

# TVS Motor Company (TVSL IN)

**Q2FY27 Result  
Update**

October 29, 2026

☒ Estimate Change | ☒ Target | ☐ Reco.

## Change in Estimates

|                 | Current    |         | Previous   |         |
|-----------------|------------|---------|------------|---------|
|                 | FY28E      | FY29E   | FY28E      | FY29E   |
| Rating          | Accumulate |         | Accumulate |         |
| Target Price    | 4,650      |         | 4,500      |         |
| Sales (INR mn)  | 688,470    | 756,952 | 673,880    | 737,881 |
| % Chng.         | 2.2        | 2.6     |            |         |
| EBITDA (INR mn) | 91,567     | 102,189 | 88,615     | 98,876  |
| % Chng.         | 3.3        | 3.4     |            |         |
| EPS (INR)       | 122.6      | 137.3   | 117.7      | 133.6   |
| % Chng.         | 4.2        | 2.8     |            |         |

## Key Data

TVSM.BO | TVSL IN

|                     |                             |
|---------------------|-----------------------------|
| BSE Code            | 532343                      |
| NSE Code            | TVSMOTOR                    |
| 52-W High / Low     | INR 4,484 / INR 3,228       |
| Face Value          | 1                           |
| Sensex / Nifty      | 73,246 / 22,699             |
| Market Cap          | INR 2,014 bn / \$ 21,152 mn |
| Shares Outstanding  | 475.09 mn                   |
| 3M Avg. Daily Value | INR 4,081.27 mn             |

## Shareholding Pattern (%)

|                            |       |
|----------------------------|-------|
| Promoters                  | 50.27 |
| FII's                      | 21.39 |
| Mutual Funds               | 15.58 |
| Domestic Institutions      | 4.71  |
| Public & Others            | 8.03  |
| Promoter's Pledge (INR bn) | -     |

## Stock Performance (%)

|          | 1M  | 3M   | 6M   | 12M  |
|----------|-----|------|------|------|
| Absolute | 3.5 | 6.2  | 21.3 | 19.0 |
| Relative | 2.9 | 11.3 | 27.3 | 37.5 |

## Key Financials - Standalone

| Y/e Mar             | FY26      | FY27E     | FY28E     | FY29E     |
|---------------------|-----------|-----------|-----------|-----------|
| Sales (INR mn)      | 472,703   | 607,976   | 688,470   | 756,952   |
| EBITDA (INR mn)     | 60,794    | 79,037    | 91,567    | 102,189   |
| Margin (%)          | 12.9      | 13.0      | 13.3      | 13.5      |
| PAT (INR mn)        | 36,457    | 49,914    | 58,255    | 65,245    |
| EV (INR mn)         | 2,058,756 | 2,046,617 | 2,043,141 | 2,038,652 |
| Total Debt (INR mn) | 54,127    | 51,327    | 49,565    | 47,840    |
| C&C Eq. (INR mn)    | 9,747     | 19,087    | 20,800    | 23,564    |
| EPS (INR)           | 76.7      | 105.1     | 122.6     | 137.3     |
| Gr. (%)             | 40.0      | 36.9      | 16.7      | 12.0      |
| DPS (INR)           | 12.0      | 12.5      | 13.0      | 13.0      |
| Yield (%)           | 0.3       | 0.3       | 0.3       | 0.3       |
| RoE (%)             | 34.5      | 37.2      | 31.9      | 27.4      |
| RoCE (%)            | 34.9      | 36.3      | 33.8      | 30.6      |
| EV/Sales (x)        | 4.4       | 3.4       | 3.0       | 2.7       |
| EV/EBITDA (x)       | 33.9      | 25.9      | 22.3      | 19.9      |
| PE (x)              | 55.3      | 40.4      | 34.6      | 30.9      |
| P/BV (x)            | 17.9      | 12.9      | 9.7       | 7.5       |

## Another Quarter of Outperformance

### Quick Pointers

- Expects 2W industry to grow in good single digits in Q3FY27 led by EVs
- Consumer finance demerger expected to unlock value for shareholders

TVSL reported strong Q2 numbers as the management aims to outperform industry in both domestic and export markets and mitigate RM inflation through cost reduction, pricing, optimization initiatives, mix, and operating leverage. It sees the scooter segment growing faster than overall 2W industry and EV penetration to further inch up. It expects to gain share in international business which should grow well in FY27. TVSL continues to invest in the brand, products, capacity enhancements and new technologies. Prudent cost reduction measures and calibrated price hikes should help mitigate the RM cost inflation amid geopolitical uncertainties and supply chain disruptions. We estimate volume/realization CAGR of 10.4%/6.0% over FY26-29E translating to revenue/EBITDA/APAT CAGR of 17.0%/18.9%/21.4%. Retain 'ACCUMULATE' rating with TP of INR4,650 (previous INR4,500), valuing the stock at 35x P/E based on Sep'28E standalone EPS, and INR101 for TVS Credit Services Ltd.

