AXIS SECURITIES

Daily Morning Note

15 May 2025

Indices	Current Value	% 1 D	% YTD
Sensex	81,331	0.2	4.1
Nifty	24,667	0.4	4.3
BSE Midcap	44,327	1.2	-4.6
BSE Small cap	49,979	1.6	-9.4
Sectors – Performance (BSE)			
Metal	30,570	2.5	5.8
Realty	6,828	1.7	-17.1
Capital Goods	66,938	1.5	-1.2
Bankex	62,372	-0.3	8.0
Consumer Dur	58,623	0.2	-9.0
FMCG	20,546	0.2	-1.1

Nifty Gainers/Losers	CMP	% Chg
TATASTEEL	155	3.9
SHRIRAMFIN	652	2.9
BEL	344	2.6
ASIANPAINT	2,282	(1.8)
CIPLA	1,495	(1.7)
TATAMOTORS	699	(1.2)

FII Trading activities in Cash

	Date	Net	MTD
FII	14-May-25	932	5,206
DII	14-May-25	316	-161

Figs. in Rs Cr.

Global Indices	Current Value	% 1 D	% YTD
Dow Jones	42,051	(0.2)	(1.2)
Nasdaq	19,147	0.7	(0.8)
DAX	23,527	(0.5)	18.2
Nikkei 225	37,699	(1.1)	(5.5)
FTSE 100	8,585	(0.2)	5.0
Hang Seng	23,516	(0.5)	17.2
Shanghai	3,399	(0.1)	1.4

Forex Rate			
INR/USD	85.3	0.1	0.4
INR/EUR	96.0	-1.2	-7.0
INR/GBP	113.8	-0.9	-5.6
INR/YEN (100)	58.3	-1.0	-6.2

Source: Bloomberg

Market Commentary

- **Asian Markets** traded lower as investors assessed US-China trade developments. The Nikkei, Hang Seng and Shanghai were down by 1.21%, 0.42%, and 0.41% respectively.
- **Indian Indices** are expected to open in the green. GIFT Nifty was trading at 24,730 compared to the previous Nifty Futures closing at 24,716.
- **U.S. markets** traded mixed as investors awaited the next batch of economic data, following the release of soft inflation numbers and the U.S.-China tariff truce. The Dow Jones ended lower by 89 points (0.21%) to close at 42,051, and the NASDAQ ended higher by 137 points (0.72%) to close at 19,147.

What's Inside

- **Axis Punch:** Canara Bank Ltd (BUY)
- **Q4FY25 Result Updates:** Karnataka Bank (BUY), Bharti Airtel (BUY), Shree Cement (BUY), Hero Motocorp (BUY), Eicher Motors (HOLD), VIP (HOLD), Kirloskar Brothers (First Cut)
- **Q4FY25 Earnings Preview:** Abbott India, Endurance Technologies, Page Industries, Global Health, NOCIL, Steel Strips Wheels Ltd.

News in Focus

- **Wipro**: The company has partnered with Hachette UK to support its digital transformation through the implementation of SAP
- **Brigade Enterprises:** The company has acquired a prime land parcel of 5.4 acres in Chennai with a gross development value estimated at Rs 1,600 Cr. The transaction value of the acquisition is Rs 442 Cr.
- **Kirloskar Brothers:** The company has appointed Bhavesh Chheda as the chief financial officer and re-appointed Sanjay Kirloskar as the managing director
- **Precision Wires India:** The board will meet on May 17 to consider raising funds through qualified institutional placements or other means.
- **Infosys**: The company finalised the sale of its stake in the Infosys-led joint venture, HIPUS Japan, to Mitsubishi Heavy Industries on 14th May, 2025.
- **Samhi Hotels:** The company's board has approved investing Rs 125 Cr in Ascent Hotels through a rights issue.

Canara Bank Ltd

BFSI - Banks

BUY

Target Price **117**

About the Company

Founded in 1906, Canara Bank Ltd. (CANBK) is the third-largest PSU Bank in India. Over the years, the Bank has been scaling up its market position to emerge as a major financial conglomerate with as many as thirteen subsidiaries/sponsored institutions in India and abroad. As of Mar'25, CANBK services over ~11.8 Cr customers through a network of 9,849 branches and 11,144 ATMs/Recyclers spread across all Indian states and Union Territories.

