BUY
TP: Rs 4,900 | ⮝16%

TVS MOTOR

| Automobiles | 29 October 2026

Strong show, well placed to meet challenges, Upgrade to BUY

- **Industry beat 27% YoY volume growth driven by robust domestic and export demand; Price hike drive ASPs up by 13% YoY helps offset cost**
- **Cost control initiative support EBITDAM at 13%; TVS Credit demerger to pave the way for sharper capital allocation and strategic flexibility**
- **Revise up FY27/FY28/FY29 EBITDA by 7%/16%/20%; value TVS at 33x core business. TP revised to Rs4,900 (Rs3,931 earlier); Upgrade to BUY**

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Strong show on volume complemented by realisations: TVSL reported revenue growth of ~44% YoY to a record ~Rs171bn in Q2FY27, driven by 27% YoY volume growth to 1.9mn units and ~13% YoY improvement in average realisations. Domestic ICE 2W volumes grew 16% YoY, outperforming industry growth of 10%, while total ICE 2W volumes rose 20% against industry growth of 14%. Scooters remained a key growth driver, with TVSL's scooter category share (including EVs) reaching ~41%.

Cost control and operating leverage aid margin: Despite persistent commodity inflation, EBITDA grew 47% YoY to Rs22.2bn, with margins expanding 32bps YoY to 13%. Material cost inflation of ~1.9% QoQ was largely offset by ~1.6% price hikes, favourable product mix and cost-reduction initiatives. Controlled staff and other expenses further supported profitability, partly mitigating the ~192bps YoY contraction in gross margin. Incremental cost pressure is expected to be limited in H2FY27.

EV growth accelerating: Electric 2W volumes surged 133% YoY to 186k units, significantly outpacing industry growth of 84% in domestic EV 2Ws. Domestic EV penetration reached 11.6% in September, rising to ~22% within scooters. The EV production run-rate is currently at 60–65k units per month, including domestic and export volumes, and is being expanded towards 80k units per month. EV contribution margin continue to improve and PLI benefit contribute 1.3-1.4%.

TVS Credit demerger to provide strategic flexibility: The board approved the demerger of TVS Credit into an independently listed entity, with a mirror-image 1:1 shareholding structure and TVS Motor holding no equity in the demerged company.

Revise earnings; Upgrade to BUY: GST cut, premium focus, exports mix continue to boosts EV scooters growth for margins. Buoyancy across the motorcycle segment portfolio only adds comfort. We revise our FY27e/FY28e/FY29e EPS target up by 8%/18%/23% to factor in the strong launch program, healthy exports and demerger of the credit services business. Our 3-year EBITDA/PAT CAGR is at 28%/32%. We arrive at a new 1Year forward TP of Rs 4,900 (Rs3,931) valuing the core business at Rs 4,767 and Rs 133/sh for TVS Credit Services (for now). Upgrade to BUY.

Key changes

Target	Rating
▲	▲

Ticker/Price	TVSL IN/Rs 4,240
Market cap	US$ 21.2bn
Free float	48%
3M ADV	US$ 40.6mn
52wk high/low	Rs 4,485/Rs 3,228
Promoter/FPI/DII	52%/13%/25%

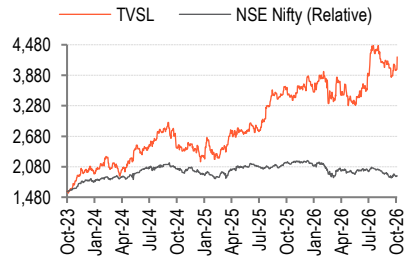
Source: NSE | Price as of 28 Oct 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	4,72,703	5,78,825	7,00,029
EBITDA (Rs mn)	60,793	73,916	92,917
Adj. net profit (Rs mn)	36,566	47,705	61,699
Adj. EPS (Rs)	76.1	100.4	129.9
Consensus EPS (Rs)	76.1	91.5	110.7
Adj. ROAE (%)	32.5	31.0	29.5
Adj. P/E (x)	55.7	42.2	32.6
EV/EBITDA (x)	33.4	27.4	21.6
Adj. EPS growth (%)	33.4	32.0	29.3

