

Gabriel, India

EPS-accretive group consolidation, more expansions; Buy

Rating: **Buy**

Target Price: Rs.1,400

Share Price: Rs.952

Marks meaningful step forward in realization group strategic vision. Simplification of group structure and realign corporate structure to unlock synergy and enhance competitive edge. Gabriel India to play pivotal role in the transformation serving as group's vehicle for future growth and platform. We lift our EPS by 36% for FY27 on EPS accretive acquisitions. We recommend a Buy rating at a sum-of-TP of Rs1,400 (earlier 770, 32x FY27e EPS), 32x on consol FY27e EPS of Rs32.5 (Rs1,040), future group consolidation (Rs260) and M&A potential (Rs100). Refer fig 18 for details.

Anand group unlisted companies consolidation into Gabriel. Scheme of arrangement announced for acquisition of 25.1% stake in Dana Anand, 49% in Henkel Anand, 76% in Anand CY Mytec Automotive and 100% in Anchemco India from promoter stake in Anand's group companies. Adds Rs41bn revenues (incl. associates topline) and Rs1.82bn attributable PAT as on FY25. **EPS accretive by 41%/33% on FY25/27 EPS.**

More group consolidation opportunity ahead. Anand group revenues is ~Rs200bn, out of which Rs40bn consolidated and current Gabriel revenue is Rs40bn, so currently it cover 40% value. In terms of profit >55% is still outside the Gabriel. Rest of group consolidation would be decided by board. **EPS accretive benefit of ~Rs8 for other unlisted entities.**

M&A. Anand group has 23 companies, 8 JVs, 4 technical collaborators and 20,000 employees. Anand group has business model of joint ventures or technical collaborations with global partners for diversifying into new product lines. Anand group targets to add Rs150bn revenues by 2030 through M&As. Gabriel now face of Anand group automotive growth engine. **We expect acceleration of growth through M&As vs earlier plan of 1 per year.**

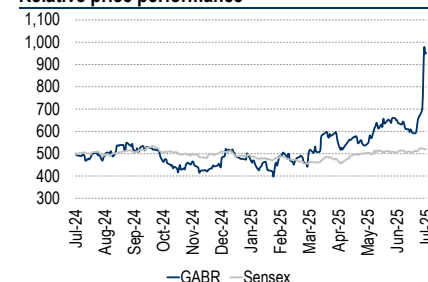
Valuation. We expect robust, 22%/53%/38%, consolidated revenue/ PAT/ EPS CAGRs over FY25-27. **We recommend a Buy rating at a sum-of-TP of Rs1,400. Key risks:** Delay in upcoming group consolidation, less-than-expected growth in underlying segments, slower traction in M&As and new product lines, adverse commodity movement.

Key data	GABR IN / GABR.BO
52-week high / low	Rs.1,011 / 387
Sensex / Nifty	83,433 / 25,461
Market cap	Rs.136bn
Shares outstanding	144m

Shareholding pattern (%)	Post-merger	Mar'25	Dec'24
Promoters	63.5	55.0	55.0
- of which, Pledged	-	-	-
Free float	36.5	45.0	45.0
- Foreign institutions		5.2	5.3
- Domestic institutions		14.7	13.5
- Public		25.1	26.2

Estimates revision % (C)	FY26e	FY27e
Sales	0.0	11.7
EBITDA	0.0	14.0
EPS	0.0	35.7

Relative price performance



Source: Bloomberg

Key financials (YE Mar) - Consol	FY24	FY25	FY26e	FY27e
Sales (Rs m)	34,026	40,634	47,970	60,717
Net profit (Rs m)	1,787	2,450	2,868	5,765
EPS (Rs)	12.4	17.1	20.0	32.5
P/E (x)	76.5	55.8	47.7	29.3
EV / EBITDA (x)	46.6	35.3	29.0	26.3
P/BV (x)	13.6	11.6	9.7	4.0
RoE (%)	17.8	22.4	22.1	20.5
RoCE (%) (excl. Dana/Henkel inv)	18.0	22.6	22.5	22.2
Dividend yield (%)	0.3	0.3	0.4	0.7
Net debt / equity (x)	-0.2	-0.0	-0.2	-0.1

Source: Company, Anand Rath Research

Mumuksh Mandlesha

Research Analyst

Shagun Beria

Research Associate

Dishant Jain

Research Associate

Anand Rath Share and Stock Brokers Limited (hereinafter "ARSSBL") is a full-service brokerage and equities-research firm and the views expressed therein are solely of ARSSBL and not of the companies which have been covered in the Research Report. This report is intended for the sole use of the Recipient. Disclosures and analyst certifications are present in the Appendix.

Quick Glance – Financials and Valuations (Consolidated)

Fig 1 – Income statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e
Net revenues	34,026	40,634	47,970	60,717
Growth (%)		19.4	18.1	26.6
Raw material cost	25,518	30,109	35,399	44,006
Other direct costs	5,583	6,628	7,882	10,434
EBITDA	2,926	3,897	4,689	6,276
EBITDA margins (%)	8.6	9.6	9.8	10.3
- Depreciation	599	813	1,078	1,527
Other income	194	260	302	406
Interest expenses	82	102	129	196
PBT	2,438	3,242	3,784	4,959
Effective tax rates (%)	27	24	24	24
+ Associates / (Minorities)				
Adjusted income	1,787	2,450	2,868	5,765
Extraordinary items	-	-	-	-
Net income	1,787	2,450	2,868	5,765
WANS	144	144	144	177
FDEPS (Rs)	12.4	17.1	20.0	32.5
Growth (%)		37.1	17.1	62.9

Fig 3 – Cash-flow statement (Rs m)

Year-end: Mar	FY24	FY25	FY26e	FY27e
PBT	2,438	3,242	3,784	6,983
+ Non-cash items	682	915	1,207	1,723
Oper. prof. before WC	3,120	4,156	4,991	8,705
- Incr. / (decr.) in WC	498	1,319	-515	703
Others incl. taxes	857	799	917	1,181
Operating cash-flow	1,766	2,038	4,590	6,822
- Capex (tang. + intang.)	1,610	2,039	2,219	1,641
Free cash-flow	156	-1	2,371	5,181
Acquisitions	-	-	-	-
- Div. (incl. buyback & taxes)	453	610	574	1,153
+ Equity raised	-	-	-	23,510
+ Debt raised	252	-52	-	-
- Fin investments	-385	303	-	24,510
- Misc. (CFI + CFF)	138	-596	129	196
Net cash-flow	201	-370	1,668	2,832

Source: Company, Anand Rathi Research; *Note: P&L captures acquisitions. B/S and C/F numbers adjustments are routed through investments. .

