FIRST LIGHT

06 November 2025

RESEARCH

TITAN COMPANY | TARGET: Rs 4,250 | +11% | HOLD

Broadly in-line Q2; downgrade to HOLD on rich valuations

JK CEMENT | TARGET: Rs 5,777 | +0% | HOLD

Structurally well placed, valuations at par; Upgrade to HOLD

BOB ECONOMICS RESEARCH | CONSUMPTION SNAPSHOT

Consumption through lens of production and sales

STATE BANK OF INDIA | TARGET: Rs 1,156 | +21% | BUY

Healthy business growth with steady return profile

MAHINDRA & MAHINDRA | TARGET: Rs 4,117 | +15% | BUY

All segments contribute to overall healthy show; maintain BUY

SUN PHARMA | TARGET: Rs 2,003 | +19% | BUY

In-line result; global innovative portfolio growth to continue

ADANI PORTS | TARGET: Rs 1,790 | +24% | BUY

Beats estimates; Logistics continue to drive growth

ESCORTS KUBOTA | TARGET: Rs 2,731 | -29% | SELL

Healthy show, though medium-term woes to stay; retain SELL

EMBASSY OFFICE PARSKS REIT | TARGET: Rs 466 | +8% | HOLD

Efficient operations and debt management driving DPU growth

FIRSTSOURCE SOLUTIONS | TARGET: Rs 406 | +15% | BUY

Steady 2QFY26, Acceleration likely in 2HFY26

BROOKFIELD INDIA REAL ESTATE TRUST | TARGET: Rs 400 | +17% | BUY

Improving operating efficiency and building capacity for growth

ALEMBIC PHARMA | TARGET: Rs 1,136 | +18% | BUY

All-round beat, US branded product entry to drive margins

GREENPLY INDUSTRIES | TARGET: Rs 320 | +7% | HOLD

Weak Q2: margin pressure offset demand recovery

EPACK DURABLE | TARGET: Rs 385 | +15% | BUY

Estimate miss; client addition, diversification to aid growth

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SUMMARY

TITAN COMPANY

- Beats our PAT estimate for Q2FY26 by 4.3%, due to sharp margin improvement for Caratlane and international jewellery business
- Jewellery revenue to grow at a better pace in Q3Y26 over H1FY26; Jewellery EBIT margin guidance cautiously maintained at 11% for FY26
- Downgrade from BUY to HOLD, as positive outlook well baked in the current valuation; TP raise by 6% to Rs 4,250 per share

Click here for the full report.

JK CEMENT

- Grey cement volumes healthy at 4.4mt, rose by ~17% YoY (clinker included), driven by the southern and Central India regions
- Cost savings commendable at 2% YoY decline together with 3% gains in realization helped margins jump to 15% vs 11%, cost may reverse
- FY26E/FY27E/FY28E earnings retained, value JKCE at 15x (no change) 1YF EV/EBITDA and revise TP to Rs 5,777 (Rs5,652). Upgrade to HOLD

Click here for the full report.

INDIA ECONOMICS: CONSUMPTION SNAPSHOT

The consumption picture remained quite positive when looked at from the point of view of production and sales. For consumer durables (obtained from IIP disaggregated data), demand is holding strong. Other items of daily consumables are also maintaining momentum. The sequential pickup in Sep'25 is strong, albeit this month having a period of abstention, mainly due to the GST impact. The financial results of a handful of companies also reflect some buoyancy in net sales, especially in retailing, restaurants, hotels and auto. Majority of companies remained confident of demand outlook in Q3 as consumers broadly did go through a phase of postponement of buying decisions gauging the passthrough of GST rate cuts. This segment of demand curve is expected to be a bit steeper as buying decisions get translated into actual sales in Q3.

Click here for the full report.

STATE BANK OF INDIA

- PPoP beats estimates; PAT was supported by gain on YES Bank stake sale
- Credit growth above system levels with guidance raised; asset quality metrics improved
- We maintain BUY on healthy growth and steady return profile, and revise TP to Rs 1,156 (Rs 1,013 earlier), set at 1.4x Sep'27E ABV

Click here for the full report.

MAHINDRA & MAHINDRA

- Automotive and tractors volumes grew in double digits by ~13%/32% YoY; blended realisations gains ~3% YoY, GST-related fall QoQ by 2%
- Auto EBIT margin fell marginally to 9.2% vs 9.3% YoY (EV impact). FES market share at 43% (+50 bps YoY); EBITDAM at 14.5%, up 20bps YoY
- Revise FY26E/FY27E/FY28E EBITDA estimates, continue to value MM's core business at 24x 1YF P/E with revised TP of Rs 4,117. Retain BUY

Click here for the full report.

SUN PHARMA

- Sales/EBITDA/PAT was 2%/3%-2% above our estimates. Gross Margin was 40 bps lower and EBITDA Margin was 30 bps higher than estimates
- SG&A cost expected to rise with the launch of Unloxcyt. Hence, R&D expense contribution guided at a lower end of 6-8%.
- Due to a strong innovative portfolio, we ascribe PE of 34x on Sep'27 roll forward, slightly higher than 1YF mean PE of 32x

Click here for the full report.

ADANI PORTS

- Q2 revenue/EBITDA was 1%/9% above estimates; revenue grew 30% YoY led by the non-ports business (~2x)
- Domestics ports revenue grew 16% YoY, led by 8%/ 7% YoY growth in volume/ realisation led by ramp-ups and new additions
- Tweak estimates, ascribe 16x Sep-27E EBITDA multiple to arrive at Sep'26 TP of Rs 1,790

Click here for the full report.

ESCORTS KUBOTA

- Q2 tractor volumes grew by a healthy 23%/11% YoY/QoQ, with domestic volumes recovery. However, regional imbalance keeps realisations soft
- Raw material cost stays muted and only respite to guard margins, gross margins up ~40 bps, EBITDA margins gain 280 bps ~13% YoY
- Maintain FY26e/FY27e/FY28e EBITDA/EPS as H1 show remains healthy. Retain 20x P/E multiple, revise TP to Rs 2,731 (Rs 2,670). Maintain SELL

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EMBASSY OFFICE PARSKS REIT

- EMBASSY delivered DPU of Rs 6.51 (+11.7% YoY), beating our expectations by +7.3% driven by higher rental revenue and dividends
- 1.5msf of gross leasing (-28.6% YoY) helped improve occupancy to 90% (+300bps YoY), pushing in-place rents to Rs 93psf/m (+4.5% YoY)
- Effective refinancing transactions pulled average cost of debt lower to 7.35% (-64bps YoY) even as LTV remained flat QoQ at ~31%

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FIRSTSOURCE SOLUTIONS

- 2QFY26 revenue tad weaker than expected. EBIT margin in line. FY26 guidance maintained. Revenue acceleration likely in 2HFY26
- Strong top line growth combined with headroom for significant margin expansion to drive Tier-2 leading 32% EPS CAGR over FY25-FY28.
- Broadly maintain estimates, Target PE multiple (23.8x, 25% premium to our sector benchmark TCS) and 'BUY' rating. Top pick within Tier-2

Click here **for the full report.**

BROOKFIELD INDIA REAL ESTATE TRUST

- BIRET delivered DPU of Rs 5.25 (+14.1% YoY), beating our estimates by ~13%. NDCF was driven by lower interest expense and the use of cash.
- Operations remained efficient as In-place rents grew to Rs 98psf/m (+3.2% YoY) and committed occupancy improved to 90% (+500bps YoY)
- BIRET signed a binding agreement to acquire a Grade A office property in Bengaluru, which is expected to increase operating area by ~31%

Click here **for the full report.**

ALEMBIC PHARMA

- Sales/EBITDA /PAT reported 7%/4%/8% above our estimates. EBITDA margin was marginally 50 bps below our estimates
- US portfolio to grow stronger with entry into branded product Pivya through the acquisition of Utility Therapeutics. Target to sell 50mn RX
- Steady increase in EBITDA margin visible. Maintain BUY. Ascribe 23x PE on Sep'27 roll forward basis in line with 5Y mean PE of 24x

Click here **for the full report.**

GREENPLY INDUSTRIES

- Posted weak Q2FY26 result on inferior plywood mix and sharp MDF margin compression (which is one-off due to maintenance shutdown)
- Guided positive outlook across segments as plywood/MDF volume targeted to grow at a double-digit rate in H2FY26
- Maintain HOLD as strong earnings prospects quite well baked in the valuation; TP cut by 7% to Rs 320 per share

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EPACK DURABLE

- Significant miss on estimates; demand hit by unseasonal rains and deferment of purchase due to GST rate cut implementation
- Industry sales volume declined 35% YoY in H1, demand recovery expected in H2, aided by pent-up demand and improving affordability
- Cut estimates, ascribe unchanged 30x multiple to arrive at Sept-26 TP of Rs 385; maintain BUY

Click here for the full report.

