

# Bharat Forge | HOLD

## Tariff related headwinds; downgrade to HOLD

In 1QFY26, Bharat Forge (BHFC) reported a revenue miss versus our estimates, impacted by tariff-related challenges, the rollback of emission norm changes for heavy trucks in the US, and seasonality in the aerospace segment. Standalone EBITDA margin stood at 27.2% (-70bps YoY), falling 90bps short of JMFe due to an adverse product mix, negative operating leverage, and the absorption of tariff-related expenses (INR 140mn in 1Q). Consolidated EBITDA margin contracted 80bps YoY to 17.2% on account of weak utilization and an inferior mix. While the defence segment's order pipeline remains robust at INR 90bn, export momentum is likely to remain subdued amid global CV weakness, tariff overhang, and cost related to tariff. Consequently, we cut our FY26E/FY27E EBITDA margin estimates by 190bps/130bps and revise down EPS by 17%/11%. Given uncertain global environment, we downgrade BHFC to HOLD, with a revised target price of INR 1,100 based on 32x Mar'27E EPS.

- **1QFY26 –Standalone margin below estimates:** BHFC's stand. net sales stood at INR c.21bn (-10% YoY, -2.7% QoQ), c.6% below JMFe owing to weakness in CV exports and domestic industrial segments. Total tonnage stood at c.61.8kt (-8% YoY, -8% QoQ). Realisation decreased by 2% YoY (+6% QoQ). Reported stand. EBITDA margin was 27.2% (-70bps YoY, -130bps QoQ), 90bps below JMFe. Consolidated revenue stood at INR 39bn (-5%YoY, +1.5%QoQ). EBITDA margin stood at 17.2% (-83bps YoY, -47bps QoQ) due to inferior product mix and low utilisation. Consol. EBITDA stood at INR 6.7bn (-9.2%YoY, -1.2% QoQ). Consol. PAT stood at INR 2.87bn (-12% YoY, -1% QoQ).
- **Domestic business outlook:** Domestic revenue declined 12% YoY (+10.6% QoQ) to INR 10.3bn in 1Q. CV revenue declined 2% YoY (-8% QoQ) to INR 2.4bn due to overall demand weakness. The government's capex push and an increase in construction and manufacturing activity remain medium-to-long-term growth drivers. PV revenue stood at INR 973mn (+19% YoY, +8% QoQ), with growth driven by new business wins and higher volumes from key customers. The management expects steady performance to continue, as vehicle demand is likely to be flat to moderately positive in FY26. Industrial segment revenue declined 21% YoY (+28.2% QoQ) to approximately INR 5.7bn. The sequential improvement in the segment was due to the execution of a defence order and a small one-time order for machine tools. BHFC's defence order book stands at ~INR 90bn (domestic + exports), with one additional domestic tender worth INR 14bn awaiting conversion into a signed order. Overall, BHFC expects to see a ramp-up in defence revenue, with full-year growth anticipated.
- **Export business outlook – tariff headwinds:** Export revenue declined 10% YoY (-2.7% QoQ) to INR 10.7bn in 1QFY26. CV segment revenue stood at INR 4.5bn (-15% YoY, -3% QoQ), due to the rollback of emission norm changes for heavy trucks in the US, tariff uncertainty, and overall market weakness. PV segment revenue grew 4.7% YoY (-10.6% QoQ) to INR 2.9bn. the YoY growth was primarily led by a lower base. Industrial revenue declined approximately 7% YoY (-24.5% QoQ) to INR 3.4bn, due to seasonality in the aerospace business. The management expects the aerospace business to see 20% YoY growth in FY26. Overall, the management expects 2Q to be weak due to ongoing tariff uncertainty and anticipates 2HFY26 to be better across segments. Further, the full tariff impact is expected in 2Q/3Q of FY26.

| Financial Summary      |          |          |          |          | (INR mn) |
|------------------------|----------|----------|----------|----------|----------|
| Y/E March              | FY24A    | FY25A    | FY26E    | FY27E    | FY28E    |
| Net Sales              | 1,56,821 | 1,51,228 | 1,64,550 | 1,80,354 | 1,98,047 |
| Sales Growth (%)       | 21.5     | -3.6     | 8.8      | 9.6      | 9.8      |
| EBITDA                 | 25,579   | 26,939   | 27,956   | 32,010   | 35,823   |
| EBITDA Margin (%)      | 16.3     | 17.8     | 17.0     | 17.7     | 18.1     |
| Adjusted Net Profit    | 9,635    | 10,982   | 13,337   | 16,349   | 19,093   |
| Diluted EPS (INR)      | 20.7     | 23.0     | 27.9     | 34.2     | 39.9     |
| Diluted EPS Growth (%) | 67.8     | 11.0     | 21.4     | 22.6     | 16.8     |
| ROIC (%)               | 9.8      | 10.0     | 10.9     | 12.6     | 14.0     |
| ROE (%)                | 13.9     | 13.4     | 13.7     | 15.1     | 15.7     |
| P/E (x)                | 55.0     | 49.6     | 40.8     | 33.3     | 28.5     |
| P/B (x)                | 7.4      | 5.9      | 5.3      | 4.8      | 4.2      |
| EV/EBITDA (x)          | 22.5     | 20.9     | 19.9     | 17.1     | 15.0     |
| Dividend Yield (%)     | 0.8      | 0.5      | 0.7      | 0.7      | 0.7      |