Fig 5 – Price movement



Source: Bloomberg

Fig 2 – Balance sheet (Rs m)

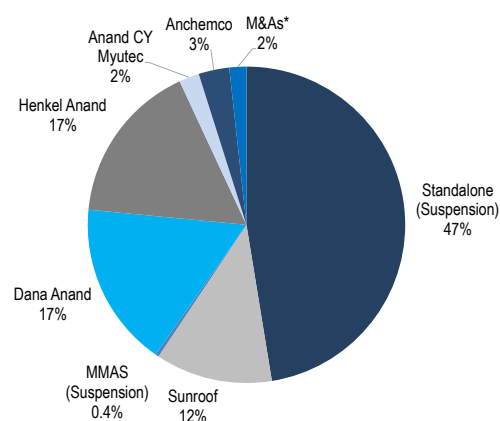
Year-end: Mar	FY24	FY25	FY26e	FY27e
Share capital	144	144	144	177
Net worth	10,022	11,833	14,127	42,249
Debt	252	239	239	239
Minority interest				
DTL / (Assets)	133	86	86	86
Capital employed	10,406	12,157	14,452	42,611
Net tangible assets	5,363	6,349	7,490	7,604
Net intangible assets	-	-	-	-
Goodwill	-	-	-	-
CWIP (tang. & intang.)	392	418	418	418
Investments (strategic)	73	78	78	24,588
Investments (financial)	1,016	369	369	369
Current assets (excl. cash)	10,186	12,615	13,376	15,678
Cash	765	394	2,062	4,894
Current liabilities	7,388	8,066	9,342	10,941
Working capital	2,798	4,549	4,034	4,737
Capital deployed	10,406	12,157	14,452	42,611
Contingent liabilities	-	-	-	-

Fig 4 – Ratio analysis

Year-end: Mar	FY24	FY25	FY26e	FY27e
P/E (x)	76.5	55.8	47.7	29.3
EV / EBITDA (x)	46.6	35.3	29.0	26.3
EV / Sales (x)	4.0	3.4	2.8	2.7
P/B (x)	13.6	11.6	9.7	4.0
RoE (%)	17.8	22.4	22.1	20.5
RoCE (%) - after tax (excl. Dana/Henkel inv)	18.0	22.6	22.5	22.2
RoIC (%) - after tax	21.9	25.7	25.8	32.2
DPS (Rs)	3.2	3.0	4.0	6.5
Dividend yield (%)	0.3	0.3	0.4	0.7
Dividend payout (%)	25.3	17.3	20.0	20.0
Net debt / equity (x)	-0.2	-0.0	-0.2	-0.1
Receivables (days)	53	54	54	54
Inventory (days)	43	44	43	43
Payables (days)	84	76	84	84
CFO : PAT %	99	83	160	118

Source: Company, Anand Rathi Research

Fig 6 – Segment-wise break-up, FY27e, Consolidated PAT



Source: Company; *Note: Upcoming M&As (Rs5bn revenues; 5% PAT margin; 40% PAT share)

Call takeaways

- **Purpose for scheme of arrangement.**
 - Marks meaningful step forward in realization **group strategic vision**. Simplification of group structure and Gabriel growth engine for automotive business in future. Realign corporate structure to unlock synergy and enhance competitive edge.
 - **Gabriel India to play pivotal role** in the transformation serving as group's vehicle for future growth and platform for long term value creation.
 - Ambitious **group target of Rs500bn revenue** target by 2030, where Gabriel India to lead the charge.
 - **Benefits**. Expand customer base, strengthen aftermarket through diversified product portfolio, supply chain synergy and leveraging global relationship.
 - Addressing **investor expectations** under diversification & M&A.
 - Scheme to **accelerate profitable growth with improved margins**. Creating sustainable long term value to shareholders.
 - In 2023, first step in transformation by partnering with inalfa roof systems for sunroof systems and into **multi product company**. New product segments to mitigate concentration risk, forge direct alliance with global partners, co-develop advance technology and leverage synergy through scale and shared resources.
 - Looking at both **organic and inorganic opportunity** for Gabriel.
 - Would cater to **both EV and tech agnostic space**.
 - Open to both **India and Global opportunities**.
 - Enhanced ability to **raise funds** for organic and inorganic growth.
- **Group consolidation opportunity.** Anand group revenues is Rs200bn, out of which Rs40bn consolidated and current Gabriel revenue is Rs40bn, so currently it cover 40% value. Rest of group consolidation would be decided by board. Group target is Rs500bn revenue by FY30 and Gabriel would be group's growth engine.
- **Rational of selection of company** is based on maturity of entities, fit in product, size and shareholder value.
- **Rationale for promoters.** Driven by change in family guard and more aggressive outlook on business in India.
- Current stake in JVs to remain same and would be depend on its partner.
- **Synergy opportunities.** Leverage Gabriel presence in 2W to support diversification for new entities (concentrated mainly in PV/CV), support Anchemco market share which is low currently and develop new segments like aluminum forging for EV customers (Gabriel strong share in 2Ws) and backward integration.
- **Dana and Henkel** are among top 3 in their segments with 30-40% market share.

Valuation

Unlisted Anand Group companies consolidated with Gabriel

A scheme of arrangement was announced to acquire a 25.1% stake in Dana Anand, 49% in Henkel Anand, 76% in Anand CY Myutec Automotive and 100% in Anchemco India from the promoter stake in Anand's group companies. The timeline is ~10-12 months.

This is meaningful step toward realising the **Group's strategic vision**. It simplifies the group structure and realigns the corporate structure to unlock synergies and sharpen its competitive edge. **Gabriel India will play a pivotal role** in the transformation, serving as the group's vehicle for growth and a platform for long-term value creation.

Rationale for promoters. Driven by a change in the family guard and a more forceful outlook on business in India.

Purpose

An ambitious **group target of Rs500bn revenue** by 2030, with Gabriel India leading the charge.

Benefits. Increase customers, strengthen the aftermarket through varied products, supply chain synergies and leveraging its global relationship.

Addressing **investor expectations** through diversification & M&A.

Scheme to **accelerate profitable growth with higher margins**. Creating sustainable long-term value for shareholders.