**Standalone op. revenue of INR171.0bn (+43.7% YoY, +23.1% QoQ)**, beat BBGe/PLe by +5.5%/+3.0%. Realization at INR 89.1k (+12.8% YoY, +4.6% QoQ). Gross margin stood at 27.0% (-190 bps YoY, -20 bps QoQ) missed BBGe/PLe by -50bps/-70bps. EBITDA margin of 13.0% (+30bps YoY, +20bps QoQ) beat BBGe & PLe both by +20bps. EBITDA was INR22.2bn (+47.3% YoY, +24.7% QoQ) beat BBGe/PLe by +7.1%/+4.4%. Adj PAT of INR13.8bn (+52.4% YoY, +17.3% QoQ) beat BBGe/PLe by +7.0%/+2.6%. H1FY27 (YoY): standal. op. revenue INR310.0bn (+41.0% YoY); Gross Margin 27.1% (-180bps YoY); EBITDA margin 12.9% (+30bps); Adj PAT INR25.5bn (+51.9% YoY).

**Commodity inflation increased ~1.9% QoQ in Q2:** Corresponding selling prices increase was ~1.6% and another small price hike was taken at the start of Oct'26. Future price hike decisions will be taken post Diwali, however, the management indicated that it will be smaller in magnitude as it sees RM costs stabilizing or even softening in upcoming quarters and wants to balance demand. Operating leverage continued material cost reduction and improving mix should help improve margins going ahead.

### Quarter Summary

| Y/e Mar            | Q2'27E   | Q2'27A   | % Var. | Q2'26A   | YoY gr. (%) |
|--------------------|----------|----------|--------|----------|-------------|
| Net Sales (INR mn) | 1,65,996 | 1,71,034 | 3.0    | 1,19,054 | 43.7        |
| EBITDA (INR mn)    | 21,248   | 22,190   | 4.4    | 15,066   | 47.3        |
| Margin (%)         | 12.8     | 13.0     | 20 bps | 12.7     | 30 bps      |
| PAT (INR mn)       | 13,422   | 13,772   | 2.6    | 9,036    | 52.4        |

Source: Company, PL

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**Demerger of consumer finance business:** TVS' Board approved the demerger into a separate holding company where TVS Motor shareholders will receive one share of the demerged company for every TVS Motor share they hold. However, TVS Motor will not own any share in the demerged entity. The demerger will unlock shareholder value through a focused consumer finance platform, provide strategic autonomy, sharpen capital allocation and increase flexibility for sector opportunities. The consolidation of NBFCs under the parent group is underway and only after the consolidation is completed will the demerger process start (subsequently around July'27). The demerged company's listing will take another 8-10 months' time due to regulatory and shareholder approvals.

**Exhibit 1: Quarterly Estimate**

| (INR mn)   | Q1FY27   | YoY gr. (%) | Q2FY27   | YoY gr. (%) | Q3FY27E  | YoY gr. (%) | Q4FY27E  | YoY gr. (%) |
|------------|----------|-------------|----------|-------------|----------|-------------|----------|-------------|
| Sales      | 1,38,961 | 37.8        | 1,71,034 | 43.7        | 1,49,206 | 19.6        | 1,48,775 | 16.2        |
| EBITDA     | 17,794   | 41.2        | 22,190   | 47.3        | 19,397   | -0.7        | 19,656   | 0.8         |
| Margin (%) | 12.8     | 30 bps      | 13.0     | 32 bps      | 13.0     | -9 bps      | 13.2     | 10 bps      |
| Adj. PAT   | 11,740   | 51.4        | 13,772   | 52.4        | 12,170   | 25.3        | 12,233   | 22.6        |

