23 July 2026
2QCY26 Results Update | Sector: Automobile

# CIE Automotive India

| | |
|---|---|
| Estimate change | ⟷ |
| TP change | ⟷ |
| Rating change | ⟷ |

| | |
|---|---|
| Bloomberg | CIEINDIA IN |
| Equity Shares (m) | 379 |
| M.Cap.(INRb)/(USDb) | 159 / 1.6 |
| 52-Week Range (INR) | 526 / 381 |
| 1, 6, 12 Rel. Per (%) | -11/7/5 |
| 12M Avg Val (INR M) | 153 |

**Financials & Valuations (INR b)**

| INR b | CY25 | CY26E | CY27E |
|---|---|---|---|
| Sales | 94.1 | 104.7 | 112.1 |
| EBITDA (%) | 14.5 | 15.2 | 15.1 |
| Adj. PAT | 8.3 | 9.7 | 10.2 |
| EPS (INR) | 22.0 | 25.6 | 27.1 |
| EPS Growth (%) | 1.5 | 16.4 | 5.7 |
| BV/Share (INR) | 197 | 215 | 233 |
| **Ratio** | | | |
| RoE (%) | 11.9 | 12.4 | 12.1 |
| RoCE (%) | 10.8 | 11.8 | 11.8 |
| Payout (%) | 32.3 | 31.8 | 31.9 |
| **Valuations** | | | |
| P/E (x) | 19.0 | 16.4 | 15.5 |
| P/BV (x) | 2.1 | 2.0 | 1.8 |
| Div. Yield (%) | 1.7 | 1.9 | 2.1 |
| FCF Yield (%) | 5.5 | 4.7 | 4.8 |

**Shareholding Pattern (%)**

| As On | Jun-26 | Mar-26 | Jun-25 |
|---|---|---|---|
| Promoter | 65.7 | 65.7 | 65.7 |
| DII | 20.7 | 21.4 | 21.5 |
| FII | 5.0 | 4.7 | 4.2 |
| Others | 8.7 | 8.2 | 8.6 |

FII includes depository receipts

**CMP: INR419 TP: INR501 (+20%) Buy**

## Steady 2Q; India to remain the key growth driver

- CIE Automotive (CIEINDIA)'s 2QCY26 EBITDA/PAT of INR4b/INR2.3b came in line. India revenue grew 12.4% YoY, underperforming the broader industry mainly due to 1) restructuring of its 2W aluminum portfolio by exiting low-growth businesses, 2) no growth in export revenue, and 3) weak production for certain key OEMs in the quarter.
- The company's India business is likely to be a key growth driver, given the pickup in demand across segments. Further, on the back of its new order wins, we expect the India business to resume its outperformance relative to industry growth, which was lacking in the recent past. In Europe, it will continue to focus on maintaining margins at reduced demand. At CMP, the stock trades at 16.4x/15.5x CY26E/CY27E consolidated EPS. Reiterate BUY with a TP of INR501 (premised on ~18x Mar'28E consolidated EPS).

### Performance in-line with estimates

- CIEINDIA's 2QCY26 consol. revenue grew 11% YoY to INR26.2b, in line with our estimate of INR26b. Revenue growth was led by ~12% rise in the India business and currency translation benefits in the Europe business (13% benefit).
- EBITDA stood at ~INR3.9b (in line with estimates), up 15.7% YoY. EBITDA margins stood at 14.9% (est. 15.1%), up 70bp YoY/down 50bp QoQ.
- Adj. PAT grew 15.5% YoY to INR2.3b, slightly below our est. of INR2.4b.
- **Indian business performance:** Revenue grew 12.4% YoY to ~INR17b (in line). India's EBITDA margin stood at 15% (est. 15.5%), down 70bp YoY. Margins were slightly affected by energy/gas/material cost inflation due to the conflict in West Asia.
- **EU business performance:** EU business revenue saw a healthy 7.4% YoY growth to INR9.2b, broadly in line with our estimates of INR8.9b. Entire revenue growth was driven by currency translation gains, while revenue in EUR terms declined 6% YoY. Margins expanded 300bp YoY to 14.6%, marginally above our estimate of 14.4%. Margin expansion was due to the restructuring benefits of Legazpi and Metlascastello.
- For 1HCY26, consol. CFO stood at ~INR6.2b, and the company was free cash positive at INR4.9b.

### Key highlights from the management commentary

- The Indian operations underperformed the industry during the quarter, with CIE's India revenue growing 13% YoY vs. the industry growth of ~16.5%.
- Revenue growth was hit by the following key factors: 1) the company consciously restructured its 2W aluminum portfolio by exiting low-growth, low-return businesses, which temporarily reduced revenues but is expected to improve long-term profitability; 2) export growth was a dampener for the second successive quarter with no growth in export income (both these contribute to ~23-25% of the India business revenue); 3) production for a few key OEMs was relatively weaker during the quarter, having a negative impact of 5-6% on quarter income.

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- CIE secured approximately INR5b of new orders during 1HCY26, in line with its internal expectations and annual order win targets.
- Revenue from the European operations was affected by developments at one of its key customers, GKN. A change in ownership and revised sourcing timelines resulted in nearly a 20% decline in revenues from this business.
- Management expects the European automotive industry to decline by 2-3% in CY26, reflecting weak demand conditions across the region.
- CIEINDIA incurred ~INR2.1b of capex during 1HCY26 and the capex is likely to be materially higher in 2H.

## Valuation and view

- The company's India business is likely to be a key growth driver, given the pickup in demand across segments. Further, on the back of its new order wins, we expect the India business to resume its outperformance relative to industry growth, which was lacking in the recent past. In Europe, it will continue to focus on maintaining margins at reduced demand. At CMP, the stock trades at 16.4x/15.5x CY26E/CY27E consolidated EPS. Reiterate BUY with a TP of INR501 (premised on ~18x Mar'28E consolidated EPS).

