

JK Tyre posted a strong Q1 with consol revenue up 6% YoY and EBITDAM up by 70bps QoQ to 10.4% (7% beat on absolute EBITDA). India revenue growth at 9% YoY (Q4FY25: 6%) was led by robust growth in OEM/replacement demand across categories. SA EBITDAM rose by 200bps QoQ to 11.9%, on gross margin expansion (amid flattish RM prices) and operational efficiencies. The mgmt guided to double-digit revenue growth in FY26 on sustained growth in replacement (TBR/PCR up 7%/32% in Q1), improved demand outlook for the OE segment (led by upcoming festive, new model launches), and robust exports momentum. Lower RM prices in Q2 with strategic price hikes and improving product mix (rising share of +16inch rim size tyres) would further aid margin. JK Tornel (Mexico) is seeing better demand visibility due to better clarity on US tariffs (expects share of US exports to increase), enhanced focus on domestic markets, and continued ramp up in exports. The demand/margin cycle for the tyre industry is turning positive and margin revival looks promising. FY26E/27E EPS is unchanged. We retain BUY and TP of Rs460 at 12x Jun-27E PER.

Healthy revenue performance with margin expansion

Consol revenue up 6% YoY to Rs38.7bn; EBITDA down 20% YoY; however, consol EBITDAM expanded by 70bps QoQ to 10.4% led by operational improvement and strategic pricing despite high NR prices. SA revenue up 15% with EBITDA up 12% YoY; EBITDAM expanded by 200bps QoQ to 11.9%. Cavendish/Tornel (Mexico) revenue fell 15% YoY with EBITM down by 390/140bps QoQ to 3.5/-0.9%. Adj PAT down 31% YoY.

Earnings Call KTAs

1) The management expects the tyre industry to grow 7-8% in FY26 and upheld its double-digit consol revenue growth guidance, led by replacement (TBR/PCR up 7%/32% YoY in Q1), expected improvement in OEMs (on the upcoming festive season, new model launches), and a sustained robust momentum in exports (up 39% YoY in Q1) despite geopolitical challenges. 2) Lower RM prices in Q2 aided by premiumization-led improvement in the product mix (JK targets 40% share from the +16inch rim size tyres vs 26% now), strategic cost optimization, and better operating leverage (higher volume) would aid margins. 3) For JK Tornel (Mexico), the mgmt highlighted an improving demand outlook led by easing in monetary policy, better visibility around US demand (clarity on the tariff situation); it has already seen improvement in Jul-25; of the total exports from Mexico, USA accounts for ~7-8%, which the mgmt expects to keep rising over coming months owing to a 90-day pause in the tariffs/products being USMCA compliant; along with a deepening domestic presence in Mexico (via engagement with dealers, channel partners), Tornel has ramped up exports to Brazil and LatAm; with USD27mn capacity expansion (focused on high-margin, larger rim-size tyres) concluded, Tornel is placed well to capture opportunities in PCR and Light Trucks. 4) The Rs14bn expansion in PCR, TBR, and all-steel light truck radials (ASLTR) is on track; capacities are expected to come online from Q3 with ramp up in subsequent quarters; these are margin accretive. 5) Consol capacity utilization: 80%; radial at over 85%. 6) FY26 capex guidance: Rs9-10bn.

JK Tyre: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	150,018	146,929	161,567	177,853	195,665
EBITDA	20,776	15,986	19,824	22,711	25,182
Adj. PAT	8,333	5,409	8,240	10,540	12,346
Adj. EPS (Rs)	32.0	19.7	29.3	37.5	44.0
EBITDA margin (%)	13.8	10.9	12.3	12.8	12.9
EBITDA growth (%)	60.1	(23.1)	24.0	14.6	10.9
Adj. EPS growth (%)	142.5	(38.2)	48.6	27.9	17.1
RoE (%)	21.1	11.6	15.4	16.8	17.1
RoIC (%)	13.5	9.5	11.8	13.1	13.9
P/E (x)	10.3	17.2	10.9	8.5	7.3
EV/EBITDA (x)	5.9	8.1	6.4	5.5	4.7
P/B (x)	1.9	1.8	1.5	1.3	1.2
FCFF yield (%)	7.2	1.0	5.5	7.4	10.1

