

# HSIE Results Daily

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### Results Reviews

- **Tata Motors Passenger Vehicles:** Management has indicated that even without the cyber incident, it would have amended JLR's guidance at this point. Weaker demand for JLR in key markets like Europe and China continues, leading to higher variable marketing expense (VME). Also, higher US tariffs and China's luxury tax—both currently being absorbed by the OEMs to some extent—have structurally impacted the company's cost base over the medium term. However, the India PV division is in a stronger position, aided by recent GST rate rationalization and improved EV profitability (including PLI). We value the company on SOTP basis: JLR is valued at INR 156, using 3.0x Sep-27 EPS (~1/4th discount to key competitor Mercedes Benz); the India PV business is valued at INR 154, using 23x Sep-27 EPS (~15% discount to market leader Maruti Suzuki), and the stake in Tata Technologies is valued at INR 32. This results in a target price of INR 342, and we maintain our REDUCE rating.
- **Hero MotoCorp:** Demand remains robust for Hero MotoCorp, with management highlighting that demand momentum has historically sustained for a couple of years post each of the three excise duty cuts done over the past couple of decades. While the price cut then was in the range of 5-8%, the recent GST rate cut has provided for a price cut equivalent to the higher end of that range. In recent times, exports and EVs too have been consistently outperforming the respective industries. However, we view recent management changes in CY25 as a key overhang and prefer to wait for the new leadership to discuss its business strategy and vision. We value the company at 19x Sep-27 EPS, adding the value of its stakes in Hero FinCorp (INR 313) and Ather Energy (INR 386), arriving at a target price of INR 7,145. We maintain a BUY rating.
- **Siemens:** Siemens India's (SIL) revenue/EBITDA/APAT of INR 46.3/5.2/4.2bn was a (miss)/beat of 5.4/-1.3/-9.4% respectively. Revenue growth was driven by strong performance in the Mobility and Smart Infrastructure businesses while Digital Industries volumes were impacted by a lower reach in the order backlog from the previous year and muted private sector Capex. In this quarter, the worst seems to be behind for the segment, with business showing recovery signs indicating that the de-stocking phase is now largely over. SIL's order inflow (OI) stood at INR 48bn (+10.5% YoY) as of Sep'25, with order book (OB) standing at INR 422.5bn (+6% YoY). SIL has completed the demerger of its energy segment, resulting in the creation of a separate entity that was listed in Jun'25. Additionally, SIL has changed its financial year from Oct-Sept to April-March. The current FY has been changed to cover the period from 1 Oct 2024 to 31 March 2026 (18m). Thereafter, the FY will follow the April 1 to March 31 cycle. SIL's segments are exposed to government capex, which is expected to grow 10% YoY, while private capex recovery is contingent on pick-up in consumption. We have marginally lowered our estimates. Given the robust order backlog and stable order inflows, we maintain BUY, with increased TP of INR 3,736 (rolled over to 55x Sep-27 EPS).
- **Apollo Tyres:** Taking cue from management commentary, we believe that the new entrant (Balkrishna Industries) in the TBR and PCR segment from late FY27/early FY28 could increase the competitive intensity for a couple of years, leading to higher discounting and marketing spends by the industry, thus

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putting pressure on the margins. This entrant would compete in Apollo's key segments of TBR and mid-premium PCR. We have accordingly cut our volume and profitability estimates for standalone operations for FY28, leading to an 11.5% EPS cut. However, the gradual improving performance of the European operations, also to be aided by the restructuring exercise, coupled with GST rate cut have led to demand revival in the domestic market, improving the near-term business visibility. We value the company at 12.5x Sep-27 EPS for a TP of INR 438 and maintain SELL.