In 2023, the first step in the transformation by partnering with Inalfa Roof for sunroof systems and to make it a **multi-product company**. New product segments to mitigate concentration risk, forge direct alliance with global partners, co-develop advance technology and lever synergies through scale and shared resources.

Looking at **organic and inorganic opportunities** for Gabriel. Would cater to **both EV and tech-agnostic spaces**. Open to both **India and global opportunities**.

Group consolidation opportunity. Anand Group revenues are Rs200bn (Rs40bn consolidated, Gabriel Rs40bn), so currently it cover 40% value. Consolidation of the rest of group would be decided by the Board. The Group target is Rs500bn revenue by FY30, with Gabriel as the growth engine.

Enhance ability to **raise funds** for organic and inorganic growth.

Substantial EPS-accretive acquisitions; attractive valuation**Fig 7 – EPS attractive scheme of arrangement; 41% EPS benefit on FY25**

FY25 (Rs m)	Gabriel stake, %	PAT	Gabriel share of FY25 PAT	FY27e PAT	Share, %
Dana	25.1	3,190	801	969	44
Henkel	49.0	1,610	789	955	43
CY Myutec	76.0	120	91	118	5
Anchemco	100.0	140	140	180	8
Total PAT (acquired companies)		5,060	1,821	2,222	
Number of shares currently in Gabriel			14,36,43,940		
New shares issued to promoters			3,35,86,081		
Post-scheme number of shares			17,72,30,021		
			FY25	FY27	
Pre-announcement PAT (Rs m)			2,450	3,442	
Pre-scheme EPS (Rs)			17.1	24.0	
Post-scheme EPS (Rs)			24.1	32.0	
EPS accretion (%)			41	33	

Source: Anand Rathi Research

Fig 8 – Dana Anand financials

(Rs m)	FY23	FY24	FY25	FY26e	FY27e
Revenue from operations	23,120	25,900	26,700		
EBITDA	3,260	4,020	4,280		
EBITDA margins, %	14.1	15.5	16.0		
PAT	2,280	3,190	3,190		
PAT margins, %	9.9	12.4	12.0		
Net worth	7,240	8,780	10,010		
Debt	1,110	860	90		
Cash and cash equivalents	1,490	2,390	2,790		
RoE, %	34	40	34		
RoCE, %	35	38	36		
PAT attributable to shareholders (25.1%)	572	801	801	881	969
Growth (%)		40	0	10	10

Source: Anand Rathi Research

Fig 9 – Henkel Anand financials

(Rs m)	FY23	FY24	FY25	FY26e	FY27e
Revenue from operations	6,480	8,050	8,900		
EBITDA	710	1,760	2,270		
EBITDA margins, %	11.0	21.9	26.5		
PAT	400	1,210	1,610		
PAT margins, %	6.2	15.1	18.2		
Net worth	1,470	2,540	2,250		
Debt	200	60	60		
Cash and cash equivalents	80	1,230	910		
RoE, %	32	60	67		
RoCE, %	34	75	84		
PAT attributable to shareholders (25.1%)	196	593	789	868	955
Growth (%)		203	33	10	10

Source: Anand Rathi Research

Fig 10 – Anand CY Myutec Automotive financials

(Rs m)	FY23	FY24	FY25	FY26e	FY27e
Revenue from operations	1,520	1,720	2,040	2,285	2,513
EBITDA	170	200	250	279	312
EBITDA margins, %	11.4	11.4	12.0	12.2	12.4
PAT	90	110	120	137	156
PAT margins, %	6.1	6.2	5.8	6.0	6.2
Net worth	480	560	670		
Debt	90	90	270		
Cash and cash equivalents	100	60	2		
RoE, %	21	21	19		
RoCE, %	23	23	22		
PAT attributable to shareholders (25.1%)	68	84	91	104	118
Growth (%)		22	9	14	14

Source: Anand Rath Research

Fig 11 – Anchemco financials

(Rs m)	FY23	FY24	FY25	FY26e	FY27e
Revenue from operations	2,070	3,110	3,290	3,553	3,837
EBITDA	130	380	380	419	460
EBITDA margins, %	6.1	12.1	11.6	11.8	12.0
PAT	60	180	140	160	180
PAT margins, %	2.7	5.6	4.3	4.5	4.7
Net worth	210	790	780		
Debt	180	730	1,260		
Cash and cash equivalents	10	70	10		
PAT attributable to shareholders (100%)	60	180	140	160	180
Growth (%)		200	-22	14	13

Source: Anand Rath Research

More group consolidation opportunity ahead

The Anand Group revenue is Rs200bn, of which Rs40bn is consolidated, Gabriel Rs40bn, so currently it cover 40% value. In terms of profit >55% is still outside Gabriel. Consolidation of the rest of the group would be decided by the Board. **EPS accretive benefit of ~Rs8 for other unlisted entities.**

Fig 12 – Coming consolidation can add a notable, Rs8, EPS benefit

Future group consolidation	FY24	FY25	FY26	FY27	FY24-27 CAGR (%)
Revenues	1,07,311	1,15,896	1,25,168	1,35,181	8
EBITDA	13,438	14,648	15,966	17,403	9
%	12.5	12.6	12.8	12.9	
PAT	6,826	7,509	8,260	9,086	10
%	6.4	6.5	6.6	6.7	
Attributable PAT share	2,184	2,403	2,643	2,907	10
% of PAT	32.0	32.0	32.0	32.0	
Applied multiple P/E (x)				12	
Equity value				34,885	
CMP (Rs)				952	
New shares issued (m) @ CMP				37	
Total shares (m)				214	
Consolidated PAT (Rs m) - incl. above				8,672	
Current EPS (Rs m)				32.5	
EPS - incl. above (Rs m)				40.5	
Incremental EPS benefit (Rs)				8.0	

Source: Anand Rath Research

Fig 13 – Diversified and multi-segment Anand Group profile of listed and unlisted entities

