

Estimate changes



TP change



Rating change



CMP: INR352

TP: INR327 (-7%)

Neutral

Exports and telecom drag down revenue growth

Surge in input costs to hurt margins in the near term

- Exide's 4QFY26 PAT at INR3.1b came in slightly above our estimate of INR3b. Most key segments reported healthy double-digit growth YoY. However, revenue inched up only 9.4% mainly due to weak exports and a continued decline in the telecom segment.
 - The outlook for lead-acid business remains positive for the auto segment and the industrial business (excl. telecom). However, we remain cautious about the long-term returns from the lithium-ion business. Besides, the stock trading at ~26.1x/23.3x FY27E/28E EPS appears fairly valued.
- Reiterate Neutral with an SoTP-based TP of INR327. We value the core (lead acid) business at 15x FY28E EPS (in line with Amara). We add INR59 per share value for the EV business (based on book) and INR50 per share for its stake in HDFC Life.**

Margins in line; PAT slightly ahead of estimates

- EXID's 4QFY26 revenue came in line with our estimate, growing 9.4% YoY to INR45.5b. Overall, domestic business grew 12.5% YoY, despite a 50% drop in telecom. Exports continued to show a double-digit dip due to notable headwinds, led by the ongoing geopolitical crisis, unavailability of containers, and disruption in shipping routes.
- Auto OEM business grew 25%+ YoY, leading to increased market share across multiple segments. 2W/4W replacement business posted double-digit growth on a YoY basis.
- The industrial infra business (ex-telecom) also clocked double-digit growth as order inflow and order execution picked up in sectors like railways, traction, etc. Inverters and solar business are back on a growth trajectory, posting mid-to-high teen growth on a YoY basis, buoyed by peak season demand in the second half of 4Q.
- EBITDA margin came in at 11.7%, in line with our estimate. Despite sharp INR depreciation, EXID was able to increase margins by 40bp YoY due to an improved product mix and better realization, aided by lowering warranty costs. EBITDA also came in line, growing 13.7% YoY to INR5.3b.
- PAT came in slightly above estimates at INR3.1b, up 22.7% YoY.
- For FY26, EXID's revenue/EBITDA/PAT rose 4.1%/4.3%/3.8% to INR173b/INR19.4b/INR11.2b. CFO stood at INR22.3b, while FCF was INR18.2b. The company continues to be debt-free despite high capex.
- The board has recommended a dividend of INR2 per equity share for FY26, the same as last year.

| | |
|-----------------------|-------------|
| Bloomberg | EXID IN |
| Equity Shares (m) | 850 |
| M.Cap.(INRb)/(USD\$) | 298.9 / 3.2 |
| 52-Week Range (INR) | 431 / 287 |
| 1, 6, 12 Rel. Per (%) | 12/-3/-5 |
| 12M Avg Val (INR M) | 864 |

Financials & Valuations (INR b)

| Y/E MARCH | FY26 | FY27E | FY28E |
|----------------|-------|-------|-------|
| Net Sales | 172.7 | 185.7 | 197.5 |
| EBITDA | 19.4 | 20.1 | 22.1 |
| Adj. PAT | 11.2 | 11.5 | 12.8 |
| Adj. EPS (INR) | 13.2 | 13.5 | 15.1 |
| EPS Gr. (%) | 3.8 | 2.6 | 11.9 |
| BV/Sh. (INR) | 172.6 | 184.0 | 196.7 |

Ratio

| | | | |
|------------|------|------|------|
| RoE (%) | 7.6 | 7.3 | 7.7 |
| RoCE (%) | 7.7 | 7.6 | 7.9 |
| Payout (%) | 15.2 | 15.9 | 15.9 |

Valuations

| | | | |
|---------------|------|------|------|
| P/E (x) | 26.7 | 26.1 | 23.3 |
| P/BV (x) | 2.0 | 1.9 | 1.8 |
| Div Yield (%) | 0.6 | 0.6 | 0.7 |
| FCF Yield (%) | 6.1 | 3.9 | 4.3 |

Shareholding pattern (%)

| As On | Mar-26 | Dec-25 | Mar-25 |
|----------|--------|--------|--------|
| Promoter | 46.0 | 46.0 | 46.0 |
| DII | 19.1 | 18.7 | 17.2 |
| FII | 10.3 | 10.9 | 11.6 |
| Others | 24.6 | 24.4 | 25.3 |

FII Includes depository receipts

Highlights from management call

- Management remains constructive on the outlook of its core lead-acid business, expecting high single-digit to low double-digit growth potential in the near term and indicating that medium-term growth could broadly remain in line with the company's historical ~11% CAGR.
- Rising input costs are likely to hurt margins in the near term. Costs of key inputs like sulphur and plastics have spiked in the recent past. For instance, sulphur prices have gone up from ~INR15 one year back to ~INR75 at Apr'26 end (stood at INR58 as of Mar'26 end).
- To mitigate input cost inflation, the company has implemented multiple price hikes in the replacement segment in 4Q, amounting to a total of 5-6%, followed by an additional ~3% hike in April. Even these price hikes do not cover for the entire input cost inflation currently, with management indicating further possible hikes in 1QFY27.
- Exide Energy Solutions invested INR6b in 4Q and INR15b in FY26, taking the cumulative infusion to ~INR48b, with an additional INR14b earmarked for FY27 for capex and working capital requirements for Phase 1 ramp-up.

