

**Price:** 560

**Recommendation:** Buy

**Industry:** Auto Components

**Sector:** Consumer Discretionary

**Report Date:** 19-Apr-2025

Gabriel India Limited is advancing its market position through strategic initiatives, including acquiring assets from Motherson Marelli Auto Suspension Parts, enhancing its suspension market capabilities. The company is expanding its product portfolio with gas springs and increasing production capacity. Gabriel is also focusing on exports, mergers, and technology to maintain competitiveness. Diversification into sunroofs and e-bikes, especially in Europe, is part of its growth strategy.

Sales		Profit & Loss		Profitability Matrix	
Current Year	3571 Cr	Operating Profit(Year)	313 Cr	Operating Profit Margin	8.77 %
Previous Year	2972 Cr	Operating Profit(Quarter)	78.4 Cr	EBITDA Margin	8.68 %
Current Quarter	924 Cr	PAT (Year)	184 Cr	Net Profit Margin	5.50 %
Previous Quarter	924 Cr	PAT (Quarter)	54.0 Cr	EPS	14.7
Revenue (QYoY)	814 Cr				
Valuation Matrix		Growth(YoY)		Growth(QoQ)	
Trailing P/E	38.2	Sales Growth	10.9 %	Sales Growth	0.0 %
PEG Ratio	2.71	PAT Growth	39.39 %	Sales Growth QYoY	13.51 %
EV/EBITDA	23.2	EPS Growth	13.95 %	PAT Growth	2.47 %
P/B	7.48	Dividend Yield	0.71	PAT Growth QYoY	25.58 %
Capital Allocation		Holdings		Leverage	
RoE	19.6 %	Promoter	55.0 %	Debt/Equity	0.01
RoA	12.1 %	FII	5.23 %	Debt	9.44 Cr
RoCE	26.7 %	DII	14.7 %	Market Cap	8051 Cr
RoIC	22.9 %	Public	25.1 %	Enterprise value	8015 Cr
		No of Shares	14.4 Cr	Cash Equivalents	44.6 Cr

source : Company filings

## Company's Overview Based on Recent Concall and Performance:

In the recent earnings conference call, Gabriel India Limited highlighted several strategic initiatives and business strategies aimed at enhancing its market position and driving growth. A significant move was the acquisition of assets from Motherson Marelli Auto Suspension Parts Private Limited, which is expected to bolster Gabriel's capabilities in the suspension market. This acquisition not only expands their product portfolio but also adds a new product line with gas springs, enhancing their production capacity by 3.2 million shock absorbers and 1 million gas spring units. Additionally, a technology assistance agreement with Marelli Suspension Systems Italy is set to advance their offerings for future OEM requirements. The company is also focusing on exports, mergers and acquisitions, and technology to maintain its competitive edge.

Gabriel India is actively pursuing diversification and expansion strategies. The company is set to double its sunroof production capacity by the end of 2025 to meet rising demand, driven by new vehicle launches and customer preferences. The sunroof business reported strong performance with a revenue of 92 crores and PAT margins at 6.7%. The company is also exploring opportunities in the e-bike market, particularly in Europe, which is the largest e-bike market globally. This diversification into new product lines and markets is part of Gabriel's strategy to achieve a better mix of products and customers, thereby enhancing its market presence and profitability.

Looking ahead, Gabriel India is optimistic about its growth prospects. The company aims to achieve a 10% export of total revenue, despite challenges such as the Renault and Russia issues. The recent asset purchase is expected to contribute to export growth. The company is also focusing on improving its margin profile through synergies and operational efficiencies. The management has set a target to achieve double-digit margins in the standalone business by FY '26. The ongoing efforts to enhance product offerings and expand market reach are expected to support Gabriel's growth trajectory in the coming years.

While the company has made significant strides, there are areas for improvement. The net working capital cycle has increased from 20 to 26 days, which the management attributes to temporary factors. The company is also facing challenges in maintaining margins due to one-time costs and competitive pressures in the sunroof business. However, the management remains committed to addressing these issues and is confident in its strategic direction. The focus on technology, exports, and M&A, along with a robust product pipeline, positions Gabriel India well for future growth and scaling.

