (Days)	-21	-13	-4	-7	-8	-8	-8
Asset Turnover (x)	0.7	0.8	0.9	0.9	0.8	0.8	0.8
Leverage Ratio							
Net Debt/Equity (x)	-0.7	-0.7	-0.7	-0.6	-0.7	-0.7	-0.8

Cash Flow Statement (Consolidated)

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Profit before Tax	17,984	22,025	37,996	52,020	59,331	61,834	70,286
Depreciation	4,507	4,519	5,262	5,976	7,293	7,703	8,362
Direct Taxes Paid	-4,566	-5,136	-7,703	-10,678	-10,802	-13,841	-15,779
(Inc)/Dec in Working Capital	2,578	-1,503	657	3,880	2,110	500	576
Interest/Div. Received	-3,103	-2,440	-1,765	-2,037	-3,173	-6,075	-8,100
Other Items	-265	-2,195	-6,221	-11,924	-14,960	-1,037	-1,739
CF from Oper. Activity	17,136	15,270	28,227	37,237	39,799	49,084	53,606
(Inc)/Dec in FA+CWIP	-5,375	-6,387	-6,737	-8,144	-10,285	-12,000	-12,000
Free Cash Flow	11,760	8,883	21,490	29,094	29,515	37,084	41,606
(Pur)/Sale of Invest.	-11,104	-3,446	-17,231	-20,196	-14,322	-16,425	-18,900
CF from Inv. Activity	-16,479	-9,833	-23,968	-28,339	-24,607	-28,425	-30,900
Issue of Shares	384	65	112	466	869	0	0
Inc/(Dec) in Debt	130	-1,046	440	64	-50	-458	-412
Interest Paid	-91	-142	-134	-250	-245	-500	-450
Dividends Paid	0	-4,647	-5,742	-10,129	-13,975	-19,742	-22,484
CF from Fin. Activity	-148	-5,934	-4,174	-8,444	-13,987	-20,701	-23,347
Inc/(Dec) in Cash	509	-496	84	454	1,206	-42	-641
Add: Beginning Balance	432	941	445	530	984	2,190	2,148
Closing Balance	941	445	530	984	2,190	2,148	1,507

E: MOFSL Estimates

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