INSTITUTIONAL RESEARCH

# HSIE Results Daily

## Contents

### Results Reviews

- **PB Fintech:** PBFINTECH posted 40% YoY growth in its core operating revenue, driven by strong traction in the flagship Policybazaar business (+46% YoY), and partly supported by the Paisabazaar business (25% YoY). PAT grew by 92% YoY (INR 1.63bn), assisted by an improvement in cost-to-income ratio to 95.3% (Q1FY26: 100.6%), which we expect will sustain for FY27. The renewals business is continuously inching higher to an all-time high of INR10bn, on a rolling 12-month basis. Policybazaar, the company's flagship platform, offers insurers a data-rich, efficient channel with measurable outcomes, which has singularly reshaped India's insurance distribution landscape by solving critical industry-wide challenges (high CACs and poor lead conversion). Regulatory headwinds from Bima Sugam notwithstanding, PBFINTECH is firmly positioned as the undisputed platform of choice, given its strong growth runway and a sustainable Right-to-Win. We remain constructive on PBFINTECH's ability to deliver nonlinear profitability, underpinned by its robust revenue expansion and a sharply improving cost curve (operating leverage). Our estimates factor in a 27%/56% revenue/PAT CAGR over FY27–28E, supported by Policybazaar's differentiated right-to-win and the unlocking operating leverage. We maintain BUY with a TP of INR2,180 (implying 61x FY28 EPS).
- **Aster DM Quality Care:** EBITDA (+21% YoY) beat our/consensus estimates by 4/6% respectively, led by 22% sales growth, driven by increased occupancy at 62% (vs 59% in Q1FY26), and a 10% YoY growth in ARPP. ASTERDM expects: (1) steady growth in hospital business with strong performance and scale-up in core clusters; (2) bed capacity expansion on track (to add over 3,350 beds over FY27-29, of which ~60% beds are brownfield expansion); (3) margin improvement to sustain with better payor/cash mix, operating leverage, and breakeven in greenfield hospital (Kasargod Hospital achieved EBITDA breakeven in Jun-26). It retains guidance of 23-24% EBITDA margin for the next 2-3 years (for Aster DM); (4) Quality Care Hospital (QCIL) to see steady growth along with bed capacity expansion (largely in existing cities). It is focusing on integration of merger entity, cost synergies, operational and clinical integration, and it expects the merger to unlock value through synergies and deliver 10–15% EBITDA uplift. Factoring in Q1 and Quality Care merger, we have changed EBITDA for FY27/28E and revised our TP to INR 910 (28x Q1FY29E blended EV/E). ADD stays.
- **MCX:** MCX posted a muted quarter, with revenue/EBITDA down 21%/26% QoQ as commodity volatility normalized from Q4's exceptional highs. Options premium ADTV and futures ADTV fell 15%/34% QoQ, even as notional options ADTV rose 72% QoQ to INR9.9trn, reflecting broadening participation. The premium decline was led by a 49.4%/27.2% QoQ drop in natural gas/bullion ADTV, partly offset by crude (+15.4% QoQ). Encouragingly, July-26 premium ADTV is down just 4% versus the 1Q average, despite the RBI bank-guarantee regulation taking effect from 1st July; management expects the impact to be gradual, we don't expect a significant hit to volumes and premium ADTV of INR 80-90bn is the new base. The key structural driver remains growth in traded options UCCs (+104% YoY), aided by rising participation via digital brokers. The volume growth will be underpinned by product innovation, improved expiry

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frameworks, a sharper focus on domestic price discovery, and growing hedging activity among SMEs and corporates. We expect recovery with a rise in commodity volatility, new contract launches, and regulatory tailwinds such as institutional/FPI participation in non-cash-settled contracts, which should aid traction in bullion and metal index options. We estimate FY27E options premium ADTV will be just 4% above the July-26 level, but ~30% below the March-26 peak. We raise FY27/FY28E EPS estimates by ~2% and maintain BUY, with a TP of INR 3,600, based on 45x FY28E core PAT (43x on June-28E EPS) plus net cash ex-SGF.

- **Berger Paints:** BRGR's standalone revenue grew 12.7% YoY to INR32.3bn (HSIE: INR31.9bn), driven by 8.4% volume growth in Q1. Consolidated revenue grew 12% YoY. Decorative segment delivered ~13.5% value growth and ~20% operating profit growth, supported by calibrated price hikes in the quarter. The company realized ~5% price hikes in Q1FY27, with the cumulative pricing impact expected to rise to 7.5-8.5% in Q2. Management expects double-digit value growth to sustain through FY27, aided by the full impact of price increase, festive demand, and continued distribution expansion. GM contracted by 54bps to 40.9% (HSIE: 41.3%) due to delayed pass-through of price hikes in the industrial business and only partial realization in decorative in Q1. However, EBITDAM expanded by 44bps YoY to 16.9% (HSIE: 16%) due to sustained cost optimization. Management's EBITDAM guidance of 15-17% stays. EBITDA/APAT both grew ~15% YoY to INR 6.07/4.04bn (HSIE: INR 5.7/3.74bn). We have cut our EPS estimates for FY28/29 by ~2% each but maintain ADD with a DCF-based TP of INR550/sh (implying ~40x Jun-28 P/E).

- **Navin Fluorine International:** We maintain ADD on Navin Fluorine International (NFIL), with a target price of INR 8,058 on the back of (1) earnings visibility, given long-term contracts; (2) robust pipeline in the CDMO business; (3) scale-up of the advanced materials vertical over the next 3-4 years; and (4) ramp-up in recently commissioned plants. Q1 EBITDA was 45% above our estimates, while APAT exceeded our estimates by 52%, driven by better-than-expected financial performance and strong growth across all business verticals.

- **PNB Housing Finance:** PNB Housing Finance's (PNBHF) Q1FY27 earnings were marginally below our estimates due to NIM compression and lower loan growth (+15.4% YoY), partly offset by higher other income. Disbursements growth moderated to +18% YoY, partly impacted by change in disbursement recognition methodology, which is likely to normalize from Q2. Loan growth was led by emerging (+22% YoY) and affordable (+49% YoY) segments, although incremental disbursements over the last two quarters have pivoted toward prime (52.4% of disbursements). PNBHF continues to remain focused on increasing share of emerging and affordable segment (+40.4% of loan book), along with revival of corporate portfolio (0.5% of loan book) to drive higher yields and profitability. However, the gradual normalization of credit costs, along with rising cost of funds amidst global uncertainties, is likely to put pressure on the return ratios, with RoE at ~12% by FY28E. We maintain ADD with an unchanged RI-based TP of INR 1,100 (implying 1.2x Mar-28 ABVPS).

- **Metro Brands:** MBL reported topline growth of 14.7% YoY to INR 7.2bn (in-line) in Q1. The growth was partially impacted by the US-Iran conflict overhang and shift in wedding dates due to Adhik Maas. Sales density was up 3.3% YoY to INR18.4k in Q1FY27 (vs INR17.8k/sq. ft. in Q1FY26). E-commerce sales (including omni-channel) grew 9% YoY (contributing 13.1 to sales in Q1FY27 vs 13.7% in Q1FY26). Store expansion remained measured in the quarter as MBL added nine stores (net) (total store count: 1,041). GM expanded by 15bps YoY to 59.5% (HSIE: 59%), but EBITDAM contracted by 107bps YoY to 29.8% (HSIE: 30.2%) due to investments in talent and marketing. EBITDA grew 10.7% YoY to INR 2.15bn (HSIE: INR 2.18bn). APAT declined by 3.6% YoY to INR 953mn (HSIE: INR 982mn), due to lower treasury income and a modest rise in occupancy costs from new format additions. Management reiterated its FY27 guidance of 55-57% GM, ~30% EBITDAM, and 13-15% PATM. We have largely maintained the FY28/29 EPS estimates and maintain ADD with a DCF-based TP of INR1,060/sh, implying ~44x Jun-28 EPS.