Valuation and view

The outlook for lead-acid business remains positive for the auto segment and the industrial business (excl. telecom). However, we remain cautious about the long-term returns from the lithium-ion business. Besides, the stock trading at ~26.1x/23.3x FY27/28E EPS appears fairly valued. **Reiterate Neutral with an SoTP-based TP of INR327. We value the core (lead-acid) business at 15x FY28E EPS (in line with Amara). We add INR59 per share value for the EV business (based on book) and INR50 per share for its stake in HDFC Life.**

S/A Quarterly Performance

| Y/E March | (INR M) | | | | | | | | | | | | |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|------------|---------|
| | FY25 | | | | FY26 | | | | FY25 | FY26 | | 4QE | Var (%) |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | | |
| Net Sales | 43,128 | 42,673 | 38,486 | 41,594 | 45,098 | 41,783 | 40,297 | 45,511 | 165,881 | 172,689 | 43,716 | 4.1 | |
| Growth YoY (%) | 5.9 | 3.9 | 0.2 | 3.7 | 4.6 | -2.1 | 4.7 | 9.4 | 3.5 | 4.1 | 5.1 | | |
| RM cost (%) | 69.3 | 68.5 | 68.0 | 68.8 | 69.2 | 70.2 | 68.4 | 69.9 | 68.7 | 69.4 | 68.5 | | |
| Employee cost (%) | 6.1 | 6.3 | 6.8 | 6.3 | 6.1 | 6.4 | 6.5 | 6.0 | 6.4 | 6.3 | 6.3 | | |
| Other Exp(%) | 13.1 | 13.9 | 13.5 | 13.7 | 12.6 | 14.0 | 13.4 | 12.4 | 13.6 | 13.1 | 13.3 | | |
| EBITDA | 4,943 | 4,836 | 4,486 | 4,667 | 5,482 | 3,947 | 4,696 | 5,304 | 18,931 | 19,429 | 5,172 | 2.6 | |
| EBITDA Margin(%) | 11.5 | 11.3 | 11.7 | 11.2 | 12.2 | 9.4 | 11.7 | 11.7 | 11.4 | 11.3 | 11.8 | | |
| Change (%) | 14.4 | 0.1 | 2.0 | -9.6 | 10.9 | -18.4 | 4.7 | 13.7 | 1.2 | 4.3 | 11 | | |
| Non-Operating Income | 142 | 528 | 132 | 161 | 182 | 424 | 183 | 142 | 962 | 931 | 221 | | |
| Interest | 87 | 103 | 120 | 130 | 91 | 89 | 85 | 84 | 439 | 349 | 87 | | |
| Depreciation | 1,257 | 1,270 | 1,244 | 1,268 | 1,276 | 1,306 | 1,270 | 1,158 | 5,039 | 5,010 | 1,312 | | |
| PBT after EO Exp | 3,741 | 3,991 | 3,253 | 3,430 | 4,297 | 2,976 | 3,434 | 4,204 | 14,415 | 14,911 | 3,995 | 5.2 | |
| Effective Tax Rate (%) | 25.3 | 25.4 | 24.7 | 25.8 | 25.4 | 25.8 | 25.0 | 25.7 | 25.3 | 25.5 | 25.8 | | |
| Adj. PAT | 2,796 | 2,978 | 2,450 | 2,546 | 3,205 | 2,207 | 2,644 | 3,124 | 10,769 | 11,181 | 2,964 | 5.4 | |
| Change (%) | 15.6 | 3.8 | 2.0 | -10.3 | 14.6 | -25.9 | 7.9 | 22.7 | 2.3 | 3.8 | 16.4 | | |

Key performance indicators

| Cost Break-up | | | | | | | | | | | | |
|-------------------|------|------|------|------|------|------|------|------|------|------|------|--------|
| RM(%) | 69.3 | 68.5 | 68.0 | 68.8 | 69.2 | 70.2 | 68.4 | 69.9 | 68.7 | 69.4 | 68.5 | 140bp |
| Employee cost (%) | 6.1 | 6.3 | 6.8 | 6.3 | 6.1 | 6.4 | 6.5 | 6.0 | 6.4 | 6.3 | 6.3 | -30bp |
| Other Exp(%) | 13.1 | 13.9 | 13.5 | 13.7 | 12.6 | 14.0 | 13.4 | 12.4 | 13.6 | 13.1 | 13.3 | -90bp |
| Gross Margin (%) | 30.7 | 31.5 | 32.0 | 31.2 | 30.8 | 29.8 | 31.6 | 30.1 | 31.3 | 30.6 | 31.5 | -140bp |
| EBITDA Margin(%) | 11.5 | 11.3 | 11.7 | 11.2 | 12.2 | 9.4 | 11.7 | 11.7 | 11.4 | 11.3 | 11.8 | -20bp |
| EBIT Margin(%) | 8.5 | 8.4 | 8.4 | 8.2 | 9.7 | 7.3 | 9.0 | 9.4 | 8.4 | 8.9 | 9.3 | 10bp |



Key takeaways from the management commentary

Update on lead-acid business

- EXID delivered its highest-ever quarterly revenue in 4QFY26, reporting 9.4% YoY revenue growth, led by broad-based strength across the domestic portfolio, with nearly 92% of the business (excluding telecom, e-rick and exports) registering ~16% growth and most key verticals posting double-digit growth.
- Domestic business remained the primary growth driver, up 12.5% YoY in 4Q and 7.5% YoY in FY26, supported by robust momentum across two-wheeler and four-wheeler OEMs, replacement demand, home UPS, solar, and industrial infrastructure segments.
- Auto OEM business continued its strong run, posting its second consecutive quarter of 25%+ YoY growth and achieving a record quarterly revenue milestone, aided by improved vehicle demand after GST reforms.
- The replacement business maintained healthy mid-teen growth across both two-wheeler and four-wheeler categories.
- The home UPS segment delivered its highest-ever quarterly sales, supported by seasonal demand uplift from an early onset of summer, while the solar vertical crossed the INR10b revenue mark in FY26, emerging as a meaningful growth engine after several years of incubation and capacity building.
- Industrial infrastructure business (excluding telecom) continued to deliver double-digit growth, with healthy order inflows and execution across railways, motive power, industrial UPS, and other stationary power applications, reinforcing diversification beyond core automotive batteries.
- Exports remained subdued amid geopolitical disruptions and weak global trade conditions.
- Telecom and part of the e-rickshaw battery business continued to witness structural migration toward lithium-ion solutions, creating headwinds for legacy lead-acid volumes in these categories.