Source: Company, PL

**Exhibit 2: Q2FY27 Results Overview**

| Y/e Mar (INR mn)          | 2QFY27   | 2QFY26   | YoY gr. (%) | 2QFY27E  | Var (%) | 1QFY27   | QoQ gr. (%) | H1FY27   | H1FY26   | YoY gr. (%) |
|---------------------------|----------|----------|-------------|----------|---------|----------|-------------|----------|----------|-------------|
| Net Revenues              | 1,71,034 | 1,19,054 | 43.7        | 1,65,996 | 3.0     | 1,38,961 | 23.1        | 3,09,995 | 2,19,864 | 41.0        |
| Raw Materials             | 1,24,821 | 84,604   | 47.5        | 1,20,015 | 4.0     | 1,01,109 | 23.5        | 2,25,929 | 1,56,358 | 44.5        |
| Gross Margin (%)          | 27.0%    | 28.9%    | -192 bps    | 27.7%    | -68 bps | 27.2%    | -22 bps     | 27.1%    | 28.9%    | -177 bps    |
| Personnel                 | 8,056    | 6,068    | 32.7        | 8,300    | (2.9)   | 6,784    | 18.7        | 14,840   | 11,887   | 24.8        |
| % of Net Sales            | 4.7%     | 5.1%     | -39 bps     | 5.0%     | -29 bps | 4.9%     | -17 bps     | 4.8%     | 5.4%     | -62 bps     |
| Manufacturing & Other Exp | 15,968   | 13,317   | 19.9        | 16,434   | (2.8)   | 13,274   | 20.3        | 29,242   | 23,949   | 22.1        |
| % of Net Sales            | 9.3%     | 11.2%    | -185 bps    | 9.9%     | -56 bps | 9.6%     | -22 bps     | 9.4%     | 10.9%    | -146 bps    |
| Total Expenditure         | 1,48,844 | 1,03,989 | 43.1        | 1,44,749 | 2.8     | 1,21,167 | 22.8        | 2,70,011 | 1,92,194 | 40.5        |
| EBITDA                    | 22,190   | 15,066   | 47.3        | 21,248   | 4.4     | 17,794   | 24.7        | 39,984   | 27,670   | 44.5        |
| EBITDA Margin (%)         | 13.0%    | 12.7%    | 32 bps      | 12.8%    | 17 bps  | 12.8%    | 17 bps      | 12.9%    | 12.6%    | 31 bps      |
| Depreciation              | 2,756    | 2,154    | 28.0        | 2,678    | 2.9     | 2,653    | 3.9         | 5,409    | 4,203    | 28.7        |
| EBIT                      | 19,434   | 12,912   | 50.5        | 18,570   | 4.7     | 15,141   | 28.3        | 34,575   | 23,467   | 47.3        |
| Interest Expenses         | 1,239    | 466      | 165.9       | 652      | 90.0    | 755      | 64.0        | 1,994    | 869      | 129.5       |
| Non-operating income      | 450      | -207     | (317.2)     | 50       | 800.8   | 1,508    | (70.1)      | 1,959    | 142      | 1,283.3     |
| Extraordinary Income      |          |          |             |          |         |          |             |          |          |             |
| Extraordinary Expenses    |          |          |             |          |         |          |             |          |          |             |
| PBT                       | 18,646   | 12,238   | 52.4        | 17,968   | 3.8     | 15,895   | 17.3        | 34,540   | 22,740   | 51.9        |
| Tax-Total                 | 4,874    | 3,202    | 52.2        | 4,546    | 7.2     | 4,155    | 17.3        | 9,029    | 5,947    | 51.8        |
| Tax Rate (%) - Total      | 26.1%    | 26.2%    | -2 bps      | 25.3%    | 84 bps  | 26.1%    | 0 bps       | 26.1%    | 26.2%    | -1 bps      |
| Reported PAT              | 13,772   | 9,036    | 52.4        | 13,422   | 2.6     | 11,740   | 17.3        | 25,511   | 16,793   | 51.9        |
| Adj. PAT                  | 13,772   | 9,036    | 52.4        | 13,422   | 2.6     | 11,740   | 17.3        | 25,511   | 16,793   | 51.9        |
| PAT Margin (%)            | 8.1%     | 7.6%     | 46 bps      | 8.1%     | -3 bps  | 8.4%     | -40 bps     | 8.2%     | 7.6%     | 59 bps      |

Source: Company, PL

## Exhibit 3: Operating Metrics

| Y/e Mar (INR mn)         | 2QFY27    | 2QFY26    | YoY gr. (%) | 2QFY27E   | Var (%) | 1QFY27    | QoQ gr. (%) | H1FY27    | H1FY26    | YoY gr. (%) |
|--------------------------|-----------|-----------|-------------|-----------|---------|-----------|-------------|-----------|-----------|-------------|
| Sales Volume (nos)       | 19,19,005 | 15,06,950 | 27.3        | 19,19,005 | -       | 16,30,558 | 17.7        | 35,49,563 | 27,84,122 | 27.5        |
| Net Realisation/Vehicle  | 89,126    | 79,003    | 12.8        | 86,501    | 3.0     | 85,223    | 4.6         | 87,333    | 78,971    | 10.6        |
| Material cost / vehicle  | 65,044    | 56,142    | 15.9        | 62,540    | 4.0     | 62,009    | 4.9         | 63,650    | 56,161    | 13.3        |
| Gross Profit / vehicle   | 24,082    | 22,861    | 5.3         | 23,961    | 0.5     | 23,214    | 3.7         | 23,683    | 22,810    | 3.8         |
| Employee cost /vehicle   | 4,198     | 4,027     | 4.2         | 4,325     | (2.9)   | 4,161     | 0.9         | 4,181     | 4,269     | (2.1)       |
| Other expenses / vehicle | 8,321     | 8,837     | (5.8)       | 8,564     | (2.8)   | 8,141     | 2.2         | 8,238     | 8,602     | (4.2)       |
| EBITDA/vehicle           | 11,563    | 9,997     | 15.7        | 11,072    | 4.4     | 10,913    | 6.0         | 11,264    | 9,939     | 13.3        |
| Net Profit/vehicle       | 7,176     | 5,996     | 19.7        | 6,994     | 2.6     | 7,200     | (0.3)       | 7,187     | 6,032     | 19.2        |