- **ASK Automotive:** The good performance in Q1FY27 has been on the back of a more efficient pass-through of elevated aluminum alloy prices to customers, which is impressive. The commencement of the HPDC alloy wheel business and the expected commencement of the sunroof cables business in H2FY27 should aid the overall content value that the company can provide to the customers. Additionally, it is also in process of ramping up export order execution, which augurs well for overall revenue growth. Considering the better pass-through of raw material prices and validation of the HPDC technology, and possible delay or easing of the ABS norms for 2W, we upgrade our estimates and value the company at 26x Jun-28 EPS (from 22x earlier) for a TP of INR642, and maintain an ADD rating.
- **Metropolis Healthcare:** EBITDA (grew 24% YoY) was largely in line with our/consensus estimates, as 17% YoY increase in sales led by growth in patient/test volumes at 10/11% YoY and realization per patient/test at 6/5% YoY. In FY27, Metropolis retains its growth and margin guidance of 14-15% and 125-150bps EBITDA margin expansion (24.4% in FY26). Moreover, it targets 27-28% EBITDA margin over next 2-3 years, supported by steady growth and cost optimization. The Core Diagnostics improvement is on track with steady growth and margin improvement; it retains its aspiration to achieve ~25% EBITDA margin over the next 3-4 years. The company alluded to five focus areas in FY27 to support overall profitable growth – (1) Accelerate network expansion and add 400-500 service centers in FY27, largely focused on Tier 2/3 cities; (2) Specialty mix increase to ~45% of sales (vs ~40% of sales) over the next couple of years led by Core Diagnostic (oncology testing), Genomics scale-up, high-end testing expansion; (3) To increase TruHealth share to ~25%, supported by scale-up in radiology integrated and premium packages; (4) leveraging AI technology to improve doctor and patient engagement, customer data platform, and scalability; (5) to have a disciplined approach for inorganic growth with strategic focus on growth, market expansion, and testing portfolio. The company didn't have any major benefit from CGHS price revision; no plans for price increase in the near term but it is open for price hikes if needed. Having completed its investment phase, Metropolis is focusing on execution and margin expansion. Initiatives like network expansion, diversifying test portfolios, wellness packages, genomic scale-up, M&As, gaining share in tier 2/3 cities, and boosting B2C presence are expected to drive sales and margin. Factoring Q1, we have tweaked EPS for FY27/28E and revised TP to INR 650 (42x Q1FY29E EPS). ADD stays.

# PB Fintech

## Operating leverage at play; right-to-win intact

**PBFINTECH posted 40% YoY growth in its core operating revenue, driven by strong traction in the flagship Policybazaar business (+46% YoY), and partly supported by the Paisabazaar business (25% YoY). PAT grew by 92% YoY (INR 1.63bn), assisted by an improvement in cost-to-income ratio to 95.3% (Q1FY26: 100.6%), which we expect will sustain for FY27. The renewals business is continuously inching higher to an all-time high of INR10bn, on a rolling 12-month basis. Policybazaar, the company's flagship platform, offers insurers a data-rich, efficient channel with measurable outcomes, which has singularly reshaped India's insurance distribution landscape by solving critical industry-wide challenges (high CACs and poor lead conversion). Regulatory headwinds from Bima Sugam notwithstanding, PBFINTECH is firmly positioned as the undisputed platform of choice, given its strong growth runway and a sustainable Right-to-Win. We remain constructive on PBFINTECH's ability to deliver nonlinear profitability, underpinned by its robust revenue expansion and a sharply improving cost curve (operating leverage). Our estimates factor in a 27%/56% revenue/PAT CAGR over FY27–28E, supported by Policybazaar's differentiated right-to-win and the unlocking operating leverage. We maintain BUY with a TP of INR2,180 (implying 61x FY28 EPS).**

- **Flagship business sustains momentum:** Revenue beat our expectations, given strong traction in the health and term business, which remains the key focus area for PBFINTECH. New initiatives also delivered an uptick, as witnessed by the POSP channel, which is now being expanded with a granular focus. Insurance yields surprisingly clocked in at 20.6% (+270bps YoY), which we feel should remain at these levels for FY27, given the higher base during H2FY26.
- **Policybazaar's Right-to-Win Reaping Rewards:** Policybazaar continues to reinforce its Right-to-Win through hyperscale, high-quality customer acquisition (90%+ CSAT), an integrated physical-digital footprint across 250+ cities, and an advanced AI engine that processes over 2mn calls daily. The renewal revenue flywheel has emerged a key profit driver, with insurance renewal ARR reaching INR10bn (+38% YoY), materially improving the visibility on operating leverage and long-term earnings compounding.
- **Well positioned to absorb adverse regulatory action on commissions:** While media reports suggest a possible commission rationalization across insurance distributors, we draw comfort from Policybazaar's demonstrated resilience during the recent commission squeeze, following GST rationalization on health and life insurance products. The management underscored the superior quality of business sourced through the platform - translating into profitable outcomes for insurers, which we believe positions Policybazaar well to absorb the adverse impact of any regulatory action on commission.

### Financial summary

| (INR bn) | Q1FY27 | Q1FY26 | YoY% | Q4FY26 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|---|---|
| Revenues | 18.9 | 13.5 | 40.1 | 20.6 | 68 | 87 | 110 |
| Operating profits | 1.4 | 0.3 | 305 | 2.2 | 5.1 | 11.4 | 18.4 |
| *OP margin (%)* | *7%* | *3%* | *500bps* | *11%* | *7%* | *13%* | *17%* |
| APAT | 1.6 | 0.8 | 92.4 | 2.6 | 6.7 | 10.9 | 16.4 |
| EPS | 3.5 | 1.9 | 90.8 | 5.7 | 14.6 | 23.8 | 35.7 |
| P/E (x) | | | | | 111 | 68 | 45.4 |

Source: Company, HSIE Research

## BUY

| | |
|---|---|
| **CMP** *(as on 05 Aug 2026)* | **INR1,630** |
| **Target Price** | **INR2,180** |
| **NIFTY** | **24,625** |

| **KEY CHANGES** | **OLD** | **NEW** |
|---|---|---|
| Rating | BUY | BUY |
| Price Target | INR2,180 | INR2,180 |
| EPS % | FY27E | FY28E |
| | - | - |

| **KEY STOCK DATA** | |
|---|---|
| Bloomberg code | POLICYBZ IN |
| No. of Shares (mn) | 463 |
| MCap (INR bn) / ($ mn) | 754/7,928 |
| 6m avg traded value (INR mn) | 3,714 |
| 52 Week high / low | INR 1,974/1,334 |

**STOCK PERFORMANCE (%)**

| | 3M | 6M | 12M |
|---|---|---|---|
| Absolute (%) | (3.0) | 5.0 | (6.8) |
| Relative (%) | (5.0) | 10.7 | (4.1) |

**SHAREHOLDING PATTERN (%)**

| | Mar-26 | June-26 |
|---|---|---|
| Promoters | 0.0 | 0.0 |
| FIs & Local MFs | 36.7 | 40.42 |
| FPIs | 39.9 | 37.30 |
| Public & Others | 23.3 | 22.28 |
| Pledged Shares | Nil | Nil |

*Source : BSE*

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# Aster DM Quality Care

## Steady Q1; Aster + Quality Care integration key

**EBITDA (+21% YoY) beat our/consensus estimates by 4/6% respectively, led by 22% sales growth, driven by increased occupancy at 62% (vs 59% in Q1FY26), and a 10% YoY growth in ARPP. ASTERDM expects: (1) steady growth in hospital business with strong performance and scale-up in core clusters; (2) bed capacity expansion on track (to add over 3,350 beds over FY27-29, of which ~60% beds are brownfield expansion); (3) margin improvement to sustain with better payor/cash mix, operating leverage, and breakeven in greenfield hospital (Kasargod Hospital achieved EBITDA breakeven in Jun-26). It retains guidance of 23-24% EBITDA margin for the next 2-3 years (for Aster DM); (4) Quality Care Hospital (QCIL) to see steady growth along with bed capacity expansion (largely in existing cities). It is focusing on integration of merger entity, cost synergies, operational and clinical integration, and it expects the merger to unlock value through synergies and deliver 10–15% EBITDA uplift. Factoring in Q1 and Quality Care merger, we have changed EBITDA for FY27/28E and revised our TP to INR 910 (28x Q1FY29E blended EV/E). ADD stays.**

- **Q1 highlights:** Sales grew 22% YoY to INR 13.1bn, led by increased occupancy at 62% (vs 59% YoY) and growth of 10% YoY in ARPP. GM was steady at 77.7% (+67 bps YoY), offset by higher staff costs (+24% YoY) and SG&A (+23%), leading to an EBITDA of INR 2.64bn (+27% YoY) and 20.2% margin (+93 bps). Adjusted PAT^ was at INR 1.3bn (+47%).
- **Operating metrics:** ARPP at INR 130,352 (+10% YoY) and occupancy at 62% (59% in Q1FY26). ALOS was steady at 3.0 days. **Clusters: Kerala**: ARPP was up 10% YoY and occupancy was at 64%; **Karnataka, Maharashtra:** ARPP was up 13% YoY and occupancy was at 60%; **AP, Telangana:** ARPP was up 15% YoY, and occupancy was at 60%.
- **QCIL**: Sales at INR 12.87bn (+19% YoY), EBITDA at INR 2.99bn (+32% YoY), and margins expanded by 217 bps YoY to 23.2%. ARPP was up 9% YoY, and occupancy was at 65%.
- **Aster DM + QCIL**: Sales at INR 25.97bn (+20% YoY), EBITDA at INR 5.76bn (+30% YoY), and margins expanded by 170 bps YoY to 22.2%. ARPP was up 10% YoY, and occupancy was at 64%.
- **Key takeaways from con call:** The focus for the merged entity will improve the case mix and increase the CONGO share over the next few years. The key focus area cost optimization, procurement synergies, medical and nursing staff integration/retention, etc. Its recently operationalized Kasargod Hospital achieved EBITDA breakeven in Jun-26, within nine months of launch. It has commissioned 159-beds at Aster Women & Child block at Aster Whitefield. As of Jun-26, the net debt for the merged entity was INR 11.62bn (Aster net cash at INR 5.11bn and QCIL net debt at INR 16.73bn).