**Quarterly performance (Consol.)**

| (INR m) | CY25 | | | | CY26E | | | | CY25 | CY26E | | Var. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Y/E December | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | 2QE | (%) |
| **Net Sales** | **22,726** | **23,690** | **23,718** | **23,930** | **26,120** | **26,206** | **26,104** | **26,320** | **94,065** | **104,749** | **26,031** | 0.7 |
| YoY Change (%) | -6.4 | 3.3 | 11.1 | 13.4 | 14.9 | 10.6 | 10.1 | 10.0 | 4.9 | 11.4 | 9.9 | |
| **EBITDA** | **3,355** | **3,368** | **3,557** | **3,469** | **4,019** | **3,896** | **3,937** | **4,029** | **13,625** | **15,882** | **3,942** | -1.2 |
| Margins (%) | 14.8 | 14.2 | 15.0 | 14.5 | 15.4 | 14.9 | 15.1 | 15.3 | 14.5 | 15.2 | **15.1** | -30bp |
| YoY Change (%) | -7.0 | -6.5 | 7.6 | 15.9 | 19.8 | 15.7 | 10.7 | 16.1 | 0.9 | 16.6 | 17.1 | |
| Depreciation | 864 | 871 | 890 | 955 | 943 | 971 | 977 | 983 | 3,581 | 3,874 | 944 | 2.8 |
| Interest | 126 | 16 | 36 | 87 | 92 | 102 | 104 | 102 | 265 | 399 | 83 | 22.6 |
| Other Income | 361 | 221 | 192 | 239 | 283 | 286 | 300 | 318 | 1,013 | 1,188 | 275 | 4.2 |
| Share of profit from associates | 5 | 7 | 2 | 9 | 11 | 10 | 9 | 11 | 23 | 40 | 10 | |
| **PBT after EO exp** | **2,725** | **2,701** | **2,822** | **2,543** | **3,267** | **3,110** | **3,156** | **3,262** | **10,668** | **12,796** | **3,190** | -2.5 |
| Tax Rate (%) | 24.6 | 25.1 | 24.5 | 21.4 | 24.4 | 24.9 | 24.6 | 24.6 | 24.2 | 24.6 | 24.6 | |
| **Adj. PAT** | **2,060** | **2,030** | **2,132** | **2,101** | **2,481** | **2,344** | **2,390** | **2,469** | **8,323** | **9,684** | **2,416** | -3.0 |
| YoY Change (%) | -10.5 | -6.2 | 9.5 | 17.4 | 20.4 | 15.5 | 12.1 | 17.5 | 1.5 | 16.4 | 19.0 | |
| Margins (%) | 9.1 | 8.6 | 9.0 | 8.8 | 9.5 | 8.9 | 9.2 | 9.4 | 8.8 | 9.2 | 9.3 | |
| **Revenues** | | | | | | | | | | | | |
| India | 14,658 | 15,154 | 15,677 | 15,935 | 16,635 | 17,038 | 17,702 | 17,809 | 61,423 | 69,184 | 17,084 | -0.3 |
| Growth (%) | 2.7 | 6.0 | 8.0 | 10.4 | 13.5 | 12.4 | 12.9 | 11.8 | 6.7 | 12.6 | 12.7 | |
| EU | 8,069 | 8,536 | 8,043 | 7,995 | 9,485 | 9,167 | 8,402 | 8,511 | 32,642 | 35,566 | 8,947 | 2.5 |
| Growth (%) | (19.3) | (1.2) | 17.8 | 19.9 | 17.5 | 7.4 | 4.5 | 6.5 | 12.2 | 9.0 | 4.8 | |
| **EBITDA Margins** | | | | | | | | | | | | |
| India | 15.7 | 15.7 | 15.9 | 15.9 | 16.0 | 15.0 | 15.5 | 15.6 | 15.6 | 15.5 | 15.5 | -50bp |
| EU | 13.1 | 11.7 | 13.2 | 11.8 | 14.3 | 14.6 | 14.2 | 14.6 | 12.4 | 14.4 | 14.4 | 20bp |

E: MOFSL Estimates; AEL merged w.e.f 2QCY19

CONFERENCE CALL

## Highlights from the management commentary

**India performance update**

- The Indian operations underperformed the industry during the quarter, with CIE's India revenues growing at 13%, which compares to industry growth of ~16.5%.
- Growth was driven by an 18% rise in gears, 17% in composites, and 16% in stampings.
- Revenue growth was hit by the following key factors: 1) the company consciously restructured its 2W aluminum portfolio by exiting low-growth, low-return businesses, which temporarily reduced revenues but is expected to improve long-term profitability; 2) export growth was a dampener for the second successive quarter with no growth in export income (both these contribute to ~23-25% of the India business revenue); 3) production for a few key OEMs was relatively weaker during the quarter, having a negative impact of 5-6% on quarter income.
- EBITDA margins declined by ~80bps during the quarter. Management expects this temporary impact to be fully recovered over the next two quarters through operating leverage, improved product mix and execution of new business.
- Raw material inflation remained largely benign in India. Steel prices continued to remain stable, while aluminum prices increased during the quarter. However, the impact of higher aluminum costs is expected to reflect only from the next quarter due to contractual pass-through mechanisms.
- CIE secured approximately INR5b of new orders during 1HCY26, in line with its internal expectations and annual order win targets.
- The company is ramping up production for a large American customer, backed by an order worth nearly INR2bn, which will require expansion of its iron casting capacity to support future volumes. Dispatches have begun, with revenue recognition to take place from the next quarter.
- The company plans to focus on four key segments:
  - The company continues to focus on forgings for BS-VII emission norms, which are expected to be implemented around CY28 and are likely to create meaningful content expansion opportunities.
  - 4W aluminum forgings remained an important long-term growth area. While the business currently forms a small part of the portfolio, management expects it to scale meaningfully over the coming years.
  - The company has secured a large export order in iron castings, which will support capacity expansion and improve export revenues going forward.
  - EV-related opportunities within the composites segment continue to remain a key growth driver due to increasing light weighting requirements.
- Management indicated that magnets remain a relatively low strategic priority, with limited incremental investments planned.
- Similar to magnets, the plastics business is not a strategic priority, with management focusing capital allocation on higher-growth and higher-return segments.