Source: Company, PL

## Conference Call Highlights

### Outlook

- Industry ICE 2W and 3W is expected to have single digit YoY growth in H2FY27
- Industry ICE 2W grew 15% YoY in H1FY27 (+10% YoY in Q1, +20% YoY in Q2). Momentum should persist in Q3, although YoY growth will likely be in single digit given the high base from the post-GST cut demand spike
- TVS is expected to outpace 2W and 3W industry growth in domestic and international markets in Q3 and Q4
- Scooter momentum remains strong, with scooter category share at 41% and this could potentially go up to 45-50% in the next 2-3 years.

### Investments

- INR 7.11bn investment in Q2 was used to purchase shares from other shareholders in TVS Credit Services
- INR 5.66bn Singapore investment is entirely for Norton

### Capacity

- Capacity expansion is ongoing and 2W and 3W capacity will soon cross 8mn and 0.4mn respectively
- EV capacity currently at 60-65k units per month for domestic and international markets, and the next stage of expansion will increase this to 80k units per month. Orbiter's capacity expansion will be completed by Q4

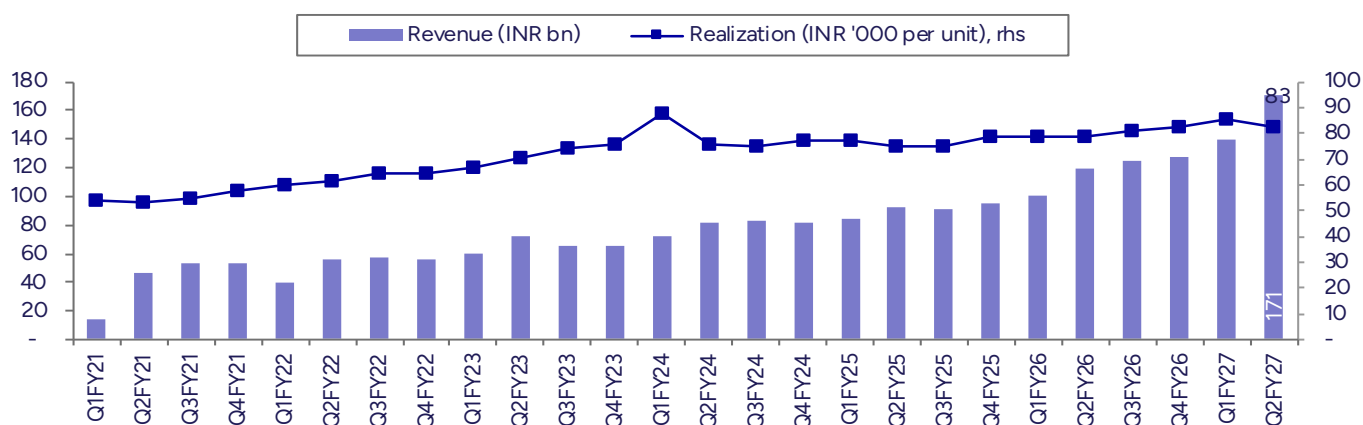
### International markets

- International business grew +35% YoY to 0.5mn units taking export revenue to INR43.78bn
- TVS's international business growth was driven by demand in key markets and continued distribution across Africa, LatAm and Asia. In each of these markets TVS has outperformed the industry growth
- Management's strategy to widen its international footprint encompasses market expansion, product portfolio enhancement and deeper channel engagement
- TVS exported 6,930 EVs in Q2FY27 vs 1,726 EVs in Q2FY26
- Norton Manx R and Atlas are in the process of launching in Europe and US, and the India launch is expected in forthcoming months. New Norton models are being developed which will be announced in EICMA next week

### Other highlights

- TVS is maintaining inventory at 21-30 days, being mindful on total supply chain health and having pull momentum from customers at the same time
- In September, e2W, e-scooter and e3W penetration stood at ~11.6%, ~22.0% and ~47.0% respectively
- Although ICE scooters have maintained their penetration, EV scooters have grown faster
- Rural markets grew slightly better than urban for e2Ws in H1
- TVSL received PLI benefits of ~1.3-1.4% of the turnover, as it started getting the booster 2% rate. Ex of PLI, its EV profitability is improving QoQ which will further Increase with scale, variants and products
- Revenue from spares stood at INR13.14bn
- TVS Credit Q2FY27: PBT of INR3.30bn (+19% YoY from INR2.77bn), Book size at INR338.18bn (+22% YoY from INR278.07bn). Loans disbursed to 14 lakh new customers with total base now at ~2.7Cr customers (vs 2.6Cr at Q1'27-end). Current net worth of INR65bn before proposed equity infusion of INR12bn

