FIRST LIGHT

29 January 2026

RESEARCH

MARICO | TARGET: Rs 866 | +16% | BUY

Resilient growth

BOB ECONOMICS RESEARCH | IIP

IIP growth at a 26-month high

MARUTI SUZUKI | TARGET: Rs 18,821 | +27% | BUY

Volume gain momentum to continue; maintain BUY

SBI LIFE | TARGET: Rs 2,500 | +22% | BUY

Strong quarter, growth guidance maintained

TVS MOTOR | TARGET: Rs 3,562 | -4% | HOLD

Overall healthy show; valuations at par; maintain HOLD

BIRLASOFT | TARGET: Rs 376 | -7% | SELL

Odds of third successive year of revenue decline in FY27 rising

WEWORK INDIA MANAGEMENT | TARGET: Rs 845 | +44% | BUY

Higher occupancy and leasable area drove EBITDA beat

SOMANY CERAMICS | TARGET: Rs 480 | +24% | BUY

Estimates beat; demand outlook remains constructive

SUMMARY

MARICO

- Strong execution and distribution expansion support demand capture and position the company well for a consumption recovery
- Diversification improving growth mix via premium, Foods and digital-first brand
- Upgrade to BUY; TP Rs 866 per share

Click here **for the full report.**

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INDIA ECONOMICS: IIP

IIP growth rose to 7.8% in Dec'25 from 7.2% in Nov'25 and 3.7% in Dec'24. All the sectors have registered an improvement in Dec'25. Mining and electricity output expanded by 6.8% (18-month high) and 6.3% (9-month high) respectively in Dec'25 compared with last year. Manufacturing sector registered a growth of 8.1% in Dec'25, with select sectors such as motor vehicles, computers and electronics contributing to higher growth. Traditional sectors such as wearing apparels, textiles registered slower growth during the same period. Even as external risks persists, Indian economy especially manufacturing continues to remain resilient and is expected to grow at a steady pace amidst support from recent trade agreements. The focus will now shift towards upcoming budget and MPC policy scheduled in the coming weeks.

Click here for the full report.

MARUTI SUZUKI

- Q3 revenue rising ~29% YoY to ~Rs499bn, outpacing volume growth of ~17.9% YoY to ~667.8k units, aided by 9% realisation gains
- Commodity costs inflation/adverse forex keeps gross margins range bound. EBITDA margin down 190bps YoY to 11.2%
- EPS retain for FY27E/FY28E to factor volume gains. We continue to value MSIL at 29x P/E with revised TP of Rs 18,821 (18,580). Retain BUY

Click here for the full report.

SBI LIFE

- APE growth robust at 24% YoY in Q3FY26; VNB rose 23% YoY in Q3FY26
- Management reiterates APE and VNB margin guidance for FY26; GST ITC loss impact limited to 30-40bps going forward
- SBILIFE is attractively valued with its long-term story intact. Maintain BUY

Click here for the full report.

TVS MOTOR

- Volume gains strong at 27% YoY, key driver for revenue, which grew 29%/5% YoY/QoQ to ~Rs 125bn, NRPV gains 8%/2% YoY/QoQ
- Moderate RM cost inflation offset by realisations gain, helped maintain gross margin at ~29% nearly flat YoY/QoQ
- Revise upwards FY26/FY27/FY28 earnings, value TVS at 33x core business. TP revised to Rs3,562 (vs Rs3,348 earlier); retain HOLD

Click here for the full report.

BIRLASOFT

- Second successive quarter of margin beat on forex and one-offs. Sustainable EBITDA margin indicated 300bps lower than 3Q levels
- Building 1% CC QoQ revenue decline in 4Q. Strong TCV pick up in 1HFY27 is required to prevent revenue decline in FY27
- Trim revenue estimate for FY27/FY28. Maintain Target multiple at 17.4x (20% discount to TCS) on Dec '27 EPS and retain our Sell rating

Click here for the full report.

WEWORK INDIA MANAGEMENT

- Q3FY26 EBITDA beat our estimates by ~+3.68%, driven by higher-than-expected occupancy and larger operational leasable area
- Enterprise clients accounted for ~74% of total revenue, leading to increased contributions from managed office and VAS
- Adj. EBITDA growth of ~67% over FY25-28E; expect the stock to trade at 10.5x Adj. EV/EBITDA. Raise 1Y TP +3.3% to Rs 845. Maintain BUY

Click here for the full report.

