

# Bajaj Auto Ltd.

Automobiles | 3QFY26 Result Update

**Upgrade to BUY**

**CMP: Rs9,593 | Target Price (TP): Rs11,178 | Upside: 17%**

**January 31, 2026**

## Strong Q3 beat, EV rebound and export strength drive BUY upgrade

### Key Points

- **Bajaj Auto posted a strong Q3FY26 print with healthy revenue growth and margin expansion:** Revenue stood at ₹152bn, beating NBIE and market estimates, with volumes up 10% YoY, driven by strong export traction and EV momentum. ASPs rose ~6.6% YoY, supported by a richer product mix and favourable currency realisations. Domestic performance was aided by festive demand and GST-led momentum, which extended beyond the festive period. Exports outpaced domestic volumes, led by robust growth in Africa and Asia, while LATAM sustained its market-leading performance. EBITDA margin expanded 61 bps YoY to 20.8%, ahead of NBIE estimates, supported by currency tailwinds and PLI benefits, which more than offset raw material cost inflation and the margin impact from higher EV volumes.
- **Outlook:** E2W and E3W volumes rebounded strongly in Q3FY26 following temporary disruptions from rare-earth magnet shortages. With supply conditions improving, momentum is expected to sustain, supported by capacity expansion, particularly in e-autos. Management has guided for strong double-digit domestic industry volume growth of 12–15% in Q4FY26, aided by macro tailwinds and GST 2.0 cuts. Backed by a strong E2W/E3W product portfolio and aggressive Pulsar portfolio upgrades and refreshes since November 2025, the company remains confident of outperforming industry volume growth. Export momentum is expected to remain robust, with volumes projected to grow faster than the industry across key emerging markets. Cost pressures are likely to persist into Q4, with management guiding for an estimated 50–60 bps margin impact from input cost inflation.
- **Valuation and outlook:** We upgrade BAL to BUY and raise our valuation multiple to 26.5x (from 24.75x) Dec'27E EPS, valuing the core business at 23.75x Dec'27E EPS, which translates into a target price of ₹11,178. Our constructive view is supported by a sharp rebound in EV volumes following earlier supply disruptions, enabling BAL to regain leadership in E2W and E3W in Q3. Further, aggressive product upgrades and marketing initiatives are driving a recovery in market share within the highly competitive and faster-growing 125cc+ domestic segment. Exports remain resilient, with volumes close to peak levels despite a lower contribution from the Nigeria market.

**3QFY26 performance update:** Bajaj Auto delivered a strong Q3FY26, with revenue of Rs. 152bn beating NBIE and consensus, driven by higher volumes, a richer mix, and favourable currency realisations. Revenues grew 18.8% YoY and 2.0% QoQ. The EV portfolio was a key mix driver, scaling ~40% sequentially, while strong spares revenue provided stable, recurring support to revenues and profitability. The company gained ~500 bps market share in E2W, returning to the leadership cluster, aided by an expanded distribution base. Domestic 2W/3W volumes remained resilient on GST 2.0 benefits, festive demand, and healthy rural cash flows, while strong exports lifted overall volumes by ~18%. EBITDA rose to Rs. 31.6bn, delivering a strong beat, with EBITDA margin at 20.8% (+61 bps YoY, +31 bps QoQ), supported by currency tailwinds and operating leverage, even as gross margins stood at 29.9% (+117 bps YoY, -7 bps QoQ).

Est Change	Upward
TP Change	Upward
Rating Change	Upward

### Company Data and Valuation Summary

Reuters	BAJA.BO
Bloomberg	BJAUT IN Equity
Market Cap (Rsbn / US\$bn)	2,682.5 / 29.3
52 Wk H / L (Rs)	9,888 / 7,089
ADTV-3M (mn) (Rs / US\$)	3,433.2 / 38.2
Stock performance (%) 1M/6M/1yr	3.4 / 19.3 / 9.7
Nifty 50 performance (%) 1M/6M/1yr	(2.8) / (1.6) / 7.7

Shareholding	1QFY26	2QFY26	3QFY26
Promoters	55.0	55.0	55.0
DILs	12.1	12.8	14.1
FII	10.3	9.7	8.8
Others	22.6	22.5	22.1
Pro pledge	0.0	0.0	0.0

### Financial and Valuation Summary

Particulars (Rsmn)	FY24	FY25	FY26E	FY27E
<b>Volumes</b>	43,56,933	46,56,966	50,03,907	56,36,632
<b>Growth YoY %</b>	10.8	6.9	7.4	12.6
<b>Net Sales</b>	4,46,852	5,00,103	5,76,481	6,76,090
<b>Growth YoY %</b>	22.7	11.9	15.3	17.3
<b>Gross margin %</b>	29.0	29.3	29.7	30.0
<b>EBITDA</b>	88,229	1,00,988	1,17,411	1,45,438
<b>EBITDA margin %</b>	19.7	20.2	20.4	21.5
<b>Adj PAT</b>	74,788	81,514	95,728	1,16,236
<b>Growth YoY %</b>	32.9	9.0	17.4	21.4
<b>Adj EPS (Rs)</b>	268.1	292.0	341.2	416.3
<b>RoCE</b>	24.6	21.0	23.0	25.2
<b>RoE</b>	30.1	25.4	27.4	29.1
<b>RoIC</b>	25.1	21.8	24.2	29.0
<b>P/E</b>	35.8	32.9	28.1	23.0
<b>EV/EBITDA</b>	30.4	26.5	22.7	18.1
<b>P/BV</b>	10.8	8.3	7.7	6.7

Source: Company, Bloomberg, Nirmal Bang Institutional Equities Research

Key Links: [2QFY26 Result Update](#)

Please refer to the disclaimer towards the end of the document.

