

Tata Technologies | REDUCE

Decent 4QFY26; Valuations remain expensive

TataTech reported 4QFY26 – revenues were ahead of our estimates while margins were marginally lower. Revenue (services) grew ~11.9% QoQ cc versus JMFe of ~10% QoQ cc; organic growth stood at 7.2% cc QoQ. EBIT margin at 13.1% was marginally below JMFe/consensus of 13.3%/13.4%. Forward-looking indicators: i) Double-digit organic cc revenue growth in FY27E across both anchor and non-anchor clients; EBITDA margin exit of 18%+ by FY27 end. ii) ES-Tec integration on track with cross-sell into VW showing early progress. iii) 4 large deals closed in 4Q. In addition, 2 full vehicle programs closed in Q3/April and two more expected within 8–12 weeks. Ramp up of full vehicle program & strong exit in 4Q provides visibility to FY27 growth guidance. Cross sell into VW is key and margin guidance to be monitored, in our view. We revise our EPS estimates by 2-3% over FY27-28E, incorporating 4Q results. Maintain target multiple of 28x Sep 27 – revised TP of INR 570 (versus INR 560 earlier). Valuations at ~30x FY27 consensus EPS prices in all the positives, in our view. Maintain REDUCE.

- 4QFY26 results:** i) Revenues at USD 170.8mn, +12.4% QoQ cc /+14.3% YoY cc, vs JMFe of USD 168mn; organic growth was 8.8% cc QoQ; ES-Tec acquisition contributed ~USD 9mn in Q4 (full quarter) versus ~USD 3mn in 3QFY26 (one month only). ii) EBIT margin at 13.1%, up +160bps QoQ / down 260bps YoY, marginally below JMFe/consensus of 13.3%/13.4%. iii) Adjusted PAT (ex INR 561mn labour code provision reversal) at INR 1,625mn, +20.3% QoQ/-14% YoY. iv) Share of profits from the BMW JV came at INR 66mn in 4Q vs INR 73mn in 3Q largely due to higher one-time annual expenses true up in 4Q – management remains optimistic going forward
- Vertical and Geography performance:** i) Services grew 11.9% QoQ cc – growth was broad-based supported by deal ramp-ups, normalization at a few large client engagements and improving decision velocity across OEMs. ii) Automotive grew +13.6% QoQ, driven by both anchor & non-anchor clients, with JLR returning to pre-cyber-attack run rate. iii) Aerospace & industrials vertical grew 4.6% QoQ. Aerospace annual revenue run rate exceeds USD 40mn in 4Q. iii) Technology solutions grew 12% QoQ – education business grew 40% QoQ on improved demand traction and steady execution; products declined 10% QoQ on seasonal softness.
- Other key details:** i) Full vehicle programs – two deals closed (one in 3Q and one in April); expect another 2 to close in next 8 to 12 weeks. ii) Four large deals in 4QFY26 plus two post-quarter April wins includes one full vehicle program. ii) Headcount grew +0.5% QoQ/flat YoY. iii) DSO improved to 95 days from 111 days in 3Q. CFO / EBITDA healthy at 91% in FY26.
- 4QFY26 | Key conference call takeaways:** i) OEMs today are looking for partners who can deliver China like speed and cost efficiency while meeting global quality, governance and reliability standards. ii) Automotive showed renewed momentum with non-anchor customers growing meaningfully faster driven by increased activity across multiple European and global OEMs. iii) Exit FY27 with 18% operating margin run rate driven by operating leverage, portfolio mix improvement, and disciplined execution. vi) FY27 double-digit organic cc growth guide backed by existing order book and probability-adjusted pipeline; no macro improvement assumed. iv) H2FY27 expected to grow faster than H1 given strong deal activity.
- Our view:** Recovery in auto vertical will be the key focus areas for the investors. In that context, KPIT (valuations are at ~24x FY27 consensus EPS) results on May 6 will be monitored.



