

EICHER MOTORS LTD
INCOME STATEMENT

INCOME STATEMENT	2020A	2021A	2022A	2023A	2024A	2025(T)	2026F	2027F	2028F
Income Statement									
Sales	₹ 9,153.58	₹ 8,720.35	₹ 10,297.83	₹ 14,442.18	₹ 16,535.78	₹ 18,959.92	₹ 22,556.22	₹ 26,680.44	₹ 30,555.91
<i>Sales Growth</i>	-4.73%	18.09%	40.24%	14.50%	14.65%	18.97%	18.28%	14.53%	
Cost Of Goods Sold (COGS)	₹ 6,113.89	₹ 6,261.01	₹ 7,167.90	₹ 9,689.90	₹ 10,700.98	₹ 12,892.92	₹ 15,392.95	₹ 18,017.72	₹ 20,508.13
<i>COGS % of sales</i>	66.79%	71.80%	69.61%	67.09%	64.71%	68.00%	68.24%	67.53%	67.12%
Gross Profit	₹ 3,039.69	₹ 2,459.34	₹ 3,129.93	₹ 4,752.28	₹ 5,834.80	₹ 6,067.00	₹ 7,163.27	₹ 8,662.71	₹ 10,047.78
<i>Gross Profit % of sales</i>	33.21%	28.20%	30.39%	32.91%	35.29%	32.00%	31.76%	32.47%	32.88%
Selling and General Expenses(S&A)	₹ 856.80	₹ 676.11	₹ 952.36	₹ 1,306.56	₹ 1,505.43	₹ 1,973.48	₹ 1,765.71	₹ 1,994.24	₹ 2,201.61
<i>S&GA % of sales</i>	9.36%	7.75%	9.25%	9.05%	9.10%	10.41%	7.83%	7.47%	7.21%
EBITDA	₹ 2,182.89	₹ 1,798.23	₹ 2,177.57	₹ 4,445.72	₹ 4,329.37	₹ 4,093.53	₹ 5,397.56	₹ 6,668.47	₹ 7,445.17
Depreciation and Amortization	381.54	450.73	451.93	526.21	597.6	661.48	782.81	883.47	909.10
<i>4.17%</i>	5.17%	4.39%	3.64%	3.61%	3.49%	3.47%	3.31%	3.29%	
EBIT	₹ 1,801.35	₹ 1,332.50	₹ 1,725.64	₹ 2,919.51	₹ 3,731.77	₹ 3,432.05	₹ 4,614.75	₹ 5,784.99	₹ 6,937.07
Other Income	₹ 572.42	₹ 482.34	₹ 495.65	₹ 908.14	₹ 1,521.13	₹ 2,044.95	₹ 3,005.65	₹ 4,749.95	₹ 7,207.45
Interest	18.88	16.45	18.78	28.02	50.88	53.18	43.79	50.37	55.89
EBT	₹ 2,354.89	₹ 1,798.39	₹ 2,202.51	₹ 3,799.63	₹ 5,202.02	₹ 5,423.82	₹ 7,576.62	₹ 10,484.58	₹ 14,088.64
Tax	527.45	451.5	525.91	885.69	1201.01	1217.77	1894.15	2,621.14	3,522.16
22.40%	25.11%	23.88%	23.31%	23.09%	22.45%	25.00%	25.00%	25.00%	25.00%
Net Profit	₹ 1,827.44	₹ 1,346.89	₹ 1,676.60	₹ 2,913.94	₹ 4,001.01	₹ 4,206.05	₹ 5,682.46	₹ 7,863.43	₹ 10,566.48
<i>Increase</i>	-26.30%	24.48%	73.80%	37.31%	5.12%	35.10%	38.38%	34.37%	
<i>Net profit % of Sales(Margin)</i>	19.96%	15.45%	16.48%	20.18%	24.20%	22.18%	25.19%	29.47%	34.58%
Shares -outstanding(in Cr.)	27.31	27.33	27.34	27.35	27.38	27.38	27.38	27.38	27.38
Earnings Per Share(EPs)	₹ 66.915	₹ 49.282	₹ 61.324	₹ 106.543	₹ 146.129	₹ 153.617	₹ 207.541	₹ 287.196	₹ 385.920
Divident Payout Ratio	18.67%	34.50%	34.24%	34.73%	34.90%	30.00%	30.00%	30.00%	30.00%
Dividend	₹ 341.25	₹ 464.61	₹ 574.14	₹ 1,011.95	₹ 1,396.38	₹ 1,261.81	₹ 1,704.74	₹ 2,359.03	₹ 3,169.94
Retained Earnings	₹ 882.28	₹ 1,102.46	₹ 1,901.99	₹ 2,604.63	₹ 2,944.23	₹ 3,977.72	₹ 5,504.40	₹ 7,396.54	