- **GST-led ICE recovery and EV momentum drive 3W leadership:** ICE volumes recovered from a ~4% decline to +4–5% growth following the GST cuts, while the electric three-wheeler segment continues to grow at over 50%, with momentum expected to sustain. The company retains above 70% share in ICE 3Ws and over 85% in CNG, while in E-Autos reported strong numbers regaining the No.1 position by December.
- **Demand shifting to the 125cc+ segment:** The 125cc+ segment continues to outpace the broader two-wheeler market, reflecting a clear shift in consumer preferences. BAL gained market share sequentially in Q3, led by improvements in the executive segment. To counter rising competition, the company has rolled out seven upgrades and refreshes since November, focused on the 150cc+ category, supported by a favourable demand environment. With eight additional upgrades planned over the next four months, BAL is well positioned to accelerate growth and gain market share ahead of the industry.
- **Continued strong export traction:** BAL delivered a strong export performance, with volumes up 18% YoY, outpacing industry growth across key overseas markets and driving market share gains. Performance was broad-based, with LATAM posting a record quarter, strong traction in Colombia and Brazil. While Nigeria remains weak on a YoY basis, its reduced share highlights record-high performance excluding Nigeria, underscoring the strength of BAL's diversified export portfolio. Export CV volumes surging 56% YoY, while KTM Austria shipments increased ~15% YoY.
- **Premium portfolio (KTM + Triumph):** KTM and Triumph recorded an all-time-high quarter of over 35,000 units, up ~50% YoY, driven by new KTM launches and steady Triumph traction. Bajaj expanded into the 150cc super-premium segment with the Duke 160. Growth was further supported by strong brand activation initiatives, including Orange Day Experiences, Adventure Rallies, and the KTM Cup (Season 3).

**Exhibit 1: Quarterly performance table**

Particulars (Rsmn)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E	FY25	FY26E
<b>Net Sales</b>	<b>1,19,280</b>	<b>1,31,275</b>	<b>1,28,069</b>	<b>1,21,480</b>	<b>1,25,845</b>	<b>1,49,221</b>	<b>1,52,203</b>	<b>1,49,212</b>	<b>5,00,103</b>	<b>5,76,481</b>
YoY Change (%)	15.7	19.0	3.3	5.8	5.5	13.7	18.8	22.8	11.9	15.3
<b>Gross Profit</b>	<b>35,754</b>	<b>37,636</b>	<b>36,742</b>	<b>36,597</b>	<b>37,248</b>	<b>44,664</b>	<b>45,448</b>	<b>43,854</b>	<b>1,46,729</b>	<b>1,71,215</b>
Margin (%)	30.0	28.7	28.7	30.1	29.6	29.9	29.9	29.4	29.3	29.7
<b>EBITDA</b>	<b>24,153</b>	<b>26,522</b>	<b>25,807</b>	<b>24,506</b>	<b>24,818</b>	<b>30,517</b>	<b>31,605</b>	<b>30,472</b>	<b>1,00,988</b>	<b>1,17,411</b>
YoY Change (%)	23.6	10.9	(4.8)	6.3	2.8	15.1	22.5	24.3	14.5	16.3
Margin (%)	20.2	20.2	20.2	20.2	19.7	20.5	20.8	20.4	20.2	20.4
Depreciation	937	956	997	1,111	1,109	1,117	1,119	1,089	4,001	4,435
Interest	207	159	143	168	141	144	26	197	677	508
Other income	3,209	3,845	3,347	3,808	4,308	3,692	3,420	3,359	14,209	14,778
Extraordinary Items	-	-	-	-	-	-	613	0	-	-
<b>PBT (bei)</b>	<b>26,218</b>	<b>29,252</b>	<b>28,015</b>	<b>27,034</b>	<b>27,875</b>	<b>32,948</b>	<b>33,880</b>	<b>32,544</b>	<b>1,10,519</b>	<b>1,27,247</b>
<b>PBT</b>	<b>26,218</b>	<b>29,252</b>	<b>28,015</b>	<b>27,034</b>	<b>27,875</b>	<b>32,948</b>	<b>33,267</b>	<b>32,544</b>	<b>1,10,519</b>	<b>1,26,633</b>
Tax	6,335	9,202	6,927	6,541	6,915	8,150	8,238	8,062	29,005	31,366
ETR (%)	24.2	31.5	24.7	24.2	24.8	24.7	24.8	24.8	26.2	24.8
Reported PAT	19,883	20,050	21,087	20,493	20,960	24,797	25,028	24,482	81,514	94,654
<b>Adj. PAT</b>	<b>19,883</b>	<b>20,050</b>	<b>21,087</b>	<b>20,493</b>	<b>20,960</b>	<b>24,797</b>	<b>25,487</b>	<b>24,482</b>	<b>81,514</b>	<b>95,267</b>
YoY Change (%)	19.4	(4.3)	(9.2)	5.9	5.4	23.7	20.9	19.5	9.0	16.9
<b>Adj. EPS (Rs)</b>	<b>71.2</b>	<b>71.8</b>	<b>75.5</b>	<b>73.4</b>	<b>75.1</b>	<b>88.8</b>	<b>91.3</b>	<b>87.7</b>	<b>292.0</b>	<b>341.2</b>

