

We met the management of APTY. KTAs: 1) Demand is strong, with double-digit YoY growth across channels and segments in Q4, triggered by recent GST cuts; outlook for FY27 also appears healthy. 2) RM prices are expected to be flattish QoQ in Q4FY26, with ~3% rise expected in Q1FY27. 3) Tight demand-supply dynamics should support tyre makers' pricing power; APTY has already taken certain price hikes in Jan-26 (0.6%/1.5% in PCR/LTR); similar actions are also visible across peers. 4) The management continues to target 14-15% margin for its standalone business despite rising RM costs, supported by calibrated price hikes, lower discounting, and an improved product mix; Q4 margin might witness compression due to sponsorship-related spends being concentrated in Q3/Q4; it reiterated its 15% long-term RoCE target. 5) Over the past few quarters, the tyre industry has refrained from price cuts despite softer RM, reflecting improved pricing discipline and sharper profitability focus (refer to: [Tyre demand-supply tightening; focus on margin sharpens](#)). 6) While APTY has announced capacity addition (Rs58bn), the capacities would come onstream only by end-FY28/FY29 (on normal 2-3-year gestation period); FY27 demand would be supported via 4k PCR tyres/day each in India and Hungary and supplemented by outsourcing. 7) Capacity expansion in EU will be limited, with increased exports from India. 8) The Netherlands plant closure and shift of manufacturing from Hungary to India will reduce conversion cost, raise margin (200-300bps in FY28; near-term pressure in H1FY27 due to transition, with stabilization from H2FY27). We build in 8%/14/24% revenue/EBITDA/EPS CAGR over FY26-28E; retain BUY with TP of Rs600, at 17x Dec-27E PER.

Healthy demand outlook; capacity additions to lag demand

Demand is strong, with double-digit growth across channels and segments in Q4FY26. This was triggered by economic development, government capex push, recent GST cuts, and enhanced brand visibility via sponsorship of the Indian cricket jersey. Current outlook for FY27 also appears to be healthy. APTY has announced capacity addition of Rs58bn (for TBR and PCR); these will come onstream by the end of FY28/FY29 (normal 2-3-year gestation period). FY27 demand would be supported by the 4k PCR tyres/day capacity coming onstream in both India and Hungary, and supplemented by outsourcing.

Current high margins to be sustained despite RM pressures

RM prices are expected to be flattish QoQ in Q4FY26, with ~3% rise expected in Q1FY27. Tight demand-supply dynamics should support tyre makers' pricing power. APTY has already taken certain price hikes in Jan-26 (0.6%/1.5% in PCR/LTR). Similar actions are visible across peers. Over the past few quarters, the tyre industry refrained from price cuts despite softer RM, reflecting improved pricing discipline and sharper profitability focus. APTY continues to target 14-15% steady-state margin for its standalone business. Q4 margin may see compression (sponsorship-related spends concentrated in Q3/Q4).

Steady export; Europe restructuring to drive margin uplift

Capacity expansion in Europe would be limited, with increased exports from India. Most PCR SKUs have already been transferred from the Netherlands to Hungary (offering cost benefits). Closure of the Netherlands plant and transfer of TBR capacity to India will lower conversion costs and lift European margins by 200-300bps in FY28; transition-related costs would weigh on H1FY27 margin, with operations stabilizing H2FY27 onward.

Apollo Tyres: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	253,777	261,234	287,176	315,752	347,636
EBITDA	44,474	35,715	43,793	49,036	54,287
Adj. PAT	17,992	12,900	18,594	20,102	22,956
Adj. EPS (Rs)	28.3	20.3	29.3	31.7	36.1
EBITDA margin (%)	17.5	13.7	15.2	15.5	15.6
EBITDA growth (%)	34.2	(19.7)	22.6	12.0	10.7
Adj. EPS growth (%)	66.3	(28.3)	44.1	8.1	14.2
RoE (%)	13.4	9.0	12.1	12.1	12.8
RoIC (%)	10.8	8.0	10.3	10.7	11.2
P/E (x)	16.2	24.9	21.8	13.9	12.2
EV/EBITDA (x)	7.1	9.0	7.2	6.6	6.1
P/B (x)	2.0	1.9	1.8	1.6	1.5
FCFF yield (%)	8.7	3.4	6.3	2.8	2.3