Investment Rationale

- **Business growth expected to remain healthy; Lower PCR to support better credit growth:** In FY25, CANBK delivered a healthy gross advances growth of ~12% YoY vs its guidance of 10%. Strong growth momentum was visible in the retail segment (+43% YoY), with the RAM segment reporting 13% YoY growth, while the corporate book grew by 10% YoY. While the retail book growth was ~14-15%, faster growth was steered by retail gold loans, with the bank shifting its focus towards the segment, which is relatively better yielding from agri-gold loans. The management has guided for 10-11% credit growth and 9-10% of deposit growth in FY26; however, this could be a conservative estimate. We have factored in credit growth of 11% CAGR over FY25-27E. This is broadly inline with management guidance, with improved systemic liquidity and lower LCR (72% in FY25), enabling the bank to accelerate credit growth.
- **Asset quality to continue to improve:** CANBK continued to witness a continued asset quality improvement over FY25. In Q4FY25, the slippages were marginally higher owing to higher slippages from the MSME segment, due to technical factors. The asset quality improvement in Q4FY25 was aided by higher write-offs and recoveries. Currently, the bank has a total write-off pool of Rs 780 Bn, and the bank has been recovering at a run rate of Rs 40-50 Bn, mainly from small accounts. Going forward, the bank does not expect any major headwinds on asset quality and has continued to guide for a <1% slippage ratio in FY26. CANBK will continue to strengthen its PCR incl. TWO accounts) to 95% vs ~92.7% in FY25. We expect credit costs to remain under control, ranging between 90bps (+/-5bps).
- **Focused efforts on CASA accretion**: CANBK has enhanced its focus on Retail TD and CASA deposit accretion. The bank has assigned each staff to mobilise Rs 1 Mn worth of CASA and Retail term deposits, and the response so far has been encouraging. Additionally, the bank has opened 500 branches in the last couple of years and plans to open another 250 in FY26. It will open branches in geographies showing strong CASA deposit growth potential.
- **NIMs to stabilize post navigating near-term headwinds**: In Q4FY25, CANBK passed the repo rate cut to its borrowers (T+1 basis); however, the pressure on yields was offset by robust growth in the retail gold loans (better yielding) and re-deployment of excess liquidity. Currently, ~44% of the bank's book is EBLR-linked, and the impact of the rate cut will be meaningful in H1FY26. However, some respite on NIMs could be visible from Q3FY26E onwards. CANBK remains confident of maintaining NIMs between 2.75-2.8%. The bulk deposit rates have softened meaningfully. Moreover, the bank has headroom to lower its SA rates by ~20bps, thereby aiding margins in the latter half of the year.

Valuation & Analyst recommendation:

We believe CANBK remains well placed to deliver RoA/RoE of 0.9-1%/15-16% over the medium term, supported by (i) Ability to maintain steady margins despite near-term headwinds, (ii) Potentially better treasury gains in FY26E, (iii) Stable asset quality trends keeping credit costs under control. CANBK is likely to report Advances/NII/Earnings growth of 11/11/6% CAGR over FY25-27E. **We recommend a BUY on the stock with a target price of Rs 117/share, implying an upside of 11% from the CMP.**

Financial Summary

Y/E March	NII (Rs Bn)	PPOP (Rs Bn)	PAT (Rs Bn)	EPS (Rs)	ABV (Rs)	P/ABV (x)	RoA (%)	NNPA (%)
FY24	366	294	145	16.0	82.8	1.3	1.0	1.3
FY25	371	314	170	18.8	102.0	1.0	1.0	0.7
FY26E	395	324	166	18.4	115.2	0.9	0.9	0.6
FY27E	456	371	191	21.0	131.2	0.8	1.0	0.5

Source: Axis Securities; CMP as on 14th May, 2025

Duration: 3-6 Months

CMP (Rs)	105.8
Target Price (Rs)	117.0
Upside (%)	11%

| Why Canara Bank Ltd

- ✓ **Asset Quality Seeing an Improving Trend**
- ✓ **Healthy Business Growth Prospects**
- ✓ **Ability to Deliver ROA of 1% over Medium Term**

| Key risks

- ✓ **Slowdown in Credit Growth**
- ✓ **Higher Than Expected Margin Headwinds Impacting Earnings**

MARKET DATA

No. of Shares	907.1 Cr
Market Cap	95,949
52-week High / Low	129/79
BSE Code	532483
NSE Code	CANBK

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VIP Industries Ltd - Q4FY25 RU; Hold; TP: Rs. 410/share

Subdued Performance Continues; Maintain HOLD

Est. Vs. Actual for Q4FY25: **Revenue** – **MISS**; **EBITDA** – **MISS**;

Changes in Estimates post Q4FY25

FY26E/FY27E: Revenue: -2%/-2%; **EBITDA:** -3%/0%; **PAT:** -8%/0%

Recommendation Rationale

- VIP Industries witnessed a 4.3% YoY revenue decline, weighed down by lower realizations stemming from an unfavourable brand and channel mix, intensified competition, and liquidation-led softness in the soft luggage portfolio. Despite this, underlying demand cues remain constructive—backed by record wedding dates and increased travel momentum. Management views FY25 as a reset year, laying the groundwork for structural improvement. Early benefits are anticipated from Q1FY26, with a sharp recovery expected through FY26.
- VIP Industries posted a healthy 10% volume growth in Q4FY25 and 11% for the full year, led by price corrections in soft luggage. Alongside, the company has doubled down on cost rationalization—including manpower and operational efficiencies—to strengthen margins and restore balance sheet health. These structural efforts are expected to drive meaningful EBITDA improvement in FY26.
- Gross margins contracted by 318 bps YoY to 46.9%, led by a weaker mix effect, accelerated liquidation of ageing stock, and revenue adjustments linked to promotional support. A one-off inventory provision of Rs5.2 Cr further weighed on profitability.
- As part of its ongoing transformation plan, inventory levels saw a sharp reduction of Rs218 Cr versus March 2024, driven by disciplined procurement practices and a targeted push to clear slow-moving stock.