**Europe performance update**

- Revenue from the European operations was impacted by developments at one of its key customers, GKN. A change in ownership and revised sourcing timelines resulted in nearly a 20% decline in revenues from this business. Management highlighted that this was a relatively low-margin program.
- Management expects the European automotive industry to decline by 2-3% in CY26, reflecting weak demand conditions across the region.
- Chinese OEMs continue to strengthen their presence in Europe, particularly in the plug-in hybrid (PHEV) and hybrid vehicle segments. The tariff measures

introduced by Europe have largely targeted ICE vehicle imports, while plug-in hybrids have remained relatively unaffected, allowing Chinese manufacturers to continue gaining market share.

- Chinese OEMs currently account for nearly 10% of the European plug-in hybrid market, and management expects this share to increase further. At present, Chinese manufacturers have limited local supplier ecosystems in Europe.
- Chinese manufacturers are reportedly evaluating acquisitions of European manufacturing facilities, including Volkswagen plants, to localize production and mitigate tariff-related risks. CIE intends to actively participate in this transition and plans to supply to Chinese OEMs as and when they establish manufacturing operations in Europe.

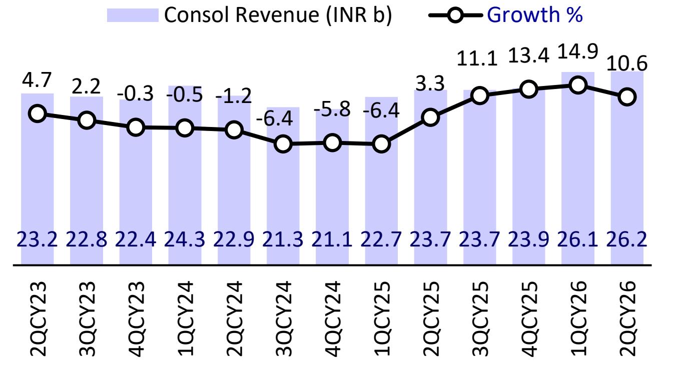
**Update on Metalcastello**

- Management reiterated that Metalcastello continues to perform strongly and does not face any operational challenges.
- The business generated quarterly revenues of ~EUR17m, up nearly 15% YoY, supported by continued strength in its precision gear business and export demand.
- This business has been able to maintain a healthy EBITDA margin of around 20%.

**Capex updates**

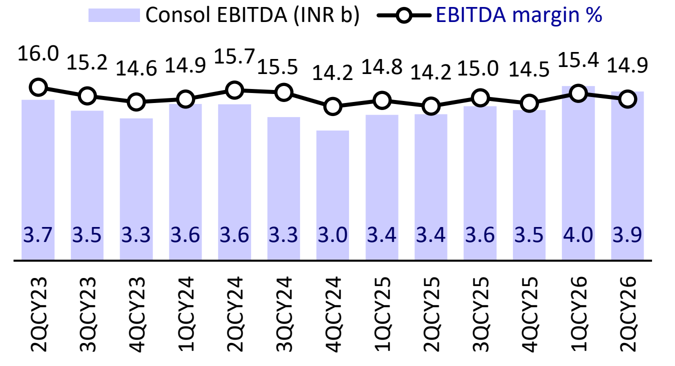
- During the quarter, the company also commissioned three new forging presses at the Bill Forge plant, adding incremental capacity to support future growth.
- The stampings business continues to witness healthy demand, with a new stamping line that is expected to commence SOP by mid-CY27.
- CIEINDIA incurred approximately INR2.1b of capex during 1HCY26, with the majority of growth investments directed towards growth capex for Indian operations.
- Management indicated that capex deployment will accelerate significantly during 2HCY26, as multiple approved projects enter execution.
- The company is expanding capacity across all segments except magnets.
- The company is expanding its Chakan and Bengaluru forging facilities to cater to recently secured customer programs.
- They are already investing in a machining project for its iron casting business. Management is also evaluating brownfield expansion in casting and moulding capacity at its iron foundry operations, along with additional expansion opportunities across multiple business verticals, including potential greenfield projects.

