Hyundai Motor

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	HYUNDAI IN
Equity Shares (m)	813
M.Cap.(INRb)/(USDb)	1639.9 / 17.1
52-Week Range (INR)	2890 / 1658
1, 6, 12 Rel. Per (%)	4/-4/-1
12M Avg Val (INR M)	2114

Financials & valuations (INR b)

Y/E MARCH	2026	2027E	2028E
Sales	708	782	883
EBITDA	86	88	111
Adj. PAT	54	55	73
EPS (INR)	67	68	90
EPS Gr. (%)	(4)	2	32
BV/Sh. (INR)	246	292	354
Ratios			
RoE (%)	29.9	25.4	27.8
RoCE (%)	26.5	21.7	24.0
RoIC (%)	31.4	22.4	21.7
Valuations			
P/E (x)	30.3	29.7	22.6
P/BV (x)	8.2	6.9	5.7
EV/EBITDA (x)	18.1	18.0	14.2
Div. Yield (%)	1.0	1.1	1.3

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	82.5	82.5	82.5
DII	11.7	9.7	7.8
FII	3.3	5.4	7.1
Others	2.5	2.4	2.7

FII includes depository receipts

CMP: INR2,018 TP: INR2,334 (+16%) Buy

New launches to help drive outperformance in 2H

- Hyundai Motor India's (HMIL) 1QFY27 PAT at INR8.9b beat our estimate of INR8.3b, largely due to higher-than-expected other income and lower depreciation. EBITDA margin came in line at 9.3%, down 400bp YoY. This was due to the impact of commodity inflation, lower volumes, plant startup costs, and an adverse product mix.
- Considering its launch pipeline and a strong export order book, we expect HMIL to post a ~9% volume CAGR over FY26-28. This growth is likely to be boosted by a 12% volume CAGR in exports. Overall, HMIL is projected to deliver a ~16% earnings CAGR over FY26-28. We believe the company remains well-positioned to benefit from the premiumization trend in India, given its mix is in favor of SUVs. The stock at 29.7x / 22.6x FY27E / FY28E EPS appears attractively valued. **Reiterate BUY with a TP of INR2,334, valued at 26x FY28E EPS.**

Broadly in-line performance

- HMIL's 1QFY27 revenue came broadly in line with our estimate, flat YoY at INR163.3b. Its revenue was hit by a 1.3% YoY dip in sales volumes, which stood at 178.0k units in 1QFY27. The company's realizations improved 1% YoY during the quarter.
- Domestic volume growth in the quarter was up 5.4% YoY to 139.4k units in 1QFY27. The first two months of the quarter reflected healthy momentum, with cumulative sales in April and May growing by 13% YoY, supported by favorable demand, environment, and strategic product actions. However, the fire incident at one of the supplier facilities temporarily impacted vehicle production in June, constraining the ability to fully meet market demand.
- Exports dipped 19.6% YoY to 38,708 units in 1QFY27, hit by the supplier-related production disruption and geopolitical crisis in the Middle East.
- EBITDA margin came in at 9.3% (above our estimate of 9.0%) and was down by 400bp YoY. The margin was hit by lower volumes following the supplier disruption, adverse product mix due to the loss of higher-margin Creta volumes, geopolitical headwinds affecting exports, commodity inflation (commodity impact was 200bp YoY), and Pune plant-related capacity stabilization costs. EBITDA came broadly in line with our estimates, decreasing 30.8% YoY to INR15.1b.
- Depreciation was lower than expected at INR5.5b.
- The company reported a PAT of INR8.9b, down 35.1% YoY, but ahead of our estimate of INR8.2b.

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Key highlights from the management commentary

- Management remains confident of delivering an 8–10% YoY domestic volume growth and 8–10% export growth in FY27, despite the weak 1QFY27 performance.
- 2HFY27 is expected to be stronger, with Hyundai targeting growth ahead of the industry, which is expected to moderate to the low-single-digit range in 2HFY27 due to the high base effect. The company's growth target will be bolstered by the launch of two new models, higher Venue volumes following the Pune third-shift ramp-up, and higher fleet sales.
- Export growth is expected to accelerate from 2QFY27, supported by the recovery in Middle East volumes, continued momentum in Central and South America, new Venue exports, and wider availability of the Exter LHD and Verna PE. Management expects quarterly exports to exceed the ~48,000-unit level recorded in 1QFY26 in the coming quarters.
- The new mid-size SUV and mass-market dedicated EV are expected to be key growth drivers in H2. The mid-size SUV will adopt a differentiated, technology-first positioning, while the EV is being developed with high localization and targeted PLI eligibility.
- Capacity expansion should support the growth outlook, with the Pune plant's third shift commencing in October 2026, while Chennai Plant 1 utilization is expected to improve materially as the two new models ramp up.
- On profitability, management reiterated its 11–14% EBITDA margin guidance for FY27, with the recovery in margins expected to be supported by higher volumes, improved product mix, new model launches, lower initial discounts, and better capacity utilization. Pricing actions will remain calibrated to balance volume growth and profitability.

