9 May 2026

1QCY26 Result Update| Sector: Capital Goods

ABB India

Estimate changes	↓
TP change	↔
Rating change	↓

Bloomberg	ABB IN
Equity Shares (m)	212
M.Cap.(INRb)/(USDb)	1486 / 15.7
52-Week Range (INR)	7825 / 4638
1, 6, 12 Rel. Per (%)	6/45/33
12M Avg Val (INR M)	1899

Financials Snapshot (INR b)

Y/E DEC	CY26E	CY27E	CY28E
Net Sales	139.1	157.3	178.9
EBITDA	21.1	25.3	31.5
PAT	17.7	21.5	26.4
EPS (INR)	83.6	101.6	124.6
GR. (%)	3.1	21.5	22.6
BV/Sh (INR)	479.9	531.7	596.5
Ratios			
ROE (%)	19.7	20.1	22.1
RoCE (%)	19.9	20.3	22.2
Valuations			
P/E (X)	83.8	69.0	56.3
P/BV (X)	14.6	13.2	11.8
EV/EBITDA (X)	68.5	56.6	45.2
Div Yield (%)	0.5	0.6	0.7

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	75.0	75.0	75.0
DII	9.3	9.2	7.0
FII	8.2	7.7	10.3
Others	7.5	8.2	7.7

FII Includes depository receipts

CMP: INR7,013 TP: INR6,600 (-6%) Downgrade to Neutral

Weak margins play spoilsport

ABB's 1QCY26 results reflected weakness in margins across all segments despite healthy growth in order inflows. Lower-than-expected execution, higher RM prices, competition and adverse currency movement weighed on overall performance. Going ahead, we expect ABB to continue to benefit from its wide offerings for data centers and renewables for both domestic and export markets. With an uptick in select private sector industries and strong momentum in high-growth segments, we expect ABB to sustain its order inflow momentum. ABB has been one of our preferred picks in the capital goods space with a good play on emerging themes. The stock has rallied more than 40% in the last six months on expectations of healthy order inflows and margin improvement. Inflows have improved, but we believe that significant margin expansion is still some time away. We cut our estimates by 14%/11% for CY26/27 to factor in robotics divestment and lower margins. At the current price of INR7,010, ABB is trading at 83.8x/69x/56x P/E on CY26/27/28 estimates, which looks punchy. We thus downgrade the stock to Neutral from BUY with a two-year forward TP of INR6,600.

Weak set of results

ABB's 1QCY26 results are not directly comparable with our estimates due to the sale of the Robotics division. Revenue (ex-Robotics) grew 6% YoY to INR32b. EBITDA margin (ex-Robotics) declined 580bp YoY/260bp QoQ to 12.8% due to an adverse revenue mix, elevated input costs amid forex volatility, and slower project execution, leading to a 25% YoY decline in PAT from continuing operations to INR3.4b. Meanwhile, order inflows remained strong, rising 25% YoY to INR43b, taking the order backlog to INR111b (+17% YoY), supported by healthy demand from data centers, renewables, and industrial activity. Orders from railways & metros, metals & mining, energy & chemicals, and F&B saw limited growth on a higher base. The company's cash position remained robust at INR60b (excluding Robotics) at the end of 1QCY26.

Ordering momentum remained strong during the quarter

Order inflows rose 25% YoY to INR43b in 1QCY26, aided by strong growth in both base and large orders across emerging segments such as data centers, railways, renewables, and buildings. Large orders during the quarter came primarily from the data center and railway segments. Management highlighted that private capex remains healthy, particularly in data centers, railways, and renewables, while customer inquiries and the overall opportunity pipeline remain strong despite slower decision-making in certain segments amid global uncertainties. However, core industries such as metals & mining, energy & chemicals, and F&B witnessed relatively limited growth on a higher base. The company's order backlog increased 17% YoY to ~INR111b, providing strong revenue visibility for the coming quarters, with data centers contributing ~12-13% of the total backlog. With finalization of large orders across data centers and railways, along with base industries, we expect a 12% CAGR in order inflows over CY25-28.

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Margin performance was weak across segments

EBITDA margin declined to 12.8% in 1QCY26 from 18.4% in 1QCY25 mainly due to lower gross margin and higher other expenses. Gross margin declined by 300bp mainly due to the impact of higher RM and currency depreciation (200bp impact) and adverse revenue mix (100bp impact). The company has taken price hikes in past in select segments and will also weigh further price hikes. We expect the benefit of price hikes to get reflected in margins with a lag. Overall, margin improvement in the coming quarters will be driven by QCO-related costs going away, higher volumes and cost pass-through to end users.

Electrification segment's margin were weak

Electrification segment revenue grew 15% YoY in 1QCY26 to INR16b, ahead of our estimates, while PBIT margin at 15.2% came in below our estimates and declined 960bp YoY due to the absence of a high-margin large data center order seen in 1QCY25, elevated copper and silver prices, and INR depreciation. Order inflows increased 36% YoY to INR24b, driven by strong order growth in data center, energy, metals, and buildings, while the INR42b order backlog (+25% YoY), provides healthy execution visibility. Given persistent commodity and forex-related cost pressures, we revise our estimates to factor in slightly lower margin and expect the segment's revenue/orders to clock a CAGR of 14%/16% over CY25-28, with PBIT margin of 18%/19%/20% for CY26/27/28E.

Wide offerings for data centers

Data center-related orders currently form 12-13% of total order book. The company has wide offerings for data center applications, especially in the low voltage power distribution, which essentially powers up the computer racks in data centers, medium voltage for primary and secondary distribution, which brings in the power into the data center and also for the alternate power sources like generators and battery energy storage. Along with this, ABB also provides UPS as power protection facility, drives and motors that go into cooling system components and medium voltage substations.

Motion segment impacted by margin pressures despite healthy order momentum

Motion segment revenue grew 6% YoY in 1QCY26 to INR12b, supported by strong performance in drive products and IEC LV Motors, partially offset by execution of a high-value traction motor order last year. However, PBIT margin at 12.8% declined 910bp YoY due to higher material costs, commodity inflation, INR depreciation, and an adverse revenue mix. Order inflows increased 22% YoY to INR15b, driven by strong demand from railways, metals & mining, renewables, and private industries, while the INR47b order backlog (+20% YoY) provides strong execution visibility. The company has also completed the sale of its Robotics business, which earlier contributed ~4-5% of revenue. We revise our estimates to factor in lower margins for Motion segment and expect the segment's revenue/orders to clock a CAGR of 8%/6% over CY25-28, with PBIT margin of 15%/16%/18% for CY26/27/28E ex of Robotics.

