

# Samvardhana Motherson

Estimate changes



TP change



Rating change



| Bloomberg             | MOTHERSO IN   |
|-----------------------|---------------|
| Equity Shares (m)     | 7036          |
| M.Cap.(INRb)/(USDb)   | 1070.1 / 12.5 |
| 52-Week Range (INR)   | 217 / 107     |
| 1, 6, 12 Rel. Per (%) | 10/-9/-6      |
| 12M Avg Val (INR M)   | 3479          |

## Financials & Valuations (INR b)

| Y/E March         | 2025  | 2026E | 2027E |
|-------------------|-------|-------|-------|
| Sales             | 1,137 | 1,201 | 1,302 |
| EBITDA            | 105.5 | 111.4 | 129.1 |
| Adj. PAT          | 38.0  | 40.9  | 52.2  |
| EPS (Rs)          | 5.3   | 5.8   | 7.3   |
| EPS Growth (%)    | 44.3  | 7.6   | 27.6  |
| BV/Share (Rs)     | 49.0  | 53.0  | 58.2  |
| <b>Ratios</b>     |       |       |       |
| Net D:E           | 0.0   | -0.1  | -0.2  |
| RoE (%)           | 12.5  | 11.3  | 13.2  |
| RoCE (%)          | 10.9  | 9.7   | 11.0  |
| Payout (%)        | 30.0  | 30.0  | 30.0  |
| <b>Valuations</b> |       |       |       |
| P/E (x)           | 28.5  | 26.5  | 20.7  |
| P/BV (x)          | 3.1   | 2.9   | 2.6   |
| Div. Yield (%)    | 1.1   | 1.1   | 1.4   |
| FCF Yield (%)     | 1.7   | 8.7   | 6.4   |

## Shareholding pattern (%)

| As On    | Mar-25 | Dec-24 | Mar-24 |
|----------|--------|--------|--------|
| Promoter | 58.1   | 58.1   | 60.4   |
| DII      | 21.0   | 19.3   | 18.3   |
| FII      | 12.4   | 14.3   | 12.4   |
| Others   | 8.4    | 8.3    | 8.9    |

FII Includes depository receipts

**CMP: INR152**
**TP: INR175 (+15%)**
**Buy**

## Stable performance amid adverse macro

**Next five-year revenue aspiration stands at USD108b!**

- SAMIL's 4QFY25 EBITDA margin at 9% was below our estimate of 10% even as PAT came in line with estimates, largely due to a lower tax rate. Organic growth was flat YoY and margins were impacted by tariff-led uncertainties in many regions and start-up costs for greenfields in non-auto.
- Management has alluded to its next five-year revenue growth target of a whopping USD108b (from current USD25.7b). We expect SAMIL to continue to outperform global automobile sales, fueled by rising premiumization and EV transition, a robust order backlog in autos and non-autos, and successful integration of recent acquisitions. While the ongoing tariff issue may lead to some near-term slowdown in some of its key geographies, we expect SAMIL to be the least impacted by these tariffs as it has all its facilities close to its customers. Given the long-term growth opportunities, we reiterate our BUY rating with a TP of INR175, based on 24x FY27E EPS.

## Stable performance amid adverse macro

- 4Q operational performance was below our estimates even as PAT came in line with estimates, largely due to a lower tax rate.
- Wiring harness business** grew 5% YoY to INR85.9b (est. INR80.7b) and EBITDA margins improved 130bp YoY to 12.4%.
- Modules & Polymer business** revenue grew 12% YoY to INR153.6b (est. INR152.8b) and EBITDA margins declined 430bp YoY to 6.5% (est. 10.9%). Bulk of this growth was led by acquisitions done last year. Core growth was muted as global OEMs were looking to realign their supply chain given the ongoing tariff-led uncertainty in many regions, which in turn impacted margins.
- Vision system business** revenue declined 1% YoY to INR49.7b (est. INR49.6b) and EBITDA margins declined 90bp YoY to 12% (est. 12%).
- Integrated assemblies business** revenue remained flat YoY at INR24b. Margins declined 220bp YoY in this division to 10.6% (est. 13.7%). Three Greenfield plants are being set up in emerging markets (China and Mexico) to support new and existing customers.
- Emerging business** grew 41% YoY to ~INR32.3b (est INR28.6b). However, EBITDA margins declined 500bp YoY to 12.1%. This was impacted by the addition of AD Industries, which is recovering from losses, and the ramp-up of new facilities in the Aerospace and Consumer Electronics division.
- Overall, adjusted PAT grew 9% YoY to INR10b and was in line with our estimate.
- For FY25, revenue grew 15% YoY to INR1,137b. While organic growth was 8%, the balance was led by integration of acquisitions done in FY24.
- EBITDA margin remained stable YoY at 9.3%.
- Overall, PAT grew 51% YoY to INR38b.
- SAMIL delivered FCF of INR18.5b post capex of INR44.3b in FY25.

### Highlights from the management commentary

- Management has indicated its next five-year growth aspiration – to achieve USD108b in revenue (from current USD25.7b).
- SAMIL outpaced industry growth by 15% in FY25, driven by content growth and M&A.
- Management has earmarked a capex of INR60b for FY26, of which 50% would be for organic growth and the balance for maintenance. Almost 70% of the organic growth capex would be invested in non-auto business.
- Management has indicated that the majority of its components are USMCA-compliant and hence it does not see any material financial impact due to the ongoing tariff headwinds.
- In response to the increasing complexity in the global automotive supply chain, regulatory shifts, and broader market volatility, SAMIL has announced a strategic cost optimization initiative aimed at enhancing operational efficiency across its European operations. The measures aim to reduce a cost block of EUR50m per annum once fully implemented over the next three years.