Companies (Rs m)	Year	Holding (%)	Revenue	EBITDA	%	PAT	Attributable PAT share	Segments	Products	Key Customers
Gabriel (listed)	FY25	100%	40,634	3,897	10%	2,450	2,450	2W, 3W, PV, CV, Railways	Suspension, Sunroof	Bajaj Auto, TVS Motors, Yamaha, Maruti Suzuki, Hyundai, Mahindra & Mahindra, Kia, Volkswagen
Dana Anand (announced) (Axles & Drivetrain)	FY25	25%	26,700	4,280	16%	3,190	798	PV, CV, Off Highway	Rear and front axles, Transmission for EV, Propellor Shaft, Drivetrain Components.	Tata Motors, Maruti Suzuki, Mahindra and Mahindra, Ashok Leyland, VE Commercial Vehicle
Henkel Anand (announced) (Body In White BIV, NVH)	FY25	49%	8,900	2,270	26%	1,610	789	PV	Anti Vibration Pad, Direct Glazing Adhesive, Sealant and coating, High Damping Foam, Pillar Filler, Reinforcement structural pad, Stiffening foam, Structural Adhesive	Tata Motors, Maruti Suzuki, Mahindra and Mahindra, Hyundai, Kia
ANAND CY Myutec Automotive (announced) (transmission & forging)	FY25	76%	2,040	250	12%	120	91	PV, CV	Brass Synchroniser Ring, Steel Synchroniser Ring, Aluminium Forging	Tata Motors, Maruti Suzuki, Mahindra and Mahindra, Hyundai, KIA
Anchemco (announced) (Coolant & Fluids)	FY25	63%	3,290	380	12%	140	88	PV, CV	Brake fluids, Radiator Coolants, Diesel exhaust fluids (DEF)ad-blue, Polyurethane (PU) and Polyvinyl Chloride (PVC) adhesives	TATA Motors, Daimler Trucks, Mahindra and Mahindra
Total (listed)			81,564	11,077	14%	7,510	4,215			
HL Mando Anand (Brakes, Steering, Suspension)	FY24	29%	51,880	5,963	11%	3,377	979	PV	ABS/ESC, Master Cylinder & Booster, Caliper Brake, Drum Brake, Rack Electric Power Steering System, Column Electric Power Steering System, Manual Rack & Pinion (Steering Gear Box), Suspension Strut Assembly, Suspension Shock Absorber Assembly, Integrated Dynamic Brake (IDB), MOC (EPB - Electric Parking Brake)	FIAT, Ford, Hyundai, ISUZU, KIA, Mahindra and Mahindra, Maruti Suzuki, MG, Stellantis, Tata Motors.
Mahle Anand Filter Systems (Compressors, Filters)	FY24	46%	9,859	946	10%	581	266	2W, 3W, PV, CV, Off Highway	i-Condensers - e-Compressors, Climate Control Module (CCM), PTC Heater, Chiller Unit, Electronic Expansion Valve (eXV), Battery Cooling Box, Battery Cooling PlateAir intake systems/ Fuel Filter Modules/ Oil Filter Modules, Cylinder Head Covers, Air Intake Manifolds, Carbon Canisters, Cabin Air Filters, Oil Cooler/ Hear Exchangers, Oil Mist Separator for ICE	SML, Ashok Leyland, BAJAJ, Escorts, FIAT, Force Motors, Ford, GM,Harley Davidson, Hero, Honda, Hyundai, ISUZU, JCB, KIA, Kirloskar, Mahindra and Mahindra, Maruti Suzuki, Nissan, Piaggio, Renault, Royal Enfield, Skoda, Tata Motors, Toyota, TVS, Volkswagen, Yamaha, Volvo.
Mahle Anand Thermal Systems (Thermal)	FY24	40%	15,124	1,197	8%	654	262	PV, CV, Off Highway	Liquid Management Module for Electric Vehicle (OGA), Water Jackets for Inverter Box, Lean Module Covers for Battery Packs, Active Oil Mist Separator for ICE (HPI), Humidifier for FCV, Exhaust System for FCV, HVAC System Exhaust Gas Re-circulation Valve (EGR), Integrated Charge Air Cooler (iCAC), Engine Cooling Module (Radiator with Fan Motor Shroud), Visco Clutch Blower System	Ashok Leyland , BMW, Cooper Corp, Cummins, Daimler, Escorst, Fiat, Force, GM, Greaves, Honda,, JCB, Mahindra, MAN, Maruti Suzuki, Renault Nissan, TATA Motors, Volkswagen, Volvo
Valeo Friction Materials (Friction)	FY24	40%	2,582	781	30%	581	232	Tractors	Clutch Friction Material, Brake Friction Material, Friction Washer, Tractor Dry Brake Facing, Tractor PTO Cardan Shaft Torque Limiter Facing	Valeo, Setco, AMREP, Schaffler, MSL, JAYA Hind, EATON, ZF Steering Gear India Ltd, EXEDY, RAICAM, Brakes India Limited, SecoKomos, Texspin, MACAS Automotive, LAS, EL-Chico, SACHS, RUEN, SEA, Valeo, SML, TAFE, APLS Clutch
Faurecia Emissions Control Technologies (Exhaust)	FY24	26%	9,765	2,976	30%	839	218	PV, CV	Catalytic Converters, Diesel & Gasoline Particulate Filters, Selective Catalytic Reduction (SCR), Silencers/Mufflers- Ammonia Storage & Delivery System (ASDS), Exhaust Heat Power Generation (EHPG), Exhaust Heat Recovery System (EHRS), Acoustic Valves	Cummins, FIAT, Ford, Hyundai, Mahindra and Mahindra, Renault Nissan, Tata Motors, Toyota
Joyson Anand Abhishek Safety Systems (Airbags, Seat belts)	FY24	35%	8,778	438	5%	335	117	PV, CV, Off Highway	Seat Belts, Air Bags, Steering Wheel Integrated Safety Solutions	Ashok Leyland, Daimler, Honda, Hyundai, Isuzu, Kia, Maruti Suzuki, MOBIS, Renault Nissan, TATA Motors, Toyota, Volvo.
CY Myutec Anand (Transmission)	FY24	24%	1,571	416	27%	170	41	PV, CV	High Precision Single, Cone Synchroniser Rings, Multi-Cone Synchroniser Rings of Brass & Steel	AVTEC, Hyundai
ANAND I-Power (Pistons)	FY24	100%	1,798	86	5%	3	3	2W, 3W, PV, CV, Off Highway	Piston Rings, Clutch Pressure Plates, Slack Adjusters, Differential Housings, Wheel Hubs, SG and Grey Iron Castings	MG, ZF Steering Gear India Ltd, Ashok Leyland, Cummins Emerson Climate Technologies, Escorts, Exedy, Greaves, Kirloskar, Mahindra, MSL, Secokomos, Tata Motors, TAFE, Valeo, Volvo.
Anelolve Mando Emobility (EV motors)	FY24	40%	1,858	39	2%	-103	(41)	2W, 3W	Hub Wheel Motor, Mid Drive Motor for 2W & 3W Motor Controller	Not Provided
Anelolve Powertronics (Chargers)	FY24	60%	2	-123	NM	-116	(70)	2W, PV	Offboard & Onboard DC, Chargers for EVs, AC Chargers for EVs DC-DC Converters, 3-in-1 for 4W	N/A
Total (unlisted)			1,03,218	12,720	12%	6,320	2,008			
Total			1,84,782	23,797	13%	13,830	6,223			