Source: Company, Emkay Research

Target Price – 12M	Jun-26
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	43.8

Stock Data	JKI IN
52-week High (Rs)	453
52-week Low (Rs)	232
Shares outstanding (mn)	274.0
Market-cap (Rs bn)	88
Market-cap (USD mn)	999
Net-debt, FY26E (Rs mn)	37,890.9
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	488.4
ADTV-3M (USD mn)	5.6
Free float (%)	49.5
Nifty-50	24,585.1
INR/USD	87.7

Shareholding, Jun-25

Promoters (%)	50.5
FPIs/MFs (%)	16.1/6.4

Price Performance

(%)	1M	3M	12M
Absolute	(11.9)	(1.0)	(22.3)
Rel. to Nifty	(9.9)	(3.3)	(23.0)

1-Year share price trend (Rs)



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Exhibit 1: Q1 Consolidated – Revenue up 6% YoY; while EBITDA was down 20% YoY, EBITDAM rose by 70bps QoQ

Consolidated (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Revenue	37,181	38,975	36,877	36,985	36,391	36,216	36,737	37,586	38,689	6.3	2.9
Growth YoY (%)	2.1	3.8	2.1	1.8	-2.1	-7.1	-0.4	1.6	6.3		
Expenditure	32,610	33,084	31,375	32,173	31,391	32,003	33,595	33,955	34,668	10.4	2.1
as a % of sales	87.7	84.9	85.1	87.0	86.3	88.4	91.4	90.3	89.6		
Consumption of RM	23,332	23,344	22,212	21,839	21,417	22,306	23,811	24,226	24,507	14.4	1.2
as a % of sales	62.8	59.9	60.2	59.0	58.9	61.6	64.8	64.5	63.3		
Employee Cost	3,359	3,725	3,544	3,691	3,704	3,611	3,580	3,615	3,820	3.1	5.7
as a % of sales	9.0	9.6	9.6	10.0	10.2	10.0	9.7	9.6	9.9		
Other expenditure	5,918	6,016	5,620	6,644	6,270	6,086	6,204	6,114	6,341	1.1	3.7
as a % of sales	15.9	15.4	15.2	18.0	17.2	16.8	16.9	16.3	16.4		
EBITDA	4,571	5,891	5,502	4,812	5,000	4,213	3,142	3,631	4,021	(19.6)	10.8
EBITDA margin (%)	12.3	15.1	14.9	13.0	13.7	11.6	8.6	9.7	10.4		
Depreciation	1,058	1,080	1,109	1,120	1,126	1,132	1,138	1,169	1,136	0.9	(2.9)
EBIT	3,513	4,811	4,393	3,692	3,874	3,081	2,004	2,461	2,886	(25.5)	17.2
Other Income	83	78	126	156	157	216	207	213	216	37.4	1.6
Interest	1,222	1,092	1,069	1,086	1,124	1,201	1,231	1,207	1,147	2.1	(5.0)
PBT	2,374	3,797	3,450	2,762	2,908	2,096	979	1,467	1,955	(32.8)	33.2
Total Tax	824	1,266	1,136	768	786	545	230	415	532	(32.2)	28.3
Adjusted PAT	1,550	2,531	2,314	1,994	2,122	1,551	749	1,052	1,423	(33.0)	35.2
MI and Inc from JV	8	16	(1)	32	(66)	45	48	38	(85)	29.9	(326.0)
Adjusted PAT after MI	1,542	2,515	2,315	1,961	2,188	1,506	702	1,014	1,508	(31.1)	48.6
Exceptional items Loss/(Gain)	44	(29)	(44)	(245)	(5)	(108)	(176)	(28)	126	(2,667.3)	(554.2)
Reported PAT	1,586	2,486	2,271	1,717	2,183	1,398	526	987	1,634	(25.2)	65.6
Adjusted EPS (Rs)	6.3	10.2	8.9	7.5	8.4	5.5	2.6	3.7	5.5	(34.4)	48.6