### Valuation and view

- Management has alluded to its next five-year revenue growth aspiration, which now stands at a whopping USD108b. We expect SAMIL to continue to outperform global automobile sales, fueled by rising premiumization and EV transition, a robust order backlog in autos and non-autos, and successful integration of recent acquisitions. While the ongoing tariff issue may lead to some near-term slowdown in some of its key geographies, we expect SAMIL to be the least impacted by these tariffs as it has all its facilities close to its customers and can effectively realign supplies as per customer needs. Further, this is likely to lead to industry consolidation, with players like MOTHERSO likely to emerge as key beneficiaries in the long run. Given the long-term growth opportunities, we reiterate our BUY rating with a revised TP of INR175, based on 24x FY27E EPS.

| Y/E March                    | Quarterly performance (Consol.) |                 |                 |                 |                 |                 |                 |                 | (INR m)         |                  |                 |              |
|------------------------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|--------------|
|                              | FY24                            |                 |                 |                 | FY25            |                 |                 |                 | FY24            | FY25             | var. (%)        |              |
|                              | 1Q                              | 2Q              | 3Q              | 4Q              | 1Q              | 2Q              | 3Q              | 4Q              |                 | 4QE              |                 |              |
| <b>Net Sales</b>             | <b>2,24,622</b>                 | <b>2,35,275</b> | <b>2,56,439</b> | <b>2,68,612</b> | <b>2,88,680</b> | <b>2,78,119</b> | <b>2,76,659</b> | <b>2,93,168</b> | <b>9,84,947</b> | <b>11,36,626</b> | <b>2,88,595</b> | <b>-4.1</b>  |
| YoY Change (%)               | 27.2                            | 28.8            | 26.5            | 19.3            | 28.5            | 18.2            | 7.9             | 9.1             | 25.0            | 15.4             | 7.4             |              |
| <b>EBITDA</b>                | <b>19,246</b>                   | <b>19,878</b>   | <b>23,159</b>   | <b>26,686</b>   | <b>27,753</b>   | <b>24,479</b>   | <b>26,858</b>   | <b>26,429</b>   | <b>90,206</b>   | <b>1,05,519</b>  | <b>28,914</b>   | <b>-7.1</b>  |
| Margins (%)                  | 8.6                             | 8.4             | 9.0             | 9.9             | 9.6             | 8.8             | 9.7             | 9.0             | 9.2             | 9.3              | 10.0            |              |
| Depreciation                 | 8,389                           | 8,674           | 10,164          | 10,878          | 10,646          | 11,028          | 11,124          | 12,137          | 38,105          | 44,934           | 11,577          |              |
| Interest                     | 2,526                           | 4,879           | 6,203           | 4,504           | 4,445           | 5,462           | 4,661           | 4,256           | 18,112          | 18,824           | 4,334           |              |
| Other income                 | 529                             | 664             | 1,084           | 836             | 709             | 862             | 1,112           | 1,164           | 1,876           | 5,577            | 843             |              |
| <b>PBT before EO expense</b> | <b>8,860</b>                    | <b>6,989</b>    | <b>7,877</b>    | <b>12,140</b>   | <b>13,371</b>   | <b>8,852</b>    | <b>12,185</b>   | <b>11,200</b>   | <b>35,865</b>   | <b>47,338</b>    | <b>13,846</b>   | <b>-12.0</b> |
| Extra-Ord expense            | 0                               | 2,494           | 9               | -4,974          | 0               | -1,730          | 0               | 1,730           | -2,472          | 0                | 0               |              |
| <b>PBT after EO Expense</b>  | <b>8,860</b>                    | <b>4,495</b>    | <b>7,868</b>    | <b>17,114</b>   | <b>13,371</b>   | <b>10,582</b>   | <b>12,185</b>   | <b>9,470</b>    | <b>38,336</b>   | <b>47,338</b>    | <b>13,846</b>   |              |
| Tax Rate (%)                 | 29.5                            | 32.8            | 27.6            | 28.3            | 26.0            | 33.2            | 27.7            | 12.2            | 29.3            | 23.6             | 28.2            |              |
| Min. Int & Share of profit   | 241                             | 188             | 272             | -43             | -51             | -1,152          | 26              | -672            | 658             | -1,848           | 76              |              |
| <b>Reported PAT</b>          | <b>6,009</b>                    | <b>2,016</b>    | <b>5,420</b>    | <b>13,718</b>   | <b>9,942</b>    | <b>8,797</b>    | <b>8,786</b>    | <b>8,775</b>    | <b>27,162</b>   | <b>38,030</b>    | <b>9,864</b>    |              |
| Adj PAT                      | 6,009                           | 4,510           | 5,420           | 9,170           | 9,942           | 7,470           | 8,790           | 10,030          | 25,108          | 38,030           | 9,864           | -10.9        |
| YoY Change (%)               | 325.5                           | 43.2            | 19.2            | 45.6            | 65.5            | 65.7            | 62.2            | 9.4             | 65.6            | 51.5             | 7.6             |              |