Valuation and view

Considering its launch pipeline and a strong order book in exports, we expect HMIL to post a ~9% volume CAGR over FY26-28E. This growth is likely to be boosted by a 12% volume CAGR in exports. Overall, HMIL is expected to deliver a ~16% earnings CAGR over FY26-28E. We believe the company remains well-positioned to benefit from the premiumization trend in India, given its mix is in favor of SUVs. The stock at 29.7x / 22.6x FY27E / FY28E EPS appears attractively valued. **Reiterate BUY with a TP of INR2,334, valued at 26x FY28E EPS**.

Consol Quarterly Performance **(INR m)**

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Volumes ('000 units)	180.4	190.9	195.4	208.3	178.1	213.8	218.9	231.3	775.0	842.1	178.1	
Change (%)	-6.1	-0.5	4.8	8.7	-1.3	12.0	12.0	11.0	1.7	8.7	-1.3	
Realizations (INR/car)	909,810	914,557	919,661	908,230	917,253	923,703	933,456	935,821	913,039	928,203	918,908	
Change (%)	0.7	1.7	3.0	-3.0	0.8	1.0	1.5	3.0	0.6	1.7	1	
Net operating revenues	**164,129**	**174,608**	**179,735**	**189,162**	**163,346**	**197,517**	**204,323**	**216,440**	**707,633**	**781,626**	**163,641**	-0.2
Change (%)	-5.4	1.2	8.0	5.4	-0.5	13.1	13.7	14.4	2.3	10.5	-0.3	
RM Cost (% of sales)	70.7	70.1	71.4	72.9	72.6	72.2	71.8	71.5	71.4	72.0	73.5	
Staff Cost (% of sales)	3.8	3.5	3.9	4.3	4.6	3.8	3.6	3.8	3.9	3.9	4.3	
Other Cost (% of sales)	12.2	12.4	13.5	12.4	13.6	13.2	12.8	12.2	12.6	12.9	13.2	
EBITDA	**21,852**	**24,289**	**20,183**	**19,660**	**15,118**	**21,420**	**24,125**	**26,880**	**85,985**	**87,542**	**14,773**	2.3
EBITDA Margins (%)	13.3	13.9	11.2	10.4	9.3	10.8	11.8	12.4	12.2	11.2	9.0	
Change (%)	-6.6	10.1	7.6	-22.4	-30.8	-11.8	19.5	36.7	-4.0	1.8	-32.4	
Depreciation	5,281	5,175	5,688	5,836	5,571	5,820	6,200	6,569	21,980	24,160	6,100	-8.7
EBIT	**16,571**	**19,114**	**14,496**	**13,824**	**9,547**	**15,600**	**17,925**	**20,311**	**64,005**	**63,382**	**8,673**	10.1
EBIT Margins (%)	10.1	10.9	8.1	7.3	5.8	7.9	8.8	9.4	9.0	8.1	5.3	
Interest	247	167	272	379	273	250	255	269	1,065	1,048	262	
Non-Operating Income	2,148	2,312	2,437	2,594	2,744	3,000	2,800	2,982	9,490	11,526	2,600	5.5
PBT	**18,472**	**21,260**	**16,660**	**16,039**	**12,017**	**18,350**	**20,470**	**23,024**	**72,431**	**73,860**	**11,011**	9.1
Effective Tax Rate (%)	25.9	26.0	25.9	21.7	26.0	25.0	25.0	24.5	25.0	25.0	25.0	
PAT	**13,692**	**15,723**	**12,344**	**12,556**	**8,887**	**13,762**	**15,352**	**17,394**	**54,315**	**55,395**	**8,258**	
Adjusted PAT	**13,692**	**15,723**	**12,344**	**12,556**	**8,887**	**13,762**	**15,352**	**17,394**	**54,315**	**55,395**	**8,258**	7.6
Change (%)	-8.1	14.3	6.3	-22.2	-35.1	-12.5	24.4	38.5	-3.7	2.0	-39.7	

CONFERENCE CALL

Highlights from the management commentary

Update on the domestic business

- Domestic volumes grew 5.4% YoY to 139,374 units in 1QFY27, despite production disruption following a fire at a key supplier facility, with ~13,900 units of Creta production lost in June. Most of the production shortfall has already been recovered in July, with the remaining shortfall expected to be addressed during August-September.
- SUVs remained the core of the domestic portfolio, accounting for ~70% of volumes, while CNG contribution reached a record 18.2%. CNG models offer broadly similar margins to ICE models but remain strategically important as a cost-effective solution for CAFE compliance and volume growth, particularly in the sub-INR15-20 lakh segment.
- Rural demand remained a key growth driver, with rural contribution increasing to 25.9% in 1QFY27 vs. 22.6% in 1QFY26 and volumes growing 23.2% YoY, significantly ahead of 2.8% urban growth. The company attributes the sustained momentum to rural outlet expansion, mobile service vans, rising SUV acceptance, improved road infrastructure, greater product awareness and better after-sales service availability.
- Hyundai Venue recorded its highest-ever quarterly volumes, while the company expects higher Venue availability following the Pune plant's third-shift ramp-up to support domestic growth and market-share recovery.
- Dealer inventory declined in June due to the production disruption, although retail momentum remained healthy. With production largely normalized, the company plans to rebuild inventory through July-September while maintaining optimum levels and avoiding excessive dealer stocking ahead of the festive season.
- Discounts declined to 2.8% in 1QFY27 vs. 3.4% in 1QFY26, reflecting pricing discipline and supporting realizations. Management expects the launch of new models, where initial discounts are typically low, to provide further support to realizations.