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Recommendation and Price Target

Current Reco.	REDUCE
Previous Reco.	REDUCE
Current Price Target (12M)	570
Upside/(Downside)	-3.6%
Previous Price Target	560
Change	1.8%

Key Data – TATATECH IN EQUITY

Current Market Price	INR591
Market cap (bn)	INR240.0/US\$2.5
Free Float (%)	44.2
Shares in issue (mn)	406.1
Diluted share (mn)	406.1
3-mon avg daily val (mn)	INR648.6/US\$6.9
52-week range	INR793/507
Sensex/Nifty	77,269/24,119
INR/US\$	95.1

Price Performance

%	1M	6M	12M
Absolute	9.2	-13.9	-8.3
Relative*	3.6	-7.0	-4.1

*To the NSE Nifty 50

Financial Summary

Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Net Sales	51,685	55,055	65,142	71,671	79,738
Sales Growth (%)	1.0	6.5	18.3	10.0	11.3
EBITDA	9,340	8,529	11,028	12,632	13,910
EBITDA Margin (%)	18.1	15.5	16.9	17.6	17.4
Adjusted Net Profit	6,728	6,302	7,377	8,373	9,212
Diluted EPS (INR)	16.6	15.5	18.2	20.6	22.7
Diluted EPS Growth (%)	-1.0	-6.3	17.1	13.5	10.0
ROIC (%)	23.9	15.7	15.6	16.2	16.7
ROE (%)	19.8	16.8	18.2	19.3	19.7
P/E (x)	35.4	37.9	31.0	27.4	25.0
P/B (x)	6.7	6.1	5.7	5.3	4.9
EV/EBITDA (x)	24.7	28.3	22.3	19.5	17.8
Dividend Yield (x)	2.0	2.0	2.1	2.3	2.5

Source: Company data, JM Financial. Note: Valuations as of May 04, 2026

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ

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

Key Highlights from the call

- **Demand:** Management indicated a meaningful improvement in demand in 2H FY26, with Q4 marking a clear inflection after a softer first half. Growth was broad-based across services, driven by deal ramp-ups, normalization in large engagements, and improving decision velocity across OEMs, particularly in automotive. Earlier geopolitical uncertainties and tariff disruptions had led to pauses in product programs, but easing conditions have revived decision-making, increasing pipeline visibility and activity. Demand recovery is now diversified across multiple programs and clients (anchor and non-anchor), with continued momentum in aerospace and industrial verticals. Customers are transitioning from planning to execution, supported by investments in embedded systems, software-defined vehicles, and digital continuity.
- **Outlook:** Management remains confident, supported by strong order book visibility, a robust pipeline, and improving customer engagement. The company reiterated its expectation of double-digit organic revenue growth in FY27, driven by deal wins, ramp-up of large programs, and momentum across client segments. Visibility includes multiple full vehicle programs, which act as entry points for broader lifecycle engagements. Margins are expected to exceed 18% by FY27 exit, supported by operating leverage, mix improvement, and execution discipline. Growth is likely to be second-half weighted, with guidance backed by the order book and probability-adjusted pipeline rather than macro assumptions.
- **Margins:** EBITDA margins improved sequentially, driven by operating leverage and cost discipline. The company had protected capacity and continued investments through the downturn, now benefiting from demand recovery. Margin expansion was supported by higher volumes and improved utilization. Management expects progressive improvement toward >18% operating margins by FY27, driven by volume leverage, better portfolio mix (including embedded software), offshore mix, pyramid optimization, and increasing AI deployment to reduce delivery costs.
- **Deal wins:** The company reported strong deal momentum, closing four large deals in Q4 and two more in April. Key wins included a long-term engagement with a North American commercial vehicle OEM (PLM, testing, MES, project management), multiple European automotive OEM engagements (electronics, systems engineering, supplier quality), a Tier 1 supplier engineering center deal, a large enterprise-wide PLM transformation for a European luxury OEM, and a full vehicle program with a Japanese OEM (entry into Japan). Full vehicle programs serve as strategic wedges for lifecycle expansion across engineering, embedded software, manufacturing, and digital services.
- **ES-Tec:** The ES-Tec acquisition is progressing as planned, with integration on track and early revenue and synergy benefits visible. It contributed USD9mn in Q4). Key synergies include cross-selling into Volkswagen and other European OEMs and expanding Tata Technologies' services into ES-Tec's client base, with early wins already seen. Despite potential European macro headwinds, the business plan remains intact, supporting confidence in revenue synergies and medium-term benefits.
- **BMW JV:** The BMW JV continues to scale well, with strong underlying growth in headcount and revenues. Q4 profit contribution (~INR66mn) declined slightly QoQ due to a one-time annual expense true-up, which management considers non-recurring. Excluding this, performance remains strong, with growth expected to resume. The JV remains a key strategic lever for growth, margins, and strengthening presence in the German market.
- **Offerings:** Services rebounded, growing ~12% QoQ in constant currency (~15% reported), driven by deal ramp-ups, normalization in engagements, and improving decision velocity. Growth was broad-based across service lines, with automotive leading alongside aerospace and IHM traction. Technology Solutions revenue was supported by strong education business growth (~36–40% QoQ) and improving execution as customers move to implementation. The products business declined ~10% QoQ due to seasonality and PLM budget phasing after a strong Q3. Overall mix improved, with higher services contribution and traction in embedded software and digital offerings.
- **Automotive:** Automotive saw strong recovery, growing ~13.6% QoQ (USD), driven by improved activity across anchor and non-anchor clients. Demand rebounded as OEM decision-making accelerated after earlier geopolitical and tariff-related delays. Growth was broad-based, supported by deal ramp-ups and normalization in engagements, with increasing participation from non-anchor clients. Visibility in large multi-year full vehicle programs is improving, acting as key growth drivers. Demand is also becoming more balanced across ICE, hybrid, and EV platforms, with the company remaining platform-agnostic.