(%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY bps	QoQ bps
EBITDAM	12.3	15.1	14.9	13.0	13.7	11.6	8.6	9.7	10.4	(335)	73
EBITM	9.4	12.3	11.9	10.0	10.6	8.5	5.5	6.5	7.5	(319)	91
EBTM	6.4	9.7	9.4	7.5	8.0	5.8	2.7	3.9	5.1	(294)	115
PATM	4.1	6.5	6.3	5.3	6.0	4.2	1.9	2.7	3.9	(212)	120
Effective Tax rate	34.7	33.3	32.9	27.8	27.0	26.0	23.5	28.3	27.2	22	(106)

Source: Company, Emkay Research

Exhibit 2: Actual vs Estimates

Consolidated (Rs mn)	Actual	Emkay Est	Variance	Consensus	% Variance
Net sales	38,689	38,574	0.3	37,748	2.5
EBITDA	4,021	3,760	7.0	3,744	7.4
EBITDA margin (%)	10.4	9.7	65 bps	9.9	47 bps
Adj net income	1,508	1,152	30.8	1,187	27.0

Source: Company, Emkay Research

Exhibit 3: Consol Segmental – India revenue was up 9% YoY (dragged by Cavendish), while Mexico revenue fell 15% YoY; India EBITM rose by 140bps QoQ to 9.1% (dragged by Cavendish), while Mexico EBITM was down by 140bps QoQ to -0.9%

Segmental (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Revenue											
India	31,655	33,452	31,982	32,152	31,723	31,764	32,637	34,064	34,534	8.9	1.4
Standalone	24,558	26,777	25,637	26,161	24,924	25,146	24,956	26,737	28,772	15.4	7.6
Cavendish	7,096	6,676	6,345	5,991	6,799	6,618	7,681	7,327	5,762	(15.2)	(21.4)
Mexico (Tornel)	6,833	7,117	6,199	6,118	5,973	5,933	5,068	4,496	5,053	(15.4)	12.4
Others	-	-	-	8	-	4	3	6	-		
Total	38,487	40,569	38,182	38,277	37,695	37,701	37,708	38,567	39,588	5.0	2.6
less Intersegmental	1,307	1,594	1,304	1,293	1,304	1,485	972	981	898	(31.1)	(8.4)
Consolidated	37,181	38,975	36,877	36,985	36,391	36,216	36,737	37,586	38,689	6.3	2.9
EBIT											
India	3,172	4,494	4,221	3,544	3,685	2,987	1,962	2,648	3,158	(14.3)	19.3
Standalone	2,210	3,329	3,103	2,805	2,555	2,052	1,358	2,102	2,955	15.7	40.6
Cavendish	962	1,165	1,118	738	1,130	935	604	546	203	(82.0)	(62.7)
Mexico (Tornel)	429	399	302	301	351	315	254	21	(47)	(113.4)	(322.7)
Others	(4)	(4)	(5)	3	(4)	(5)	(6)	5	(9)	141.0	(274.1)
Total	3,596	4,889	4,519	3,848	4,032	3,297	2,211	2,674	3,102	(23.1)	16.0
less Interest	(83)	(78)	(126)	(156)	(157)	(216)	(207)	(213)	(216)	37.4	1.6
Consolidated	3,513	4,811	4,393	3,692	3,874	3,081	2,004	2,462	2,886	(25.5)	17.2

EBIT margin (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY bps	QoQ bps
India	10.0	13.4	13.2	11.0	11.6	9.4	6.0	7.8	9.1	(247)	137
Standalone	9.0	12.4	12.1	10.7	10.2	8.2	5.4	7.9	10.3	2	241
Cavendish	13.6	17.5	17.6	12.3	16.6	14.1	7.9	7.5	3.5	(1,309)	(392)
Mexico (Tornel)	6.3	5.6	4.9	4.9	5.9	5.3	5.0	0.5	(0.9)	(680)	(140)
Consolidated	9.4	12.3	11.9	10.0	10.6	8.5	5.5	6.5	7.5	(319)	91

Source: Company, Emkay Research

Exhibit 4: In Q1, JK Tyre's revenue growth was ahead of peers', with a strong 200bps QoQ EBITDAM expansion to 11.9%