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 2: Changes in annual estimates**

(Rsmn)	New estimates		Old estimates		% Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Net Revenue	5,76,481	6,76,090	5,66,992	6,52,883	1.7	3.6
EBITDA	1,17,411	1,45,438	1,11,484	1,40,438	5.3	3.6
EBITDA (%)	20.4	21.5	19.7	21.5	-	-
PAT	95,267	1,16,236	90,688	1,12,061	5.0	3.7
EPS (Rs)	341	416	325	401	5.0	3.7

Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 3: Quarterly estimate vs actuals**

3QFY26 (Rsmn)	Actuals	Our Estimate	Deviation (%)	BBG Estimates	Deviation (%)
Net Sales	1,52,203	1,50,669	1.0	1,46,296	4.0
EBITDA	31,605	29,230	8.1	29,762	6.2
EBITDA Margin (%)	20.8	19.4	136 bps	20.3	42 bps
Adj. PAT	25,487	23,339	9.2	24,399	4.5

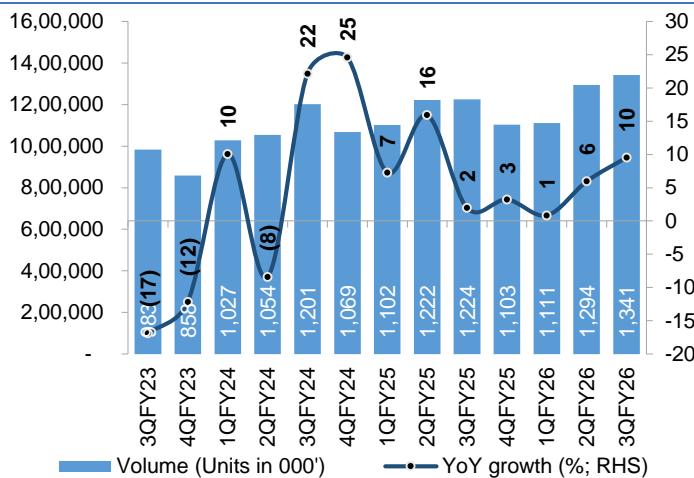
Source: Bloomberg, Nirmal Bang Institutional Equities Research

## Conference call key highlights

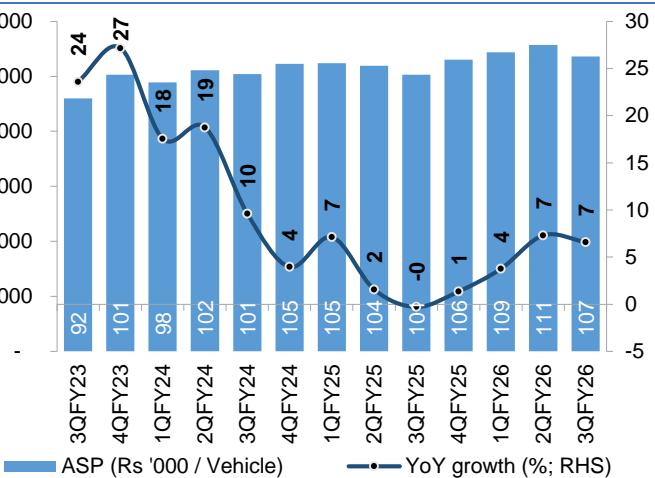
- **Domestic 2W Demand:** Domestic motorcycle demand saw a sharp revival in Q3FY26, aided by GST rationalisation, with industry growth rebounding to around 15% after a weak H1. Management indicated that January trends remain equally strong, suggesting sustainability beyond the festive period. Importantly, growth is being driven by premiumisation, with 125cc+ segments outperforming entry-level motorcycles and 150cc+ growing the fastest. After market share pressure in FY25 and early FY26 due to a lag in product refreshes, Bajaj has begun regaining share from November onward through multiple Pulsar upgrades and launches.
- **Domestic 3W Demand:** The domestic three-wheeler segment also benefited from GST rationalization with ICE 3W volumes moving from an around 4% decline to mid-single digit growth. Electric three-wheelers continue to be the primary growth driver, growing at over 50% YoY and improving driver economics. Bajaj maintained strong leadership in ICE 3Ws with over 70% market share and an even higher around 85% share in the CNG sub-segment. In EV 3Ws, the company exited Q3 as the market leader, supported by a broad portfolio and strong execution.
- **Export Momentum:** Exports delivered a strong and sustained recovery with Q3 volumes crossing 600,000 units and monthly run-rates stabilising above 200,000 units from October onward. Volume growth of around 18% YoY was complemented by stronger revenue growth due to favourable currency and richer mix. Growth was broad based across geographies, with Bajaj outperforming industry growth in its top 30 markets, indicating market share gains. Management highlighted reduced dependence on Nigeria and strong traction in LATAM, and guided for the highest-ever export revenues in USD terms this year.
- **Margin Expansion Tailwinds:** EBITDA margins expanded to a record 20.8% despite multiple headwinds, reflecting strong operating leverage, favourable currency movement, and higher PLI incentives. The company absorbed commodity inflation of around 50bps, the GST hike on >350cc motorcycles, and withdrawal of PM E-DRIVE incentives for e-3Ws without compromising margins. Sequential margin improvement was also supported by disciplined cost control and mix improvement. For Q4, the management expects commodity pressure of 50-60bps, with about half already offset through pricing and the balance via FX and operating levers.
- **BACL Performance:** BACL delivered another standout quarter, with AUM rising to around Rs165bn, and retail finance penetration reaching around 45%. The subsidiary added around 0.35mn customers during the quarter and reported PAT of around Rs2bn, reflecting strong operating leverage. ROE stood at around 21% for 9MFY26, supported by a digital-first, low-cost operating model. Management clarified that the last capital infusion was completed in October and no further equity support is envisaged.
- **EV Production Disruptions:** Electric two-wheeler volumes rebounded sharply in Q3 after supply-chain disruptions impacted Q2 performance. With component availability improving, Chetak volumes grew around 70% sequentially, enabling Bajaj to regain around 500bps of market share during the quarter. This recovery helped the brand return to the leadership cluster in the e-scooter segment. Management indicated that supply constraints are now largely behind them.
- **Premium Bike Performance:** The pro-biking segment delivered its highest-ever quarterly performance, with KTM and Triumph together selling around 35,000 units domestically, up around 50% YoY. KTM growth was led by strong traction in the Adventure portfolio and sustained momentum in the Duke range, while Triumph maintained healthy volumes despite GST absorption. Network expansion through joint KTM-Triumph dealerships is improving reach and dealer viability. Management also highlighted significant long-term potential for Dominar, especially in international premium markets.