Update on raw materials

- Commodity inflation remained a significant challenge, with management indicating a net adverse material cost impact of ~INR1.5b in 4Q, driven by sharp increases in sulphur (used in sulphuric acid), plastics, LPG, and currency-led impact, partially offset by strong internal cost controls and calibrated pricing actions. Sulphur prices have gone up from ~INR15 one year back to ~INR75 at April exit (INR 58 as of March end).
- To mitigate input cost inflation, the company implemented multiple price hikes in the aftermarket channel between January and March, amounting to cumulative increases of roughly 5-6% initially, followed by an additional ~3% hike in April. Even these price hikes do not cover for the entire input cost inflation currently, with management indicating further possible hikes in 1Q.
- Management stated that while lead prices have remained relatively benign globally, the benefit has largely been neutralized by INR depreciation. Non-lead commodities, particularly sulphur-related inputs, have seen a sharp escalation.
- OEM pricing negotiations are also underway to recover a portion of non-lead commodity inflation, with price resets typically occurring on a quarterly basis. Management highlighted that several OEM customers have been receptive to justified cost pass-throughs given the surge in raw material prices.

Update on lithium-ion battery business

- Exide Energy Solutions invested INR6b in 4Q and INR15b during FY26, taking cumulative infusion to ~INR48.02b, with an additional INR14b earmarked for FY27 for capex and working capital requirements for Phase 1 ramp-up.
- EXID's initial 6 GWh lithium-ion cell capacity is broadly split equally between cylindrical NMC chemistry and prismatic LFP chemistry, enabling participation across multiple end-use segments, including two-wheelers, three-wheelers, buses, telecom, stationary storage, and broader energy storage applications.
- The cylindrical lithium-ion cell line has completed internal process validation and is expected to begin customer sample deliveries shortly for customer validation. Prismatic cell trials are progressing, with customer sample dispatches targeted around July. Management expects commercial revenue generation to begin earlier from prismatic cells due to shorter validation cycles and faster time-to-market in stationary and commercial applications.
- Prismatic cell production offers near-term commercial potential, particularly in stationary storage, telecom backup, and commercial mobility applications, where customer validation timelines are shorter and homologation requirements are less stringent compared with automotive OEM applications.
- Yield optimization remains the critical determinant of lithium-ion profitability, with management targeting ~90%+ manufacturing yields over time. While initial costs may be high due to imported raw materials, improving yields, plant utilization, localization of materials, and supportive policy frameworks are expected to progressively narrow the cost gap vs. imported cells.

























Other Highlights

- The "One Exide" operating model has begun delivering tangible operational benefits, improving agility, customer responsiveness, and cross-functional collaboration, while unlocking synergies across business verticals and enhancing execution efficiency across the organization.
- The company continues to deepen market penetration through one of the largest distribution ecosystems in the industry, with over 120,000 touchpoints and more than 1,700 Exide Care outlets, strengthening customer access, service support, and replacement market leadership across geographies.
- EXID further strengthened its product portfolio through new launches, including India's first SUV-ready battery platform and premium EL Ultra batteries for the residential segment.

Outlook:

- Management maintains a constructive outlook for its core lead-acid business, expecting high single-digit to low double-digit growth potential in the near term and indicating that medium-term growth could broadly remain in line with the company’s historical ~11% CAGR trajectory, supported by OEM momentum translating into future replacement demand.
- India’s lithium-ion demand is expected to scale up significantly over the medium term, with domestic demand potential estimated at 140-150 GWh by 2030, supported by rising EV penetration, increasing stationary storage requirements, and broader energy transition trends. The current market size is ~20+ GWh, with most of the cells being supplied by overseas players.

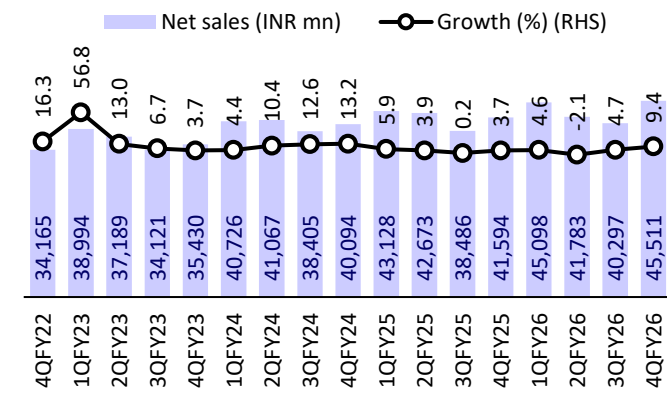
Exhibit 1: Trends in revenue and growth

| Segments | Trend Q4 FY26 | Outlook Q1 FY27 | Segments | Trend Q4 FY26 | Outlook Q1 FY27 |
|--|---|---|---|---|---|
|  4W Replacement |  |  |  Solar |  |  |
|  2W Replacement |  |  |  Telecom |  |  |
|  Auto OEM |  |  |  Industrial Infra |  |  |
|  Inverters |  |  |  Exports |  |  |