Source: Company data, JM Financial. Note: Valuations as of 08/Jun/2025



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### Recommendation and Price Target

|                            |        |
|----------------------------|--------|
| Current Reco.              | HOLD   |
| Previous Reco.             | BUY    |
| Current Price Target (12M) | 1,100  |
| Upside/(Downside)          | -3.5%  |
| Previous Price Target      | 1,250  |
| Change                     | -12.0% |

### Key Data – BHFC IN

|                          |                     |
|--------------------------|---------------------|
| Current Market Price     | INR1,139            |
| Market cap (bn)          | INR544.7/US\$6.2    |
| Free Float               | 53%                 |
| Shares in issue (mn)     | 465.6               |
| Diluted share (mn)       | 478.1               |
| 3-mon avg daily val (mn) | INR1,621.2/US\$18.5 |
| 52-week range            | 1,655/919           |
| Sensex/Nifty             | 80,544/24,574       |
| INR/US\$                 | 87.7                |

### Price Performance

| %         | 1M    | 6M   | 12M   |
|-----------|-------|------|-------|
| Absolute  | -13.3 | 0.1  | -24.9 |
| Relative* | -10.2 | -3.2 | -25.9 |

\* To the BSE Sensex

JM Financial Research is also available on:  
Bloomberg - JMFR <GO>,  
Thomson Publisher & Reuters,  
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

- **Overseas manufacturing operations:** During 1QFY26, overseas manufacturing subsidiaries revenue stood at ~INR 14bn (+8% YoY, +17% QoQ). EBITDA margin at EU operations declined 40bps YoY (+190bps QoQ) to 3.1%. BHFC has taken action to reduce its interest cost across its overseas subsidiaries and is reviewing its EU manufacturing footprint. The US manufacturing operations reported a significant 480bps QoQ expansion. Additionally, the US Aluminium forging plant is ramping-up steadily, operating at 70% utilisation level, with output capacity expected to double upon commissioning of phase 2.
- **Other highlights:** 1) BHFC's standalone gross LT debt remained reduced QoQ to INR 10.4bn in 1QFY26 from 12.9bn in 4QFY25. 2) Capex guidance for FY26 stood at INR 5bn and the company is setting up a new dedicated forging and machining facility for aerospace. 3) AAM acquisition is expected to conclude by Jun'25 end. It is expected to add INR 10bn in FY26 4) Mfg. facility for server and electronics segment is expected to commence in 2HFY26. 5) The company expects E-mobility business to achieve EBITDA break-even by FY26 end.