Update on exports

- Exports declined 19.6% YoY to 38,708 units in 1QFY27, impacted by the supplier-related production disruption and geopolitical challenges in the Middle East.
- With production now largely normalized and Middle East orders recovering, management expects a strong rebound from July and quarterly exports to exceed the ~48,000-unit level recorded in 1QFY26 in the coming quarters.
- Export recovery should be supported by a strong order backlog, normalization of Middle East volumes, and continued traction in Central and South America (CSA), where exports grew 23% YoY, and demand remains healthy. Mexico is also witnessing healthy order inflows despite tariff-related challenges.
- New product introductions are expected to broaden the export opportunity. The new Venue has received orders from 29 markets, with coverage targeted at 35 markets. Further, left-hand-drive Exter shipments have commenced, with 13 markets targeted by 3QFY27. Also, Verna PE exports, which started in June, are expected to reach more than 25 markets by 3QFY27.

- Export ASPs should improve as Middle East volumes recover, given the region's higher mix of Verna and automatic models. The recent shift towards CSA had increased the hatchback mix and weighed on ASPs, while Hyundai is also targeting a higher SUV mix in exports, which currently stands at only ~13-14% vs. ~70% domestically, providing scope for mix improvement.
- The Pune plant's third production line will cater to both domestic and export demand, with the facility expected to produce approximately 14,000-15,000 units per month once fully operational, providing flexibility to allocate capacity based on market demand.
- Hyundai is targeting at least a doubling of Venue export volumes, supported by strong initial market reception. However, expansion into developed markets will remain selective due to high regulatory compliance costs in different regions.
- Hyundai typically follows a domestic-first launch strategy, with export launches generally following after around three months. Management sees good export potential for both the upcoming mid-size SUV and the new EV in emerging markets, although specific markets and volume targets have not yet been disclosed.

CAFÉ norms/regulations

- Management expects to fully comply with CAFE II requirements for FY23–FY27, including FY27, and does not anticipate any penalty under the current framework.
- The company remains aligned with the proposed CAFE III framework and is awaiting the final notification, while continuing to prepare its product portfolio for the more stringent future emission requirements.
- The absence of an expected CAFE II penalty provides greater visibility on regulatory costs, while Hyundai continues to pursue a diversified powertrain strategy comprising 5–6 CNG models, 4–5 hybrids and 4–5 EVs by 2030.

New product launches

- The upcoming mid-size SUV is scheduled for launch during the festive season, while the second new model is also expected in 2HFY27.
- The new mid-size SUV will have a distinct, technology-first positioning versus Creta, with greater emphasis on software-defined vehicles, connected mobility and digitally oriented features. Management sees sufficient headroom for an additional model in the broader 4.0–4.4m space and does not expect significant cannibalization of Creta volumes.
- The upcoming mass-market dedicated EV is being developed with a focus on PLI eligibility from day one, with Hyundai targeting the required 50% domestic value addition through localization of battery packs, power electronics and other components. Administrative approval could, however, take some time.
- Hyundai is also building a broader EV ecosystem through access to ~30,000 charging points via the MyHyundai app, alongside AI-led features and an enhanced customer proposition. Management remains confident in the EV's volume potential but has not disclosed its expected profitability or cost structure.
- Both new models are expected to support market-share recovery and realizations, with initial-year discounts typically low or negligible. The launches

are therefore expected to provide a favorable combination of volume growth and mix/pricing support.

- Hyundai is progressing with AI integration across sales, marketing, dealerships, after-sales, manufacturing and supply chain, including AI-led sales assistance, service automation, VOC analytics, quality inspection and predictive maintenance. AI capabilities are also being integrated into future vehicles, with management targeting a broad-based, 360-degree impact across the organization.

Updates on capex

- The Pune plant's third shift is scheduled to commence in October 2026, significantly ahead of the earlier mid-2028 timeline, driven by strong demand for the Venue in both domestic and export markets.
- Pune's phase-1 capacity stands at 170,000 units on a three-shift basis, with the additional capacity expected to be allocated across domestic and export demand depending on market requirements.
- Chennai Plant 1 utilization is currently ~72%, following the shift of Venue production to Pune. With the two new models ramping up, utilization is expected to rise to ~90–92% in CY27, providing better fixed-cost absorption and operating leverage.
- Overall, the accelerated Pune capacity ramp-up and higher utilization at Chennai Plant 1 should support volume growth, cost optimization and operating leverage, while providing sufficient capacity headroom for new product launches.