Balance Sheet

Years	2020A	2021A	2022A	2023A	2024A	2025(T)	2026F	2027F	2028F
Equity Share Capital	₹ 27.30	₹ 27.33	₹ 27.34	₹ 27.35	₹ 27.38	₹ 27.38	₹ 27.38	₹ 27.38	₹ 27.38
Reserves	₹ 9,953.63	₹ 11,410.75	₹ 12,580.66	₹ 14,962.93	₹ 18,018.15	₹ 20,962.38	₹ 24,941.11	₹ 30,444.51	₹ 37,841.04
Borrowings	₹ 249.00	₹ 219.25	₹ 107.71	₹ 288.41	₹ 419.44	₹ 419.44	₹ 419.44	₹ 419.44	₹ 419.44
Other Liabilities	₹ 3,211.79	₹ 1,388.28	₹ 1,636.12	₹ 2,108.95	₹ 2,560.16				
Trade Payable	₹ 1,008.00	₹ 1,513.00	₹ 1,788.00	₹ 1,810.00	₹ 2,090.00	₹ 2,676.75	₹ 3,327.39	₹ 3,802.91	₹ 4,171.12
Total Liabilities	₹ 12,449.72	₹ 14,558.61	₹ 16,139.83	₹ 19,197.64	₹ 23,115.13	₹ 24,085.96	₹ 28,714.31	₹ 34,694.24	₹ 42,458.99
Net Block	₹ 2,377.52	₹ 2,433.30	₹ 2,424.28	₹ 2,689.99	₹ 2,914.38	₹ 3,312.84	₹ 3,997.40	₹ 4,010.12	₹ 4,069.90
Capital Work in Progress	₹ 312.17	₹ 314.29	₹ 504.78	₹ 472.07	₹ 555.10	₹ 655.57	₹ 802.77	₹ 906.46	₹ 1,067.48
Investments	₹ 5,748.77	₹ 3,902.14	₹ 7,720.58	₹ 12,320.66	₹ 13,526.95	₹ 18,095.89	₹ 24,208.03	₹ 32,384.64	₹ 43,232.03
Total Non-current Asset	₹ 8,438.46	₹ 6,649.73	₹ 10,649.64	₹ 15,482.72	₹ 16,996.44	₹ 22,064.30	₹ 29,008.21	₹ 37,301.22	₹ 48,460.41
Receivables	₹ 86.76	₹ 158.16	₹ 302.04	₹ 368.92	₹ 373.78	₹ 398.52	₹ 526.17	₹ 650.07	₹ 714.15
Inventory	₹ 572.35	₹ 874.60	₹ 1,132.40	₹ 1,278.44	₹ 1,409.64	₹ 1,688.85	₹ 2,131.39	₹ 2,490.42	₹ 2,735.59
Cash & Bank	₹ 2,950.59	₹ 5,830.36	₹ 2,722.47	₹ 2,765.58	₹ 146.31	₹ 2,914.96	₹ 7,685.47	₹ 13,109.22	₹ 20,358.58
Other assets	₹ 401.56	₹ 1,045.76	₹ 1,333.28	₹ 1,301.98	₹ 4,188.96				
<i>Mismatch entry</i>	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 2,849.25	₹ 4,734.03	₹ 7,361.74	₹ 10,889.41
Total Current Assets	₹ 4,011.26	₹ 7,908.88	₹ 5,490.19	₹ 5,714.92	₹ 6,118.69	₹ 2,021.66	₹ 2,293.89	₹ 2,606.98	₹ 6,011.42
Total Asset	₹ 12,449.72	₹ 14,558.61	₹ 16,139.83	₹ 19,197.64	₹ 23,115.13	₹ 24,085.96	₹ 28,714.31	₹ 34,694.24	₹ 42,458.99
TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
Assets=Liabilities + Equity	₹ 12,449.72	₹ 14,558.61	₹ 16,139.83	₹ 19,197.64	₹ 23,115.13	₹ 24,085.96	₹ 28,714.31	₹ 34,694.24	₹ 42,458.99
Shareholder Equity	9980.93	11438.08	12608	14990.28	18045.53	20989.76	24967.49	30471.89	37868.42
Total Capital Employed	11441.72	13045.61	14351.83	17387.64	21025.13	21409.20	25386.93	30891.33	38287.86