Broad based growth in Q4, improving deal decision making and pickup in full-vehicle deals

Management confident of Double-digit organic growth in FY27. Traction expected in both anchor and non-anchor clients

Strong deal momentum with four large deals in the quarter and 2 additional deals closed post quarter close -A European luxury automotive OEM and a Japanese OEM. Company has closed 2 full vehicle programs and expects to close 2 more in the upcoming months

Es-Tec contributed ~USD 9mn to revenue in Q4. Organic growth was ~8.8% QoQ cc in the quarter

Growth in the quarter was led by both solutions and services, Auto within services led growth while education business saw strong growth in solutions

- **Aerospace and IHM:** Aerospace and IHM delivered steady growth (~4.6% QoQ), supported by consistent execution and expanding engagements. These segments are increasingly important for diversification, with aerospace scaling significantly (~8x over four years to >USD40mn run-rate), driven by OEMs like Airbus and growing traction in engines and MRO. IHM demand remained stable. Management remains optimistic given improving capabilities, broader client participation, and a growing pipeline.
- **Supply:** Supply conditions remain stable, with continued focus on capacity building. Headcount stood at 12,646 (+66 QoQ), reflecting a strategy to protect delivery capacity during the downturn. Hiring remains selective and aligned to demand recovery. Attrition rose slightly to 16.2% (vs. 15.8%) but remains manageable. Capability investments continue via TechVarsity (~796 modules reaching ~11,000 employees), with focus areas including GenAI, SDVs, and cybersecurity. Over 50% of engineers were reported to be AI-ready, supporting evolving client needs and productivity gains.

4QFY26 result review

Exhibit 1: 4QFY26 Result Summary

	3Q26 A	2Q26 A	Change (QoQ)	Estimate (JMFe)	Variance (vs. JMFe)	Estimate Consensus	QoQ estimate	
							JMFe	Consensus
USD-INR	92.05	89.44	2.9%	91.50	0.6%	93.37	2.3%	4.4%
Revenue (USD mn)	170.8	152.7	11.9%	168.2	1.5%	161.9	10.2%	6.0%
QoQ cc	12.4%	2.3%	1010bp	10.8%	163bp	6.8%		
Revenue (INR mn)	15,722	13,657	15.1%	15,391	2.1%	15,115	12.7%	10.7%
EBITDA (INR mn)	2,521	1,929	30.7%	2,370	6.4%	2,406	22.9%	24.7%
EBITDA margin	16.0%	14.1%	192bp	15.4%	64bp	15.9%	128bp	180bp
EBIT (INR mn)	2,054	1,569	31.0%	2,050	0.2%	2,026	30.7%	29.2%
EBIT margin	13.1%	11.5%	158bp	13.3%	-25bp	13.4%	183bp	192bp
PAT (INR mn)	2,042	1,350	51.2%	2,043	-0.1%	1,832	51.4%	35.7%
EPS (INR)	5.03	3.33	51.2%	5.04	-0.1%	4.51	51.4%	35.7%