Sector Outlook: **Cautious**

Company Outlook & Guidance: Although the company's long-term strategy—focusing on premiumisation and improving efficiencies— remains intact, this strategy has a longer gestation period and would take longer to yield results. Consequently, we maintain a "wait and watch" approach as we look for sustained signs of recovery in overall performance.

Current Valuation: **35x Mar'27 EPS vs. (Earlier - 33x Dec'26 EPS)**

Current TP: **Rs. 410/share (Earlier Rs 370/share**)

Recommendation: With a 8% upside from the CMP, we maintain our HOLD rating on the stock.

Bharti Airtel - Q4FY25 - Result Update; BUY; TP: 2,200/share

Sustaining Momentum by Gaining Subscribers

Est. vs. Actual for Q4FY25: **Revenue** – **MISS** ; **EBITDA Margin** – **MISS** ; **PAT** – **BEAT**

Changes in Estimates post Q4FY25

FY26E/FY27E: Revenue: -5%/NA; **EBITDA:** -1%/NA; **PAT:** -2%/NA

Recommendation Rationale

- The company's digital portfolio is gaining momentum along with market share gains.
- The company maintained a substantial share of 4G/5G net ads in the market, with the 4G customer base expanding by 5 Mn QoQ and 9.3 Mn YoY. This now constitutes 77.8% of the overall customer base.
- The company's ARPU continues to be the best in the industry, and average data usage per customer stands at a healthy 25.1 GB/month.
- The management remains optimistic about sustaining long-term demand growth, driven by a robust digital services portfolio, increasing rural adoption of 4G, and improved cash flow management.

Sector Outlook: Positive

Company Outlook & Guidance: The company anticipates steady revenue growth across its core segments, supported by rising 4G and 5G adoption, broadband penetration, and increased demand for enterprise solutions. EBITDA margins are expected to remain robust, aided by operational efficiencies, network optimisation, and monetisation of digital services. Management continues to prioritise financial discipline, targeting sustained free cash flow generation and progressive debt reduction.

Capex is projected to moderate in FY26, primarily due to lower investments in 5G radio infrastructure. A significant portion of spectrum debt has already been prepaid, and the Capex-to-revenue ratio is expected to decline gradually, aligning with global telecom benchmarks. Airtel continues to highlight the importance of tariff rationalisation to enhance the financial viability of the telecom sector.

Current Valuation: SOTP-based

Current TP: **2,200/share** (**Earlier TP: Rs 1,900/share**)

Recommendation: Given the company's strong recovery potential backed by strong conversion, rising digital portfolio, and moderated Capex, **we maintain our BUY recommendation on the stock.**

Eicher Motors Ltd - Q4FY25 RU; Hold; TP: Rs 5,635/share

Current Valuations Largely Factor in the Positives.

Est. Vs. Actual for Q4FY25: Revenue –INLINE; EBITDA – MISS; PAT– MISS

Change in Estimates post Q4FY25

FY26E/FY27E: Revenue: 3.9%/4.3%; **EBITDA: -3.1**%/-1.9%; **PAT:** 0.7%/3.4%

Recommendation Rationale

- **Product Portfolio Expansion and Strategic Foray into Urban Electric Mobility**: In FY25, Royal Enfield expanded its product portfolio with six new motorcycle launches- The Guerrilla 450, built on the new Sherpa 450 engine, along with the Bear 650 and Classic 650, extends the company's mid-capacity offerings. The introduction of the Goan Classic 350 and the updated 2024 Classic 350 with a Factory Custom Programme highlights RE's increased emphasis on personalization. The Scram 440 further strengthens its presence in the ADV crossover segment. The company also unveiled Flying Flea, a dedicated EV brand, at EICMA 2024. With the FF-C6 and FF-S6 models under development and a launch timeline targeted for 2026, this move signals REs intent to build a presence in the emerging lifestyle EV category aligned with City+ mobility trends.
- **International market:** In the international market RE crossed 1 Lc unit sales in FY25. Revenue from international business was Rs 2,546 Cr up 38% YoY. The company continued its dominance in the midweight motorcycle segment, maintaining an 9% market share in Europe, 8% in the Americas, and 9% in the Asia-Pacific region. The company is No. 1 player in the UK, No. 2 in Argentina, and No. 3 in Brazil (about 22k units sold in FY25).
- **VECV Business**: Revenues were up 14% YoY to Rs 7,139 Cr in Q4, and EBITDA grew 67% YoY to Rs 733 Cr, with EBITDA margins at 10.5% (up 240 bps YoY) led by better price management, richer product mix and reducing discounts. The company sold 28,675 units in Q4, attaining a market share of 19.1%. The bus segment recorded Q4 sales of 7,397 units (23.6% share, up 24% YoY), and exports grew 47.3% to 1,667 units.