**Exhibit 1. BHFC (standalone) - financial performance**

| (INR mn)              | Q1FY26        | Q1FY25        | % YoY          | Q4FY25        | % QoQ          | Q1FY26E       | % A/E         |
|-----------------------|---------------|---------------|----------------|---------------|----------------|---------------|---------------|
| <b>Net Sales</b>      | <b>21,047</b> | <b>23,381</b> | <b>-10.0</b>   | <b>21,630</b> | <b>-2.7</b>    | <b>22,368</b> | <b>-5.9</b>   |
| RM                    | 8,156         | 9,777         | -16.6          | 8,576         | -4.9           | 8,925         | -8.6          |
| As a % of sales       | 38.8          | 41.8          | -310bps        | 39.6          | 0bps           | 39.9          | -110bps       |
| Employee Exp          | 1,696         | 1,626         | 4.3            | 1,539         | 10.2           | 1,611         | 5.3           |
| As a % of sales       | 8.1           | 7.0           | 110bps         | 7.1           | 90bps          | 7.2           | 90bps         |
| Other Costs           | 5,477         | 5,463         | 0.3            | 5,348         | 2.4            | 5,547         | -1.3          |
| As a % of sales       | 26.0          | 23.4          | 270bps         | 24.7          | 130bps         | 24.8          | 120bps        |
| Expenditure           | 15,329        | 16,866        | -9.1           | 15,464        | -0.9           | 16,083        | -4.7          |
| <b>EBITDA</b>         | <b>5,718</b>  | <b>6,515</b>  | <b>-12.2</b>   | <b>6,167</b>  | <b>-7.3</b>    | <b>6,286</b>  | <b>-9.0</b>   |
| <b>EBITDA Margin</b>  | <b>27.2</b>   | <b>27.9</b>   | <b>-70bps</b>  | <b>28.5</b>   | <b>-130bps</b> | <b>28.1</b>   | <b>-90bps</b> |
| Other Income          | 422           | 446           | -5.4           | 481           | -12.2          | 397           | 6.2           |
| Interest              | 522           | 702           | -25.6          | 588           | -11.2          | 625           | -16.4         |
| Depreciation          | 1,125         | 1,094         | 2.8            | 1,122         | 0.2            | 1,100         | 2.2           |
| PBT                   | 4,493         | 5,164         | -13.0          | 4,937         | -9.0           | 4,958         | -9.4          |
| Tax                   | 1,108         | 1,014         | 9.3            | 1,278         | -13.4          | 1,244         | -11.0         |
| Tax rate (%)          | 24.7          | 19.6          | 500bps         | 25.9          | -120bps        | 25.1          | -40bps        |
| <b>PAT (Adjusted)</b> | <b>3,385</b>  | <b>4,151</b>  | <b>-18.4</b>   | <b>3,659</b>  | <b>-7.5</b>    | <b>3,714</b>  | <b>-8.8</b>   |
| <b>PAT Margin</b>     | <b>16.1</b>   | <b>17.8</b>   | <b>-170bps</b> | <b>16.9</b>   | <b>-80bps</b>  | <b>16.6</b>   | <b>-50bps</b> |
| <b>EPS</b>            | <b>7.1</b>    | <b>8.9</b>    | <b>-20.6</b>   | <b>7.7</b>    | <b>-7.5</b>    | <b>7.8</b>    | <b>-8.8</b>   |

Source: Company, JM Financial

**Exhibit 2. Standalone - segmental performance**

| (INR mn)             | Q1FY26        | Q1FY25        | % YoY      | Q4FY25        | % QoQ      | Q1FY26E       | % A/E      |
|----------------------|---------------|---------------|------------|---------------|------------|---------------|------------|
| <b>Total revenue</b> | <b>21,047</b> | <b>23,380</b> | <b>-10</b> | <b>21,630</b> | <b>-3</b>  | <b>22,368</b> | <b>-6</b>  |
| <b>Domestic</b>      | <b>10,294</b> | <b>11,679</b> | <b>-12</b> | <b>9,309</b>  | <b>11</b>  | <b>9,688</b>  | <b>6</b>   |
| CV                   | 2,447         | 2,489         | -2         | 2,659         | -8         | 2,659         | -8         |
| Industrial           | 6,874         | 8,374         | -18        | 5,749         | 20         | 6,074         | 13         |
| PV                   | 973           | 816           | 19         | 901           | 8          | 955           | 2          |
| <b>Exports</b>       | <b>10,753</b> | <b>11,701</b> | <b>-8</b>  | <b>12,321</b> | <b>-13</b> | <b>12,680</b> | <b>-15</b> |
| CV                   | 4,499         | 5,318         | -15        | 4,633         | -3         | 4,502         | 0          |
| Industrial           | 3,372         | 3,631         | -7         | 4,464         | -24        | 4,576         | -26        |
| PV                   | 2,882         | 2,752         | 5          | 3,224         | -11        | 3,603         | -20        |