E: MOFSL Estimates

| Y/E March                               | Key Performance Indicators |                 |                 |                 |                 |                 |                 |                 | (INR m)         |                  |                 |
|---|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|
|   | FY24                       |                 |                 |                 | FY25            |                 |                 |                 | FY24            | FY25             |                 |
|   | 1Q                         | 2Q              | 3Q              | 4Q              | 1Q              | 2Q              | 3Q              | 4Q              |                 | 4QE              |                 |
| <b>Business Wise Revenues (INR m)</b>   |                            |                 |                 |                 |                 |                 |                 |                 |                 |                  |                 |
| Wiring harness                          | 76,390                     | 77,910          | 79,160          | 81,680          | 83,260          | 81,110          | 78,290          | 85,940          | 3,15,140        | 3,28,610         | 80,765          |
| Modules & Polymer products              | 1,19,780                   | 1,14,910        | 1,27,540        | 1,36,890        | 1,51,930        | 1,46,400        | 1,46,140        | 1,53,590        | 4,99,120        | 5,98,060         | 1,52,826        |
| Vision systems                          | 46,150                     | 46,890          | 48,070          | 50,380          | 49,970          | 48,070          | 47,290          | 49,720          | 1,91,490        | 1,95,060         | 49,615          |
| Integrated assemblies                   |                            | 16,510          | 25,920          | 23,840          | 25,230          | 25,280          | 26,600          | 23,980          | 66,270          | 1,01,090         | 27,959          |
| Emerging businesses                     | 18,210                     | 20,260          | 19,590          | 22,840          | 25,910          | 29,050          | 26,930          | 32,280          | 80,900          | 1,14,180         | 28,561          |
| Less: Inter-segment                     | 7,130                      | 7,780           | 8,400           | 11,700          | 12,330          | 12,070          | 9,910           | 13,200          | 35,010          | 47,550           | 11,302          |
| Less: Revenues of<br>Associates/JVs     |                            |                 |                 |                 |                 |                 |                 |                 |                 |                  |                 |
| Net Revenues                            | 28,780                     | 33,430          | 35,440          | 35,310          | 35,290          | 39,720          | 38,680          | 39,140          | 1,32,960        | 1,52,830         | 39,832          |
| <b>Net Revenues</b>                     | <b>2,24,620</b>            | <b>2,35,270</b> | <b>2,56,440</b> | <b>2,68,620</b> | <b>2,88,680</b> | <b>2,78,120</b> | <b>2,76,660</b> | <b>2,93,170</b> | <b>9,84,950</b> | <b>11,36,620</b> | <b>2,88,593</b> |
| <b>Business Wise PBITDA Margins (%)</b> |                            |                 |                 |                 |                 |                 |                 |                 |                 |                  |                 |
| Wiring harness                          | 10.2                       | 10.6            | 10.8            | 11.1            | 11.7            | 11.2            | 11.8            | 12.4            | 10.7            | 11.8             | 11.8            |
| Modules & Polymer products              | 7.5                        | 7.1             | 8.8             | 10.8            | 8.7             | 7.4             | 8.0             | 6.5             | 8.6             | 7.7              | 10.9            |
| Vision systems                          | 9.4                        | 9.2             | 9.7             | 12.9            | 9.5             | 9.2             | 9.2             | 12.0            | 10.3            | 10.0             | 12.0            |
| Integrated assemblies                   |                            | 10.0            | 12.4            | 12.8            | 10.1            | 11.9            | 13.3            | 10.6            | 12.0            | 11.5             | 13.7            |
| Emerging businesses                     | 11.2                       | 12.4            | 12.8            | 17.1            | 12.2            | 13.3            | 13.4            | 12.1            | 13.5            | 12.7             | 16.9            |
| <b>Consol EBITDA Margins (%)</b>        | <b>8.6</b>                 | <b>8.5</b>      | <b>9.3</b>      | <b>11.1</b>     | <b>9.6</b>      | <b>8.8</b>      | <b>9.7</b>      | <b>9.0</b>      | <b>9.5</b>      | <b>9.6</b>       | <b>10.0</b>     |

Note: Segmental EBITD margins include part of other income; E: MOFSL Estimates



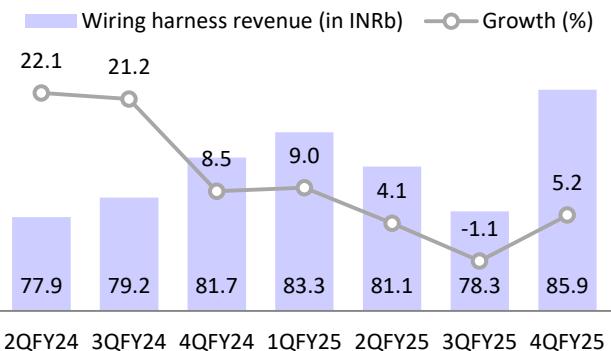
## Highlights from the management commentary

- Management has indicated its next five-year growth aspiration – to achieve USD108b in revenue (from current USD25.7b).
- SAMIL has outpaced industry growth by 15% in FY25, driven by content growth and M&A. In FY25, revenue from assets acquired post FY24 stood at INR85.7b. It delivered 8% organic growth in FY25.
- Revenue from aerospace division surged 5x in FY25 to INR17.5b and is poised for stronger growth going ahead as it is now a Tier 1 supplier for Airbus. Its booked business in this segment stands at USD1.3b.
- In the Consumer Electronics division, of the capex committed of INR26b, it has invested INR10b in FY25 and expects to invest bulk of the balance in FY26. Its first pilot plant has become operational in Nov'24 in record time and has been well received by customers. The second plant is expected to be operational in a couple of months. The large mother plant will be operational from mid-FY27, when a sizeable ramp-up of this business is expected.
- The Vision systems vertical has made critical inroads in the supply camera monitoring system in CVs.
- At Yachio, the company has started supplying to customers apart from Honda. It would not look to supply to German and North American OEMs in the coming years. Even the fuel tank business of Yachio is seeing a resurgence in demand given a sharp demand uptick globally for hybrids.
- 14 greenfields are in various stages of development, of which nine are expected to come on stream in FY26.
- Management has earmarked a capex guidance of INR60b for FY26, of which 50% would be for organic growth and balance for maintenance. Almost 70% of the organic growth capex would be invested in non-auto business.
- Working capital increased in 4Q due to higher inventory and receivables led by pre-buying and build-up of safety stock in anticipation of evolving trade dynamics.

- Net Debt to EBITDA stands at 0.9x. Effective net debt reduced to INR97.9b, with Net Debt / Equity at 0.9x.
- Management has indicated that majority of its components are USMCA compliant and hence it does not see any material financial impact due to the ongoing tariff headwinds. Also, given that most of its facilities are close to customers, it does not have material direct impact from the same.
- SAMIL is investing in setting up printed board assembly (PCBA) lines for automotive application in India, as means for backward integration. It has indicated that it already have 15 lines operational globally and has expertise of the same. It would also look to explore such opportunities in the non-auto space going forward.
- In response to the increasing complexity in the global automotive supply chain, regulatory shifts, and broader market volatility, SAMIL has announced a strategic cost optimization initiative aimed at enhancing operational efficiency across its European operations. These measures aim to reduce a cost block of EUR50m per annum once fully implemented over the next three years.
- It has taken an enabling resolution to raise debt of up to INR85b.