Margins

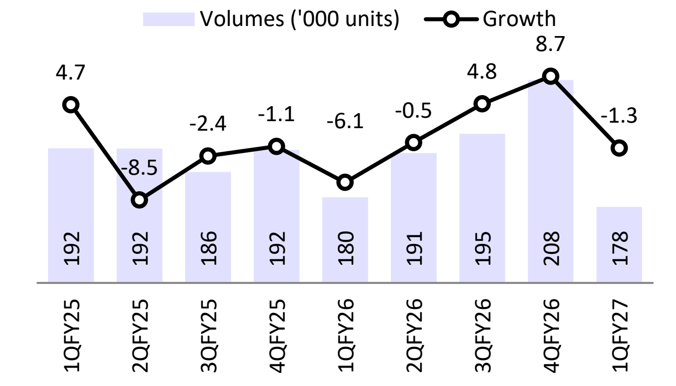
- 1QFY27 EBITDA margin declined YoY, impacted by lower volumes following the supplier disruption, adverse product mix due to the loss of higher-margin Creta volumes, geopolitical headwinds affecting exports, commodity inflation and Pune plant-related capacity stabilization costs.
- Commodity costs impacted margins by approximately 100bps QoQ and 200bps YoY, primarily due to higher precious metal and copper prices.
- The commodity headwinds were partly offset by calibrated pricing actions, cost-reduction initiatives and the absence of certain one-off commodity-related costs incurred in 4QFY26.
- Hyundai undertook three price hikes in CY26, cumulatively amounting to ~100bps, while maintaining pricing discipline. Discounts declined to 2.8% in 1QFY27 vs. 3.4% in 1QFY26, providing some support to realizations.
- Employee costs increased 20% YoY, primarily due to the commencement of Pune plant operations and annual salary revisions, while other expenses rose ~10% YoY, largely due to higher export freight costs. Management noted that freight cost increases are generally recovered from distributors, limiting the direct margin impact.
- The company continues to offset cost pressures through localization, value engineering, supply-chain efficiencies and employee-led cost-reduction initiatives. Localization has increased to ~83% from ~77–78% a few years ago, with a target of ~90% by 2030.

Outlook

- Management remains confident of delivering 8–10% YoY domestic volume growth and 8–10% export growth in FY27, despite the weak 1QFY27 performance. The recovery is expected to be led by normalization of production, a healthy export order backlog, and new product launches.
- 2HFY27 is expected to be stronger, with Hyundai targeting growth ahead of the industry (Industry growth is expected to moderate to the low-single-digit range in 2HFY27 due to the high base effect), supported by the launch of two new models, higher Venue volumes following the Pune third-shift ramp-up, and higher fleet sales. Management expects FY27 exit market share to be meaningfully above the ~12.3% recorded in FY26.
- Domestic demand remains healthy, with rural growth providing a key structural support. Rural volumes grew 23.2% YoY in 1QFY27, and management expects continued traction, aided by network expansion, mobile service vans, improving road infrastructure and rising SUV penetration.
- Export growth is expected to accelerate from 2QFY27, supported by the recovery in Middle East volumes, continued momentum in Central and South America, new Venue exports and wider availability of Exter LHD and Verna PE. Management expects quarterly exports to exceed the ~48,000-unit level recorded in 1QFY26 in the coming quarters.
- The new mid-size SUV and mass-market dedicated EV are expected to be key growth catalysts. The mid-size SUV will adopt a differentiated, technology-first positioning, while the EV is being developed with high localization and targeted PLI eligibility.
- Capacity expansion should support the growth outlook, with the Pune plant's third shift commencing in October 2026, while Chennai Plant 1 utilization is expected to improve materially as the two new models ramp up.
- On profitability, management reiterated its 11–14% EBITDA margin guidance for FY27, with the recovery in margins expected to be supported by higher volumes, improved product mix, new model launches, lower initial discounts and better capacity utilization. Pricing actions will remain calibrated to balance volume growth and profitability.

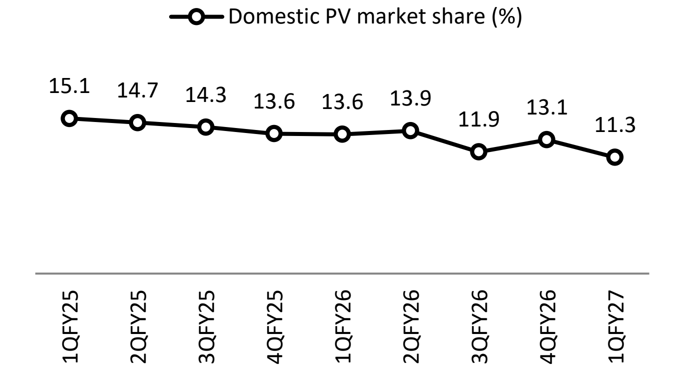
Key exhibits

Exhibit 1: Volume trends



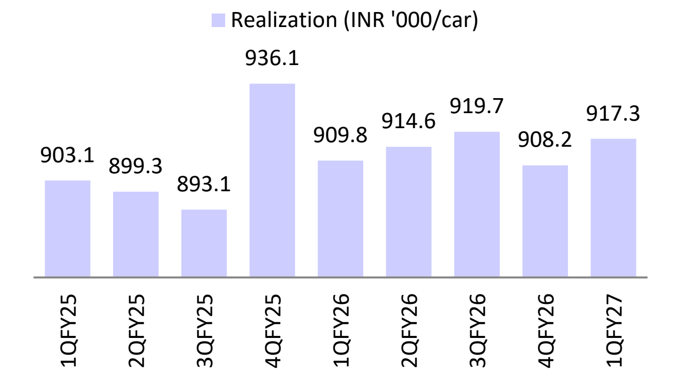
Source: Company, MOFSL

Exhibit 2: Domestic PV market share trends without van (%)