SOMANY CERAMICS

- Revenue in line; EBITDA margin beat. Revenue grew 6% YoY, driven by 4% YoY growth in tiles and 18% YoY growth in non-tiles
- Tile revenue growth of 3.6% YoY was led by volume/realisation of 2.3%/1.2% YoY respectively
- Roll forward our TP to Dec-27EPS and ascribe a 15x (vs 20x), arriving at a TP of Rs 480; we maintain BUY, on a meaningful upside

Click here for the full report.

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BUY
TP: Rs 866 | ⮝ 16%

MARICO | Consumer Staples | 28 January 2026

Resilient growth

- **Strong execution and distribution expansion support demand capture and position the company well for a consumption recovery**
- **Diversification improving growth mix via premium, Foods and digital-first brand**
- **Upgrade to BUY; TP Rs 866 per share**

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Strong 3Q: Marico delivered a strong Q3FY26 performance, with consolidated revenue growth of 26.6% YoY (vs. 30.7% in Q2FY26), led by a sharp sequential recovery in India volumes to 6%, despite a muted demand environment. Core franchises performed well, with Parachute posting 15% YoY growth and Saffola Edible Oil growing 24%, driven largely by price hikes. VAHO declined 2% YoY, though the contraction moderated sequentially. Foods and D2C brands sustained strong growth momentum. International business reported robust 16% cc growth, reflecting broad-based strength across markets. However, EBITDA margins declined 210bps YoY, impacted by higher-than-expected raw material inflation, particularly copra, even as the company maintained elevated A&P spends (+19% YoY) to support brand investments. While margins are likely to remain under pressure in Q4FY26E, management remains confident of delivering at least mid-teens topline growth for the year. We remain positive on Marico, supported by strong near-term growth visibility, a disciplined diversification strategy, and aggressive expansion of direct distribution, which should drive medium-term earnings accretion.

Strategic acquisition: Marico has acquired a 93.27% stake in “Zea Maize Private Limited”, owner of premium gourmet snacking brand *4700BC*, with an option to acquire the balance after three years. 4700BC is the #1 ready-to-eat popcorn player in India with a diversified portfolio across gourmet popcorn, popped chips, makhana, crunchy corn and nachos. This acquisition aligns with Marico’s premiumisation strategy in Foods and is expected to benefit from synergies across distribution, sourcing and new product development; supporting an accelerated scale-up and profitability over the medium term.

Our View: We have marginally tweaked our estimates and model revenue/EBITDA/PAT CAGR of 4/8/10 (%) over FY26–28E. We upgrade the stock to BUY with a revised TP at Rs 866, valuing at 50x P/E multiple Dec’27E. Key downside risk: Higher-than-expected inflation in copra prices could impact volume growth and margins.

Key changes

Target	Rating
▲	▲

Ticker/Price	MRCO IN/Rs 746
Market cap	US$ 10.5bn
Free float	40%
3M ADV	US$ 13.6mn
52wk high/low	Rs 780/Rs 578
Promoter/FPI/DII	59%/24%/12%

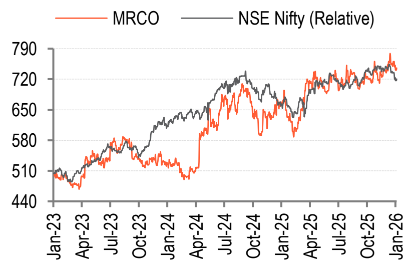
Source: NSE | Price as of 27 Jan 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	108,310	131,718	144,890
EBITDA (Rs mn)	21,390	22,881	25,910
Adj. net profit (Rs mn)	16,290	17,191	19,426
Adj. EPS (Rs)	12.6	13.3	15.1
Consensus EPS (Rs)	11.9	13.5	15.0
Adj. ROAE (%)	38.6	37.8	37.8
Adj. P/E (x)	59.1	56.0	49.5
EV/EBITDA (x)	45.0	42.0	37.1
Adj. EPS growth (%)	10.0	5.5	13.0

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

IIP

28 January 2026

IIP growth at a 26-month high

Jahnavi Prabhakar
Economist

IIP growth rose to 7.8% in Dec'25 from 7.2% in Nov'25 and 3.7% in Dec'24. All the sectors have registered an improvement in Dec'25. Mining and electricity output expanded by 6.8% (18-month high) and 6.3% (9-month high) respectively in Dec'25 compared with last year. Manufacturing sector registered a growth of 8.1% in Dec'25, with select sectors such as motor vehicles, computers and electronics contributing to higher growth. Traditional sectors such as wearing apparels, textiles registered slower growth during the same period. Even as external risks persists, Indian economy especially manufacturing continues to remain resilient and is expected to grow at a steady pace amidst support from recent trade agreements. The focus will now shift towards upcoming budget and MPC policy scheduled in the coming weeks.