APT (Standalone)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Revenue (Rs mn)	44,133	44,067	43,319	43,874	45,916	44,617	45,398	45,805	47,254
Growth YoY (%)	-0.5	3.6	2.0	0.5	4.0	1.2	4.8	4.4	2.9
RM cost (% of sales)	60.5	60.2	59.1	59.5	61.9	63.5	66.6	65.5	63.3
Gross Margin (%)	39.5	39.8	40.9	40.5	38.1	36.5	33.4	34.5	36.7
EBITDA margin (%)	17.8	19.1	18.1	15.6	13.8	12.1	11.1	11.2	13.6
EBIT margin (%)	12.7	13.9	12.8	10.3	8.8	6.9	6.0	6.1	8.7
CEAT (Standalone)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Revenue (Rs mn)	29,212	30,432	29,490	29,792	31,682	32,981	32,918	34,136	35,207
Growth YoY (%)	4.2	5.4	8.8	4.1	8.5	8.4	11.6	14.6	11.1
Gross Margin (%)	41.1	43.3	41.3	42.3	39.4	37.5	36.9	37.5	36.8
EBITDA margin (%)	13.2	15.0	14.1	13.3	12.0	11.1	10.4	11.6	11.1
EBIT margin (%)	9.1	10.9	9.8	8.7	7.9	7.0	6.1	7.1	6.8
JK Tyre (Standalone)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Revenue (Rs mn)	24,558	26,777	25,637	26,161	24,924	25,146	24,956	26,737	28,772
Growth YoY (%)	5.2	11.0	3.4	9.3	1.5	(6.1)	(2.7)	2.2	15.4
RM cost (% of sales)	65.5	62.7	62.8	62.7	63.2	66.1	67.7	67.5	65.3
Gross Margin (%)	34.5	37.3	37.2	37.3	36.8	33.9	32.3	32.5	34.7
EBITDA margin (%)	11.2	14.5	14.2	12.7	12.3	10.1	7.4	9.9	11.9
EBIT margin (%)	8.7	12.2	11.7	10.2	9.7	7.4	4.7	7.2	9.6

Source: Company, Emkay Research

Exhibit 5: Q1 Standalone – Revenue up 15% YoY, with EBITDAM up 12% YoY; EBITDAM expanded by 200bps QoQ to 11.9%

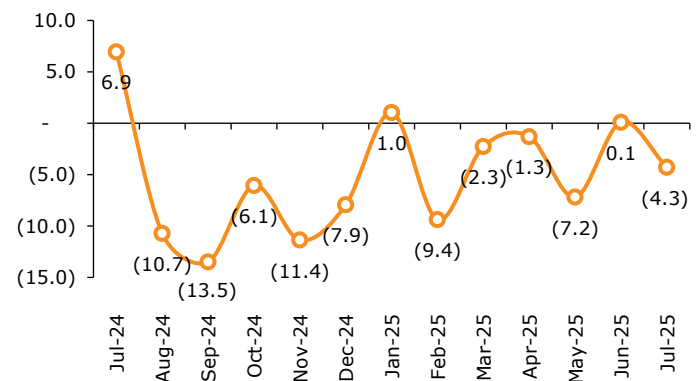
Standalone (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
Revenue	24,558	26,777	25,637	26,161	24,924	25,146	24,956	26,737	28,772	15.4	7.6
Growth YoY (%)	5.2	11.0	3.4	9.3	1.5	-6.1	-2.7	2.2	15.4		
Expenditure	21,800	22,883	22,008	22,832	21,867	22,615	23,111	24,102	25,352	15.9	5.2
as a % of sales	88.8	85.5	85.8	87.3	87.7	89.9	92.6	90.1	88.1		
Consumption of RM	16,087	16,778	16,089	16,398	15,764	16,610	16,887	18,057	18,785	19.2	4.0
as a % of sales	65.5	62.7	62.8	62.7	63.2	66.1	67.7	67.5	65.3		
Employee Cost	1,923	2,167	2,165	2,108	2,078	2,001	2,087	2,027	2,279	9.6	12.4
as a % of sales	7.8	8.1	8.4	8.1	8.3	8.0	8.4	7.6	7.9		
Other expenditure	3,790	3,938	3,755	4,326	4,025	4,004	4,138	4,019	4,288	6.5	6.7
as a % of sales	15.4	14.7	14.6	16.5	16.1	15.9	16.6	15.0	14.9		
EBITDA	2,758	3,894	3,629	3,329	3,057	2,532	1,846	2,635	3,420	11.9	29.8
EBITDA margin (%)	11.2	14.5	14.2	12.7	12.3	10.1	7.4	9.9	11.9		
Depreciation	618	623	631	653	647	666	672	701	666	3.0	(5.0)
EBIT	2,141	3,271	2,998	2,676	2,410	1,866	1,174	1,934	2,754	14.2	42.4
Other Income	70	58	105	129	144	186	184	168	201	39.4	19.3
Interest	690	574	564	588	610	663	700	694	638	4.6	(8.2)
PBT	1,520	2,755	2,540	2,217	1,945	1,389	658	1,408	2,317	19.1	64.6
Total Tax	523	949	859	581	504	367	176	391	573	13.8	46.5
Adjusted PAT	997	1,806	1,681	1,637	1,441	1,022	482	1,016	1,744	21.0	71.6
Exceptional items Loss/(Gain)	5	(6)	(37)	(174)	(9)	(31)	(18)	(51)	(43)	365.2	(15.6)
Reported PAT	1,002	1,800	1,644	1,463	1,432	991	464	965	1,701	18.8	76.2
Adjusted EPS (Rs)	4.0	7.3	6.4	6.3	5.5	3.9	1.8	3.9	6.4	15.2	63.3