Note: PAT includes exceptional item of reversal of provision towards new labor code of INR 561mn. Source: Company, JM Financial estimates

Exhibit 2: Key financial summary

	3QFY25	4QFY25	FY25	1QFY26	2QFY26	3QFY26	4QFY26
Revenue (USD mn)	155.7	148.3	610.7	145.3	150.9	152.7	170.8
YoY/QoQ cc growth	1.7%	-3.3%	-0.7%	-4.6%	4.5%	2.3%	12.4%
Services	119.9	118.1	476.0	112.5	115.6	118.6%	132.6
QoQ cc growth	1.1%	0.0%	-1.0%	-7.6%	3.0%	3.8%	11.9%
Technology Solution	35.8	30.2	134.7	32.8	35.3	34.1	38.2
Revenue (INRmn)	13,174	12,857	51,685	12,443	13,233	13,657	15,722
Gross Margins	28.7%	31.0%	29.3%	25.6%	27.2%	26.1%	27.2%
Total operating expenses	1,436	1,653	5,780	1,190	1,521	1,642	1,756
EBITDA	2,340	2,334	9,340	2,001	2,078	1,929	2,521
EBITDA Margin	17.8%	18.2%	18.1%	16.1%	15.7%	14.1%	16.0%
Depreciation & amortization	305	312	1,212	313	309	360	467
EBIT	2,036	2,023	8,128	1,688	1,769	1,569	2,054
EBIT Margin	15.5%	15.7%	15.7%	13.6%	13.4%	11.5%	13.1%
Other income	221	523	1,045	589	436	227	151.5
Profit Before Tax	2,257	2,545	9,173	2,277	2,205	1,796	2,205
Income tax expense	576	692	2,445	623	604	163	792
Net income from operations	1,681	1,853	6,769	1,703	1,655	1,350*	1,625*
Net margin	12.8%	14.4%	13.1%	13.7%	12.5%	9.9%*	10.3%*
EPS	4.14	4.65	16.68	4.19	4.08	3.32*	4.00*

Note: *Excluding the one-time negative impact of exceptional item due to new labor code and one-off acquisition cost. Source: Company, JM Financial

Growth in the quarter was led by automotive segment within services and education within tech solutions

Margins expanded sequentially due to operating leverage and focus on efficiencies

Exhibit 3: Key Operating Metrics

	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
% Auto Share					
% of services segment revenue					
Auto	83%	83%	81%	80%	81%
Non-Auto	17%	17%	19%	20%	19%
Revenue mix					
Offshore	57.0%	60.3%	59.1%	61.1%	67.0%
Onshore	43.0%	39.7%	40.9%	38.9%	33.0%
Services: Customer Pyramid					
>50mn	2	2	2	2	2
10-50 mn	3	3	3	4	3
5-10 mn	10	8	8	8	10
1-5 mn	29	32	33	32	29
Employee Metrics					
Headcount	12,644	12,407	12,402	12,580	12,646
LTM Attrition	13.2%	13.8%	15.1%	15.8%	16.2%

Source: Company, JM Financial

Retain REDUCE, Revised TP of 570.

We have revised our YoY (USD) growth expectations by marginally over FY27-28E. Our estimates for both IT services and Technology solutions are revised marginally over FY26-28E. ES-Tec is expected to contribute incremental of USD 25-28m in FY27 (4% to 4.5% incremental contribution to revenue growth). EBITDA margin estimates have been revised up marginally while EBIT margins were revised lowered due to higher amortization. Our PAT estimates have been revised by 2-3% over FY27-28. We continue to value TataTech at 28x Sep'27 EPS. Maintain REDUCE with a revised TP of INR 570.