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

HOLD
TP: Rs 4,250 | ⮝ 11%

TITAN COMPANY | Retail | 04 November 2025

Broadly in-line Q2; downgrade to HOLD on rich valuations

- **Beats our PAT estimate for Q2FY26 by 4.3%, due to sharp margin improvement for Caratlane and international jewellery business**
- **Jewellery revenue to grow at a better pace in Q3Y26 over H1FY26; Jewellery EBIT margin guidance cautiously maintained at 11% for FY26**
- **Downgrade from BUY to HOLD, as positive outlook well baked in the current valuation; TP raise by 6% to Rs 4,250 per share**

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Broadly in-line Q2: TTAN beats our PAT estimate for Q2FY26 by 4.3% due to sharp margin improvement for Caratlane & international jewellery business. Overall, the company's revenue/EBITDA/PAT grew by 28.8%/51.7%/59.1% YoY in Q2FY26.

Highlights: Jewellery (ex-bullion) revenue grew by 20.7% YoY in Q2FY26, driven by Tanishq/Mia/Zoya (+18%), Caratlane (+32%), and international (+92%). Despite higher share of studded revenue (+500bps QoQ to 34%), Jewellery EBIT margin fell by 50bps QoQ to 9.1% in Q2FY26 due to higher incentives offered to customers in view of a steep rise in competitive intensity. However, Caratlane and international operations witnessed sharp margin improvement on better mix and operating leverage benefits. Watch revenue grew by 13.3% YoY and segment EBIT margin improved by 108bps YoY to 16.1% in Q2FY26. Eyewear revenue grew at a modest pace of 8.4% YoY and EBIT margin contracted by 544bps YoY to 5.5% in Q2FY26.

Concall KTAs: Management expects jewellery revenue to grow at a better pace in Q3FY26 vs H1FY26, due to recovery in demand in mid-high-range products, and benefit of implementation of various initiatives to stimulate buyer growth in gold jewellery in low-range products. Jewellery EBIT margin guidance is maintained at 11% for FY26, but could be at risk if gold price continues to rise. Watch EBIT margin is expected to be 15-17% over the next 1-2 years. Eyewear revenue is projected to grow at 13-14% YoY in FY26.

D/G from BUY to HOLD; TP raise by 6% to Rs 4,250: We are quite positive on TTAN business prospects over the medium term and its EPS is projected to grow at a healthy 27.1% CAGR with an average ROE of 34% over FY26E-FY28E. However, we downgrade our rating from BUY to HOLD, as we believe the positive outlook is quite well baked in the current stock valuation (trades at 61.9x on 1YF P/E vs 5Y pre-Covid average of 57.6x). We have raised our TP to Rs 4,250 per share (Rs 4,000 earlier) having revised up our EPS estimates (+5.1%/+6.3%/+6.1% for FY26/FY27/FY28), mainly on upward revision in jewellery revenue post steep rise in gold prices. Our target P/E multiple remains unchanged at 60x on Sep'27.

Key changes

Target	Rating
▲	▼

Ticker/Price	TTAN IN/Rs 3,814
Market cap	US$ 38.3bn
Free float	47%
3M ADV	US$ 42.0mn
52wk high/low	Rs 3,827/Rs 2,925
Promoter/FPI/DII	53%/16%/14%

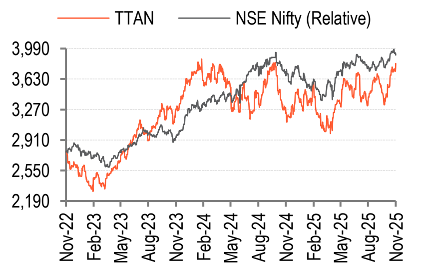
Source: NSE | Price as of 4 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	6,04,560	7,50,128	8,56,143
EBITDA (Rs mn)	56,940	78,235	91,508
Adj. net profit (Rs mn)	33,370	47,856	58,288
Adj. EPS (Rs)	37.5	53.8	65.5
Consensus EPS (Rs)	37.5	53.1	64.8
Adj. ROAE (%)	31.8	36.0	34.3
Adj. P/E (x)	101.7	70.9	58.2
EV/EBITDA (x)	61.8	45.4	38.9
Adj. EPS growth (%)	(4.5)	43.4	21.8

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

HOLD
TP: Rs 5,777 | ▲ 0%

JK CEMENT | Cement | 04 November 2025

Structurally well placed, valuations at par; Upgrade to HOLD

- **Grey cement volumes healthy at 4.4mt, rose by ~17% YoY (clinker included), driven by the southern and Central India regions**
- **Cost savings commendable at 2% YoY decline together with 3% gains in realization helped margins jump to 15% vs 11%, cost may reverse**
- **FY26E/FY27E/FY28E earnings retained, value JKCE at 15x (no change) 1YF EV/EBITDA and revise TP to Rs 5,777 (Rs5,652). Upgrade to HOLD**

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Volume surge on southern push: JKCE reported ~20% YoY (-9% QoQ) revenue growth to ~Rs 28.6bn in Q2FY26, driven by strong grey cement volume growth of ~17% YoY to 4.4mnt, aided by the southern region and 3% YoY gain in realisation to Rs 5,866/t despite the monsoons. Overall revenue included incentives of ~Rs 700mn and ~Rs 900mn from the Paints business.

Cost control on energy and freight softening: Total costs fell 2% YoY (+8% QoQ) to Rs 4,963/t, supported by lower energy and logistics costs. Energy cost (raw material adjusted) fell 1% YoY (+9% QoQ) to Rs 1,859/t due to fuel price softening to Rs 1.56/kcal (vs Rs 1.65/kcal YoY), though up QoQ from Rs 1.53/kcal. Logistics cost slipped 2%/5% YoY/QoQ to Rs 1,259/t despite lead distance rising to 431 km (+12 km YoY), aided by logistics initiatives. Other expenses rose 12%/19% YoY/QoQ to Rs 5.4bn, due to higher marketing and maintenance expenses.

EBITDA expands on lower base: EBITDA surged ~61% YoY (-35% QoQ) to ~Rs 4.4bn, with EBITDA margin jumping to 15% from 11% YoY (down from 21% QoQ). EBITDA/t rose 39% YoY (-28% QoQ) from Rs 649 to Rs 902 (Rs 1,247 in Q1FY26).

New Jaisalmer and Nathdwara projects expansion as scheduled: Land is finalized for he Jaisalmer integrated unit and work has started with commissioning expected by H2FY28. A greenfield putty plant in Nathdwara has commenced further 2mt GU each in Punjab and Rajasthan are in the final stages of land acquisition.