Source: Company, MOFSL

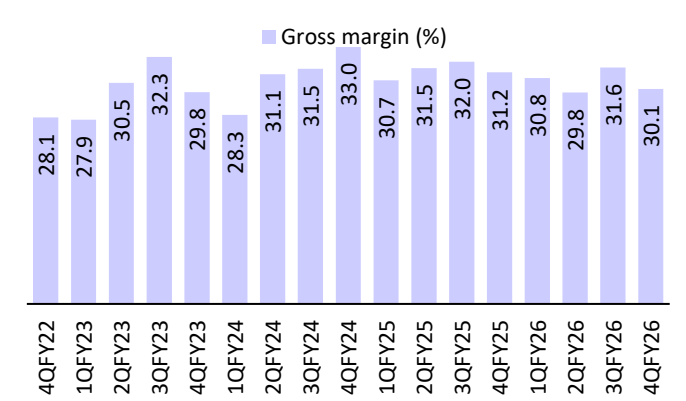
Key exhibits

Exhibit 2: Trends in revenue and growth



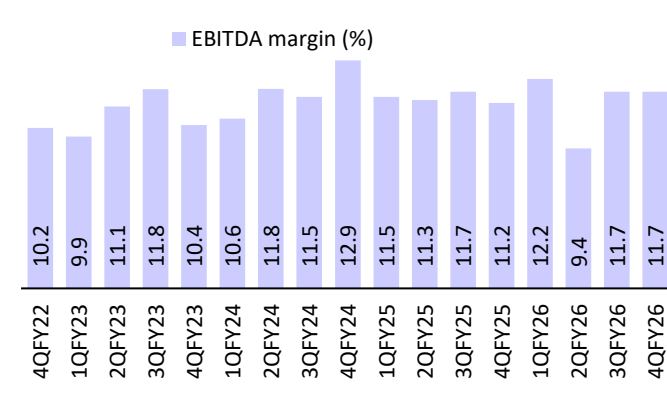
Source: Company, MOFSL

Exhibit 3: Trend in gross margin



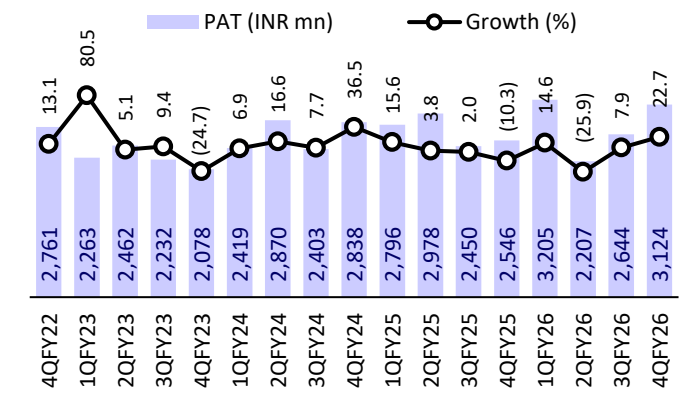
Source: Company, MOFSL

Exhibit 4: Trend in EBITDA margin



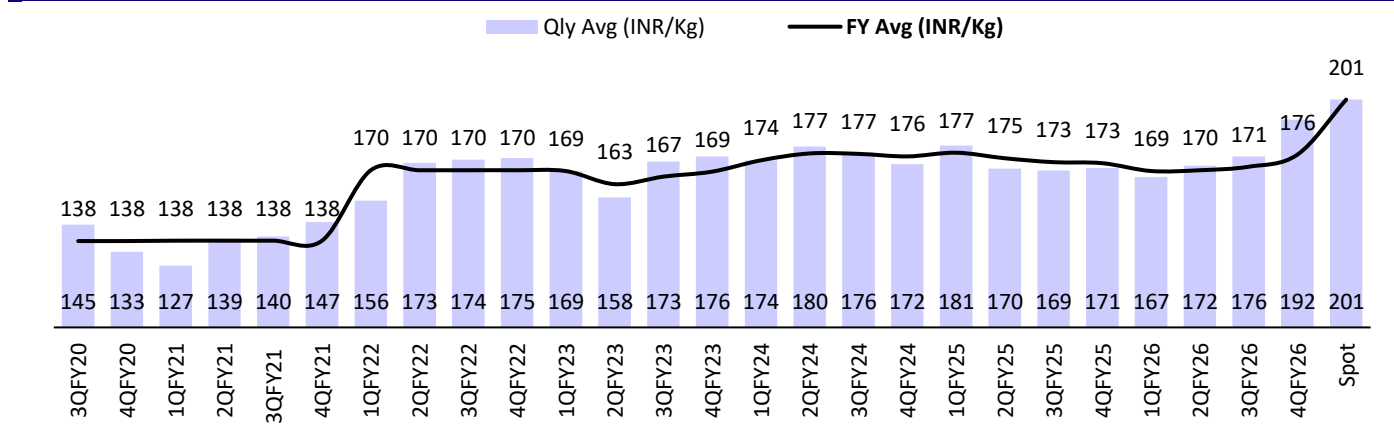
Source: Company, MOFSL

Exhibit 5: Trend in PAT and growth



Source: Company, MOFSL

Exhibit 6: Lead price remains stable during FY26



Source: Company, MOFSL

Valuation and view

- **EXID continues to enjoy a strong position in the LAB industry:** EXID remains a market leader across all key segments in the lead-acid battery (LAB) industry, except telecom. In the auto OEM segment, EXID has a dominant presence in both 2Ws and 4Ws. Even in the replacement battery segment, it is largely a duopoly, with EXID being the market leader. It also has a strong position in both the UPS and inverter segments. Apart from this, it is a dominant player in power and traction batteries. It has the largest distribution network in India, with 115k channel partners. Through digitization initiatives, it is now able to give on-the-spot warranty resolutions, which is one of its USPs. With a recovery in LAB after the GST rate cuts in both OE and replacement segments, EXID will emerge as one of the major beneficiaries.
- **EV transition is the real risk for LAB in long run:** The transition to EVs in India and globally is emerging as a big risk for LAB players in the long run. The only saving grace for Indian players in the near term is that the EV transition is picking up pace in 2Ws and 3Ws only at present, and for PVs, it may take a bit longer. However, lithium-ion batteries are now increasingly finding applications in various industrial use cases, including in telecom, traction, UPS, etc. Transition to lithium-ion gradually in several segments remains a key risk for large LAB players like Exide.