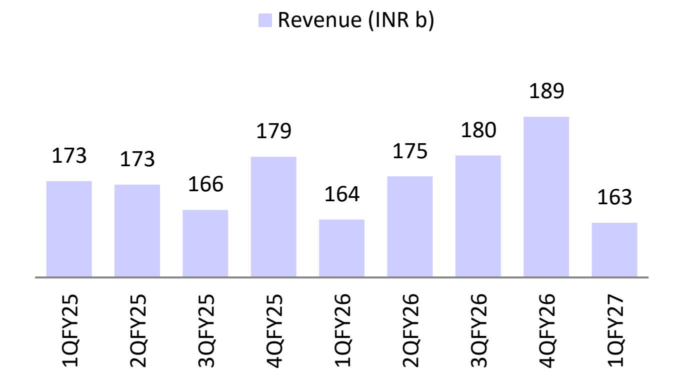
Source: Company, MOFSL

Exhibit 3: Trend in realization per unit



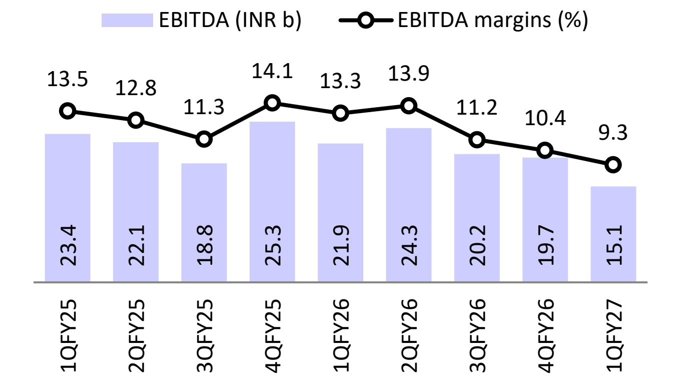
Source: Company, MOFSL

Exhibit 4: Trend in quarterly revenue



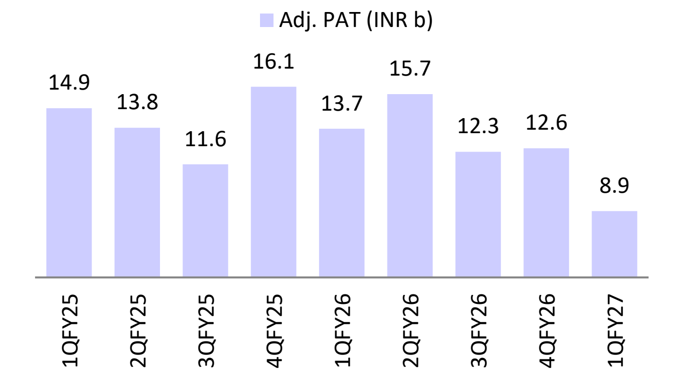
Source: Company, MOFSL

Exhibit 5: Trend in EBITDA and EBITDA margins



Source: Company, MOFSL

Exhibit 6: Trend in quarterly Adj. PAT



Source: Company, MOFSL

Valuation and view

- **Well-positioned to outperform the domestic PV industry:** In the domestic market, HMIL is well-positioned to benefit from the premiumization trends in India, given that 68% of its mix was from the SUV segment in FY26. Further, it has a healthy presence in some of the fastest-growing segments in India: it is a market leader with a 33% share in the mid-size SUV segment, a 19% share in compact SUVs, a 20% share in the compact sedan segment, and a 16% share in the premium compact car segment. Overall, HMIL has now emerged as a trusted brand for its stakeholders in the domestic market. HMIL has indicated that it plans to launch 26 products (including variants) by FY30, of which eight would be launched over FY26-27E. It has now indicated plans to launch one ICE SUV and one EV compact SUV in FY27E. It has also provided volume guidance of 8-10% for FY27E. On the back of its new launches, we factor in ~8% domestic volume CAGR over FY26-28E.
- **HMIL has now developed a solid ecosystem in India:** 1) a large production capacity; 2) an established supplier network; and 3) a strong distribution reach. This ecosystem helps HMI launch PVs that are feature-rich, reliable, innovative, and yet competitively priced. It has also helped HMI establish itself as a strong and reliable brand in India.
- **HMIL enjoys strong support from its parent (HMC)** in several aspects of its operations, including management, R&D, design, product planning, manufacturing, supply chain development, quality control, marketing, distribution, brand, human resources, financing, etc. This enables a timely identification of upcoming technology trends in India, which can be introduced on a need basis within a short time-to-market. Further, given that HMC is strong globally in both hybrids and EVs, HMIL can launch those technologies in India, customized to Indian conditions, as and when the market demands.
- **Huge export opportunities:** HMC's sales network in more than 190 countries helps HMIL pursue export opportunities, which is an important revenue and profitability driver. The company aims to leverage its local manufacturing capabilities to establish HMIL as a key export hub for emerging markets, including Southeast Asia, Latin America, Africa, and the Middle East, with the potential to export to other global markets. India will be used as a production hub for exports for the newly launched Venue. Further, the recently signed India – EU trade deal could also open up export opportunities for HMIL, although further clarity is awaited on the same. Overall, given the huge opportunity, we anticipate HMIL to post a 12% volume CAGR in exports over FY26-28.
- **Valuation and view:** Considering its launch pipeline and a strong order book in exports, we expect HMIL to post a ~9% volume CAGR over FY26-28E. This growth is likely to be boosted by a 12% volume CAGR in exports. Overall, HMIL is expected to deliver a ~16% earnings CAGR over FY26-28E. We believe the company remains well-positioned to benefit from the premiumization trend in India, given its mix is in favor of SUVs. The stock at 29.7x / 22.6x FY27E / FY28E EPS appears attractively valued. **Reiterate BUY with a TP of INR2,334, valued at 26x FY28E EPS**.