Exhibit 4: Revenue uptrend driven by strong volumes and realization



Source: Company, PL

## Financials

### Income Statement (INR mn)

| Y/e Mar                       | FY26          | FY27E         | FY28E         | FY29E          |
|-------------------------------|---------------|---------------|---------------|----------------|
| Net Revenues                  | 472,703       | 607,976       | 688,470       | 756,952        |
| YoY gr. (%)                   | 30.4          | 28.6          | 13.2          | 9.9            |
| Cost of Goods Sold            | 336,665       | 440,174       | 495,010       | 542,735        |
| Gross Profit                  | 136,038       | 167,801       | 193,460       | 214,217        |
| Margin (%)                    | 28.8          | 27.6          | 28.1          | 28.3           |
| Employee Cost                 | 24,522        | 29,791        | 33,735        | 36,334         |
| Other Expenses                | 50,723        | 58,974        | 68,159        | 75,695         |
| <b>EBITDA</b>                 | <b>60,794</b> | <b>79,037</b> | <b>91,567</b> | <b>102,189</b> |
| YoY gr. (%)                   | 36.6          | 30.0          | 15.9          | 11.6           |
| Margin (%)                    | 12.9          | 13.0          | 13.3          | 13.5           |
| Depreciation and Amortization | 9,006         | 11,217        | 12,876        | 14,467         |
| <b>EBIT</b>                   | <b>51,787</b> | <b>67,819</b> | <b>78,690</b> | <b>87,722</b>  |
| Margin (%)                    | 11.0          | 11.2          | 11.4          | 11.6           |
| Net Interest                  | 2,039         | 2,979         | 2,926         | 2,808          |
| Other Income                  | (300)         | 2,339         | 1,909         | 2,080          |
| <b>Profit Before Tax</b>      | <b>49,035</b> | <b>67,180</b> | <b>77,673</b> | <b>86,994</b>  |
| Margin (%)                    | 10.4          | 11.0          | 11.3          | 11.5           |
| Total Tax                     | 12,883        | 17,265        | 19,418        | 21,748         |
| Effective Tax Rate (%)        | 26.3          | 25.7          | 25.0          | 25.0           |
| <b>Profit After Tax</b>       | <b>36,152</b> | <b>49,914</b> | <b>58,255</b> | <b>65,245</b>  |
| Minority Interest             | -             | -             | -             | -              |
| Share Profit from Associate   | -             | -             | -             | -              |
| <b>Adjusted PAT</b>           | <b>36,457</b> | <b>49,914</b> | <b>58,255</b> | <b>65,245</b>  |
| YoY gr. (%)                   | 40.0          | 36.9          | 16.7          | 12.0           |
| Margin (%)                    | 7.7           | 8.2           | 8.5           | 8.6            |
| Extra Ord. Income / (Exp)     | (305)         | -             | -             | -              |
| <b>Reported PAT</b>           | <b>36,152</b> | <b>49,914</b> | <b>58,255</b> | <b>65,245</b>  |
| YoY gr. (%)                   | 38.8          | 38.1          | 16.7          | 12.0           |
| Margin (%)                    | 7.6           | 8.2           | 8.5           | 8.6            |
| Other Comprehensive Income    | -             | -             | -             | -              |
| Total Comprehensive Income    | 36,152        | 49,914        | 58,255        | 65,245         |
| <b>Equity Shares O/s (mn)</b> | <b>475</b>    | <b>475</b>    | <b>475</b>    | <b>475</b>     |
| <b>EPS (INR)</b>              | <b>76.7</b>   | <b>105.1</b>  | <b>122.6</b>  | <b>137.3</b>   |