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

Stock performance



Source: NSE

Fig 1 – Earnings call highlights

Parameter	Q2FY27	Q1FY27	Our View
Domestic Volume	Total sales volume reached a record 1.9mn units (+27% YoY), driving overall revenue up 44% YoY to Rs171bn. Domestic ICE 2W sales grew 16% YoY, outpacing industry growth of 10%. Total 2W ICE sales grew 20% YoY (vs. industry growth of 14%). Scooter market category share (including EVs) expanded to ~41%. TVS Jupiter achieved the 9mn unit milestone (marked by the launch of the dual-tone Spectral range), while TVS iQube crossed 1mn cumulative units. Dealer inventory remains lean at ~21 days. Management expects Q3 industry growth to be in high single digits due to base effects, with TVS continuing to outperform the market	Domestic ICE 2W sales grew ~21% YoY ahead of the industry growth of ~13%. Overall 2W volumes jumped 28% YoY to 1.63mn units, led by motorcycles (+19% YoY to 0.74mn units) and scooters (+36% YoY to 0.68mn units). Management highlighted continued strength across the Jupiter, Ntorq and iQube portfolio, supported by sustained product refreshes, superior customer proposition and healthy retail financing. Scooter category share in the industry has reached ~40% and is expected to increase further. Dealer inventory continues to remain at 25-30 days. Management expects industry growth to remain in double digits in FY27, with Q2 likely to be slightly better than Q1.	GST rate rationalisation will help sustain momentum and help double digit growth in FY27. TVS will outpace industry growth, with a healthy motorcycle product portfolio and EV drive aiding scooter sales. Additionally, following a strong new product launch in H2 the upward trajectory will continue. However, escalating geo-political situation and adverse weather conditions can add concerns. Despite the high base effect in H2, TVS will beat industry growth given the lean inventory of ~ 3 weeks.
Exports	Recorded healthy export volume of 539k units (+35% YoY), generating export revenue of Rs43.8bn. ICE 2W exports grew 33% YoY (vs. industry growth of 27%), led by broad-based traction across Africa, LATAM, and Asia. EV 2W exports rose to 6,930 units in Q2, with EV 3W exports also commencing. Key international product rollouts included the TVS Orbiter & NTORQ 150 (Nepal), TVS King EV Max & Orbiter (Sri Lanka), Apache range (Sri Lanka), TVS iQube (Kenya), TVS Raider (Egypt), and Callisto 110 (Indonesia).	Exports recorded sales of ~468k units (+33% YoY) with export revenue reaching ~Rs36.3bn. Growth remained broad-based across Africa, LATAM and Asia, with Africa continuing to be the largest contributor led by the strong HLX franchise. Management highlighted that demand currently exceeds supply in several export markets, necessitating ongoing capacity expansion. TVSL continues expanding its premium portfolio overseas through Apache, Ronin and Raider while strengthening its presence across Middle East and LATAM. Export contribution now stands at ~26% of revenue and management expect overseas growth momentum to continue in Q2 and beyond.	TVS product demand continues to stay robust across overseas markets, though logistics lead times have increased due to shipping disruptions. The company is focused aggressively on Africa, Asia and LATAM expansion only will consolidate the overseas revenue despite middle east demand staying muted. Exports will be a key volume driver for TVSL as the opening of key overseas markets, including ASEAN and LATAM, augurs well. The new trade agreement will help boost overseas sales.
Three-wheelers (3W)	Overall 3W sales grew 47% YoY (vs. industry growth of 26%). Domestic 3Ws (ICE + EV) jumped 65% YoY to 26.3k units (vs. 16k units in Q2 FY26). EV penetration in domestic 3Ws reached ~44% in Q2 (~48% in September). Annual 3W capacity is being expanded toward ~400k units.	3W sales grew ~48% YoY to ~67k units, supported by healthy traction across passenger and cargo segment along with rising EV penetration. EV penetration in 3Ws has now crossed 40%, while TVSL continues gaining share through the TVS King EV portfolio. Capacity is being expanded from ~250k units to ~420k units annually, including higher EV capacity. The company also announced a strategic partnership for sustainable LPG cylinder distribution using electric cargo three-wheelers.	The new EV 3W launches will only help increase penetration and should provide additional comfort. Capacity expansion will help meet the additional EV demand as the penetration in this segment is only increasing. TVSL has gained healthy traction with encouraging growth, despite being a late entrant. EV 3W Vahan share continues to improve steadily, indicating the wholesale and retail sales gaining traction together.
Electric Vehicles	Domestic EV 2W sales surged 129% YoY (vs. industry growth of 84%). EV penetration in domestic 2Ws reached 11.6% in September (~22% within scooters). EV production run-rate is currently at 60k–65k units/month (domestic + exports), expanding toward 80k	EV 2W sales surged ~86% YoY to ~130k units, with EV revenue of ~Rs17.8bn during the quarter. iQube cumulative sales crossed 1mn customers. EV penetration reached ~10.6% during June, while management expects similar or higher growth in Q2. Production capacity is being	TVSL's planned and structured EV thrust is yielding results and may continue in the medium term. Additionally, timely capacity addition will only aid meeting the incremental demand, as also help gain/maintain market share in the EV space. Though supply chain issues do