(%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY bps	QoQ bps
EBITDAM	11.2	14.5	14.2	12.7	12.3	10.1	7.4	9.9	11.9	(38)	203
EBITM	8.7	12.2	11.7	10.2	9.7	7.4	4.7	7.2	9.6	(10)	234
EBTM	6.2	10.3	9.9	8.5	7.8	5.5	2.6	5.3	8.1	25	279
PATM	4.1	6.7	6.6	6.3	5.8	4.1	1.9	3.8	6.1	28	226
Effective Tax rate	34.4	34.5	33.8	26.2	25.9	26.4	26.8	27.8	24.7	(117)	(306)

Source: Company, Emkay Research

Exhibit 6: The MHCV industry saw a ~2% decline in Q1FY26**Domestic MHCV Industry Growth YoY (%)**

Source: SIAM, Emkay Research

Exhibit 7: MHCV retails have declined 3.2% in FY26YTD**MHCVs Retail Volume Growth YoY (%)**

Source: Vahan, Emkay Research

Exhibit 8: International rubber prices declined 10% in Q1FY26; domestic prices were up ~3%; average crude oil prices were down 10%

Commodity	Units	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26TD
Steel (India HRC)	Rs/TN	56,143	57,386	54,560	54,951	54,951	48,734	48,306	52,577	50,938
Aluminium (LME)	USD/TN	2,159	2,199	2,204	2,522	2,372	2,576	2,624	2,445	2,601
Domestic Rubber	Rs/kg	149	152	167	189	227	191	194	198	207
International Rubber	USD cents/KG	151	165	202	211	227	242	237	213	219
International Rubber	Rs/KG	124	138	167	176	190	204	205	182	190
Lead (LME)	USD/TN	2,173	2,119	2,075	2,168	2,038	2,005	1,966	1,945	1,983
Copper (LME)	USD/TN	8,368	8,184	8,452	9,751	9,179	9,182	9,339	9,508	9,731
Brent Crude	USD/bbl	87	84	83	85	81	75	76	68	71
Palladium	USD/ounce	1,253	1,096	980	973	966	1,011	962	991	1,196
Rhodium	USD/ounce	4,110	4,468	4,498	4,707	4,692	4,651	4,938	5,452	6,173
Platinum	USD/ounce	937	922	917	987	968	972	975	1,077	1,385
Gold	USD/ounce	1,927	1,981	2,076	2,339	2,470	2,662	2,858	3,287	3,350