- **Relaxo Footwears:** Relaxo's Q2FY26 revenue fell by 7.5% YoY to INR 6.3bn in Q2FY26 (HSIE: INR 7.3bn), mainly due to weak consumer sentiment in the mass and mid-market segments and deferred purchases following the GST cut announcement. Volumes/net realization dropped by 4.7/3% YoY, while General Trade (GT) remained muted due to down-stocking by distributors, as they await clearance of high-priced inventory. Management expects inventory to clear by the end of Dec 2025, with demand recovery from Q4FY26. GM remained stable YoY at 51.5% (HSIE: 52.1%). Despite negative operating leverage, EBITDAM was flat YoY at 12.9% (HSIE: 15.9%), due to disciplined cost management and streamlined backend processes. EBITDA/APAT declined by 7.4/1.6% YoY to INR 812/362mn in Q2 (HSIE: INR 1.15bn/584mn). We have cut our FY27/28 EPS estimates by ~5% each to account for lower volume growth. However, we maintain ADD with a DCF-based TP of INR460/sh, implying 43x Sep-27 P/E.

# Tata Motors Passenger Vehicles

## Headwinds galore for JLR

Management has indicated that even without the cyber incident, it would have amended JLR's guidance at this point. Weaker demand for JLR in key markets like Europe and China continues, leading to higher variable marketing expense (VME). Also, higher US tariffs and China's luxury tax—both currently being absorbed by the OEMs to some extent—have structurally impacted the company's cost base over the medium term. However, the India PV division is in a stronger position, aided by recent GST rate rationalization and improved EV profitability (including PLI). We value the company on SOTP basis: JLR is valued at INR 156, using 3.0x Sep-27 EPS (~1/4th discount to key competitor Mercedes Benz); the India PV business is valued at INR 154, using 23x Sep-27 EPS (~15% discount to market leader Maruti Suzuki), and the stake in Tata Technologies is valued at INR 32. This results in a target price of INR 342, and we maintain our REDUCE rating.

- **JLR quarterly performance:** JLR's EBIT margin in Q2 was negative 8.6%, significantly below our estimate of negative 2.2%. This marks a deterioration from the positive EBIT margin of 3.9% of Q1FY26 and 10.7% of Q4FY25. The sharp decline was mainly due to negative operating leverage, which was exacerbated by a cyber-security incident that disrupted plants and key operations for almost a month in Q2. Additionally, there were exceptional items below the EBIT line, including £196mn in cyber-related costs and £42mn for a voluntary redundancy program, which led to 500 managers and employees leaving the company as part of cost rationalization efforts.
- **JLR guidance downgraded:** Following the previous quarter's results, management has revised its FY26 guidance, lowering the EBIT margin outlook to 0-2% from the earlier 5-7%. The free cash flow guidance has also been cut to negative £2.2bn-£2.5bn, down from close to zero. Additionally, all medium-term and long-term guidance remains on hold, with management planning to provide an update after the Q3 results.
- **Headwinds galore for JLR:** (1) Demand weakness continues across key markets like Europe and China. (2) While US tariffs have fallen from 25% to 15% for Europe and 10% for UK, they still remain higher than the earlier tariff of 2.5%. (3) Demand for luxury cars in China has been impacted by the recent luxury tax, and the country's retailer base is also financially weak. (4) VME is expected to remain elevated for some time. (5) Financial impact from production loss will continue in Q3.
- **India PV:** EBITDA margin at 5.8% was above our estimate of 5.5%. It expects the domestic PV industry to grow in double digits in H2 and end FY26 with ~5% growth. It is running a strong cost reduction program, which is estimated to provide a benefit of 1-2% per year over the next few years. It expects the Sierra model to aid profitability and expects PLI benefits for both the Nexon EV and Harrier EV in H2, paving the way for double-digit EBITDA margin.