### Exhibit 1: Trend in consolidated revenue



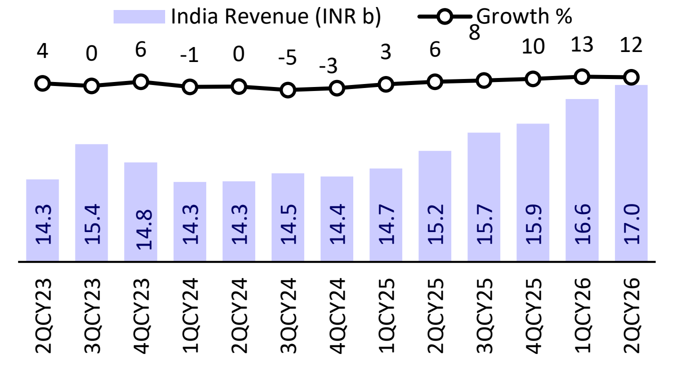

*Excludes MFE Source: Company, MOFSL

### Exhibit 2: Trend in consolidated EBITDA



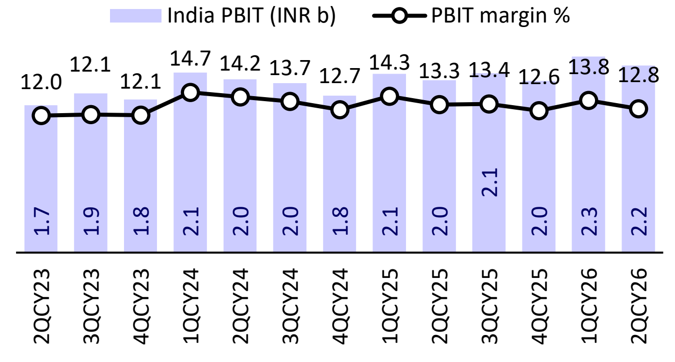

*Excludes MFE Source: Company, MOFSL

### Exhibit 3: Trend in India revenue



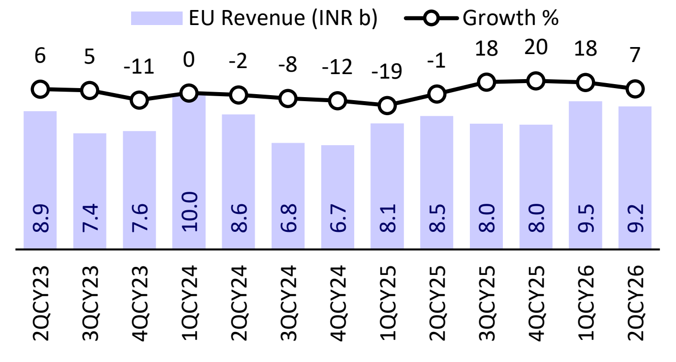

Source: Company, MOFSL

### Exhibit 4: Trend in India PBIT margin



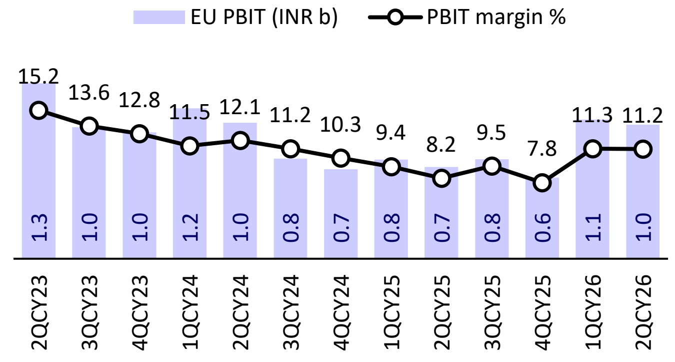

Source: Company, MOFSL

### Exhibit 5: Trend in the EU revenue




*Excludes MFE Source: Company, MOFSL

### Exhibit 6: Trend in the EU PBIT margin




*Excludes MFE Source: Company, MOFSL

## Valuation and view

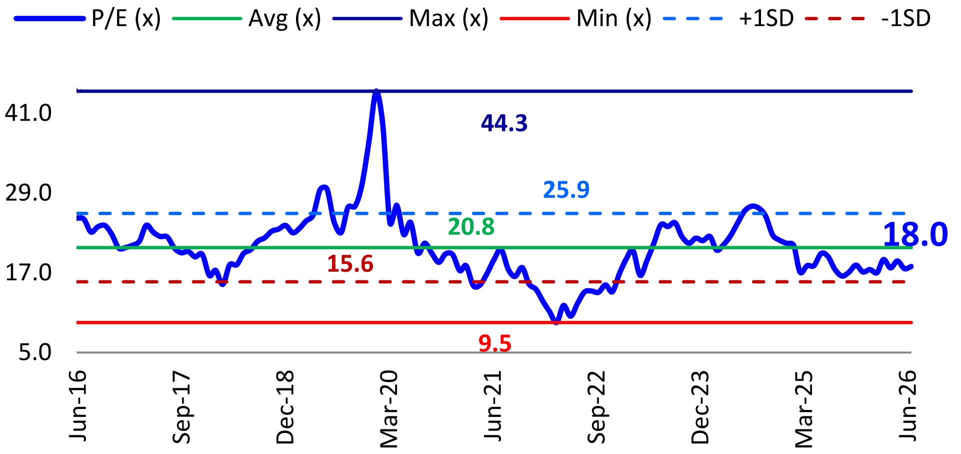
- **Unique business model with multiple technologies under one roof:** CIEINDIA is a unique ancillary company that houses seven key technologies under one roof, each with a strong competitive position. Some of its strong attributes include: 1) the largest supplier of PV crankshafts in India; 2) a dominant player in forged steering parts; 3) one of the two strategic suppliers of aluminum castings to a leading domestic 2W OEM; 4) the second-largest supplier of crankshafts in Europe; 5) a strategic supplier of gears to a leading global supplier of construction and mining equipment; 6) the largest supplier of stampings and gears to one of the leading SUV/tractor OEMs in India; and 7) a supplier with the unique ability to supply crankshafts through both castings and forgings.
- **India business to remain a key growth driver:** CIEINDIA's top three domestic customers are MM, BJAUT, and MSIL. The outlook for all three anchor customers is positive, with each of them expected to outperform their respective industry growth on account of new launches. Apart from this, the company is boosting its presence with several key OEMs, including Hyundai, Toyota, and VW. Further, domestic demand in India is expected to revive across segments following the GST rate cut. Thus, India is likely to be the key growth driver for CIE Automotive. Further, it continues capacity expansion with efficiency enhancements in line with CIE global benchmarks.
- **European demand remains subdued; deceleration has stopped:** While demand in Europe remains weak, the positive is that deceleration in demand has now stopped and is stabilizing at lower levels. Despite the subdued industry growth outlook in Europe, management is optimistic about outperforming the industry, backed by new order wins. Further, ongoing global tariff wars are likely to drive uncertainty in demand in the near term. Moreover, management has made it clear that in Europe, the focus will remain on margin protection, capacity adjustments, and securing new business.
- **Valuation and view:** The company's India business is likely to be a key growth driver, given the pickup in demand across segments. Further, on the back of its new order wins, we expect the India business to resume its outperformance relative to industry growth, which was lacking in the recent past. In Europe, it will continue to focus on maintaining margins at reduced demand. At CMP, the stock trades at 16.4x/15.5x CY26E/CY27E consolidated EPS. Reiterate BUY with a TP of INR501 (premised on ~18x Mar'28E consolidated EPS).