Change QoQ (%)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26TD
Steel (Ludhiana HRC)	(4.1)	2.2	(4.9)	0.7	0.0	(11.3)	(0.9)	8.8	(3.1)
Aluminium (LME)	(4.8)	1.9	0.2	14.4	(6.0)	8.6	1.9	(6.8)	6.4
Domestic Rubber	(3.5)	1.6	10.3	12.8	20.2	(15.7)	1.3	2.6	4.2
International Rubber	(2.8)	9.8	22.0	4.9	7.5	6.3	(2.0)	(10.2)	3.0
International Rubber	(2.2)	10.5	21.7	5.3	8.0	7.2	0.5	(11.2)	4.1
Lead (LME)	2.5	(2.5)	(2.1)	4.5	(6.0)	(1.6)	(1.9)	(1.1)	1.9
Copper (LME)	(1.4)	(2.2)	3.3	15.4	(5.9)	0.0	1.7	1.8	2.3
Brent Crude	10.4	(2.6)	(1.3)	2.1	(5.0)	(7.4)	1.3	(10.4)	4.2
Palladium	(13.5)	(12.5)	(10.6)	(0.7)	(0.8)	4.7	(4.9)	3.1	20.7
Rhodium	(41.8)	8.7	0.7	4.6	(0.3)	(0.9)	6.2	10.4	13.2
Platinum	(9.5)	(1.5)	(0.6)	7.6	(2.0)	0.4	0.3	10.5	28.7
Gold	(2.5)	2.8	4.8	12.6	5.6	7.8	7.4	15.0	1.9

Source: Bloomberg, Emkay Research

Exhibit 9: We build in 10%/16%/31% revenue/EBITDA/EPS CAGR over FY25-28E

Particulars (Rs mn)	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Revenue							
India	103,528	123,760	129,241	130,188	143,054	156,219	170,959
Standalone	80,321	96,179	103,133	101,763	111,376	121,374	135,417
Cavendish	23,208	27,580	26,108	28,425	31,678	34,845	35,542
Mexico (Tornel)	21,191	26,727	26,267	21,470	23,714	26,181	28,890
Others	14	7	8	13	13	13	13
less: intersegment	4,904	4,044	5,497	4,742	5,214	4,560	4,197
Consolidated	119,830	146,449	150,018	146,929	161,567	177,853	195,665
Growth YoY (%)	31.6	22.2	2.4	-2.1	10.0	10.1	10.0
Consolidated EBITDA							
	10,733	12,978	20,776	15,986	19,824	22,711	25,182
Growth YoY (%)	(18)	21	60	(23)	24	15	11
Consolidated EBITDA margin (%)	9.0	8.9	13.8	10.9	12.3	12.8	12.9
EBIT margin (%)							
Standalone	6.1%	5.9%	11.1%	7.9%	9.6%	10.3%	10.4%
Cavendish	4.0%	7.4%	15.3%	11.3%	12.0%	13.2%	13.4%
Mexico (Tornel)	6.7%	6.0%	5.4%	4.4%	5.8%	6.5%	7.0%
Consolidated	5.7%	6.1%	10.9%	7.8%	9.4%	10.1%	10.3%
Consolidated EBIT	6,879	8,907	16,409	11,421	15,207	17,916	20,074
Interest	4,659	4,545	4,469	4,763	4,763	4,418	4,155
Consolidated adj. PAT	1,509	3,246	8,333	5,409	8,240	10,540	12,435
Growth YoY (%)	(49)	115	157	(35)	52	28	18
Consolidated EPS (Rs)	6.1	13.2	32.0	19.7	29.3	37.5	44.0

Source: Company, Emkay Research

Exhibit 10: Our estimates remain unchanged; we introduce FY28 estimates

Particulars (Rs mn)	FY26E				FY27E				FY28E	
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Introduced	% YoY
Revenue	161,567	161,567	0.0	10.0	176,710	177,853	0.6	10.1	195,665	10.0
EBITDA	19,969	19,824	(0.7)	24.0	22,724	22,711	(0.1)	14.6	25,182	10.9
- Margin	12.4%	12.3%	(9) bps	139 bps	12.9%	12.8%	(9) bps	50 bps	12.9%	10 bps
APAT	8,232	8,240	0.1	52.3	10,540	10,540	0.0	27.9	12,435	18.0
Dil EPS (Rs)	29.3	29.3	0.1	48.6	37.5	37.5	0.0	27.9	44.3	18.0