Automation segment impacted by weak and slower execution

Automation segment revenue declined 15% YoY in 1QCY26 to INR5b due to weaker execution in process and energy industries, partly offset by growth in measurement analytics. PBIT margin declined 220bp YoY to 14.2% primarily due to lower revenue. Order inflows declined 11% YoY to INR4b amid slower decision-making and subdued ordering activity in process industries, while order backlog stands at INR21b. Management indicated that the inquiry pipeline remains healthy across industries, although order conversion timelines have elongated amid global uncertainties and slower customer decision-making. We expect the segment's revenue/orders to clock a CAGR of 8%/15% over CY25-28, with PBIT margin of 15%/16%/17% for CY26/27/28E.

Valuation and recommendation

We cut our estimates by 14%/11% for CY26/27 to factor in robotics divestment and lower margins. We thus expect revenue growth of 5%/13%/14% in CY26/CY27/CY28 and margins of 15.2%/16.1%/17.6%, translating into PAT growth of 3%/22%/23% for CY26/CY27/CY28. At the current price of INR7,010, ABB is trading at 83.8x/69x/56x P/E on CY26/27/28 estimates, which looks punchy. We thus downgrade the stock to Neutral from BUY with a two-year forward TP of INR6,600.

Key risks and concerns

Slowdown in order inflows, pricing pressure across segments, increased competition, supply chain issues, and geopolitical risks could affect our estimates and valuations.

Standalone - Quarterly Earning Model **(INR m)**

Y/E December	**CY25**				**CY26E**				**CY25**	**CY26E**	**CY26E**	**Est**
	1Q	**2Q**	**3Q**	**4Q**	**1Q**	**2QE**	**3QE**	**4QE**			**1QE**	**Var (%)**
Net Sales	**31,596**	**31,754**	**33,107**	**35,570**	**31,841**	**33,706**	**34,945**	**38,609**	**1,32,027**	**1,39,101**	**34,881**	**-9**
YoY Change (%)	2.6	12.2	13.7	5.7	0.8	6.1	5.6	8.5	8.3	5.4	10.4	
Total Expenditure	25,773	27,614	28,103	29,448	27,757	28,856	29,481	31,932	1,10,938	1,18,026	29,235	
EBITDA	**5,823**	**4,141**	**5,004**	**6,122**	**4,084**	**4,850**	**5,464**	**6,677**	**21,089**	**21,075**	**5,645**	**-28**
YoY Change (%)	3.0	-23.7	-7.4	-6.9	-29.9	17.1	9.2	9.1	-8.5	-0.1	-3.0	
Margins (%)	18.4	13.0	15.1	17.2	12.8	14.4	15.6	17.3	16.0	15.2	16.2	
Depreciation	338	355	366	396	424	407	407	391	1,455	1,629	413	
Interest	47	42	56	54	38	60	60	81	199	239	47	
Other Income	923	998	840	763	996	1,061	1,088	1,099	3,523	4,244	935	
PBT before EO expense	**6,361**	**4,741**	**5,421**	**6,435**	**4,619**	**5,444**	**6,085**	**7,303**	**22,959**	**23,451**	**6,120**	**-25**
Extra-Ord expense				659	-14,417	0	0	0	659	-14,417		
PBT	**6,361**	**4,741**	**5,421**	**5,776**	**19,036**	**5,444**	**6,085**	**7,303**	**22,299**	**37,868**	**6,120**	**211**
Tax	1,620	1,220	1,332	1,433	1,200	1,328	1,485	1,713	5,605	5,726	1,493	
Rate (%)	25.5	25.7	24.6	24.8	26.0	24.4	24.4	23.5	25.1	24.4	24.4	
Reported PAT	**4,741**	**3,521**	**4,089**	**4,343**	**17,837**	**4,116**	**4,600**	**5,590**	**16,694**	**32,143**	**4,627**	**285**
Adj PAT	**4,741**	**3,521**	**4,089**	**4,837**	**3,419**	**4,116**	**4,600**	**5,590**	**17,187**	**17,725**	**4,627**	**-26**
YoY Change (%)	3.2	-20.5	-7.2	-9.1	-27.9	16.9	12.5	15.6	-8.3	3.1	-2.4	
Margins (%)	15.0	11.1	12.4	13.6	10.7	12.2	13.2	14.5	13.0	12.7	13.3	

INR m	CY25				CY26E				CY25	CY26E	CY26E	Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Segmental revenue												
Motion	12,454	13,242	13,557	13,367	11,606	13,242	13,557	14,173	52,620	52,579	14,696	-21
YoY Change (%)	11.0	14.1	13.9	6.2	-6.8	0.0	0.0	6.0	11.2	-0.1	18.0	
Electrification Products	13,577	13,786	13,783	15,982	15,645	15,440	15,436	17,890	57,127	64,411	14,663	7
YoY Change (%)	4.7	22.9	19.4	6.3	15.2	12.0	12.0	11.9	12.6	12.8	8.0	
Automation	5,865	4,921	6,013	6,522	5,004	5,314	6,254	6,888	23,321	23,461	5,923	-16
YoY Change (%)	-19.3	-22.2	0.8	3.9	-14.7	8.0	4.0	5.6	-9.7	0.6	1.0	
Unallocated and others (incl. excise duty)	51	38	13	16	6	51	51	95	117	203	-49	-113
Less: inter-segmental	-351	-232	-258	-317	-421	-340	-353	-438	-1,158	-1,552	-352	
Total revenues	**31,596**	**31,754**	**33,107**	**35,570**	**31,841**	**33,706**	**34,945**	**38,609**	**1,32,027**	**1,39,101**	**34,881**	**-9**
Segmental EBIT												
Motion	2,596	1,942	1,962	2,170	1,480	1,920	2,101	2,386	8,670	7,887	2,278	-35
Margin (%)	20.8	14.7	14.5	16.2	12.7	14.5	15.5	16.8	16.5	15.0	15.5	-280 bp
Electrification Products	3,356	2,214	2,708	3,412	2,370	2,625	2,933	3,667	11,689	11,594	2,859	-17
Margin (%)	24.7	16.1	19.6	21.4	15.1	17.0	19.0	20.5	20.5	18.0	19.5	-440 bp
Automation	962	842	1,056	942	706	787	938	1,089	3,802	3,519	829	-15
Margin (%)	16.4	17.1	17.6	14.4	14.1	14.8	15.0	15.8	16.3	15.0	14.0	10 bp
Total	**6,914**	**4,998**	**5,726**	**6,524**	**4,555**	**5,331**	**5,972**	**7,141**	**24,162**	**23,000**	**5,966**	**-24**