Revise to HOLD from SELL as valuations at par, structurally intact: We retain FY26E/FY27E/FY28E earnings, following healthy recovery in performance by JKCE. Our Revenue/EBITDA/PAT CAGR continues to be at 17%/26%/27% over FY25-28E. We believe JKCE's overall sho stays intact, as it consolidates its Central India presence, seeds eastern markets and plans prudent expansion. The correction in valuations is healthy and now in line with the earnings (after a brief run-up). We continue to value JKCE at 15x 1YF EV/EBITDA to arrive at a revised TP of Rs 5,777 (from Rs 5,652) on rollover. We upgrade JKCE to SELL from HOLD on at par valuations. At our TP, the stock trades at a replacement cost of ~Rs 17bn ($214/tn).

Key changes

Target	Rating
▲	▲

Ticker/Price	JKCE IN/Rs 5,776
Market cap	US$ 5.0bn
Free float	54%
3M ADV	US$ 8.8mn
52wk high/low	Rs 7,566/Rs 3,891
Promoter/FPI/DII	46%/16%/22%

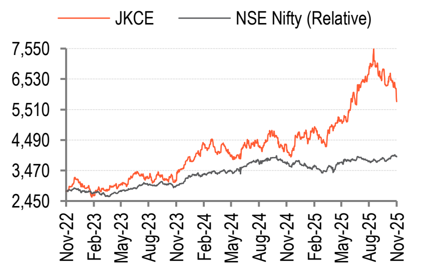
Source: NSE | Price as of 4 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	1,07,079	1,37,737	1,57,880
EBITDA (Rs mn)	15,924	23,889	29,791
Adj. net profit (Rs mn)	8,156	11,453	13,859
Adj. EPS (Rs)	105.6	148.2	179.4
Consensus EPS (Rs)	105.6	148.0	193.0
Adj. ROAE (%)	14.6	17.7	18.2
Adj. P/E (x)	54.7	39.0	32.2
EV/EBITDA (x)	30.9	20.5	16.3
Adj. EPS growth (%)	(2.5)	40.4	21.0

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

CONSUMPTION SNAPSHOT

04 November 2025

Consumption through lens of production and sales

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Jahnavi Prabhakar
Economist

The consumption picture remained quite positive when looked at from the point of view of production and sales. For consumer durables (obtained from IIP disaggregated data), demand is holding strong. Other items of daily consumables are also maintaining momentum. The sequential pickup in Sep'25 is strong, albeit this month having a period of abstention, mainly due to the GST impact. The financial results of a handful of companies also reflect some buoyancy in net sales, especially in retailing, restaurants, hotels and auto. Majority of companies remained confident of demand outlook in Q3 as consumers broadly did go through a phase of postponement of buying decisions gauging the passthrough of GST rate cuts. This segment of demand curve is expected to be a bit steeper as buying decisions get translated into actual sales in Q3.

Background:

The Q1 GDP data has been quite an outperformer. To add to this, majority of reforms rolled out this year have been targeted towards stimulating consumption demand at a structural level. With the GST announcements, it became important to gauge the high frequency data indicators to track the buoyancy in consumption demand. For consumption GST collection is an indicative figure but can be impacted by the inflation numbers as it is a nominal data print. One way of looking at it is from the point of view of production and sales. The sub-indices of IIP give a holistic picture of performance of majority of consumer-oriented sectors.

Sep'25 data is specially looked at to get an idea of frontloading of production in anticipation of faster pace of pickup in demand emanating from tax reform and benign inflation. Sep-25 is expected to have generally fewer working days and some postponement of demand due to the abstention period during the month. Despite this, majority of white goods and items of daily consumables showed significant momentum. On a seasonally adjusted basis as well, these items showed pickup in production attributable to structural reforms and forward-looking expectations of clearing off inventory in the future.

The other aspects explored in the note are the retail sales data of auto sector. It clearly showed significant pickup in sales during the Navaratri period. More than 60% total auto sales were seen during this specific period, which itself speaks of the positive influence emanating from GST rate cuts targeted towards this sector, amongst others.

BUY
TP: Rs 1,156 | ▲ 21%

STATE BANK OF INDIA | Banking | 05 November 2025

Healthy business growth with steady return profile

- **PPoP beats estimates; PAT was supported by gain on YES Bank stake sale**
- **Credit growth above system levels with guidance raised; asset quality metrics improved**
- **We maintain BUY on healthy growth and steady return profile, and revise TP to Rs 1,156 (Rs 1,013 earlier), set at 1.4x Sep'27E ABV**

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PPoP beats estimates; PAT was supported by gain on YES Bank stake sale: PPoP at Rs 273bn (-7% YoY) was 8% above estimates mainly driven by higher NII (+3% YoY). NII was supported by a rise in NIMs to 2.97% (+7bps QoQ) vs. estimate of a decline by 8bps QoQ and was backed by a focus on improving the daily average balance in CASA accounts (domestic CASA at 39.6%). Management expects NIMs to be >3% in the next couple of quarters. Despite a rise in provisions (+20% YoY), SBIN's PAT increased to Rs 201.6bn (+10% YoY), largely supported by divestment of 13.18% stake in YES Bank Ltd., resulting in a gain of Rs 45.9bn (pre-tax) recorded as an exceptional item. We note that SBI's current stake in YES Bank is 10.78%. The steep rise in provisions was mainly due to the increase in standard asset provision to Rs 12bn (+4.4x YoY). SBIN continues to report healthy return ratios (RoA/RoE of 1.17%/16.3% in Q2FY26).

Credit growth above system with guidance raised: Gross advances grew by 12.7% YoY and was above the system growth of 10.4% YoY, as of Sep'25. Loan growth was >14% YoY across segments, except for corporate segment (7.1% YoY). However, corporate credit pipeline remains robust at Rs 7trn, with about half already sanctioned and pending disbursement. Management expects corporate loan growth to be ~10% in the next two quarters of FY26. Also, the bank increased guidance for the overall loan growth to 12-14% in FY26 from 12-13% guided earlier.

Asset quality improved: Asset quality improved with GNPA ratio at 1.73% (-10bps QoQ) and NNPA at 0.42% (-5bps QoQ). SBIN witnessed improvement in slippages to Rs 50bn vs Rs 84bn (Q1FY26) or slippage ratio of 0.5% (-34bps QoQ). The AUCA recoveries stood at Rs 24.8bn in Q2FY26, exceeding management's guidance of Rs 20bn per quarter. Also, non-NPA provision of Rs 303.8bn (~165% of NNPA) provides a cushion against any sudden rise in stress.

Maintain BUY: Healthy business growth, despite SBIN's size, along with steady return profile and asset quality augurs well. We expect bank to deliver ROA/ROE of 1.1%/15.4% by FY28E. Given SBIN's healthy performance, we revise our TP to Rs 1,156 (from Rs 1,013) and roll over valuation to 1.4x Sep'27E ABV.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	SBIN IN/Rs 958
Market cap	US$ 99.7bn
Free float	42%
3M ADV	US$ 89.1mn
52wk high/low	Rs 959/Rs 680
Promoter/FPI/DII	56%/10%/28%

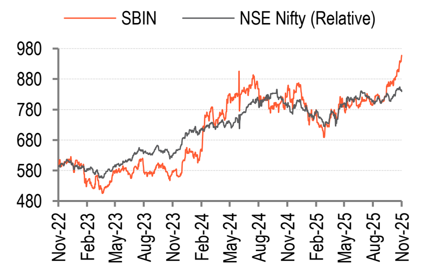
Source: NSE | Price as of 4 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	16,69,651	17,60,845	20,37,923
NII growth (%)	4.4	5.5	15.7
Adj. net profit (Rs mn)	7,09,006	7,63,075	8,55,568
EPS (Rs)	79.4	84.1	92.7
Consensus EPS (Rs)	79.4	78.0	86.3
P/E (x)	12.1	11.4	10.3
P/BV (x)	1.9	1.7	1.5
ROA (%)	1.1	1.0	1.1
ROE (%)	17.3	14.8	15.2