Parameter	Q2FY27	Q1FY27	Our View
	units/month. PLI scheme benefit contributed ~1.3%–1.4% of turnover, and EV contribution margins continue to improve sequentially.	expanded from ~40k units/month to over 50k units/month. Management indicated EV profitability continues to improve sequentially with contribution margins rising quarter after quarter.	resurface and are impacting the growth in the interim. Hence, margins may be suppressed in the near/medium term.
Margins	Material cost increase from Q1FY27 to Q2FY27 was ~1.9 was offset by ~1.6% price hikes, product mix optimization, and cost reduction programs. Material cost increases in Q3/Q4 are expected to be small/minimal, with potential stabilization or softening by Q4. Employee expenses increased due to capability building in software, electronics, digital analytics, and connected vehicles.	EBITDA margin improved ~30bps YoY to 12.8% despite commodity cost inflation of 3.5% in Q1 and 0.5% in Q2, driven by higher aluminum, steel and crude-linked input costs amid West Asia disruptions. Management implemented ~1.5% price hikes in Q1 and an additional ~0.5% in Q2, while offsetting the balance through product mix, operating leverage and cost reduction initiatives. Supply chain disruptions witnessed in April normalised during May and June. PLI benefit during the quarter stood at ~0.6-0.7% of revenue.	Gross margin pressures have been mitigated partially despite the commodity inflation across steel, aluminum, gas and crude derivatives. TVSL offset a sizeable of cost inflation (~80%) via price hikes, while the balance mitigated via a better mix, operating leverage and cost reduction initiatives. We expect margins to be range bound ~ 12.8-13%% conservatively. Efforts to mitigate cost headwinds with prudent mix are commendable.
Capex & Investment	Overall 2W capacity is being expanded to >8mn units. On Norton, European rollouts for the Manx R and Atlas models are in progress across the UK, Italy, and France, with expansions planned for Germany, Spain, India, and the US. New Norton models will be showcased at EICMA	TVSL reiterated its aggressive expansion plans with total 2W capacity increasing from ~6.8mn units to ~8.3mn units and expected to reach 10.3mn by FY27 end. 3W capacity expands from ~250k units to ~420k units by FY27-end. The company aims to invest ~Rs35bn across product development, capacity expansion and R&D. Production of the first Norton Atlas motorcycles has commenced at Hosur, with launches planned across UK, Europe, India and later the US.	Based on TVSL's systematic investment and capex guidance, we expect a favourable outcome in the medium to long-term. Norton launch will imply tapping the top-end space and will help performance. However, we will continue to keenly watch the investments in subsidiaries.
Others	Board approved the demerger of TVS Credit into an independently listed holding company with a 1:1 mirror-image shareholding pattern; TVS Motor will hold 0% equity post-demerger. The demerged entity will enable strategic autonomy, sharper capital allocation and flexibility to capture India's financial services market. The Rs7.1bn transaction in Q2 was a secondary purchase of TVS Credit shares from an existing external shareholder. A further Rs12bn equity infusion into TVS Credit is planned prior to the demerger. AUM/Book size reached Rs338bn (+22% YoY); Q2 PBT grew 19% YoY to Rs3.3bn; net worth stands at Rs65bn. Loans were disbursed to 1.4mn new customers in Q2 (taking total customer base to 27mn) across 65,000+ touchpoints	TVS Credit delivered healthy performance with loan book growing ~19% YoY to ~Rs320.5bn, customer base expanded to ~26mn following addition of 1.4mn new customers during Q1. Network expanded to nearly 62k touchpoints. CARE upgraded TVSL's long-term credit rating to AAA, reflecting improving balance sheet strength. Spares revenue for Q1 was Rs 11.7bn.	The de-merger of TVS Credit will unlock value for the company. Additionally, the cost of managing the credit services company will be passed on helping EBITDA margin improvement for TVS in FY28 and beyond. Other segments continued to perform on a steady footing. Healthy spares and exports revenue are only adding comfort. Statutory cost inflation due to new norms will impact the core auto industry, and hence, can be passed through by price hikes.