Cash Flow Statement

Years	2020A	2021A	2022A	2023A	2024A	2025(T)	2026F	2027F	2028F
Cash Flow From Operation Activity									
Profit from operations	₹ 2,236.00	₹ 1,912.00	₹ 2,172.00	₹ 3,527.00	₹ 4,404.00	₹ 4,206.05	₹ 5,682.46	₹ 7,863.43	₹ 10,566.48
Depreciation	₹ 0.00	₹ 73.00	₹ 147.00	₹ 59.00	₹ 5.00	₹ 24.74	₹ 127.65	₹ 123.90	₹ 64.08
Receivables	₹ 61.00	₹ 302.00	₹ 258.00	₹ 146.00	₹ 131.00	₹ 279.21	₹ 442.55	₹ 359.03	₹ 263.17
Inventory	₹ 235.00	₹ 495.00	₹ 283.00	₹ 22.00	₹ 304.00	₹ 586.75	₹ 650.63	₹ 475.52	₹ 368.21
Payables	₹ 1.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Loans Advances	₹ 259.00	₹ 115.00	₹ 10.00	₹ 249.00	₹ 220.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Other WC items	₹ 86.00	₹ 235.00	₹ 131.00	₹ 66.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Working capital changes	₹ 628.00	₹ 457.00	₹ 514.00	₹ 770.00	₹ 1,068.00	₹ 1,217.77	₹ 1,894.15	₹ 2,621.14	₹ 3,522.16
Direct taxes	₹ 665.00	₹ 3,290.00	₹ 2,864.00	₹ 2,055.00	₹ 2,089.00	₹ 100.47	₹ 147.20	₹ 103.68	₹ 161.03
Cash flow from operation	₹ 1,509.00	₹ 1,625.00	₹ 2,396.00	₹ 2,835.00	₹ 3,336.00	₹ 3,932.57	₹ 4,651.55	₹ 6,118.35	₹ 7,994.38
Cash Flow From Investing Activity									
Fixed assets purchased	₹ 546.00	₹ 532.00	₹ 641.00	₹ 682.00	₹ 819.00	-1,060	-1,467	-896	-969
Fixed assets sold	₹ 1.00	₹ 17.00	₹ 2.00	₹ 9.00	₹ 4.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Investments purchased	₹ 8,746.00	₹ 3,983.00	₹ 7,134.00	₹ 9,103.00	₹ 6,106.00	₹ 4,568.93	₹ 6,112.15	₹ 8,176.61	₹ 10,938.38
Investments sold	₹ 8,176.00	₹ 5,971.00	₹ 3,500.00	₹ 5,080.00	₹ 5,968.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Interest received	₹ 204.00	₹ 192.00	₹ 398.00	₹ 204.00	₹ 112.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Dividends received	₹ 68.00	₹ 0.00	₹ 27.00	₹ 41.00	₹ 95.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Investment in group cos	₹ 1.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00	₹ 0.00
Other investing items	₹ 1,665.00	₹ 3,290.00	₹ 2,864.00	₹ 2,055.00	₹ 2,089.00	₹ 100.47	₹ 147.20	₹ 103.68	₹ 161.03
Cash flow from investing activity	₹ 1,509.00	₹ 1,625.00	₹ 2,396.00	₹ 2,835.00	₹ 3,336.00	₹ 3,932.57	₹ 4,651.55	₹ 6,118.35	₹ 7,994.38
Cash Flow From Financing Activity									
Proceeds from shares	₹ 29.00	₹ 38.00	₹ 6.00	₹ 11.00	₹ 47.00				
Proceeds from borrowings	₹ 267.00	₹ 40.00	₹ 32.00	₹ 202.00	₹ 322.00				
Repayment of borrowings	₹ 298.00	₹ 27.00	₹ 137.00	₹ 20.00	₹ 127.00				
Interest paid fin	₹ 8.00	₹ 16.00	₹ 19.00	₹ 18.00	₹ 35.00	-2.30	9.39	-6.59	-5.51
Dividends paid	₹ 682.00	₹ 0.00	₹ 465.00	₹ 574.00	₹ 1,013.00	₹ 1,261.81	₹ 1,261.81	₹ 2,359.03	₹ 3,169.94
Financial Liabilities	₹ 40.00	₹ 39.00	₹ 17.00	₹ 19.00	₹ 37.00				
Other financing items	₹ 126.00	₹ 11.00	₹ 5.00	₹ 0.00	₹ 0.00				
Cash flow from financing activity	₹ 858.00	₹ 15.00	₹ 595.00	₹ 418.00	₹ 843.00	-1,264.11	-1,695.34	-2,365.62	-3,175.46
Net Cash Flow	₹ 673.00	₹ 50.00	₹ 52.00	₹ 9.00	₹ 342.00	-1,306.27	-4,770.51	-5,423.75	-7,249.36
Changes in Cash									
Opening cash balance	₹ 3,623.59	₹ 2,950.59	₹ 5,830.36	₹ 2,722.47	₹ 765.58	₹ 146.31	₹ 2,914.96	₹ 6,685.47	₹ 13,109.22
Net cash flow	₹ 673.00	₹ 50.00	₹ 52.00	₹ 9.00	₹ 342.00	₹ 3,061.27	₹ 4,770.51	₹ 5,423	