Source: Company, Emkay Research

Target Price – 12M	Dec-26
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	36.4

Stock Data	APTY IN
52-week High (Rs)	541
52-week Low (Rs)	368
Shares outstanding (mn)	635.1
Market-cap (Rs bn)	280
Market-cap (USD mn)	3,058
Net-debt, FY26E (Rs mn)	34,994.2
ADTV-3M (mn shares)	1.1
ADTV-3M (Rs mn)	473.7
ADTV-3M (USD mn)	5.2
Free float (%)	62.6
Nifty-50	24,865.7
INR/USD	91.5

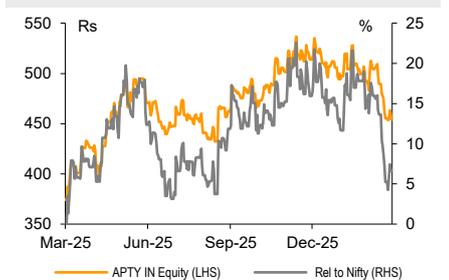
Shareholding, Dec-25

Promoters (%)	36.9
FPIs/MFs (%)	12.3/27.9

Price Performance

(%)	1M	3M	12M
Absolute	(8.8)	(15.2)	17.7
Rel. to Nifty	(8.0)	(11.2)	4.7

1-Year share price trend (Rs)



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Exhibit 1: APTY (standalone) has largely sustained its revenue market share at 24-26%

Revenues (Rs mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
MRF	60,876	60,478	62,151	70,778	67,604	68,832	69,438	75,603	72,497	79,337
APTY	44,067	43,319	43,874	45,916	44,617	45,398	45,805	47,254	47,149	51,390
JKI (India, including Cavendish)	33,452	31,982	32,152	31,723	31,764	32,637	34,064	34,534	35,162	37,412
CEAT	30,432	29,490	29,792	31,682	32,981	32,918	34,136	35,207	37,011	39,572

Revenue Market Share (%)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
MRF	36.1	36.6	37.0	39.3	38.2	38.3	37.9	39.3	37.8	38.2
APTY	26.1	26.2	26.1	25.5	25.2	25.3	25.0	24.5	24.6	24.7
JKI (India, including Cavendish)	19.8	19.4	19.1	17.6	17.9	18.2	18.6	17.9	18.3	18.0
CEAT	18.0	17.8	17.7	17.6	18.6	18.3	18.6	18.3	19.3	19.1

Revenue Growth YoY (%)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
MRF	6.4	9.3	8.6	11.9	11.1	13.8	11.7	6.8	7.2	15.3
APTY	3.6	2.0	0.5	4.0	1.2	4.8	4.4	2.9	5.7	13.2
JKI (India, including Cavendish)	6.2	3.0	5.0	0.2	(5.0)	2.0	5.9	8.9	10.7	14.6
CEAT	5.4	8.8	4.1	8.5	8.4	11.6	14.6	11.1	12.2	20.2

EBIT (Rs mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
MRF	7,787	6,803	5,014	7,436	5,656	3,876	6,118	6,074	6,465	9,282
APTY	6,135	5,562	4,498	4,041	3,061	2,703	2,810	4,101	4,867	5,090
JKI (India, including Cavendish)	4,494	4,221	3,544	3,685	2,987	1,962	2,648	3,158	3,865	4,223
CEAT	3,329	2,898	2,591	2,499	2,294	2,022	2,424	2,398	3,402	3,920