Source: Company, Emkay Research

JK Tyre: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	150,018	146,929	161,567	177,853	195,665
Revenue growth (%)	2.4	(2.1)	10.0	10.1	10.0
EBITDA	20,776	15,986	19,824	22,711	25,182
EBITDA growth (%)	60.1	(23.1)	24.0	14.6	10.9
Depreciation & Amortization	4,368	4,565	4,617	4,795	5,107
EBIT	16,409	11,421	15,207	17,916	20,074
EBIT growth (%)	84.2	(30.4)	33.2	17.8	12.0
Other operating income	-	-	-	-	-
Other income	444	793	868	955	1,003
Financial expense	4,469	4,763	4,763	4,418	4,155
PBT	12,383	7,451	11,312	14,453	16,922
Extraordinary items	(274)	(316)	0	0	0
Taxes	3,994	1,976	3,001	3,834	4,489
Minority interest	(55)	(65)	(71)	(79)	(87)
Income from JV/Associates	0	0	0	0	0
Reported PAT	8,059	5,093	8,240	10,540	12,346
PAT growth (%)	206.4	(36.8)	61.8	27.9	17.1
Adjusted PAT	8,333	5,409	8,240	10,540	12,346
Diluted EPS (Rs)	32.0	19.7	29.3	37.5	44.0
Diluted EPS growth (%)	142.5	(38.2)	48.6	27.9	17.1
DPS (Rs)	2.9	3.3	4.3	6.7	7.9
Dividend payout (%)	9.3	17.9	14.5	17.9	18.0
EBITDA margin (%)	13.8	10.9	12.3	12.8	12.9
EBIT margin (%)	10.9	7.8	9.4	10.1	10.3
Effective tax rate (%)	32.3	26.5	26.5	26.5	26.5
NOPLAT (pre-IndAS)	11,115	8,391	11,173	13,163	14,749
Shares outstanding (mn)	261	274	281	281	281

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	12,109	7,134	11,240	14,374	16,835
Others (non-cash items)	(162)	(260)	0	0	0
Taxes paid	(2,183)	(2,567)	(3,001)	(3,834)	(4,489)
Change in NWC	(2,119)	(5,802)	(654)	(570)	(3,096)
Operating cash flow	16,142	7,158	16,966	19,184	18,513
Capital expenditure	(7,442)	(5,878)	(10,000)	(10,000)	(6,500)
Acquisition of business	-	-	-	-	-
Interest & dividend income	191	611	0	0	0
Investing cash flow	(12,081)	(4,549)	(10,000)	(10,000)	(6,500)
Equity raised/(repaid)	4,916	0	2,988	0	0
Debt raised/(repaid)	(3,254)	3,733	(3,013)	(2,029)	(2,458)
Payment of lease liabilities	0	0	0	0	0
Interest paid	(4,543)	(4,787)	(4,763)	(4,418)	(4,155)
Dividend paid (incl tax)	(753)	(913)	(1,197)	(1,890)	(2,223)
Others	(445)	(489)	0	0	0
Financing cash flow	(4,079)	(2,456)	(5,986)	(8,337)	(8,837)
Net chg in Cash	(18)	152	980	847	3,176
OCF	16,142	7,158	16,966	19,184	18,513
Adj. OCF (w/o NWC chg.)	18,260	12,960	17,620	19,754	21,609
FCFF	8,700	1,280	6,966	9,184	12,013
FCFE	4,422	(2,872)	2,203	4,766	7,858
OCF/EBITDA (%)	77.7	44.8	85.6	84.5	73.5
FCFE/PAT (%)	54.9	(56.4)	26.7	45.2	63.6
FCFF/NOPLAT (%)	78.3	15.3	62.3	69.8	81.5