### Quarterly/annual financial summary

YE Mar (INR mn)	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
JLR - Net Sales (£ mn)	4,900	6,475	(24.3)	6,604	(25.8)	28,961	25,774	29,989	34,523
JLR - EBIT %	-8.6	5.0	-1360 bps	3.9	-1250 bps	8.5	0.8	6.3	8.1
India PV - Sales	135,290	117,010	15.6	108,770	24.4	4,84,450	5,41,362	5,89,802	6,45,637
India PV - EBITDA %	5.8	6.2	-40 bps	4.0	180 bps	5.6	6.0	7.4	9.0

Source: Company, HSIE Research

## REDUCE

CMP (as on 14 Nov 2025)	INR 391
Target Price	INR 342
NIFTY	25,910

### KEY STOCK DATA

Bloomberg code	TMPV IN
No. of Shares (mn)	3,682
MCap (INR bn) / (\$ mn)	1,441/16,233
6m avg traded value (INR mn)	8,347
52 Week high / low	INR 498/324

Note: The record date for the demerger of erstwhile Tata Motors was 14 October 2025, when it began trading ex of the CV business, with the price discovery happening at INR 400 per share. The company was renamed 'Tata Motors Passenger Vehicles Limited'

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# Hero MotoCorp

## Good operational performance with improving outlook

Demand remains robust for Hero MotoCorp, with management highlighting that demand momentum has historically sustained for a couple of years post each of the three excise duty cuts done over the past couple of decades. While the price cut then was in the range of 5-8%, the recent GST rate cut has provided for a price cut equivalent to the higher end of that range. In recent times, exports and EVs too have been consistently outperforming the respective industries. However, we view recent management changes in CY25 as a key overhang and prefer to wait for the new leadership to discuss its business strategy and vision. We value the company at 19x Sep-27 EPS, adding the value of its stakes in Hero FinCorp (INR 313) and Ather Energy (INR 386), arriving at a target price of INR 7,145. We maintain a BUY rating.

- **Quarterly performance:** EBITDA margin at 15% improved 55bps YoY and 61bps QoQ, 24bps above our estimate and 30bps above Bloomberg consensus estimate. EBITDA margin for the ICE segment (ex of EV) stood at 17.7%, up 120bps YoY and 90bps QoQ, led by operating leverage, better mix, and improving cost efficiencies. Realization improved 4.2% YoY and 2.4% QoQ.
- **Guidance:** Management expects domestic 2W industry volumes to grow 8-10% YoY in H2FY26 and expects the company to outperform the industry. Despite improving margins, it maintained its broad EBITDA margin guidance for the medium term at 14-16%.
- **Good festive season:** It highlighted that growth for its ICE 2W since the festive season (from Onam in Aug 2025 to 13 Nov 2025) has been 16.2%, led by a return of the 'fence sitters' to the market, increasing share of 'first time buyers' (at 81% this festive vs 71% in the earlier festive period), which has led to recovery of entry-level 2W segment, good traction in the scooter segment led by new launches, and continued brand building exercises.
- **Demand sustaining post festive:** It indicated that demand continues to sustain even post the festive season, albeit lower due to a component of deferred demand which was earlier on account of GST rate rationalization. It is being aided by continuing benefit from the GST rate cuts, income tax cut (announced in the Union Budget 2025), continuing traction on recent launches, cashing in of crop harvests and a better marriage season.
- **Exports levelling up:** The company's exports market share improved to 7.2% in H1FY26 from 5.8% in H1FY25, and its export mix in volumes improved to 6.6% in Q2FY26 from 4.7% in Q1FY26 and 4.2% in Q2FY25. It highlighted that exports growth has been led by good traction in Bangladesh, Nepal, Sri Lanka and Colombia, as well as new product launches, as the company continues to work on products specific to export markets.