- **Growth Guidance and Outlook:** Management expressed confidence in sustaining double-digit growth in domestic motorcycles with Bajaj expected to outpace the industry in the 125cc+ and 150cc+ segments due to an aggressive product pipeline. Export momentum is expected to continue, supported by diversification and competitive positioning. EVs have reached a meaningful scale now contributing around 25% of domestic revenues. Overall EV margins have moved into double-digit EBITDA territory, marking a structural improvement.
- **Capex and Cash Flow:** Bajaj Auto continues to generate strong free cash flows with net cash of around Rs150bn and around Rs52bn of FCF generated over 9MFY26. Capital allocation during the period included around Rs23bn invested into overseas subsidiaries to support growth of KTM and BACL. The balance sheet remains robust with no near-term capital strain. Management reiterated its disciplined approach to capex and investments.
- **Market Share Gains:** The company is clearly gaining market share in exports, outperforming industry growth across key emerging markets. Domestically, motorcycle market share recovery has begun, particularly in the core 150cc+ Pulsar segment following recent product interventions. In electric three-wheelers, Bajaj has regained the number-one position, while Chetak has recovered lost ground in e-scooters post supply normalization. Management expects these gains to strengthen over coming quarters.
- **Other Key Updates:** Management views GST rationalisation as a structural demand driver rather than a temporary festive boost. The newly launched Ricky electric rickshaw is being piloted around 40-50 towns with focus on transitioning customers from lead-acid to lithium-ion before scaling up. Electric two-wheelers have now achieved EBITDA breakeven. On KTM AG, Bajaj confirmed that turnaround initiatives are underway and full consolidation will begin from the next quarter.

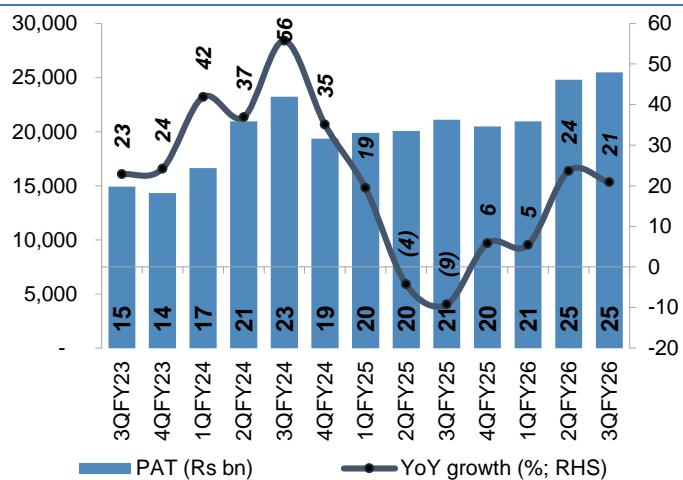
## Story in Charts

**Exhibit 4: Export driving volume growth**


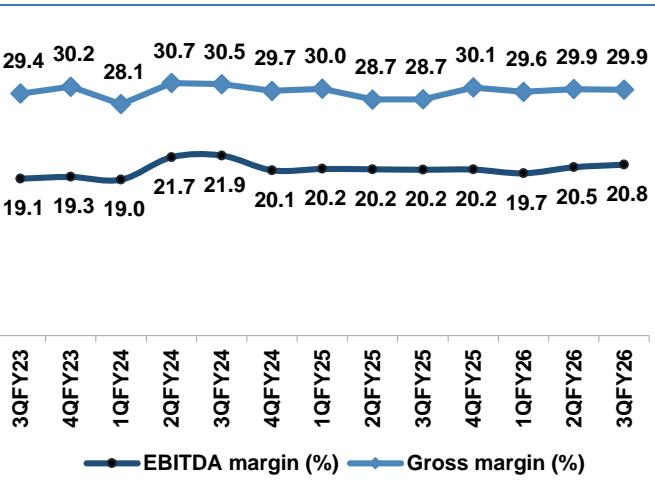
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 5: ASP improving with rich product mix**