**Exhibit 7: Our revised estimates**

| (INR M) | CY26E | | | CY27E | | |
|---|---|---|---|---|---|---|
| | Rev | Old | Chg (%) | Rev | Old | Chg (%) |
| Net sales | 112,122 | 109,660 | 2.2 | 118,698 | 116,064 | 2.3 |
| EBITDA | 16,903 | 16,861 | 0.3 | 18,533 | 17,923 | 3.4 |
| EBITDA margin % | 15.1 | 15.4 | -30bp | 15.6 | 15.4 | 20bp |
| Adj. PAT | 10,233 | 10,328 | (0.9) | 11,432 | 10,963 | 4.3 |
| EPS | 27.1 | 27.3 | (0.9) | 30.2 | 29.0 | 4.3 |

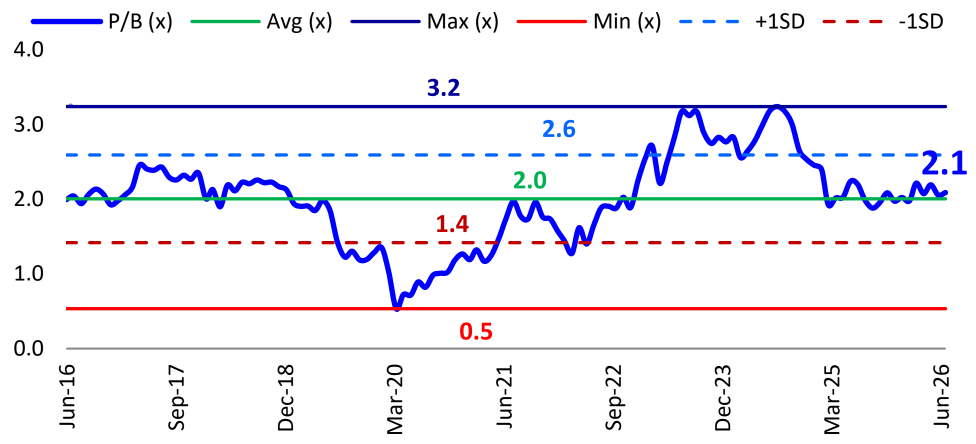
Source: MOFSL

**Exhibit 8: P/E ratio charts**




Source: Company, MOFSL

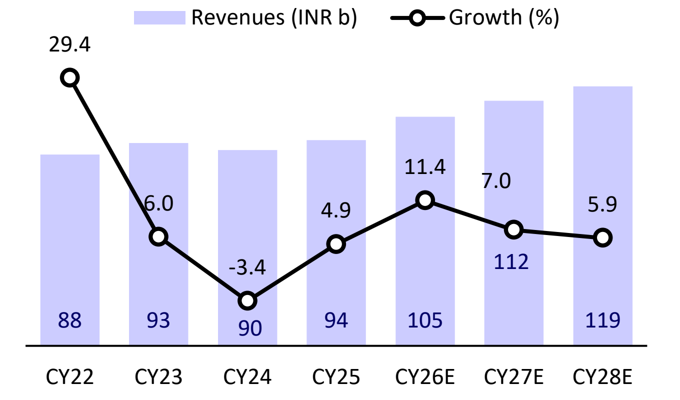
**Exhibit 9: P/B ratio charts**




Source: Company, MOFSL

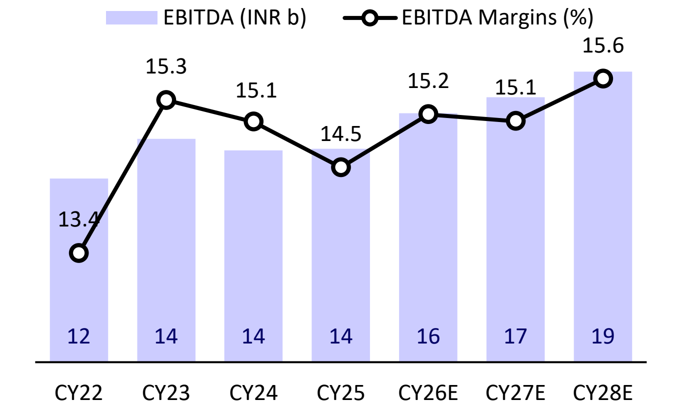
## Key operating indicators

**Exhibit 10: Consol revenues to grow by 8.1% over CY25-28E**



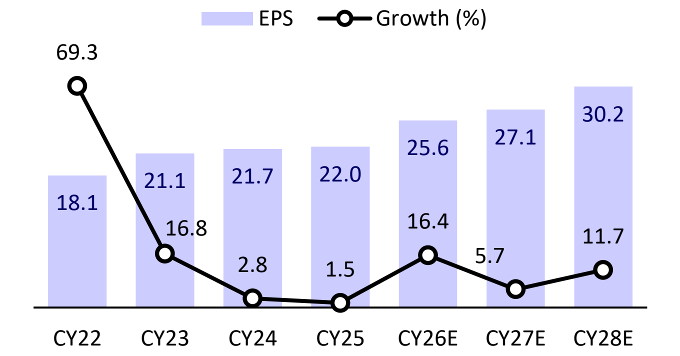

Source: Company, MOFSL

**Exhibit 11: Expect EBITDA margin to remain stable**



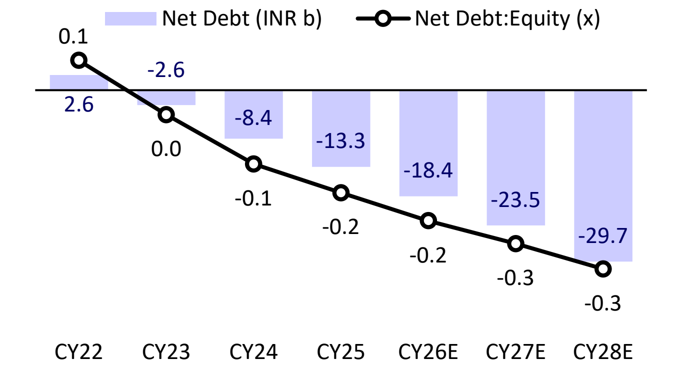

Source: Company, MOFSL

**Exhibit 12: EPS and EPS growth trends**



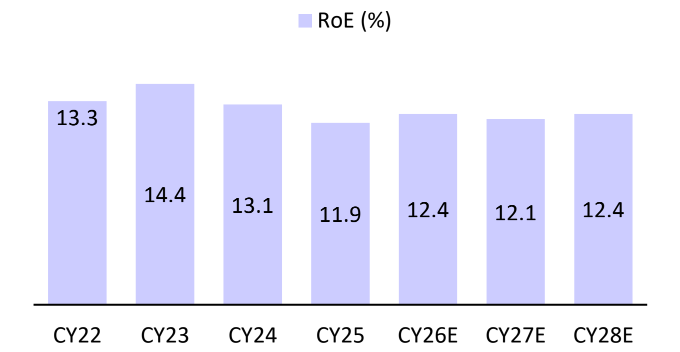

Source: Company, MOFSL

**Exhibit 13: Turned net cash positive from CY23**



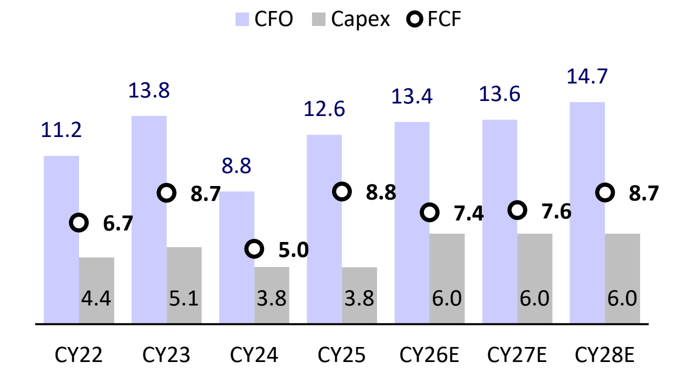

Source: Company, MOFSL

**Exhibit 14: Expect RoE to remain under pressure**




Source: Company, MOFSL

**Exhibit 15: FCF to remain at healthy levels**




Source: Company, MOFSL

# Financials and valuations

**Consolidated - Income Statement** (INR M)

| Y/E December | CY21 | CY22 | CY23 | CY24 | CY25 | CY26E | CY27E | CY28E |
|---|---|---|---|---|---|---|---|---|
| **Total Income from Operations** | **67,652** | **87,530** | **92,803** | **89,641** | **94,065** | **104,749** | **112,122** | **118,698** |