Source: Company, JM Financial

**Exhibit 3. Consolidated performance**

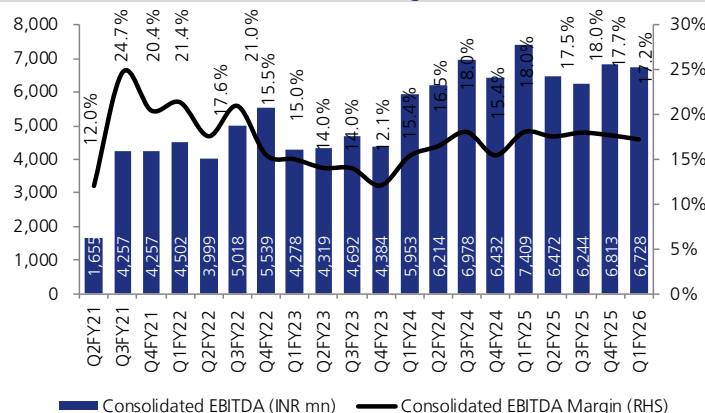
| (INR mn)              | Q1FY26        | Q1FY25        | % YoY         | Q4FY25        | % QoQ         |
|-----------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Net Sales</b>      | <b>39,087</b> | <b>41,061</b> | <b>-4.8</b>   | <b>38,526</b> | <b>1.5</b>    |
| RM                    | 16,962        | 18,369        | -7.7          | 17,234        | -1.6          |
| As a % of sales       | 43.4          | 44.7          | -130bps       | 44.7          | -130bps       |
| Employee Exp          | 5,137         | 4,987         | 3.0           | 4,678         | 9.8           |
| As a % of sales       | 13.1          | 12.1          | 100bps        | 12.1          | 100bps        |
| Other Costs           | 10,260        | 10,296        | -0.3          | 9,801         | 4.7           |
| As a % of sales       | 26.2          | 25.1          | 120bps        | 25.4          | 80bps         |
| Expenditure           | 32,358        | 33,652        | -3.8          | 31,713        | 2.0           |
| <b>EBITDA</b>         | <b>6,729</b>  | <b>7,410</b>  | <b>-9.2</b>   | <b>6,813</b>  | <b>-1.2</b>   |
| <b>EBITDA Margin</b>  | <b>17.2</b>   | <b>18.0</b>   | <b>-80bps</b> | <b>17.7</b>   | <b>-50bps</b> |
| <b>PAT (Adjusted)</b> | <b>2,838</b>  | <b>1,745</b>  | <b>62.6</b>   | <b>2,826</b>  | <b>0.4</b>    |
| <b>PAT Margin</b>     | <b>7.3</b>    | <b>4.3</b>    | <b>300bps</b> | <b>7.3</b>    | <b>-10bps</b> |
| <b>EPS</b>            | <b>5.9</b>    | <b>3.7</b>    | <b>58.4</b>   | <b>5.9</b>    | <b>0.4</b>    |

Source: Company, JM Financial

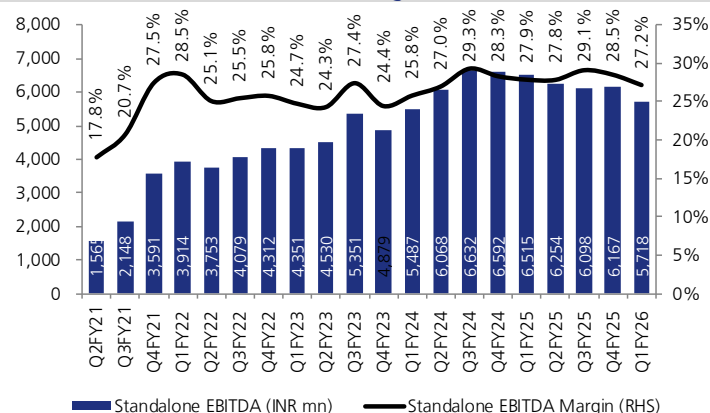
**Exhibit 4. BHFC - overseas manufacturing subsidiaries' performance**

| (INR mn)             | Q1FY26        | Q1FY25         | % YoY         | Q4FY25        | % QoQ         |
|----------------------|---------------|----------------|---------------|---------------|---------------|
| <b>Net Sales</b>     | <b>14,299</b> | <b>13,200</b>  | <b>8.3</b>    | <b>12,243</b> | <b>16.8</b>   |
| <b>EBITDA</b>        | <b>558</b>    | <b>135</b>     | <b>313.3</b>  | <b>153</b>    | <b>264.7</b>  |
| <b>EBITDA Margin</b> | <b>3.9</b>    | <b>1.0</b>     | <b>290bps</b> | <b>1.2</b>    | <b>270bps</b> |
| <b>PBT</b>           | <b>(656)</b>  | <b>(1,169)</b> | <b>NA</b>     | <b>(989)</b>  | <b>NA</b>     |