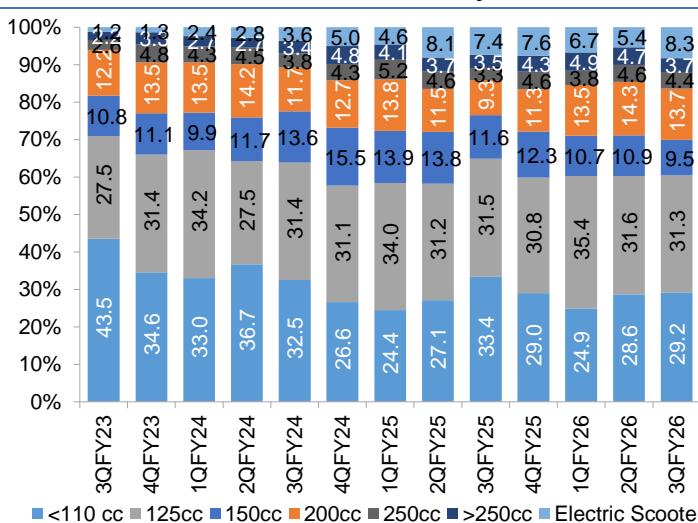
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 6: PAT and YoY growth**


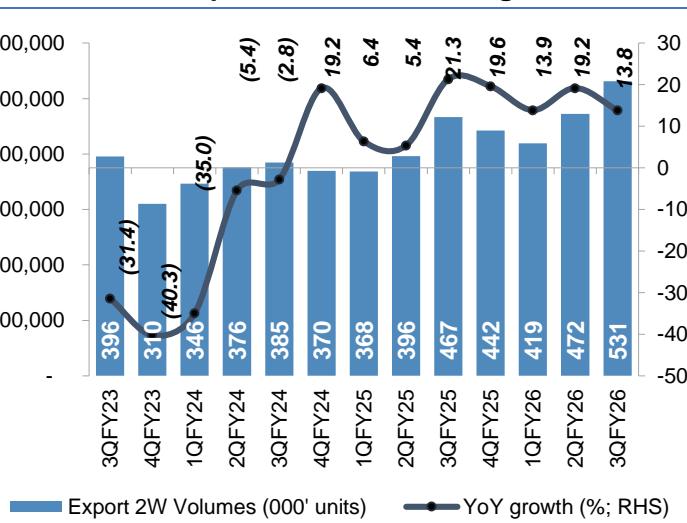
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 7: Gross margin and EBITDA margin**


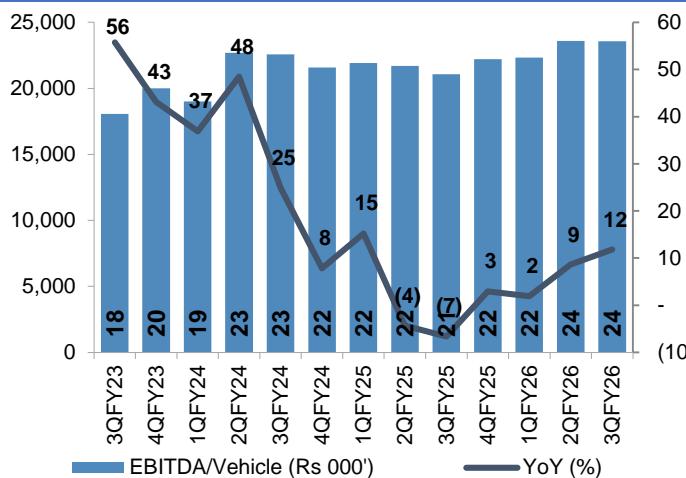
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 8: Product mix within motorcycles**


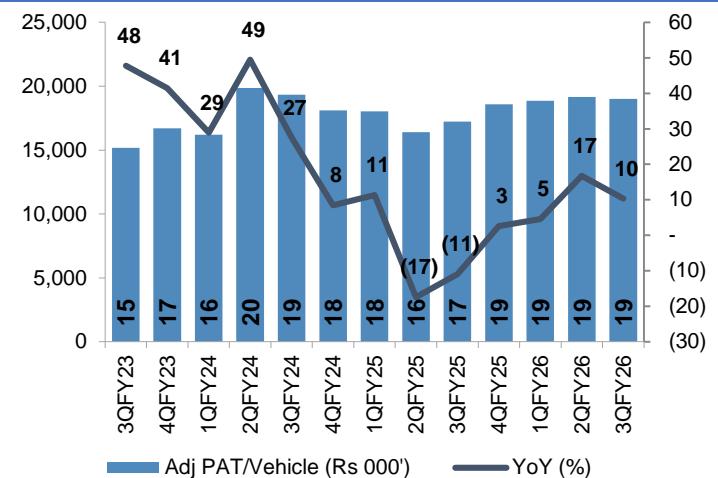
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 9: 2Ws – export volume and YoY growth**