CONFERENCE CALL

Key highlights from the management commentary

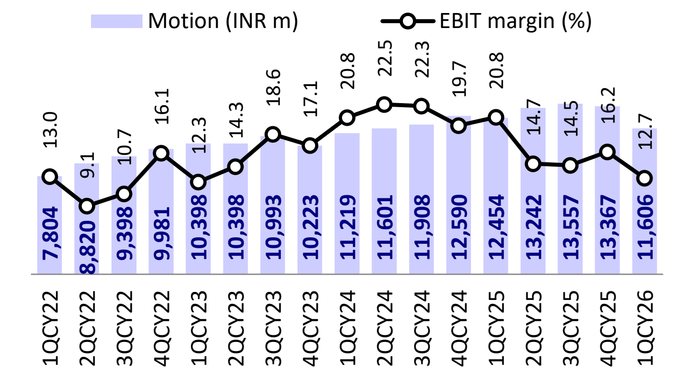
- **Order inflows and order book**: Management highlighted that order inflow growth was 25% YoY in 1Q adjusted with the robotics division divestment and company has a strong backlog of around INR111b (+17% YoY) providing good visibility for the coming quarters. Order momentum is strong across core and emerging sectors, including transport, building infrastructure, data centers, food and beverage, process industries, and renewables. Management also highlighted the large orders contributing to the backlog came from the data center and railway segments.
- **Electrification segment outlook**: Electrification orders grew 36% YoY, primarily driven by data centers and the building segment, while revenue was supported by backlog. Management said profitability declined from 21.4% to 15.2%, mainly because the segment had a large data center order in the prior year that was not repeated this quarter, along with higher copper and silver prices and INR depreciation.
- **Motion segment outlook:** Motion segment inflows were driven by orders from rail segment and renewables from private sector. The company has also taken price hikes twice during the year to tide over RM price challenges.
- **Automation segment outlook:** Management stated that automation order inflows are largely dependent on private-sector capex, while public spending remains relatively subdued. Although the company described the overall pipeline as healthy, it noted that slower decision-making is currently delaying the conversion of inquiries into orders. Despite this, management highlighted a strong inquiry pipeline across both public and private sectors, with several opportunities progressing toward order closure.
- **Data centers:** Management highlighted data centers as a strong growth area, with demand coming from hyperscalers and co-location players, and the company has already signed rate contracts with some hyperscalers. Management said data center orders account for roughly 12-13% of the order

book, and can vary between 12% and 16% depending on the mix and size of orders. Management also said discussions for very large 100 MW to 200 MW data centers have already started, with delivery schedules extending into CY26, CY27, and CY28, and that the company also participates in overseas data-center supply through its global organization.

- **Margins:** Management said profitability was muted because of a combination of competition intensity (participation from Japanese, Korean, and Chinese players), commodity price increases, INR depreciation, and a weaker revenue mix. Management quantified the material-cost impact as being driven roughly 1% by competition intensity, about 2% by commodity prices and INR depreciation together, and the revenue mix (1%).
- **Pricing:** Management has implemented two price increases to offset commodity inflation. Since the company is largely a product business, there is always a lag between input cost changes and market price revisions. Management highlighted customers have become more receptive to price increases for high-quality products during market disturbances, such as supply chain disruptions or inflationary issues. Long-term contracts include price escalation clauses, but these often come with a ceiling, limiting full protection against commodity inflation.
- **Capital allocation:** ABB announced about USD75m of investment to expand manufacturing and R&D in India, excluding the Hyderabad labs. This capex is intended for drive products expansion, service expansion for motion, and increased smart products manufacturing. The investments will expand capacities and support new localized product pipelines with mandates for both India and export markets. Management expects to provide more details on these projects as they are commissioned in future quarters, noting it is a continuous process.
- **Cash position** - The company's strong cash position of INR60b does not include the cash received from the sale of its robotics business, which would bring the total to ~INR76b. Management emphasized this strong balance sheet, along with a healthy backlog and strong order pipeline, as key strengths for the business.

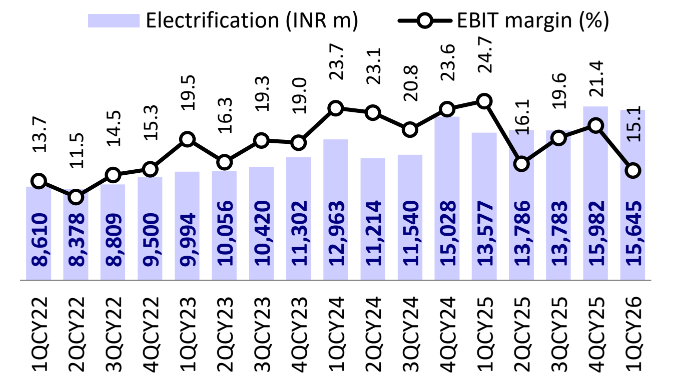
Key Exhibits

Exhibit 1: Motion segment's revenues are not comparable and margin contracted 910bp YoY



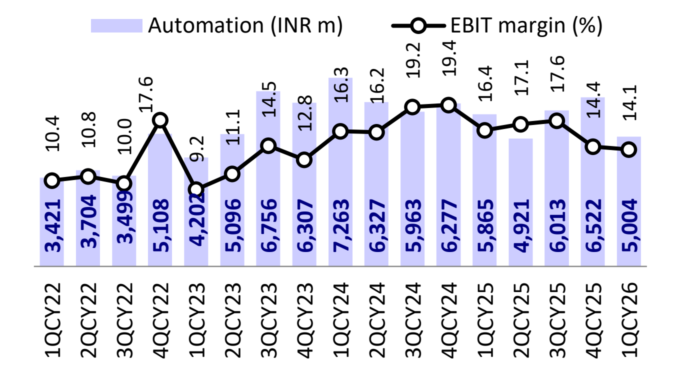
Source: Company, MOFSL

Exhibit 2: Electrification segment's revenues grew YoY and margin was down 960bp YoY



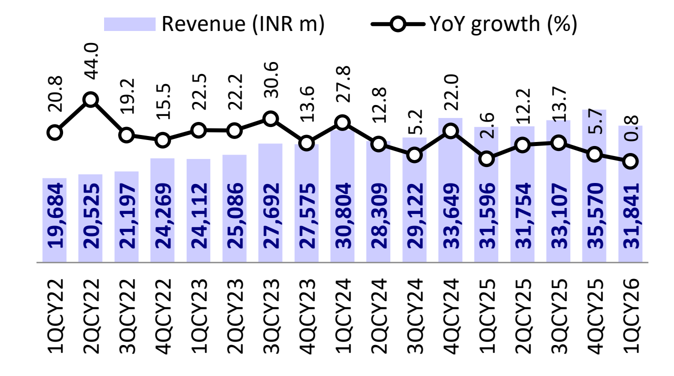
Source: Company, MOFSL

Exhibit 3: Automation segment's revenue declined YoY and margin contracted 230bp YoY