### Quarterly/annual financial summary

YE Mar (INR mn)	2Q FY26	2Q FY25	YoY (%)	1Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	1,21,264	1,04,632	15.9	95,789	26.6	4,07,564	4,73,745	5,35,159	5,84,844
EBITDA	18,234	15,159	20.3	13,817	32.0	58,677	69,946	81,190	91,421
EBITDA %	15.0	14.5	55bps	14.4	62bps	14.4	14.8	15.2	15.6
APAT	13,928	12,035	15.7	11,257	23.7	46,100	54,790	63,580	72,065
Diluted EPS (INR)	69.6	60.2	15.7	56.3	23.7	230.6	274.1	318.1	360.5
P/E (x)						24.0	20.2	17.4	15.4
EV / EBITDA (x)						17.7	14.7	12.5	10.9
RoE (%)						23.3	25.3	26.5	27.1

Source: Company, HSIE Research

**BUY**

CMP (as on 14 Nov 2025) INR 5,539

Target Price INR 7,145

NIFTY 25,910

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 6,429	INR 7,145
EPS %	FY27E	FY28E
	+5.6%	+5.0%

### KEY STOCK DATA

Bloomberg code	HMCL IN
No. of Shares (mn)	200
MCap (INR bn) / (\$ mn)	1,108/12,486
6m avg traded value (INR mn)	3,886
52 Week high / low	INR 5,717/3,323

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	17.6	36.2	20.3
Relative (%)	12.7	32.2	11.3

### SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	34.74	34.73
FIs & Local MFs	27.83	26.39
FPIs	27.05	28.76
Public & Others	10.38	10.12
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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# Siemens

## Muted financial performance; stable order booking

Siemens India's (SIL) revenue/EBITDA/APAT of INR 46.3/5.2/4.2bn was a (miss)/beat of 5.4/-1.3/-9.4% respectively. Revenue growth was driven by strong performance in the Mobility and Smart Infrastructure businesses while Digital Industries volumes were impacted by a lower reach in the order backlog from the previous year and muted private sector Capex. In this quarter, the worst seems to be behind for the segment, with business showing recovery signs indicating that the de-stocking phase is now largely over. SIL's order inflow (OI) stood at INR 48bn (+10.5% YoY) as of Sep'25, with order book (OB) standing at INR 422.5bn (+6% YoY). SIL has completed the demerger of its energy segment, resulting in the creation of a separate entity that was listed in Jun'25. Additionally, SIL has changed its financial year from Oct-Sept to April-March. The current FY has been changed to cover the period from 1 Oct 2024 to 31 March 2026 (18m). Thereafter, the FY will follow the April 1 to March 31 cycle. SIL's segments are exposed to government capex, which is expected to grow 10% YoY, while private capex recovery is contingent on pick-up in consumption. We have marginally lowered our estimates. Given the robust order backlog and stable order inflows, we maintain BUY, with increased TP of INR 3,736 (rolled over to 55x Sep-27 EPS).

■ **Q4FY25 standalone financial snapshot:** Revenue stood at INR 46.3bn (+16.6/+19.8% YoY/QoQ, a 5.4% beat vs. our estimate). Segmental revenue (ex inter-segment sales) for Smart Infrastructure (SI)/Mobility (MO)/Digital Industries (DI)/Low Voltage Motors (LVM, previous portfolio companies)/Others stood at INR 22.3/10.9/10.7/2.7/0.6bn. EBITDA stood at INR 5.2bn (+14.9/+21.7% YoY/QoQ, a 1.3% miss). Consequently, APAT came in at 4.2bn (-45.8/+13.7% YoY/QoQ, a miss of 9.4% owing to lower other income).

■ **Segment-wise performance:** Smart infrastructure (47.3% revenue contribution): revenue at INR 22.3bn (+21.9/14.4% YoY/QoQ), EBIT margin at 13.5% (-18/-27.4bps YoY/QoQ); Mobility (23.1% revenue contribution): revenue at INR 10.9bn (+30.3/+40.4% YoY/QoQ), EBIT margin at 10.2% (+308.5/+802.2bps YoY/QoQ); Digital industries (22.6% revenue contribution): revenue at INR 10.7bn (+1.4/+16.5% YoY/QoQ), EBIT margin at 7% (-235.1/-374.9bps YoY/QoQ); Low Voltage Motors (5.8% revenue contribution): revenue at INR 2.7bn (+4.8/+14% YoY/QoQ), EBIT margin at 1.8% (-404/+151bps YoY/QoQ); and Others (1.2% revenue contribution): revenue at INR 563mn (+46.6/+22.4% YoY/QoQ), EBIT margin at 6.4% (-64/-56bps YoY/QoQ).