GABRIEL Daily Closing One Year Price Chart



Name	Mar Cap (Rs. Cr.)	P/E	ROE	Sales(G) QoQ	Sales(G) QYoY	PAT(G) QoQ	PAT(G) QYoY
Samvardh. Mothe.	91239.64	22.12	11.80%	-0.52%	7.89%	-0.13%	61.97%
Bosch	81122.26	40.10	15.97%	1.62%	6.19%	-1.39%	4.33%
Gabriel India	8050.52	38.24	19.58%	0.02%	13.56%	2.43%	25.63%
Uno Minda	50190.53	53.32	18.89%	-1.43%	18.77%	-2.79%	20.21%
Exide Inds.	31900.50	40.23	7.05%	-9.74%	0.93%	-32.20%	-21.69%

Aspect	Commentary
Revenue	The company shows a robust revenue increase from the previous year, indicating strong sales performance. However, the quarter-on-quarter revenue remains flat, suggesting potential seasonal or market factors affecting short-term sales dynamics.
Profit & Loss	Operating profit and PAT have shown healthy growth, reflecting effective cost management and operational efficiency. The quarterly figures align with annual trends, indicating consistent performance across periods.
Profitability Matrix	The company maintains solid profitability with healthy margins. The operating profit margin and EBITDA margin are strong, supporting sustainable earnings. EPS indicates good shareholder value creation.
Valuation Matrix	The valuation metrics suggest the company is trading at a premium, with a high P/E ratio. The PEG ratio indicates growth potential, while EV/EBITDA and P/B ratios reflect market confidence in the company's future prospects.
Growth (YoY)	Year-over-year growth is positive, with significant PAT and EPS increases, indicating strong financial health and effective strategic initiatives. Dividend yield remains modest, suggesting reinvestment in growth.
Growth (QoQ)	Quarter-on-quarter growth is stable, with slight improvements in PAT. The sales growth remains unchanged, highlighting potential market saturation or strategic shifts. QYoY figures show robust performance.
Capital Allocation	The company demonstrates efficient capital allocation with strong RoE, RoA, and RoCE, indicating effective use of resources to generate returns. RoIC further supports the company's strategic investments.
Holdings	The promoter holding is substantial, indicating confidence in the company's prospects. Institutional holdings are balanced, reflecting market trust. Public holding suggests a diverse investor base.
Leverage	The company maintains a low debt-to-equity ratio, indicating prudent financial management and low leverage risk. The market cap and enterprise value reflect strong market positioning and financial stability.

**Analyst viewpoint:** Gabriel India Ltd. demonstrates strong growth fundamentals, supported by strategic initiatives and robust capital allocation, positioning it as a favorable investment in the short to mid-term. The company reported a 13.5% sales growth year-over-year and a 25.6% PAT increase, underpinned by effective cost management and strategic investments. Noteworthy is their recent acquisition of Motherson Marelli Auto Suspension Parts, which enhances their product portfolio and production capacity. Valuation metrics, such as a trailing P/E of 38.2 and ROE of 19.6%, reflect confidence and potential for future growth, while the low debt-to-equity ratio of 0.01 points to strong financial health. Additionally, the company's expansion into e-bikes and sunroofs along with the pursuit of 10% revenue from exports illustrates its ambition to diversify and capture new markets.

Despite these positive trends, Gabriel India faces challenges in maintaining margins due to competitive pressures, especially in the sunroof sector. However, management remains proactive, focusing on technological advancements and operational efficiencies. The company's strategic direction, supported by enhancing market presence and a robust product pipeline, underlines our bullish stance. While the net working capital cycle has seen a temporary increase, the management's approach to overcoming such challenges assures us that Gabriel India is well-poised for continued growth and stability in its operations.

Please read detailed disclosure on next page.

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

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (hereinafter referred to as the Regulations).

1. GOALZEN CAPITAL SERVICES PRIVATE LIMITED is a SEBI-Registered Research Analyst having SEBI registration number INH000013448. GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"), the research entity, is engaged in providing research services on securities and information on personal financial products. This Research Report (called Report) is prepared and distributed by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with brand name 'GoalFi' (brand name trademarked to research analyst and company director 'Robin Arya') and used by GOALZEN CAPITAL SERVICES PRIVATE LIMITED with mutual consent.

2. GOALZEN CAPITAL SERVICES PRIVATE LIMITED, its partners, employees, directors or agents, do not have any material adverse disciplinary history as on the date of publication of this report.