Sector Outlook: Positive

Company Outlook & Guidance: Eicher expects sustained growth driven by strong domestic demand, export expansion, and new product launches. Royal Enfield will focus on strengthening its midweight segment while preparing for the Flying Flea EV launch in FY26. International expansion continues with a flagship store in Bangladesh and a new CKD plant in Thailand. VECV anticipates growth, supported by economic growth and government infrastructure CapEx. The Eicher Pro-X will drive growth in LCVs, and e-mobility investments remain a key focus. The company is on track for Rs 1,200 Cr CapEx in FY26E, balancing volume expansion and profitability across motorcycles and commercial vehicles.

Current Valuation: We value RE standalone business at 28x on FY27 EPS and VECV at 10x EV/EBITDA on FY27 EBITDA (earlier on FY26).

Current TP: **Rs 5,635/share** (Earlier TP: Rs 5,060/share)

Recommendation: We **recommend** a **HOLD** rating on the stock.

Karnataka Bank - Q4FY25 - Result Update; BUY; TP: Rs 270/share

Miss on All Fronts; Growth Poised for H2FY26 Recovery!

Est. Vs. Actual for Q4FY25: NII – MISS; PPOP – MISS; PAT – MISS

Changes in Estimates post Q4FY25

FY26E/FY27E (in %): NII -4.3/+0.2; **PPOP** -8.8/-0.8; **PAT** -8.2/+1.1

Recommendation Rationale

- **Slower Growth in FY25; Meaningful Acceleration Expected in H2FY26:** In FY25, the slower growth can be primarily attributed to the portfolio churn towards retail loans and direct-to-corporate from the opportunistic lower-yielding large and PSU/NBFC lending pursued earlier. Pursuant to its strategy to improve the share of direct-to-corporate loans, the bank has seen a ~Rs 1,300 Cr churn from the NBFC advances to the direct-to-corporate segment in FY25. Furthermore, KTKBANK has aligned its processes and beefed up sales and leadership teams in the retail and MSME segment as it readies to push the growth pedal going into FY26. The bank is eyeing to exit FY26 with credit growth delivery of ~14-15%, with a loan book of ~Rs 90,000 Cr. **The management remains confident that the new product launches and investments made so far will yield results, enabling KTKBANK to deliver a healthy growth in FY26 and further accelerate the pace of growth going into FY27E. We pencil in credit growth of ~15% CAGR over FY25-27E.**
- **Margin improvement levers present**: While the CASA accretion in Q4FY25 was strong, margins remained under pressure with CoF inching-up sharply. However, the bank has revised its deposit rates downwards based on both tenor and deposit value and expects the benefits of the rate revision to reflect in the CoF from Q1FY26 onwards. Apart from the higher CoF, KTKBANK's NIMs were impacted by the reclassification of penal interest to penal charges (impact of 6bps in FY25) and the impact of the reclassification could be seen for the next couple of quarters. That said, KTKBANK's margins would find support from (1) Improving mix of better-yielding segments in the portfolio, (2) Expectations of a controlled contraction in yields despite ~70% of the loans are T-bill linked, wherein downward repricing is expected to be shallow vs. repo rate linked loans, (3) Bank's ability to reprice corporate assets on a quarterly basis, and (4) Scope to accelerate credit growth with a lower LDR. Thus, **the management expects margins to improve by 10- 20bps in FY26, with NIMS ranging between 3.2-3.4%.**

Sector Outlook: Positive

Company Outlook: With investments made and strengthening processes and teams ripe to yield results, we expect KTKBANK to resume its growth journey, though gradually from FY26E onwards. Focus on granular retail deposits, particularly CASA deposits, remains unabated. We believe KTKBANK has multiple levers in place to protect and improve its margins over the medium term, thereby enabling the bank to improve RoAs. With a majority of the investments already made, Opex growth is expected to remain controlled, driving cost ratios downwards. We expect RoA/RoE to remain at 1.1-1.2%/11-13% over FY25-27E, driven by the aforementioned factors. **Growth delivery on guided lines, and sustenance remain key levers for a meaningful re-rating in the stock**.

Current Valuation: 0.75x FY27E ABV; Earlier Valuation: 0.75x Sep'26E ABV

Current TP: **Rs 270/share; Earlier TP: Rs 255/share**

Recommendation: We maintain our **BUY** recommendation on the stock at inexpensive valuations

Alternative BUY Ideas from our Sector Coverage

DCB Bank (TP – Rs 160), **Federal Bank** (TP – Rs 230), **City Union Bank** (TP – Rs 225)

Kirloskar Brothers Ltd Q4FY25 Result Firstcut

Est. vs. Actual for Q4FY25: Revenue: MISS; EBITDA: MISS; PAT: MISS

Financial Performance: KBL reported revenue of Rs 1,281 Cr for Q4FY25, up 5% YoY and 12% QoQ, missing our estimate by 8%. The EBITDA stood at Rs 190 Cr, flat YoY and up 14% QoQ, missing our estimate of Rs 210 Cr. EBITDA margins came at 14.8%, declined by 83 bps YoY and up 29 bps QoQ. PAT stood at Rs 137 Cr, down 10% YoY and up 17% QoQ, missing our estimate of Rs 154 Cr. The board of directors recommended a dividend of Rs. 7.00/- i.e. 350%, per equity share of Rs. 2/- each for the Financial Year 2024-25.