Inventory Turnover Ratio (COGS/Average Inventory)	10.68	7.16	6.33	7.58	7.59	7.63	7.22	7.23	7.45
Accounts Receivable Turnover (Credit sales/ average accounts receivable)	105.50	55.14	34.09	39.15	44.24	47.58	42.87	41.04	42.79
Accounts Payable Turnover (COGS/ average accounts payable)	6.07	4.14	4.01	5.35	5.12	4.82	4.63	4.74	4.92
Working Capital Turnover Ratio (Revenue/Working capital)	-26.24	-18.16	-29.13	-88.80	-53.94	-32.17	-33.67	-40.28	-43.44
Leverage Ratio									
Debt to Equity Ratio (Total Debt/ Equity)	0.02	0.02	0.01	0.02	0.02	0.02	0.02	0.01	0.01
Debt to Assets (Total Debt/Total Assets)	0.06	0.03	0.02	0.08	0.07	0.21	-1.43	-0.16	-0.07
Intrest Coverage Ratio (operating income / Intrest expenses)	95.41	81.00	91.89	104.19	73.34	64.54	105.40	114.84	124.13

Revenue Schedule

Year	2020A	2021A	2022A	2023A	2024A	2025(T)	2026F	2027F	2028F
Days in a period	365	365	365						
Revenue	9153.58	8720.35	10297.83	14442.18	16535.78	18959.92	22556.22	26680.44	30555.91
Operations									
Sales Growth		-12.6%	-2.3%	38.4%	10.7%	5.51%	9.57%	12.10%	7.48%
Sales Volume	697582	609403	595474	824066	912003	962225	1054268	1181867	1270252
Plant Capacity	1000000	1200000	1200000	1200000	1200000	1200000	1400000.00	1400000.00	1400000.00
Capacity Utilization	69.76%	50.78%	49.62%	68.67%	76.00%	80.19%	75.30%	84.42%	90.73%
Production Capacity Exceeding	No	No	No						
Days in period	365	365	365	365	365	365	365	365	365
Sales Volume (per day)	1911	1670	1631	2258	2499	2636	2888	3238	3480
Sales Volume	697582	609403	595474	824066	912003	962225	1054268	1181867	1270252
Revenue									
Sales Volume	697582	609403	595474	824066	912003	962225	1054268	1181867	1270252
Sales Price(average)	131219	143097	172935	175255	181313	197043	213952	225748	240550
Revenue	9154	8720	10298	14442	16536	18960	22556	26680	30556