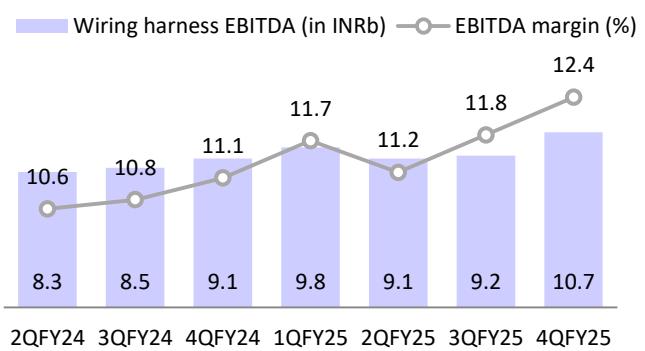
## Key exhibits

### Exhibit 1: Trends in wiring harness revenue and growth



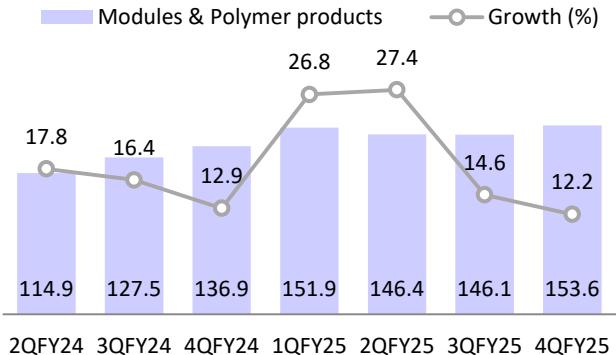
Source: Company, MOFSL

### Exhibit 2: Wiring harness EBITDA and EBITDA margin



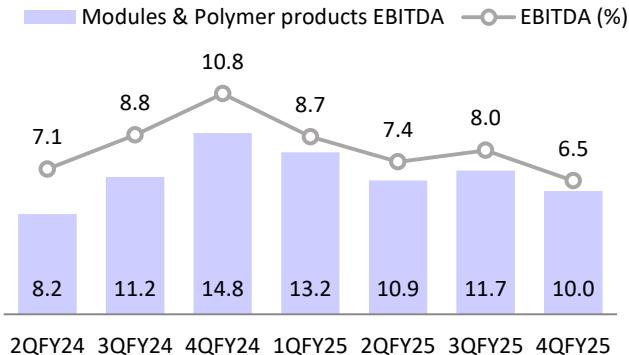
Source: Company, MOFSL

### Exhibit 3: Trend in modules and polymer products revenues



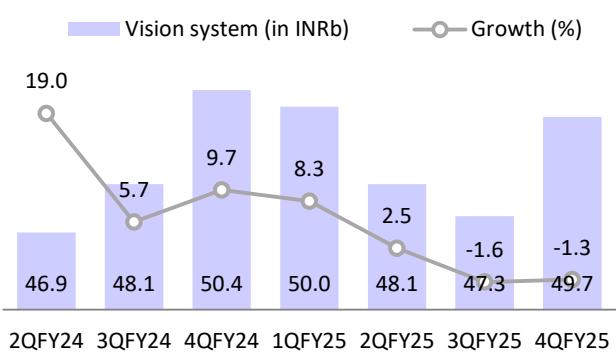
Source: Revenues in INRb, Company, MOFSL