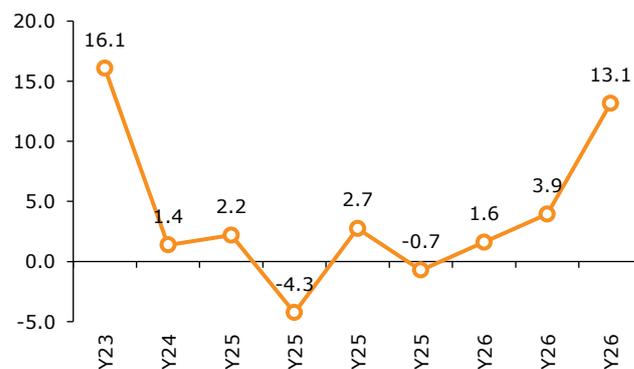
EBIT Margin (%)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
MRF	12.8	11.2	8.1	10.5	8.4	5.6	8.8	8.0	8.9	11.7
APTY	13.9	12.8	10.3	8.8	6.9	6.0	6.1	8.7	10.3	9.9
JKI (India, including Cavendish)	13.4	13.2	11.0	11.6	9.4	6.0	7.8	9.1	11.0	11.3
CEAT	10.9	9.8	8.7	7.9	7.0	6.1	7.1	6.8	9.2	9.9

EBIT Market Share (%)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
MRF	35.8	34.9	32.0	42.1	40.4	36.7	43.7	38.6	34.8	41.2
APTY	28.2	28.5	28.7	22.9	21.9	25.6	20.1	26.1	26.2	22.6
JKI (India, including Cavendish)	20.7	21.7	22.6	20.9	21.3	18.6	18.9	20.1	20.8	18.8
CEAT	15.3	14.9	16.6	14.1	16.4	19.1	17.3	15.2	18.3	17.4

Source: Company, Emkay Research; Note: The financials are on standalone basis for CEAT/APTY/MRF; for JKI, we have considered India business

Exhibit 2: APTY's SA replacement segment has witnessed an acceleration in revenue growth, particularly during Q3FY26...**Exhibit 3: ...with similar acceleration visible in the TBR segment****APTY SA Replacement Revenue Growth YoY (%)**

Source: Company, Emkay Research; Note: SA denotes Standalone

APTY SA TBR Revenue Growth YoY (%)

Source: Company, Emkay Research

Exhibit 4: While APTY has lost some revenue market share in 9MFY26, there is visible recovery in the EBIT market share

Revenue (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	9MFY26
CEAT	68.3	67.1	75.7	93.1	112.6	118.9	131.7	111.8
JKI (including Cavendish)	92.0	76.5	82.2	103.5	123.8	129.2	130.2	107.1
APTY	123.5	110.6	117.3	146.5	173.0	175.4	181.7	145.8
MRF	158.4	159.9	159.2	189.9	225.8	246.7	276.7	227.4

Revenue Growth (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	9MFY26
CEAT	10.7	(1.8)	12.9	23.0	20.9	5.6	10.8	14.6
JKI (including Cavendish)	20.6	(16.8)	7.5	26.0	19.5	4.4	0.7	11.4
APTY	19.9	(10.4)	6.1	24.9	18.1	1.4	3.6	7.3
MRF	7.1	1.0	(0.4)	19.3	18.9	9.3	12.1	9.8

Revenue Pool (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	9MFY26
CEAT	15.4	16.2	17.4	17.5	17.7	17.7	18.3	18.9
JKI (including Cavendish)	20.8	18.5	18.9	19.4	19.5	19.3	18.1	18.1
APTY	27.9	26.7	27.0	27.5	27.2	26.2	25.2	24.6
MRF	35.8	38.6	36.6	35.6	35.5	36.8	38.4	38.4

EBIT (Rs bn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	9MFY26
CEAT	4.6	4.4	6.3	2.6	5.1	11.5	9.2	9.7
JKI (including Cavendish)	8.0	6.0	9.4	5.8	7.7	15.4	11.3	11.2
APTY	10.3	7.7	13.2	6.1	12.0	21.8	12.6	14.1
MRF	14.4	13.4	17.6	8.1	10.9	27.4	23.1	21.8

EBITM (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	9MFY26
CEAT	6.8	6.6	8.4	2.8	4.5	9.6	7.0	8.7
JKI (including Cavendish)	8.7	7.9	11.4	5.6	6.2	11.9	8.7	10.5
APTY	8.4	7.0	11.3	4.1	7.0	12.4	6.9	9.6
MRF	9.1	8.4	11.0	4.3	4.8	11.1	8.3	9.6