Source: Company, BOBCAPS Research | 2W: Two-wheeler, PLI: Production-linked Incentives, EV: Electric vehicles

Fig 2 – Quarterly performance

(Rs mn)	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	Q2FY27E	Deviation (%)
Volume	19,19,005	15,06,950	27.3	16,30,558	17.7	19,19,005	0.0
Avg. Realisation per Vehicle	89,126	79,003	12.8	85,223	4.6	84,371	5.6
Net Revenues	1,71,034	1,19,054	43.7	1,38,961	23.1	1,61,908	5.6
Total Income (A)	**1,71,034**	**1,19,054**	**43.7**	**1,38,961**	**23.1**	**1,61,908**	**5.6**
Operating Expenses							
Raw materials consumed	1,24,821	84,604	47.5	1,01,109	23.5	1,19,917	4.1
Employee Expenses	8,056	6,047	33.2	6,784	18.7	6,988	15.3
Other Expenses	15,968	13,317	19.9	13,274	20.3	15,929	0.2
Total Expenditure (B)	**1,48,844**	**1,03,968**	**43.2**	**1,21,167**	**22.8**	**1,42,834**	4.2
EBITDA (A-B)	**22,190**	**15,086**	**47.1**	**17,794**	**24.7**	**19,074**	16.3
Other Income	450	(213)	(311.2)	1,508	(70.1)	- 127	(454.6)
Depreciation	2,756	2,144	28.6	2,653	3.9	2,710	1.7
EBIT	**19,884**	**12,729**	**56.2**	**16,650**	**19.4**	**16,237**	22.5
Finance Costs	1,239	466	165.9	755	64.0	810	52.9
PBT after exceptional items	**18,646**	**12,263**	**52.0**	**15,895**	**17.3**	**15,427**	20.9
Tax expense	4,874	3,202	52.2	4,155	17.3	4,011	21.5
Reported PAT	**13,772**	**9,061**	**52.0**	**11,740**	**17.3**	**11,416**	20.6
Adjusted PAT	**13,772**	**9,061**	**52.0**	**11,740**	**17.3**	**11,416**	20.6
EPS (Rs)	**29.0**	**19.1**	**52.0**	**24.7**	**17.3**	**24.0**	20.6
Key Ratios (%)			**(bps)**		**(bps)**		
Gross Margin	27.0%	28.9%	(192)	27.2%	(22)	25.9%	109
EBITDA Margin	13.0%	12.7%	30	12.8%	17	11.8%	119
EBIT Margin	11.6%	10.7%	93	12.0%	(36)	10.0%	160
PBT Margin	10.9%	10.3%	60	11.4%	(54)	9.5%	137
Tax Rate	26.1%	26.1%	3	26.1%	0	26.0%	14
Adj PAT Margin	8.1%	7.6%	44	8.4%	(40)	7.1%	100

Source: Company, BOBCAPS Research

Valuation Methodology

We revise our FY27e/FY28e/FY29e EPS target up by 8%/18%/23% to factor in the strong launch program, healthy exports and demerger of the credit services business. Our 3-year EBITDA/PAT CAGR is at 28%/32%. GST cuts, premiumisation focus, and export mix will continue to help balance EV scooters growth for margins. Buoyancy across the motorcycle segment portfolio adds comfort.

Commodity cost inflation and disruption from logistic snarls is partially addressed by prudent raw material handling and increasing export avenues, which will likely mitigate the partial impact on margins. premiumisation focus will continue to help as buoyant growth across the top-end segments in the motorcycle portfolio, scooterisation and EVs will only cushion the impact of cost inflation. The commuter segment muted growth in the motorcycles segment is likely to have limited impact as TVSL is less focused on that segment.

Total investments guidance raised to ~Rs35 bn (from ~Rs 24 bn in FY26), including ~Rs20bn towards product development, ~Rs10bn+ for capacity expansion and balance towards R&D/testing capabilities — augurs well. The short-term focus on Norton products will help cater to the demand in the super premium segment.