- **Foray into lithium-ion will have its own challenges:** Given the significant imminent risk to its core business, EXID has forayed into the manufacturing of lithium-ion cells in partnership with S-Volt at a total investment of INR60b in two phases. Further, EXID recently announced that it has secured a non-binding partnership with Hyundai-Kia for localization of LFP cells for one of their global platforms to be produced in India. While EXID can fund this venture through its internal accruals without needing any major funding for this phase, we believe the company's foray into lithium-ion cell manufacturing is likely to see multiple challenges in the coming years, as: 1) most domestic PV OEMs either have their own lithium-ion manufacturing plans or have existing tie-ups, limiting EXID's potential addressable market in this space; 2) the current partnership with Hyundai is non-binding, and hence we need to wait to understand whether this eventually moves into a binding partnership; 3) EXID is setting up a greenfield in this segment without prior experience; we expect its facility to take at least a couple of years to stabilize operations as it goes through its testing and validation phase initially for interested OEMs; 4) EXID is not participating in PLI, which would limit its competitiveness relative to peers that qualify for the same; 5) given the lithium-ion cell manufacturing is a low-margin business globally, we expect this business to be return-dilutive for EXID in the long run, even if this venture is successful; 6) given the significant capital commitment required and doubts about the sustainability of this technology in the long run, we believe the outcome of this venture remains highly uncertain at this stage.
- **Valuation and view:** The outlook for lead-acid business remains positive for the auto segment and the industrial business (excl. telecom). However, we remain cautious about the long-term returns from the lithium-ion business. Besides, the stock at ~26.1x/23.3x FY27/28E EPS appears fairly valued. **Reiterate Neutral with an SOTP-based TP of INR327. We value the core (lead acid) business at**

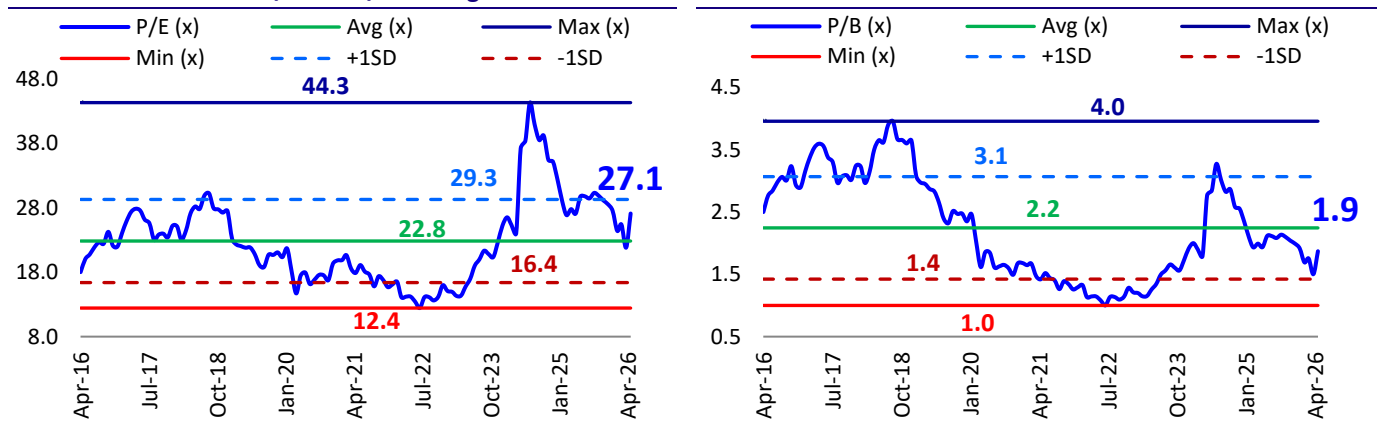
15x FY28E EPS (in line with Amara). We add INR59 per share value for the EV business (based on book) and INR50 per share for its stake in HDFC Life.