IIP growth surges: India's IIP growth accelerated to more than 2-year high of 7.8% in Dec'25 from 3.7% in Dec'24 and 7.2% in Nov'25 (revised). On a YoY basis, broad based improvement was noted across all the sectors, with mining growth expanding by 6.8% against 2.7% growth in Dec'24. After registering a contraction for 2-straight months, electricity growth rebounded with 6.3% growth in Dec'25 (6.2% in Dec'24). Manufacturing output registered a growth of 8.1% in Dec'25 compared with a 3.7% growth in Dec'24. Within manufacturing, 16, out of 23 subsectors registered positive rate of growth in Dec'25. Major sectors which registered highest growth in output in Dec'25 include, motor vehicles (33.5%), other transport equipment (25.1%), computer, electronic (34.9%), pharma (10.2%) amongst others. On the other hand, output of following sectors such as electrical equipment, wearing apparel and textiles have registered a contraction during the same period.

Consumer goods outperform: Within use-based classification, output of primary goods edged upwards to a 4-month high to 4.4% in Dec'25 compared with a growth of 3.8% in Dec'24. Infrastructure goods also advanced further as it continued to register a double digit growth of 12.1% (8.4% in Dec'24) in Dec'25, supported by capex push. Consumer durable goods and intermediate goods output too inched up by 12.3% (8.1% in Dec'24) and 7.5% (from 6.4% in Dec'24) respectively in Dec'25. Output of FMCG goods recorded a growth of 8.3% (26-month high) in Dec'25 after contracting by 7.1% in Dec'24. On the other hand, capital goods output moderated to 8.1% (from 10.5% in Dec'24) in Dec'25.

Way forward: On a FYTD basis (Apr-Dec'25), industrial output registered a slower pace of expansion at 3.9% compared with 4.1% in the same period last year. This is led by a weakness in both mining and electricity output. Manufacturing output has improved by 4.8% (from 4.1% for the same period last year).

BUY
TP: Rs 18,821 | ⮝ 27%

MARUTI SUZUKI | Automobiles | 29 January 2026

Volume gain momentum to continue; maintain BUY

- **Q3 revenue rising ~29% YoY to ~Rs499bn, outpacing volume growth of ~17.9% YoY to ~667.8k units, aided by 9% realisation gains**
- **Commodity costs inflation/adverse forex keeps gross margins range bound. EBITDA margin down 190bps YoY to 11.2%**
- **EPS retain for FY27E/FY28E to factor volume gains. We continue to value MSIL at 29x P/E with revised TP of Rs 18,821 (18,580). Retain BUY**

Milind Raginwar
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Strong topline growth, driven by mix, GST cut and festive demand: MSIL delivered a robust Q3FY26 performance, with revenue rising ~29% YoY to ~Rs499bn, outpacing volume growth of ~17.9% YoY to ~667.8k units. This was aided by healthy average realisation of ~Rs747k per vehicle (~9% YoY), reflecting favourable product mix and premiumisation. Mini+compact segment rebounded, growing ~25% YoY, indicating rural traction and 2W upgrade demand pickup.

Cost pressure offsets operating leverage: Margin performance remained constrained despite raw material costs, adjusted for inventory, creeping by 3%/1% YoY/QoQ as RM to sales rose to 72.2% vs 70.5% YoY. This was driven by commodity cost inflation (-60bps), price reduction (-70bps), and rare earth supply issues (-20bps) despite favourable sales mix. Gross margins hover ~27%.

Earning trail topline impacted by margin compression: EBITDA grew ~10% YoY to Rs55.7bn, lagging revenue growth pace and EBITDA margins compressed by ~190bps YoY. This was largely due to cost headwinds outweighed operating leverage gains. Further Q3, was impacted by a one-time new labour codes provision of ~Rs5.9bn. Effectively PAT increased by ~4% YoY trailing revenue growth.

Calibrated expansion strategy: The Kharkhoda Phase 2 plant is scheduled for operations by April 2026, followed by Gujarat D-line (each adding 250k units/year), new Gujarat greenfield announced to accelerate the post-GST Capex. Further, multiple EV launches planned with charging network to 100k touchpoints by 2030; SMG amalgamation restated from April 1, 2025, adjusting EBITDA/EBIT (minor).