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	521	548	562	562	562
Reserves & Surplus	44,346	47,956	57,973	66,623	76,746
Net worth	44,867	48,504	58,534	67,185	77,308
Minority interests	1,193	1,333	1,333	1,333	1,333
Non-current liab. & prov.	4,939	5,243	5,243	5,243	5,243
Total debt	46,095	49,112	46,098	44,069	41,610
Total liabilities & equity	97,094	104,191	111,208	117,830	125,494
Net tangible fixed assets	65,760	64,816	69,883	75,088	78,056
Net intangible assets	2,528	2,528	2,528	2,528	2,528
Net ROU assets	0	0	0	0	0
Capital WIP	3,670	4,185	4,500	4,500	2,925
Goodwill	0	172	172	172	172
Investments [JV/Associates]	1,271	1,114	1,114	1,114	1,114
Cash & equivalents	7,807	7,227	8,207	9,054	12,230
Current assets (ex-cash)	59,079	64,307	69,386	75,406	82,958
Current Liab. & Prov.	43,022	40,156	44,581	50,031	54,488
NWC (ex-cash)	16,058	24,151	24,805	25,374	28,470
Total assets	97,094	104,191	111,208	117,830	125,494
Net debt	38,287	41,885	37,891	35,015	29,380
Capital employed	97,094	104,191	111,208	117,830	125,494
Invested capital	84,346	91,666	97,388	103,162	109,225
BVPS (Rs)	172.1	177.0	208.4	239.2	275.2
Net Debt/Equity (x)	0.9	0.9	0.6	0.5	0.4
Net Debt/EBITDA (x)	1.8	2.6	1.9	1.5	1.2
Interest coverage (x)	3.8	2.6	3.4	4.3	5.1
RoCE (%)	19.2	12.8	15.7	17.3	18.1

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	10.3	17.2	10.9	8.5	7.3
P/CE(x)	6.6	8.8	7.0	5.9	5.1
P/B (x)	1.9	1.8	1.5	1.3	1.2
EV/Sales (x)	0.8	0.9	0.8	0.7	0.6
EV/EBITDA (x)	5.9	8.1	6.4	5.5	4.7
EV/EBIT(x)	7.4	11.3	8.4	7.0	5.9
EV/IC (x)	1.4	1.4	1.3	1.2	1.1
FCFF yield (%)	7.2	1.0	5.5	7.4	10.1
FCFE yield (%)	5.0	(3.3)	2.5	5.4	9.0
Dividend yield (%)	0.9	1.0	1.3	2.1	2.5
DuPont-RoE split					
Net profit margin (%)	5.6	3.7	5.1	5.9	6.3
Total asset turnover (x)	1.6	1.5	1.5	1.6	1.6
Assets/Equity (x)	2.3	2.2	2.0	1.8	1.7
RoE (%)	21.1	11.6	15.4	16.8	17.1
DuPont-RoIC					
NOPLAT margin (%)	7.4	5.7	6.9	7.4	7.5
IC turnover (x)	1.8	1.7	1.7	1.8	1.8
RoIC (%)	13.5	9.5	11.8	13.1	13.9
Operating metrics					
Core NWC days	39.1	60.0	56.0	52.1	53.1
Total NWC days	39.1	60.0	56.0	52.1	53.1
Fixed asset turnover	1.3	1.2	1.3	1.3	1.3
Opex-to-revenue (%)	25.7	26.7	26.4	26.3	26.2

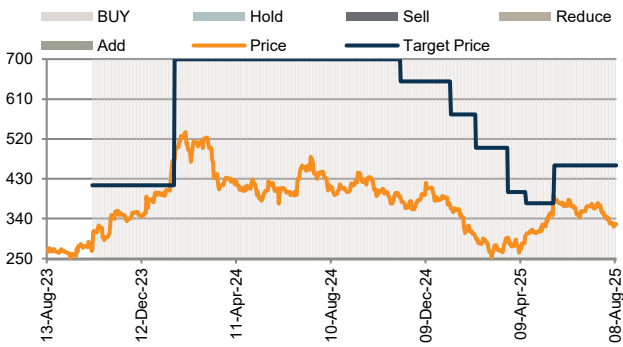
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
22-May-25	383	460	Buy	Chirag Jain
16-Apr-25	303	375	Buy	Chirag Jain
24-Mar-25	297	400	Buy	Chirag Jain
11-Feb-25	295	500	Buy	Chirag Jain
10-Jan-25	363	575	Buy	Chirag Jain
07-Nov-24	386	650	Buy	Chirag Jain
05-Aug-24	413	700	Buy	Chirag Jain
27-Jun-24	394	700	Buy	Chirag Jain
22-May-24	424	700	Buy	Chirag Jain
23-Feb-24	511	700	Buy	Chirag Jain
08-Feb-24	511	700	Buy	Chirag Jain
23-Jan-24	472	700	Buy	Chirag Jain
30-Nov-23	354	415	Buy	Chirag Jain
10-Oct-23	270	415	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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