

BUY

TP: Rs 164 | ▲ 15%

ASHOK LEYLAND

| Automobiles

| 13 November 2025

Overall a healthy show; Margin gains continue; Maintain BUY

- Q2FY26 revenue grew ~9%/10% YoY/QoQ to Rs 96bn in an eventful Q2, aided by volume gains of 8%/11% YoY; realisations stay put at 2% YoY
- EBITDAM expanded by 50bps YoY (100bps QoQ) to 12.1%, on cost efficiencies; gross margins held at 28.8% (flat YoY).
- Revise FY26E/FY27E PAT by 2%/4%; retain BUY for a Sep'27 SOTP-based TP of Rs 164 vs Rs151 on healthy volume/margins/return ratios

Milind Raginwar
Research Analyst
research@bobcaps.in

Revenue gains on festive revival and stable ASPs: AL volume grew by 8%/11% YoY/QoQ in Q2FY26 to 49.1k units. ASPs were up ~2% YoY (-1.0% QoQ) to ~Rs19.5mn. Effectively, revenue grew by 9%/10% YoY/QoQ to Rs95.9bn. MHCV segment showed steady recovery at 3% YoY to ~26.3k units (strong bus growth included), key LCVs grew 6% YoY to ~17.6k units. Exports at 45%/59% YoY/QoQ growth to 4.78k units on GCC/Africa/SAARC traction, contributed ~8% of revenue.

Margins expand despite RM inflation: Overall expenses grew 9% YoY, in line with revenue. Raw material cost (inventory adjusted) was flat YoY at 71.2% of sales (+60 bps QoQ) on steel safeguard duties, despite the AC cabin rollout. Gross margins held at 28.8% (flat YoY). Other expenses at 10.0% of sales (+5% YoY to ~Rs9.5bn) including one-off provision & marketing expense were well controlled. EBITDA grew effectively at 14% YoY to Rs11.6bn and EBITDAM expanded by 50 bps YoY (+100 bps QoQ) to 12.1%. APAT rose by 16%/28% YoY/QoQ to Rs7.6bn (including net off of Rs4bn non-recurring expense and Rs5bn one-off other income).

Expansion on track: The new Lucknow fully-built bus plant will add annual capacity from 12k to 20k units, enhancing the premium bus mix. Non-MHCV segments (LCV, buses, spares, defence, power solutions, exports, and finance) now contribute ~50% (40% in FY24) of revenues, providing stability against MHCV cyclicality. Upcoming launches like 320/360 HP trucks, Hydrogen and LNG models, and bi-fuel LCVs — are expected to support premiumisation and guard margins in H2FY26 and beyond.

Revise estimates: We revise FY27E/FY28E PAT by 2%/4% to factor the expected momentum in all the business segments, recovery in MHCV, non-cyclical business gaining further traction and focus on premiumization. Our Revenue/EBITDA/PAT CAGR is 10%/9%/8% over FY25-FY28. Additionally, timely new launches, industry beat growth in MHCVs, leadership in buses augurs well. LCV market share target of 20% and in-roads into EVs will broaden the portfolio. Further improved balance sheet with a swing of Rs15bn in cash YoY (Rs10bn cash in H1FY26) and improved ROE and ROCE add comfort. We assign 22x P/E to the SA business, and value the vehicle finance arm at Rs 14/sh, to arrive TP of Rs 164 (vs Rs 151). Retain BUY.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	AL IN/Rs 143
Market cap	US\$ 4.7bn
Free float	49%
3M ADV	US\$ 24.7mn
52wk high/low	Rs 148/Rs 96
Promoter/FPI/DII	52%/17%/15%

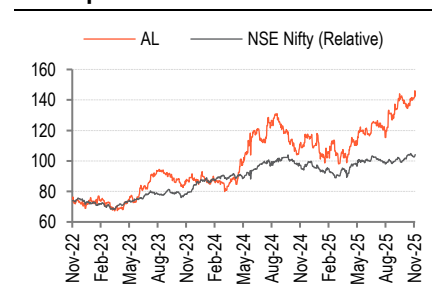
Source: NSE | Price as of 12 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	3,87,527	4,29,347	4,72,375
EBITDA (Rs mn)	49,306	54,230	59,189
Adj. net profit (Rs mn)	31,996	35,033	38,157
Adj. EPS (Rs)	11.3	6.0	6.5
Consensus EPS (Rs)	11.3	6.0	6.7
Adj. ROAE (%)	27.8	23.9	21.4
Adj. P/E (x)	12.7	23.9	21.9
EV/EBITDA (x)	9.2	8.5	8.3
Adj. EPS growth (%)	18.0	(45.3)	8.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Earnings Call Highlights