EBIT Pool (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	9MFY26
CEAT	12.4	13.9	13.6	11.7	14.2	15.1	16.4	17.1
JKI (including Cavendish)	21.5	19.1	20.2	25.7	21.5	20.3	20.1	19.8
APTY	27.6	24.5	28.4	26.8	33.7	28.6	22.4	24.7
MRF	38.5	42.5	37.8	35.8	30.5	36.0	41.1	38.4

Source: Company, Emkay Research

Exhibit 5: Domestic rubber prices have started moving upward...

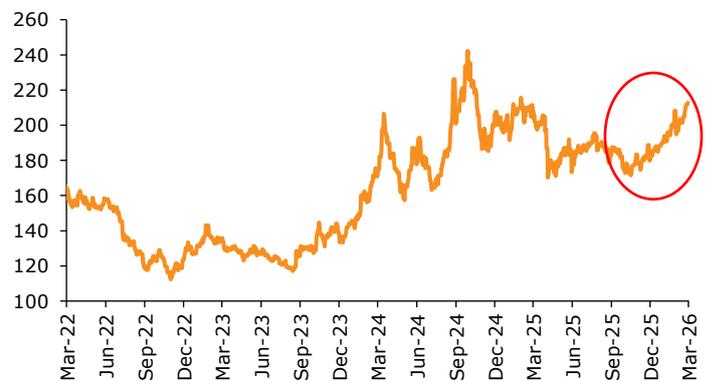
Domestic Rubber (Rs/kg)



Source: Bloomberg, Emkay Research

Exhibit 6: ...with a similar trend visible in international rubber prices

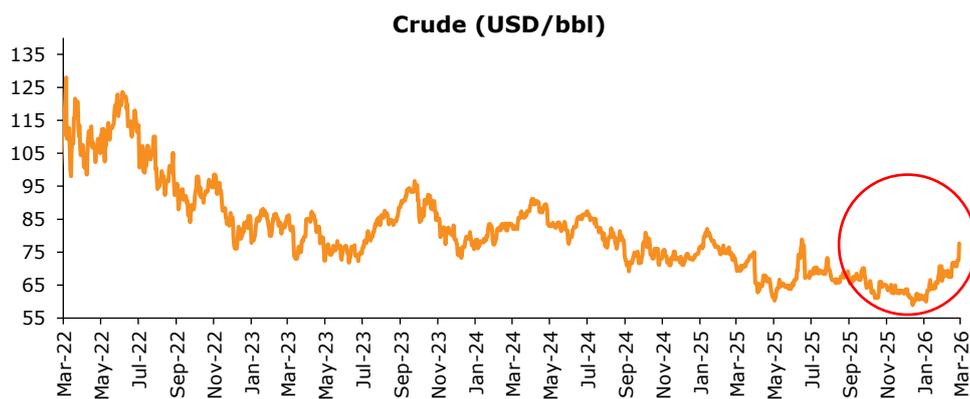
International Rubber (Rs/kg)



Source: Bloomberg, Emkay Research

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Exhibit 7: Crude prices have also seen an uptick after Q3FY26



Source: Bloomberg, Emkay Research

Exhibit 8: Commodity prices continue to rise in Q4FY26TD, following a spike in Q3FY26