Maintain estimates, Retain BUY: We retain FY27E/FY28E earnings keeping MSIL ahead of the industry. Our 3Y EBITDA/PAT CAGR is healthy at 14%/15% and EBITDA margins hover ~12% over FY26-FY28. Our growth stance is backed by MSIL's strong focus on new launches by 2031, healthy capex plans and the thrust on EVs (average of 1 EV launch till FY30). Revival in compact cars augurs well for MSIL. We continue to value MSIL at 29x P/E Dec 2027 earnings (premium to its 10Y average), with a revised TP of Rs 18,821 (vs Rs 18,580) on rollover. Maintain BUY

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	MSIL IN/Rs 14,877
Market cap	US$ 48.9bn
Free float	44%
3M ADV	US$ 63.8mn
52wk high/low	Rs 17,370/Rs 11,060
Promoter/FPI/DII	56%/23%/16%

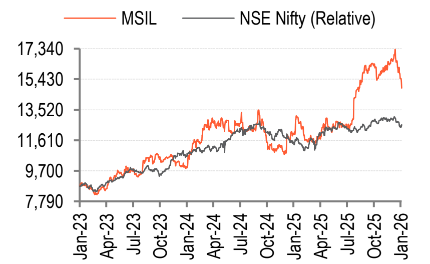
Source: NSE | Price as of 28 Jan 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	15,19,001	17,22,083	19,54,887
EBITDA (Rs mn)	1,77,852	2,06,370	2,36,698
Adj. net profit (Rs mn)	1,39,552	1,59,747	1,86,124
Adj. EPS (Rs)	443.9	508.1	592.0
Consensus EPS (Rs)	443.9	506.0	607.0
Adj. ROAE (%)	14.8	15.1	15.6
Adj. P/E (x)	33.5	29.3	25.1
EV/EBITDA (x)	25.3	21.8	19.1
Adj. EPS growth (%)	5.6	14.5	16.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BUY
TP: Rs 2,500 | ⮝ 22%

SBI LIFE | Insurance | 28 January 2026

Strong quarter, growth guidance maintained

- APE growth robust at 24% YoY in Q3FY26; VNB rose 23% YoY in Q3FY26
- Management reiterates APE and VNB margin guidance for FY26; GST ITC loss impact limited to 30-40bps going forward
- SBILIFE is attractively valued with its long-term story intact. Maintain BUY

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Resilient performance: SBI Life reported stronger-than-expected business numbers with APE growth (up 24% YoY in Q3FY26 and up 16% YoY in 9MFY26) and VNB growth (up 23% YoY in Q3FY26 and up 18% YoY in 9MFY26), beating our estimates by 6% and 5% respectively. However, VNB margins were a tad lower than our expectations at 26.6% in Q3FY26 and 27.2% in 9MFY26 vs our estimate of 26.8% in Q3FY26. Management reiterated its guidance of individual APE growth of 13-14% in FY26E with VNB margin expected to remain in the range of 26-28%.

VNB grew strong: VNB margin came in at 26.6% vs 27.9% in Q2FY26 vs 26.95% in Q3FY25. This was primarily driven by higher business volumes and favourable product mix. Consequently, absolute VNB grew 23% YoY in Q3FY26 (up 18% YoY in 9MFY26).

GST ITC impact limited: The impact of GST ITC unavailability was to the tune of 110bps on VNB margin in 9MFY26 (impact of 150bps in Q3FY26), which was lower than earlier estimates of 175bps in Q2FY26. However, supported by a favourable product mix and improved operating efficiency, net impact on VNB margins is expected to moderate in the 30-40bps range in FY26.

APE growth remains robust: APE increased 24% YoY, outperforming private and overall industry growth of 14% YoY and 22% YoY, respectively to Rs 86 bn in Q3FY26 and was up 16% YoY in 9MFY26. This was primarily driven by par, annuity, and individual protection segments. Further, par saw significant growth during the quarter, owing to new product launches. ULIP share in the mix stood at 66.3% vs 57.9% in Q2FY26.