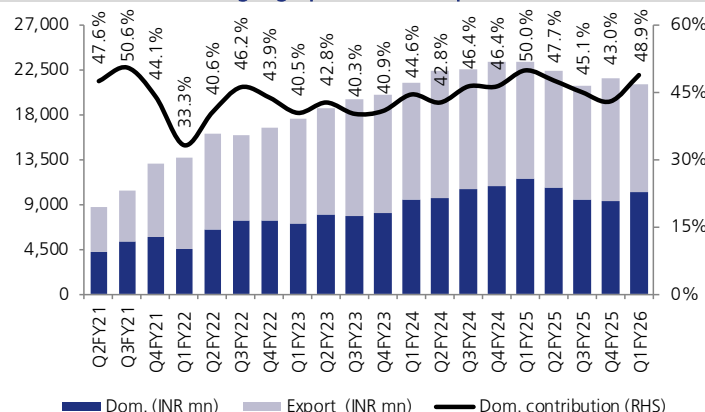
Source: Company, JM Financial

**Exhibit 5. Consolidated EBITDA and margin trend**

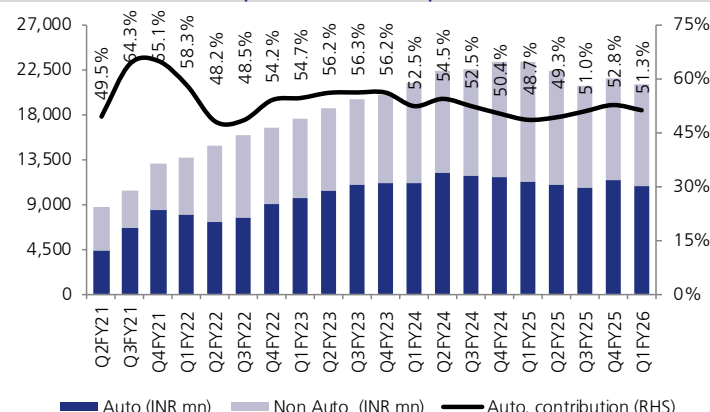
Source: Company, JM Financial

**Exhibit 6. Standalone EBITDA and margin trend**

Source: Company, JM Financial

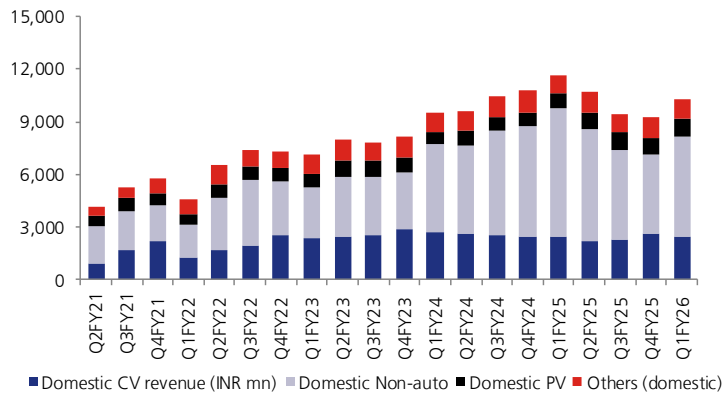
**Exhibit 7. Standalone - geographic revenue split**

Source: Company, JM Financial

**Exhibit 8. Standalone - product revenue split**

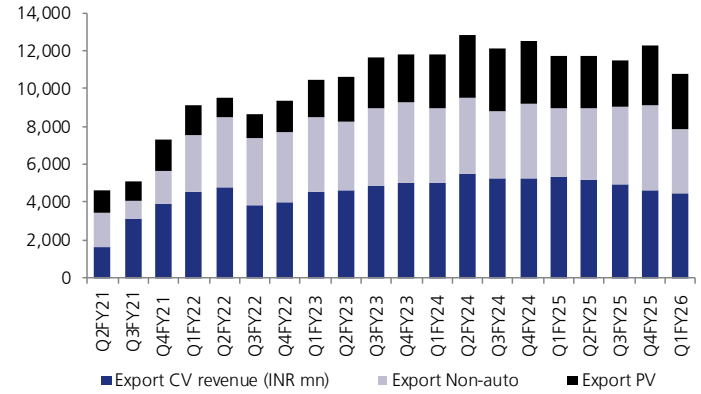
Source: Company, JM Financial

Exhibit 9. Standalone domestic – revenue split



Source: Company, JM Financial

Exhibit 10. Standalone exports – revenue split



Source: Company, JM Financial

Exhibit 11. BHFC - change in assumptions (consolidated)

| BHFC             | New assumption |         |         | Old assumption |         |         | % change |         |         |
|------------------|----------------|---------|---------|----------------|---------|---------|----------|---------|---------|
|                  | FY25A          | FY26E   | FY27E   | FY25A          | FY26E   | FY27E   | FY25A    | FY26E   | FY27E   |
| Revenue (INR mn) | 151,228        | 164,550 | 180,354 | 151,228        | 166,409 | 182,396 | 0.0%     | -1.1%   | -1.1%   |
| EBITDA (INR mn)  | 26,939         | 27,956  | 32,010  | 26,939         | 31,523  | 34,746  | 0.0%     | -11.3%  | -7.9%   |
| EBITDAM (%)      | 17.8%          | 17.0%   | 17.7%   | 17.8%          | 18.9%   | 19.0%   | -        | -190bps | -130bps |
| PAT (INR mn)     | 10,982         | 13,337  | 16,349  | 10,982         | 15,994  | 18,382  | 0.0%     | -16.6%  | -11.1%  |
| EPS (INR)        | 23.0           | 27.9    | 34.2    | 23.0           | 33.4    | 38.4    | 0.0%     | -16.6%  | -11.1%  |