Commodity	Units	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26TD	Current Price
Steel (India HRC)	(Rs/tn)	57,386	54,560	54,951	54,951	48,734	48,306	52,577	50,554	48,027	52,475	54,500
Aluminium (LME)	(USD/tn)	2,199	2,204	2,522	2,372	2,576	2,624	2,445	2,620	2,830	3,101	3,128
Domestic Rubber	(Rs/kg)	152	167	189	227	191	194	198	198	186	202	219
International Rubber	Rs/kg	138	167	176	190	204	205	182	187	181	200	213
Lead (LME)	(USD/tn)	2,119	2,075	2,168	2,038	2,005	1,966	1,945	1,966	1,968	1,955	1,917
Copper (LME)	(USD/tn)	8,184	8,452	9,751	9,179	9,182	9,339	9,508	9,810	11,127	12,938	12,714
Brent Crude	(USD/bbl)	83	82	85	79	74	75	67	68	63	67	78
Brent Crude (Rs/bbl)	(Rs/bbl)	6,899	6,799	7,093	6,617	6,256	6,495	5,715	5,948	5,618	6,099	7,091
Palladium	(USD/ounce)	1,096	980	973	966	1,011	962	991	1,174	1,481	1,782	1,821
Rhodium	(USD/ounce)	4,468	4,498	4,707	4,692	4,651	4,938	5,452	6,767	7,927	10,566	11,850
Platinum	(USD/ounce)	922	917	987	968	972	975	1,077	1,394	1,710	2,289	2,408
Gold	(USD/ounce)	1,981	2,076	2,339	2,470	2,662	2,858	3,287	3,459	4,159	4,873	5,351

Change QoQ (%)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26TD	Vs Current Price
Steel (India HRC)	2.2	(4.9)	0.7	0.0	(11.3)	(0.9)	8.8	(3.8)	(5.0)	9.3	3.9
Aluminium (LME)	1.9	0.2	14.4	(6.0)	8.6	1.9	(6.8)	7.2	8.0	9.6	0.9
Domestic Rubber	1.6	10.3	12.8	20.2	(15.7)	1.3	2.6	(0.2)	(6.4)	9.1	8.2
International Rubber	10.5	21.7	5.3	8.0	7.2	0.5	(11.2)	2.7	(3.4)	10.5	6.6
Lead (LME)	(2.5)	(2.1)	4.5	(6.0)	(1.6)	(1.9)	(1.1)	1.1	0.1	(0.7)	(1.9)
Copper (LME)	(2.2)	3.3	15.4	(5.9)	0.0	1.7	1.8	3.2	13.4	16.3	(1.7)
Brent Crude	(3.5)	(1.2)	3.9	(7.1)	(6.2)	1.3	(11.0)	2.0	(7.4)	6.5	15.6
Palladium	(12.5)	(10.6)	(0.7)	(0.8)	4.7	(4.9)	3.1	18.4	26.2	20.3	2.2
Rhodium	8.7	0.7	4.6	(0.3)	(0.9)	6.2	10.4	24.1	17.1	33.3	2.2
Platinum	(1.5)	(0.6)	7.6	(2.0)	0.4	0.3	10.5	29.5	22.6	33.9	12.1
Gold	2.8	4.8	12.6	5.6	7.8	7.4	15.0	5.2	20.2	17.2	5.2

Source: Company, Emkay Research

Other KTAs

- Presence in the 2W segment remains modest (~10% market share in replacement; ~4% of total revenue). Majority of APTY's volumes are currently outsourced, and it is planning to increase outsourced volumes further to serve the robust demand.
- EU demand grew strongly last year (vs 2-3% long-term CAGR). However, APTY was unable to fully capitalize due to capacity constraints. While capacity is being ramped up this year, demand has softened.
- US sales grew ~30% in FY26YTD despite higher duties; however, margins were impacted as APTY was unable to fully pass on the incremental duty burden. The management expects growth momentum in the US to sustain.
- The mgmt reiterated its long-term RoCE target of 15%, with a potential near-term moderation during capex phase, expected to normalize after capacity ramp-up.

Exhibit 9: Revenue model – We build in 8%/14%/24% consolidated revenue/EBITDA/EPS CAGR over FY25-28E