### Standalone financial summary (INR mn)

Particulars	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	46,338	39,744	16.6	38,678	19.8	154,850	174,020	199,076	227,766
EBITDA	5,210	4,534	14.9	4,282	21.7	16,488	19,838	23,093	27,104
APAT	4,196	7,747	(45.8)	3,691	13.7	20,259	18,765	21,049	24,595
EPS (INR)	11.8	21.8	(45.8)	10.4	13.7	56.9	52.7	59.1	69.1
P/E (x)						54.2	58.5	52.2	44.7
EV/EBITDA (x)						62.8	51.4	43.7	36.7
RoE (%)						15.6	13.0	13.1	13.7

Source: Company, HSIE Research

### Change in Estimates (INR mn)

Particulars	FY26E			FY27E		
	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	174,020	173,621	0.2	199,076	198,621	0.2
EBITDA	19,838	21,529	(7.9)	23,093	25,225	(8.5)
EBITDA (%)	11.4	12.4	(100.0)	11.6	12.7	(110.0)
APAT	18,765	20,021	(6.3)	21,049	22,636	(7.0)

Source: HSIE Research

**BUY**

CMP (as on 14 Nov 2025)	INR 3,084
Target Price	INR 3,736
NIFTY	25,910

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 3,862	INR 3,736
EPS Change %	FY26E -6.3	FY27E -7.0

### KEY STOCK DATA

Bloomberg code	SIEM IN
No. of Shares (mn)	356
MCap (INR bn) / (\$ mn)	1,048/12,377
6m avg traded value (INR mn)	1,586
52 Week high / low	INR 3,995/2,270

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.7)	2.6	(7.9)
Relative (%)	(7.6)	(1.4)	(16.9)

### SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	75.00	75.00
FIs & Local MFs	7.24	8.04
FPIs	7.66	7.00
Public & Others	10.09	9.96
Pledged Shares	-	-

Source: BSE

Pledge shares as a % of total shares

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# Apollo Tyres

## New entrant may lead to heightened competition

Taking cue from management commentary, we believe that the new entrant (Balkrishna Industries) in the TBR and PCR segment from late FY27/early FY28 could increase the competitive intensity for a couple of years, leading to higher discounting and marketing spends by the industry, thus putting pressure on the margins. This entrant would compete in Apollo's key segments of TBR and mid-premium PCR. We have accordingly cut our volume and profitability estimates for standalone operations for FY28, leading to an 11.5% EPS cut. However, the gradual improving performance of the European operations, also to be aided by the restructuring exercise, coupled with GST rate cut have led to demand revival in the domestic market, improving the near-term business visibility. We value the company at 12.5x Sep-27 EPS for a TP of INR 438 and maintain SELL.