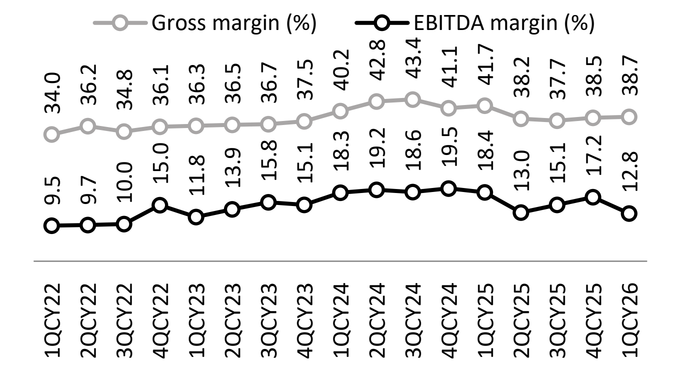
Source: Company, MOFSL

Exhibit 4: Overall revenue (ex-robotics) up 6% YoY, driven by electrification and motion segment



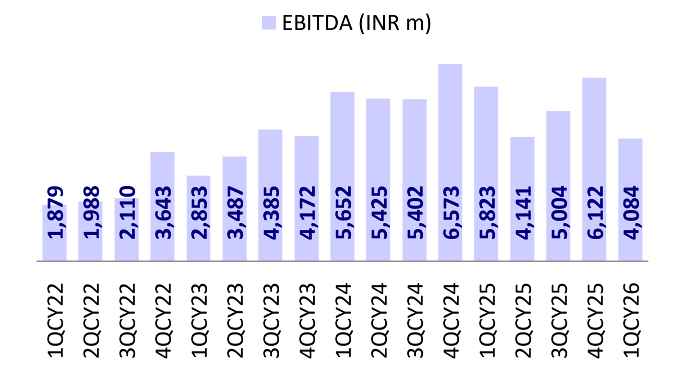
Source: Company, MOFSL

Exhibit 5: EBITDA margin (ex-robotics) contracted 580bp YoY



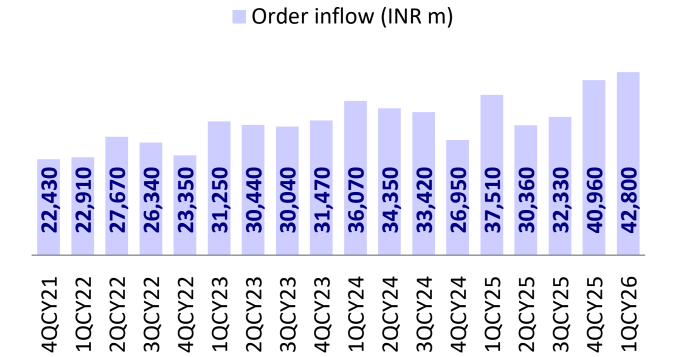
Source: Company, MOFSL

Exhibit 6: Absolute EBITDA (ex-robotics) declined 27% YoY to INR4b



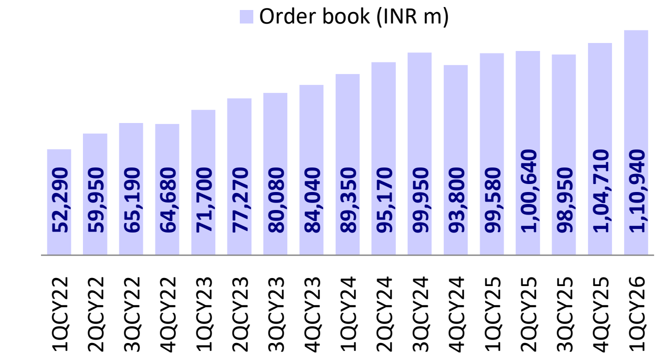
Source: Company, MOFSL

Exhibit 7: Order inflows (ex-robotics) increased 25% YoY due to the strong growth in large orders



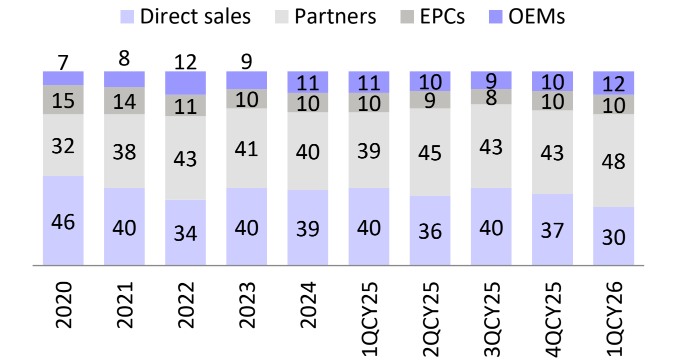
Source: Company, MOFSL

Exhibit 8: Order book (ex-robotics) was up 17% YoY with an increased share of base orders



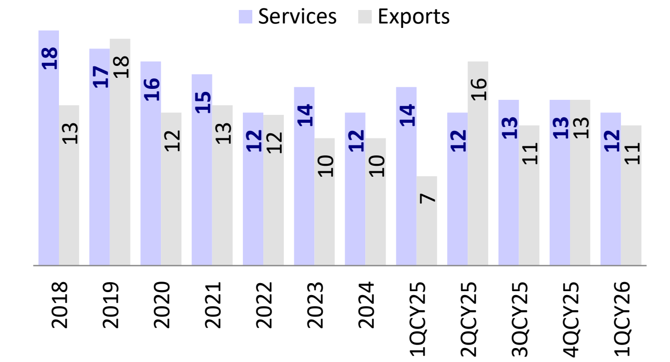
Source: Company, MOFSL

Exhibit 9: Breakup of revenue by channels led by direct sales and partners in 1QCY26 (%)



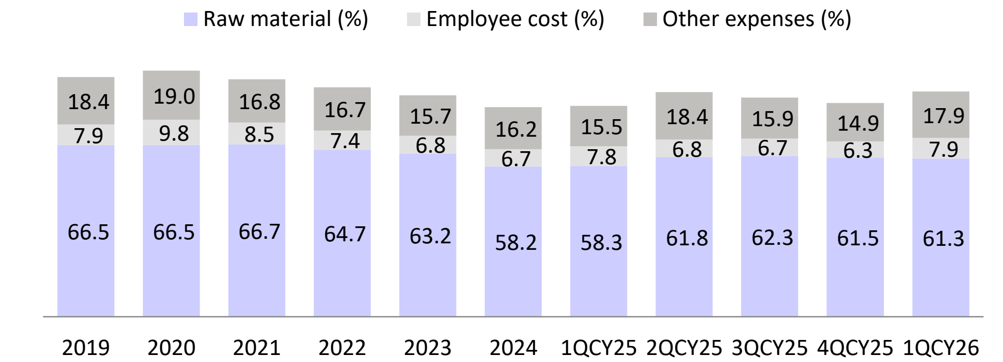
Source: Company, MOFSL

Exhibit 10: Stable share of services in revenue was visible in 1QCY26 (%)