### Exhibit 4: Modules and polymer products EBITDA margin



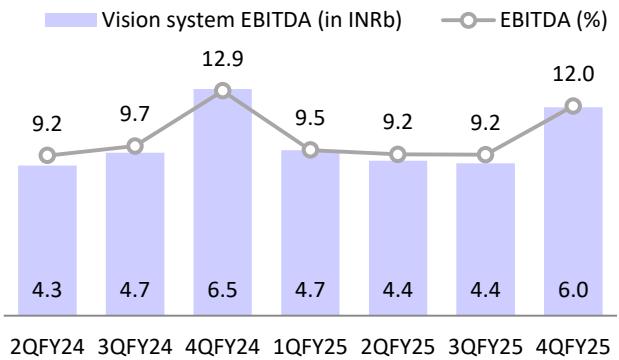
Source: EBITDA in INRb, Company, MOFSL

### Exhibit 5: Trend in vision systems revenues



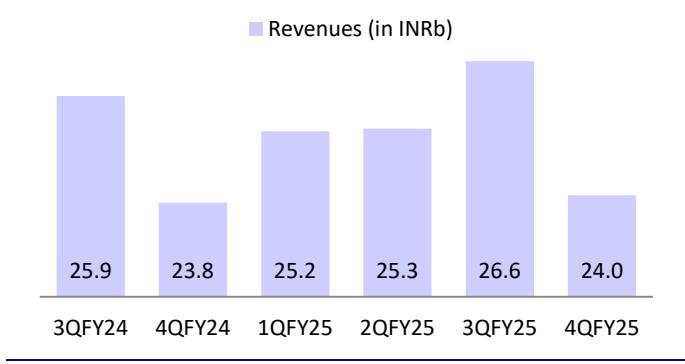
Source: Company, MOFSL

### Exhibit 6: Vision systems EBITDA margin



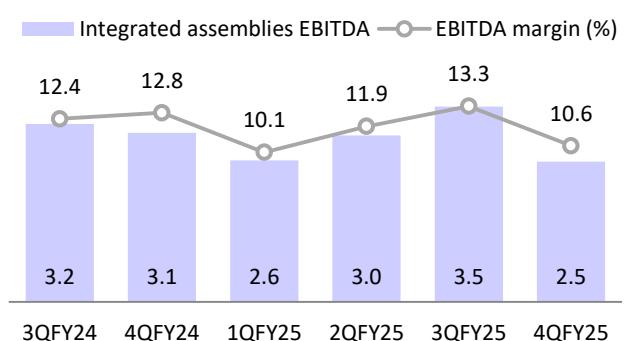
Source: Company, MOFSL

**Exhibit 7: Trend in integrated assemblies revenue**



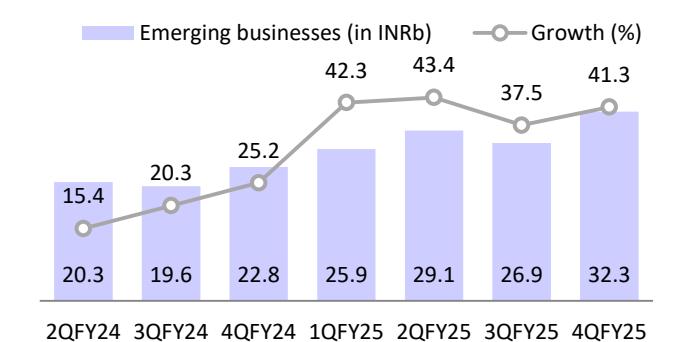
Source: Company, MOFSL

**Exhibit 8: Integrated assemblies EBITDA margin**



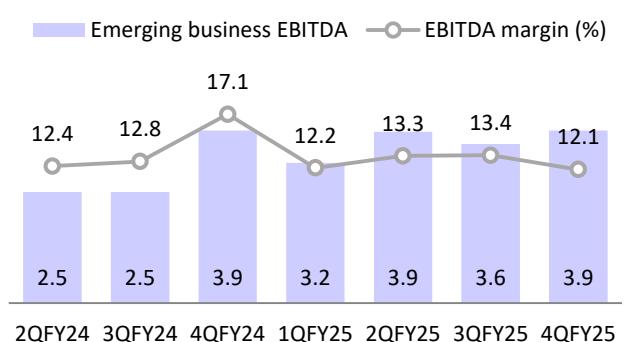
Source: EBITDA in INRb, Company, MOFSL

**Exhibit 9: Trend in emerging businesses revenue**



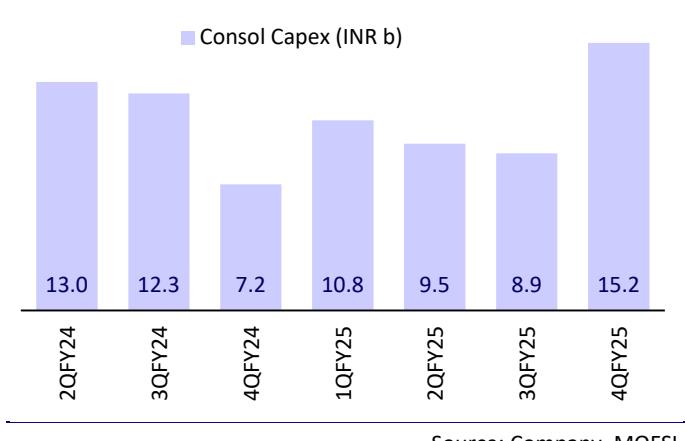
Source: Company, MOFSL

**Exhibit 10: Emerging businesses EBITDA margin**



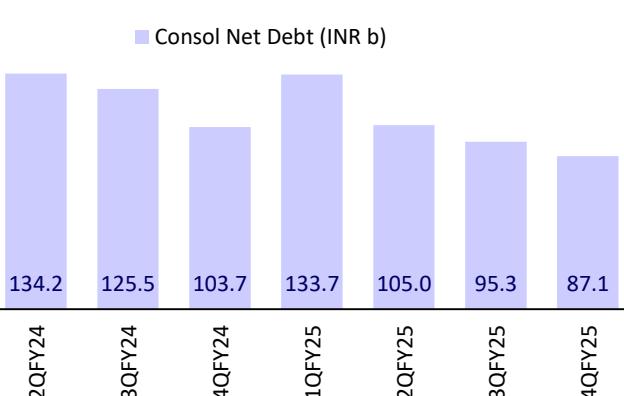
Source: EBITDA in INR b, Company, MOFSL

**Exhibit 11: Trend in Capex (INR b)**



Source: Company, MOFSL

**Exhibit 12: Trend in Net Debt (excl. lease liabilities, INR b)**



Source: Company, MOFSL

## Valuation and view

- **Well-diversified business model:** Over the years, MOTHERSO has developed a well-diversified business model that focuses on its principle of 3CX10 (vs. 3CX15 earlier) – this implies no country, customer, or client should account for more than 10% of its revenue. This has helped the company achieve steady growth regardless of the end-market demand environment (achieved 9% revenue CAGR vs. 3% compounded volume decline in the global auto industry over the last five years). It is among the top 3 players globally for exterior rear-view mirrors, a market leader in PV wiring harness in India, and a major player in wiring harness for CVs in North America and Europe. Additionally, the company is a critical supplier of polymer parts to luxury OEMs worldwide, one of the leading lighting suppliers in India, and one of the largest shock absorber exporters from India.
- **To be a key beneficiary of the evolving megatrends in Autos:** MOTHERSO is emerging as one of the major beneficiaries of the rising premiumization trend and EV transition, which in turn should drive higher content going forward. Following are some of the indicators of increasing content per vehicle for MOTHERSO: when transitioning to sedans and SUVs, content surges 1.4-1.5x for wiring harnesses, 1.4-1.7x for bumpers, 1.2-2.5x for door panels, and 1.7-3.0x for rear-view mirrors. Similarly, transitioning from ICE to EVs results in a 2.4x increase in the content for 4W wiring harnesses, an 8x increase for 2W wiring harnesses, a 1.5x increase for bumpers, a 3.3x increase for door panels, and a 1.4x increase for mirrors. These favorable trends have led to a notable ramp-up in its order book.
- **Closure of recent acquisitions provides huge growth opportunities:** Taking advantage of the global macro headwinds and at the customer's behest, MOTHERSO has acquired 15 entities since Sep'22, whose combined pro forma net revenue stood at USD2.8b. Apart from this, these entities offer multiple synergy benefits, which include the company's entry into the Japanese supplier network (Yachio + Ichikoh), evolution as a cockpit assembler (SAS), complimentary new segment addition (Yachio + Dr. Schneider), and strong opportunities in aerospace and medical equipment (Cirma, AD Industries, Irillic, and SMAST). These acquisitions provide MOTHERSO with significant growth opportunities in the long run, in our view.
- **Aggressive targets indicate ambitions; disciplined approach has been the key:** MOTHERSO has a track record of setting ambitious five-year targets since 2000. Its 2025 targets include revenue of USD36b, RoCE and dividend payout of 40%, and 3CX10. While most of its targets until 2015 have been achieved, it missed its 2020 target by a margin and is likely to miss its target even in 2025. However, management has always refrained from acquiring entities solely to meet its targets, as was evident immediately after Covid. Thus, while its aggressive targets highlight management's growth aspirations, its disciplined approach would help generate long-term shareholder returns, in our view. The same can also be highlighted by the fact that it has acquired 15 entities since Sep'22, after patiently waiting throughout the entire Covid period for the right opportunity.
- **Valuation and view:** Management has alluded to its next five-year revenue growth aspiration, which now stands at a whopping USD108b. We expect SAMIL to continue to outperform global automobile sales, fueled by rising