- **Consolidated performance:** Consolidated EBITDA margin at 14.9% improved 172bps QoQ, led by softer raw material cost and better mix. It was 74bps above our estimate and 98bps above the Bloomberg consensus estimate.
- **Standalone performance:** Standalone EBITDA margin was impressive too, coming in at 15.3%, up 321bps YoY and 164 bps QoQ, led by softer raw material cost and better mix, ~135bps beat to both ours and Bloomberg consensus estimate. Revenue growth improved to 5.7% YoY, marking the strongest performance in the last 10 quarters. Revenue growth came entirely from volume growth.
- **Demand revival post GST rate cut:** Management expects H2FY26 performance to be healthy for India operations, on the back of GST rate cut as well as pick-up in infrastructure and mining activities post monsoon.
- **Segment-wise update:** Volume growth in Q2 stood at 4%, being muted for TBR, though slightly positive for PCR, with decent exports recovery. Replacement growth stood at 2%, while OEM growth was 4%.
- **RM cost pressure behind:** Raw material cost inflation is expected to be range bound in Q3, with a slightly downward bias. RM costs eased 3% QoQ in Q2.
- **Tepid demand in Europe, albeit improving:** The company indicated that European demand remains muted, albeit it is better than the previous two quarters. It expects growth to come back, though could be limited to low single digit.
- **Marketing, brand building:** It indicated that sponsoring the Indian cricket team would enhance its reach in rural markets, especially post the GST rate cut. It will also plans to build on this and increase its dealer network.
- **New entrant may disrupt the market temporarily:** Management cautioned that a new player (Balkrishna Industries) entering some of the segments that it operates in may increase the competitive intensity for a while, especially as the new entrant is financially strong with a strong brand value.

### Quarterly/annual financial summary

YE Mar (INR mn)	Q2 FY26	Q2 FY25	YoY (%)	Q1 FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	68,311	64,370	6.1	65,608	4.1	2,61,234	2,81,979	3,13,598	3,30,379
EBITDA	10,207	8,779	16.3	8,677	17.6	35,715	41,322	49,462	51,881
EBITDA Margin (%)	14.9	13.6	131bps	13.2	172bps	13.7	14.7	15.8	15.7
APAT	3,841	3,011	27.6	2,720	41.2	12,900	16,176	21,508	23,033
Diluted EPS (INR)	6.0	4.7	27.6	4.3	41.2	17.6	25.5	33.9	36.3
P/E (x)						29.4	20.4	15.3	14.3
EV / EBITDA (x)						9.9	8.1	6.5	5.9
ROE (%)						9.0	10.6	13.1	12.9

Source: Company, HSIE Research

## SELL

CMP (as on 14 Nov 2025)	INR 519
Target Price	INR 438
NIFTY	25,910

KEY CHANGES	OLD	NEW
Rating	SELL	SELL
Price Target	INR 454	INR 438
EPS %	FY27E	FY28E
	-2.5%	-11.5%

### KEY STOCK DATA

Bloomberg code	APTY IN
No. of a Shares (mn)	635
MCap (INR bn) / (\$ mn)	329/3,712
6m avg traded value (INR mn)	577
52 Week high / low	INR 557/ 368

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	20.0	9.1	9.1
Relative (%)	15.1	5.1	0.1

### SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	36.95	36.95
FIs & Local MFs	27.53	27.93
FPIs	12.27	11.90
Public & Others	23.25	23.22
Pledged Shares	0.07	0.05

Source : BSE

Pledged shares as % of total shares

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# Relaxo Footwears

## GST-led channel disruptions play spoilsport

Relaxo's Q2FY26 revenue fell by 7.5% YoY to INR 6.3bn in Q2FY26 (HSIE: INR 7.3bn), mainly due to weak consumer sentiment in the mass and mid-market segments and deferred purchases following the GST cut announcement. Volumes/net realization dropped by 4.7/3% YoY, while General Trade (GT) remained muted due to down-stocking by distributors, as they await clearance of high-priced inventory. Management expects inventory to clear by the end of Dec 2025, with demand recovery from Q4FY26. GM remained stable YoY at 51.5% (HSIE: 52.1%). Despite negative operating leverage, EBITDAM was flat YoY at 12.9% (HSIE: 15.9%), due to disciplined cost management and streamlined backend processes. EBITDA/APAT declined by 7.4/1.6% YoY to INR 812/362mn in Q2 (HSIE: INR 1.15bn/584mn). We have cut our FY27/28 EPS estimates by ~5% each to account for lower volume growth. However, we maintain ADD with a DCF-based TP of INR460/sh, implying 43x Sep-27 P/E.