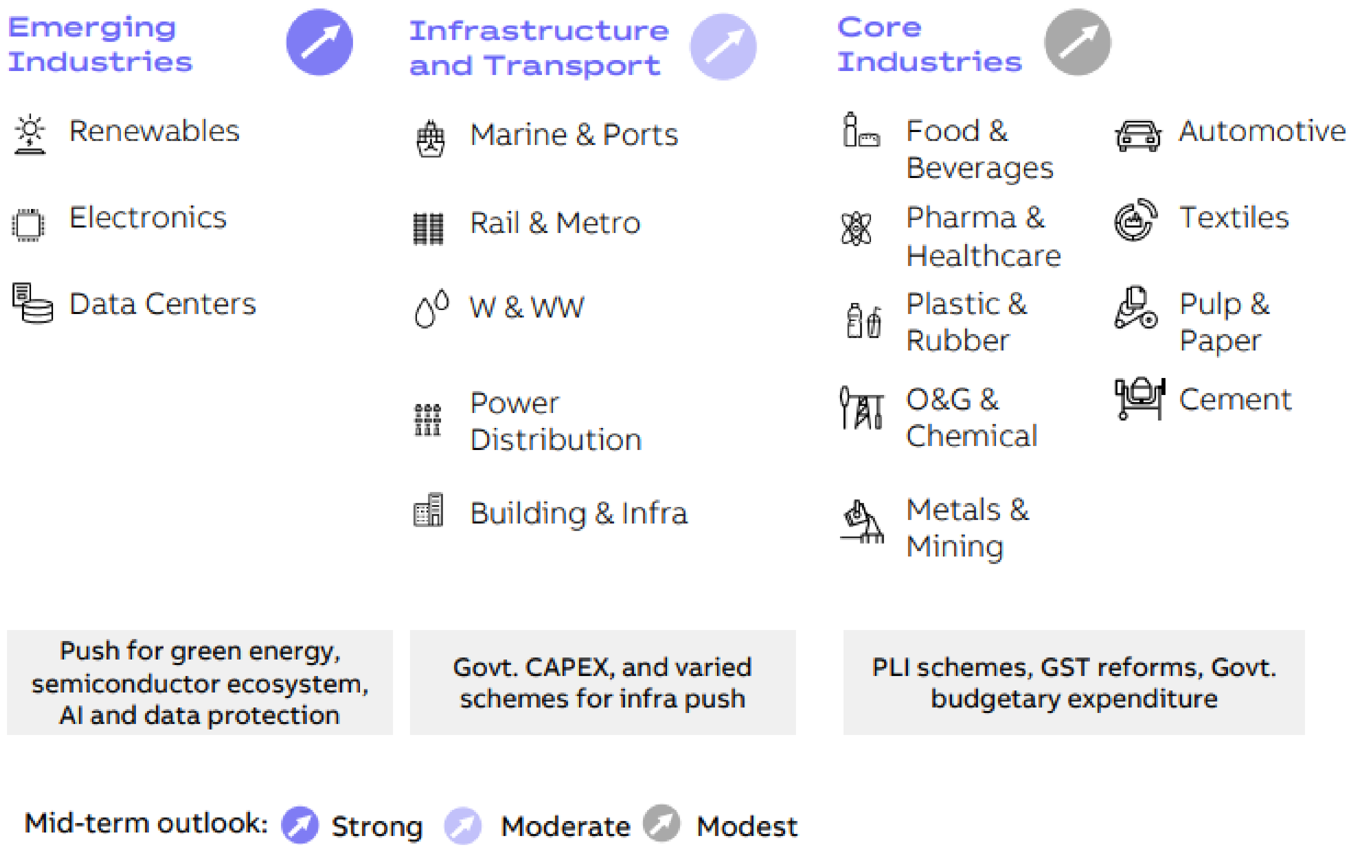
Source: Company, MOFSL

Exhibit 11: Margins contracted YoY due to higher commodity inflation, INR depreciation, revenue mix



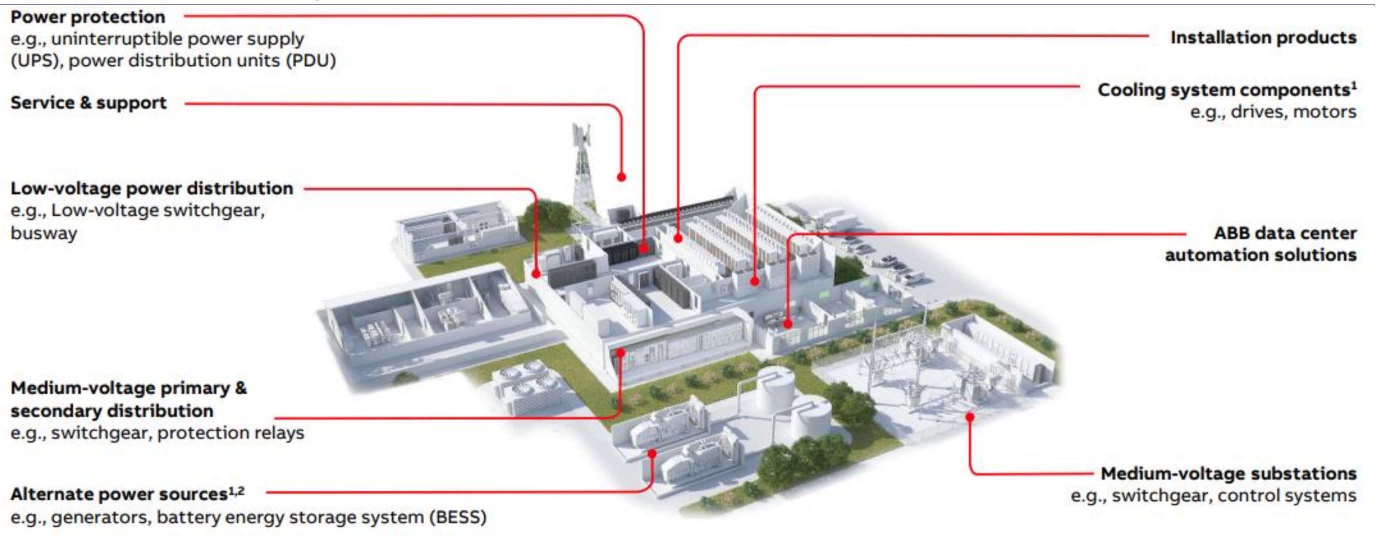
Source: Company, MOFSL

Exhibit 12: Segregation of market segments based on strong, moderate, and modest growth rates



Source: Company, MOFSL

Exhibit 13: ABB India's offerings for data centres



1. ABB does not offer full scope for cooling and gensets, only components like motors, drives and generators.
2. Alternate power sources apart from gensets are not yet widespread but gaining traction due to sustainability.