Parameter	Q2FY26	Q1FY26	Our view
Industry growth	Domestic MHCV industry grew 4% YoY. LCV (2–4ton) traction is strong at 13% YoY. Q# momentum has been even stronger with MHCV up 7% YoY, LCV up 15% YoY. GST 2.0 has reduced ownership costs by ~10% and boosted consumption-led freight demand. H2FY26 is expected to be better over H1FY25 on volume & growth rates. LCV domestic volume jumped 6.4% YoY to 17.7k units. For FY26, AL expects domestic CV market to grow by mid-single digit. GST rate rationalisation tailwinds, infrastructure push and consumption boost will drive H2FY26 recovery. LCV will outpace MHCV. Average vehicle age has gone up to 9.5–10.5 yrs, many are BS3/BS4 fleet and hence replacement cycle is expected to accelerate on the back of better TCO and freight rates.	Domestic MHCV industry volume declined 2% YoY on a high base (Q1FY25 +10%). AL's domestic MHCV volume (ex-defence) grew 2% YoY to 25.6k units, outperforming the industry. Domestic LCV volume at 15.6k units (+1.4% YoY); LCV Vahan registrations up 8% YoY to 15.4k units. More than 200 buses were added by OHM during Q1FY26, in an operational fleet. AL has guided for mid-single digit growth for MHCV and a marginally higher rate for LCV, for the full year.	GST rate rationalisation has been favourable with the overall prices softening, helping lower discount clamor. AL will focus on expanding LCV portfolio. The 20% market share target is a positive. Similarly, focus will be on selling high-end products and recovering the lost MS in the MHCV segment. Additionally, AL will focus on consolidating MS in the Bus segment. Switch Mobility India is gaining traction (EBITDA and PAT positive in H1FY26 with order book at H1FY26-end at ~1.7k units).
Market share	Domestic MHCV share was at 31% for H1FY26 (+50 bps YoY). LCV Vahan share was 13.2% for H1FY26 (+90 bps YoY). In Q2, 27 MHCV and 26 LCV touch points were added, taking total count to 1100 MHCV and 876 LCV touch points with focus of expanding in international markets as well. The new Lucknow bus plant is likely to be onstream in Q3FY26, raising total fully-built bus annual capacity from 12k to 20k units. AL also announced entry into battery manufacturing, aligning with its long-term EV roadmap.	MHCV share improved to 31.1% (vs 29.8% YoY), aided by gains in multi-axle and heavy-duty segments. LCV share (0–7.5T Vahan) rose to 12.9% (+120 bps YoY). MHCV touch points stood at 1,073 with an addition of 23 in Q1FY26 while LCV touch points were 851 with additions of 13. Target to cross 2,000 by year end. Defense revenue dipped to Rs1.5bn (vs Rs4bn YoY) due to prior-year large order, but current order book stands >Rs10bn and tenders >Rs20bn won, ensuring strong pipeline.	Revival in the LCV segment and focus on premiumisation will help guard margins. Healthy order book of e-buses from various states, only helps add market share. Defense order book as well as tender gains reassure medium-term growth and augurs well for AL alongside market share of 31% in H1 for the core MHCV segment.
Exports	Export volumes in Q2FY26 was 4.8k units (+45% YoY); Growth broad-based across GCC, Africa, SAARC on localised assembly, tailored specs and strong dealer ecosystems. H1FY26 exports were up 38% YoY. All key overseas subsidiaries are profitable; GCC is expected to deliver double-digit IRR. Export volume for FY26 is targeted to be ~18k.	Export volume at ~3k units (+29% YoY), with core markets of GCC, Africa and SAARC performing better than expected, despite geopolitical uncertainties. UAE plant running near capacity.	Expanding by penetrating into newer regions domestically and globally, has helped AL improve its space and beat to the industry's pace.
Margins	Raw Material cost was stable at 71.2% of revenue despite tariff volatility and AC-cabin rollout costs. Working capital reduced ~50% YoY, resulting in net cash of Rs10bn (compared to Rs5bn debt in H1FY25), a positive improvement of Rs 15bn YoY.	EBITDA Rs9.7bn (+6.4% YoY); margin 11.1% (+50 bps YoY), despite commodity pressure and mandatory AC cabin rollout. RM cost to revenue stood at 70.6% (–160 bps YoY). Aided by gains from cost control, improved model mix (higher share of multi-axle	AL is looking at steady margin expansion; we remain further conservative and project EBITDA margin of ~12.5% for FY26E/ FY27E. This is largely to factor in the