Source: Company, Ace Equity, MCA, Anand Rathi Research

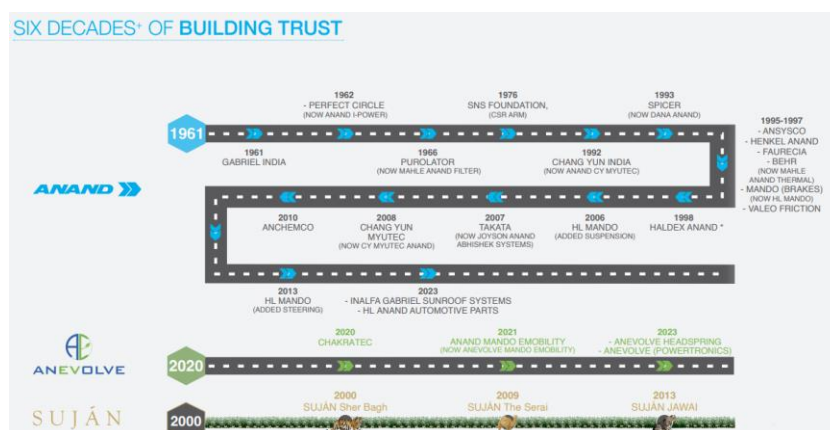
M&A

The Anand Group comprises **23 companies, eight JVs, four technical collaborators and 20,000 employees**. Its JVs and tech collaborations with global partners aid in diversifying product lines. The Group aims to add **Rs150bn revenue by 2030 through M&As**. Gabriel is now the Groups automotive growth engine. **We expect growth to accelerate through M&As vs the earlier plan of one per year.**

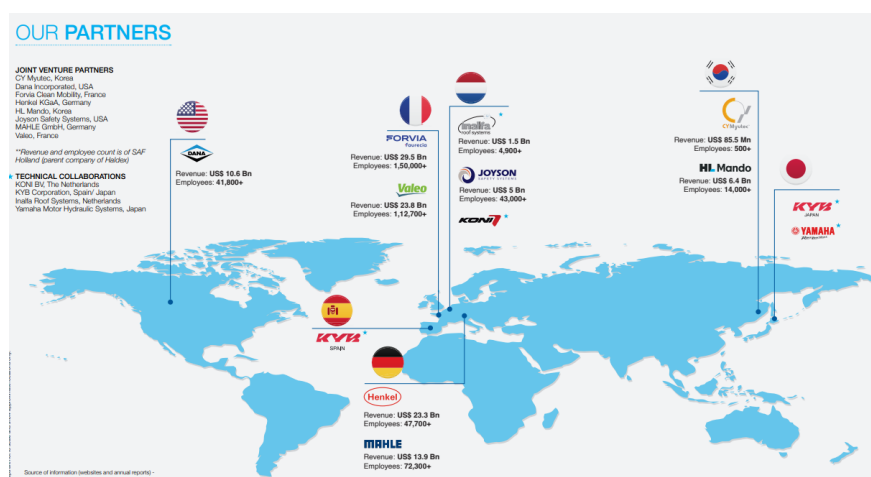
Fig 14 – M&As (JVs/acquisitions) to accelerate as Gabriel will be the face of the Group's automotive growth

FY30 M&A revenue target (Rs bn)	150
Discount (%)	50
FY30 revenue target (Rs bn)	75
PAT margin, %	5%
PAT (Rs bn)	3.8
Attributable share, %	40%
Attributable PAT (Rs bn)	1.5
Cash flow discount rate (%) for shift to FY27	12
Attributable PAT (Rs bn)	1.1
Number of shares (m)	177
EPS (Rs)	6.0
Discount (%) as part of M&A already factored into the current stock multiple	50
EPS (Rs)	3.0

Source: Anand Rathi Research

Fig 15 – Anand group history of partnerships

Source: Company

Fig 16 – Distinguished and large global partners

Source: Company

Market share to aid outperformance in Suspension. We expect a 10% revenue CAGR over FY25-27, driven by OEM growth (9%), replacements (6%), exports (15%) and solar dampers (Rs1bn). The company is gaining 2W, PV and CV shares from OEMs. The 2W market-share improvement is driven

by key customers doing well (HMSI, TVS, Bajaj) and the company's strong, >70%, market share in EVs. The PV market share is improving due to a favourable share in UVs and more customers.

Sunroof to be a strong value driver. The company entered a TLA with Inalfa (the second largest company globally) to manufacture sunroofs. We expect strong, >Rs10bn, revenue by FY29. 10-14% EBITDA margins are expected in the medium to long term.

The recent **MMAS acquisition** would add Rs2.2bn revenue by FY27 and Rs21m PAT.

View, Valuations. We expect robust, 22/53/38%, consolidated revenue/PAT/EPS CAGRs over FY25-27. And superior RoE/RoCE (post-tax) of >20%. The company is our preferred pick in autos. We recommend a **Buy** at a sum-of-parts TP of Rs1,400, 32x on the consolidated FY27e EPS of Rs32.5 (Rs1,040), future group consolidation (Rs260) and M&A potential (Rs100).