Exhibit 7: Our revised estimates

(INR B)	FY27E			FY28E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	782	784	-0.3	883	877	0.6
EBITDA	88	92	-4.6	111	110	1.4
EBITDA Margin (%)	**11.2**	**11.7**	**-50bp**	**12.6**	**12.5**	**10bp**
PAT	55.4	57.0	-2.8	72.9	71.6	1.9
Consol EPS (Rs)	68.2	70.2	-2.8	89.8	88.1	1.9

Source: Company, MOFSL

Story in charts

Exhibit 8: Volume CAGR of ~9% over FY26-FY28E...

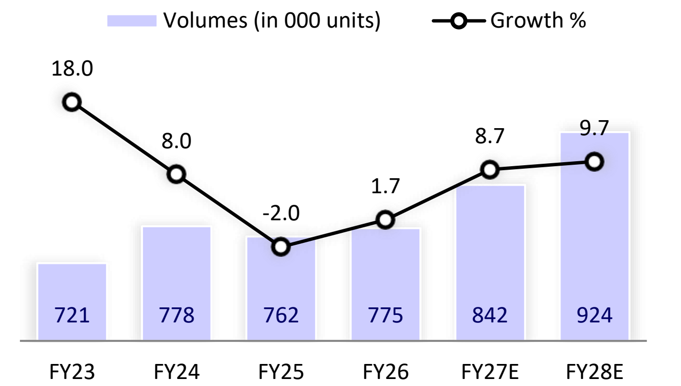


Exhibit 9: ...coupled with ASP growth due to a better mix...