Source: Company, JM Financial

Exhibit 12. 1-yr forward PE chart



Source: Company, Bloomberg, JM Financial

## Financial Tables (Consolidated)

| Income Statement (INR mn)         |               |               |               |               |               |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Y/E March                         | FY24A         | FY25A         | FY26E         | FY27E         | FY28E         |
| Net Sales                         | 1,56,821      | 1,51,228      | 1,64,550      | 1,80,354      | 1,98,047      |
| Sales Growth                      | 21.5%         | -3.6%         | 8.8%          | 9.6%          | 9.8%          |
| Total Revenue                     | 1,56,821      | 1,51,228      | 1,64,550      | 1,80,354      | 1,98,047      |
| <b>Cost of Goods Sold/Op. Exp</b> | <b>73,792</b> | <b>65,943</b> | <b>71,855</b> | <b>77,026</b> | <b>84,309</b> |
| Personnel Cost                    | 18,600        | 18,699        | 20,791        | 22,797        | 24,666        |
| Other Expenses                    | 38,849        | 39,646        | 43,948        | 48,522        | 53,249        |
| EBITDA                            | 25,579        | 26,939        | 27,956        | 32,010        | 35,823        |
| <b>EBITDA Margin</b>              | <b>16.3%</b>  | <b>17.8%</b>  | <b>17.0%</b>  | <b>17.7%</b>  | <b>18.1%</b>  |
| EBITDA Growth                     | 44.7%         | 5.3%          | 3.8%          | 14.5%         | 11.9%         |
| Depn. & Amort.                    | 8,482         | 8,736         | 9,415         | 10,045        | 10,626        |
| EBIT                              | 17,097        | 18,203        | 18,541        | 21,965        | 25,197        |
| Other Income                      | 2,274         | 2,138         | 2,705         | 3,044         | 3,303         |
| Finance Cost                      | 4,912         | 4,175         | 3,547         | 3,272         | 2,997         |
| PBT before Excep. & Forex         | 14,460        | 16,166        | 17,700        | 21,737        | 25,503        |
| Excep. & Forex Inc./Loss(-)       | 0             | 0             | 0             | 0             | 0             |
| PBT                               | 14,460        | 16,166        | 17,700        | 21,737        | 25,503        |
| Taxes                             | 5,288         | 5,426         | 4,513         | 5,538         | 6,560         |
| Extraordinary Inc./Loss(-)        | -123          | -1,571        | 0             | 0             | 0             |
| Assoc. Profit/Min. Int.(-)        | -463          | -242          | -150          | -150          | -150          |
| Reported Net Profit               | 9,511         | 9,412         | 13,337        | 16,349        | 19,093        |
| Adjusted Net Profit               | 9,635         | 10,982        | 13,337        | 16,349        | 19,093        |
| <b>Net Margin</b>                 | <b>6.1%</b>   | <b>7.3%</b>   | <b>8.1%</b>   | <b>9.1%</b>   | <b>9.6%</b>   |
| Diluted Share Cap. (mn)           | 465.6         | 478.1         | 478.1         | 478.1         | 478.1         |
| Diluted EPS (INR)                 | 20.7          | 23.0          | 27.9          | 34.2          | 39.9          |
| <b>Diluted EPS Growth</b>         | <b>67.8%</b>  | <b>11.0%</b>  | <b>21.4%</b>  | <b>22.6%</b>  | <b>16.8%</b>  |
| Total Dividend + Tax              | 4,191         | 2,869         | 3,825         | 3,825         | 3,825         |
| Dividend Per Share (INR)          | 9.0           | 6.0           | 8.0           | 8.0           | 8.0           |