Source: Company, PL

### Balance Sheet (INR mn)

| Y/e Mar                               | FY26           | FY27E          | FY28E          | FY29E          |
|---------------------------------------|----------------|----------------|----------------|----------------|
| <b>Non-Current Assets</b>             |                |                |                |                |
| <b>Gross Block</b>                    | <b>116,969</b> | <b>146,969</b> | <b>170,969</b> | <b>199,969</b> |
| Tangibles                             | 116,969        | 146,969        | 170,969        | 199,969        |
| Intangibles                           | -              | -              | -              | -              |
| <b>Acc: Dep / Amortization</b>        | <b>62,372</b>  | <b>73,589</b>  | <b>86,466</b>  | <b>100,932</b> |
| Tangibles                             | 62,372         | 73,589         | 86,466         | 100,932        |
| Intangibles                           | -              | -              | -              | -              |
| <b>Net Fixed Assets</b>               | <b>54,597</b>  | <b>73,380</b>  | <b>84,503</b>  | <b>99,037</b>  |
| Tangibles                             | 54,597         | 73,380         | 84,503         | 99,037         |
| Intangibles                           | -              | -              | -              | -              |
| Capital Work In Progress              | 13,600         | 18,600         | 24,600         | 30,600         |
| Goodwill                              | -              | -              | -              | -              |
| Non-Current Investments               | 114,164        | 133,164        | 158,164        | 188,164        |
| Net Deferred Tax Assets               | (5,020)        | (5,270)        | (5,534)        | (5,811)        |
| Other Non-Current Assets              | -              | -              | -              | -              |
| <b>Current Assets</b>                 |                |                |                |                |
| Investments                           | -              | -              | -              | -              |
| Inventories                           | 15,802         | 21,654         | 26,407         | 29,034         |
| Trade Receivables                     | 20,865         | 24,985         | 32,066         | 35,255         |
| Cash & Bank Balance                   | 9,747          | 19,087         | 20,800         | 23,564         |
| Other Current Assets                  | 30,381         | 33,419         | 38,432         | 44,197         |
| <b>Total Assets</b>                   | <b>259,157</b> | <b>324,289</b> | <b>384,972</b> | <b>449,851</b> |
| <b>Equity</b>                         |                |                |                |                |
| Equity Share Capital                  | 475            | 475            | 475            | 475            |
| Other Equity                          | 111,868        | 155,844        | 207,922        | 266,991        |
| <b>Total Networth</b>                 | <b>112,343</b> | <b>156,319</b> | <b>208,397</b> | <b>267,466</b> |
| <b>Non-Current Liabilities</b>        |                |                |                |                |
| Long Term Borrowings                  | 10,381         | 8,381          | 7,381          | 6,381          |
| Provisions                            | -              | -              | -              | -              |
| Other Non Current Liabilities         | -              | -              | -              | -              |
| <b>Current Liabilities</b>            |                |                |                |                |
| ST Debt / Current of LT Debt          | 43,745         | 42,946         | 42,184         | 41,459         |
| Trade Payables                        | 82,648         | 106,604        | 116,946        | 124,430        |
| Other Current Liabilities             | 5,020          | 4,769          | 4,531          | 4,304          |
| <b>Total Equity &amp; Liabilities</b> | <b>259,157</b> | <b>324,289</b> | <b>384,972</b> | <b>449,851</b> |

Source: Company, PL

**Cash Flow (INR mn)**

| Y/e Mar                              | FY26            | FY27E           | FY28E           | FY29E           |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| PBT                                  | 49,035          | 67,180          | 77,673          | 86,994          |
| Add. Depreciation                    | 9,006           | 11,217          | 12,876          | 14,467          |
| Add. Interest                        | 2,039           | 2,979           | 2,926           | 2,808           |
| Less Financial Other Income          | (300)           | 2,339           | 1,909           | 2,080           |
| Add. Other                           | 849             | (364)           | (382)           | (401)           |
| Op. Profit before WC Changes         | 60,929          | 81,013          | 93,093          | 103,868         |
| Net Changes-WC                       | 8,382           | 10,695          | (6,743)         | (4,323)         |
| Direct Tax                           | (12,009)        | (17,265)        | (19,418)        | (21,748)        |
| <b>Net Cash from Op. Activities</b>  | <b>57,301</b>   | <b>74,442</b>   | <b>66,932</b>   | <b>77,796</b>   |
| Capital Expenditures                 | (19,773)        | (35,000)        | (30,000)        | (35,000)        |
| Interest / Dividend Income           | -               | -               | -               | -               |
| Others                               | (23,324)        | (18,636)        | (24,618)        | (29,599)        |
| <b>Net Cash from Inv. Activities</b> | <b>(43,097)</b> | <b>(53,636)</b> | <b>(54,618)</b> | <b>(64,599)</b> |
| Issue of Share Cap. / Premium        | -               | -               | -               | -               |
| Debt Changes                         | 16,957          | (2,000)         | (1,000)         | (1,000)         |
| Dividend Paid                        | (5,701)         | (5,939)         | (6,176)         | (6,176)         |
| Interest Paid                        | (2,039)         | (2,979)         | (2,926)         | (2,808)         |
| Others                               | (22,657)        | -               | -               | -               |
| <b>Net Cash from Fin. Activities</b> | <b>(13,441)</b> | <b>(10,918)</b> | <b>(10,102)</b> | <b>(9,984)</b>  |
| <b>Net Change in Cash</b>            | <b>764</b>      | <b>9,888</b>    | <b>2,212</b>    | <b>3,213</b>    |
| Free Cash Flow                       | 37,529          | 39,442          | 36,932          | 42,796          |