Parameter	Q2FY26	Q1FY26	Our view
	Spare revenue up 11% YoY, Power Solutions increased by 14% YoY and revenue from Defense was up by 25% YoY. Non-truck businesses now contribute ~50% (vs 40% in FY24) of revenues, including LCVs (~12%), buses (~13%), spares (~10%), defence and exports (~8%). These segments carry higher margins than core truck operations, reducing cyclicalities and improving breakeven levels. The company's breakeven truck volume has dropped from 6–7 k to ~1.2 k units/month due to fixed-cost optimization and strong non-truck growth. There were no price hikes in Q2FY26 and unlikely in Q3FY26 as well.	vehicles), and price realisation has guarded/improved margins. Switch India achieved PBT breakeven in Q1FY26 with PAT positivity target intact. Aftermarket revenue up 8% YoY, Power Solutions +28.5% YoY.	commodity price reversal, statutory pricing impact and EV business gaining traction Non-MHCV revenue has gained healthy traction at ~50% and being relatively high-margin segments are key for margin expansion. Rate of rationalisation will only help cut discounts in the medium term.
Launch pipeline	AL is gearing up for several strategic launches: new 320 HP and 360 HP trucks/tippers with in-house 6-cylinder engines delivering 20–30% higher torque, upgraded 13.5 m and all-new 15 m buses, bi-fuel LCVs (launch in next 1-2 quarters), and alternative-fuel models (CNG, LNG, hydrogen). Multiple e-truck and e-LCV variants too in the advanced stages of launch. AL is working on in house program to improve R&D throughput to shorten time-to-market and enhance responsiveness to regulatory changes.	Planned launches include 280/320/360 HP MHCV tippers, tractor trailers, multi-axle vehicles, LNG models, upgraded 13.5m and new 15m bus, bi-fuel LCV, multiple international upgrades, and e-truck variants (BOSS, AVTR platforms).	Launch pipeline stays strong. This will help AL to improve product mix and further add margins.
Other key points	Capex for Q2FY26 was Rs 4.2bn, cumulative H1FY26 was at Rs 6.6bn; FY26 capex guidance is Rs 8–10bn. Investment is focused on premium truck programs, R&D centres, and capacity expansion in buses. Switch India sold ~600 e-buses and 600 e-LCVs in H1FY26, achieving both EBITDA and PAT positivity in H1FY26; targeting free-cash-flow positive by FY27. Order book at the end of H1FY26 was at ~1.7k units OHM mobility operates > 1.1k buses (98% uptime) and plans to expand fleet to 2,500 in 12 months. Hinduja Leyland Finance (HLF) AUM was Rs 526bn (+26% YoY); Hinduja Housing Finance (HHF) AUM was Rs 149bn (+20% YoY); NNPA improved to 1.59% (1.635 in Q1FY26). RBI approved the HLF–NXTDigital merger, enabling the listing by FY27. Both subsidiaries remain well-capitalised and profitable.	Fully-built bus capacity to increase from 950/month to 1,650/month (incl. Lucknow plant from Q3FY26). Andhra Pradesh plant ramping up to 200 units/month by year-end. Current capacity utilisation stood at 70%. Switch India: order book >1,500 buses. OHM operates >850 buses, on track to add 2.5k by next 12 months; of this 1k buses to be operated for Switch tenders. Rs3bn fresh investment for OHM; all new PM eDrive buses covered under Payment Security Mechanism. Total income from HLF and HHF was Rs 18.5bn in Q1FY26. HLF AUM Rs504bn (+25% YoY), HHF AUM Rs142.7bn (+25% YoY); NNPA at 1.63%, CAR at 18.2% and Book value at Rs72.2bn. RBI clearance received for HLF–NXTDigital merger; process to take ~2–3 quarters.	Improvement in balance sheet augurs well, aiding further organic and inorganic growth. Profitability of AL's non-core businesses has kept the overall margin profile healthy.