Source: Company, JM Financial

| Cash Flow Statement (INR mn) |                |                |                |                |                |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| Y/E March                    | FY24A          | FY25A          | FY26E          | FY27E          | FY28E          |
| Profit before Tax            | 14,460         | 16,166         | 17,700         | 21,737         | 25,503         |
| Depn. & Amort.               | 8,482          | 8,736          | 9,415          | 10,045         | 10,626         |
| Net Interest Exp. / Inc. (-) | 4,912          | 4,175          | 3,547          | 3,272          | 2,997          |
| Inc (-) / Dec in WCap.       | -6,270         | 1,414          | -588           | -3,604         | -3,763         |
| Others                       | -70            | -1,608         | 150            | 150            | 150            |
| Taxes Paid                   | -5,288         | -5,426         | -4,513         | -5,538         | -6,560         |
| <b>Operating Cash Flow</b>   | <b>16,226</b>  | <b>23,458</b>  | <b>25,711</b>  | <b>26,062</b>  | <b>28,952</b>  |
| Capex                        | -12,867        | -19,316        | -10,588        | -10,643        | -11,229        |
| Free Cash Flow               | 3,358          | 4,141          | 15,123         | 15,418         | 17,724         |
| Inc (-) / Dec in Investments | 7,198          | -2,137         | -2,500         | -2,500         | -2,500         |
| Others                       | -4,912         | -4,175         | -3,547         | -3,272         | -2,997         |
| <b>Investing Cash Flow</b>   | <b>-10,581</b> | <b>-25,628</b> | <b>-16,635</b> | <b>-16,415</b> | <b>-16,725</b> |
| Inc / Dec (-) in Capital     | 0              | 25             | 0              | 0              | 0              |
| Dividend + Tax thereon       | -4,191         | -2,869         | -3,825         | -3,825         | -3,825         |
| Inc / Dec (-) in Loans       | 6,343          | -12,493        | -5,000         | -5,000         | -5,000         |
| Others                       | -1,293         | 13,522         | -111           | -106           | -101           |
| <b>Financing Cash Flow</b>   | <b>859</b>     | <b>-1,815</b>  | <b>-8,936</b>  | <b>-8,931</b>  | <b>-8,926</b>  |
| <b>Inc / Dec (-) in Cash</b> | <b>6,504</b>   | <b>-3,985</b>  | <b>140</b>     | <b>716</b>     | <b>3,301</b>   |
| Opening Cash Balance         | 10,395         | 16,899         | 12,914         | 13,054         | 13,770         |
| Closing Cash Balance         | 16,899         | 12,914         | 13,054         | 13,770         | 17,071         |

Source: Company, JM Financial

| Balance Sheet (INR mn)            |                 |                 |                 |                 |                 |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Y/E March                         | FY24A           | FY25A           | FY26E           | FY27E           | FY28E           |
| Shareholders' Fund                | 71,702          | 92,533          | 1,01,934        | 1,14,353        | 1,29,520        |
| Share Capital                     | 931             | 956             | 956             | 956             | 956             |
| Reserves & Surplus                | 70,771          | 91,577          | 1,00,978        | 1,13,396        | 1,28,564        |
| Preference Share Capital          | 0               | 0               | 0               | 0               | 0               |
| Minority Interest                 | -49             | -328            | -328            | -328            | -328            |
| Total Loans                       | 79,475          | 66,983          | 61,983          | 56,983          | 51,983          |
| Def. Tax Liab. / Assets (-)       | 39              | -703            | -703            | -703            | -703            |
| <b>Total - Equity &amp; Liab.</b> | <b>1,51,167</b> | <b>1,58,485</b> | <b>1,62,886</b> | <b>1,70,305</b> | <b>1,80,472</b> |
| Net Fixed Assets                  | 73,006          | 83,586          | 84,760          | 85,358          | 85,961          |
| Gross Fixed Assets                | 1,43,479        | 1,56,018        | 1,74,335        | 1,84,423        | 1,95,067        |
| Intangible Assets                 | 3,668           | 3,041           | 3,041           | 3,041           | 3,041           |
| Less: Depn. & Amort.              | 84,053          | 92,789          | 1,02,204        | 1,12,250        | 1,22,875        |
| Capital WIP                       | 9,912           | 17,317          | 9,588           | 10,143          | 10,729          |
| Investments                       | 18,490          | 20,627          | 23,127          | 25,627          | 28,127          |
| Current Assets                    | 1,00,344        | 94,768          | 1,00,717        | 1,09,033        | 1,20,782        |
| Inventories                       | 32,161          | 35,784          | 36,066          | 39,530          | 43,407          |
| Sundry Debtors                    | 31,769          | 29,132          | 33,812          | 37,059          | 40,695          |
| Cash & Bank Balances              | 16,899          | 12,914          | 13,054          | 13,770          | 17,071          |
| Loans & Advances                  | 2,653           | 2,151           | 2,258           | 2,371           | 2,490           |
| Other Current Assets              | 16,861          | 14,788          | 15,528          | 16,304          | 17,119          |
| Current Liab. & Prov.             | 40,672          | 40,497          | 45,717          | 49,714          | 54,397          |
| Current Liabilities               | 37,365          | 36,358          | 41,165          | 44,706          | 48,889          |
| Provisions & Others               | 3,307           | 4,138           | 4,552           | 5,007           | 5,508           |
| Net Current Assets                | 59,671          | 54,272          | 55,000          | 59,320          | 66,384          |
| <b>Total - Assets</b>             | <b>1,51,167</b> | <b>1,58,485</b> | <b>1,62,886</b> | <b>1,70,305</b> | <b>1,80,472</b> |