Source: Company, PL

**Quarterly Financials (INR mn)**

| Y/e Mar                           | Q3FY26         | Q4FY26         | Q1FY27         | Q2FY27         |
|-----------------------------------|----------------|----------------|----------------|----------------|
| <b>Net Revenues</b>               | <b>124,763</b> | <b>128,076</b> | <b>138,961</b> | <b>171,034</b> |
| YoY gr. (%)                       | 37.1           | 34.1           | 37.8           | 43.7           |
| Raw Material Expenses             | 88,828         | 91,479         | 101,109        | 124,821        |
| Gross Profit                      | 35,935         | 36,597         | 37,852         | 46,214         |
| Margin (%)                        | 28.8           | 28.6           | 27.2           | 27.0           |
| <b>EBITDA</b>                     | <b>16,329</b>  | <b>16,795</b>  | <b>17,794</b>  | <b>22,190</b>  |
| YoY gr. (%)                       | 51.0           | 26.2           | 41.2           | 47.3           |
| Margin (%)                        | 13.1           | 13.1           | 12.8           | 13.0           |
| Depreciation / Depletion          | 2,345          | 2,458          | 2,653          | 2,756          |
| <b>EBIT</b>                       | <b>13,983</b>  | <b>14,337</b>  | <b>15,141</b>  | <b>19,434</b>  |
| Margin (%)                        | 11.2           | 11.2           | 10.9           | 11.4           |
| Net Interest                      | 579            | 591            | 755            | 1,239          |
| Other Income                      | (279)          | (162)          | 1,508          | 450            |
| <b>Profit before Tax</b>          | <b>12,711</b>  | <b>13,584</b>  | <b>15,895</b>  | <b>18,646</b>  |
| Margin (%)                        | 10.2           | 10.6           | 11.4           | 10.9           |
| Total Tax                         | 3,329          | 3,607          | 4,155          | 4,874          |
| Effective Tax Rate (%)            | 26.2           | 26.6           | 26.1           | 26.1           |
| <b>Profit After Tax</b>           | <b>9,382</b>   | <b>9,977</b>   | <b>11,740</b>  | <b>13,772</b>  |
| Minority Interest                 | -              | -              | -              | -              |
| Share Profit from Associate       | -              | -              | -              | -              |
| <b>Adjusted PAT</b>               | <b>9,688</b>   | <b>9,977</b>   | <b>11,740</b>  | <b>13,772</b>  |
| YoY gr. (%)                       | 56.6           | 33.0           | 51.4           | 52.4           |
| Margin (%)                        | 7.8            | 7.8            | 8.4            | 8.1            |
| Extra Ord. Income / (Exp)         | 305            | -              | -              | -              |
| <b>Reported PAT</b>               | <b>9,382</b>   | <b>9,977</b>   | <b>11,740</b>  | <b>13,772</b>  |
| YoY gr. (%)                       | 51.7           | 33.0           | 51.4           | 52.4           |
| Margin (%)                        | 7.5            | 7.8            | 8.4            | 8.1            |
| Other Comprehensive Income        | -              | -              | -              | -              |
| <b>Total Comprehensive Income</b> | <b>9,382</b>   | <b>9,977</b>   | <b>11,740</b>  | <b>13,772</b>  |
| Avg. Shares O/s (mn)              | 477            | 477            | 477            | 477            |
| <b>EPS (INR)</b>                  | <b>20.3</b>    | <b>20.9</b>    | <b>24.6</b>    | <b>28.9</b>    |

Source: Company, PL

**Key Financial Metrics**

| Y/e Mar                    | FY26  | FY27E | FY28E | FY29E |
|----------------------------|-------|-------|-------|-------|
| <b>Per Share (INR)</b>     |       |       |       |       |
| EPS                        | 76.7  | 105.1 | 122.6 | 137.3 |
| CEPS                       | 95.7  | 128.7 | 149.7 | 167.8 |
| BVPS                       | 236.5 | 329.0 | 438.6 | 563.0 |
| FCF                        | 79.0  | 83.0  | 77.7  | 90.1  |
| DPS                        | 12.0  | 12.5  | 13.0  | 13.0  |
| <b>Return Ratio (%)</b>    |       |       |       |       |
| RoCE                       | 34.9  | 36.3  | 33.8  | 30.6  |
| ROIC                       | 27.5  | 30.0  | 27.8  | 25.0  |
| RoE                        | 34.5  | 37.2  | 31.9  | 27.4  |
| <b>Balance Sheet</b>       |       |       |       |       |
| Net Debt : Equity (x)      | 0.4   | 0.2   | 0.1   | 0.1   |
| Net Working Capital (Days) | (36)  | (36)  | (31)  | (29)  |
| <b>Valuation (x)</b>       |       |       |       |       |
| PER                        | 55.3  | 40.4  | 34.6  | 30.9  |
| P/B                        | 17.9  | 12.9  | 9.7   | 7.5   |
| P/CEPS                     | 44.3  | 33.0  | 28.3  | 25.3  |
| EV/EBITDA                  | 33.9  | 25.9  | 22.3  | 19.9  |
| EV/Sales                   | 4.4   | 3.4   | 3.0   | 2.7   |
| Dividend Yield (%)         | 0.3   | 0.3   | 0.3   | 0.3   |
| FCFF Yield (%)             | 1.9   | 2.0   | 1.8   | 2.1   |
| PEG Ratio                  | 1.4   | 1.1   | 2.1   | 2.6   |