Maintain BUY: Q3 witnessed a robust business performance with GST ITC impact to be limited to 30-40bps, going forward. Management reiterated guidance for individual APE growth and VNB margin, while a higher focus on protection products and favourable product mix is likely to aid margin expansion. We maintain BUY with TP of Rs 2,500, from Rs 2,217, assigning a multiple of 2.2x to its Dec'27E P/EV.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	SBILIFE IN/Rs 2,053
Market cap	US$ 22.4bn
Free float	45%
3M ADV	US$ 19.1mn
52wk high/low	Rs 2,110/Rs 1,373
Promoter/FPI/DII	55%/22%/18%

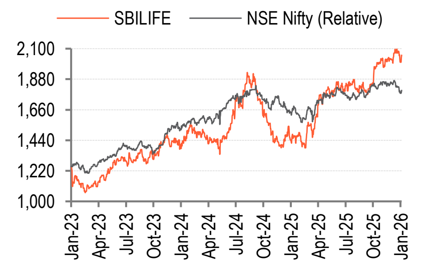
Source: NSE | Price as of 28 Jan 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NBP (Rs mn)	3,55,768	4,49,356	5,23,500
APE (Rs mn)	2,14,200	2,45,621	2,82,643
VNB (Rs mn)	59,500	67,791	79,140
Embedded Value (Rs mn)	7,02,500	8,30,892	9,81,996
VNB margin (%)	27.8	27.6	28.0
EVPS (Rs)	701.2	828.7	979.4
EPS (Rs)	24.1	31.4	38.2
Consensus EPS (Rs)	24.1	27.1	31.6
P/EV (x)	2.9	2.5	2.1

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

RESULT REVIEW

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HOLD
TP: Rs 3,562 | ∀ 4%

TVS MOTOR | Automobiles | 28 January 2026

Overall healthy show; valuations at par; maintain HOLD

- **Volume gains strong at 27% YoY, key driver for revenue, which grew 29%/5% YoY/QoQ to ~Rs 125bn, NRPV gains 8%/2% YoY/QoQ**
- **Moderate RM cost inflation offset by realisations gain, helped maintain gross margin at ~29% nearly flat YoY/QoQ**
- **Revise upwards FY26/FY27/FY28 earnings, value TVS at 33x core business. TP revised to Rs3,562 (vs Rs3,348 earlier); retain HOLD**

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Healthy volume and mix drive realisations: Q3FY26 operating revenue surged 37% YoY to ~Rs124.8bn, driven by broad-based 27% YoY volume growth to ~1.5 mn units. Motorcycles jumped 31% YoY, scooters grew 25% YoY, 3W doubled (+106% YoY), and exports rose 35%. Average realisation rose ~8%/2% YoY/QoQ, helped by continued premiumisation, a richer product mix and strong export contribution driving ASPs upwards. Price hikes of ~0.3% were taken in Q3FY26.

Price discipline & scale offset commodity headwinds: Raw material inflation remained moderate (+0.4%) as costs were largely stable YoY/QoQ to ~Rs 84bn 71.2% of sales (vs. 71.6%/71.1% YoY/QoQ). Operating EBITDA surged 51% YoY to Rs16.3bn, with margin expanding significantly to 13.1% (+120bps/40bps YoY/QoQ). Normalised margin improvement ~70 bps YoY (Q3FY25 normalised 12.4%). There was adverse impact of ~Rs414mn on account of new labour code. Effectively APAT increased by ~52% YoY to Rs9.8bn.

EV momentum resilient: EV 2W sales grew 40% YoY beating the earlier magnet supply constraints. Scooter segment share now at ~40%, led by Orbiter ramp-up and NTORQ 150/125 strength. e3W also strong with L5 category Vahan share on rise. TVSL expects EV penetration to improve further in Q4 (~30% Q3FY26).

Estimates revised: We revise TVSL's earnings estimates for FY26e/FY27e/FY28e upwards by 6%/4%/2%, baking in a 3Y Revenue/EBITDA/PAT CAGR of 18%/20%/23%. We expect healthy volume uptick across segments in their 2W/3W business. This will be driven by GST rate reduction, rural demand recovery, prudent handling of raw material costs inflation and an eye on exports.

Revise TP; maintain HOLD: GST cut and premiumisation focus will help balance EV scooters growth for margins. Further buoyant growth across segments in the motorcycle portfolio adds comfort. We maintain our P/E for the core business at 33x, factoring in the strong launch program and healthy exports. We arrive at a new 1YF TP of Rs 3,562 (Rs3,348) valuing the core business at Rs 3,428 and Rs 133/sh for TVS Credit Services. Maintain HOLD.