We have revised our rating from HOLD to BUY factoring strong growth momentum by TVSL in the EV segment specifically in the scooters category in the domestic markets. Additionally, TVSL efforts to mitigate the middle-east impact on exports by tapping newer LATAM, African and Asian markets are yielding strong results. Timely price hikes have helped mitigated the cost inflation by ~ 80% and yet have not impacted the growth momentum which is very unique for TVSL. We are conservative in our EBITDA margin assumption hovering ~ 12.8% in FY27 and improving to 13% in FY28 and FY29 on softening raw material cost structure.

Management indicated that the board approved the demerger of TVS Credit into an independently listed holding company with a 1:1 mirror-image shareholding pattern; TVS Motor will hold 0% equity post-demerger. The demerged entity will enable strategic autonomy, sharper capital allocation and flexibility to capture India’s financial services market.

The value unlocking on account of the de-merger will bolster earnings trajectory for TVSL though we await the actual event to unfold. However, the de-merger will also help lower cost as running a credit service business within the fold adds to the cost, we have lowered the other expenses assumptions for FY28e/FY29e and thus helped the EBITDA margins improvement. We have retained the multiple at 33x as we await the unfolding of the de-merger event in FY28 thus implying further TP upgrades in the medium term assuming continued strong show by the company.

Factoring in the above factors, we upgrade the stock to BUY from HOLD rating earlier . As stated, we retain our P/E for the core business at 33x (for now), factoring in the strong launch program and healthy exports. We arrive at a new 1YF TP of Rs 4,900 (Rs3,931) valuing the core business at Rs 4,767 and Rs 133/sh for TVS Credit Services.

Fig 3 – Revised estimates

(Rs mn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	5,78,825	7,00,029	8,28,030	5,37,122	6,26,413	7,23,292	7.76	11.75	14.48
EBITDA	73,916	92,917	1,08,794	68,993	80,170	90,518	7.14	15.90	20.19
Adj PAT	47,705	61,699	72,732	44,013	52,139	59,025	8.39	18.34	23.22
Adj EPS (Rs)	100.4	129.9	153.1	92.6	109.7	124.2	8.43	18.38	23.26

Source: Company, BOBCAPS Research

Fig 4 – Key assumptions

	FY26	FY27E	FY28E	FY29E
2W volume (nos)	55,38,002	68,87,830	80,62,831	92,02,780
Growth (%)	18.0	24.4	17.1	14.1
3W volume (nos)	1,81,263	2,13,891	2,52,391	2,97,821
Growth (%)	16.0	18.0	18.0	18.0
Revenues (Rs mn)	4,72,703	5,78,825	7,00,029	8,28,030
Growth (%)	30.4	22.5	20.9	18.3
EBITDA (Rs mn)	60,793	73,916	92,917	1,08,794
EBITDA margin (%)	12.9	12.8%	13.3%	13.1%
Adj. PAT (Rs mn)	36,566	47,705	61,699	72,732
EPS (Rs)	76.1	100.4	129.9	153.1

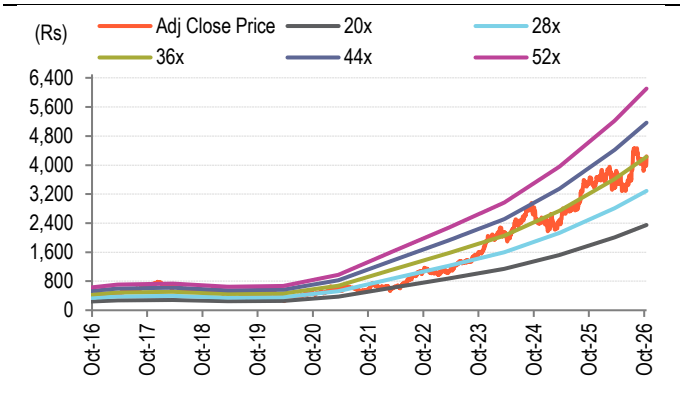
Source: Company, BOBCAPS Research

Fig 5 – Valuation summary

Business	Sept 2028 EPS (Rs)	Target P/E (x)	Value (Rs/sh)
Standalone Business	144.6	33	4,767
TVS Credit Services (post de-merger	-	-	162
Total	**-**	**-**	**4,900**