### Quarterly financial summary

| (INR mn) | 1Q FY27 | 1Q FY26 | YoY (%) | 4Q FY26 | QoQ (%) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|---|---|---|
| Net Revenue | 13,107 | 10,779 | 22 | 11,824 | 11 | 41,385 | 46,432 | 95,241 | 132,643 | 157,441 |
| EBITDA | 2,643 | 2,074 | 27 | 2,326 | 14 | 7,645 | 9,010 | 20,529 | 29,703 | 36,934 |
| APAT | 1,304 | 886 | 47 | 1,398 | (7) | 3,568 | 4,209 | 9,041 | 15,309 | 20,629 |
| EPS (INR) | 2.5 | 1.7 | 47 | 2.7 | (7) | 4.1 | 4.8 | 10.4 | 17.6 | 23.7 |
| P/E (x) | | | | | | 205.4 | 174.1 | 81.1 | 47.9 | 35.5 |
| EV/EBITDA (x) | | | | | | 97.0 | 82.6 | 37.9 | 25.9 | 20.4 |
| RoCE (%) | | | | | | 6 | 12 | 17 | 20 | 23 |

Source: Company, HSIE Research, PAT adjusted for one-offs of INR 1.14bn.

**ADD**

| | |
|---|---|
| **CMP** *(as on 05 Aug 2026)* | **INR 833** |
| **Target Price** | **INR 910** |
| **NIFTY** | **24,625** |

| **KEY CHANGES** | **OLD** | **NEW** |
|---|---|---|
| Rating | ADD | ADD |
| Price Target | INR 750 | INR 910 |
| EPS % | FY27E | FY28E |
| | 78.8 | 95.9 |

| **KEY STOCK DATA** | |
|---|---|
| Bloomberg code | ASTERDM IN |
| No. of Shares (mn) | 872 |
| MCap (INR bn) / ($ mn) | 726/7,633 |
| 6m avg traded value (INR mn) | 661 |
| 52 Week high / low | INR 857/519 |

**STOCK PERFORMANCE (%)**

| | **3M** | **6M** | **12M** |
|---|---|---|---|
| Absolute (%) | 12.1 | 54.8 | 38.8 |
| Relative (%) | 10.1 | 60.5 | 41.4 |

**SHAREHOLDING PATTERN (%)**

| | **Mar-26** | **Jun-26** |
|---|---|---|
| Promoters | 40.39 | 53.72 |
| FIs & Local MFs | 27.57 | 16.48 |
| FPIs | 17.18 | 10.31 |
| Public & Others | 14.86 | 19.49 |
| Pledged Shares | 40.67 | 18.17 |

*Source: BSE*

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# MCX

## Poised for recovery

**MCX posted a muted quarter, with revenue/EBITDA down 21%/26% QoQ as commodity volatility normalized from Q4's exceptional highs. Options premium ADTV and futures ADTV fell 15%/34% QoQ, even as notional options ADTV rose 72% QoQ to INR9.9trn, reflecting broadening participation. The premium decline was led by a 49.4%/27.2% QoQ drop in natural gas/bullion ADTV, partly offset by crude (+15.4% QoQ). Encouragingly, July-26 premium ADTV is down just 4% versus the 1Q average, despite the RBI bank-guarantee regulation taking effect from 1st July; management expects the impact to be gradual, we don't expect a significant hit to volumes and premium ADTV of INR 80-90bn is the new base. The key structural driver remains growth in traded options UCCs (+104% YoY), aided by rising participation via digital brokers. The volume growth will be underpinned by product innovation, improved expiry frameworks, a sharper focus on domestic price discovery, and growing hedging activity among SMEs and corporates. We expect recovery with a rise in commodity volatility, new contract launches, and regulatory tailwinds such as institutional/FPI participation in non-cash-settled contracts, which should aid traction in bullion and metal index options. We estimate FY27E options premium ADTV will be just 4% above the July-26 level, but ~30% below the March-26 peak. We raise FY27/FY28E EPS estimates by ~2% and maintain BUY, with a TP of INR 3,600, based on 45x FY28E core PAT (43x on June-28E EPS) plus net cash ex-SGF.**

- **Q1FY27 highlights:** MCX revenue stood at INR 7.02bn, -21/+88.1% QoQ/YoY (vs our estimate of INR 7.08bn). Futures/options revenue stood at INR 1.6/4.86bn, -34/15% QoQ. Future ADTV declined 33.9% QoQ to INR 596bn, led by a 44.8% QoQ decline in the Bullion segment, followed by metals (-23.7%), offset by energy (+19.2%). Options notional ADTV increased 72% QoQ, while premium decreased by 14.5% QoQ. P/N saw a sharp decrease from 1.85% to 0.92%, led by stabilization in volatility in natural gas (2.26% vs 3.66%), bullion (0.35% vs 1.03%), and crude (2.22% vs 2.56%); EBITDA margin contracted by 457bps QoQ to 70.4%. Options notional/premium ADTV stood at INR 9,897/90.86bn and options contributed ~75.2% to transaction revenue. Crude/natural gas/bullion contributed 24/6/69% to options notional and 58/15/26% to premium.
- **Outlook:** We expect +7/25% futures/premium CAGRs over FY26-29E, resulting in +20/22% revenue/APAT CAGRs over FY26-29E. The options notional assumptions are INR 9.6/11.0/12.6trn; premium is at INR 90.78/107.94/128.43bn, and P/N is at 0.94%/0.98/1.02% for FY27/28/29E. Futures ADTV is at INR 642/722bn for FY27/28E.

### Quarterly financial summary

| YE March (INR mn) | 1Q FY27 | 1Q FY26 | YoY (%) | 4Q FY26 | QoQ (%) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|---|---|---|
| Net Revenues | 7,020 | 3,732 | *88.1* | 8,889 | *(21.0)* | 11,127 | 23,020 | 28,834 | 33,903 | 39,577 |
| EBITDA | 4,940 | 2,417 | *104.4* | 6,661 | *(25.8)* | 6,653 | 16,466 | 20,569 | 24,658 | 29,129 |
| APAT | 4,134 | 2,032 | *103.5* | 5,298 | *(22.0)* | 5,600 | 13,316 | 16,989 | 20,256 | 23,906 |
| Diluted EPS (Rs) | 16.2 | 8.0 | 103.5 | 20.8 | (22.0) | 22.0 | 52.2 | 66.6 | 79.4 | 93.8 |
| P/E (x) | | | | | | 118.3 | 49.8 | 39.0 | 32.7 | 27.7 |
| EV / EBITDA (x) | | | | | | 96.0 | 37.6 | 30.3 | 25.0 | 21.0 |
| RoE (%) | | | | | | 34.3 | 56.3 | 55.2 | 56.6 | 57.3 |

Source: Company, HSIE Research, Consolidated Financials

### Change in estimates

| INR mn | FY27E Old | FY27E Revised | Change % | FY28E Old | FY28E Revised | Change % | FY29E Old | FY29E Revised | Change % |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | 27,819 | 28,834 | *3.7* | 32,860 | 33,903 | *3.2* | 38,351 | 39,577 | *3.2* |
| EBITDA | 19,985 | 20,569 | *2.9* | 24,137 | 24,658 | *2.2* | 28,539 | 29,129 | *2.1* |
| *EBITDA Margin (%)* | 71.8 | 71.3 | -51bps | 73.5 | 72.7 | -72bps | 74.4 | 73.6 | -82bps |
| *APAT* | 16,715 | 16,989 | *1.6* | 19,920 | 20,256 | *1.7* | 23,518 | 23,906 | *1.6* |
| EPS (Rs) | 65.6 | 66.6 | *1.6* | 78.1 | 79.4 | *1.7* | 92.2 | 93.8 | *1.6* |