Key changes

Target	Rating
▲	◄ ►

Ticker/Price	TVSL IN/Rs 3,728
Market cap	US$ 19.3bn
Free float	48%
3M ADV	US$ 30.7mn
52wk high/low	Rs 3,909/Rs 2,193
Promoter/FPI/DII	52%/13%/25%

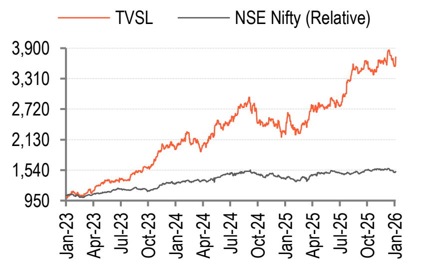
Source: NSE | Price as of 28 Jan 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	3,62,513	4,55,168	5,22,868
EBITDA (Rs mn)	44,540	57,543	66,680
Adj. net profit (Rs mn)	27,105	36,688	43,537
Adj. EPS (Rs)	57.1	77.2	91.6
Consensus EPS (Rs)	57.1	75.1	92.1
Adj. ROAE (%)	27.3	28.0	25.9
Adj. P/E (x)	65.4	48.3	40.7
EV/EBITDA (x)	39.9	30.9	26.7
Adj. EPS growth (%)	30.1	35.4	18.7

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

SELL
TP: Rs 376 | ∀ 7%

BIRLASOFT | IT Services | 29 January 2026

Odds of third successive year of revenue decline in FY27 rising

- **Second successive quarter of margin beat on forex and one-offs. Sustainable EBITDA margin indicated 300bps lower than 3Q levels**
- **Building 1% CC QoQ revenue decline in 4Q. Strong TCV pick up in 1HFY27 is required to prevent revenue decline in FY27**
- **Trim revenue estimate for FY27/FY28. Maintain Target multiple at 17.4x (20% discount to TCS) on Dec '27 EPS and retain our Sell rating**

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Revenue shows seasonal weakness but supported by one off growth in manufacturing. EBITA margin surprises for second quarter running on one-offs and Forex: The 0.3% QOQ CC growth was in line with our 0.7% estimate whereas the EBIT margin at 16.1% was 360bps better than our estimate of which 190bps has come from one offs and forex and the rest from offshore volume shift. Sustainable EBITDA margin guided closer to 15% (with EBIT margin likely ~13%).

US$200mn TCV up from a very weak 2Q: This applies to both total TCV and net new for the quarter. This has largely happened because two largish deals (relative to BSOFT's size) got pushed back from 2Q to 3Q. It is highly unlikely that BSOFT will hit the aspirational TCV number of US$850mn for FY26. Based on current guidance of an even better 4Q on the TCV front (QoQ) it will likely hit US$650-675mn for the full year. Unless there is a significant pick up in order inflow in 1HFY27, revenue growth in FY27 may be in jeopardy. We have decided to take a generous view on this and built a ~3% USD revenue growth. Expectation is that the new CEO Americas of BSOFT, Komal Jain, a veteran from Infosys, will help drive growth in TCV and revenue from a geography that contributes ~85% of revenue.

Pricing pressure in renewals creates a leaky bucket situation: BSOFT maintains that there is considerable pricing pressure on renewal contracts as customers are pushing for productivity pass backs. We suspect this to be a very critical element of revenue growth in FY27 especially as competitive intensity increases and many of BSOFT's peers are armed with AI platforms. From the looks of it BSOFT seems behind on this front within the Tier-2 universe.

Cut revenue estimates and Maintain Sell: We have trimmed our USD revenue estimate for FY27 and FY28 on the back of lackluster order inflow and the risks around renewal related compression. We are now building in 3-4.5% USD revenue growth in FY27/FY28 with potential downside risks. Target PE remains unchanged at 17.4x (20% discount to the target PE multiple of TCS- our sector benchmark) and the stock rating continues to be SELL.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	BSOFT IN/Rs 403
Market cap	US$ 1.2bn
Free float	59%
3M ADV	US$ 6.7mn
52wk high/low	Rs 542/Rs 331
Promoter/FPI/DII	41%/11%/24%