We Currently Have a BUY rating on the stock and we will revisit our estimates post the call scheduled on 15th may 2025, at 2:30 PM

Key Financials (Consolidated)

(Rs Cr)	Q4FY25	YoY (%)	QoQ (%)	Axis Est.	Variance
Net Sales	1,281	5%	12%	1,116	15%
EBITDA	190	-1%	27%	161	18%
EBITDA Margin	14.8%	-83bps	29bps	14.4%	40bps
Net Profit	137	-10%	17%	115	-11%
EPS (Rs)	17.3	-10%	17%	14.4	-11%

Shree Cement Ltd - Q4FY25 - Result Update; BUY; TP: Rs 33,960/share

EBITDA Beat Led By Lower Costs & Higher Realisation; Retain BUY

Est. Vs. Actual for Q4FY25: Revenue – **BEAT** ; **EBITDA Margin** – **BEAT**; **PAT** – **BEAT**

Change in Estimates post Q4FY25 (Abs.)

FY26E/FY27E: Revenue: 0%/0%; **EBITDA**: 5%/4%; **PAT**: 20%/24%

Recommendation Rationale

- **Capacity Expansion Progressing Well:** Shree Cement's capacity expansion program is progressing on schedule. These strategic additions aim to narrow the gap with larger competitors and reinforce the company's market position. As of now, the company's installed capacity in India stands at 62.8 MTPA. With planned projects on track, total capacity is expected to rise to 68.8 MTPA by the end of FY26. We estimate a volume CAGR of 9% for the company over FY25–FY27E.
- **Improvement in EBITDA Margin:** Shree Cement is prioritising profitability over pure volume growth. The company aims to drive margin expansion through a focused strategy: increasing the share of premium and blended cement products, scaling up green energy usage, optimising its supply chain, and implementing a more effective pricing approach. Shree Cement continues to be one of the lowest-cost producers in the Indian cement industry, reinforcing its cost leadership even against larger peers. Against this backdrop, we expect EBITDA margins to improve by 300 basis points, reaching 24.5% and EBITDA/tonne to Rs 1330, CAGR growth of 11% over FY25–FY27E
- **Robust Cement Demand & Consolidation to Benefit Large Players:** We expect cement demand to remain robust, with the industry projected to grow at a CAGR of 7%-8% over FY24-FY27, driven by infrastructure and housing spending, as well as strong real estate demand. Further consolidation in the industry is expected to benefit large players such as Shree Cement, providing advantages in pricing, supply chain efficiency, and incremental demand over the long term.

Sector Outlook: Positive

Company Outlook & Guidance: In FY26, cement demand in India is projected to grow by 6.5–7.5%, driven by sustained momentum in infrastructure development, rural recovery, and real estate activity. While external risks such as geopolitical tensions and protectionist trade policies pose potential headwinds, the industry's ability, particularly Shree Cement's, to balance growth with sustainability and cost efficiency will be crucial in supporting India's next phase of development. The company aims to grow its volume at a high single digit.

Current Valuation: 19x FY27EV/EBITDA (Earlier Valuation: 18x FY27 EV/EBITDA)

Current TP: **Rs 33,960/share (Earlier TP: Rs 30,000/share)**

Recommendation: We maintain our **BUY** recommendation on the stock.

Alternative BUY Ideas from our Sector Coverage: UltraTech Cement Ltd (TP - 13,510/share), Dalmia Bharat (TP - 2,260/share), ACC Ltd (TP - 2,420/share), Ambuja Cements Ltd(TP - Rs 655/share), Birla Corporation (TP - Rs 1,560/share).

Hero Motocorp Ltd - Q4FY25 Result Update; BUY; TP: Rs 5,030/share

Valuations reasonable; Premiumisation and EVs to Drive Growth

Est. Vs. Actual for Q4FY25: Revenue– INLINE; EBITDA – INLINE ; PAT– MISS

Change in Estimates post Q4FY25

FY26E/FY27E: Revenue: -0.5%/-0.5%;**EBITDA:** 1%/2%; **PAT:** -0.7%/1.1%.