Source: HSIE Research

## BUY

| | |
|---|---|
| **CMP** *(as on 05 Aug 2026)* | **INR 2,600** |
| **Target Price** | **INR 3,600** |
| **NIFTY** | **24,625** |

| **KEY CHANGES** | **OLD** | **NEW** |
|---|---|---|
| Rating | BUY | BUY |
| Price Target | INR 3,520 | INR 3,600 |
| EPS % | FY27E | FY28E |
| | +1.6% | +1.7% |

| **KEY STOCK DATA** | |
|---|---|
| Bloomberg code | MCX IN |
| No. of Shares (mn) | 255 |
| MCap (INR bn) / ($ mn) | 663/6,968 |
| 6m avg traded value (INR mn) | 9,760 |
| 52 Week high / low | INR 3,480/1,461 |

| **STOCK PERFORMANCE (%)** | **3M** | **6M** | **12M** |
|---|---|---|---|
| Absolute (%) | (10.4) | 7.9 | 65.0 |
| Relative (%) | (12.5) | 13.5 | 67.7 |

| **SHAREHOLDING PATTERN (%)** | **Mar-26** | **Jun-26** |
|---|---|---|
| Promoters | 0.00 | 0.00 |
| FIs & Local MFs | 54.35 | 50.80 |
| FPIs | 26.07 | 29.85 |
| Public & Others | 19.38 | 19.15 |
| Pledged Shares | 0.00 | 0.00 |

*Source: BSE*

Pledged shares as % of total shares

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# Berger Paints

## Healthy print; market share largely intact

**BRGR's standalone revenue grew 12.7% YoY to INR32.3bn (HSIE: INR31.9bn), driven by 8.4% volume growth in Q1. Consolidated revenue grew 12% YoY. Decorative segment delivered ~13.5% value growth and ~20% operating profit growth, supported by calibrated price hikes in the quarter. The company realized ~5% price hikes in Q1FY27, with the cumulative pricing impact expected to rise to 7.5-8.5% in Q2. Management expects double-digit value growth to sustain through FY27, aided by the full impact of price increase, festive demand, and continued distribution expansion. GM contracted by 54bps to 40.9% (HSIE: 41.3%) due to delayed pass-through of price hikes in the industrial business and only partial realization in decorative in Q1. However, EBITDAM expanded by 44bps YoY to 16.9% (HSIE: 16%) due to sustained cost optimization. Management's EBITDAM guidance of 15-17% stays. EBITDA/APAT both grew ~15% YoY to INR 6.07/4.04bn (HSIE: INR 5.7/3.74bn). We have cut our EPS estimates for FY28/29 by ~2% each but maintain ADD with a DCF-based TP of INR550/sh (implying ~40x Jun-28 P/E).**

- **Q1FY27 highlights**: Consolidated revenue grew 12% YoY to INR35.8bn (HSIE: INR35.6bn). Standalone revenue grew 12.7% YoY to INR32.3bn (HSIE: INR31.9bn). Volume/value growth stood at 8.4/12.7%. Decorative segment delivered ~13.5% value growth and ~20% operating profit growth, driven by calibrated price hikes during the quarter. CC and waterproofing delivered robust volume/value growth, while wood coatings reported strong double-digit volume growth. In industrials, automotive coating reported healthy double-digit value growth, while protective/GI/powder coating reported relatively lower growth due to delayed price increases. In international business, Bolix reported flat topline growth but profitability improved due to GM expansion, BJN Nepal delivered double-digit value growth, and STP reported improved profitability. GM contracted by 54bps to 40.9% (HSIE: 41.3%) due to delayed pass-through of price hikes in the industrial business and decorative price hikes were effective for only part of the quarter. However, EBITDAM expanded by 44bps YoY to 16.9% (HSIE: 16%) due to sustained cost optimization. Management's EBITDAM guidance of 15-17% stays. EBITDA/APAT both grew ~15% YoY to INR 6.07/4.04bn (HSIE: INR 5.7/3.74bn).
- **Outlook**: Near-term topline growth will be led by price hike realizations and festive tailwinds, though maintaining volume momentum remains critical. Meanwhile, profitability hinges on raw material and crude oil price stability. We have cut our EPS estimates for FY28/29 by ~2% each but maintain ADD with a DCF-based TP of INR550/sh (implying ~40x Jun-28 P/E).

### Quarterly financial summary (Consolidated)

| (INR mn) | Q1FY27 | Q1FY26 | YoY (%) | Q4FY26 | QoQ (%) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|---|---|---|
| Net Revenue | 35,838 | 32,008 | *12.0* | 28,680 | *25.0* | 1,15,447 | 1,18,803 | 1,37,492 | 1,50,915 | 1,66,105 |
| EBITDA | 6,074 | 5,284 | *15.0* | 4,817 | *26.1* | 18,561 | 18,333 | 20,884 | 23,979 | 26,725 |
| APAT | 4,043 | 3,514 | *15.1* | 2,979 | *35.7* | 11,804 | 11,802 | 13,533 | 15,633 | 17,646 |
| EPS (Rs) | 3.5 | 2.7 | *28.5* | 2.9 | *20.8* | 10.1 | 9.7 | 11.6 | 13.4 | 15.1 |
| P/E (x) | | | | | | 53.8 | 53.8 | 47.0 | 40.7 | 36.0 |
| EV/EBITDA (x) | | | | | | 34.0 | 34.6 | 30.2 | 26.0 | 23.0 |
| Core RoCE(%) | | | | | | 18.2 | 15.8 | 16.2 | 17.7 | 19.2 |

### Change in estimates (Consolidated)

| (INR mn) | FY27E | | | FY28E | | | FY29E | | |
|---|---|---|---|---|---|---|---|---|---|
| | New | Old | Change (%) | New | Old | Change (%) | New | Old | Change (%) |
| Revenue | 1,37,492 | 1,37,547 | *(0.0)* | 1,50,915 | 1,50,972 | *(0.0)* | 1,66,105 | 1,66,163 | *(0.0)* |
| Gross Profit | 58,410 | 58,434 | *(0.0)* | 64,264 | 64,288 | *(0.0)* | 70,732 | 70,757 | *(0.0)* |
| Gross Profit Margin (%) | 42.5 | 42.5 | ***0 bps*** | 42.6 | 42.6 | ***0 bps*** | 42.6 | 42.6 | ***0 bps*** |
| EBITDA | 20,884 | 21,225 | *(1.6)* | 23,979 | 24,429 | *(1.8)* | 26,725 | 27,220 | *(1.8)* |
| EBITDA margin (%) | 15.2 | 15.4 | ***-24 bps*** | 15.9 | 16.2 | ***-29 bps*** | 16.1 | 16.4 | ***-29 bps*** |
| APAT | 13,533 | 13,669 | *(1.0)* | 15,633 | 15,890 | *(1.6)* | 17,646 | 17,916 | *(1.5)* |
| APAT margin (%) | 9.8 | 9.9 | ***-10 bps*** | 10.4 | 10.5 | ***-17 bps*** | 10.6 | 10.8 | ***-16 bps*** |
| EPS (Rs) | 11.6 | 11.7 | *(1.0)* | 13.4 | 13.6 | *(1.6)* | 15.1 | 15.4 | *(1.5)* |

# ADD

| CMP *(as on 05 Aug 2026)* | INR 545 |
|---|---|
| Target Price | INR 550 |
| NIFTY | 24,625 |

| KEY CHANGES | OLD | NEW |
|---|---|---|
| Rating | ADD | ADD |
| Price Target | INR 550 | INR 550 |
| | FY28E | FY29E |
| EPS % | -1.6 | -1.5 |

| KEY STOCK DATA | |
|---|---|
| Bloomberg code | BRGR IN |
| No. of Shares (mn) | 1,166 |
| MCap (INR bn) / ($ mn) | 636/6,682 |
| 6m avg traded value (INR mn) | 301 |
| 52 Week high / low | INR 595/391 |

| STOCK PERFORMANCE (%) | 3M | 6M | 12M |
|---|---|---|---|
| Absolute (%) | 15.9 | 15.4 | (4.6) |
| Relative (%) | 13.8 | 21.1 | (2.0) |

| SHAREHOLDING PATTERN (%) | Mar-26 | Jun-26 |
|---|---|---|
| Promoters | 74.98 | 74.98 |
| FIs & Local MFs | 11.71 | 11.79 |
| FPIs | 4.68 | 4.83 |
| Public & Others | 8.63 | 8.40 |
| Pledged Shares | 0 | 0 |