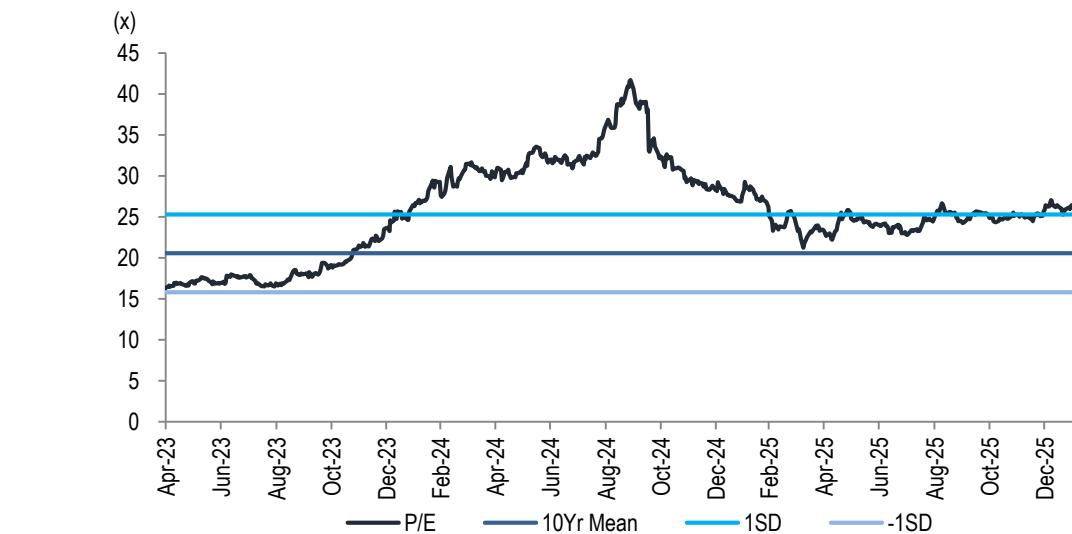
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 10: EBITDA per Vehicle Shows Sustained Uptrend**


Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 11: Improving Adj. PAT per Vehicle Driven by Product Mix**


Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 12: 1-year forward P/E chart**


Source: Company, Nirmal Bang Institutional Equities Research

## Financials

### Exhibit 13: Income statement

Y/E March (Rsmn)	FY24	FY25	FY26E	FY27E	FY28E
<b>Net Sales</b>	<b>4,46,852</b>	<b>5,00,103</b>	<b>5,76,481</b>	<b>6,76,090</b>	<b>7,84,559</b>
Growth YoY %	22.7	11.9	15.3	17.3	16.0
<b>Gross profit</b>	<b>1,29,418</b>	<b>1,46,729</b>	<b>1,71,215</b>	<b>2,02,827</b>	<b>2,37,329</b>
<b>Gross margin %</b>	<b>29.0</b>	<b>29.3</b>	<b>29.7</b>	<b>30.0</b>	<b>30.3</b>
Staff costs	15,376	15,794	16,430	21,297	24,321
% of sales	3	3	3	3	3
Other expenses	25,813	29,947	37,374	36,092	42,001
% of sales	6	6	6	5	5
<b>EBITDA</b>	<b>88,229</b>	<b>1,00,988</b>	<b>1,17,411</b>	<b>1,45,438</b>	<b>1,71,007</b>
Growth YoY %	34.7	14.5	16.3	23.9	17.6
<b>EBITDA margin %</b>	<b>19.7</b>	<b>20.2</b>	<b>20.4</b>	<b>21.5</b>	<b>21.8</b>
Depreciation	3,498	4,001	4,435	4,837	5,251
<b>EBIT</b>	<b>84,731</b>	<b>96,987</b>	<b>1,12,977</b>	<b>1,40,601</b>	<b>1,65,756</b>
Interest	535	677	508	508	508
Other income	14,025	14,209	14,778	14,889	15,000
PBT (bei)	98,220	1,10,519	1,27,247	1,54,981	1,80,248
PBT	98,220	1,10,519	1,26,633	1,54,981	1,80,248
ETR	23.9	26.2	24.8	25.0	25.0
PAT	74,788	81,514	95,267	1,16,236	1,35,186
<b>Adj PAT</b>	<b>74,788</b>	<b>81,514</b>	<b>95,728</b>	<b>1,16,236</b>	<b>1,35,186</b>
<b>Growth YoY %</b>	<b>32.9</b>	<b>9.0</b>	<b>17.4</b>	<b>21.4</b>	<b>16.3</b>