Exhibit 7: Our revised estimates

| (INR m) | FY27E | | | FY28E | | |
|-------------------|-------------|-------------|--------------|-------------|-------------|------------|
| | Rev | Old | Chg (%) | Rev | Old | Chg (%) |
| Net Sales | 185,699 | 178,650 | 3.9 | 197,491 | 189,763 | 4.1 |
| EBITDA Margin (%) | 10.8 | 11.1 | -20bp | 11.2 | 11.2 | 0bp |
| PAT | 11,471 | 11,220 | 2.2 | 12,838 | 12,219 | 5.1 |
| EPS (INR) | 13.5 | 13.2 | 2.2 | 15.1 | 14.4 | 5.1 |

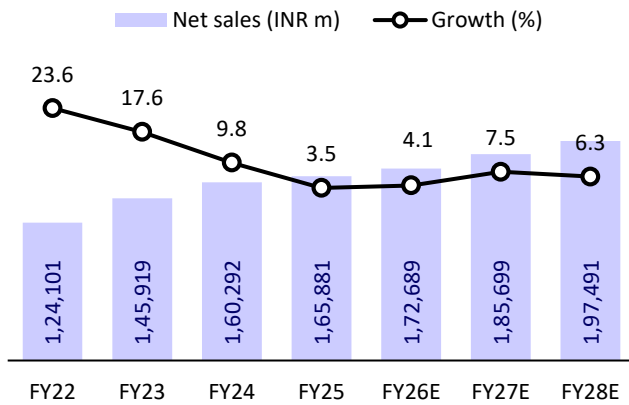
Source: MOFSL

Exhibit 8: Valuations – P/E and P/B trading bands



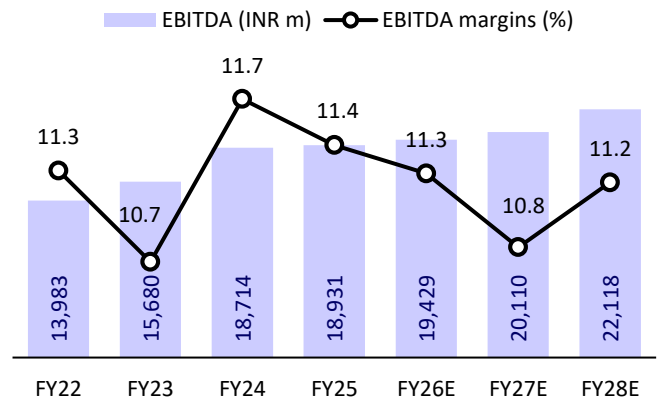
Story in charts

Exhibit 9: Trends in revenue and growth



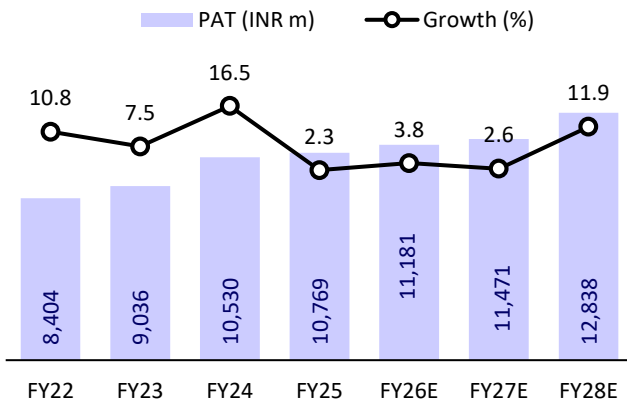
Source: Company, MOFSL

Exhibit 10: Trends in EBITDA and EBITDA margin



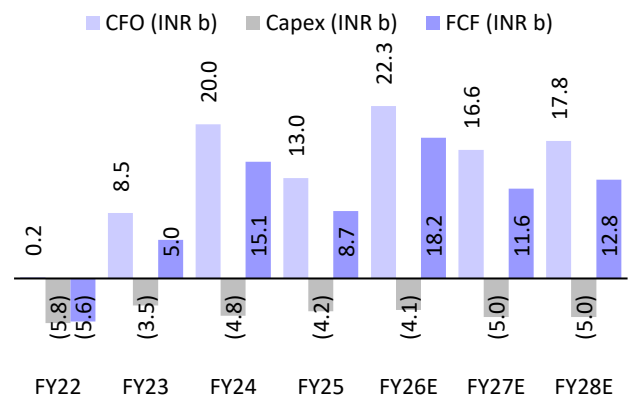
Source: Company, MOFSL

Exhibit 11: PAT and PAT growth trends



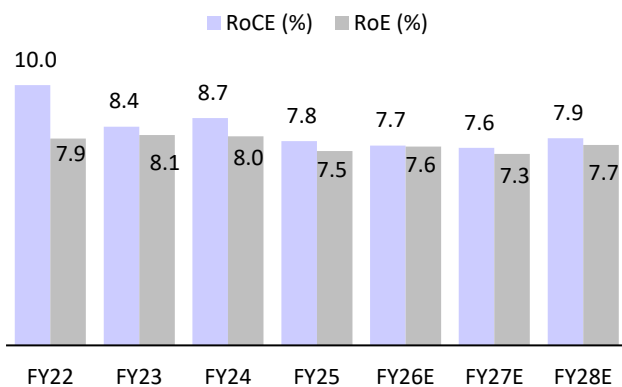
Source: Company, MOFSL

Exhibit 12: Strong FCF driven by healthy CFO



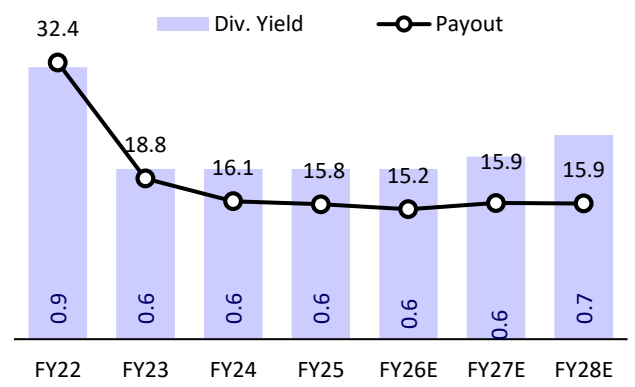
Source: Company, MOFSL

Exhibit 13: Trend in return ratios



Source: Company, MOFSL

Exhibit 14: Dividend yield and dividend payout (%) trends



Source: Company, MOFSL

Financials and valuations

| Income Statement | | | | | | | | (INR M) |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E |
| Total Income | 100,408 | 124,101 | 145,919 | 160,292 | 165,881 | 172,689 | 185,699 | 197,491 |
| Change (%) | 1.9 | 23.6 | 17.6 | 9.8 | 3.5 | 4.1 | 7.5 | 6.3 |
| EBITDA | 13,557 | 13,984 | 15,681 | 18,715 | 18,932 | 19,430 | 20,111 | 22,119 |
| EBITDA Margins (%) | 13.5 | 11.3 | 10.7 | 11.7 | 11.4 | 11.3 | 10.8 | 11.2 |
| Change (%) | -0.7 | 3.1 | 12.1 | 19.3 | 1.2 | 2.6 | 3.5 | 10.0 |
| Depreciation | 3,794 | 4,131 | 4,558 | 4,975 | 5,039 | 5,010 | 5,168 | 5,321 |
| EBIT | 9,763 | 9,852 | 11,123 | 13,740 | 13,893 | 14,420 | 14,943 | 16,797 |
| Interest Charges | 238 | 394 | 295 | 486 | 439 | 349 | 376 | 407 |
| Other Income | 654 | 805 | 1,324 | 845 | 962 | 931 | 1,042 | 1,076 |
| EO Exp/(Inc) | - | (46,938) | - | - | - | - | - | - |
| PBT | 10,179 | 57,199 | 12,151 | 14,099 | 14,415 | 14,911 | 15,607 | 17,466 |
| Tax | 2,596 | 10,356 | 3,115 | 3,569 | 3,646 | 3,797 | 4,136 | 4,629 |
| Effective Rate (%) | 25.5 | 18.1 | 25.6 | 25.3 | 25.3 | 25.5 | 26.5 | 26.5 |