| Change (%) | 11.8 | 29.4 | 6.0 | -3.4 | 4.9 | 11.4 | 7.0 | 5.9 |
| **Total Expenditure** | **58,234** | **75,810** | **78,565** | **76,135** | **80,440** | **88,867** | **95,218** | **100,164** |
| % of Sales | 86.1 | 86.6 | 84.7 | 84.9 | 85.5 | 84.8 | 84.9 | 84.4 |
| **EBITDA** | **9,417** | **11,720** | **14,239** | **13,506** | **13,625** | **15,882** | **16,903** | **18,533** |
| Change (%) | 87.7 | 24.5 | 21.5 | -5.1 | 0.9 | 16.6 | 6.4 | 9.6 |
| Margin (%) | 13.9 | 13.4 | 15.3 | 15.1 | 14.5 | 15.2 | 15.1 | 15.6 |
| Depreciation | 2,733 | 2,962 | 3,222 | 3,306 | 3,581 | 3,874 | 4,134 | 4,564 |
| **EBIT** | **6,684** | **8,758** | **11,017** | **10,199** | **10,044** | **12,008** | **12,769** | **13,970** |
| Int. and Finance Charges | 348 | 227 | 1,074 | 776 | 265 | 399 | 439 | 423 |
| Other Income | 468 | 583 | 820 | 1,396 | 1,013 | 1,188 | 1,207 | 1,602 |
| **PBT bef. EO Exp.** | **6,805** | **9,114** | **10,763** | **10,820** | **10,791** | **12,796** | **13,537** | **15,149** |
| EO Items | -128 | 379 | 0 | 0 | 0 | 0 | 0 | 0 |
| **PBT after EO Exp.** | **6,677** | **9,492** | **10,763** | **10,820** | **10,791** | **12,796** | **13,537** | **15,149** |
| Total Tax | 2,731 | 2,401 | 2,782 | 2,644 | 2,585 | 3,153 | 3,345 | 3,759 |
| Tax Rate (%) | 40.9 | 25.3 | 25.8 | 24.4 | 24.0 | 24.6 | 24.7 | 24.8 |
| Share of profit from associate | 12 | 22 | -5 | 27 | 23 | 40 | 41 | 42 |
| **Reported PAT** | **3,958** | **7,113** | **7,976** | **8,203** | **8,230** | **9,684** | **10,233** | **11,432** |
| **Adj. PAT** | **4,034** | **6,829** | **7,976** | **8,203** | **8,323** | **9,684** | **10,233** | **11,432** |
| Change (%) | 278.3 | 69.3 | 16.8 | 2.8 | 1.5 | 16.4 | 5.7 | 11.7 |