Particulars (Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Standalone Revenue	117,334	146,494	173,010	175,393	181,736	199,355	219,710	242,142
Growth YoY (%)	6.0	24.9	18.1	1.4	3.6	9.7	10.2	10.2
Europe	56,754	65,543	72,974	76,399	79,068	86,343	94,977	104,474
Growth YoY (%)	7.6	15.5	11.3	4.7	3.5	9.2	10.0	10.0
Others	25,443	40,972	48,783	41,197	50,640	55,704	61,275	67,402
Growth YoY (%)	-1.3	61.0	19.1	-15.6	22.9	10.0	10.0	10.0
Less: Intersegment	(27,415)	(45,305)	(50,745)	(42,365)	(53,881)	(58,228)	(64,690)	(71,402)
Subsidiaries Revenue	56,636	62,982	72,671	78,384	79,498	87,820	96,043	105,494
Growth YoY (%)	7.2	11.2	15.4	7.9	1.4	10.5	9.4	9.8
Consolidated Revenue	173,970	209,476	245,681	253,777	261,234	287,176	315,752	347,636
Growth YoY (%)	6.4	20.4	17.3	3.3	2.9	9.9	10.0	10.1
Gross Profit	47,933	46,575	55,989	70,482	64,669	75,356	84,368	94,193
Gross Margin (%)	27.6	22.2	22.8	27.8	24.8	26.2	26.7	27.1
EBITDA	27,975	25,741	33,137	44,474	35,715	43,793	49,036	54,287
EBITDA Margin (%)	16.1	12.3	13.5	17.5	13.7	15.2	15.5	15.6
EBIT	14,825	11,744	18,945	29,696	20,732	28,422	31,393	35,852
EBIT Margin (%)	8.5	5.6	7.7	11.7	7.9	9.9	9.9	10.3
PAT	9,580	6,445	10,821	17,992	12,900	18,594	20,102	22,956
EPS (Rs)	15.1	10.1	17.0	28.3	20.3	29.3	31.7	36.1
Capex	17,252	15,561	3,391	9,243	9,843	15,000	30,000	35,000
Net Debt	86,493	79,621	76,437	61,742	59,583	52,100	62,642	68,212
Net D/E (x)	0.91	0.84	0.77	0.59	0.56	0.46	0.52	0.53
ROCE (pre-tax, %)	6.5	4.9	7.2	11.4	7.7	10.2	10.7	11.1
ROE (%)	9.0	5.6	8.8	13.4	9.0	12.1	12.1	12.8

Source: Company, Emkay Research

Exhibit 10: We keep our estimates unchanged for FY26E/27E/28E

Consolidated (Rs mn)	FY26E				FY27E				FY28E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Revenue	287,176	287,176	0.0	9.9	315,752	315,752	0.0	10.0	347,636	347,636	0.0	10.1
EBITDA	43,793	43,793	0.0	22.6	49,036	49,036	0.0	12.0	54,287	54,287	0.0	10.7
Margin (%)	15.2	15.2	0 bps	158 bps	15.5	15.5	0 bps	28 bps	15.6	15.6	0 bps	9 bps
APAT	18,594	18,594	0.0	44.1	20,102	20,102	0.0	8.1	22,956	22,956	0.0	14.2
EPS (Rs)	29.3	29.3	0.0	44.1	31.7	31.7	0.0	8.1	36.1	36.1	0.0	14.2
Standalone (Rs mn)	FY26E				FY27E				FY28E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Revenue	199,355	199,355	0.0	9.7	219,710	219,710	0.0	10.2	242,142	242,142	0.0	10.2
EBITDA	29,802	29,802	0.0	36.0	35,261	35,261	0.0	18.3	41,525	41,525	0.0	17.8
Margin (%)	14.9	14.9	0 bps	289 bps	16.0	16.0	0 bps	110 bps	17.1	17.1	0 bps	110 bps
APAT	12,996	12,996	0.0	91.0	14,514	14,514	0.0	11.7	17,645	17,645	0.0	21.6
EPS (Rs)	20.5	20.5	0.0	91.0	22.9	22.9	0.0	11.7	27.8	27.8	0.0	21.6

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions)