Recommendation Rationale

- **Industry Growth Outlook:** The domestic economy has begun FY26 on a positive trajectory, supported by tapering inflation, declining interest rates, income tax cuts, strong marriage season and expectations of a favourable monsoon. These macroeconomic tailwinds are fueling optimism in the two-wheeler market. The 2W industry growth for FY26 is projected to be in the mid-to-high single digits, despite some headwinds from OBD 2 norms and related price increases.
- **Product Launches:** In Q4FY25, Hero MotoCorp rolled out a series of product launches across key segments, reinforcing its focus on both commuter and premium motorcycles. The company launched Splendor+ XTEC 2.0 and updated its commuter lineup with the 2024 Hero Glamour. In the premium segment, it introduced the Xtreme 250R and Xpulse 210 at Bharat Mobility 2025, along with the Mavrick 440 Thunderwheels and the Xpulse 200 4V Dakar Edition. The 2024 Harley-Davidson lineup, including the Breakout 117, Road Glide, and Street Glide, was also unveiled. In the scooter segment, Hero launched the new Destini 125 and the Xoom 125 and 160 models. These launches highlight Hero's ongoing efforts to strengthen its product portfolio and address a wider range of customers.
- **Focus on growing the EV vertical:** Hero ended Mar'25 with 7% EV market share; and also acquired 34.1% stake in Euler Motors for Rs 510 Cr, marking entry into the EV 3W space (e3W industry is valued at Rs 17,000 Cr, is expected to grow to Rs 22,000 Cr over the next 5 years, with 20%+ EBITDA margin potential). Overall profitability in EVs is expected to improve with localisation, cost reductions, and PLI benefits and the management projects EV break-even at 25k–30k units/month (currently 7k-8k/month).

Sector Outlook: Positive on 2W.

Company Outlook & Guidance: Hero has enhanced its premium offerings, which are supported by a strong framework for scaling up its premium business. Additionally, its global business is rapidly expanding, highlighting its continued growth potential. Hero maintains a long-term EBITDA margin guidance of ~14-16%.

Current Valuation: 17x on core FY27E EPS (earlier 19x), plus a share in Ather Energy Ltd and Hero Fincorp 1x at FY24 P/B.

Current TP: **Rs 5,030/share (Earlier TP: Rs 5,285/share).**

Recommendation: We maintain our **BUY** rating on the stock on resonable valuations.

Q4FY25 Earnings preview: Our Coverage

Year-end March (Rs Cr)	Q4FY25E	Q3FY25	QoQ (%)	Q4FY24	YoY (%)
Abbott India					
Revenues	1,561	1614	-3.3%	1439	8.5%
Gross Profit	699	722	-3.1%	633	10.5%
Gross margin (%)	45%	45%	0.2%	44%	1.8%
EBITDA	403.9	436.1		329.5	
EBITDA margin (%)	26%	27%	-4.21%	23%	13.0%
PAT	329	360.8		287.1	
EPS (Rs)	155	170	-8.9%	135	14.6%

Result expectations

- Revenue growth of 8% YoY is expected to be in line with the Pharma Industry Growth.
- Stable Gross margins, maintaining the pace with IPM

Year-end March (Rs Cr)	Q4FY25E	Q3FY25	QoQ (%)	Q4FY24	YoY (%)
Global Health					
Revenues	973	943	3.2%	809	20.3%
Gross Profit	**740**	714	3.6%	615	20.3%
Gross margin (%)	76.1	75.7		76.0	
EBITDA	255	241	5.8%	191	33.5%
EBITDA margin (%)	26.2	25.6		23.6	
PAT	150.0	143.0	4.9%	128.0	17.2%
EPS (Rs)	5.59	5.33		4.77	

Result expectations

- Stable at mature hospital-driven growth by improved higher ARPOB and occupancies
- Lucknow units are showing gradual recovery, and margins are expected to improve on a sequential basis
- Noida hospitals are now expected in H2FY26E for commercialisation

Year-end March (Rs Cr)	Q4FY25E	Q3FY25	QoQ (%)	Q4FY24	YoY (%)
NOCIL Ltd.					
Revenues	328	318	3.0%	357	-8.1%
EBITDA	29	24	18.6%	45	-36.1%
EBITDA margin (%)	8.7%	7.6%		12.5%	
PAT	16	13	25.1%	42	-61.1%
EPS (Rs)	1.0	0.8	25.1%	2.5	-61.1%

Result Expectations

- Expect topline to grow marginally QoQ, but decline YoY due to continued competitive pressures
- EBITDA is expected to decrease due to logistical challenges, rising raw material costs and ongoing pricing headwinds.
- The EBITDA Margin is expected to improve sequentially, but remain under pressure
- The PAT is expected to decline YoY with the overall performance
- Key Monitorable: Effect of global slowdown on rubber prices; Chinese import pressure and competition scenario, and share of value-added products

Year-end March (Rs Cr)	Q4FY25E	Q3FY25	QoQ (%)	Q4FY24	YoY (%)	Result expectations
Page Industries Ltd						
Revenues	1,086	1,313	-17.3%	995	9.1%	➔ We expect 9% YoY revenue growth on stable demand in inner wear ➔ EBITDA margins to expand on the back of cost savings and volume growth offtake
EBITDA	220	303	-27.4%	167	31.4%	
EBITDA margin (%)	20.2	23.0	-282bps	16.8	342bps	
PAT	139	205	-32.2%	108	28.2%	
EPS (Rs)	124.3	183.5	-32.2%	97.0	28.2%	