| Rep. PAT | 7,583 | 46,843 | 9,036 | 10,530 | 10,769 | 11,113 | 11,471 | 12,838 |
| Change (%) | -8.1 | 517.8 | -80.7 | 16.5 | 2.3 | 3.2 | 3.2 | 11.9 |
| Adj. PAT | 7,583 | 8,404 | 9,036 | 10,530 | 10,769 | 11,181 | 11,471 | 12,838 |
| Change (%) | -10.0 | 10.8 | 7.5 | 16.5 | 2.3 | 3.8 | 2.6 | 11.9 |

| Balance Sheet | | | | | | | | (INR M) |
|----------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E |
| Share Capital | 850 | 850 | 850 | 850 | 850 | 850 | 850 | 850 |
| Reserves | 68,085 | 105,131 | 111,248 | 130,522 | 143,573 | 145,886 | 155,529 | 166,327 |
| Net Worth | 68,935 | 105,981 | 112,098 | 131,372 | 144,423 | 146,736 | 156,379 | 167,177 |
| Loans | 0 | 0 | 2,708 | 3,856 | 3,752 | 3,644 | 3,644 | 3,644 |
| Deferred Tax Liability | 771 | -654 | -1,160 | -137 | 108 | -1,349 | -1,349 | -1,349 |
| Capital Employed | 69,706 | 105,327 | 113,646 | 135,092 | 148,283 | 149,031 | 158,674 | 169,472 |
| Application of Funds | | | | | | | | |
| Gross Fixed Assets | 42,740 | 48,245 | 53,473 | 58,005 | 62,447 | 66,407 | 71,407 | 76,407 |
| Less: Depreciation | 16,361 | 20,509 | 24,970 | 29,353 | 33,687 | 38,697 | 43,865 | 49,186 |
| Net Fixed Assets | 26,379 | 27,736 | 28,503 | 28,652 | 28,759 | 27,711 | 27,543 | 27,221 |
| Capital WIP | 2,008 | 3,124 | 1,009 | 2,017 | 1,375 | 1,623 | 1,623 | 1,623 |
| Investments | 31,012 | 60,773 | 63,477 | 86,258 | 99,766 | 107,386 | 116,706 | 127,206 |
| Curr.Assets | 36,889 | 41,352 | 46,362 | 51,600 | 58,291 | 54,499 | 58,708 | 62,185 |
| Inventory | 23,462 | 24,647 | 29,891 | 32,493 | 38,274 | 34,921 | 37,649 | 40,039 |
| Sundry Debtors | 8,874 | 11,945 | 12,745 | 12,650 | 15,772 | 14,606 | 15,772 | 16,773 |
| Cash & Bank Balance | 825 | 1,536 | 681 | 2,174 | 1,113 | 1,646 | 1,726 | 1,585 |
| Other Current Assets | 3,345 | 3,223 | 3,045 | 4,282 | 3,132 | 3,325 | 3,561 | 3,787 |
| Current Liab. & Prov. | 26,582 | 27,657 | 25,705 | 33,435 | 39,908 | 42,187 | 45,904 | 48,762 |
| Sundry Creditors | 16,483 | 16,268 | 15,360 | 23,199 | 28,431 | 31,409 | 33,070 | 35,170 |
| Other Liabilities | 6,856 | 8,191 | 6,962 | 6,456 | 6,794 | 6,041 | 7,631 | 8,116 |
| Provisions | 3,244 | 3,198 | 3,383 | 3,780 | 4,683 | 4,737 | 5,203 | 5,477 |
| Net Current Assets | 10,307 | 13,695 | 20,657 | 18,165 | 18,383 | 12,312 | 12,804 | 13,423 |
| Application of Funds | 69,705 | 105,327 | 113,646 | 135,092 | 148,283 | 149,031 | 158,675 | 169,472 |