Apollo Tyres: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	253,777	261,234	287,176	315,752	347,636
Revenue growth (%)	3.3	2.9	9.9	10.0	10.1
EBITDA	44,474	35,715	43,793	49,036	54,287
EBITDA growth (%)	34.2	(19.7)	22.6	12.0	10.7
Depreciation & Amortization	14,778	14,984	15,371	17,643	18,435
EBIT	29,696	20,732	28,422	31,393	35,852
EBIT growth (%)	56.7	(30.2)	37.1	10.5	14.2
Other operating income	-	-	-	-	-
Other income	1,536	881	1,112	1,299	1,306
Financial expense	5,059	4,466	4,072	4,625	5,106
PBT	26,172	17,146	25,462	28,067	32,051
Extraordinary items	(773)	(1,687)	(5,774)	0	0
Taxes	8,183	4,253	6,875	7,971	9,103
Minority interest	4	7	7	7	7
Income from JV/Associates	0	0	0	0	0
Reported PAT	17,219	11,213	12,820	20,102	22,956
PAT growth (%)	55.9	(34.9)	14.3	56.8	14.2
Adjusted PAT	17,992	12,900	18,594	20,102	22,956
Diluted EPS (Rs)	28.3	20.3	29.3	31.7	36.1
Diluted EPS growth (%)	66.3	(28.3)	44.1	8.1	14.2
DPS (Rs)	6.0	5.0	10.3	11.5	14.0
Dividend payout (%)	22.1	28.3	51.1	36.4	38.8
EBITDA margin (%)	17.5	13.7	15.2	15.5	15.6
EBIT margin (%)	11.7	7.9	9.9	9.9	10.3
Effective tax rate (%)	31.3	24.8	27.0	28.4	28.4
NOPLAT (pre-IndAS)	20,411	15,589	20,748	22,477	25,670
Shares outstanding (mn)	635	635	635	635	635

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	25,402	15,466	25,468	28,073	32,058
Others (non-cash items)	-	-	-	0	0
Taxes paid	(3,843)	(3,926)	(6,875)	(7,971)	(9,103)
Change in NWC	(5,031)	(12,662)	(3,128)	(3,424)	(3,794)
Operating cash flow	34,395	18,231	34,910	38,946	42,702
Capital expenditure	(6,739)	(7,306)	(15,000)	(30,000)	(35,000)
Acquisition of business	-	-	-	-	-
Interest & dividend income	-	-	-	-	-
Investing cash flow	(7,107)	(2,022)	(19,000)	(34,000)	(39,000)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(16,114)	(5,218)	(8,000)	10,000	5,000
Payment of lease liabilities	-	-	-	-	-
Interest paid	(4,759)	(4,171)	(4,072)	(4,625)	(5,106)
Dividend paid (incl tax)	(2,858)	(3,811)	(6,557)	(7,323)	(8,902)
Others	(2,859)	(3,266)	0	0	0
Financing cash flow	(26,591)	(16,466)	(18,629)	(1,948)	(9,008)
Net chg in Cash	698	(257)	(2,719)	2,999	(5,306)
OCF	34,395	18,231	34,910	38,946	42,702
Adj. OCF (w/o NWC chg.)	39,426	30,894	38,037	42,371	46,497
FCFF	27,656	10,926	19,910	8,946	7,702
FCFE	22,597	6,459	15,837	4,321	2,596
OCF/EBITDA (%)	77.3	51.0	79.7	79.4	78.7
FCFE/PAT (%)	131.2	57.6	123.5	21.5	11.3
FCFF/NOPLAT (%)	135.5	70.1	96.0	39.8	30.0