3. I, Robin Arya, author/s and the name/s in this report, hereby certify that all of the views expressed in this research report accurately reflect my/our views about the subject issuer(s) or securities. I/We also certify that no part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any financial interest in the subject company.

4. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. I/we or my/our relative or GOALZEN CAPITAL SERVICES PRIVATE LIMITED do not have any material conflict of interest. I/we have not served as director / officer, etc. in the subject company in the last 12-month period.

5. I, Robin Arya, do not hold this stock as part of my investment portfolio at the date of recommendation. I/analysts in the Company have not traded in the subject stock thirty days preceding this research report and will not trade within five days of publication of the research report as required by regulations.

6. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received any compensation from the subject company in the past twelve months. GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not been engaged in market making activity for the subject company.

7. In the last 12-month period ending on the last day of the month immediately preceding the date of publication of this research report, GOALZEN CAPITAL SERVICES PRIVATE LIMITED has not received compensation or other benefits from the subject company of this research report or any other third-party in connection with this report.

#### Analyst Certification:

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

**Disclaimers:**

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent.

This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment.

The investment discussed or views expressed may not be suitable for all investors. Certain transactions - including those involving futures, options, another derivative product as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document.

This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of GOALZEN CAPITAL SERVICES PRIVATE LIMITED. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject GOALZEN CAPITAL SERVICES PRIVATE LIMITED to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees responsible for any such misuse and further agrees to hold GOALZEN CAPITAL SERVICES PRIVATE LIMITED or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of GOALZEN CAPITAL SERVICES PRIVATE LIMITED only.

GOALZEN CAPITAL SERVICES PRIVATE LIMITED has a contractual arrangement with a vendor - Smallcase Technologies Private Limited (STPL) whereby STPL provides technology solutions and related back-end infrastructure along with support for back-office related operations & processes. STPL does not provide any investment advice or recommendation nor does it make any claim of returns or performance with respect to any advice or recommendation.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

**Terms & Conditions:**

These Terms and Conditions govern the use of the research subscription services provided by GOALZEN CAPITAL SERVICES PRIVATE LTD ("GoalFi" or "We"). By subscribing to our services, you agree to these terms, if you disagree with any part of the terms, you must not use our services.

**Payment and Renewal:**

The subscription fee is non-refundable. No such requests over email or any other channel requesting for refund or for pro-rata refund will be acknowledged if smallcase constituents or research provided is accessed by the user. Please do not subscribe if you disagree with any part of the terms. Subscription renewals will be charged the standard rate unless otherwise notified.

**Limitation of Liability:**

GoalFi provides research based on data and analysis. The subscriber acknowledges that all investment decisions carry inherent risks, and GoalFi shall not be liable for any losses incurred based on our research.

**No Investment Advice:**

The content provided under the subscription is purely for informational purposes and should not be construed as investment advice. GoalFi, being a SEBI Registered Research Analyst (RA), provides research insights and not investment advisory services.

**Termination:**

GoalFi reserves the right to terminate the subscription at any time due to non-compliance with these terms or any other reasons deemed appropriate by us and no refund will be made.

**No Guarantee:** While we strive to provide accurate and reliable research, there is no guarantee on the returns or performance of the recommendations. Investing in securities involves risks, and there's the potential for losing money.

**Review and Update:** Our research products are reviewed and updated periodically to reflect the latest market conditions and insights. However, market conditions can change rapidly, and there's no guarantee that the conditions on which recommendations and insights are based will remain the same.

**Research Analyst Details:**

Name: Robin Arya

Email: [smallcase@goalfi.in](mailto:smallcase@goalfi.in)

Contact: +91-9394306085

GOALZEN CAPITAL SERVICES PRIVATE LIMITED

CIN: U66190TS2023PTC176030

Address: Co ikeva Office 10, Level 3, NSL Centrum, Serene Estate Pvt Ltd, Site No. Phase I and II, Opp KPHB Colony Lane Opp. Forum Mall Kukatpally, HYDERABAD, TELANGANA, 500072

Support Telephone: +91 9063309052, Support Email – [support@goalfi.in](mailto:support@goalfi.in)

Customer having any query/feedback/ clarification/ In case of grievances for any of the services rendered by GOALZEN CAPITAL SERVICES PRIVATE LIMITED, write to [hello@goalfi.app](mailto:hello@goalfi.app)

Website: [goalfiresearch.smallcase.com](http://goalfiresearch.smallcase.com)