premiumization and EV transition, a robust order backlog in autos and non-autos, and successful integration of recent acquisitions. While the ongoing tariff issue may lead to some near-term slowdown in some of its key geographies, we expect SAMIL to be the least impacted by these tariffs as it has all its facilities close to its customers and can effectively realign supplies as per customer needs. Further, this is likely to lead to industry consolidation, with players like MOTHERSO likely to emerge as key beneficiaries in the long run. Given the long-term growth opportunities, we reiterate our BUY rating with a revised TP of INR175, based on 24x FY27E EPS.

**Exhibit 13: Our revised estimates (consolidated)**

| (INR M)    | FY26E     |           |         | FY27E     |           |         |
|------------|-----------|-----------|---------|-----------|-----------|---------|
|            | Rev       | Old       | Chg (%) | Rev       | Old       | Chg (%) |
| Net Sales  | 12,01,381 | 11,99,976 | 0.1     | 13,02,181 | 12,94,046 | 0.6     |
| EBITDA     | 1,11,435  | 1,16,780  | -4.6    | 1,29,055  | 1,29,299  | -0.2    |
| EBITDA (%) | 9.3       | 9.7       | -50bp   | 9.9       | 10.0      | -10bp   |
| Adj. PAT   | 40,913    | 41,445    | -1.3    | 52,204    | 49,038    | 6.5     |
| EPS (INR)  | 5.8       | 5.8       | -1.3    | 7.3       | 6.9       | 6.5     |

Source: Company, MOFSL

## Financials and valuations

| Consolidated - Income Statement     |                 |                 |                 |                 |                 |                  |                  | (INR M)          |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| Y/E March                           | FY20            | FY21            | FY22            | FY23            | FY24            | FY25             | FY26E            | FY27E            |
| <b>Total Income from Operations</b> | <b>6,07,290</b> | <b>5,82,250</b> | <b>6,37,740</b> | <b>7,87,881</b> | <b>9,84,947</b> | <b>11,36,626</b> | <b>12,01,381</b> | <b>13,02,181</b> |
| Change (%)                          | -4.4            | -4.1            | 9.5             | 23.5            | 25.0            | 15.4             | 5.7              | 8.4              |
| <b>EBITDA</b>                       | <b>46,542</b>   | <b>46,880</b>   | <b>46,994</b>   | <b>62,362</b>   | <b>90,206</b>   | <b>1,05,519</b>  | <b>1,11,435</b>  | <b>1,29,055</b>  |
| Margin (%)                          | 7.7             | 8.1             | 7.4             | 7.9             | 9.2             | 9.3              | 9.3              | 9.9              |
| Depreciation                        | 27,210          | 30,260          | 29,582          | 31,358          | 38,105          | 44,934           | 50,234           | 55,274           |
| <b>EBIT</b>                         | <b>19,332</b>   | <b>16,620</b>   | <b>17,412</b>   | <b>31,003</b>   | <b>52,101</b>   | <b>60,585</b>    | <b>61,201</b>    | <b>73,781</b>    |
| Interest Charges                    | 5,928           | 5,426           | 7,809           | 18,112          | 18,824          | 13,460           | 10,755           |                  |
| <b>PBT bef. EO Exp.</b>             | <b>15,649</b>   | <b>16,620</b>   | <b>14,562</b>   | <b>24,890</b>   | <b>35,865</b>   | <b>47,338</b>    | <b>53,876</b>    | <b>69,774</b>    |
| Tax Rate (%)                        | 44.0            | 33.6            | 43.1            | 29.6            | 27.4            | 23.6             | 27.0             | 27.0             |
| MI and Income from associates       | 669             | 440             | -290            | 2,178           | 658             | -1,848           | -1,584           | -1,269           |
| <b>Reported PAT</b>                 | <b>8,099</b>    | <b>10,590</b>   | <b>8,304</b>    | <b>15,306</b>   | <b>27,162</b>   | <b>38,030</b>    | <b>40,913</b>    | <b>52,204</b>    |
| <b>Adjusted PAT</b>                 | <b>8,099</b>    | <b>10,590</b>   | <b>8,237</b>    | <b>15,344</b>   | <b>25,108</b>   | <b>38,030</b>    | <b>40,913</b>    | <b>52,204</b>    |
| Change (%)                          | -49.8           | 30.8            | -22.2           | 86.3            | 63.6            | 51.5             | 7.6              | 27.6             |