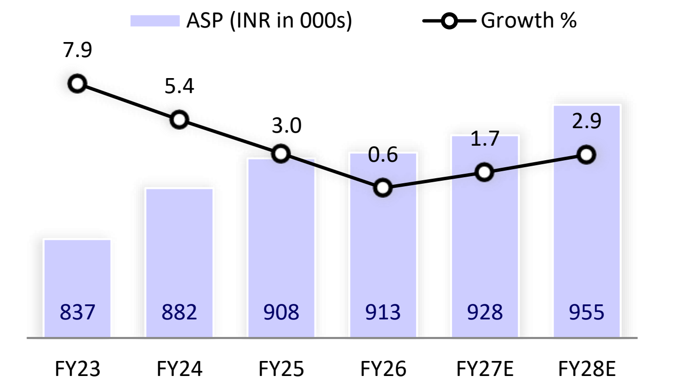


Exhibit 10: ...leading to ~12% revenue CAGR

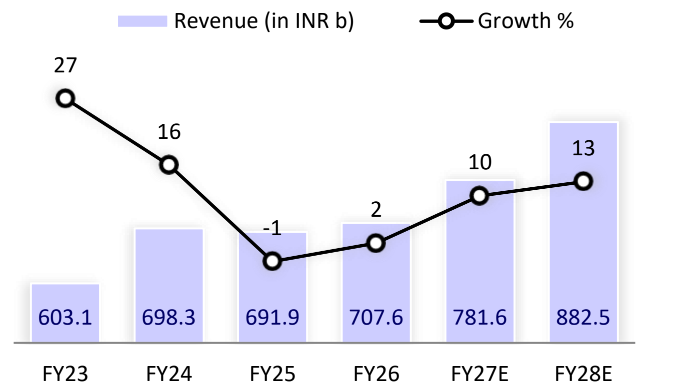


Exhibit 11: EBITDA margin to expand ~40bp over FY26-28E

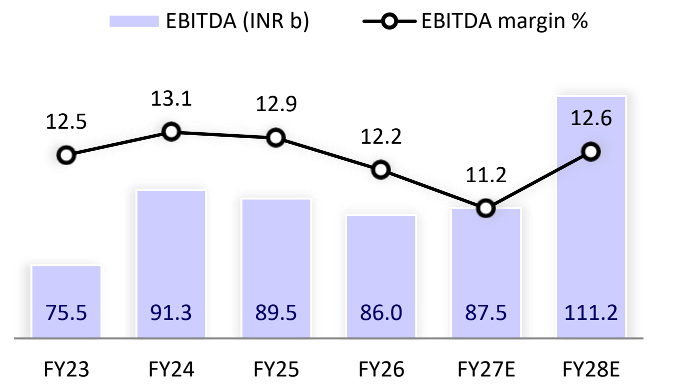


Exhibit 12: Expect earnings CAGR of ~16% over FY26-28

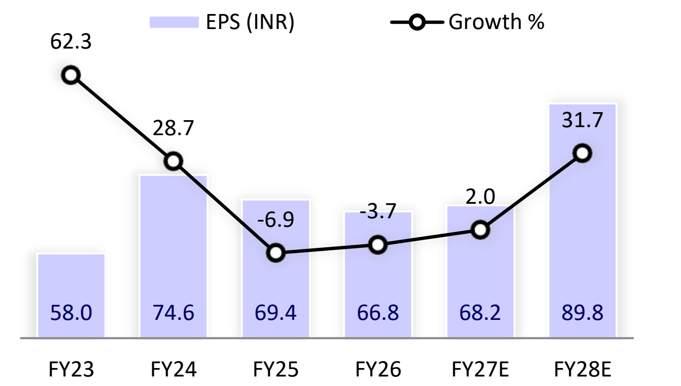
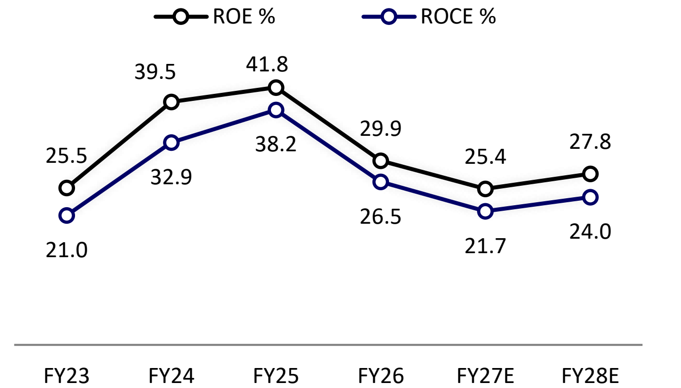


Exhibit 13: HMIL to continue posting healthy return ratios



Financials and valuations

Consol Income Statement							INR m
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Volumes	**610,760**	**720,565**	**777,872**	**762,051**	**775,031**	**842,086**	**924,092**
Change (%)	***6***	***18***	***8***	***(2)***	***2***	***9***	***10***
ASP	775,729	836,949	881,762	907,982	913,039	928,203	955,014
Change (%)	*9*	*8*	*5*	*3*	*1*	*2*	*3*
Net Op Income	**473,784**	**603,076**	**698,291**	**691,929**	**707,633**	**781,626**	**882,521**
Change (%)	*16*	*27*	*16*	*(1)*	*2*	*10*	*13*
EBITDA	**54,861**	**75,488**	**91,326**	**89,538**	**85,985**	**87,542**	**111,198**
Change (%)	*29.2*	*37.6*	*21.0*	*-2.0*	*-4.0*	*1.8*	*27.0*
EBITDA Margins (%)	*11.6*	*12.5*	*13.1*	*12.9*	*12.2*	*11.2*	*12.6*
Depreciation	21,696	21,899	22,079	21,053	21,980	24,160	27,346
EBIT	**33,165**	**53,589**	**69,247**	**68,485**	**64,005**	**63,382**	**83,852**
% of revenue	*7.0*	*8.9*	*9.9*	*9.9*	*9.0*	*8.1*	*9.5*
Interest	1,319	1,424	1,581	1,272	1,065	1,048	948
Other Income	5,876	11,291	14,733	8,700	9,490	11,526	14,356
PBT	**37,722**	**63,456**	**82,399**	**75,913**	**72,431**	**73,860**	**97,260**
Tax	**8,706**	**16,363**	**21,798**	**19,511**	**18,115**	**18,465**	**24,315**
Effective tax Rate (%)	*23.1*	*25.8*	*26.5*	*25.7*	*25.0*	*25.0*	*25.0*
Adj. PAT	**29,016**	**47,093**	**60,600**	**56,402**	**54,315**	**55,395**	**72,945**
Change (%)	*54.2*	*62.3*	*28.7*	*-6.9*	*-3.7*	*2.0*	*31.7*

Consol Balance Sheet							INR m
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Share Capital	8,125	8,125	8,125	8,125	8,125	8,125	8,125
Reserves	160,437	192,423	98,531	154,839	192,025	228,732	279,738
Net Worth	**168,563**	**200,548**	**106,657**	**162,965**	**200,150**	**236,857**	**287,864**
Loans	11,777	11,893	8,332	8,502	10,976	9,976	8,976
Deferred Tax Liability	(6,157)	(8,266)	(9,478)	(10,321)	(9,851)	(9,851)	(9,851)
Capital Employed	**174,183**	**204,176**	**105,511**	**161,146**	**201,274**	**236,981**	**286,988**
Gross Fixed Assets	181,084	196,380	231,918	246,932	328,560	403,560	478,560
Less: Depreciation	114,372	134,876	155,774	175,881	197,861	222,021	249,367
Net Fixed Assets	**66,712**	**61,504**	**76,144**	**71,051**	**130,699**	**181,539**	**229,193**
Capital WIP	5,291	13,366	6,528	47,184	7,253	7,253	7,253
Investments	-	-	10,101	12,095	11,472	21,472	36,472
Curr.Assets, Loans	**205,420**	**262,597**	**161,240**	**160,323**	**184,767**	**170,051**	**172,491**
Inventory	28,811	34,224	33,156	34,044	35,935	38,597	43,522
Sundry Debtors	21,824	28,972	25,100	23,891	21,937	25,504	29,014
Cash & Bank Balances	141,388	177,411	9,732	48,457	87,117	54,196	41,520
Loans & Advances	155	659	-	-	-	-	-
Others	13,242	21,330	93,252	53,931	39,778	51,754	58,435
Current Liab & Prov.	**103,241**	**133,292**	**148,503**	**129,507**	**132,917**	**143,334**	**158,422**
Sundry Creditors	54,054	74,408	74,931	70,862	72,006	79,068	89,461
Others	37,417	46,307	60,577	44,934	44,901	48,256	52,951
Provisions	11,770	12,577	12,996	13,711	16,009	16,009	16,009
Net Current Assets	**102,179**	**129,305**	**12,737**	**30,817**	**51,850**	**26,717**	**14,069**
Appl. of Funds	**174,183**	**204,176**	**105,511**	**161,146**	**201,274**	**236,981**	**286,988**