Source: Company, Nirmal Bang Institutional Equities Research

### Exhibit 15: Balance sheet

Y/E March (Rsmn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	2,792	2,793	2,793	2,793	2,793
Reserves	2,45,813	3,18,677	3,46,941	3,96,173	4,64,356
<b>Net worth</b>	<b>2,48,605</b>	<b>3,21,469</b>	<b>3,49,733</b>	<b>3,98,966</b>	<b>4,67,149</b>
Long term debt	-	-	-	-	-
Short term debt	8,341	8,000	8,000	8,000	8,000
<b>Total debt</b>	<b>8,341</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>
<b>Net debt</b>	<b>2,974</b>	<b>-5,286</b>	<b>-9,239</b>	<b>-45,989</b>	<b>-1,02,136</b>
Other non-current liabilities	5,069	11,230	11,230	11,230	11,230
<b>Total Equity &amp; Liabilities</b>	<b>3,42,507</b>	<b>4,24,289</b>	<b>4,50,879</b>	<b>5,11,440</b>	<b>5,91,982</b>
Gross block	67,338	74,861	82,122	89,582	97,242
Hold depreciation	35,808	39,809	44,244	49,081	54,332
<b>Net Block</b>	<b>31,530</b>	<b>35,052</b>	<b>37,878</b>	<b>40,501</b>	<b>42,910</b>
CWIP	243	260	460	660	860
Intangible and others	-	-	-	-	-
Other non-current assets	21,774	47,106	47,106	47,106	47,106
Investments	2,45,414	2,86,180	2,98,180	3,10,180	3,22,180
Trade receivables	21,224	22,826	27,281	32,185	37,522
Inventories	16,956	19,579	22,735	26,820	31,268
Cash & Cash Equivalents	5,366	13,286	17,239	53,989	1,10,136
Other current assets	-	-	-	-	-
<b>Total current assets</b>	<b>65,320</b>	<b>1,02,797</b>	<b>1,14,361</b>	<b>1,60,099</b>	<b>2,26,032</b>
Trade payables	56,102	62,676	60,626	71,521	83,383
Other current liabilities	24,390	20,913	21,290	21,723	22,221
<b>Total current liabilities</b>	<b>80,492</b>	<b>83,589</b>	<b>81,915</b>	<b>93,244</b>	<b>1,05,603</b>
<b>Total Assets</b>	<b>3,42,507</b>	<b>4,24,289</b>	<b>4,50,879</b>	<b>5,11,440</b>	<b>5,91,982</b>

Source: Company, Nirmal Bang Institutional Equities Research

### Exhibit 14: Cash flow

Y/E March (Rsmn)	FY24	FY25	FY26E	FY27E	FY28E
<b>PBT</b>	<b>98,220</b>	<b>1,10,519</b>	<b>1,26,633</b>	<b>1,54,981</b>	<b>1,80,248</b>
Depreciation	3,498	4,001	4,435	4,837	5,251
Interest	535	677	508	508	508
Other adjustments	-	-	-	-	-
Change in Working capital	15,669	-34,379	-13,238	-34,410	-53,574
Tax paid	-21,814	-22,844	-31,366	-38,745	-45,062
<b>Operating cash flow</b>	<b>96,108</b>	<b>57,974</b>	<b>86,971</b>	<b>87,171</b>	<b>87,371</b>
Capex	-7,792	-7,000	-7,000	-7,000	-7,000
<b>Free cash flow</b>	<b>88,317</b>	<b>50,974</b>	<b>79,971</b>	<b>80,171</b>	<b>80,371</b>
Other investing activities	-1,656	-26,557	2,778	2,889	3,000
<b>Investing cash flow</b>	<b>86,661</b>	<b>24,418</b>	<b>82,749</b>	<b>83,060</b>	<b>83,372</b>
Issuance of share capital	-38	1	-	-	-
Movement of Debt	8,341	-341	-	-	-
Dividend paid	-22,316	-58,628	-67,003	-67,003	-67,003
Other financing activities	-535	-677	-508	-508	-508
<b>Financing cash flow</b>	<b>72,112</b>	<b>-35,227</b>	<b>15,238</b>	<b>15,549</b>	<b>15,860</b>
<b>Net change in cash flow</b>	<b>2,509</b>	<b>7,919</b>	<b>3,953</b>	<b>36,750</b>	<b>56,147</b>
Opening C&CE	2,858	5,366	13,286	17,239	53,989
Closing C&CE	5,366	13,286	17,239	53,989	1,10,136

Source: Company, Nirmal Bang Institutional Equities Research

### Exhibit 16: Key ratios

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
<b>Per share (Rs)</b>					
Adj EPS	268.1	292.0	341.2	416.3	484.2
Book value					
	890.5	1,151.5	1,252.7	1,429.1	1,673.3
DPS	80.0	210.0	240.0	240.0	240.0
<b>Valuation (x)</b>					
P/Sales	6.0	5.4	4.6	4.0	3.4
EV/EBITDA	30.4	26.5	22.7	18.1	15.1
P/E	35.8	32.9	28.1	23.0	19.8
P/BV	10.8	8.3	7.7	6.7	5.7
<b>Return ratios (%)</b>					
RoCE	24.6	21.0	23.0	25.2	25.6
RoCE (pre-tax)	32.3	28.5	30.6	33.6	34.1
RoE	30.1	25.4	27.4	29.1	28.9
RoIC	25.1	21.8	24.2	29.0	33.0
<b>Profitability ratios (%)</b>					
Gross margin	29.0	29.3	29.7	30.0	30.3
EBITDA margin	19.7	20.2	20.4	21.5	21.8
PAT margin	16.7	16.3	16.6	17.2	17.2
<b>Liquidity ratios (%)</b>					
Current ratio	0.8	1.2	1.4	1.7	2.1
Quick ratio	0.6	1.0	1.1	1.4	1.8
<b>Solvency ratio (%)</b>					
Net Debt to Equity ratio	0.0	(0.0)	(0.0)	(0.1)	(0.2)
<b>Turnover ratios</b>					
Fixed asset turnover ratio (x)	6.6	6.7	7.0	7.5	8.1
Debtor days	17.3	16.7	17.3	17.4	17.5
Inventory days	13.9	14.3	14.4	14.5	14.5
Creditor days	45.8	45.7	38.4	38.6	38.8
Net Working capital days	(14.6)	(14.8)	(6.7)	(6.8)	(6.8)