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 4,117 | ▲ 15%

MAHINDRA & MAHINDRA | Automobiles | 05 November 2025

All segments contribute to overall healthy show; maintain BUY

- **Automotive and tractors volumes grew in double digits by ~13%/32% YoY; blended realisations gains ~3% YoY, GST-related fall QoQ by 2%**
- **Auto EBIT margin fell marginally to 9.2% vs 9.3% YoY (EV impact). FES market share at 43% (+50 bps YoY); EBITDAM at 14.5%, up 20bps YoY**
- **Revise FY26E/FY27E/FY28E EBITDA estimates, continue to value MM's core business at 24x 1YF P/E with revised TP of Rs 4,117. Retain BUY**

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Topline momentum sustained: Q2FY26 delivered a robust revenue growth of ~21% YoY (-2% QoQ), to Rs 334.2bn despite GST transition headwinds. Driven by the volumes of ~383k vehicles, up by strong 18% YoY (flattish QoQ) due to delivery deferrals. However, net blended realisation was sluggish, up by ~3% YoY (-2% QoQ) to Rs 873k per vehicle, as the premium mix was offset by discounts.

EV leadership, margin resilient: Auto business revenue share moderated, marginally falling to 71% (~73% In Q2FY25), though maintained a dominant position. EBIT margin, too, fell marginally to 9.2% vs 9.3% in Q2FY25; however, ex-BEV business was at 10.3%. SUV revenue market share surged by 390bps to 25.7% while E-SUV's rose to 33.1% as e-SUV penetration increased by 90bps to 8.7%. The LCV segment saw a strong recovery with volume gains of 13% and 100bps YoY gain in the market share to 53.2%

FES breakout; volume and share up: Tractor segment, driven by rural revival and GST affordability tailwinds, was strong with market share up by 50bps YoY to 43%. Volumes grew by 32% YoY to 123k units. FES PBIT margin was at 19.7% vs 16% YoY (core tractor PBIT at 20.6% vs 17.5% YoY). MM expects FES to grow by low double digits for FY26.

CY26 launches on schedule: Launch pipeline remains intact for CY26 with two new EV launches. XEV9 S will be launched in Q3FY26 while the Thar 3 door refresh and Bolero Neo build up on the SUV trend and GST 2.0 affordability boost, collectively this will be capitalised by MM for market share push.

Revise estimates upwards, backed by healthy performance; maintain BUY: We revise our EBITDA estimates for FY26e/FY27e/FY28e by 1%/2%/6% (EPS is revised due to depreciation/tax revision), factoring in the healthy outlook from Automotive and FES segments. Our 3Y PAT/EBITDA/PAT CAGR of 14%/16%18%. We value MM's core business at 24x 1Y P/E, a 10% premium to its long-term average (22x), resulting in a revised SOTP-based TP of Rs4,117 (Rs 3,693). This includes a subsidiary value of Rs347. Maintain BUY (+15%).

Key changes

Target	Rating
▲	◄ ►

Ticker/Price	MM IN/Rs 3,581
Market cap	US$ 50.5bn
Free float	81%
3M ADV	US$ 98.0mn
52wk high/low	Rs 3,724/Rs 2,425
Promoter/FPI/DII	19%/37%/29%

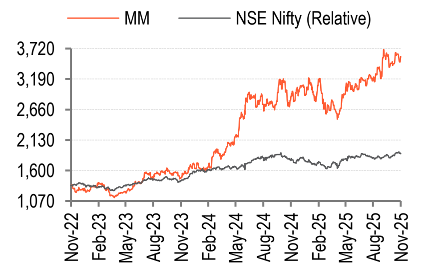
Source: NSE | Price as of 4 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	11,64,837	13,19,546	15,18,964
EBITDA (Rs mn)	1,62,745	1,96,267	2,27,431
Adj. net profit (Rs mn)	1,18,548	1,51,499	1,74,979
Adj. EPS (Rs)	98.9	126.4	146.0
Consensus EPS (Rs)	98.9	129.0	145.0
Adj. ROAE (%)	20.8	22.3	21.4
Adj. P/E (x)	36.2	28.3	24.5
EV/EBITDA (x)	28.2	23.2	19.9
Adj. EPS growth (%)	10.6	27.8	15.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 2,003 | ⮝ 19%

SUN PHARMA | Pharmaceuticals | 06 November 2025

In-line result; global innovative portfolio growth to continue

- **Sales/EBITDA/PAT was 2%/3%-2% above our estimates. Gross Margin was 40 bps lower and EBITDA Margin was 30 bps higher than estimates**
- **SG&A cost expected to rise with the launch of Unloxcyt. Hence, R&D expense contribution guided at a lower end of 6-8%.**
- **Due to a strong innovative portfolio, we ascribe PE of 34x on Sep'27 roll forward, slightly higher than 1YF mean PE of 32x**

Foram Parekh
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In-line earnings – Sales grew by 9% YoY to Rs 144 bn, driven by 11% YoY growth in the domestic region, 23% YoY growth in ROW region, 15.7% YoY growth in the EMs and flattish growth in the US region which was offset by 17% decline in the API sales. Global Innovative sales grew by 16% YoY sales of USD 333 mn, contributing 20% of total sales. Healthy growth in innovative sales resulted in 79.4% Gross margin and 28.3% EBITDA margin. During the quarter, Checkpoint acquisition led to an increase in borrowings, resulting in 44% rise in the interest cost and tax rate to 27.6%, resulting in 7% YoY decline in PAT to Rs 27bn.

US sales driven by innovative portfolio - US sales reported flat to Rs 43.2 bn, driven by innovative sales that offset YoY decline in gRevlimid. US innovative sales grew strongly, drives by the launch of Leqselvi and steady demand for Ilumya, Cequa, and Odomzo, which exceeded US generic sales. Going forward in H2FY26, there will be no gRevlimid sales; however, this impact is expected to be offset by the launch of Unloxcyt, which is pending USFDA approval under Sun's label, along with the planned filing of Ilumya for the psoriatic arthritis indication.

ROW region growth driven by generics and innovative product - ROW region reported sales 15% above our estimates, with organic growth (ex one-offs) of 22.7% YoY to Rs20.4 bn. The growth was driven by both generic and innovative products, including Ilumya that has been launched in 35 countries.

Domestic region continues to grow in double digits – Domestic sales was in line with our estimates and grew 11% YoY to Rs 47.3bn. The growth continues to be driven by volume due to sustaining leadership position by Rx across 13 therapies and 9 new launches during the quarter vs price-led growth in IPM. Going forward, Sun would participate in the first wave of Semaglutide LOE.

Maintain BUY - We believe the 100% tariff threat on branded products is behind for SUN. At CMP, the stock is trading at 29x PE on Sep'27 roll forward basis. Due to healthy cash balance and strong innovative portfolio, we ascribe a PE of 34x, slightly higher than 1year forward mean PE of 32x to arrive at a PT of Rs 2003.