Exhibit 4: What has changed

	Old			New			Change		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Consolidated									
Exchange rate (INR/USD)	92.00	92.00	-	93.00	93.00	-	1.1%	1.1%	-
Consolidated revenue (USD mn)	690	755	-	700	771	-	1.5%	2.1%	-
Growth in USD revenues (YoY)	11.8%	9.3%	-	13.0%	10.0%	-	121bp	69bp	-
Consolidated revenue (INR mn)	63,488	69,416	-	65,142	71,671	-	2.6%	3.2%	-
EBITDA margin	16.6%	17.2%	-	16.9%	17.6%	-	34bp	42bp	-
EBIT margin	14.5%	15.1%	-	14.0%	14.9%	-	-43bp	-17bp	-
Adjusted PAT (INR mn)	7,607	8,533	-	7,748	8,761	-	1.9%	2.7%	-
Adjusted EPS (INR)	18.7	21.0	-	19.1	21.6	-	1.9%	2.7%	-

Source: JM Financial estimates

Exhibit 5: JMFe vs. Consensus estimates

	Consensus			JMFe			Difference		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Sales (USD mn)	686	757	832	700	771	848	2%	2%	2%
Sales (INR mn)	63,462	70,080	77,451	65,142	71,671	79,738	3%	2%	3%
EBITDA (INR mn)	10,698	12,318	13,672	11,028	12,632	13,910	3%	3%	2%
EBITDA margin (%)	16.9%	17.6%	17.7%	16.9%	17.6%	17.4%	7bp	5bp	-21bp
EBIT (INR mn)	9,146	10,590	11,401	9,150	10,684	11,889	0%	1%	4%
EBIT margin (%)	14.4%	15.1%	14.7%	14.0%	14.9%	14.9%	-37bp	-20bp	19bp
EPS (INR)	19.4	22.6	25.1	19.1	21.6	23.7	-1%	-4%	-6%

Note: Consensus estimates may not reflect changes in estimates post result. Source: Visible Alpha, JM Financial estimates

Valuation Table

Exhibit 6: ER&D Services – Global valuation comp

Company	CMP (LC)	Mcap (USD m)	P/E			PEG	EV/EBITDA			EV/Sales		
			FY27	FY28	FY29		FY27	FY28	FY29	FY27	FY28	FY29
India												
Tata Tech	591	2,873	29.9x	26.2x	NA	1.4x	21.4x	18.8x	NA	3.7x	3.3x	NA
KPIT	769	2,524	24.5x	20.7x	NA	1.2x	13.7x	12.0x	NA	2.9x	2.6x	NA
Tata Elxsi	4,187	2,743	30.1x	26.2x	NA	n.m.	23.1x	19.8x	17.6x	5.8x	5.2x	4.7x
L&T TS	3,707	4,132	25.6x	22.3x	20.1x	1.7x	16.2x	14.3x	12.8x	3.0x	2.7x	2.5x
Cyient	871	1,018	13.8x	11.9x	10.4x	0.8x	7.4x	6.4x	5.6x	1.1x	1.0x	0.9x
Average			24.8x	21.5x	15.2x	1.3x	16.4x	14.3x	12.0x	3.3x	3.0x	2.7x
Global												
Alten	58	1,877	8.4x	7.8x	7.0x	0.8x	4.6x	4.2x	3.9x	0.5x	0.5x	0.4x
Bertrandt	10	95	-72.9x	3.5x	3.2x	NA	3.4x	2.6x	2.5x	0.2x	0.2x	0.2x
EDAG	3	80	26.8x	5.0x	3.7x	0.0x	6.3x	4.6x	4.1x	0.4x	0.4x	0.4x
Desay SV	103	8,579	20.1x	16.9x	14.9x	1.0x	15.3x	12.8x	11.5x	1.6x	1.3x	1.2x
AFRY	114	1,353	10.1x	8.1x	7.4x	0.5x	6.9x	6.0x	5.8x	0.7x	0.7x	0.7x
Etteplan	7	169	12.5x	9.1x	8.4x	0.4x	6.2x	5.5x	5.0x	0.7x	0.7x	0.6x
Assytem	46	661	16.3x	14.9x	13.8x	1.7x	10.1x	9.6x	9.0x	0.9x	0.9x	0.9x
Thundersoft	64	4,107	44.4x	35.8x	31.1x	1.8x	21.6x	18.2x	15.8x	3.0x	2.5x	1.9x
Arcsoft	43	2,384	52.6x	41.6x	29.0x	1.2x	43.3x	33.3x	22.9x	13.1x	10.7x	10.0x
Average			30.4x	26.1x	19.7x	1.1x	18.9x	16.7x	13.4x	3.7x	3.1x	2.5x