Source: Company, BOBCAPS Research | eLCV: Electric Light Commercial Vehicle, OBD: On-board diagnostics, MHCV: Medium and heavy commercial vehicles, LCV: Light Commercial Vehicle, AUM: Assets under management, SAARC: South Asian Association for Regional Cooperation

Fig 2 – Quarterly performance (Standalone)

(Rs mn)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	Q2FY26E	Deviation (%)
Volume (nos)	49,116	45,624	7.7	44,238	11.0	49,116	0.0
Avg. Realisation per Vehicle (Rs)	19,52,150	19,21,977	1.6	19,72,176	(1.0)	19,13,010	2.0
Net Revenues	95,882	87,688	9.3	87,245	9.9	93,959	2.0
Total Income (A)	95,882	87,688	9.3	87,245	9.9	93,959	2.0
Operating Expenses							
Raw materials consumed	68,237	62,410	9.3	61,628	10.7	67,598	0.9
Employee Expenses	6,478	5,987	8.2	6,122	5.8	6,812	(4.9)
Other Expenses	9,546	9,118	4.7	9,799	(2.6)	9,211	3.6
Total Expenditure (B)	84,260	77,515	8.7	77,550	8.7	83,622	0.8
EBITDA (A-B)	11,622	10,173	14.2	9,696	19.9	10,338	12.4
Other Income	848	973	(12.8)	529	60.4	887	(4.4)
Depreciation	1,723	1,754	(1.8)	1,828	(5.7)	1,811	(4.9)
EBIT	10,746	9,391	14.4	8,396	28.0	9,414	14.2
Finance Costs	420	607	(30.8)	419	0.3	479	(12.4)
PBT after excep items	10,227	9,958	2.7	7,977	28.2	8,935	14.5
Tax expense	2,716	2,257	20.3	2,040	33.1	2,055	32.2
Reported PAT	7,711	7,701	0.1	5,937	29.9	6,880	12.1
Adjusted PAT	7,611	6,527	16.6	5,937	28.2	6,880	10.6
EPS (Rs)	2.6	2.2	16.6	2.0	28.2	2.4	10.6
Key Ratios (%)			(bps)		(bps)		(bps)
Gross Margin	28.8	28.8	0.5	29.4	(53.0)	28.1	(77.6)
EBITDA Margin	12.1	11.6	51.9	11.1	100.8	11.0	(111.8)
EBIT Margin	11.2	10.7	49.8	9.6	158.5	10.0	(118.9)
PBT Margin	10.8	10.0	75.2	9.1	162.7	9.5	(126.1)
Tax Rate	26.6	22.7	389.1	25.6	98.6	23.0	(355.8)
Adj PAT Margin	7.9	7.4	49.4	6.8	113.2	7.3	(61.5)

Source: Company, BOBCAPS Research

Valuation Methodology

We revise FY27E/FY28E PAT by 2%/4% to factor the expected momentum in all the major business segments, recovery in MHCV, non-cyclical business gaining further traction and focus on premiumization. Our Revenue/EBITDA/PAT CAGR is 10%/9%/8% over FY25-FY28. Additionally, timely new launches, industry beat growth in MHCVs, and leadership in buses augur well. LCV market share target of 20% and in-roads into EVs will broaden the portfolio. Further improved balance sheet with a swing of Rs15bn in cash YoY (Rs10bn cash in H1FY26) and improved ROE and ROCE adds comfort.

Optimal fleet utilisation rates leading to better replacement demand, is the key for the revival of MHCV segment. Further, revival in infrastructure capex by the government will help revive the mining segment, helping the related (Cement and Metals) segment revival. Better cost controls and a healthy balance sheet offer further comfort.