Key changes

Target	Rating
◀ ▶	◀ ▶

Ticker/Price	SUNP IN/Rs 1,690
Market cap	US$ 45.7bn
Free float	45%
3M ADV	US$ 42.7mn
52wk high/low	Rs 1,910/Rs 1,548
Promoter/FPI/DII	54%/16%/20%

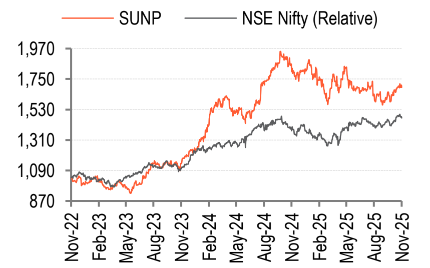
Source: NSE | Price as of 4 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	525,785	568,655	621,929
EBITDA (Rs mn)	153,869	164,843	188,139
Adj. net profit (Rs mn)	118,260	115,328	133,166
Adj. EPS (Rs)	49.3	48.1	55.5
Consensus EPS (Rs)	49.3	48.4	55.2
Adj. ROAE (%)	16.9	14.9	15.2
Adj. P/E (x)	34.3	35.2	30.4
EV/EBITDA (x)	27.9	26.5	23.8
Adj. EPS growth (%)	16.2	(2.5)	15.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 1,790 | ⮝ 24%

ADANI PORTS | Logistics | 06 November 2025

Beats estimates; Logistics continue to drive growth

- **Q2 revenue/EBITDA was 1%/9% above estimates; revenue grew 30% YoY led by the non-ports business (~2x)**
- **Domestics ports revenue grew 16% YoY, led by 8%/ 7% YoY growth in volume/ realisation led by ramp-ups and new additions**
- **Tweak estimates, ascribe 16x Sep-27E EBITDA multiple to arrive at Sep'26 TP of Rs 1,790**

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Beat on EBITDA: Adani Ports reported a strong Q2FY26 print, with consolidated revenue/EBITDA/PAT rising 30%/26%/47% YoY. At Rs 91.7bn, revenue was broadly in line (+1% vs estimates), while EBITDA at Rs 53.4bn beat estimates by ~9%. EBITDA margin moderated 172bps YoY to 58.2%. PAT at Rs 35.6bn grew 47% YoY, led by higher other income.

Domestic ports steady (+16% YoY); new tariff led to higher realisations: Domestic port revenue grew 16% YoY to Rs 63.5bn, supported by volume growth (+8% YoY,114mn tonnes) and realisation uptick (+7% YoY). Volume growth was led by Gangavaram (+47% YoY), Hazira (+10% YoY) and Krishnapatnam (+7% YoY), offsetting softness at Mundra (-1% YoY) and Dhamra (-2% YoY). Coal volumes remained subdued, while containers and liquids continued to scale. Realisation tailwinds were driven by cargo mix (fertilisers/liquids/containers) and new tariffs at Mundra.

International assets deliver robust scale-up: International ports revenue grew 35% YoY to Rs 10.8bn, benefitting from full-period consolidation and improved operating metrics at Haifa and Colombo. Management reiterated long-term international EBITDA margin potential at ~45%, with asset-specific ramp-up paths intact (Colombo ~50%, Haifa ~30-40%, Australia ~65%).

Logistics and Marine remain key growth drivers: Logistics revenue rose 80% YoY to Rs 10.6bn, supported by fleet additions (trucks/rakes), warehouse network expansion, and continued traction in multi-modal offerings. Management remains confident of achieving 3-4x trucking revenue scale-up (from FY25 base Rs 4.3bn) and 35-40% margin in 3-4 years. Marine services revenue jumped >200% YoY to Rs 6.4bn, driven by the offshore vessel platform acquisition and expanding marine solutions footprint. The company reiterated its ambition to 2x marine revenue by FY26 and 3-4x by FY29 from the FY25 base.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	ADSEZ IN/Rs 1,444
Market cap	US$ 35.2bn
Free float	34%
3M ADV	US$ 36.6mn
52wk high/low	Rs 1,494/Rs 996
Promoter/FPI/DII	66%/14%/14%

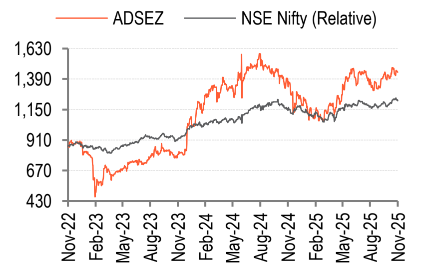
Source: NSE | Price as of 4 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	3,10,786	3,65,352	4,17,552
EBITDA (Rs mn)	1,87,438	2,14,074	2,42,634
Adj. net profit (Rs mn)	1,19,437	1,22,197	1,40,541
Adj. EPS (Rs)	55.3	56.6	65.1
Consensus EPS (Rs)	0.0	0.0	0.0
Adj. ROAE (%)	20.7	17.5	18.2
Adj. P/E (x)	26.1	25.5	22.2
EV/EBITDA (x)	14.3	12.7	11.6
Adj. EPS growth (%)	34.7	2.3	15.0

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

SELL
TP: Rs 2,731 | ∀ 29%

ESCORTS KUBOTA | Automobiles | 05 November 2025

Healthy show, though medium-term woes to stay; retain SELL

- **Q2 tractor volumes grew by a healthy 23%/11% YoY/QoQ, with domestic volumes recovery. However, regional imbalance keeps realisations soft**
- **Raw material cost stays muted and only respite to guard margins, gross margins up ~40 bps, EBITDA margins gain 280 bps ~13% YoY**
- **Maintain FY26e/FY27e/FY28e EBITDA/EPS as H1 show remains healthy. Retain 20x P/E multiple, revise TP to Rs 2,731 (Rs 2,670). Maintain SELL**

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Regional presence implies industry beat growth a challenge: ESCORTS reported robust revenue growth of ~23%/12% YoY/QoQ to Rs 27.9bn. This was driven by tractor volumes, up ~30%/11% YoY/QoQ in line with the industry, led by domestic volumes up ~31% YoY resulting in market share gain of 20bps YoY to 11.8%. Net realisations fell ~6% on festive season discounts but were stable QoQ.

Agri machinery leads, CE lags despite mini excavator gains: Agri machinery (AM) segment up 29% YoY, driven by healthy tractor volumes and export growth of 26% (52% via Kubota global network). AM EBIT margin jumped to 12.8% from 9.1% YoY, driven by operating leverage and easing commodity prices. Construction Equipment (CE) revenue declined 11% YoY, while EBIT margin contracted sharply to 3.8% from 9.3% YoY, as production was lower due to extended monsoon and demand softness. However, mini excavator gained share by 151bps to 18.5%.

Margin expansion driven by scale: Raw material cost (inventory adjusted) rose by 22%/12% YoY/QoQ to ~Rs 19bn (largely stable at 69.3 as % of sales vs 69.6% YoY). EBITDA margin jumped sharply to 12.9% vs 10.1% YoY/ flat QoQ as operating leverage and softer commodity prices aid. ESCORTS is working towards localisation to mitigate the impact of Kubota merger. ESCORTS indicated margin guidance at ~12.5%.

Low double-digit growth expected: Management expects industry growth at low double digit, driven by strong reservoir levels, higher MSPs and pre-buying ahead of regulatory changes. Export growth is targeted at 25-30% for FY26.

Maintain SELL: Intense competition and unfavourable regional mix keep tractor realisation under pressure YoY, further added by festive discounts. ESCORTS has also faced challenges selling Kubota tractors due to engine manufacturing woes. We, however, maintain our EBITDA/EPS for FY26E/FY27E/FY28E mindful of healthy 1HFY26. The new capacity benefits are away till FY28 and beyond that will aide export visibility. We maintain SELL with new TP of Rs 2,731 (Rs 2,670). Our target P/E stays at 20x – a marginal premium to the stock's LT mean.