- **Q2FY26 highlights:** Revenue declined by 7.5% YoY to INR 6.3bn (HSIE: INR 7.3bn) due to subdued demand in the mass market segment and delayed purchases due to implementation of GST 2.0 norms. Management highlighted that GST 2.0 has significantly improved the company's competitiveness in the mass market due to lower prices, thereby reducing the gap with smaller regional players. GT remained subdued due to down-stocking by distributors, as they awaited clearance of high-priced inventory. Management expects inventory clearance by the end of Dec-25. Consequently, volume/net realization declined by 4.7/3% YoY (pairs sold: 41mn at an average realization of ~INR151). The company has added eight EBOs (net) in Q2 (total count: 414 EBOs). GM remained stable YoY at 51.5% (HSIE: 52.1%). Despite negative operating leverage, EBITDAM came in flat YoY at 12.9% (HSIE: 15.9%), owing to consistent efforts to enhance operational efficiencies, disciplined cost management, and streamlined backend processes. EBITDA/APAT declined by 7.4/1.6% YoY to INR 812/362mn in Q2 (HSIE: INR 1.15bn/584mn).
- **Outlook:** While Relaxo's volume woes continue to weigh on the topline, the recent GST rate cut (12% to 5%) is likely to make Relaxo's offering more competitive vis-à-vis unorganized players. A revival is expected after Q4. We have cut our FY27/28 EPS estimates by ~5% each to account for lower volume growth. However, we maintain ADD with a DCF-based TP of INR460/sh, implying 43x Sep-27 P/E.

### Quarterly financial summary

(Rs mn)	2QFY26	2QFY25	YoY (%)	1QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	6,285	6,794	(7.5)	6,545	(4.0)	29,141	27,896	27,088	31,475	34,837
EBITDA	812	877	(7.4)	995	(18.4)	3,476	3,159	3,205	4,244	4,888
APAT	362	367	(1.6)	489	(26.1)	2,005	1,703	1,878	2,475	2,921
EPS (Rs)	1.5	1.5	(1.9)	2.0	(26.1)	8.1	6.8	7.5	9.9	11.7
P/E (x)						52.8	62.1	56.3	42.7	36.2
EV/EBITDA (x)						29.9	32.3	31.3	23.4	20.0
Core RoCE(%)						12.0	9.8	9.9	14.6	16.4

Source: Company, HSIE Research, Standalone Financials

### Change in estimates

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	27,088	28,750	(5.8)	31,475	32,988	(4.6)	34,837	36,511	(4.6)
Gross Profit	13,066	13,983	(6.6)	15,214	16,011	(5.0)	16,839	17,721	(5.0)
Gross Profit Margin (%)	48.2	48.6	(40 bps)	48.3	48.5	(20 bps)	48.3	48.5	(20 bps)
EBITDA	3,205	3,546	(9.6)	4,244	4,448	(4.6)	4,888	5,123	(4.6)
EBITDA margin (%)	11.8	12.3	(50 bps)	13.5	13.5	(0 bps)	14.0	14.0	(0 bps)
APAT	1,878	1,968	(4.6)	2,475	2,615	(5.3)	2,921	3,087	(5.4)
APAT margin (%)	6.9	6.8	9 bps	7.9	7.9	(6 bps)	8.4	8.5	(7 bps)
EPS (Rs)	7.5	7.9	(4.6)	9.9	10.5	(5.3)	11.7	12.4	(5.4)

Source: Company, HSIE Research, Standalone Financials

**ADD**

CMP (as on 14 Nov 2025)	INR 425
Target Price	INR 460
NIFTY	25,910

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	490	460
EPS %	FY27E	FY28E
	-5.3	-5.4

### KEY STOCK DATA

Bloomberg code	RLXF IN
No. of Shares (mn)	249
MCap (INR bn) / (\$ mn)	106/1,195
6m avg traded value (INR mn)	209
52 Week high / low	INR 694/390