Cost Schedule

Year		2020A	2021A	2022A	2023A	2024A	2025(T)	2026F	2027F	2028F
Days in a period		365	365	365	365	365	365	365	365	365
Revenue	COG	9153.58	8720.35	10297.83	14442.18	16535.78	18959.92	22556.22	26680.44	30555.91
Sales Volume		697582	609403	595474	824066	912003	962224.63	1054267.56	1181866.58	1270251.57
COGS % of sales		67%	72%	70%	67%	65%	68%	68%	68%	67%
Cost of Goods Sold		6113.89	6261.01	7167.90	9689.90	10700.98	12892.92	15392.95	18017.72	20508.13
% increase			2%	14%	35%	10%	20%	19%	17%	14%
Selling and General Expense		856.80	676.11	952.36	1306.56	1505.43	1973.48	1765.71	1994.24	2201.61
% of sales		9%	8%	9%	9%	9%	10%	8%	7%	7%
Total Cost		6970.69	6937.12	8120.26	10996.46	12206.41	14866.39	17158.66	20011.97	22709.74
% increase			-0.5%	17.1%	35.4%	11.0%	21.8%	15.4%	16.6%	13.5%
Cost as a % of Sales		76%	80%	79%	76%	74%	78%	76%	75%	74%

Working Capital Schedule

Years	2020A	2021A	2022A	2023A	2024A	2025(T)	2026F	2027F	2028F
Revenue	9153.58	8720.35	10297.83	14442.18	16535.78	18959.92	22556.22	26680.44	30555.91
COGS	6113.89	6261.01	7167.9	9689.9	10700.98	12892.92	15392.95	18017.72	20508.13
Days in a period	365	365	365	365	365	365	365	365	365
Total Amounts									
Receivables	86.76	158.16	302.04	368.92	373.78	398.5	526.2	650.1	714.2
Inventory	572.35	874.6	1132.4	1278.44	1409.64	1688.8	2131.4	2490.4	2753.6
Trade Payable	1008	1513	1788	1810	2090	2676.8	3327.4	3802.9	4171.1
Amounts In Days									
Receivables	3	7	11	9	8	8	9	9	9
Inventory	34	51	58	48	48	48	51	50	49
Trade Payable	60	88	91	68	71	76	79	77	74
Net Working Capital									
Current Assets	659.11	1032.76	1434.44	1647.36	1783.42	2087.37	2657.56	3140.49	3467.75
Current Liabilities	1008	1513	1788	1810	2090	2676.75	3327.39	3802.91	4171.12
Net Working Capital	-348.89	-480.24	-353.56	-162.64	-306.58	-589.39	-669.83	-662.42	-703.38
Change in Working Capital		-131	127	191	-144	-283	-80	7	-41
Working Capital Days	-23	-31	-23	-11	-15	-20	-20	-18	-17

Depreciation Schedule

Year		2020A	2021A	2022A	2023A	2024A	2025(T)	2026F	2027F	2028F
Sales		9153.58	8720.35	10297.83	14442.18	16535.78	18959.92	22556.22	26680.44	30555.91
Depreciation		381.54	450.73	451.93	526.21	597.6	661.48	782.81	883.47	909.10
Depreciation as a percentage of sales		4.2%	5.2%	4.4%	3.6%	3.6%	3.5%	3.5%	3.3%	3.0%
Capital Expenditure		546	532	641	682	819	1,060	1,467	896	969
Net Block		2377.52	2433.3	2424.28	2689.99	2914.38	3,313	3,997	4,010	4,070
Closing Gross Block assumption		0	0	0	0	0	678932%	825669%	915288%	#####
Gross block		3,585	4,049	4,405	5,142	5,729	6,789	8,257	9,153	10,122
Accumulated Depreciation		-1,208	-1616	-1981	-2452	-2815	-3,476	-4,259	-5,143	-6,052
Net block		2,377	2,433	2,424	2,690	2,914	3,313	3,997	4,010	4,070