Key changes

Target	Rating
▲	◄►

Ticker/Price	ESCORTS IN/Rs 3,822
Market cap	US$ 5.7bn
Free float	63%
3M ADV	US$ 7.9mn
52wk high/low	Rs 4,180/Rs 2,776
Promoter/FPI/DII	37%/22%/8%

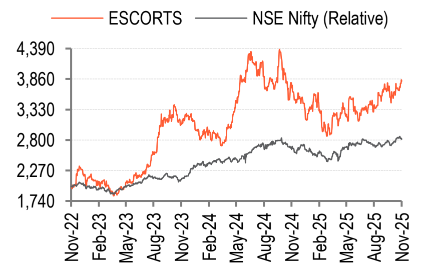
Source: NSE | Price as of 4 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	1,02,439	1,14,140	1,31,812
EBITDA (Rs mn)	11,653	13,450	16,205
Adj. net profit (Rs mn)	11,268	12,127	14,281
Adj. EPS (Rs)	100.7	108.4	127.6
Consensus EPS (Rs)	100.7	129.0	127.0
Adj. ROAE (%)	10.9	10.4	11.0
Adj. P/E (x)	38.0	35.3	29.9
EV/EBITDA (x)	44.5	38.9	32.9
Adj. EPS growth (%)	6.1	7.6	17.8

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

RESULT REVIEW

BOBCAPS
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HOLD
TP: Rs 466 | ▲ 8%

EMBASSY OFFICE PARSKS REIT | Real Estate | 06 November 2025

Efficient operations and debt management driving DPU growth

- **EMBASSY delivered DPU of Rs 6.51 (+11.7% YoY), beating our expectations by +7.3% driven by higher rental revenue and dividends**
- **1.5msf of gross leasing (-28.6% YoY) helped improve occupancy to 90% (+300bps YoY), pushing in-place rents to Rs 93psf/m (+4.5% YoY)**
- **Effective refinancing transactions pulled average cost of debt lower to 7.35% (-64bps YoY) even as LTV remained flat QoQ at ~31%**

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EMBASSY continues to benefit from high demand for space in its assets as evidenced by improved occupancy of 90% (+300bps YoY) and in-place rents of Rs 93psf/m (+4.5% YoY), achieving re-leasing spreads of 27% (27.8% 5Y avg.). Bengaluru remains EMBASSY's core growth market (~85% of the leasing deals signed in 2Q26) with GCCs being the driving force behind the demand for office space, making up 56% of total leasing. With limited developments in the pipeline, the pace of growth in rental revenues is likely to remain subdued. We believe DPU growth of +11.6% CAGR over FY26E-28E will be driven mostly by improved occupancy (90% as of 2Q26), driving leasing spreads (27% as of 2Q26) and in-place rents higher (93psf/m as of 2Q26).

As of 2Q26, ~7.3msf of base build projects (~5.3msf to be delivered through FY28) made-up EMBASSY's development pipeline. Despite management actively evaluating acquisition opportunities (both 3rd party and from the EMBASSY Group), details about any tangible project remain scant. We **believe EMBASSY's reliance on developments slows the pace of increase in area under management**.

Efficient debt management has enabled EMBASSY to lower average in-place debt cost by -64bps YoY to 7.35%. Over 2Q26, EMBASSY raised over Rs 240,000mn of debt via commercial papers and NCDs. We are highly encouraged by management's ability to secure financing at competitive costs, especially given LTV of 31% (~27% peer average).

Driven by higher occupancy and in-place rents, we expect EMBASSY to deliver average annualised DPU growth rate of +11.6% over FY26E-28E. Our revised 1Y TP of Rs 466 (Rs 451 previously) is based on a DPU multiple of 15.5x (15.8x previously) that has been adjusted for DPU growth and a positive correlation between DPU growth rates and stock price, applied to 5Q-8Q DPU estimates (3Q27E-2Q28E). In the absence of any near-term catalysts, we **retain a HOLD on EMBASSY.**

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	EMBASSY IN/Rs 432
Market cap	US$ 4.6bn
Free float	0%
3M ADV	US$ 4.2mn
52wk high/low	Rs 437/Rs 342
Promoter/FPI/DII	0%/0%/0%

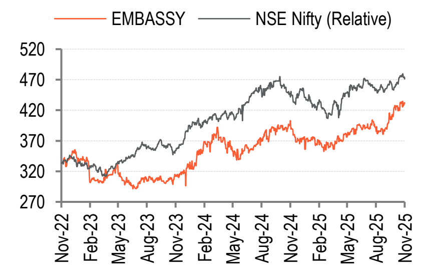
Source: NSE | Price as of 4 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	41,813	46,410	52,150
EBITDA (Rs mn)	31,888	36,934	40,452
Adj. net profit (Rs mn)	16,053	9,638	11,359
Adj. EPS (Rs)	16.9	10.2	12.0
Adj. ROAE (%)	7.1	4.5	5.8
Price/DPU	18.8	16.8	15.3
EV/EBITDA (x)	12.8	11.1	10.1
Adj. EPS growth (%)	66.5	(40.0)	17.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 406 | ⮝ 15%

FIRSTSOURCE SOLUTIONS | IT Services | 06 November 2025

Steady 2QFY26, Acceleration likely in 2HFY26

- **2QFY26 revenue tad weaker than expected. EBIT margin in line. FY26 guidance maintained. Revenue acceleration likely in 2HFY26**
- **Strong top line growth combined with headroom for significant margin expansion to drive Tier-2 leading 32% EPS CAGR over FY25-FY28**
- **Broadly maintain estimates, Target PE multiple (23.8x, 25% premium to our sector benchmark TCS) and 'BUY' rating. Top pick within Tier-2**

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2QFY26 broadly in line: Revenue growth came in at 2% QoQ in CC terms against our estimate of 3% while EBIT margin at 11.5% was broadly in line with our 11.7% estimate.

Guidance for FY26 maintained: The 13-15% constant currency revenue growth guidance for FY26 given 3 months back, was maintained and is quite robust in the context of most of its peers in the Indian IT/ITES industry. This guidance includes 300bps from M&A. The last part will see an uptick as the Pastdue acquisition will likely be closed in 3QFY26. We believe Pastdue will constitute 150-175bps of the revenue growth in FY27.

Will be leading Tier-2 pack with 32% EPS CAGR over FY25-FY28: This will be due to a USD revenue CAGR of 16% and EBIT margin expansion of 280bps. FirstSource's strong performance is because it is taking a different approach with its UnBPO model — using AI, automation, and outcome-based pricing to rethink how services are delivered.

CEO has been a key driver of the UnBPO model: Ritesh Idnani – CEO for 2 plus years in FSOL now, with senior management background in Tech Mahindra and Infosys – has ensured better execution and led FSOL to deliver on its US$1bn revenue run rate goal 4 quarters in advance. FirstSource CEO has beefed up sales, tech and delivery capabilities both organically and inorganically over the last seven quarters for him to deliver these numbers.

Broadly maintain estimates, Target PE and rating. Top pick in our Tier-2 universe: We broadly maintain our estimates, Target PE multiple at 23.8x on Sept '27 EPS. Target PE multiple is at a 25% premium to that of our benchmark TCS. The PE premium of 25% accounts for the strong EPS performance that we expect from the company over FY25-FY28. We maintain our 'BUY' rating. It is our only BUY under our coverage universe and our top pick in the Tier-2 space.