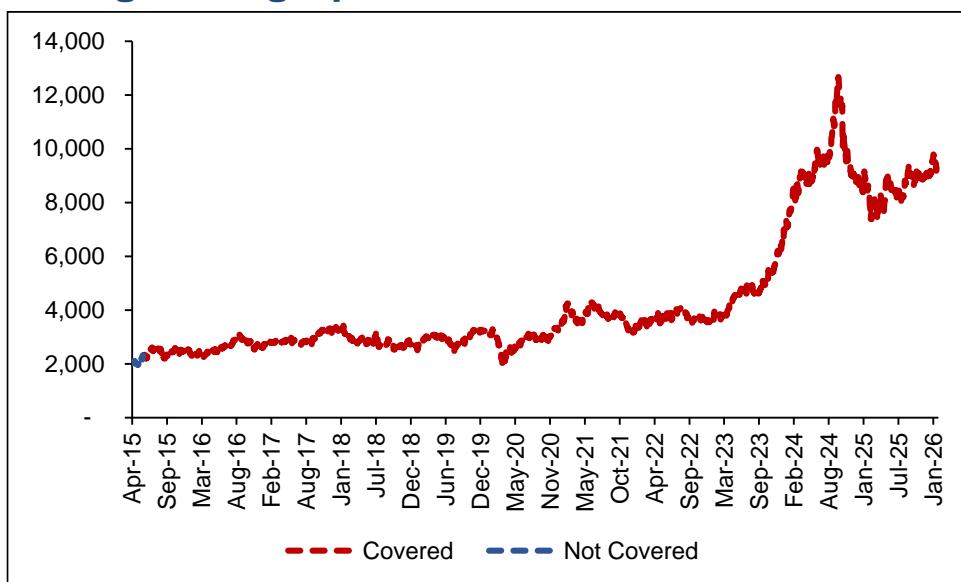
Source: Company, Nirmal Bang Institutional Equities Research

## Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
26 May 2015	Hold	2,302	2,401
27 July 2015	Hold	2,497	2,451
9 October 2015	Hold	2,431	2,451
26 October 2015	Hold	2,516	2,472
27 May 2016	Hold	2,505	2,594
29 July 2016	Hold	2,655	2,702
1 November 2016	Hold	2,884	3,042
1 February 2017	Hold	2,833	2,950
14 February 2017	Hold	2,801	3,117
19 May 2017	Hold	2,973	3,035
21 July 2017	Hold	2,815	3,022
23 October 2017	Hold	3,218	3,298
6 February 2018	Hold	3,186	3,376
22 May 2018	Hold	2,720	3,097
24 July 2018	Hold	2,684	2,820
26 October 2018	Buy	2,480	3,024
31 January 2019	Buy	2,500	3,024
29 July 2019	Hold	2,624	2,751
24 October 2019	Hold	3,159	3,107
28 January 2020	Hold	3,079	3,195
31 January 2020	Hold	3,142	3,195
30 March 2020	Buy	2,059	2,635
21 May 2020	Buy	2,556	2,982
23 July 2020	Buy	2,931	3,429
22 September 2020	Buy	2,982	3,671
23 October 2020	Buy	2,996	3,671
6 January 2021	Buy	3,490	4,141
22 January 2021	Buy	3,727	4,290
21 March 2021	Buy	3,650	4,250
30 April 2021	Buy	3,836	4,413
22 July 2021	Buy	3,853	4,413
7 October 2021	Buy	3,828	4,536
28 October 2021	Buy	3,700	4,308
6 January 2022	Buy	3,418	4,308
21 January 2022	Buy	3,308	4,200
29 April 2022	Hold	3,829	4,131
27 July 2022	Hold	3,883	4,216
16 October 2022	Buy	3,564	4,102
26 January 2023	Hold	3,717	4,136
26 April 2023	Hold	4,342	4,509
26 July 2023	Hold	4,840	5,036
19 Oct 2023	Hold	5,137	5,257
25 January 2024	Hold	7,213	6,871
18 July 2024	Sell	9,696	8,933
17 October 2024	Sell	11,617	9,983
6 January 2025	Buy	8,966	10,613
29 January 2025	Buy	8,411	10,686
13 April 2025	Buy	7,779	9,022

30 May 2025	Hold	8,874	9,615
09 July 2025	Hold	8,342	9,097
06 August 2025	Hold	8,175	9,137
23 August 2025	Hold	8,679	9,179
01 September 2025	Hold	8,967	9,179
09 October 2025	Hold	8,810	9,287
10 November 2025	Hold	8,722	9,580
09 January 2026	Hold	9,760	10,748
31 January 2026	Buy	9,593	11,178

## Rating track graph



## DISCLOSURES

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BUY > 15%

HOLD -5% to 14%

SELL < -5%

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