Fig 17 – Consolidated PAT and EPS breakup

EPS breakup (Rs)	PAT (Rs m)		FY27 EPS	
	FY25	FY26	FY27	(177.23m shares)
Standalone (Suspension)	2,119	2,398	2,735	15.4
Sunroof	331	518	687	3.9
MMAS (Suspension)		-49	21	0.1
Dana Anand			969	5.5
Henkel Anand			955	5.4
Anand CY Myutec			118	0.7
Anchemco			180	1.0
M&As*			100	0.6
Total	2,450	2,868	5,765	32.5

Source: Anand Rath Research * Note: coming M&As (Rs5bn revenues; 5% PAT margin; 40% PAT share)

Fig 18 – Sum-of-parts valuation

	EPS (Rs)	Multiple (x)	TP (Rs)
Consolidated FY27e (fig 17)	32.5	32	1,040
Future group consolidation (fig 12)	8.0		260
Future JVs/acquisition potential (fig 14)	3.0		100
Total	43.6		1,400

Implied P/E (x) based on FY27 consol. EPS (excl. future JV consolidation and M&As)

FY27e EPS	32.5	43
-----------	------	----

Source: Anand Rath Research

Fig 19 – 2030 roadmap for Gabriel

PAT (Rs m)	FY25	FY26	FY27	FY28	FY29	FY30	FY30 share (%)	FY25-30 CAGR (%)	FY27-30 CAGR (%)
Current	2,450	2,868	3,442	3,856	4,318	4,836	37		12
Group co.s transfer PAT (phase 1)			2,222	2,444	2,689	2,958	22		10
Group co.s transfer PAT (phase 2)				3,198	3,518	3,869	29		10
New M&A			100	500	1,050	1,500	11		
Total PAT	2,450	2,868	5,765	9,998	11,575	13,163		40	
Shares (m)									
Current	144	144	144	144	144	144			
New shares issued for group co.s transfer			34	37					
Total shares	144	144	177	214	214	214			
EPS (Rs)									
	17.1	20.0	32.5	46.7	54.1	61.5		29	
Growth, %		17	63	44	16	14			
P/E multiple									
30	500	600	1,000	1,400	1,600	1,850			
35	600	700	1,150	1,650	1,900	2,150			
40	700	800	1,300	1,850	2,150	2,450			
45	750	900	1,450	2,100	2,450	2,750			

Source: Anand Rath Research

Fig 20 – Change in estimates

(Rs m)	Old		New		Change, %	
	FY26e	FY27e	FY26e	FY27e	FY26	FY27
Revenue	47,970	54,366	47,970	60,717	0.0	11.7
EBITDA	4,689	5,504	4,689	6,276	0.0	14.0
% of revenue	9.8	10.1	9.8	10.3		
Adj. PAT	2,868	3,442	2,868	5,765	0.0	67.5
EPS (Rs)	20.0	24.0	20.0	32.5	0.0	35.7

Source: Anand Rath Research

Fig 21 – Key assumptions – standalone (suspension)

Standalone (Rs m)	FY23	FY24	FY25	FY26e	FY27e	CAGR (%) FY25-27e
OEM	25,120	28,653	31,255	33,973	36,923	9
Y/Y change, %	30	14	9	9	9	
Domestic aftermarket	3,552	3,754	3,988	4,227	4,481	6
Y/Y change, %	18	6	6	6	6	
Export (incl. aftermarket)	1,045	1,019	1,106	1,272	1,463	15
Y/Y change, %	3	(2)	9	15	15	
Solar dampers	-	-	-	200	1,000	
Y/Y change, %					400	
Total	29,717	33,426	36,349	39,672	43,867	10
Y/Y change, %	27	12	9	9	11	

Source: Company, Anand Rath Research

Fig 22 – Key assumptions – Motherson Marelli Auto Suspension (suspension)

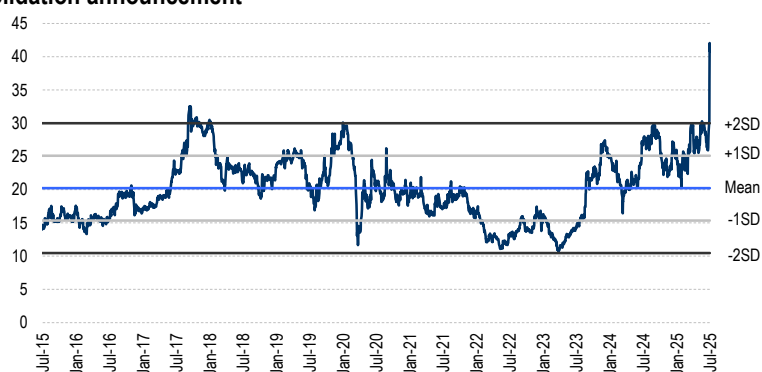
(Rs m)	FY26e	FY27e
Revenue	2,000	2,160
Y/Y change, %		8
EBITDA	85	161
Y/Y change, %		90
% of revenue	4.2	7.4
PAT	(49)	21
Y/Y change, %		(142)
% of revenue	(2.4)	1.0

Source: Company, Anand Rath Research

Fig 23 – Key assumptions – Sunroof

(Rs m)	FY24	FY25	FY26e	FY27e	FY28e	FY29e	FY30e	CAGR (%) FY25-30e
Volumes	23,000	1,61,560	2,49,985	3,44,789	4,19,833	4,92,654	5,72,764	29
Y/Y change, %		602	55	38	22	17	16	
Realizations	26,078	26,000	24,700	23,712	22,764	22,081	22,081	(3)
Y/Y change, %		(0)	(5)	(4)	(4)	(3)	-	
Revenue	600	4,201	6,175	8,176	9,557	10,878	12,647	25
Y/Y change, %		600	47	32	17	14	16	
EBITDA	11	634	926	1,185	1,357	1,523	1,771	23
Y/Y change, %		5,884	46	28	14	12	16	
% of revenue	1.8	15.1	15.0	14.5	14.2	14.0	14.0	
PAT	(55)	340	518	687	720	803	944	23
Y/Y change, %			52	33	5	12	18	
% of revenue	(9.2)	8.1	8.4	8.4	7.5	7.4	7.5	

Source: Company, Anand Rath Research

Fig 24 – Standard deviation (1-yr forward P/E) – Stock seeing re-rating on group consolidation announcement

*Note: Based on Consolidated EPS. Source: Bloomberg, Anand Rath Research

Fig 25 – Peer comparison: Gabriel strong earnings outlook and reasonable valuation

Company	CMP	Target Price	Mcaps	P/E (x)		EPS FY25-27
	(Rs)	(Rs)	(Rsm)	FY26e	FY27e	CAGR (%)
Apollo Tyres	462	520	2,93,671	17	13	31%
Balkrishna Industries	2,551	2,800	4,93,075	27	23	15%
Ceat	3,680	3,800	1,48,846	20	16	36%
Exide Industries	384	330	3,26,315	25	22	18%
MRF	1,44,846	1,65,000	6,14,311	26	22	24%
SKF India	5,019	4,800	2,48,107	38	34	14%
Amara Raja Energy & Mobility	959	1,125	1,75,540	16	14	15%
UNO Minda	1,100	1,075	6,31,889	55	46	21%
Gabriel India	949	770	1,36,304	48	29	38%
Endurance Technologies	2,783	2,450	3,91,465	39	34	18%
ZF Commercial Vehicle Control Systems India	13,324	16,000	2,52,723	49	42	15%
MM Forgings	378	480	18,270	13	11	21%
Sansera Engineering	1,386	1,500	85,846	28	23	31%