We assign 22x P/E to the SA business, and value the vehicle finance arm at Rs 14/sh (earlier Rs12) to arrive TP of Rs 164 (vs Rs 151). Retain BUY.

Fig 3 – Revised estimates

(Rs mn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E*	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	4,29,347	4,72,375	5,18,834	4,29,347	4,71,416	5,14,567	(0.0)	0.2	0.8
EBITDA	54,230	59,189	64,466	54,230	58,892	63,160	0.0	0.5	2.1
Adj PAT	35,033	38,157	41,835	34,821	37,292	40,120	0.6	2.3	4.3
Adj EPS (Rs)	6.0	6.5	7.1	5.9	6.4	6.8	1.1	1.5	4.8

Source: BOBCAPS Research, * FY28 earnings newly introduced

Fig 4 – Key assumptions

	FY26E	FY27E	FY28E
M&HCV volumes (nos)	1,32,378	1,41,645	1,51,206
LCV volumes (nos)	76,208	81,161	86,437
Total volumes sold (nos)	2,08,586	2,22,806	2,37,642
M&HCV volume share (%)	63.5	63.6	63.6
LCV volume share (%)	36.5	36.4	36.4
Revenue per vehicle (Rs)	20,50,144	21,11,648	21,74,997
Raw material cost per vehicle (Rs)	16,16,197	16,16,197	16,16,197
As a % of revenue	75.5	75.5	75.5
Gross margin per vehicle (Rs)	5,24,461	5,24,461	5,24,461
As a % of revenue	24.5	24.5	24.5
Staff cost per vehicle (Rs)	1,09,176	1,09,176	1,09,176
As a % of revenue	5.1	5.1	5.1
Other expense per vehicle (Rs)	2,07,644	2,07,644	2,07,644
As a % of revenue	9.7	9.7	9.7
EBITDA per vehicle (Rs)	2,07,641	2,07,641	2,07,641
As a % of revenue	9.7	9.7	9.7
Other Income (Rs mn)	1,251	1,251	1,251
Depreciation (Rs mn)	8,887	8,887	8,887
Interest (Rs mn)	3,016	3,016	3,016
PAT per vehicle (Rs)	1,22,181	1,22,181	1,22,181
As a % of revenue	5.7	5.7	5.7

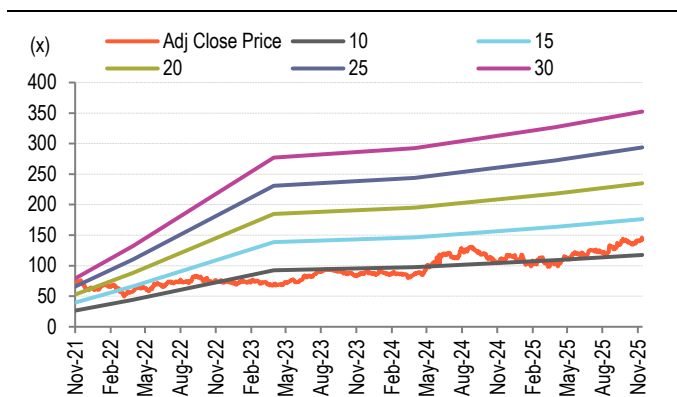
Source: BOBCAPS Research

Fig 5 – Valuation summary

Business	Sep-2027 EPS (Rs)	Target P/E (x)	Value (Rs)
Standalone Business	6.8	22	150
Hinduja Leyland Finance	-	-	14
Total	-	-	164

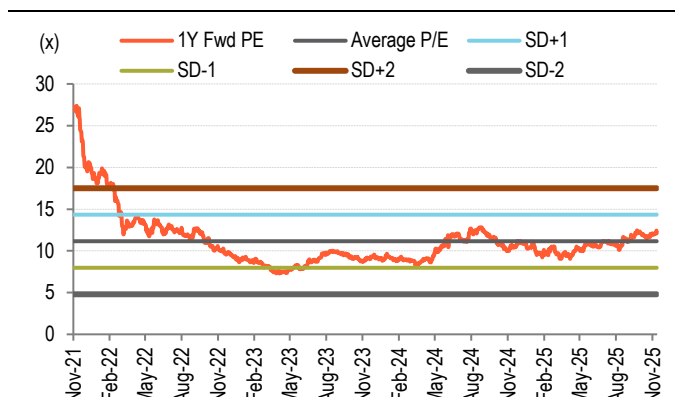
Source: BOBCAPS Research | Note: Valuation is 1-year forward based on June 2027