Source: Company, MOFSL

Exhibit 14: The difference in margins between parent and ABB India has has again widened in 1QCY26 (Segment-wise margins % - Parent vs. ABB India)

Segment-wise EBIT margin comparison - Parent vs ABB India	2019	2020	2021	2022	2023	2024	2025	1QCY25	2QCY25	3QCY25	4QCY25	1QCY26
Electrification												
Parent (A)	13.3%	14.1%	16.1%	16.5%	20.1%	22.7%	23.5%	23.2%	23.9%	24.5%	22.6%	24.0%
ABB India (B)	9.8%	4.1%	11.1%	13.8%	18.5%	22.9%	20.5%	24.7%	16.1%	19.6%	21.4%	15.2%
Net margin difference (A-B)	**3.5%**	**10.0%**	**5.0%**	**2.7%**	**1.6%**	**-0.2%**	**3.0%**	**-1.5%**	**7.8%**	**4.9%**	**1.2%**	**8.8%**
Motion												
Parent (A)	16.6%	16.8%	17.1%	17.3%	18.9%	19.4%	19.4%	19.6%	19.8%	20.1%	18.3%	18.5%
ABB India (B)	9.2%	5.3%	12.5%	12.3%	15.9%	22.1%	17.5%	21.9%	16.4%	15.5%	16.5%	12.8%
Net margin difference (A-B)	**7.4%**	**11.5%**	**4.6%**	**5.0%**	**3.0%**	**-2.7%**	**1.9%**	**-2.3%**	**3.4%**	**4.6%**	**1.8%**	**5.7%**
Automation												
Parent (A)	11.7%	7.8%	12.8%	14.0%	14.5%	15.1%	14.0%	15.8%	15.9%	15.5%	13.9%	14.7%
ABB India (B)	6.1%	-5.4%	9.1%	12.8%	12.3%	17.7%	16.3%	16.4%	17.2%	17.5%	14.7%	14.2%
Net margin difference (A-B)	**5.6%**	**13.2%**	**3.7%**	**1.2%**	**2.2%**	**-2.6%**	**-2.3%**	**-0.6%**	**-1.3%**	**-2.0%**	**-0.8%**	**0.5%**
Robotics and Discrete												
Parent (A)	11.9%	8.2%	10.8%	10.7%	14.7%	10.2%	NA	9.9%	9.1%	9.2%	NA	NA
ABB India (B)	8.8%	3.2%	7.9%	12.5%	12.7%	13.5%	9.8%	13.2%	6.5%	8.0%	13.9%	NA
Net margin difference (A-B)	**3.1%**	**5.0%**	**2.9%**	**-1.8%**	**2.0%**	**-3.3%**	**NA**	**-3.3%**	**2.6%**	**1.2%**	**NA**	**NA**

Source: Company, MOFSL

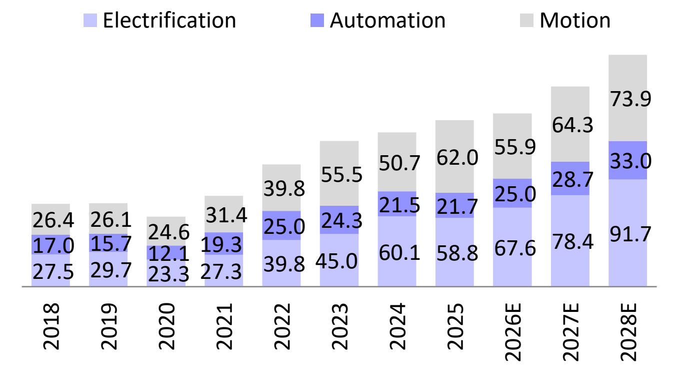
Exhibit 15: We cut our estimates by 14%/11% to factor in robotics divestment and lower margins

(INR M)	CY26E			CY27E			CY28E
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	New
Net Sales	1,39,101	1,52,186	(8.6)	1,57,287	1,73,845	(9.5)	1,78,863
EBITDA	21,075	25,318	(16.8)	25,326	29,550	(14.3)	31,494
EBITDA (%)	15.2	16.6	-140 bp	16.1	17.0	-90 bp	17.6
Adj. PAT	17,725	20,715	(14.4)	21,538	24,173	(10.9)	26,402
EPS (INR)	83.6	97.8	(14.4)	101.6	114.1	(10.9)	124.6

Source: Company, MOFSL

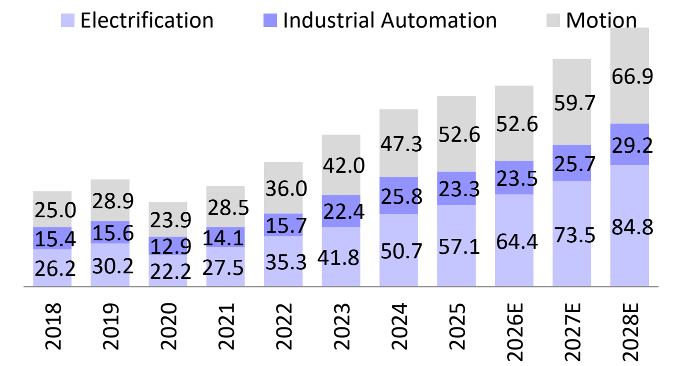
Financial outlook

Exhibit 16: We expect 12% order inflow CAGR over CY25-CY28 (INR b)



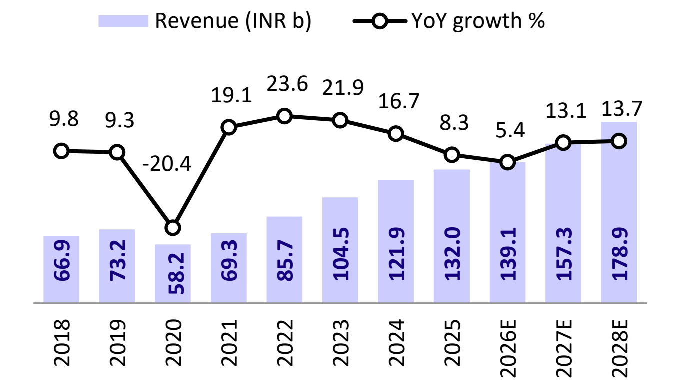
Source: Company, MOFSL

Exhibit 17: We expect revenue to clock 11% CAGR over CY25-28 (INR b)