**Consolidated - Balance Sheet** (INR M)

| Y/E December | CY21 | CY22 | CY23 | CY24 | CY25 | CY26E | CY27E | CY28E |
|---|---|---|---|---|---|---|---|---|
| Equity Share Capital | 3,791 | 3,793 | 3,794 | 3,794 | 3,794 | 3,794 | 3,794 | 3,794 |
| Total Reserves | 48,175 | 47,192 | 56,086 | 61,974 | 70,798 | 77,400 | 84,374 | 92,165 |
| **Net Worth** | **51,966** | **50,985** | **59,880** | **65,768** | **74,591** | **81,194** | **88,167** | **95,958** |
| Total Loans | 12,816 | 9,234 | 8,033 | 5,210 | 3,860 | 1,860 | 1,360 | 1,360 |
| Deferred Tax Liabilities | 2,459 | 3,199 | 3,238 | 3,247 | 3,178 | 3,178 | 3,178 | 3,178 |
| **Capital Employed** | **67,241** | **63,418** | **71,151** | **74,225** | **81,630** | **86,232** | **92,706** | **100,497** |
| Gross Block | 50,226 | 48,348 | 53,792 | 56,663 | 64,315 | 70,289 | 76,263 | 82,236 |
| Less: Accum. Deprn. | 20,624 | 20,921 | 24,228 | 26,234 | 32,689 | 36,563 | 40,698 | 45,261 |
| **Net Fixed Assets** | **29,602** | **27,427** | **29,564** | **30,428** | **31,626** | **33,726** | **35,565** | **36,975** |
| Goodwill on Consolidation | 36,265 | 28,040 | 28,540 | 28,142 | 30,375 | 30,375 | 30,375 | 30,375 |
| Capital WIP | 1,247 | 1,195 | 537 | 663 | 1,296 | 1,322 | 1,348 | 1,375 |
| **Total Investments** | **4,380** | **5,756** | **8,206** | **10,617** | **14,826** | **16,826** | **21,826** | **27,326** |
| **Curr. Assets, Loans&Adv.** | **26,712** | **36,780** | **30,679** | **27,639** | **29,233** | **31,930** | **33,526** | **36,000** |
| Inventory | 13,486 | 12,108 | 11,626 | 10,911 | 11,296 | 12,661 | 13,565 | 14,270 |
| Account Receivables | 6,687 | 8,608 | 6,331 | 6,271 | 6,090 | 7,462 | 7,987 | 8,455 |
| Cash and Bank Balance | 1,595 | 859 | 2,387 | 3,009 | 2,305 | 3,428 | 3,004 | 3,779 |
| Loans and Advances | 4,943 | 15,205 | 10,334 | 7,447 | 9,542 | 8,380 | 8,970 | 9,496 |
| **Curr. Liability & Prov.** | **30,965** | **35,780** | **26,374** | **23,262** | **25,725** | **27,945** | **29,933** | **31,552** |
| Account Payables | 19,385 | 21,350 | 19,341 | 15,809 | 18,632 | 18,991 | 20,348 | 21,405 |
| Other Current Liabilities | 7,605 | 12,876 | 5,505 | 5,976 | 5,636 | 7,332 | 7,849 | 8,309 |
| Provisions | 3,976 | 1,553 | 1,528 | 1,477 | 1,457 | 1,622 | 1,736 | 1,838 |
| **Net Current Assets** | **-4,253** | **1,000** | **4,305** | **4,377** | **3,508** | **3,985** | **3,593** | **4,447** |
| Misc Expenditure | 1 | 0 | -1 | -1 | -1 | -1 | -1 | -1 |
| **Appl. of Funds** | **67,241** | **63,418** | **71,151** | **74,226** | **81,630** | **86,233** | **92,706** | **100,497** |