Source: Company, JM Financial

| Dupont Analysis     |       |       |       |       |       |
|---------------------|-------|-------|-------|-------|-------|
| Y/E March           | FY24A | FY25A | FY26E | FY27E | FY28E |
| Net Margin          | 6.1%  | 7.3%  | 8.1%  | 9.1%  | 9.6%  |
| Asset Turnover (x)  | 1.1   | 1.0   | 1.0   | 1.1   | 1.1   |
| Leverage Factor (x) | 2.1   | 1.9   | 1.7   | 1.5   | 1.4   |
| RoE                 | 13.9% | 13.4% | 13.7% | 15.1% | 15.7% |

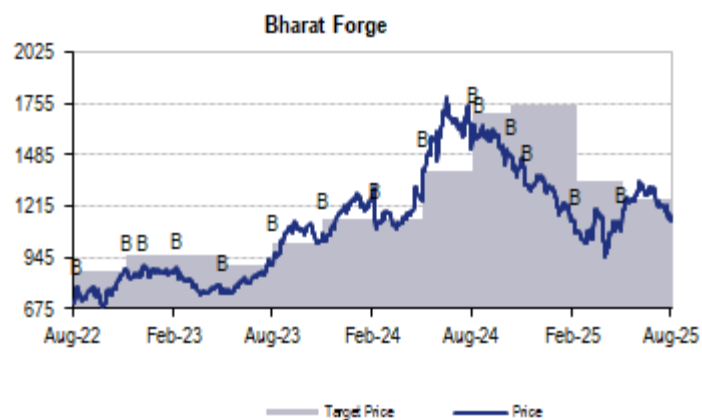
| Key Ratios          |       |       |       |       |       |
|---------------------|-------|-------|-------|-------|-------|
| Y/E March           | FY24A | FY25A | FY26E | FY27E | FY28E |
| BV/Share (INR)      | 154.0 | 193.5 | 213.2 | 239.2 | 270.9 |
| ROIC                | 9.8%  | 10.0% | 10.9% | 12.6% | 14.0% |
| ROE                 | 13.9% | 13.4% | 13.7% | 15.1% | 15.7% |
| Net Debt/Equity (x) | 0.6   | 0.4   | 0.3   | 0.2   | 0.1   |
| P/E (x)             | 55.0  | 49.6  | 40.8  | 33.3  | 28.5  |
| P/B (x)             | 7.4   | 5.9   | 5.3   | 4.8   | 4.2   |
| EV/EBITDA (x)       | 22.5  | 20.9  | 19.9  | 17.1  | 15.0  |
| EV/Sales (x)        | 3.7   | 3.7   | 3.4   | 3.0   | 2.7   |
| Debtor days         | 74    | 70    | 75    | 75    | 75    |
| Inventory days      | 75    | 86    | 80    | 80    | 80    |
| Creditor days       | 104   | 107   | 110   | 110   | 110   |

Source: Company, JM Financial

## History of Recommendation and Target Price

| Date      | Recommendation | Target Price | % Chg. |
|-----------|----------------|--------------|--------|
| 12-Aug-21 | Buy            | 875          |        |
| 14-Nov-21 | Buy            | 875          | 0.0    |
| 10-Feb-22 | Buy            | 875          | 0.0    |
| 16-May-22 | Buy            | 925          | 5.7    |
| 9-Jun-22  | Buy            | 925          | 0.0    |
| 11-Aug-22 | Buy            | 870          | -5.9   |
| 14-Nov-22 | Buy            | 960          | 10.3   |
| 11-Dec-22 | Buy            | 960          | 0.0    |
| 14-Feb-23 | Buy            | 960          | 0.0    |
| 7-May-23  | Buy            | 900          | -6.3   |
| 9-Aug-23  | Buy            | 1,025        | 13.9   |
| 6-Nov-23  | Buy            | 1,150        | 12.2   |
| 12-Feb-24 | Buy            | 1,150        | 0.0    |
| 8-May-24  | Buy            | 1,400        | 21.7   |
| 9-Aug-24  | Buy            | 1,700        | 21.4   |
| 18-Aug-24 | Buy            | 1,700        | 0.0    |
| 17-Oct-24 | Buy            | 1,750        | 2.9    |
| 17-Nov-24 | Buy            | 1,750        | 0.0    |
| 12-Feb-25 | Buy            | 1,350        | -22.9  |
| 8-May-25  | Buy            | 1,250        | -7.4   |

## Recommendation History



## APPENDIX I

## JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

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Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1743 | Email: instcompliance@jmfl.com

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| Definition of ratings |   |
|-----------------------|---|
| Rating                | Meaning   |
| Buy                   | Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.  |
| Hold                  | Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months. |
| Sell                  | Price expected to move downwards by more than 10% from the current market price over the next twelve months.  |

\* REITs refers to Real Estate Investment Trusts.

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