Source: Bloomberg estimates as on 04th May 2026, JM Financial

Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E	
Net Sales	51,685	55,055	65,142	71,671	79,738	
Sales Growth (%)	1.0	6.5	18.3	10.0	11.3	
Other Operating Income	-	-	-	-	-	
Total Revenue	51,685	55,055	65,142	71,671	79,738	
Cost of Goods Sold/Op. Exp	36,565	40,418	46,818	51,012	57,057	
Personnel Cost	-	-	-	-	-	
Other Expenses	5,780	6,109	7,296	8,027	8,771	
EBITDA	9,340	8,529	11,028	12,632	13,910	
EBITDA Margin (%)	18.1	15.5	16.9	17.6	17.4	
EBITDA Growth (%)	-0.8	-8.7	29.3	14.5	10.1	
Depn. & Amort.	1,212	1,450	1,877	1,948	2,021	
EBIT	8,128	7,079	9,150	10,684	11,889	
Other Income	1,045	1,404	685	480	393	
Finance Cost	-	-	-	-	-	
PBT before Excep. & Forex	9,173	8,483	9,836	11,164	12,282	
Excep. & Forex Inc./Loss(-)	-	-	-	-	-	
PBT	9,173	8,483	9,836	11,164	12,282	
Taxes	2,445	2,181	2,459	2,791	3,071	
Extraordinary Inc./Loss(-)	41	30	371	388	392	
Assoc. Profit/Min. Int.(-)	-	-	-	-	-	
Reported Net Profit	6,769	6,332	7,748	8,761	9,604	
Adjusted Net Profit	6,728	6,302	7,377	8,373	9,212	
Net Margin (%)	13.0	11.4	11.3	11.7	11.6	
Diluted Share Cap. (mn)	406	406	406	406	406	
Diluted EPS (INR)	16.6	15.5	18.2	20.6	22.7	
Diluted EPS Growth (%)	-1.0	-6.3	17.1	13.5	10.0	
Total Dividend + Tax	4,747	4,747	5,153	5,559	5,965	
Dividend Per Share (INR)	11.7	11.7	12.7	13.7	14.7	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E	
Profit before Tax	9,173	8,483	9,836	11,164	12,282	
Depn. & Amort.	1,212	1,450	1,877	1,948	2,021	
Net Interest Exp. / Inc. (-)	196	341	567	567	567	
Inc (-) / Dec in WCap.	382	1,329	-5,366	-2,023	-2,499	
Others	1,805	1,616	-	-	-	
Taxes Paid	-3,140	-1,780	-2,459	-2,791	-3,071	
Operating Cash Flow	9,628	11,439	4,455	8,865	9,300	
Capex	-315	-336	-3,882	-3,509	-3,950	
Free Cash Flow	9,313	11,103	573	5,355	5,350	
Inc (-) / Dec in Investments	-946	-3,546	-	-	-	
Others	375	-4,828	-	-	-	
Investing Cash Flow	-885	-8,709	-3,882	-3,509	-3,950	
Inc / Dec (-) in Capital	-	-	-	-	-	
Dividend + Tax thereon	-4,165	-4,766	-5,153	-5,559	-5,965	
Inc / Dec (-) in Loans	-694	4,895	-	-	-	
Others	-5	-13	-567	-567	-567	
Financing Cash Flow	-4,864	116	-5,720	-6,125	-6,531	
Inc / Dec (-) in Cash	3,878	2,845	-5,147	-770	-1,181	
Opening Cash Balance	9,134	9,026	7,152	2,376	1,994	
Closing Cash Balance	13,012	11,871	2,005	1,606	813	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E	
Shareholders Fund	35,794	39,234	41,829	45,031	48,671	
Share Capital	811	812	812	812	812	
Reserves & Surplus	34,983	38,422	41,017	44,219	47,859	
Preference Share Capital	-	-	-	-	-	
Minority Interest	-	-	-	-	-	
Total Loans	5	8,156	8,156	8,156	8,156	
Def. Tax Liab. / Assets (-)	-	-	-	-	-	
Other non-current liabilities / Lease Liabilities	4,013	5,004	5,004	5,004	5,004	
Total - Equity & Liab.	39,812	52,394	54,988	58,191	61,831	
Net Fixed Assets	11,303	20,702	20,764	21,067	21,442	
Gross Fixed Assets	2,609	2,968	3,030	3,334	3,709	
Intangible Assets	8,694	17,734	17,734	17,734	17,734	
Less: Depn. & Amort.	-	-	-	-	-	
Capital WIP	-	-	-	-	-	
Investments	-	0	0	0	0	
Current Assets	55,340	68,833	78,269	84,512	93,012	
Inventories	-	-	-	-	-	
Sundry Debtors	10,056	11,869	16,955	17,672	19,661	
Cash & Bank Balances	9,026	7,152	2,376	1,994	1,206	
Loans & Advances	-	-	-	-	-	
Other Current Assets	36,259	49,812	58,938	64,846	72,145	
Current Liab. & Prov.	26,830	37,141	44,044	47,389	52,623	
Current Liabilities	35,442	47,747	56,593	61,195	67,984	
Provisions & Others	-8,612	-10,606	-12,549	-13,807	-15,361	
Net Current Assets	19,898	21,086	21,676	23,317	25,027	
Other Non Current Assets/ROU Assets	8,612	10,606	12,549	13,807	15,361	
Total - Assets	39,812	52,394	54,988	58,191	61,831	