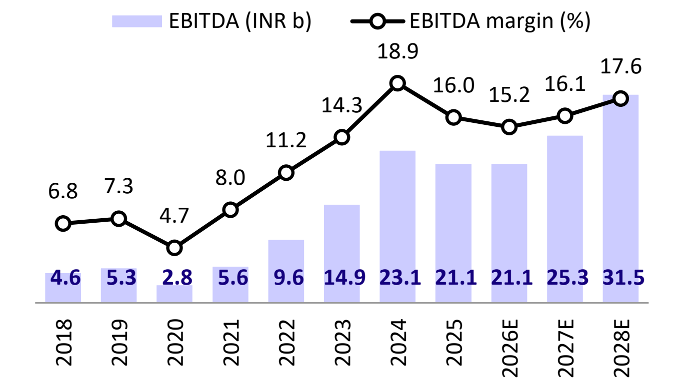
Source: Company, MOFSL

Exhibit 18: Revenue growth has been subdued over the last few years (INR b)



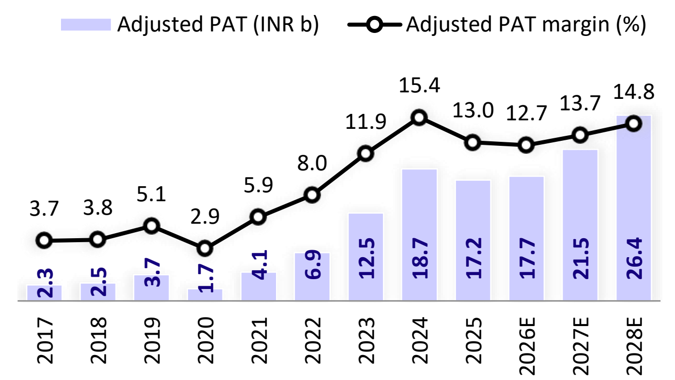
Source: Company, MOFSL

Exhibit 19: We expect ABB to clock 14% EBITDA CAGR over CY25-28 (INR b)



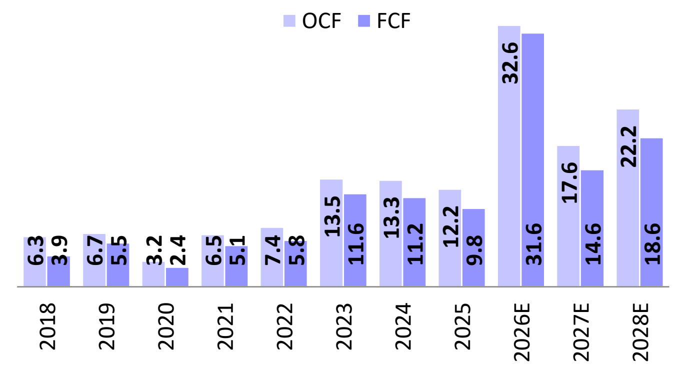
Source: Company, MOFSL

Exhibit 20: PAT is expected to post 15% CAGR over CY25-CY28 (INR b)



Source: Company, MOFSL

Exhibit 21: FCF and OCF to remain strong on stable working capital (INR b)



Source: Company, MOFSL

Financials and Valuation

Standalone - Income Statement (INR m)

Y/E Dec	CY21	CY22	CY23	CY24	CY25	CY26E	CY27E	CY28E
Total Income from Operations	**69,340**	**85,675**	**1,04,465**	**1,21,883**	**1,32,027**	**1,39,101**	**1,57,287**	**1,78,863**
Change (%)	19.1	23.6	21.9	16.7	8.3	5.4	13.1	13.7
Raw Materials	46,263	55,426	66,025	70,903	80,544	84,851	95,788	1,08,749
Gross Profit	**23,077**	**30,249**	**38,440**	**50,980**	**51,484**	**54,249**	**61,499**	**70,114**
Employee Cost	5,882	6,353	7,152	8,219	9,089	9,752	10,589	12,017
Other Expenses	11,627	14,277	16,391	19,709	21,305	23,422	25,584	26,603
Total Expenditure	**63,773**	**76,057**	**89,567**	**98,831**	**1,10,938**	**1,18,026**	**1,31,961**	**1,47,368**
% of Sales	92.0	88.8	85.7	81.1	84.0	84.8	83.9	82.4
EBITDA	**5,567**	**9,619**	**14,898**	**23,052**	**21,089**	**21,075**	**25,326**	**31,494**
Margin (%)	8.0	11.2	14.3	18.9	16.0	15.2	16.1	17.6
Depreciation	1,027	1,047	1,199	1,289	1,455	1,629	1,666	1,881
EBIT	**4,540**	**8,572**	**13,699**	**21,763**	**19,634**	**19,445**	**23,659**	**29,613**
Int. and Finance Charges	107	131	127	165	199	239	243	247
Other Income	1,596	1,795	3,017	3,534	3,524	4,244	5,079	5,563
PBT bef. EO Exp.	**6,029**	**10,235**	**16,589**	**25,133**	**22,959**	**23,451**	**28,495**	**34,930**
EO Items					-659	14,417	0	0
PBT after EO Exp.	**6,029**	**10,235**	**16,589**	**25,133**	**22,299**	**37,868**	**28,495**	**34,930**
Total Tax	1,918	3,372	4,107	6,387	5,605	5,726	6,957	8,528
Tax Rate (%)	31.8	32.9	24.8	25.4	25.1	24.4	24.4	24.4
Reported PAT	**4,112**	**6,863**	**12,482**	**18,746**	**16,694**	**32,143**	**21,538**	**26,402**
Adjusted PAT	**4,112**	**6,863**	**12,482**	**18,746**	**17,188**	**17,725**	**21,538**	**26,402**
Change (%)	139.5	66.9	81.9	50.2	-8.3	3.1	21.5	22.6
Margin (%)	5.9	8.0	11.9	15.4	13.0	12.7	13.7	14.8

Standalone - Balance Sheet (INR m)