Key changes

Target	Rating
▲	◄ ►

Ticker/Price	FSOL IN/Rs 353
Market cap	US$ 2.7bn
Free float	45%
3M ADV	US$ 5.3mn
52wk high/low	Rs 422/Rs 270
Promoter/FPI/DII	54%/9%/25%

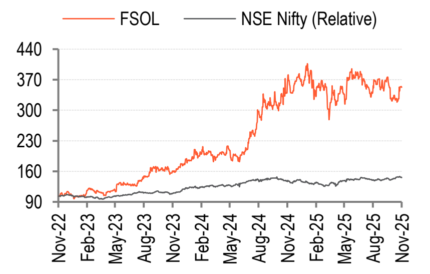
Source: NSE | Price as of 4 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	79,803	94,389	112,819
EBITDA (Rs mn)	12,077	16,162	21,354
Adj. net profit (Rs mn)	5,857	7,941	10,481
Adj. EPS (Rs)	8.4	11.3	14.8
Adj. ROAE (%)	15.0	18.5	22.0
Adj. P/E (x)	41.8	31.3	23.8
EV/EBITDA (x)	20.2	14.9	11.3
Adj. EPS growth (%)	14.9	33.7	31.6

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 400 | ⮝ 17%

BROOKFIELD INDIA REAL ESTATE TRUST | Real Estate | 06 November 2025

Improving operating efficiency and building capacity for growth

- **BIRET delivered DPU of Rs 5.25 (+14.1% YoY), beating our estimates by ~13%. NDCF was driven by lower interest expense and the use of cash.**
- **Operations remained efficient as In-place rents grew to Rs 98psf/m (+3.2% YoY) and committed occupancy improved to 90% (+500bps YoY)**
- **BIRET signed a binding agreement to acquire a Grade A office property in Bengaluru, which is expected to increase operating area by ~31%**

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As BIRET works though improving committed occupancy (90% as of 2Q26) at its SEZ assets and pushing in-place rents in its overall portfolio higher (Rs. 98psf/m as of 2Q26), management continues to operate its portfolio of 24.6msf Grade A offices efficiently. Leasing momentum remains strong, driven by GCCs (~46% of leasing volume over 2Q26), helping BIRET achieve releasing spreads of 21% (vs. 22% in 2Q25). With the proposed acquisition of Ecoworld in Bengaluru, we believe BIRET has the potential to significantly increase area under management (~+31% to ~32msf) driving revenue by ~27% CAGR over FY26E-28E. However, we expect DPU growth to be ~+10% over the period, as BIRET services the significant amount of debt and equity capital that will be raised to fund this acquisition.

Ecoworld acquisition: BIRET entered into a binding agreement to acquire 100% interest in Ecoworld, a 7.7msf Grade A office campus located on the ORR in Bengaluru for Rs 131,250m (120,000m paid immediately and Rs. 11,250 to be paid in 4Q27. Ecoworld has higher committed occupancy of 94% (+400bps vs current portfolio), higher in-place rents of Rs 102psf/m (+4.08% vs. rents in current portfolio) but a shorter WALE of 6.0 years (6.6 years in current portfolio). We believe this acquisition is significant as it will establish BIRET's presence in India's biggest and most active office market Bengaluru.

Funding remains key: Based on management guidance, we expect the Ecoworld deal to be financed by ~Rs 92,300mn of additional debt, Rs 25,000mn of fresh equity capital and an additional Rs 11,250 during Tranche 2 of the deal. We believe this capital raise to limit DPU growth over FY26E-28E to +10.4% CAGR, as the upside from higher rents is limited by higher interest expense and a higher number of units.

We retain BUY on BIRET with a 1Y TP of Rs 400, based on a DPUx of 16.5x (16.3x previously).

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	BIRET IN/Rs 342
Market cap	US$ 2.3bn
Free float	0%
3M ADV	US$ 0.8mn
52wk high/low	Rs 355/Rs 271
Promoter/FPI/DII	0%/0%/0%

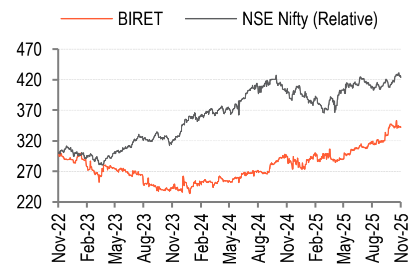
Source: NSE | Price as of 4 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	24,709	32,237	46,957
EBITDA (Rs mn)	18,113	24,499	36,663
Adj. net profit (Rs mn)	1,646	6,580	11,232
Adj. EPS (Rs)	3.0	9.7	13.7
Adj. ROAE (%)	1.0	3.5	6.2
Price/DPU	17.8	16.2	14.6
EV/EBITDA (x)	11.5	8.5	5.7
Adj. EPS growth (%)	(1172.8)	224.1	41.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 1,136 | ▲ 18%

ALEMBIC PHARMA | Pharmaceuticals | 05 November 2025

All-round beat, US branded product entry to drive margins

- **Sales/EBITDA /PAT reported 7%/4%/8% above our estimates. EBITDA margin was marginally 50 bps below our estimates**
- **US portfolio to grow stronger with entry into branded product Pivya through the acquisition of Utility Therapeutics. Target to sell 50mn RX**
- **Steady increase in EBITDA margin visible. Maintain BUY. Ascribe 23x PE on Sep'27 roll forward basis in line with 5Y mean PE of 24x**

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All-round beat – Sales grew by 15.9% YoY to Rs 19bn, largely driven by growth from all segments. Formulations grew by 16% YoY on 31% YoY growth in ROW, 21% YoY growth in the US region, 5% growth in domestic region. API too grew by 15% YoY. Raw Material cost rose 20% YoY to Rs 5.1bn and contributed 27% in 2QFY26 vs 26% YoY in 2QFY25, resulting in gross margin of 73% in 2QFY26. Operating leverage played out during the quarter, where other expense ex of R&D grew merely by 0.5% YoY, resulting in 32% YoY increase in EBITDA to Rs 3.1 bn and 200 bps increase in EBITDA margin to 16.5%. Subsequently, PAT increased by 31% YoY to Rs 1.8bn.

ROW region continues to grow in double digits – ROW region sales reported 11% above our estimates. In H1FY26, the segment grew by 26.5% YoY to Rs 7.2 bn. Growth was driven by low base in H1FY25, which was affected by supply issues. The ROW region has been growing at 20% CAGR over last 7-10 years and the region is expected to continue growing at 15-20% in FY26, largely from regions like Europe, Canada, Australia, Chile, Brazil and South Africa.

US growth led by complex specialty products - US sales reported 10% above our estimates. The growth was driven by higher volumes and new product launches, including 3 launches in 2QFY26 amidst pricing challenges. The company intends to venture into branded product Pivya from 4QFY26, through the acquisition of Utility Therapeutics (acquisition completed). The transaction involves an upfront payment of around $4 mn, along with milestone payments of $4 mn each tied to the US launch of Pivya and specific revenue targets, in addition to a profit-sharing arrangement. We believe the entry into the branded product segment will enhance margins, with the company targeting 50 mn Rx for the product.

Maintain BUY - We model in sales/EBITDA/PAT to grow at a CAGR of 10%/16%/21% from FY26-28E. At CMP, the stock is attractively trading at a PE of 19x on Sep'27 PE. Considering its healthy portfolio in the US, along with a foray into specialty product, we ascribe a PE of 23x in line with its 5Y average PE of 24x to arrive at a PT of Rs 1136 (earlier PT Rs 1101).

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	ALPM IN/Rs 961
Market cap	US$ 2.1bn
Free float	31%
3M ADV	US$ 1.3mn
52wk high/low	Rs 1,152/Rs 725
Promoter/FPI/DII	70%/5%/13%

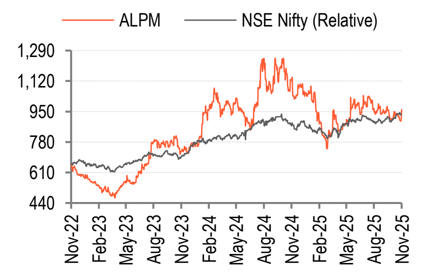
Source: NSE | Price as of 4 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	66,721	73,338	81,438
EBITDA (Rs mn)	10,082	12,289	14,410
Adj. net profit (Rs mn)	5,697	7,261	8,837
Adj. EPS (Rs)	29.0	36.9	45.0
Consensus EPS (Rs)	29.0	35.4	44.5
Adj. ROAE (%)	11.8	13.8	15.1
Adj. P/E (x)	33.1	26.0	21.4
EV/EBITDA (x)	18.0	14.6	12.7
Adj. EPS growth (%)	(7.4)	27.3	21.7

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

RESULT REVIEW

HOLD
TP: Rs 320 | 7%

GREENPLY INDUSTRIES | Building Materials | 04 November 2025

Weak Q2: margin pressure offset demand recovery

- **Posted weak Q2FY26 result on inferior plywood mix and sharp MDF margin compression (which is one-off due to maintenance shutdown)**
- **Guided positive outlook across segments as plywood/MDF volume targeted to grow at a double-digit rate in H2FY26**
- **Maintain HOLD as strong earnings prospects quite well baked in the valuation; TP cut by 7% to Rs 320 per share**

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Weak Q2: MTLM missed our Q2FY26 estimates (Revenue: -3.0%; EBITDA: -21.7%) due to a) lower-than-expected plywood realisation (-5.9% QoQ vs -0.8% estimated on inferior mix) b) sharp EBITDA margin contraction for MDF segment (-940bps QoQ to 8.3% vs 16.0% estimated due to liquidation of slow-moving inventories at a higher discounts and maintenance shutdown impact). Overall, MTLM revenue grew by 7.5% YoY, but EBITDA/APAT fell by 1.5%/9.0% YoY in Q2FY26.