*Source : BSE*

Pledged shares as % of total shares

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# Navin Fluorine International

## Strong performance across all verticals

**ADD**

| CMP (*As on 05 Aug 2026*) | INR 7,610 |
|---|---|
| **Target Price** | **INR 8,058** |
| **NIFTY** | **24,625** |

| **KEY CHANGES** | **OLD** | **NEW** |
|---|---|---|
| Rating | ADD | ADD |
| Price Target | INR 7,800 | INR 8,058 |
| EPS % | **FY27E** | **FY28E** |
| | +5.0% | +4.6% |

| **KEY STOCK DATA** | |
|---|---|
| Bloomberg code | NFIL IN |
| No. of Shares (mn) | 51 |
| MCap (INR bn) / ($ mn) | 390/4,104 |
| 6m avg traded value (INR mn) | 1,494 |
| 52 Week high / low | INR 7,936/4,499 |

| **STOCK PERFORMANCE (%)** | **3M** | **6M** | **12M** |
|---|---|---|---|
| Absolute (%) | 6.3 | 48.9 | 96.9 |
| Relative (%) | (1.1) | 38.0 | 58.3 |

| **SHAREHOLDING PATTERN (%)** | **Mar-26** | **Jun-26** |
|---|---|---|
| Promoters | 27.11 | 27.08 |
| FIs & Local MFs | 27.62 | 28.46 |
| FPIs | 23.78 | 23.73 |
| Public & Others | 21.49 | 20.73 |
| Pledged Shares | 0.00 | 0.00 |

*Source: BSE*

**We maintain ADD on Navin Fluorine International (NFIL), with a target price of INR 8,058 on the back of (1) earnings visibility, given long-term contracts; (2) robust pipeline in the CDMO business; (3) scale-up of the advanced materials vertical over the next 3-4 years; and (4) ramp-up in recently commissioned plants. Q1 EBITDA was 45% above our estimates, while APAT exceeded our estimates by 52%, driven by better-than-expected financial performance and strong growth across all business verticals.**

- **Financial performance:** Revenue increased by 44.1/11.5% YoY/QoQ% to INR 10,451mn. EBITDA margin changed by +566/-8 bps YoY/QoQ to 34.2%. EBITDA changed by +72.7/+11.2% YoY/QoQ to INR 3,571mn.
- **Concall takeaways: (1) R-32:** Additional 15 ktpa of R-32 capacity will commission in Q3FY27, taking total capacity to ~24–25 ktpa, with INR 6-8.25bn peak revenue potential. The company expects global R-32 demand to double over the next decade while quota-driven supply will be halved, thus positioning itself to serve both domestic and export markets competitively. **(2) Advanced Materials:** The company has launched an INR 0.9bn "adoption capacity" program to scale lab-developed products to commercial-grade by Q2FY28, with 4-5 products already customer-approved and ready for transition. This vertical will target high-value areas such as data-center cooling, semiconductor chemicals, defence materials, and advanced fluoro-intermediates. Key milestones include the Chemours liquid-cooling project going commercial by Q2FY27 and a DRDO Technology Development Fund (TDF) program to indigenize a critical specialty material sodium borohydride, with future electronic-grade HF developments also planned under this vertical. **(3) CDMO:** The company is expanding capacity through cGMP-4 Phase-II with an investment of INR 1.25bn, which will go live in Q4FY27 with ~3x asset turns by FY29, supported by a diversified pipeline of 30–40 molecules. **(4) Specialty Chemicals:** Despite continued pricing pressure in global agro markets, NFIL is moving up the value chain with innovators, focusing on complex intermediates, efficiency, and customer diversification. The INR 0.75bn MPP debottlenecking at Dahej will support a new global-innovator molecule with INR 1.4-1.6bn peak revenue potential, backed by a firm CY26 purchase order.
- **Change in estimates:** We change our FY27/FY28/FY29E EPS estimates by +5.0/+4.6/+4.2% to INR 151.6/176.4/213.9, considering strong Q1 performance and future ramp-up.

### Financial summary (consolidated)

| INR mn | 1Q FY27 | 4Q FY26 | QoQ (%) | 1Q FY26 | YoY (%) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|---|---|---|
| Net Sales | 10,451 | 9,377 | 11.5 | 7,254 | 44.1 | 23,494 | 33,139 | 37,527 | 42,666 | 47,981 |
| EBITDA | 3,571 | 3,212 | 11.2 | 2,068 | 72.7 | 5,337 | 10,817 | 11,068 | 13,149 | 15,424 |
| APAT | 2,433 | 2,024 | 20.2 | 1,173 | 107.3 | 2,887 | 6,635 | 7,760 | 9,032 | 10,948 |
| AEPS (INR) | 47.5 | 41.5 | 14.4 | 23.0 | 106.9 | 56.4 | 129.6 | 151.6 | 176.4 | 213.9 |
| P/E (x) | | | | | | 119.9 | 52.2 | 44.6 | 38.3 | 31.6 |
| EV/EBITDA(x) | | | | | | 75.2 | 36.4 | 35.6 | 29.6 | 24.8 |
| RoE (%) | | | | | | 11.5 | 20.4 | 18.6 | 18.8 | 19.7 |

Source: Company, HSIE Research

### Change in estimates (consolidated)

| Y/E Mar | FY27E Old | FY27E New | %Ch | FY28E Old | FY28E New | %Ch | FY29E Old | FY29E New | %Ch |
|---|---|---|---|---|---|---|---|---|---|
| EBITDA (INR mn) | 10,637 | 11,068 | 4.1 | 12,668 | 13,149 | 3.8 | 14,885 | 15,424 | 3.6 |
| Adj. EPS (INR/sh) | 144.4 | 151.6 | 5.0 | 168.7 | 176.4 | 4.6 | 205.3 | 213.9 | 4.2 |

Source: Company, HSIE Research

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# PNB Housing Finance

## Muted quarter; strong guidance

**PNB Housing Finance's (PNBHF) Q1FY27 earnings were marginally below our estimates due to NIM compression and lower loan growth (+15.4% YoY), partly offset by higher other income. Disbursements growth moderated to +18% YoY, partly impacted by change in disbursement recognition methodology, which is likely to normalize from Q2. Loan growth was led by emerging (+22% YoY) and affordable (+49% YoY) segments, although incremental disbursements over the last two quarters have pivoted toward prime (52.4% of disbursements). PNBHF continues to remain focused on increasing share of emerging and affordable segment (+40.4% of loan book), along with revival of corporate portfolio (0.5% of loan book) to drive higher yields and profitability. However, the gradual normalization of credit costs, along with rising cost of funds amidst global uncertainties, is likely to put pressure on the return ratios, with RoE at ~12% by FY28E. We maintain ADD with an unchanged RI-based TP of INR 1,100 (implying 1.2x Mar-28 ABVPS).**

- **PPoP growth remains muted**: PNBHF reported muted PPoP growth (+9% YoY), largely due to compression in NIM (-19bps QoQ). Core spreads (reported) remained stable QoQ at 2.12%, with stabilization in asset yields (9.48%), although marginal cost of funds inched upward to 7.41% (+18bps QoQ). Management has indicated reflation in NIMs, going ahead, primarily driven by favorable loan mix (higher share of emerging and affordable).
- **Aspiring for acceleration in loan growth:** Management has retained its loan growth guidance of 18-20% for FY27 (Q1FY27: 15.4% YoY), driven by strong traction in disbursements and higher share of emerging/affordable loans. Further, PNBHF has revived CF disbursements from Q4 onward, and is likely to scale up the portfolio in the medium term. PNBHF is also seeking to launch a micro-housing loan product from Q2 onward. These initiatives are aimed to drive higher loan growth momentum and higher yields to achieve healthy profitability.
- **Credit costs likely to remain negative in FY27; normalization yet to play out**: Asset quality improved sequentially, with GS-III/NS-III at 0.9%/0.6% and GS-II at 1.8% (Q4FY26: 1.8%). Credit costs are likely to remain negative in FY27 as well (FY25: -22bps; FY26: -47bps) at ~-15-20bps as per management, due to a large written-off pool. However, the seasoning of the emerging and affordable portfolio, along with run-down of these recoveries, is likely to drive credit costs higher (>25bps from FY28E onward).
- **Seeking higher growth; transition toward steady-state profitability key monitorable:** PNBHF continued its slew of initiatives to drive higher loan growth, along with reflation in NIMs. However, execution remains a key monitorable amidst elevated competitive intensity, higher run-off rates and seasoning of emerging and affordable portfolio. Further, normalization in credit costs is likely to weigh on steady-state profitability.