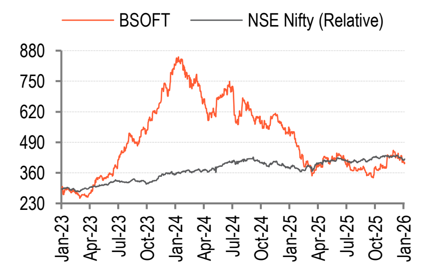
Source: NSE | Price as of 28 Jan 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	53,752	53,050	55,791
EBITDA (Rs mn)	6,974	8,196	8,243
Adj. net profit (Rs mn)	5,168	4,613	5,888
Adj. EPS (Rs)	18.3	16.4	20.9
Consensus EPS (Rs)	18.3	15.8	21.2
Adj. ROAE (%)	15.8	12.6	14.6
Adj. P/E (x)	22.0	24.6	19.2
EV/EBITDA (x)	16.7	14.3	14.5
Adj. EPS growth (%)	(19.0)	(10.6)	27.6

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 845 | ⮝ 44%

WEWORK INDIA MANAGEMENT

| Real Estate | 28 January 2026

Higher occupancy and leasable area drove EBITDA beat

- **Q3FY26 EBITDA beat our estimates by ~+3.68%, driven by higher-than-expected occupancy and larger operational leasable area**
- **Enterprise clients accounted for ~74% of total revenue, leading to increased contributions from managed office and VAS**
- **Adj. EBITDA growth of ~67% over FY25-28E; expect the stock to trade at 10.5x Adj. EV/EBITDA. Raise 1Y TP +3.3% to Rs 845. Maintain BUY**

Yashas Gilganchi
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Revenue from Operations increased to ~Rs 6,341mn (+29.0% YoY, +10.3% QoQ) driven by the addition of ~0.5msf to operational leasable area and higher blended occupancy. WEWORK reported its highest-ever PAT of ~Rs 168mn (+162% QoQ), as revenue from core operations grew to Rs 5,323mn (+24.1% YoY, +7.3% QoQ) and revenue from VAS grew to Rs 859mn (+69.4% YoY, +38.3% QoQ).

Total leasable area increased to 8.2msf (+18.4% YoY, +6.3% QoQ) as an additional ~0.5msf (mostly area under fit-out) was brought online. **Operational leasable area expanded to ~8.2msf (+18.4% YoY, +6.3% QoQ)** spread across 8 cities and 73 centres. **Blended occupancy improved to 83.9% (+660bps YoY, +373bps QoQ),** helped by the efficient leasing of the new space added into the portfolio and a higher proportion of mature centres.

Despite an increase in utilisation, **IndAS EBITDA margins deteriorated by ~200bps QoQ to 64.8%;** mainly due to non-recurring IPO and G&A expenses. Adj. EBITDA margins remained unchanged (QoQ) at ~22%.

As demand for space skews increasingly towards Grade A offices, WEWORK stands to gain from its high-quality offering and brand recall, which should result in higher demand for its workspaces. We expect WEWORK to add ~2.0msf of total leasable area each year while maintaining average blended occupancy of ~ 83.4%, resulting in annualised EPS growth of ~29% over FY25-28E. (~27% previously). However, we remain skeptical about leasing demand for flex-workspaces accounting for >21% of total office leasing.

We revise our FY26E-FY28E EPS estimates upwards to reflect increased leasable area, improved occupancy and operating margins. We apply a marginally lower multiple of 10.5x (11.5x previously) on 4QFY27E-3Q28E Adj. EBITDA for a 1Y TP of Rs 845. Our revised multiple reflects the adjustment for the stabilization of demand for flex-workspaces at ~21% of total office leasing volumes.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	WEWORK IN/Rs 585
Market cap	US$ 854.4mn
Free float	50%
3M ADV	US$ 1.5mn
52wk high/low	Rs 664/Rs 556
Promoter/FPI/DII	50%/22%/25%

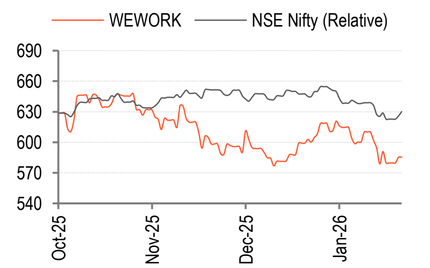
Source: NSE | Price as of 28 Jan 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	20,240	24,722	32,375
EBITDA (Rs mn)	12,379	15,837	20,779
Adj. net profit (Rs mn)	1,282	493	1,747
Adj. EPS (Rs)	9.9	3.3	13.0
Consensus EPS (Rs)	0.0	0.0	0.0
Adj. ROAE (%)	(108.1)	21.7	51.1
Adj. P/E (x)	58.9	175.5	45.0
EV/EBITDA (x)	6.3	5.0	3.8
Adj. EPS growth (%)	192.6	(66.4)	(289.9)