Source: Anand Rath Research

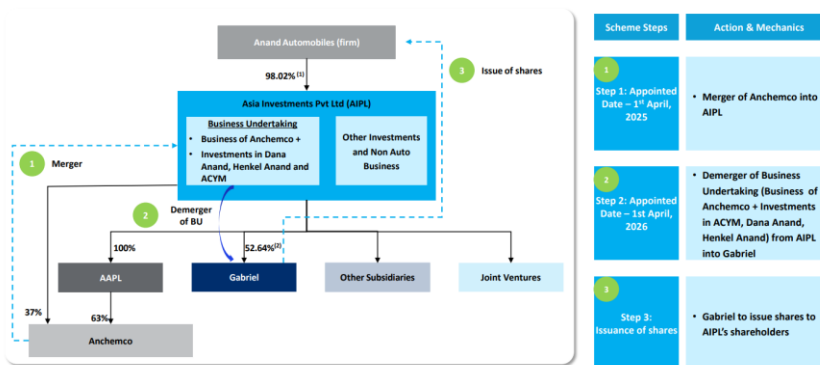
Risks

- Delay in group consolidation for other unlisted companies of the Anand Group.
- Less-than-expected growth in underlying segments.
- Slower traction in M&A and new product lines.
- Adverse commodity movements.

Annexure

Fig 26 – Transaction mechanics

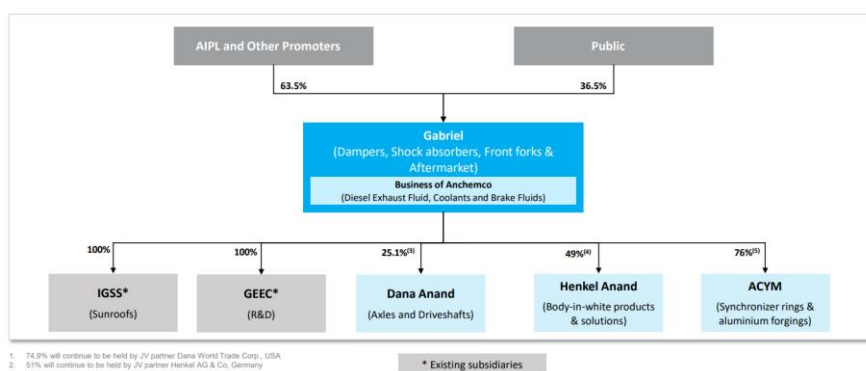
Transaction Mechanics



Source: Company

Fig 27 – Resultant structure

Resultant Structure



Source: Company

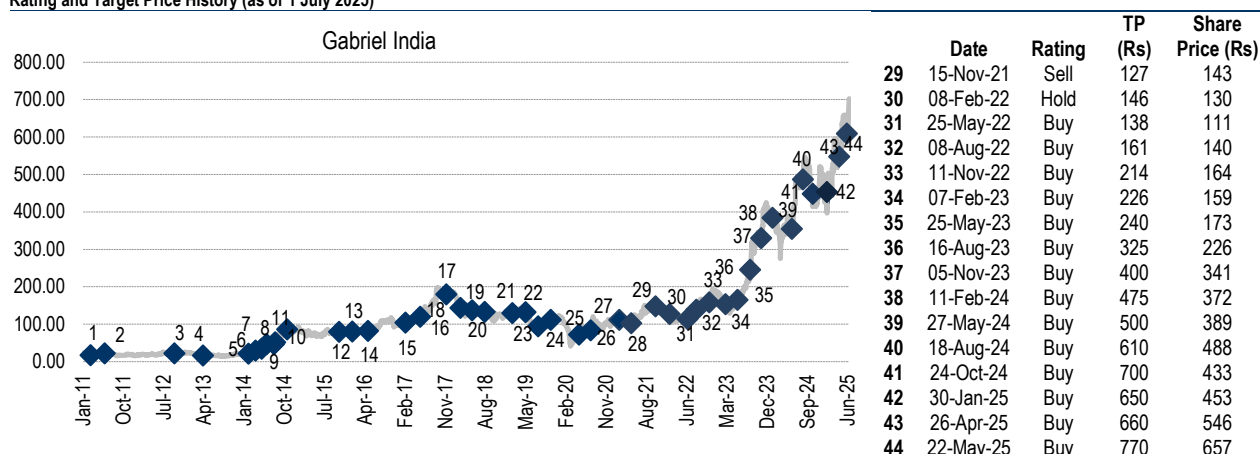
Appendix

Analyst Certification

The views expressed in this Research Report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report. The research analysts are bound by stringent internal regulations and also legal and statutory requirements of the Securities and Exchange Board of India (hereinafter "SEBI") and the analysts' compensation are completely delinked from all the other companies and/or entities of Anand Rathi, and have no bearing whatsoever on any recommendation that they have given in the Research Report.

Important Disclosures on subject companies

Rating and Target Price History (as of 1 July 2025)



Anand Rathi Ratings Definitions

Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps, Mid Caps & Small Caps as described in the Ratings Table below:

Ratings Guide (12 months)

	Buy	Hold	Sell
Large Caps (Top 100 companies)	>15%	0-15%	<0%
Mid Caps (101st-250th company)	>20%	0-20%	<0%
Small Caps (251st company onwards)	>25%	0-25%	<0%

Research Disclaimer and Disclosure inter-alia as required under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

Anand Rathi Share and Stock Brokers Ltd. (hereinafter refer as ARSSBL) (Research Entity, SEBI Regn No. INH000000834, Date of Regn. 29/06/2015, BSE Enlistment Number – 5048 date of Regn 25 July 2024) is a subsidiary of the Anand Rathi Financial Services Ltd. ARSSBL is a corporate trading and clearing member of Bombay Stock Exchange Ltd (BSE), National Stock Exchange of India Ltd. (NSEIL), Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited (NCDEX), and also depository participant with National Securities Depository Ltd (NSDL) and Central Depository Services Ltd. (CDSL), ARSSBL is engaged into the business of Stock Broking, Depository Participant, Mutual Fund distributor.