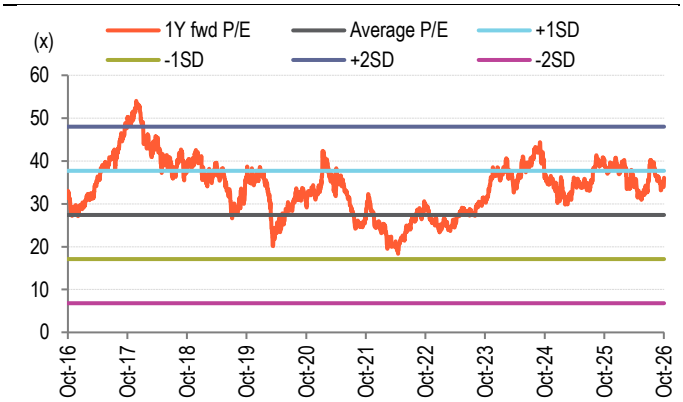
Source: BOBCAPS Research | Valuation is based on Sep 28 earnings

Fig 6 – P/E band: TVSL's earning pace is yet to be fully captured in the current valuations



Source: Bloomberg, BOBCAPS Research

Fig 7 – 1YF P/E: We value TVSL at a well-deserved premium to mean valuations



Source: Bloomberg, BOBCAPS Research

Key Risks

Key upside/downside risks to our estimates:

- Higher investments remain the key risk with earnings impact.
- Commodity cost moving in either direction faster than estimated.
- A faster pace of launches crowding the markets can put pricing under pressure.

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**3,62,513**	**4,72,703**	**5,78,825**	**7,00,029**	**8,28,030**
EBITDA	44,540	60,793	73,916	92,917	1,08,794
Depreciation	7,446	9,006	9,604	10,381	11,648
EBIT	37,674	51,488	66,138	84,618	99,391
Net interest inc./(exp.)	(1,387)	(2,039)	(2,532)	(2,353)	(2,415)
Other inc./(exp.)	580	(300)	1,827	2,082	2,246
Exceptional items	0	(414)	0	0	0
EBT	36,288	49,035	63,607	82,266	96,976
Income taxes	9,183	12,883	15,902	20,566	24,244
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**27,105**	**36,152**	**47,705**	**61,699**	**72,732**
Adjustments	0	414	0	0	0
Adjusted net profit	**27,105**	**36,566**	**47,705**	**61,699**	**72,732**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	61,537	82,893	76,225	92,365	1,09,782
Other current liabilities	11,306	17,989	22,043	24,851	28,592
Provisions	4,401	5,020	5,522	6,074	6,682
Debt funds	17,349	31,342	28,229	28,803	29,389
Other liabilities	3,010	5,990	5,690	5,406	5,135
Equity capital	475	475	475	475	475
Reserves & surplus	98,892	1,11,868	1,53,397	2,08,920	2,75,476
Shareholders' fund	99,367	1,12,343	1,53,872	2,09,395	2,75,951
Total liab. and equities	**1,96,971**	**2,55,576**	**2,91,580**	**3,66,893**	**4,55,531**
Cash and cash eq.	5,583	9,747	6,829	2,203	9,519
Accounts receivables	12,801	20,865	22,735	26,580	32,591
Inventories	17,258	15,802	21,951	27,529	33,715
Other current assets	15,421	28,071	32,926	43,666	51,697
Investments	92,714	1,16,475	1,24,164	1,56,664	1,97,164
Net fixed assets	49,431	62,333	77,729	87,348	94,700
CWIP	6,420	5,864	8,828	26,484	39,726
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(2,659)	(3,581)	(3,581)	(3,581)	(3,581)
Other assets	0	0	0	0	0
Total assets	**1,96,970**	**2,55,576**	**2,91,580**	**3,66,893**	**4,55,531**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**39,480**	**58,601**	**37,666**	**66,699**	**80,987**
Capital expenditures	(16,278)	(21,351)	(27,964)	(37,656)	(32,242)
Change in investments	(22,802)	(23,760)	(7,690)	(32,500)	(40,500)
Other investing cash flows	580	(300)	1,827	2,082	2,246
Cash flow from investing	**(38,499)**	**(45,411)**	**(33,827)**	**(68,074)**	**(70,496)**
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	2,215	13,993	(3,113)	574	586
Interest expenses	(1,387)	(2,039)	(2,532)	(2,353)	(2,415)
Dividends paid	(4,751)	(5,701)	(6,176)	(6,176)	(6,176)
Other financing cash flows	789	922	0	0	0
Cash flow from financing	**(3,133)**	**7,174**	**(11,821)**	**(7,955)**	**(8,005)**
Chg in cash & cash eq.	**(2,153)**	**20,364**	**(7,982)**	**(9,330)**	**2,486**
Closing cash & cash eq.	**5,583**	**9,747**	**6,829**	**2,203**	**9,519**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	57.1	76.1	100.4	129.9	153.1
Adjusted EPS	57.1	76.1	100.4	129.9	153.1
Dividend per share	10.0	12.0	13.0	13.0	13.0
Book value per share	209.2	236.5	323.9	440.7	580.8