E: MOFSL Estimates

Financials and valuations

Ratios

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E |
|---------------------------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Basic (INR) | | | | | | | | |
| EPS | 8.9 | 9.9 | 10.6 | 12.4 | 12.7 | 13.2 | 13.5 | 15.1 |
| Cash EPS | 13.4 | 14.7 | 16.0 | 18.2 | 18.6 | 19.0 | 19.6 | 21.4 |
| Book Value per Share | 81.1 | 124.7 | 131.9 | 154.6 | 169.9 | 172.6 | 184.0 | 196.7 |
| DPS | 2.0 | 3.2 | 2.0 | 2.0 | 2.0 | 2.0 | 2.2 | 2.4 |
| Payout (Incl. Div. Tax) % | 22.4 | 32.4 | 18.8 | 16.1 | 15.8 | 15.2 | 15.9 | 15.9 |
| Valuation (x) | | | | | | | | |
| P/E | 39.4 | 35.6 | 33.1 | 28.4 | 27.8 | 26.7 | 26.1 | 23.3 |
| Cash P/E | 26.3 | 23.8 | 22.0 | 19.3 | 18.9 | 18.5 | 18.0 | 16.5 |
| EV/EBITDA | 19.7 | 16.9 | 15.1 | 11.5 | 10.7 | 10.0 | 9.2 | 7.9 |
| EV/Sales | 2.7 | 1.9 | 1.6 | 1.3 | 1.2 | 1.1 | 1.0 | 0.9 |
| Price to Book Value | 4.3 | 2.8 | 2.7 | 2.3 | 2.1 | 2.0 | 1.9 | 1.8 |
| Dividend Yield (%) | 0.6 | 0.9 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 |
| Profitability Ratios (%) | | | | | | | | |
| RoE | 11.0 | 7.9 | 8.1 | 8.0 | 7.5 | 7.6 | 7.3 | 7.7 |
| RoCE | 11.8 | 10.0 | 8.4 | 8.7 | 7.8 | 7.7 | 7.6 | 7.9 |
| RoIC | 19.6 | 21.3 | 18.7 | 22.0 | 22.9 | 25.5 | 28.5 | 31.8 |
| Turnover Ratios | | | | | | | | |
| Debtors (Days) | 32 | 35 | 32 | 29 | 35 | 31 | 31 | 31 |
| Inventory (Days) | 85 | 72 | 75 | 74 | 84 | 74 | 74 | 74 |
| Creditors (Days) | 60 | 48 | 38 | 53 | 63 | 66 | 65 | 65 |
| Working Capital (Days) | 58 | 60 | 68 | 50 | 56 | 38 | 40 | 40 |
| Gross Fixed Asset Turnover (x) | 2.3 | 2.6 | 2.7 | 2.8 | 2.7 | 2.6 | 2.6 | 2.6 |
| Leverage Ratio | | | | | | | | |
| Net Debt/Equity (x) | -0.1 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Cash Flow Statement

(INR M)

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E |
|-------------------------------|----------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| OP/(Loss) before Tax | 10,179 | 57,199 | 12,151 | 14,099 | 14,415 | 14,911 | 14,942 | 16,796 |
| Interest/Dividends Received | -362 | -225 | -233 | -237 | -212 | 193 | 1,042 | 1,076 |
| Depreciation & Amortisation | 3,794 | 4,131 | 4,558 | 4,975 | 5,039 | 5,010 | 5,168 | 5,321 |
| Direct Taxes Paid | -2,721 | -10,472 | -3,212 | -3,707 | -3,726 | -3,898 | -4,136 | -4,629 |
| (Inc)/Dec in Working Capital | 3,044 | -3,479 | -4,538 | 4,874 | -2,637 | 6,400 | -368 | -760 |
| Other Items | 200 | -46,951 | -242 | -38 | 100 | -304 | 0 | 0 |
| CF from Oper. Activity | 14,134 | 205 | 8,484 | 19,965 | 12,979 | 22,312 | 16,648 | 17,806 |
| (Inc)/Dec in FA+CWIP | -3,384 | -5,783 | -3,493 | -4,844 | -4,245 | -4,090 | -5,000 | -5,000 |
| Free Cash Flow | 10,750 | -5,579 | 4,991 | 15,122 | 8,735 | 18,222 | 11,648 | 12,806 |
| (Pur)/Sale of Invest. | -9,385 | 8,537 | -5,385 | -11,328 | -7,558 | -8,435 | -9,364 | -10,500 |
| CF from Inv. Activity | -12,769 | 2,754 | -8,878 | -16,172 | -11,803 | -12,525 | -14,364 | -15,500 |
| Interest Rec./(Paid) | -289 | -549 | -461 | -601 | -539 | -452 | -376 | -407 |
| Dividends Paid | -1,700 | -1,698 | 0 | -2,848 | -1,596 | -1,592 | -1,828 | -2,040 |
| CF from Fin. Activity | -1,989 | -2,247 | -461 | -2,301 | -2,239 | -9,253 | -2,204 | -2,447 |
| Inc/(Dec) in Cash | -623 | 711 | -855 | 1,493 | -1,062 | 534 | 80 | -141 |
| Add: Beginning Balance | 1,449 | 826 | 1,536 | 681 | 2,174 | 1,113 | 1,646 | 1,726 |
| Closing Balance | 826 | 1,536 | 681 | 2,174 | 1,113 | 1,646 | 1,726 | 1,585 |

E: MOFSL Estimates

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NOTES

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|----------------------------------|--|
| 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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