# Financials and valuations

## Ratios

| Y/E December | CY21 | CY22 | CY23 | CY24 | CY25 | CY26E | CY27E | CY28E |
|---|---|---|---|---|---|---|---|---|
| **Basic (INR)** | | | | | | | | |
| **EPS** | **10.7** | **18.1** | **21.1** | **21.7** | **22.0** | **25.6** | **27.1** | **30.2** |
| Cash EPS | 17.9 | 25.9 | 29.6 | 30.4 | 31.5 | 35.9 | 38.0 | 42.3 |
| BV/Share | 137.4 | 134.8 | 158.4 | 173.9 | 197.3 | 214.7 | 233.2 | 253.8 |
| DPS | 2.5 | 2.5 | 5.0 | 7.0 | 7.0 | 8.1 | 8.6 | 9.6 |
| Payout (%) | 23.9 | 13.3 | 23.8 | 32.4 | 32.3 | 31.8 | 31.9 | 31.9 |
| **Valuation (x)** | | | | | | | | |
| P/E | 39.3 | 23.2 | 19.9 | 19.3 | 19.0 | 16.4 | 15.5 | 13.9 |
| Cash P/E | 23.4 | 16.2 | 14.1 | 13.8 | 13.3 | 11.7 | 11.0 | 9.9 |
| P/BV | 3.0 | 3.1 | 2.6 | 2.4 | 2.1 | 2.0 | 1.8 | 1.7 |
| EV/Sales | 2.5 | 1.9 | 1.8 | 1.8 | 1.7 | 1.5 | 1.4 | 1.3 |
| EV/EBITDA | 18.1 | 14.3 | 11.6 | 11.9 | 11.8 | 9.9 | 9.3 | 8.4 |
| Dividend Yield (%) | 0.6 | 0.6 | 1.2 | 1.7 | 1.7 | 1.9 | 2.1 | 2.3 |
| FCF per share | 15.1 | 17.8 | 23.0 | 13.2 | 23.2 | 19.5 | 19.9 | 23.0 |
| **Return Ratios (%)** | | | | | | | | |
| RoE | 8.0 | 13.3 | 14.4 | 13.1 | 11.9 | 12.4 | 12.1 | 12.4 |
| RoCE (Post-tax) | 6.3 | 10.7 | 13.0 | 12.1 | 10.8 | 11.8 | 11.8 | 12.1 |
| RoIC | 6.5 | 11.3 | 14.1 | 12.8 | 12.4 | 14.2 | 14.7 | 15.6 |
| **Working Capital Ratios** | | | | | | | | |
| Fixed Asset Turnover (x) | 1.3 | 1.8 | 1.7 | 1.6 | 1.5 | 1.5 | 1.5 | 1.4 |
| Asset Turnover (x) | 1.0 | 1.4 | 1.3 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| Inventory (Days) | 73 | 50 | 46 | 44 | 44 | 44 | 44 | 44 |
| Debtor (Days) | 36 | 36 | 25 | 26 | 24 | 26 | 26 | 26 |
| Creditor (Days) | 105 | 89 | 76 | 64 | 72 | 66 | 66 | 66 |
| **Leverage Ratio (x)** | | | | | | | | |
| Net Debt/Equity | 0.1 | 0.1 | 0.0 | -0.1 | -0.2 | -0.2 | -0.3 | -0.3 |

## Consolidated - Cash Flow Statement (INR M)

| Y/E December | CY21 | CY22 | CY23 | CY24 | CY25 | CY26E | CY27E | CY28E |
|---|---|---|---|---|---|---|---|---|
| OP/(Loss) before Tax | 6,689 | 9,514 | 10,759 | 10,847 | 10,814 | 12,836 | 13,578 | 15,191 |
| Depreciation | 3,431 | 3,537 | 3,222 | 3,306 | 3,581 | 3,874 | 4,134 | 4,564 |
| Interest & Finance Charges | 533 | 454 | 1,074 | 776 | 265 | -789 | -768 | -1,179 |
| Direct Taxes Paid | -1,053 | -1,981 | -3,579 | -2,622 | -2,625 | -3,153 | -3,345 | -3,759 |
| (Inc)/Dec in WC | 1,364 | -97 | -309 | -2,357 | 1,499 | 647 | -32 | -80 |
| **CF from Operations** | **10,963** | **11,427** | **11,166** | **9,950** | **13,535** | **13,416** | **13,567** | **14,737** |
| Others | -452 | -245 | 2,667 | -1,142 | -955 | 0 | 0 | 0 |
| **CF from Operating incl EO** | **10,511** | **11,182** | **13,833** | **8,808** | **12,580** | **13,416** | **13,567** | **14,737** |
| (Inc)/Dec in FA | -4,778 | -4,434 | -5,122 | -3,807 | -3,774 | -6,000 | -6,000 | -6,000 |
| **Free Cash Flow** | **5,733** | **6,749** | **8,711** | **5,002** | **8,806** | **7,416** | **7,567** | **8,737** |
| (Pur)/Sale of Investments | -1,880 | -1,273 | -2,213 | -1,679 | -3,668 | -2,000 | -5,000 | -5,500 |
| Others | -967 | -661 | -1,714 | 3,118 | -582 | 1,188 | 1,207 | 1,602 |
| **CF from Investments** | **-7,625** | **-6,368** | **-9,049** | **-2,368** | **-8,024** | **-6,812** | **-9,793** | **-9,898** |
| Issue of Shares | 10 | 36 | 7 | 0 | 0 | 0 | 0 | 0 |
| Inc/(Dec) in Debt | -2,787 | -3,936 | 396 | 3,265 | -2,744 | -2,000 | -500 | 0 |
| Interest Paid | -465 | -378 | -1,035 | -739 | -255 | -399 | -439 | -423 |
| Dividend Paid | 0 | -948 | -948 | -1,889 | -2,644 | -3,081 | -3,259 | -3,641 |
| Others | -385 | 349 | -2,691 | -6,164 | 383 | 0 | 0 | 0 |
| **CF from Fin. Activity** | **-3,627** | **-4,877** | **-4,272** | **-5,527** | **-5,260** | **-5,481** | **-4,198** | **-4,064** |
| **Inc/Dec of Cash** | **-740** | **-63** | **512** | **914** | **-704** | **1,123** | **-424** | **775** |
| Opening Balance | 2,506 | 1,766 | 1,703 | 2,095 | 3,009 | 2,305 | 3,428 | 3,004 |
| **Closing Balance** | **1,766** | **1,703** | **2,215** | **3,009** | **2,305** | **3,428** | **3,004** | **3,779** |

| Explanation of Investment Rating | |
|---|---|
| **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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