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	5.6	4.3	3.5	2.9	2.4
EV/EBITDA	45.3	33.4	27.4	21.6	18.5
Adjusted P/E	74.3	55.7	42.2	32.6	27.7
P/BV	20.3	17.9	13.1	9.6	7.3

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	74.7	73.7	75.0	75.0	75.0
Interest burden (PBT/EBIT)	96.3	95.2	96.2	97.2	97.6
EBIT margin (EBIT/Revenue)	10.4	10.9	11.4	12.1	12.0
Asset turnover (Rev./Avg TA)	334.6	350.9	343.0	324.5	298.9
Leverage (Avg TA/Avg Equity)	1.2	1.3	1.3	1.2	1.1
Adjusted ROAE	30.7	34.2	35.8	34.0	30.0

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	14.1	30.4	22.5	20.9	18.3
EBITDA	26.7	36.5	21.6	25.7	17.1
Adjusted EPS	30.1	33.4	32.0	29.3	17.9
Profitability & Return ratios (%)					
EBITDA margin	12.3	12.9	12.8	13.3	13.1
EBIT margin	10.4	10.9	11.4	12.1	12.0
Adjusted profit margin	7.5	7.7	8.2	8.8	8.8
Adjusted ROAE	27.3	32.5	31.0	29.5	26.4
ROCE	26.0	28.2	29.4	29.4	26.9
Working capital days (days)					
Receivables	13	13	14	13	13
Inventory	16	13	12	13	13
Payables	80	78	70	61	62
Ratios (x)					
Gross asset turnover	0.3	0.3	0.3	0.2	0.2
Current ratio	0.7	0.7	0.8	0.8	0.9
Net interest coverage ratio	(27.2)	(25.3)	(26.1)	(36.0)	(41.2)
Adjusted debt/equity	0.2	0.3	0.2	0.1	0.1

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

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BUY – Expected return >+15%

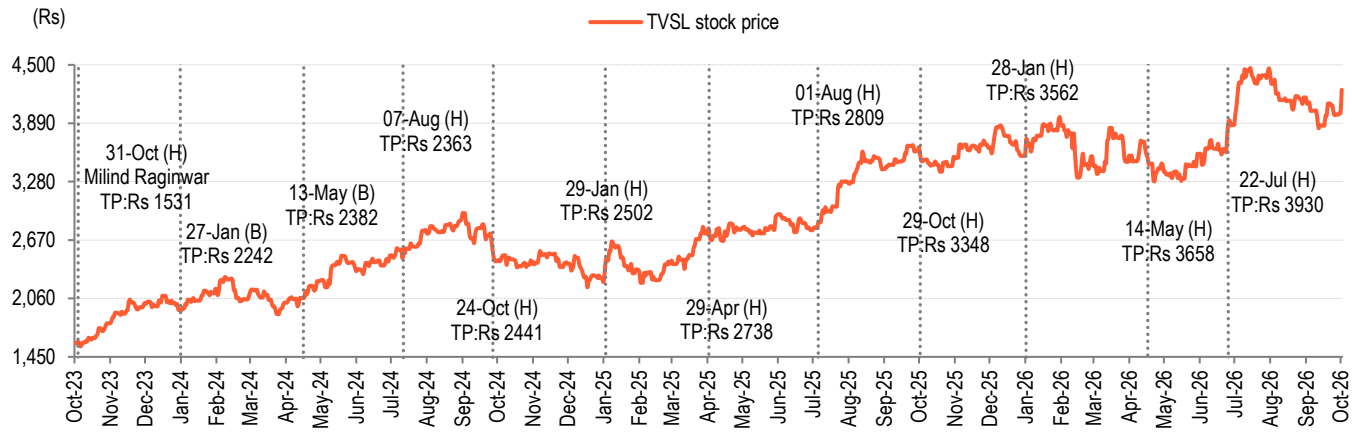
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SELL – Expected return <-6%

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): TVS MOTOR (TVSL IN)



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