| Consolidated - Balance Sheet        |                 |                 |                 |                 |                 |                 |                 | (INR M)         |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Y/E March                           | FY20            | FY21            | FY22            | FY23            | FY24            | FY25            | FY26E           | FY27E           |
| Equity Share Capital                | 3,158           | 4,518           | 4,518           | 6,776           | 6,776           | 7,115           | 7,115           | 7,115           |
| Total Reserves                      | 81,394          | 1,21,088        | 2,01,365        | 2,17,739        | 2,54,773        | 3,41,688        | 3,70,327        | 4,06,870        |
| <b>Net Worth</b>                    | <b>1,12,609</b> | <b>1,25,606</b> | <b>2,05,882</b> | <b>2,24,515</b> | <b>2,61,549</b> | <b>3,48,804</b> | <b>3,77,443</b> | <b>4,13,986</b> |
| Minority Interest                   | 35,650          | 40,233          | 17,763          | 19,254          | 20,606          | 22,482          | 26,252          | 30,586          |
| Total Loans                         | 1,19,651        | 1,07,580        | 1,27,609        | 1,21,657        | 1,73,513        | 1,46,437        | 1,39,937        | 1,28,937        |
| Deferred Tax Liabilities            | -5,030          | -10,224         | -11,486         | -13,645         | -20,746         | -24,413         | -24,413         | -24,413         |
| <b>Capital Employed</b>             | <b>2,62,881</b> | <b>2,63,195</b> | <b>3,39,768</b> | <b>3,51,781</b> | <b>4,34,922</b> | <b>4,93,309</b> | <b>5,19,217</b> | <b>5,49,095</b> |
| <b>Net Fixed Assets</b>             | <b>1,39,871</b> | <b>1,92,782</b> | <b>1,75,128</b> | <b>1,88,750</b> | <b>2,37,877</b> | <b>2,59,358</b> | <b>2,69,124</b> | <b>2,68,849</b> |
| Goodwill                            | 24,060          | 24,718          | 33,743          | 37,726          | 57,501          | 65,540          | 65,540          | 65,540          |
| Capital WIP                         | 8,154           | 8,769           | 13,097          | 14,779          | 24,978          | 26,457          | 26,457          | 26,457          |
| <b>Total Investments</b>            | <b>1,614</b>    | <b>2,581</b>    | <b>7,212</b>    | <b>6,834</b>    | <b>8,976</b>    | <b>72,906</b>   | <b>1,06,906</b> | <b>1,60,906</b> |
| <b>Curr. Assets, Loans&amp;Adv.</b> | <b>1,63,943</b> | <b>1,78,716</b> | <b>1,94,908</b> | <b>2,27,640</b> | <b>3,50,435</b> | <b>4,32,388</b> | <b>3,99,730</b> | <b>4,00,119</b> |
| Inventory                           | 51,566          | 49,956          | 64,417          | 78,228          | 91,386          | 1,07,873        | 1,12,096        | 1,20,034        |
| Account Receivables                 | 51,784          | 56,931          | 65,731          | 85,135          | 1,56,371        | 1,74,307        | 1,44,124        | 1,54,329        |
| Cash and Bank Balance               | 48,688          | 59,367          | 48,775          | 45,381          | 67,432          | 56,426          | 83,924          | 61,591          |
| Loans and Advances                  | 11,905          | 12,463          | 15,985          | 18,897          | 35,246          | 93,782          | 59,585          | 64,165          |
| <b>Curr. Liability &amp; Prov.</b>  | <b>1,87,047</b> | <b>2,07,430</b> | <b>2,11,447</b> | <b>2,53,091</b> | <b>3,94,549</b> | <b>4,10,751</b> | <b>3,95,950</b> | <b>4,20,187</b> |
| Account Payables                    | 1,03,091        | 1,11,407        | 1,24,775        | 1,41,363        | 2,26,172        | 2,36,692        | 2,60,361        | 2,86,397        |
| Other Current Liabilities           | 81,151          | 89,575          | 81,567          | 1,06,258        | 1,56,687        | 1,64,114        | 1,22,423        | 1,19,519        |
| Provisions                          | 2,805           | 6,449           | 5,104           | 5,471           | 11,690          | 9,945           | 13,166          | 14,270          |
| <b>Net Current Assets</b>           | <b>-23,104</b>  | <b>-28,714</b>  | <b>-16,538</b>  | <b>-25,451</b>  | <b>-44,115</b>  | <b>21,637</b>   | <b>3,780</b>    | <b>-20,068</b>  |
| Other non-current asset             | 1,12,286        | 63,060          | 1,27,126        | 1,29,145        | 1,49,705        | 47,410          | 47,410          | 47,410          |
| <b>Appl. of Funds</b>               | <b>2,62,881</b> | <b>2,63,195</b> | <b>3,39,768</b> | <b>3,51,781</b> | <b>4,34,922</b> | <b>4,93,309</b> | <b>5,19,217</b> | <b>5,49,095</b> |