Asset Schedule

Opening Gross block		3,585	4,049	4,405	5,142	5,729	6,789	8,257	9,153
Purchase/ Sales		532	641	682	819	1,060	1,467	896	969
Closing Gross block		3,585	4,049	4,405	5,142	5,729	6,789	8,257	9,153
Accumulated depreciation		1,208	1,616	1,981	2,452	2,815	3,476.48	4,259.29	5,142.76
Net Block		2,377	2,433	2,424	2,690	2,914	3,313	3,997	4,010

Accumulated Depreciation									
Beginning Accumulated Depreciation	1208	1616	1981	2452	2815	3476.48	4259.288	5142.761	
Current Year Depreciation	451	452	526	598	661.48	782.81	883.47	909.10	
Closing Accumulated Depreciation	1208	1616	1981	2452	2815	3476	4259	5143	6052
Investment	5748.77	3902.14	7720.58	12320.66	13526.96	18095.89	24208.03	32384.64	43323.03
Investment growth		-32%	98%	60%	10%	34%	34%	34%	34%
Investment Schedule									
Opening Investment	5748.77	3902.14	7720.58	12320.66	13526.96	18095.89	24208.03	32384.64	
Purchase	3983	7134	9103	6106	4568.93	6112.15	8176.61	10938.38	
Sale	-5971	-3500	-5080	-5968					
Closing Investment	5748.77	3902.14	7720.58	12320.66	13526.96	18095.89	24208.03	32384.64	43323.03
CWIP	312.17	314.29	504.78	472.07	555.10	655.57	802.77	906.46	1067.48
CWIP growth		1%	61%	-6%	18%	18%	22%	13%	18%
CWIP schedule									
Opeing CWIP	312.17	314.29	504.78	472.07	555.10	655.57	802.77	906.46	
Additon/ Tfd. To fixed asset	2.12	190.49	-32.71	83.03	100.47	147.20	103.68	161.03	
Closing CWIP	312.17	314.29	504.78	472.07	555.10	655.57	802.77	906.46	1067.48
Debt Schedule									
Opeining Balance	249	219.25	107.71	288.41	419.44	419.44	419.44	419.44	
New Issue	40	32	202	322	0	0	0	0	
Repayment	-27	-137	-20	-127	0	0	0	0	
Closing Blance	249.00	219.25	107.71	288.41	419.44	419.44	419.44	419.44	419.44

DCF Model

Weighted Average Cost of Capital(WACC)

Name	Region	Ticker	Market Cap.	Debt	EBITDA	Enterprise Value	EV/EBITDA	Equity	Capital	Average Tax	Debt/Equity	(Year monthly)		
												1	Switch 2	3
Eicher Motors	India	EICHERMOT	136308.25	403.86	6396.16	129138.49	20.19	20193	156151.70	23%	0.02	0.26%	0.52	0.51
TVS Motor Co.	India	TVSMOTOR	118059.15	14618.8	6285.10	125136.42	19.91	7775.96	22394.76	34%	1.88	65.28%	0.38	0.17
Hero Motocorp	India	HEROMOTOCO	81715.43	588.07	6538.03	77541.06	11.86	19602.33	20190.40	26%	0.03	2.91%	0.97	0.95
Bajaj Auto	India	BAJAJ-AUTO	244685.52	5245.29	11005.59	241242.57	21.92	30894.65	288370.02	23%	0.17	1.82%	1.05	0.93

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Median EV/EBITDA	20.05	Average	27%	53%	18%	0.73	0.64
		Median	25%	10%	2%	0.75	0.72

Cost of Debt		
Pre-tax Cost of Debt	13%	
Tax Rate	25%	
After Tax cost of Debt	0.10	
Cost of Debt	9.51%	

Cost of Equity		
Risk Free Rate	6.7%	(trading economics)
Equity Risk Premium	9.86%	
Expected return on market	16.60%	
Levered Beta	74.89%	
Cost of Equity	14.13%	