Source: Company, JM Financial

Dupont Analysis						
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E	
Net Margin (%)	13.0	11.4	11.3	11.7	11.6	
Asset Turnover (x)	1.4	1.2	1.2	1.3	1.3	
Leverage Factor (x)	1.1	1.2	1.3	1.3	1.3	
RoE (%)	19.8	16.8	18.2	19.3	19.7	

Source: Company, JM Financial

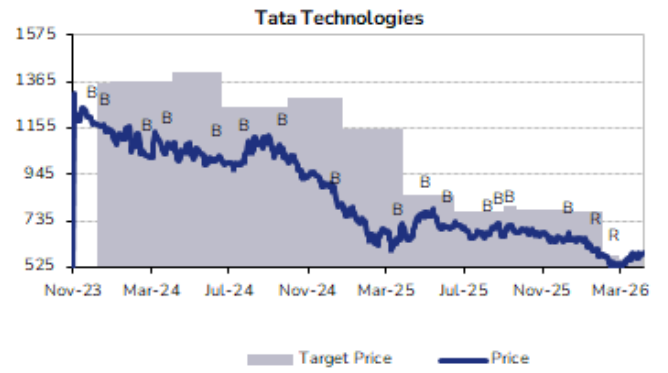
Key Ratios						
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E	
BV/Share (INR)	88.2	96.7	103.1	111.0	120.0	
ROIC (%)	23.9	15.7	15.6	16.2	16.7	
ROE (%)	19.8	16.8	18.2	19.3	19.7	
Net Debt/Equity (x)	-0.3	0.0	0.1	0.1	0.1	
P/E (x)	35.4	37.9	31.0	27.4	25.0	
P/B (x)	6.7	6.1	5.7	5.3	4.9	
EV/EBITDA (x)	24.7	28.3	22.3	19.5	17.8	
EV/Sales (x)	4.5	4.4	3.8	3.4	3.1	
Debtor days	71	79	95	90	90	
Inventory days	-	-	-	-	-	
Creditor days	231	291	297	293	292	

Source: Company, JM Financial

Recommendation History Table

Date	Recommendation	Target Price	% Chg.
29-Mar-26	Reduce	560	-3.4
2-Mar-26	Reduce	580	-25.6
17-Jan-26	Buy	780	-1.3
19-Oct-25	Buy	790	-1.3
1-Oct-25	Buy	800	2.6
14-Sep-25	Buy	780	0.0
15-Jul-25	Buy	780	-8.2
10-Jun-25	Buy	850	0.0
27-Apr-25	Buy	850	-26.1
22-Jan-25	Buy	1,150	-10.9
29-Oct-24	Buy	1,290	3.2
1-Sep-24	Buy	1,250	0.0
19-Jul-24	Buy	1,250	-11.3
4-May-24	Buy	1,410	2.9
2-Apr-24	Buy	1,370	0.0
27-Jan-24	Buy	1,370	0.7
8-Jan-24	Buy	1,360	

Recommendation History Chart



APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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Rating	Meaning
BUY	Expected return \geq 15% over the next twelve months.
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REDUCE	Expected return \geq -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

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