### Financial summary (Consolidated)

| Y/E Mar (INR bn) | Q1FY27 | Q1FY26 | YoY (%) | Q4FY26 | QoQ (%) | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|---|---|---|
| NII | 8.0 | 7.5 | *7.2* | 8.1 | *(1.0)* | 30.7 | 36.8 | 43.7 |
| PPOP | 6.9 | 6.3 | *9.1* | 6.8 | *1.6* | 25.8 | 31.1 | 37.4 |
| PAT | 5.6 | 5.3 | *4.5* | 6.6 | *(15.0)* | 22.9 | 25.1 | 26.7 |
| EPS (INR) | 21.3 | 20.5 | *4.3* | 25.1 | *(15.1)* | 87.9 | 96.4 | 102.5 |
| ROAE (%) | | | | | | 12.7 | 12.3 | 11.7 |
| ROAA (%) | | | | | | 2.6 | 2.5 | 2.3 |
| ABVPS (INR) | | | | | | 718 | 798 | 885 |
| P/ABV (x) | | | | | | 1.6 | 1.4 | 1.3 |
| P/E (x) | | | | | | 12.8 | 11.6 | 10.9 |

Source: Company, HSIE Research

## ADD

| | |
|---|---|
| CMP *(as on 05 Aug 2026)* | INR 1,122 |
| Target Price | INR 1,100 |
| NIFTY | 24,625 |

| KEY CHANGES | OLD | NEW |
|---|---|---|
| Rating | ADD | ADD |
| Price Target | INR 1,100 | INR 1,100 |
| EPS % | FY27E | FY28E |
| | 0.0% | 0.0% |

| KEY STOCK DATA | |
|---|---|
| Bloomberg code | PNBHOUSI IN |
| No. of Shares (mn) | 261 |
| MCap (INR bn) / ($ mn) | 292/3,072 |
| 6m avg traded value (INR mn) | 1,174 |
| 52 Week high / low | INR 1,154/730 |

| STOCK PERFORMANCE (%) | 3M | 6M | 12M |
|---|---|---|---|
| Absolute (%) | 7.6 | 32.5 | 46.1 |
| Relative (%) | 5.6 | 38.2 | 48.7 |

| SHAREHOLDING PATTERN (%) | Mar-26 | Jun-26 |
|---|---|---|
| Promoters | 28.0 | 28.0 |
| FIs & Local MFs | 44.1 | 45.7 |
| FPIs | 16.6 | 16.8 |
| Public & Others | 11.3 | 9.4 |
| Pledged Shares | 0.0 | 0.0 |

*Source: BSE*

Pledged shares as % of total shares

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# Metro Brands

## Operationally in-line print

**MBL reported topline growth of 14.7% YoY to INR 7.2bn (in-line) in Q1. The growth was partially impacted by the US-Iran conflict overhang and shift in wedding dates due to Adhik Maas. Sales density was up 3.3% YoY to INR18.4k in Q1FY27 (vs INR17.8k/sq. ft. in Q1FY26). E-commerce sales (including omni-channel) grew 9% YoY (contributing 13.1 to sales in Q1FY27 vs 13.7% in Q1FY26). Store expansion remained measured in the quarter as MBL added nine stores (net) (total store count: 1,041). GM expanded by 15bps YoY to 59.5% (HSIE: 59%), but EBITDAM contracted by 107bps YoY to 29.8% (HSIE: 30.2%) due to investments in talent and marketing. EBITDA grew 10.7% YoY to INR 2.15bn (HSIE: INR 2.18bn). APAT declined by 3.6% YoY to INR 953mn (HSIE: INR 982mn), due to lower treasury income and a modest rise in occupancy costs from new format additions. Management reiterated its FY27 guidance of 55-57% GM, ~30% EBITDAM, and 13-15% PATM. We have largely maintained the FY28/29 EPS estimates and maintain ADD with a DCF-based TP of INR1,060/sh, implying ~44x Jun-28 EPS.**

- **Q1FY27 highlights:** MBL's topline grew 14.7% YoY to INR 7.2bn (in-line). The growth was relatively muted due to US-Iran conflict overhang and shift in marriage dates linked to Adhik Maas; however, sentiment improved from mid-June-26 onward. Revenue/sq. ft. was up 3.3% YoY to INR18.4k (vs INR17.8k/sq. ft. in Q1FY26). On channel mix, in-store/online+omni/others contributed 86/13/1% in Q1FY26 (vs. 85/14/1% in Q1FY25). E-commerce sales (including omni-channel) grew 9% YoY in Q1. In Q1, MBL added net nine stores (store count: 1,041; retail area: 1.44mn sq. ft.). Management opened one Fila store in Q1FY27 and expects store expansion to accelerate toward the end of FY27. Management expects the Clarks supply chain to stabilize by Q2FY27, with EBO launches in Q3FY27. GM expanded by 15bps YoY to 59.5% (HSIE: 59%), but EBITDAM contracted by 107bps YoY to 29.8% (HSIE: 30.2%) due to investments in talent and marketing. EBITDA grew 10.7% YoY to INR 2.15bn (HSIE: INR 2.18bn). APAT declined by 3.6% YoY to INR 953mn (HSIE: INR 982mn), due to lower treasury income and a modest rise in occupancy costs from new format additions. EBITDA grew 10.7% YoY to INR 2.15bn (HSIE: INR 2.18bn). APAT declined by 3.6% YoY to INR 953mn (HSIE: INR 982mn). Pre-IND-AS PAT margin stood at 14.5% in Q1FY27 (vs 16.8% in Q1FY26). Management reiterated its FY27 guidance of 55-57% GM, ~30% EBITDAM, and 13-15% PATM.
- **Valuation and outlook:** MBL remains among the more disciplined footwear retailers with an in-sync product market fit. We have largely maintained our FY28/29 EPS estimates and maintain ADD with a DCF-based TP of INR1060/sh, implying ~44x Jun-28 EPS.

### Quarterly financial summary

| (INR mn) | Q1FY27 | Q1FY26 | YoY (%) | Q4FY26 | QoQ (%) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|---|---|---|
| Net Revenue | 7,204 | 6,282 | 14.7 | 7,730 | (6.8) | 25,074 | 28,636 | 33,968 | 40,233 | 47,552 |
| EBITDA | 2,147 | 1,939 | 10.7 | 2,379 | (9.8) | 5,186 | 5,780 | 6,839 | 8,233 | 9,792 |
| APAT | 953 | 988 | (3.6) | 1,107 | (14.0) | 3,545 | 4,159 | 4,748 | 6,189 | 7,800 |
| EPS (Rs) | 3.5 | 3.6 | (3.7) | 4.3 | (19.1) | 13.0 | 15.3 | 17.4 | 22.7 | 28.6 |
| P/E (x) | | | | | | 77.0 | 66.2 | 57.5 | 44.1 | 35.0 |
| EV/EBITDA (x) | | | | | | 51.3 | 46.0 | 38.2 | 30.9 | 25.3 |
| Core RoCE(%) | | | | | | 28.2 | 31.2 | 28.7 | 33.0 | 36.7 |

Source: Company, HSIE Research, Consolidated Financials

### Change in estimates

| (INR mn) | FY27E | | | FY28E | | | FY29E | | |
|---|---|---|---|---|---|---|---|---|---|
| | New | Old | Change (%) | New | Old | Change (%) | New | Old | Change (%) |
| Revenue | 33,968 | 34,169 | *(0.6)* | 40,233 | 40,438 | *(0.5)* | 47,552 | 47,665 | *(0.2)* |
| Gross Profit | 19,656 | 19,772 | *(0.6)* | 23,301 | 23,420 | *(0.5)* | 27,493 | 27,558 | *(0.2)* |
| Gross Profit Margin (%) | 57.9 | 57.9 | ***0 bps*** | 57.9 | 57.9 | - | 57.8 | 57.8 | - |
| EBITDA | 6,839 | 6,913 | *(1.1)* | 8,233 | 8,295 | *(0.8)* | 9,792 | 9,830 | *(0.4)* |
| EBITDA margin (%) | 20.1 | 20.2 | ***(10 bps)*** | 20.5 | 20.5 | ***(5 bps)*** | 20.6 | 20.6 | ***(3 bps)*** |
| APAT | 4,748 | 4,816 | *(1.4)* | 6,189 | 6,239 | *(0.8)* | 7,800 | 7,831 | *(0.4)* |
| APAT margin (%) | 14.0 | 14.1 | ***(12 bps)*** | 15.4 | 15.4 | ***(4 bps)*** | 16.4 | 16.4 | ***(3 bps)*** |
| EPS | 17.4 | 17.7 | *(1.4)* | 22.7 | 22.9 | *(0.8)* | 28.6 | 28.7 | *(0.4)* |