Capital Structure		Current	Target
Total Debt	403.86	0.30%	5%
Market Capitalization	136308.25	99.70%	95.00%
Total Capitalization	136712.11	100.00%	100.00%

Levered Beta		
Comps median beta	0.72	
Target Debt/Equity	5.26%	
Tax rate	25%	
Levered Beta	0.75	

Debt/Equity	0.30%	5.26%
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Weighted Average Cost of Capital	Weight	Cost
Cost of Equity	95.00%	14.13%
Cost of Debt	5%	9.51%
WACC	13.9%	13.9%

#	Discounted Cash Flow Schedule- Perpetuity	2025(T)	2026F	2027F	2028F	Term
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EBITDA Method						
EBITDA		4093.53	5397.56	6668.47	7846.17	7846.17
Current taxes		-1217.77	-1894.153837	-2621.144039	-3522.159697	-3522.159697
Capital Expenditure		-1,060	-1,467	-896	-969	-969
Change in working capital		283	80	-7	41	41
Unlevered Free Cash Flow		2098.25	2116.47	3143.72	3396.10	3396.10
Unlevered Free Cash Flow						
EBIT Method						
EBIT		3432.05	4614.75	5784.99	6937.07	6937.07
Tax		22.23%	24.86%	24.88%	24.90%	24.90%
NOPAT		2668.96	3467.69	4345.66	5209.66	5209.66
Depreciation		661.48	782.81	883.47	909.10	909.10
Capital Expenditure		-1060.32	-1467.37	-896.19	-968.87	-968.87
Change in Working Capital		283	80	-7	41	41
Unlevered Free Cash Flow		2552.93	2863.57	4325.53	5190.84	5190.84

#	Discounted Cash Flow - Perpetuity					
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Fiscal Year end	Valuation					Term
	(dd/mm/yy)	(dd/mm/yy)	(dd/mm/yy)	(dd/mm/yy)	(dd/mm/yy)	
Cash flow date	01/01/2025	31/03/2025	31/03/2026	31/03/2027	30/03/2028	30/03/2029
	01/01/2025	30/09/2025	30/09/2026	30/09/2027	29/09/2028	29/09/2029

Terminal Growth-	7%	(IMF projection of india)				
WACC-	13.9%					

1 Switch
2

Unlevered Free Cash Flow	2552.93	2863.57	4325.53	5190.84	5190.84
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Unadjusted Cash Flow	Discrete Forecast	2552.93	2863.57	4325.53	5190.84
	Terminal Value	0.00	0.00	0.00	72128.44
Total Cash Flow	0	638.2	2863.6	4325.5	77319.3

Adjusted Cash Flow	Partial period adjustment	25%	100%	100%	100%
	Discrete Forecast	638.23	2863.57	4325.53	5190.84
	Terminal Value	0.00	0.00	0.00	72128.44
Total Cash Flow	0	638.2	2863.6	4325.5	77319.3

Discounted Cash Flow	Years for Discounting	0.75	1.75	2.75	3.74
	Discrete Forecast	579.10	2281.24	3025.46	3188.86
	Terminal Value	0.00	0.00	0.00	44310.25
Total Cash Flow	0	579.10	2281.24	3025.46	47499.11

Enterprise Value	Manual Method	53384.90	Enterprise Value	PV of Discrete	9074.65
	XNPV Function	53381.75		PV of Terminal	44310.25
Equity Value	Enterprise Value	53381.75	Enterprise Value	53384.90	
Less-Net Debt	-257.55				
Equity Value	53124.20		Equity Value per Share	Equity Value	53124.20

Equity Value	1,940.26	Enterprise Value	53124.20
Current Market Price	4,808.05		
Premium/Discount	1.48x		

#	Discounted Cash Flow - Multiple					

Fiscal Year end	Valuation					Term
	(dd/mm/yy)	(dd/mm/yy)	(dd/mm/yy)	(dd/mm/yy)	(dd/mm/yy)	
Cash flow date	01/01/2025	31/03/2025	31/03/2026	31/03/2027	30/03/2028	30/03/2029
	01/01/2025	30/09/2025	30/09/2026	30/09/2027	29/09/2028	29/09/2029