Year-end March (Rs Cr)	Q4FY25E	Q3FY25	QoQ (%)	Q4FY24	YoY (%)	Result expectations
Steel Strip Wheels (SSWL)	**Q4FY25E**	**Q3FY25**	**QoQ (%)**	**Q4FY24**	**YoY (%)**	
Revenues	1,106	1,095	1.0%	1,110	-0.4%	➔ Revenue will grow by 17% YoY, led by higher volumes and a greater share of aluminum products in the sales mix. ➔ EBITDA margin is expected to improve by 155 bps YoY due to cost control initiatives being partly offset by increased working capital.
EBITDA	120	119	0.6%	117	2.8%	
EBITDA margin (%)	10.8	10.9	-5 bps	10.5	34 bps	
PAT	45	46	-1.9%	59	-24.2%	
EPS (Rs)	2.9	2.9	-1.9%	3.8	-24.2%	

Year-end March (Rs Cr)	Q4FY25E	Q3FY25	QoQ (%)	Q4FY24	YoY (%)	Result expectations
Endurance Tech	**Q4FY25E**	**Q3FY25**	**QoQ (%)**	**Q4FY24**	**YoY (%)**	➔ Revenue is expected to grow ~8%/2% YoY/QoQ owing to mid-single digit improvement in overall India 2W production volumes, ramp up in ABS and alloy wheel division, and an increase in European subsidiary revenues (in INR terms) over the last year. ➔ We estimate EBITDA margin to decline by ~144 bps YoY/flat QoQ because of one-time incentive benefits in Q4FY24.
Revenues	2,925	2,913	0.4%	2,561	14.2%	
EBITDA	370	382	-3.2%	299	23.7%	
EBITDA margin (%)	12.6	13.1	-47 bps	11.7	97 bps	
PAT	194	203	-4.4%	152	27.5%	
EPS (Rs)	13.8	14.4	-4.4%	10.8	27.5%	

Result Calendar - Q4FY25

May-2025

NSE 500 + Axis Universe

	Thursday	Friday	Saturday	Monday	Tuesday	Wednesday
	15-May-25	16-May-25	17-May-25	19-May-25	20-May-25	21-May-25
Large Cap	JSW Energy		Divi's Lab.	Bharat Electron DLF Power Grid Corpn	**Hindalco Inds.** Torrent Pharma. United Spirits Zydus Lifesci.	O N G C Power Fin.Corpn. Rail Vikas
Mid Cap	**Abbott India** **Endurance Tech.** Godrej Industrie LIC Housing Fin. **Page Industries** Patanjali Foods PB Fintech. Tube Investments	B H E L		Gujarat Gas **NLC India** Petronet LNG **P I Industries**	Dixon Technolog. **Fortis Health.** **Max Healthcare** NHPC Ltd Solar Industries	**Astral** **Colgate-Palmoliv** Mankind Pharma **Natl. Aluminium** Oil India
Small Cap	Alivus Life Sciences Balrampur Chini Bombay Burmah Bikaji Foods Internatior BLS Internat. Caplin Point Laboratori CESC Crompton Gr. Con Inventurus Knowledge Godfrey Phillips IFCI LT Foods **Global Health** NCC Neuland Labs. SKF India ZF Commercial **Nocil** **Steel Str. Wheel**	**CreditAcc. Gram.** Delhivery Ltd Emami Jubilant Pharmova Kalpataru Power NAVA Sammaan Capital S C I **Dhanuka Agritech**	Amber Enterp. Data Pattern Zen Technologies	ERIS Lifescience Jupiter Wagons Pfizer Quess Corp **Mold-Tek Pack.**	EIH **Gland Pharma** Whirlpool India **J.Kumar Infraproje** **Man Infraconstruct**	Trident **Star Cement** **VA Tech Wabag**

Bold Companies: Axis Securities Coverage

Axis Intellect: Intraweek Stocks for the week 12th May 2025 to 19th May 2025

Name of Stock	Mcap	Sector
J.K. CEMENT LTD	Mid Cap	Build Mate
FIVE-STAR BUSINESS FINANCE LTD.	Small Cap	NBFC
INDIAN OVERSEAS BANK	Large Cap	Banks
AUROBINDO PHARMA LTD.	Mid Cap	Healthcare
SUN PHARMACEUTICAL INDUSTRIES LTD.	Large Cap	Healthcare
INFOSYS LTD	Large Cap	IT
HINDUSTAN AERONAUTICS LIMITED	Large Cap	Industrials
CENTRAL DEPOSITORY SERVICES (INDIA) LTD.	Small Cap	Others
SYRMA SGS TECHNOLOGY LIMITED	Small Cap	Industrials
TATA CONSUMER PRODUCTS LIMITED	Large Cap	Staples