Fig 6 – P/E band: We value AL at 22x Sep 2027 core business EPS



Source: Bloomberg, Company, BOBCAPS Research

Fig 7 – P/E 1YF: AL growth traction is getting reflected in the forward valuations



Source: Bloomberg, Company, BOBCAPS Research

Key Risks

Key downside risks to our estimates:

- Slower than expected demand revival effectively impacting volume growth
- delays in planned launches in the M&HCV and Bus segments
- faster reversal in the commodity cycle unfavourably hitting costs.

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	3,83,670	3,87,527	4,29,347	4,72,375	5,18,834
EBITDA	46,066	49,306	54,230	59,189	64,466
Depreciation	7,178	7,193	7,399	7,549	8,009
EBIT	41,353	44,615	49,932	54,313	59,442
Net interest inc./(exp.)	(2,494)	(2,169)	(1,443)	(1,683)	(1,937)
Other inc./(exp.)	2,466	2,503	3,101	2,673	2,985
Exceptional items	(937)	1,037	0	0	0
EBT	37,922	43,483	48,489	52,630	57,506
Income taxes	11,743	10,450	13,456	14,473	15,670
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	26,179	33,033	35,033	38,157	41,835
Adjustments	937	(1,037)	0	0	0
Adjusted net profit	27,116	31,996	35,033	38,157	41,835

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	63,727	74,225	78,405	87,693	96,018
Other current liabilities	42,431	30,671	17,238	18,484	21,174
Provisions	13,748	15,341	16,404	17,544	18,769
Debt funds	22,545	14,354	19,596	20,002	22,102
Other liabilities	0	0	0	0	0
Equity capital	2,936	2,936	5,871	5,871	5,871
Reserves & surplus	85,168	1,12,252	1,40,578	1,72,260	2,07,297
Shareholders' fund	88,103	1,15,187	1,46,449	1,78,131	2,13,168
Total liab. and equities	2,30,554	2,49,779	2,78,092	3,21,855	3,71,230
Cash and cash eq.	34,382	27,060	49,709	64,170	86,784
Accounts receivables	35,699	28,873	43,349	48,982	53,811
Inventories	31,907	29,573	35,734	40,604	44,253
Other current assets	16,999	20,320	23,432	25,780	28,322
Investments	55,598	86,730	64,543	72,543	80,543
Net fixed assets	56,079	55,435	56,804	65,255	72,997
CWIP	955	2,769	10,000	10,000	10,000
Intangible assets	4,499	4,499	0	0	0
Deferred tax assets, net	(5,563)	(5,479)	(5,479)	(5,479)	(5,479)
Other assets	0	0	0	0	0
Total assets	2,30,554	2,49,779	2,78,092	3,21,855	3,71,230

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	41,973	49,433	14,461	48,376	54,020
Capital expenditures	(4,345)	(8,363)	(11,501)	(16,000)	(15,750)
Change in investments	11,029	(31,132)	22,187	(8,000)	(8,000)
Other investing cash flows	2,466	2,503	3,101	2,673	2,985
Cash flow from investing	9,150	(36,992)	13,787	(21,327)	(20,765)
Equities issued/Others	17	16	2,854	0	0
Debt raised/repaid	(9,256)	(8,191)	5,241	407	2,099
Interest expenses	(2,494)	(2,169)	(1,443)	(1,683)	(1,937)
Dividends paid	(14,531)	(14,678)	(14,678)	(14,678)	(14,678)
Other financing cash flows	459	(118)	(458)	0	0
Cash flow from financing	(25,806)	(25,139)	(8,484)	(15,954)	(14,515)
Chg in cash & cash eq.	25,318	(12,698)	19,765	11,095	18,740
Closing cash & cash eq.	34,382	27,060	49,709	64,170	86,784