Y/E Dec	CY21	CY22	CY23	CY24	CY25	CY26E	CY27E	CY28E
Equity Share Capital	424	424	424	424	424	424	424	424
Total Reserves	40,028	48,970	59,022	70,330	77,936	1,01,275	1,12,250	1,25,975
Net Worth	**40,452**	**49,394**	**59,446**	**70,754**	**78,360**	**1,01,699**	**1,12,674**	**1,26,399**
Total Loans	0	0	0	0	0	0	0	0
Deferred Tax Liabilities	-939	-898	-1,027	-985	-565	-565	-565	-565
Capital Employed	**39,513**	**48,496**	**58,419**	**69,769**	**77,795**	**1,01,135**	**1,12,109**	**1,25,834**
Gross Block	11,764	13,432	15,624	17,061	19,558	20,494	23,513	27,096
Less: Accum. Deprn.	3,741	4,586	5,831	6,589	7,757	9,386	11,052	12,933
Net Fixed Assets	**8,024**	**8,846**	**9,793**	**10,472**	**11,801**	**11,108**	**12,460**	**14,163**
Goodwill on Consolidation	146	146	146	146	146	146	146	146
Capital WIP	769	693	599	948	1,164	1,164	1,164	1,164
Total Investments	**0**	**4,932**	**39,408**	**45,738**	**42,839**	**42,839**	**42,839**	**42,839**
Curr. Assets, Loans&Adv.	**70,248**	**77,668**	**59,038**	**65,625**	**79,870**	**1,07,351**	**1,24,762**	**1,45,958**
Inventory	10,091	14,207	15,608	17,780	20,530	18,353	20,520	22,915
Account Receivables	25,604	24,451	25,443	29,837	31,763	33,465	37,840	43,031
Cash and Bank Balance	26,877	31,491	8,769	9,356	15,526	42,373	51,259	62,505
Loans and Advances	796	921	1,859	1,101	3,162	3,795	4,554	5,464
Other Current Asset	6,880	6,599	7,359	7,551	8,889	9,365	10,589	12,042
Curr. Liability & Prov.	**39,781**	**43,788**	**50,566**	**53,159**	**58,025**	**61,473**	**69,263**	**78,435**
Other Current Liabilities	36,436	39,956	46,058	47,960	52,592	55,748	62,790	71,075
Provisions	3,345	3,832	4,508	5,200	5,433	5,724	6,473	7,361
Net Current Assets	**30,467**	**33,880**	**8,472**	**12,465**	**21,845**	**45,878**	**55,499**	**67,522**
Misc Expenditure	107	0	0	0	0	0	0	0
Appl. of Funds	**39,513**	**48,496**	**58,419**	**69,769**	**77,795**	**1,01,135**	**1,12,109**	**1,25,834**

Financials and Valuation

Ratios								
Y/E Dec	**CY21**	**CY22**	**CY23**	**CY24**	**CY25**	**CY26E**	**CY27E**	**CY28E**
Basic (INR)								
EPS	**19.4**	**32.4**	**58.9**	**88.5**	**81.1**	**83.6**	**101.6**	**124.6**
Cash EPS	24.2	37.3	64.6	94.6	88.0	91.3	109.5	133.5
BV/Share	190.9	233.1	280.5	333.9	369.8	479.9	531.7	596.5
DPS	5.2	4.5	29.3	33.5	29.6	35.5	42.6	51.1
Payout (%)	31.4	16.3	58.2	44.3	43.9	27.4	49.0	48.0
Valuation (x)								
P/E	361.2	216.4	119.0	79.2	86.4	83.8	69.0	56.3
Cash P/E	289.0	187.8	108.6	74.1	79.7	76.7	64.0	52.5
P/BV	36.7	30.1	25.0	21.0	19.0	14.6	13.2	11.8
EV/Sales	21.0	17.0	14.1	12.1	11.1	10.4	9.1	8.0
EV/EBITDA	262.0	151.1	99.1	64.0	69.7	68.5	56.6	45.2
Dividend Yield (%)	0.1	0.1	0.4	0.5	0.4	0.5	0.6	0.7
FCF per share	24.2	26.7	54.9	52.6	46.2	149.3	69.0	87.8
Return Ratios (%)								
RoE	10.7	15.3	22.9	28.8	23.1	19.7	20.1	22.1
RoCE	10.9	15.5	23.1	29.0	23.3	19.9	20.3	22.2
RoIC	25.9	49.4	98.1	138.9	91.9	89.0	113.2	123.8
Working Capital Ratios								
Fixed Asset Turnover (x)	5.9	6.4	6.7	7.1	6.8	6.8	6.7	6.6
Asset Turnover (x)	1.8	1.8	1.8	1.7	1.7	1.4	1.4	1.4
Inventory (Days)	53	61	55	53	57	48	48	47
Debtor (Days)	135	104	89	89	88	88	88	88
Creditor (Days)	0	0	0	0	0	0	0	0
Leverage Ratio (x)								
Current Ratio	1.8	1.8	1.2	1.2	1.4	1.7	1.8	1.9
Interest Cover Ratio	42.4	65.4	108.2	132.3	98.7	81.3	97.4	119.9
Net Debt/Equity	-0.7	-0.7	-0.8	-0.8	-0.7	-0.8	-0.8	-0.8

Standalone - Cashflow Statement								(INR m)
Y/E Dec	**CY21**	**CY22**	**CY23**	**CY24**	**CY25**	**CY26E**	**CY27E**	**CY28E**
OP/(Loss) before Tax	7,072	13,503	16,589	25,133	22,299	23,451	28,495	34,930
Depreciation	1,027	1,047	1,199	1,289	1,455	1,629	1,666	1,881
Interest & Finance Charges	-579	-1,137	-2,644	-3,268	-3,286	-4,005	-4,836	-5,316
Direct Taxes Paid	-1,131	-2,467	-3,667	-6,626	-5,555	-5,726	-6,957	-8,528
(Inc)/Dec in WC	1,015	-194	1,696	-3,690	-1,617	2,814	-735	-777
CF from Operations	**7,405**	**10,752**	**13,173**	**12,838**	**13,296**	**18,164**	**17,633**	**22,189**
Others	-912	-3,427	285	451	-1,112	14,417	0	0
CF from Operating incl EO	**6,492**	**7,326**	**13,458**	**13,288**	**12,184**	**32,581**	**17,633**	**22,189**
(Inc)/Dec in FA	-1,358	-1,660	-1,831	-2,137	-2,396	-936	-3,019	-3,583
Free Cash Flow	**5,134**	**5,666**	**11,627**	**11,151**	**9,788**	**31,645**	**14,614**	**18,606**
(Pur)/Sale of Investments	0	19,741	-16	0	0	0	0	0
Others	950	180	2,827	3,463	3,142	0	0	0
CF from Investments	**-409**	**18,262**	**981**	**1,326**	**746**	**-936**	**-3,019**	**-3,583**
Issue of Shares	0	0	0	0	0	0	0	0
Inc/(Dec) in Debt	-124	0	0	0	0	0	0	0
Interest Paid	-85	-300	-364	-439	-511	4,005	4,836	5,316
Dividend Paid	-1,060	-1,102	-2,331	-7,265	-9,152	-8,803	-10,564	-12,677
CF from Fin. Activity	**-1,268**	**-1,402**	**-2,695**	**-7,704**	**-9,662**	**-4,798**	**-5,728**	**-7,360**
Inc/Dec of Cash	**4,815**	**24,186**	**11,744**	**6,910**	**3,267**	**26,847**	**8,886**	**11,246**
Opening Balance	22,066	26,877	31,491	8,769	9,356	15,526	42,373	51,259
Other Bank Balances	-4	-19,573	-34,466	-6,323	2,902			
Closing Balance	**26,877**	**31,491**	**8,769**	**9,356**	**15,526**	**42,373**	**51,259**	**62,505**

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Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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