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	635	635	635	635	635
Reserves & Surplus	138,387	147,022	159,059	171,839	185,893
Net worth	139,022	147,657	159,694	172,474	186,528
Minority interests	0	0	0	0	0
Non-current liab. & prov.	15,705	17,195	17,195	17,195	17,195
Total debt	52,110	49,250	41,250	51,250	56,250
Total liabilities & equity	206,837	214,102	218,139	240,919	259,972
Net tangible fixed assets	151,414	145,396	145,025	157,382	173,948
Net intangible assets	7,205	7,205	7,205	7,205	7,205
Net ROU assets	-	-	-	-	-
Capital WIP	3,477	4,354	4,354	4,354	4,354
Goodwill	2,311	2,374	2,374	2,374	2,374
Investments [JV/Associates]	382	452	4,452	8,452	12,452
Cash & equivalents	14,156	8,975	6,256	9,254	3,948
Current & ex-cash	80,670	94,376	103,134	112,750	123,436
Current Liab. & Prov.	61,913	58,169	63,796	69,988	76,879
NWC (ex-cash)	18,757	36,206	39,338	42,762	46,557
Total assets	206,837	214,101	218,139	240,919	259,972
Net debt	37,954	40,275	34,994	41,995	52,301
Capital employed	206,837	214,102	218,139	240,919	259,972
Invested capital	188,822	200,317	203,077	218,858	239,218
BVPS (Rs)	218.9	232.5	251.4	271.6	293.7
Net Debt/Equity (x)	0.3	0.3	0.2	0.2	0.3
Net Debt/EBITDA (x)	0.9	1.1	0.8	0.9	1.0
Interest coverage (x)	6.2	4.8	7.3	7.1	7.3
RoCE (%)	16.1	11.1	14.8	15.4	15.9

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	16.2	24.9	21.8	13.9	12.2
P/CE(x)	8.5	10.0	8.2	7.4	6.8
P/B (x)	2.0	1.9	1.8	1.6	1.5
EV/Sales (x)	1.3	1.2	1.1	1.0	1.0
EV/EBITDA (x)	7.1	9.0	7.2	6.6	6.1
EV/EBIT(x)	10.7	15.4	11.1	10.2	9.3
EV/IC (x)	1.7	1.6	1.5	1.5	1.4
FCFF yield (%)	8.7	3.4	6.3	2.8	2.3
FCFE yield (%)	8.1	2.3	5.7	1.5	0.9
Dividend yield (%)	1.4	1.1	2.3	2.6	3.2
DuPont-RoE split					
Net profit margin (%)	7.1	4.9	6.5	6.4	6.6
Total asset turnover (x)	1.2	1.2	1.3	1.4	1.4
Assets/Equity (x)	1.6	1.5	1.5	1.4	1.4
RoE (%)	14.2	9.4	12.6	12.3	12.7
DuPont-RoIC					
NOPLAT margin (%)	8.0	6.0	7.2	7.1	7.4
IC turnover (x)	1.3	1.3	1.4	1.5	1.5
RoIC (%)	10.8	8.0	10.3	10.7	11.2
Operating metrics					
Core NWC days	27.0	50.6	50.0	49.4	48.9
Total NWC days	27.0	50.6	50.0	49.4	48.9
Fixed asset turnover	0.9	0.9	0.9	0.9	0.9
Opex-to-revenue (%)	28.6	30.1	29.8	29.6	28.5

Source: Company, Emkay Research

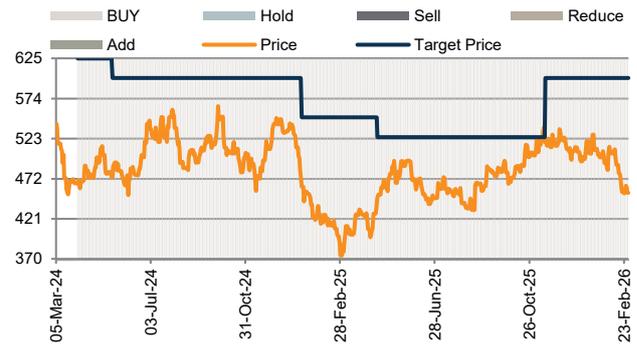
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RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
16-Feb-26	479	600	Buy	Chirag Jain
05-Feb-26	508	600	Buy	Chirag Jain
15-Nov-25	519	600	Buy	Chirag Jain
10-Aug-25	434	525	Buy	Chirag Jain
16-May-25	494	525	Buy	Chirag Jain
16-Apr-25	448	525	Buy	Chirag Jain
08-Feb-25	426	550	Buy	Chirag Jain
10-Jan-25	462	550	Buy	Chirag Jain
18-Nov-24	472	600	Buy	Chirag Jain
09-Aug-24	492	600	Buy	Chirag Jain
15-May-24	474	600	Buy	Chirag Jain
01-Apr-24	465	625	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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