E: MOFSL Estimates

Financials and valuations

Consol Financial Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)							
Adjusted EPS	**35.7**	**58.0**	**74.6**	**69.4**	**66.8**	**68.2**	**89.8**
EPS Growth (%)	54.2	62.3	28.7	(6.9)	(3.7)	2.0	31.7
Cash EPS	62.4	84.9	101.8	95.3	93.9	97.9	123.4
Book Value per Share	207	247	131	201	246	292	354
DPS	18	57	133	21	21	23	27
Div. Payout (%)	51.5	98.8	177.9	30.3	31.4	33.7	30.1
Valuation (x)							
Adj. P/E	56.7	34.9	27.1	29.2	30.3	29.7	22.6
Cash P/E	32.4	23.8	19.9	21.2	21.6	20.7	16.4
EV/EBITDA	27.6	19.6	17.9	17.8	18.1	18.0	14.2
EV/Sales	3.2	2.5	2.4	2.3	2.2	2.0	1.8
P/BV	9.8	8.2	15.4	10.1	8.2	6.9	5.7
Dividend Yield (%)	0.9	2.8	6.6	1.0	1.0	1.1	1.3
Return Ratios (%)							
RoIC	45.5	92.1	51.4	35.5	31.4	22.4	21.7
RoE	18.0	25.5	39.5	41.8	29.9	25.4	27.8
RoCE	15.2	21.0	32.9	38.2	26.5	21.7	24.0
Turnover Ratios							
Debtors (Days)	18	15	14	13	12	12	12
Inventory (Days)	21	19	18	18	18	18	18
Creditors (Days)	44	39	39	38	37	37	37
Work. Cap. (Days)	-5	-4	-7	-8	-7	-7	-7
Asset Turnover (x)	2.7	3.2	3.3	2.9	2.5	2.1	2.0
Leverage Ratio							
Net Debt/Equity (x)	-0.8	-0.8	-0.1	-0.3	-0.4	-0.3	-0.2

Consol Cash Flow Statement — INR m

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Profit before Tax	37,722	63,456	82,399	56,402	54,315	73,860	97,260
Interest	1,319	1,424	1,581	1,272	1,065	1,048	948
Depreciation	21,696	21,899	21,989	21,053	21,980	24,160	27,346
Direct Taxes Paid	-7,668	-21,328	-22,998	-19,673	-15,110	-18,465	-24,315
(Inc)/Dec in WC	3,303	9,838	22,149	-28,860	-1,321	-7,788	-28
Other Items	-4,989	-9,646	-12,601	13,255	12,282	-11,526	-14,356
CF from Oper.Activity	**51,384**	**65,643**	**92,520**	**43,449**	**73,211**	**61,289**	**86,855**
CF after EO Items	**51,384**	**65,643**	**92,520**	**43,449**	**73,211**	**61,289**	**86,855**
(Inc)/Dec in FA	-12,535	-22,493	-32,318	-52,929	-42,516	-75,000	-75,000
Free Cash Flow	**38,849**	**43,150**	**60,202**	**-9,480**	**30,695**	**-13,711**	**11,855**
Interest/dividend received	3,482	8,378	8,451	8,300	4,994	11,526	14,356
(Pur)/Sale of Invest.	0	-1	-77,038	40,491	18,110	-10,000	-15,000
CF from Inv. Activity	**-9,053**	**-14,116**	**-100,905**	**-4,138**	**-19,413**	**-73,474**	**-75,644**
Inc/(Dec) in Debt	-2,799	-529	-4,648	-434	1,350	-1,000	-1,000
Interest Paid	-228	-329	-294	-194	-194	-1,048	-948
Dividends Paid	-13,594	-14,935	-154,358	0	-17,063	-18,688	-21,939
CF from Fin. Activity	**-16,620**	**-15,792**	**-159,301**	**-629**	**-15,907**	**-20,736**	**-23,886**
Inc/(Dec) in Cash	**25,711**	**35,734**	**-167,686**	**38,682**	**37,891**	**-32,921**	**-12,676**
Exchange rate fluctuation	1	289	7	43	768	0	0
Add: Op. Balance	115,676	141,388	177,411	9,732	48,457	87,117	54,196
Closing Balance	**141,388**	**177,411**	**9,732**	**48,457**	**87,117**	**54,196**	**41,520**

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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