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BUY
TP: Rs 480 | 24%

SOMANY CERAMICS | Building Materials | 28 January 2026

Estimates beat; demand outlook remains constructive

- **Revenue in line; EBITDA margin beat. Revenue grew 6% YoY, driven by 4% YoY growth in tiles and 18% YoY growth in non-tiles**
- **Tile revenue growth of 3.6% YoY was led by volume/realisation of 2.3%/1.2% YoY respectively**
- **Roll forward our TP to Dec-27EPS and ascribe a 15x (vs 20x), arriving at a TP of Rs 480; we maintain BUY, on a meaningful upside**

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Positive Q3: SOMC's Q3FY26 topline came broadly in line with our estimate (+1.0% variance), while it beat our EBITDA/APAT estimates by ~15.2%/7.5%, driven by better-than-expected operating margin (+80 bps YoY to 9.1% vs 8.0% estimated). Overall, revenue grew 5.8% YoY, while EBITDA/APAT increased 16.0%/72.9% YoY in Q3FY26.

Highlights: SOMC's tile sales volumes grew 2.3% YoY in Q3FY26, led by strong growth in outsourced tiles (+15.0% YoY), while own tile volumes were largely flat (+1.1% YoY) and JV volumes declined (-9.8% YoY), due to lower utilisation. Tiles realisation improved by 0.9%/1.2% QoQ/YoY in Q3FY26. Non-tiles revenue grew 18.0% YoY, driven by bathware (+12.3%) and adhesives (+35.5%), aiding mix improvement. EBITDA margin expanded 80 bps YoY to 9.1% on better operating leverage, lower energy and other costs, despite gross margin pressure. Net debt has gone down from Rs 2.07bn in Sep'26 to Rs 1.89 bn, as of Dec'25.

Outlook: Management believes that the Indian tiles industry is out of the woods given the gradual recovery in domestic tiles demand in future and higher tiles exports (8-9% YoY in FY26E). Revenue growth guidance for FY26 was maintained (decent single digit). EBITDA margin is projected to improve by 100-150bps YoY in Q4FY26 to be driven by operating leverage benefit and reduction in A&P spends. Max JV losses narrowed sequentially in Q3FY26 and are expected to reduce meaningfully in Q4FY26, with FY27 losses guided below Rs 100 mn from Rs 250–260 mn. Project business revenue share is targeted to increase from 22-23% in Q3FY26 to 25% in FY27 due to recovery in real estate.

Maintain BUY with Dec-26 TP of Rs 480: While we factor in near-term margin improvement driven by lower fuel costs and reduced A&P spends. We moderate our valuation multiple to 15x (vs 20x earlier) to reflect SOMC's mid-teens EBITDA growth profile and persistent competitive intensity in the tile segment, alongside gas price uncertainty. We roll forward our TP to Dec-27E EPS and arrive at a TP of Rs 480. Given the meaningful upside, we maintain our BUY rating.

Key changes

Target	Rating
▼	◄ ►

Ticker/Price	SOMC IN/Rs 387
Market cap	US$ 172.9mn
Free float	45%
3M ADV	US$ 0.1mn
52wk high/low	Rs 624/Rs 372
Promoter/FPI/DII	55%/1%/23%

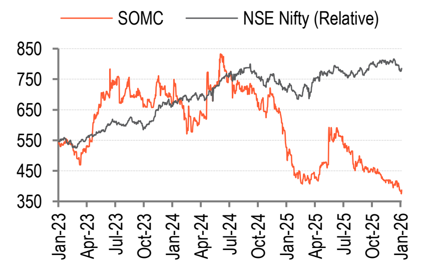
Source: NSE | Price as of 28 Jan 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	26,588	27,381	29,960
EBITDA (Rs mn)	2,209	2,246	2,809
Adj. net profit (Rs mn)	605	598	1,126
Adj. EPS (Rs)	14.8	14.6	27.5
Consensus EPS (Rs)	14.7	18.6	25.5
Adj. ROAE (%)	7.2	6.8	11.8
Adj. P/E (x)	26.2	26.6	14.1
EV/EBITDA (x)	8.2	7.8	5.9
Adj. EPS growth (%)	(39.0)	(1.2)	88.4

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

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

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Note: Recommendation structure changed with effect from 21 June 2021

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