Highlights: MTLM has reported the highest plywood volume growth over the past five quarters due to demand recovery in the mid-value segment. Plywood segment EBITDA grew by 4.0% YoY in Q2FY26, driven by higher volumes (+7.4%). Despite higher volume (+15.9%), MDF EBITDA was down 18.8% YoY in Q2FY26, on sharp margin contraction due to the liquidation of slow-moving inventories at higher discounts and maintenance shutdown impact. The share of loss from the furniture JV business has slightly gone up from Rs 54mn in Q1FY26 to Rs 59 mn in Q2FY26. Net debt has gone down from Rs 5.38bn in Jun'25 to Rs 5.1bn in Sep'25.

Guidance: The company has guided positive outlook for each of its segments for H2FY26. Plywood volume is targeted to grow at +10% rate in H2FY26 and margin is expected to be better in H2FY26 over H1FY26. MDF volume is aimed to grow at a double-digit rate with EBITDA margin of 16%+ for H2FY26. Timber price has remained stable in Q2FY26 and expected to decline from Q4FY26. The furniture fittings JV revenue is targeted to be Rs 250-300mn in H2FY26 and Rs 1,000mn for FY27. Capex guidance revised up to Rs 1.55-1.6bn (Rs 1.0-1.4bn earlier).

Maintain HOLD; TP cut by 7% to Rs 320: We maintain our HOLD rating as we believe the positive earnings prospects (EPS projected to grow at 23.7% CAGR over FY25-FY28E) is quite well factored in the current valuation (the stock trades at 29.0x on 1YF P/E – which is in line with its 5Y average multiple). We have cut our TP to Rs 320 per share (Rs 345 earlier) due to downward revision of our EPS estimates (-17.6%/-9.7%/-7.6% for FY26E/FY27E/FY28E), based on weak Q2FY26 result. Our target P/E multiple remains unchanged at 25.0x on Sep'27 est (vs Mar'27 earlier).

Key changes

Target	Rating
▼	◄ ►

Ticker/Price	MTLM IN/Rs 298
Market cap	US$ 419.2mn
Free float	48%
3M ADV	US$ 0.4mn
52wk high/low	Rs 375/Rs 245
Promoter/FPI/DII	52%/4%/32%

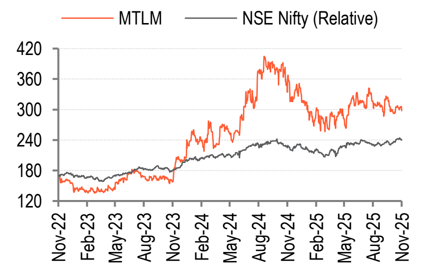
Source: NSE | Price as of 4 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	24,876	26,072	28,329
EBITDA (Rs mn)	2,377	2,633	3,249
Adj. net profit (Rs mn)	916	967	1,438
Adj. EPS (Rs)	7.3	7.7	11.5
Consensus EPS (Rs)	7.3	12.0	16.4
Adj. ROAE (%)	12.1	11.3	14.9
Adj. P/E (x)	40.6	38.5	25.9
EV/EBITDA (x)	17.7	16.1	13.1
Adj. EPS growth (%)	19.9	5.5	48.8

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 385 | ⮝ 15%

EPACK DURABLE

| Consumer Durables | 05 November 2025

Estimate miss; client addition, diversification to aid growth

- **Significant miss on estimates; demand hit by unseasonal rains and deferment of purchase due to GST rate cut implementation**
- **Industry sales volume declined 35% YoY in H1, demand recovery expected in H2, aided by pent-up demand and improving affordability**
- **Cut estimates, ascribe unchanged 30x multiple to arrive at Sept-26 TP of Rs 385; maintain BUY**

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Weak performance; misses estimate on all fronts: Epack reported a weaker than-expected Q2 performance, with revenue /EBITDA significantly below ours and consensus estimates. Revenue declined 43% YoY to Rs 21.3bn (-68% QoQ). Gross margin expanded 110bps YoY to 15.7% while EBITDA margin contracted significantly by 230bps YoY to 0.3%. The company reported net loss of Rs 222mn vs. Rs 85mn in Q2FY25.

AC sales declined 76% YoY, partially offset by non-AC products business (+30% YoY): Revenue decline of 43% YoY was led by a steep decline in AC products business (-76% YoY), on account of unseasonal rains, excess inventories in the channel leading to lower primary sales and deferment of purchase due to GST rate cut implementation. During H1FY26, industry sales declined 35% YoY and FY26 will likely end with flattish growth (at best). While AC sales declined, non-AC products business, which is small and large domestic appliances and components business, saw a strong growth of 30% YoY, partially offsetting the AC sales decline. During the quarter, the company secured 4 new customers and will be supplied from the end of Q4FY26.

Strategic partnership and capex plans on track: Epack's strategic tie-up with Hisense to manufacture air conditioners, washing machines and other appliances, is on track. The company will commence supplying in December-end or January start. Management reaffirmed its capex plans of ~Rs 4.5 bn (with ~Rs 1.75 bn spent in H1) towards capacity expansion and component capability and reiterated its plan to double capacity by FY27.

Revise estimates, maintain BUY: We have significantly reduced our FY26-28% revenue estimates by 7-13% and PAT estimates by 22%/0% in FY27/28E, due to weakness in AC segment. We expect demand recovery in FY27, led by pent-up demand and improving affordability. We ascribe unchanged multiple of 30x to arrive at Sept26 TP of Rs 385. We maintain BUY.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	EPACK IN/Rs 334
Market cap	US$ 361.2mn
Free float	39%
3M ADV	US$ 3.4mn
52wk high/low	Rs 670/Rs 316
Promoter/FPI/DII	48%/2%/7%

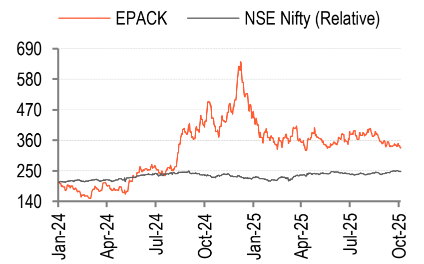
Source: NSE | Price as of 4 Nov 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	21,709	21,112	29,020
EBITDA (Rs mn)	1,577	1,241	2,247
Adj. net profit (Rs mn)	551	210	785
Adj. EPS (Rs)	5.7	2.2	8.2
Consensus EPS (Rs)	5.7	2.2	8.2
Adj. ROAE (%)	6.0	2.2	7.8
Adj. P/E (x)	58.1	152.7	40.8
EV/EBITDA (x)	18.6	22.9	12.7
Adj. EPS growth (%)	55.6	(62.0)	274.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

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BUY – Expected return >+15%

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

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

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