Source: Company, HSIE Research, Consolidated Financials

## ADD

| | |
|---|---|
| CMP *(as on 05 Aug 2026)* | INR 1,005 |
| Target Price | INR 1,060 |
| NIFTY | 24,625 |

| KEY CHANGES | OLD | NEW |
|---|---|---|
| Rating | ADD | ADD |
| Price Target | INR 1,060 | INR 1,060 |
| | FY28E | FY29E |
| EPS % | -0.8 | -0.4 |

| KEY STOCK DATA | |
|---|---|
| Bloomberg code | METROBRA IN |
| No. of Shares (mn) | 273 |
| MCap (INR bn) / ($ mn) | 274/2,879 |
| 6m avg traded value (INR mn) | 64 |
| 52 Week high / low | INR 1,340/883 |

| STOCK PERFORMANCE (%) | 3M | 6M | 12M |
|---|---|---|---|
| Absolute (%) | (1.0) | (2.9) | (14.7) |
| Relative (%) | (3.1) | 2.7 | (12.1) |

| SHAREHOLDING PATTERN (%) | Mar-26 | Jun-26 |
|---|---|---|
| Promoters | 71.80 | 71.80 |
| FIs & Local MFs | 7.58 | 7.68 |
| FPIs | 3.77 | 3.73 |
| Public & Others | 16.85 | 16.79 |
| Pledged Shares | 0 | 0 |

*Source : BSE*

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# ASK Automotive

## Better pass-through of the higher raw material cost

**The good performance in Q1FY27 has been on the back of a more efficient pass-through of elevated aluminum alloy prices to customers, which is impressive. The commencement of the HPDC alloy wheel business and the expected commencement of the sunroof cables business in H2FY27 should aid the overall content value that the company can provide to the customers. Additionally, it is also in process of ramping up export order execution, which augurs well for overall revenue growth. Considering the better pass-through of raw material prices and validation of the HPDC technology, and possible delay or easing of the ABS norms for 2W, we upgrade our estimates and value the company at 26x Jun-28 EPS (from 22x earlier) for a TP of INR642, and maintain an ADD rating.**

- **Consolidated performance:** EBITDA margin at 11.8% was down 160bps YoY but up 21bps QoQ, above ours and Bloomberg consensus estimates of 11.5% and 11.7% respectively. Revenue at INR 13.6bn grew 52.4% YoY, of which 33.4% was due to pass-through of aluminum alloy prices and the negative impact of 6.6% was due to exit from the wheel assembly business.
- **Growth guidance revised upward:** Management has revised the FY27 revenue growth guidance from mid-teens to high-teens, on continuing traction in the end-user markets and better pass-through of the elevated aluminum alloy prices to customers. It has highlighted that it continues to increase value addition, improve capacity utilization, and bring in more cost efficiency. It remains positive about the vehicle industry growth over the medium term on the back of improving consumer sentiment, upcoming eight pay commission, and continued government policy support. In light of this continued demand and increasing orders, it has decided to set up another plant in Bengaluru.
- **Other call highlights:** (1) It expects the execution of the Ford Motor order (for exports) to realize revenue of INR 40-45bn in FY27 and INR 60bn in FY28. (2) It also highlighted that it is in talks with another 2-3 players for export orders. (3) The technical collaboration with Kyushu Yanagawa has been successfully implemented at the Karoli plant and the first supplies of High Pressure Die Casted (HPDC) alloy wheels has started to a leading Japanese customer. (4) An update on the technical collaboration with Liogo Taiwan is that the product is under final testing. (5) The sunroof cables business has received good orders and initial supplies are to start from H2FY27 with major ramp up only from FY28. (6) There has been no update from the government on the implementation of ABS in the <125cc category. (7) A large e-2W customer of the company (Ola Electric) has not fared well, and hence the company's e-2W segment has not outperformed the 2W ICE segment. (8) Guidance for budgeted capex for FY27 has been raised to INR 7bn from the earlier guidance of INR 4.5-5bn; for which it is likely to take on some term debt.

### Quarterly/annual financial summary

| YE Mar (INR mn) | 1Q FY27 | 1Q FY26 | YoY (%) | 4Q FY26 | QoQ (%) | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|---|---|
| Net Sales | 13,581 | 8,913 | 52.4 | 11,471 | 18.4 | 41,763 | 50,060 | 57,935 | 67,011 |
| EBITDA | 1,606 | 1,196 | 34.2 | 1,333 | 20.5 | 5,309 | 6,344 | 7,800 | 9,147 |
| EBITDA % | 11.8 | 13.4 | -160bps | 11.6 | 21bps | 12.7 | 12.7 | 13.5 | 13.7 |
| APAT | 851 | 661 | 29 | 724 | 18 | 2,973 | 3,571 | 4,631 | 5,576 |
| EPS (INR) | 4.3 | 3.4 | 28.8 | 3.6 | 19.0 | 15.1 | 18.1 | 23.5 | 28.3 |
| P/E (x) | | | | | | 42.3 | 35.2 | 27.1 | 22.5 |

Source: Company, HSIE Research

# ADD

| | |
|---|---|
| CMP *(on 05 Aug 2026)* | INR 638 |
| Target Price | INR 642 |
| NIFTY | 24,625 |

| KEY CHANGES | OLD | NEW |
|---|---|---|
| Rating | ADD | ADD |
| Price Target | INR 495 | INR 642 |
| EPS % | FY28E | FY29E |
| | +9.1% | +11.3% |

| KEY STOCK DATA | |
|---|---|
| Bloomberg code | ASKAUTOL IN |
| No. of Shares (mn) | 197 |
| MCap (INR bn) / ($ mn) | 126/1,322 |
| 6m avg traded value (INR mn) | 108 |
| 52 Week high / low | INR 648/371 |

| STOCK PERFORMANCE (%) | 3M | 6M | 12M |
|---|---|---|---|
| Absolute (%) | 39.1 | 38.3 | 35.4 |
| Relative (%) | 37.0 | 44.0 | 38.0 |

| SHAREHOLDING PATTERN (%) | Mar-26 | Jun-26 |
|---|---|---|
| Promoters | 74.95 | 74.95 |
| FIs & Local MFs | 10.26 | 10.97 |
| FPIs | 9.29 | 9.50 |
| Public & Others | 5.50 | 4.58 |
| Pledged Shares | - | - |

*Source : BSE*

Pledged shares as % of total shares

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# Metropolis Healthcare

## In-line Q1; growth and margin improvement key

**ADD**

| CMP *(as on 05 Aug 2026)* | INR 579 |
|---|---|
| Target Price | INR 650 |
| NIFTY | 24,625 |

| KEY CHANGES | OLD | NEW |
|---|---|---|
| Rating | ADD | ADD |
| Price Target | INR 600 | INR 650 |
| EPS % | FY27E | FY28E |
| | (0.0) | 0.5 |

| KEY STOCK DATA | |
|---|---|
| Bloomberg code | METROHL IN |
| No. of Shares (mn) | 207 |
| MCap (INR bn) / ($ mn) | 120/1,258 |
| 6m avg traded value (INR mn) | 207 |
| 52 Week high / low | INR 609/412 |

**STOCK PERFORMANCE (%)**

| | 3M | 6M | 12M |
|---|---|---|---|
| Absolute (%) | 14.0 | 17.0 | 13.8 |
| Relative (%) | 11.9 | 22.7 | 16.4 |

**SHAREHOLDING PATTERN (%)**

| | Mar-26 | Jun-26 |
|---|---|---|
| Promoters | 48.86 | 48.86 |
| FIs & Local MFs | 35.8 | 35.12 |
| FPIs | 10.43 | 11.03 |
| Public & Others | 4.91 | 4.99 |
| Pledged Shares | 1.18 | 1.18 |