The research analysts, strategists, or research associates principally responsible for the preparation of Anand Rathi research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

General Disclaimer: This Research Report (hereinafter called "Report") is meant solely for use by the recipient and is not for circulation. This Report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. The recommendations, if any, made herein are expression of views and/or opinions and should not be deemed or construed to be neither advice for the purpose of purchase or sale of any security, derivatives or any other security through ARSSBL nor any solicitation or offering of any investment/trading opportunity on behalf of the issuer(s) of the respective security (ies) referred to herein. These information / opinions / views are not meant to serve as a professional investment guide for the readers. No action is solicited based upon the information provided herein. Recipients of this Report should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed trading/investment decision before executing any trades or making any investments. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by ARSSBL to be reliable. ARSSBL or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of ARSSBL shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way whatsoever from the information / opinions / views contained in this Report. The price and value of the investments referred to in this Report and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance. ARSSBL does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding taxation aspects of any potential investment.

Opinions expressed are our current opinions as of the date appearing on this Research only. We do not undertake to advise you as to any change of our views expressed in this Report. Research Report may differ between ARSSBL's RAs and/ or ARSSBL's associate companies on account of differences in research methodology, personal judgment and difference in time horizons for which recommendations are made. User should keep this risk in mind and not hold ARSSBL, its employees and associates responsible for any losses, damages of any type whatsoever.

ARSSBL and its associates or employees may; (a) from time to time, have long or short positions in, and buy or sell the investments in/ security of company (ies) mentioned herein or (b) be engaged in any other transaction involving such investments/ securities of company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) these and other activities of ARSSBL and its associates or employees may not be construed as potential conflict of interest with respect to any recommendation and related information and opinions. Without limiting any of the foregoing, in no event shall ARSSBL and its associates or employees or any third party involved in, or related to computing or compiling the information have any liability for any damages of any kind.

Details of Associates of ARSSBL and Brief History of Disciplinary action by regulatory authorities & its associates are available on our website i.e. www.rathionline.com

Disclaimers in respect of jurisdiction: This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject ARSSBL to any registration or licensing requirement within such jurisdiction(s). No action has been or will be taken by ARSSBL in any jurisdiction (other than India), where any action for such purpose(s) is required. Accordingly, this Report shall not be possessed, circulated and/or distributed in any such country or jurisdiction unless such action is in compliance with all applicable laws and regulations of such country or jurisdiction. ARSSBL requires such recipient to inform himself about and to observe any restrictions at his own expense, without any liability to ARSSBL. Any dispute arising out of this Report shall be subject to the exclusive jurisdiction of the Courts in India.

Statements on ownership and material conflicts of interest, compensation - ARSSBL and Associates

Answers to the Best of the knowledge and belief of ARSSBL/ its Associates/ Research Analyst who is preparing this report

Research analyst or research entity or his associate or his relative has any financial interest in the subject company and the nature of such financial interest.	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have actual/beneficial ownership of one per cent or more securities of the subject company	No
ARSSBL/its Associates/ Research Analyst/ his Relative have any other material conflict of interest at the time of publication of the research report?	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have managed or co-managed public offering of securities for the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
ARSSBL/its Associates/ Research Analyst/ his Relative have received any compensation or other benefits from the subject company or third party in connection with the research report	No
ARSSBL/its Associates/ Research Analyst/ his Relative have served as an officer, director or employee of the subject company.	No
ARSSBL/its Associates/ Research Analyst/ his Relative has been engaged in market making activity for the subject company.	No

NOTICE TO US INVESTORS:

This research report is the product of Anand Rathi Share and Stock Brokers Limited, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated person(s) of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances, and trading securities held by a research analyst account.

Research reports are intended for distribution only to Major U.S. Institutional Investors as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act of 1934 (the Exchange Act) and interpretations thereof by the U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this research report is not a Major U.S. Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated, and/or transmitted onward to any U.S. person which is not a Major U.S. Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major U.S. Institutional Investors, Anand Rathi Share and Stock Brokers Limited has entered into a Strategic Partnership and chaperoning agreement with a U.S. registered broker-dealer: Banc Trust Securities USA. Transactions in securities discussed in this research report should be affected through Banc Trust Securities USA.

1. ARSSBL or its Affiliates may or may not have been beneficial owners of the securities mentioned in this report.
2. ARSSBL or its affiliates may have or not managed or co-managed a public offering of the securities mentioned in the report in the past 12 months.
3. ARSSBL or its affiliates may have or not received compensation for investment banking services from the issuer of these securities in the past 12 months and do not expect to receive compensation for investment banking services from the issuer of these securities within the next three months.
4. However, one or more of ARSSBL or its Affiliates may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon, either on their own account or on behalf of their clients.
5. As of the publication of this report, ARSSBL does not make a market in the subject securities.
6. ARSSBL or its Affiliates may or may not, to the extent permitted by law, act upon or use the above material or the conclusions stated above, or the research or analysis on which they are based before the material is published to recipients and from time to time, provide investment banking, investment management or other services for or solicit to seek to obtain investment banking, or other securities business from, any entity referred to in this report.

© 2025. This report is strictly confidential and is being furnished to you solely for your information. All material presented in this report, unless specifically indicated otherwise, is under copyright to ARSSBL. None of the material, its content, or any copy of such material or content, may be altered in any way, transmitted, copied or reproduced (in whole or in part) or redistributed in any form to any other party, without the prior express written permission of ARSSBL. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of ARSSBL or its affiliates, unless specifically mentioned otherwise.

As of the publication of this report, ARSSBL does not make a market in the subject securities.

Registration granted by SEBI, Enlistment as RA and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Additional information on recommended securities/instruments is available on request.

Compliance officer: Deepak Kedia, email id: deepakkedia@rathi.com, Contact no. +91 22 6281 7000
Grievance officer: Madhu Jain, email id: grievance@rathi.com, Contact no. +91 22 6281 7191

ARSSBL registered address: Express Zone, A Wing, 10th Floor, Western Express Highway, Diagonally Opposite Oberoi Mall, Malad (E), Mumbai – 400097.
Tel No: +91 22 6281 7000 | Fax No: +91 22 4001 3770 | CIN: U67120MH1991PLC064106.