Terminal Multiple	20.05				
WACC-	13.9%				

Unlevered Free Cash Flow	-	2552.93	2863.57	4325.53	5190.84
EBITDA					7846.17

Unadjusted Cash Flow	Discrete Forecast	2552.93	2863.57	4325.53	5190.84
	Terminal Value	0.50			147353.25
Total Cash Flow	0	638.2	2863.6	4325.5	152544.09

Adjusted Cash Flow	Partial period adjustment	0.25	1.00	1.00	1.00
	Discrete Forecast	638.23	2863.57	4325.53	5190.84
	Terminal Value	0.00	0.00	0.00	147353.25
Total Cash Flow	0	638.2	2863.6	4325.5	152544.1

Discounted Cash Flow	Years for Discounting	0.75	1.75	2.75	3.74
	Discrete Forecast	579.10	2281.24	3025.46	3188.86
	Terminal Value	0.00	0.00	0.00	79477.90
Total Cash Flow	0	579.1	2281.2	3025.5	82277.7

Enterprise Value	Manual Method	91352.34	Enterprise Value	PV of Discrete	11874.44
	XNPV Function	91345.42		PV of Terminal	79477.90
Equity Value	Enterprise Value	91345.42	Enterprise Value	91352.34	
Less-Net Debt	-257.55				
Equity Value	91087.87		Equity Value per Share	Equity Value	91087.87

Equity Value	3,326.80				
Current Market Price	4,808.05				
Premium/Discount	0.45x				

Comparable Company Analysis (CAA)

Switch No

Name	Ticker	Share price	Shares outstanding	Net Debt	Enterprise Value	Equity Value	Revenue	Net Profit	EBITDA	Valuation		
										EV/EBITDA	P/E	EV/Revenue
Eicher Motors	EICHERMOT	4810.60	27.42	257.55	132140.32	131882.77	132078.75	4442.74	6396.07	20.7x	29.7x	1.0x
TVS Motor Co.	TVSMOTOR	2381.90	47.51	12193.07	125354.07	113161.00	124210.00	2093.83	6285.93	19.9x	54.0x	1.0x
Hero Motocorp	HEROMOTOCO	3879.15	20.00	-108.40	77478.80	77587.20	77876.08	4150.52	6538.71	11.8x	18.7x	1.0x
Bajaj Auto	BAJAJ-AUTO	8479.50	27.93	4289.97	241086.46	236796.49	240488.58	7534.31	11006.34	21.9x	31.4x	1.0x

Average	18.6x	33.5x	1.0x
Median	20.3x	30.6x	1.0x
Maximum	21.9x	54.0x	1.0x
Minimum	11.8x	18.7x	1.0x

Model Switch

2

Year	2025(T)	2026F	2027F	2028F
Sales Growth	6%	10%	12%	7%
Best Case(5 year average)	8.53%	13.83%	17.85%	12.72%
Base Case(CAGR method)	5.51%	9.57%	12.10%	7.48%
Worst case(Market approach)	6.0%	7.0%	8.0%	9.0%
Average cost of sales	197042.58	213951.55	225748.29	240550.10
<hr/>				
Inflation Growth				
COGS % of sales	68.00%	68.24%	67.53%	67.12%
SG&A % of sales	1973.48	1765.71	1994.24	2201.61
<hr/>				
Closing Gross Block	678932%	825669%	915288%	1012176%
CAGR method	11.9%	14.5%	17.6%	21.5%
% of Sales	6789.32	8256.69	9152.88	10121.76
Growth rate method	12%	12%	13%	12%
<hr/>				
Depreciation	661.48	782.81	883.47	909.10
Interest as % of sales	0.31%	0.23%	0.24%	0.24%
Interest	53.2	43.8	50.4	55.9
Tax Rate	25%	25%	25%	25%
<hr/>				
Working Capital Forecast(in days)				
average of-				
Receivables	8	9	9	9
Inventory	48	51	50	49
Trade Payable	76	79	77	74
Other income	2044.95	3005.65	4749.95	7207.45
<hr/>				
Tax without interest	22%	25%	25%	25%