*Source: BSE*

**EBITDA (grew 24% YoY) was largely in line with our/consensus estimates, as 17% YoY increase in sales led by growth in patient/test volumes at 10/11% YoY and realization per patient/test at 6/5% YoY. In FY27, Metropolis retains its growth and margin guidance of 14-15% and 125-150bps EBITDA margin expansion (24.4% in FY26). Moreover, it targets 27-28% EBITDA margin over next 2-3 years, supported by steady growth and cost optimization. The Core Diagnostics improvement is on track with steady growth and margin improvement; it retains its aspiration to achieve ~25% EBITDA margin over the next 3-4 years. The company alluded to five focus areas in FY27 to support overall profitable growth – (1) Accelerate network expansion and add 400-500 service centers in FY27, largely focused on Tier 2/3 cities; (2) Specialty mix increase to ~45% of sales (vs ~40% of sales) over the next couple of years led by Core Diagnostic (oncology testing), Genomics scale-up, high-end testing expansion; (3) To increase TruHealth share to ~25%, supported by scale-up in radiology integrated and premium packages; (4) leveraging AI technology to improve doctor and patient engagement, customer data platform, and scalability; (5) to have a disciplined approach for inorganic growth with strategic focus on growth, market expansion, and testing portfolio. The company didn't have any major benefit from CGHS price revision; no plans for price increase in the near term but it is open for price hikes if needed. Having completed its investment phase, Metropolis is focusing on execution and margin expansion. Initiatives like network expansion, diversifying test portfolios, wellness packages, genomic scale-up, M&As, gaining share in tier 2/3 cities, and boosting B2C presence are expected to drive sales and margin. Factoring Q1, we have tweaked EPS for FY27/28E and revised TP to INR 650 (42x Q1FY29E EPS). ADD stays.**

- **Q1 highlights:** Sales grew 17% YoY to INR 4.5bn, with patient/test volume growth of 10%/ 11% YoY and realization per patient/test up 6/5% YoY. Higher GM at 79.2% (+119 bps YoY), and higher staff (+16%) and SG&A (+16%), led to an EBITDA of INR 1.11 bn (+24% YoY) and margin of 24.7% (+145 bps YoY). PAT was at INR 567mn (+26% YoY).
- **Key takeaways from con call:** In Q1FY27, the company has consolidated its seven labs with acquired entities (lab count at 209) and rationalized 318 non-productive centers and added 295 service points (network count at 5,003 in Q1). In Q1FY27, TruHealth revenue (18% of sales) grew by 22% YoY to INR 810mn, specialty (40%) grew by 17% YoY to INR 1.78bn, B2C (57%) grew 18%, and B2B (43%) grew 15% YoY. Within TreHealth, Radiology integrated packages grew 40+% YoY. Patient volume grew 10% YoY in Q1 – of which 13.5% growth was in B2C and 6% YoY in B2B segment.

### Quarterly financial summary

| (INR mn) | 1Q FY27 | 1Q FY26 | YoY (%) | 4Q FY26 | QoQ (%) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|---|---|---|
| Net Revenue | 4,502 | 3,861 | 17 | 4,247 | 6 | 13,312 | 16,458 | 19,034 | 21,617 | 24,551 |
| EBITDA | 1,112 | 898 | 24 | 1,080 | 3 | 3,030 | 4,008 | 4,873 | 5,664 | 6,629 |
| APAT | 567 | 451 | 26 | 508 | 12 | 1,610 | 1,922 | 2,534 | 3,051 | 3,695 |
| EPS (INR) | 2.7 | 2.2 | 26 | 2.4 | 12 | 7.8 | 9.3 | 12.2 | 14.7 | 17.8 |
| P/E (x) | | | | | | 74.5 | 62.4 | 47.4 | 39.3 | 32.5 |
| EV/EBITDA (x) | | | | | | 39.9 | 30.0 | 24.4 | 20.7 | 17.3 |
| RoCE (%) | | | | | | 14 | 16 | 18 | 19 | 20 |

Source: Company, HSIE Research

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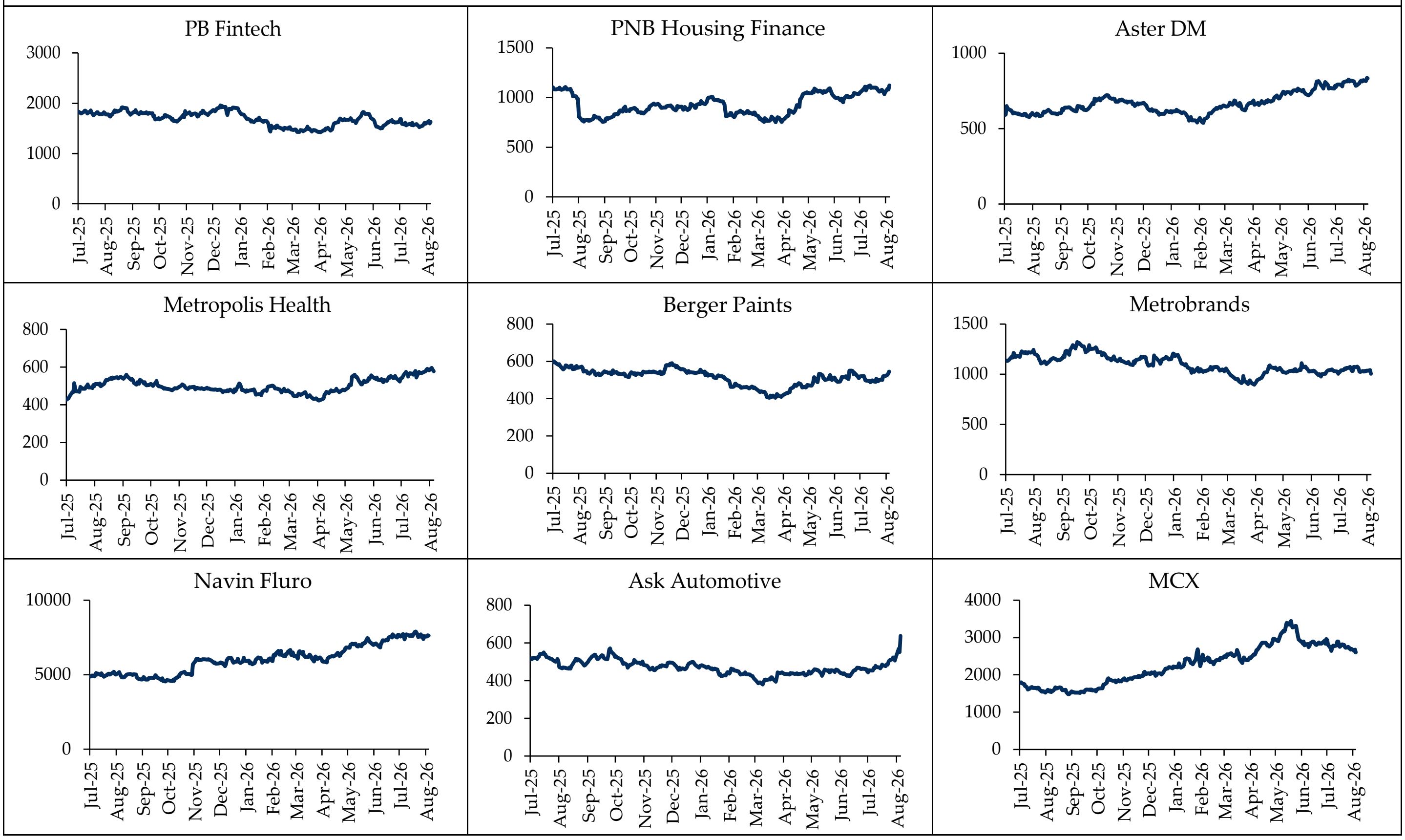
**Rating Criteria**

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 |
|---|---|---|---|
| Krishnan ASV | PB Fintech, PNB Housing Finance | PGDM | NO |
| Samarth Desai | PB Fintech | MSc | NO |
| Deepak Shinde | PNB Housing Finance | PGDM | NO |
| Ayush Pandit | PNB Housing Finance | CA | NO |
| Mehul Sheth | Aster DM Quality Care, Metropolis Healthcare | MBA | NO |
| Jay Gandhi | Berger Paints, Metro Brands | MBA | NO |
| Vedant Mulik | Berger Paints, Metro Brands | CA | NO |
| Nilesh Ghuge | Navin Fluorine International | MMS | NO |
| Aditya Iyer | Navin Fluorine International | PGDM | NO |
| Hitesh Thakurani | ASK Automotive | MBA | NO |
| Amit Chandra | MCX | MBA | NO |
| Arjun Savla | MCX | CA | NO |

**Price movement**



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