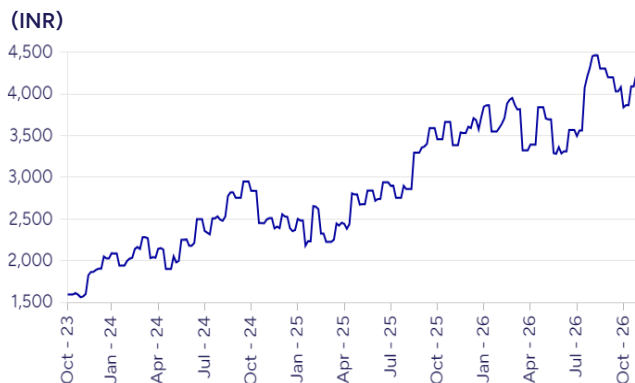
Source: Company, PL

**Key Operating Metrics**

| Y/e Mar                          | FY26      | FY27E     | FY28E     | FY29E     |
|----------------------------------|-----------|-----------|-----------|-----------|
| Scooter volume (units)           | 2,412,873 | 2,993,064 | 3,299,256 | 3,534,956 |
| Motorcycle volume (units)        | 2,712,853 | 3,046,908 | 3,244,852 | 3,399,879 |
| Moped volume (units)             | 544,222   | 596,126   | 625,316   | 643,656   |
| Total two-wheeler volume (units) | 5,669,948 | 6,636,099 | 7,169,424 | 7,578,490 |
| Three-wheeler volume (units)     | 219,060   | 282,933   | 316,885   | 339,067   |
| Total volume (units)             | 5,889,008 | 6,919,032 | 7,486,309 | 7,917,557 |
| Realisation per unit (Rs)        | 80,269    | 87,870    | 91,964    | 95,604    |

Source: Company, PL

## Price Chart



## Recommendation History

| No. | Date      | Rating     | TP (INR) | Share Price (INR) |
|-----|-----------|------------|----------|-------------------|
| 1   | 08-Oct-26 | Accumulate | 4500     | 3926              |
| 2   | 22-Jul-26 | Accumulate | 4200     | 3792              |
| 3   | 08-Jul-26 | Accumulate | 4100     | 3713              |
| 4   | 14-May-26 | Accumulate | 3950     | 3527              |
| 5   | 09-Apr-26 | Accumulate | 4150     | 3701              |
| 6   | 30-Jan-26 | Accumulate | 4200     | 3655              |
| 7   | 08-Jan-26 | Accumulate | 4360     | 3840              |
| 8   | 29-Oct-25 | Accumulate | 3907     | 3562              |
| 9   | 08-Oct-25 | Accumulate | 3908     | 3483              |
| 10  | 29-Apr-25 | Hold       | 2660     | 2793              |

## Analyst Coverage Universe

| Sr. No. | Company Name        | Rating     | TP (INR) | Share Price (INR) |
|---------|---------------------|------------|----------|-------------------|
| 1       | Bajaj Auto          | Accumulate | 10800    | 9884              |
| 2       | Eicher Motors       | Accumulate | 8000     | 6960              |
| 3       | Hero MotoCorp       | Accumulate | 5700     | 5004              |
| 4       | Mahindra & Mahindra | BUY        | 3750     | 2800              |
| 5       | Maruti Suzuki       | BUY        | 13750    | 11450             |
| 6       | TVS Motor Company   | Accumulate | 4500     | 3926              |

## PL's Recommendation Nomenclature (Absolute Performance)

|                          |                                   |
|--------------------------|-----------------------------------|
| <b>BUY</b>               | : > 15%                           |
| <b>Accumulate</b>        | : 5% to 15%                       |
| <b>Hold</b>              | : +5% to -5%                      |
| <b>Reduce</b>            | : -5% to -15%                     |
| <b>Sell</b>              | : < -15%                          |
| <b>Not Rated (NR)</b>    | : No specific call on the stock   |
| <b>Under Review (UR)</b> | : Rating likely to change shortly |

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