## Financials and valuations

### Ratios

| Y/E March                       | FY20       | FY21       | FY22       | FY23       | FY24       | FY25       | FY26E      | FY27E      |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Basic (INR)</b>              |            |            |            |            |            |            |            |            |
| EPS                             | <b>2.6</b> | <b>1.6</b> | <b>1.2</b> | <b>2.3</b> | <b>3.7</b> | <b>5.3</b> | <b>5.8</b> | <b>7.3</b> |
| BV/Share                        | 35.7       | 18.5       | 30.4       | 33.1       | 38.6       | 49.0       | 53.0       | 58.2       |
| DPS                             | 1.5        | 1.0        | 0.4        | 0.7        | 0.8        | 1.6        | 1.7        | 2.2        |
| Payout (%)                      | 68.1       | 64.0       | 35.4       | 28.8       | 20.0       | 30.0       | 30.0       | 30.0       |
| <b>Valuation (x)</b>            |            |            |            |            |            |            |            |            |
| P/E                             | 59.3       | 97.4       | 125.2      | 67.2       | 41.1       | 28.5       | 26.5       | 20.7       |
| P/BV                            | 4.3        | 8.2        | 5.0        | 4.6        | 3.9        | 3.1        | 2.9        | 2.6        |
| EV/Sales                        | 1.2        | 1.2        | 1.2        | 1.3        | 1.1        | 1.0        | 0.9        | 0.8        |
| EV/EBITDA                       | 14.2       | 14.6       | 15.8       | 16.7       | 11.8       | 10.3       | 9.5        | 8.3        |
| Dividend Yield (%)              | 1.0        | 0.7        | 0.3        | 0.4        | 0.5        | 1.1        | 1.1        | 1.4        |
| FCF per share (Eco. Int. basis) | 13.2       | 4.6        | 0.0        | 3.6        | 5.3        | 2.6        | 13.2       | 9.7        |
| <b>Return Ratios (%)</b>        |            |            |            |            |            |            |            |            |
| RoE                             | 7.3        | 8.9        | 5.0        | 7.1        | 10.3       | 12.5       | 11.3       | 13.2       |
| RoCE (post-tax)                 | 4.7        | 4.2        | 3.8        | 6.7        | 10.0       | 10.9       | 9.7        | 11.0       |
| RoIC                            | 5.4        | 5.6        | 4.3        | 7.9        | 12.3       | 13.8       | 14.0       | 17.9       |
| <b>Working Capital Ratios</b>   |            |            |            |            |            |            |            |            |
| Fixed Asset Turnover (x)        | 2.7        | 2.4        | 2.4        | 2.3        | 2.1        | 2.1        | 2.0        | 2.0        |
| Asset Turnover (x)              | 2.3        | 2.2        | 1.9        | 2.2        | 2.3        | 2.3        | 2.3        | 2.4        |
| Inventory (Days)                | 31         | 31         | 37         | 36         | 34         | 35         | 34         | 34         |
| Debtor (Days)                   | 31         | 36         | 38         | 39         | 58         | 56         | 44         | 43         |
| Creditor (Days)                 | 62         | 70         | 71         | 65         | 84         | 76         | 79         | 80         |
| <b>Leverage Ratio (x)</b>       |            |            |            |            |            |            |            |            |
| Current Ratio                   | 0.9        | 0.9        | 0.9        | 0.9        | 0.9        | 1.1        | 1.0        | 1.0        |
| Interest Cover Ratio            | 3.3        | NA         | 3.2        | 4.0        | 2.9        | 3.2        | 4.5        | 6.9        |
| Net Debt/Equity                 | 0.6        | 0.4        | 0.3        | 0.3        | 0.4        | 0.0        | -0.1       | -0.2       |

### Consolidated - Cash Flow Statement

(INR M)

| Y/E March                        | FY20           | FY21           | FY22           | FY23           | FY24           | FY25           | FY26E           | FY27E            |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|------------------|
| OP/(Loss) before Tax             | 21,129         | 16,129         | 19,088         | 24,048         | 38,402         | 52,613         | 53,876          | 69,774           |
| Depreciation                     | 27,780         | 29,764         | 29,964         | 31,358         | 38,105         | 44,934         | 50,234          | 55,274           |
| Interest & Finance Charges       | 5,626          | 4,544          | 4,346          | 7,809          | 18,112         | 18,824         | 13,460          | 10,755           |
| Direct Taxes Paid                | -10,776        | -5,600         | -8,324         | -8,535         | -14,353        | -18,198        | -14,546         | -18,839          |
| (Inc)/Dec in WC                  | 16,202         | 6,432          | -20,797        | -6,846         | -674           | -20,783        | 45,355          | 1,514            |
| Others                           | 3,561          | -757           | 351            | -1,405         | -3,902         | -14,528        | 5,353           | 5,604            |
| <b>CF from Operating incl EO</b> | <b>63,521</b>  | <b>50,512</b>  | <b>24,627</b>  | <b>46,431</b>  | <b>75,689</b>  | <b>62,862</b>  | <b>1,53,732</b> | <b>1,24,082</b>  |
| (Inc)/Dec in FA                  | -21,943        | -19,325        | -24,363        | -21,829        | -40,101        | -44,330        | -60,000         | -55,000          |
| <b>Free Cash Flow</b>            | <b>41,578</b>  | <b>31,187</b>  | <b>264</b>     | <b>24,602</b>  | <b>35,589</b>  | <b>18,532</b>  | <b>93,732</b>   | <b>69,082</b>    |
| (Pur)/Sale of Investments        | -1,210         | -45            | -123           | -279           | -1,958         | -1,869         | -34,000         | -54,000          |
| Others                           | 753            | 436            | 1,367          | -340           | -24,559        | -2,417         | 0               | 0                |
| <b>CF from Investments</b>       | <b>-22,399</b> | <b>-18,934</b> | <b>-23,119</b> | <b>-22,448</b> | <b>-66,618</b> | <b>-48,616</b> | <b>-94,000</b>  | <b>-1,09,000</b> |
| Issue of Shares                  | 0              | 0              | 0              | -1,453         | 236            | 63,762         | 0               | 0                |
| Inc/(Dec) in Debt                | -6,214         | -11,324        | 2,456          | -10,562        | 40,377         | -56,568        | -6,500          | -11,000          |
| Interest Paid                    | -5,667         | -4,141         | -5,528         | -8,083         | -15,096        | -18,311        | -13,460         | -10,755          |
| Dividend Paid                    | -12,794        | -1,576         | -6,457         | -3,308         | -6,751         | -7,463         | -12,274         | -15,661          |
| Others                           | -3,157         | -3,859         | -2,570         | -3,972         | -5,786         | -6,672         | 0               | 0                |
| CF from Fin. Activity            | -27,832        | -20,900        | -12,099        | -27,377        | 12,980         | -25,252        | -32,234         | -37,416          |
| <b>Inc/Dec of Cash</b>           | <b>13,290</b>  | <b>10,678</b>  | <b>-10,591</b> | <b>-3,395</b>  | <b>22,052</b>  | <b>-11,006</b> | <b>27,498</b>   | <b>-22,334</b>   |
| Opening Balance                  | 35,399         | 48,688         | 59,367         | 48,775         | 45,381         | 67,432         | 56,426          | 83,924           |
| <b>Closing Balance</b>           | <b>48,688</b>  | <b>59,367</b>  | <b>48,775</b>  | <b>45,381</b>  | <b>67,432</b>  | <b>56,426</b>  | <b>83,924</b>   | <b>61,591</b>    |

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| Explanation of Investment Rating |  |
|----------------------------------|--|
| Investment Rating                | Expected return (over 12-month)  |
| BUY                              | >=15%  |
| SELL                             | < - 10%  |
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