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(2.4)	(0.4)	(37.1)
Relative (%)	(7.3)	(4.3)	(46.1)

### SHAREHOLDING PATTERN (%)

	Jun-25	Sep-25
Promoters	71.27	71.27
FIs & Local MFs	9.95	9.88
FPIs	2.86	3.03
Public & Others	15.92	15.82
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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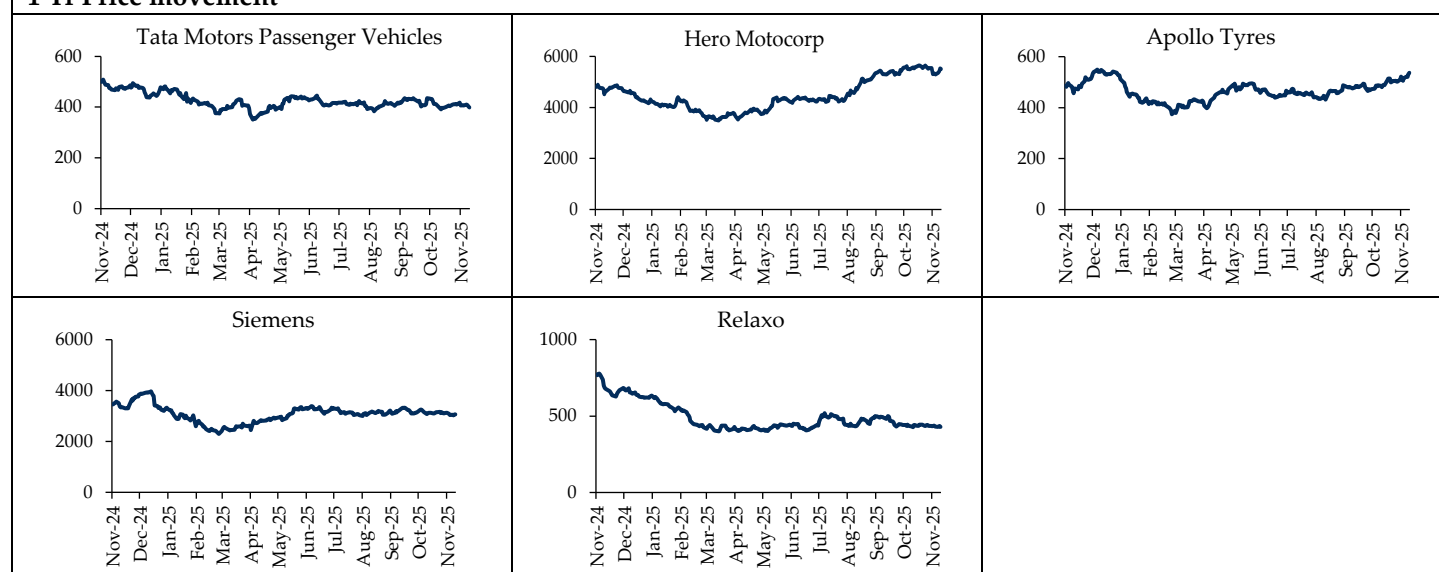
### Rating Criteria

**BUY:** >+15% return potential  
**ADD:** +5% to +15% return potential  
**REDUCE:** -10% to +5% return potential  
**SELL:** > 10% Downside return potential

### Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Hitesh Thakurani	Tata Motors Passenger Vehicles, Hero MotoCorp, Apollo Tyres	MBA	NO
Shubhangi Kejriwal	Tata Motors Passenger Vehicles, Hero MotoCorp, Apollo Tyres	MSc	NO
Parikshit Kandpal	Siemens	CFA	NO
Aditya Sahu	Siemens	MBA	NO
Jay Shah	Siemens	CA	NO
Jay Gandhi	Relaxo Footwears	MBA	NO
Vedant Mulik	Relaxo Footwears	CA	NO

### 1 Yr Price movement



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