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	9.2	10.9	6.0	6.5	7.1
Adjusted EPS	8.9	11.3	6.0	6.5	7.1
Dividend per share	5.0	5.0	2.5	2.5	2.5
Book value per share	30.0	39.2	24.9	30.3	36.3

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	1.2	1.2	1.1	1.0	1.0
EV/EBITDA	9.7	9.2	8.5	8.3	7.9
Adjusted P/E	16.0	12.7	23.9	21.9	20.0
P/BV	4.7	3.6	5.7	4.7	3.9

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	71.5	73.6	72.3	72.5	72.8
Interest burden (PBT/EBIT)	91.7	97.5	97.1	96.9	96.7
EBIT margin (EBIT/Revenue)	10.8	11.5	11.6	11.5	11.5
Asset turnover (Rev./Avg TA)	338.5	322.7	290.5	259.4	239.4
Leverage (Avg TA/Avg Equity)	1.3	1.2	1.1	1.1	1.1
Adjusted ROAE	31.5	31.5	26.8	23.5	21.4

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	6.2	1.0	10.8	10.0	9.8
EBITDA	57.2	7.0	10.0	9.1	8.9
Adjusted EPS	109.3	18.0	(45.3)	8.9	9.6
Profitability & Return ratios (%)					
EBITDA margin	12.0	12.7	12.6	12.5	12.4
EBIT margin	10.8	11.5	11.6	11.5	11.5
Adjusted profit margin	7.1	8.3	8.2	8.1	8.1
Adjusted ROAE	30.8	27.8	23.9	21.4	19.6
ROCE	25.2	28.2	24.4	21.6	20.0
Working capital days (days)					
Receivables	36	30	31	36	36
Inventory	28	29	28	29	30
Payables	89	91	90	89	90
Ratios (x)					
Gross asset turnover	0.3	0.3	0.3	0.3	0.3
Current ratio	1.0	0.9	1.4	1.5	1.6
Net interest coverage ratio	(16.6)	(20.6)	(34.6)	(32.3)	(30.7)
Adjusted debt/equity	0.3	0.1	0.1	0.1	0.1

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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Name of the Research Entity: **BOB Capital Markets Limited**

Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**

SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**

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Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

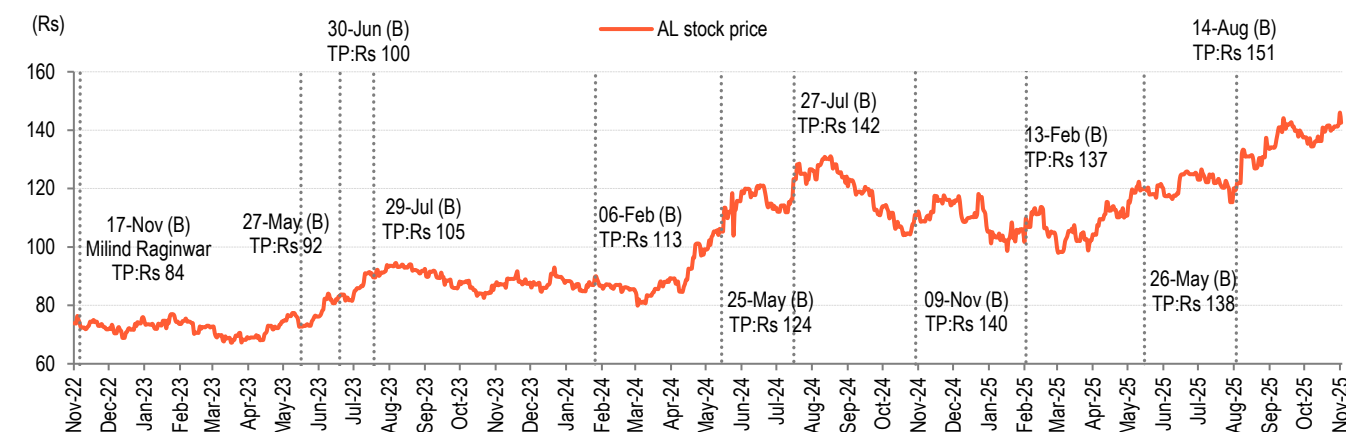
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): ASHOK LEYLAND (AL IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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