Investment Picks

Company	Recommendation	CMP	Target Price	% Upside
Aarti Industries Ltd	BUY	464	554	19.3
ACC Ltd	BUY	1,860	2,420	30.1
Ambuja Cements Ltd	BUY	545	655	20.3
Apcotex Industries Ltd	BUY	337	380	12.8
APL Apollo Tubes Ltd	BUY	1,742	1,920	10.2
Aptus Value Housing Finance India Ltd	BUY	322	400	24.1
Arvind Smartspaces Ltd	BUY	693	1,005	45.0
Aurobindo Pharma Ltd	BUY	1,222	1,500	22.8
Automotive Axles Ltd	BUY	1,722	1,975	14.7
Avenue Supermarts Ltd	BUY	4,051	4,770	17.8
Bajaj Auto Ltd	BUY	8,096	9,380	15.9
Bajaj Finance Ltd	BUY	9,076	10,500	15.7
Bank of Baroda Ltd	BUY	234	280	19.7
Bharti Airtel Ltd	BUY	1,838	2,200	19.7
Biocon Ltd	BUY	338	380	12.3
Birla Corporation Ltd	BUY	1,382	1,560	12.9
Can Fin Homes Ltd	BUY	741	840	13.4
Cholamandalam Investment & Finance Company Ltd	BUY	1,599	1,780	11.3
Cipla Ltd	BUY	1,500	1,700	13.3
City Union Bank Ltd	BUY	194	225	16.0
DCB Bank Ltd	BUY	140	160	14.1
Dhanuka Agritech Ltd	BUY	1,435	1,780	24.0
Embassy Office Parks REIT	BUY	385	450	16.9
Equitas Small Finance Bank Ltd	BUY	64	76	18.8
Ethos Ltd	BUY	2,709	3,070	13.3
Federal Bank Ltd	BUY	198	230	15.9
Fortis Healthcare Ltd	BUY	693	860	24.2
G R Infraprojects Ltd	BUY	1,145	1,430	24.9
Genus Power Infrastructures Ltd	BUY	317	380	19.9
Gravita India Ltd	BUY	1,907	2,600	36.3
H. G. Infra Engineering Ltd	BUY	1,155	1,720	48.9
HDFC Bank Ltd	BUY	1,914	2,250	17.6
Hero MotoCorp Ltd	BUY	4,050	5,285	30.5
Hindalco Industries Ltd	BUY	650	765	17.8
ICICI Bank Ltd	BUY	1,427	1,650	15.6
Indian Hotels Company Ltd	BUY	771	900	16.7
Inox Wind Ltd	BUY	174	250	43.7
ITC Ltd	BUY	429	510	18.9
J.Kumar Infraprojects Ltd	BUY	692	940	35.8
JSW Energy Ltd.	BUY	476	770	61.8
Juniper Hotels Ltd.	BUY	320	360	12.5
Jyothy Labs Ltd	BUY	343	400	16.6
K E C International Ltd	BUY	739	1,040	40.7
Kalpataru Projects International Ltd.	BUY	1,021	1,350	32.2
Karnataka Bank Ltd	BUY	208	255	22.6
Kirloskar Brothers Ltd	BUY	1,878	2,100	11.8
Kotak Mahindra Bank Ltd	BUY	2,092	2,460	17.6
Krishna Institute of Medical Sciences Ltd	BUY	640	730	14.1
Lupin Ltd	BUY	2,082	2,500	20.1
Man Infraconstruction Ltd.	BUY	165	260	57.2
MAS Financial Services Ltd	BUY	273	325	19.0
Max Healthcare Institute	BUY	1,179	1,315	11.5
National Aluminium Co	BUY	173	220	26.8

Investment Picks

Company	Recommendation	CMP	Target Price	% Upside
Nestle India Ltd	BUY	2,373	2,675	12.7
NLC India Ltd	BUY	231	305	32.0
NTPC Ltd	BUY	340	390	14.9
Oberoi-Realty-Ltd	BUY	1,610	1,860	15.5
P I Industries Ltd	BUY	3,657	4,265	16.6
Pitti Engineering Ltd	BUY	967	1,350	39.6
PNC Infratech Ltd	BUY	260	330	26.9
Prestige Estates Projects Ltd	BUY	1,399	1,820	30.1
Rites Ltd	BUY	243	305	25.4
Sansera Engineering Ltd	BUY	1,220	1,430	17.2
SBI Cards & Payment Services Ltd	BUY	901	1,050	16.5
Shriram Finance Ltd	BUY	651	790	21.4
Signatureglobal (India) Ltd	BUY	1,173	1,645	40.2
Skipper Ltd	BUY	470	570	21.4
State Bank of India	BUY	802	1,025	27.7
Steel Strips Wheels Ltd	BUY	240	265	10.3
Trent Ltd	BUY	5,360	6,650	24.1
UltraTech Cement Ltd	BUY	11,692	13,510	15.5
UNO Minda Industries Ltd	BUY	984	1,140	15.8
VA Tech Wabag Ltd.	BUY	1,390	1,970	41.7
Varun Beverages Ltd	BUY	510	650	27.5
Welspun Living Ltd	BUY	144	165	14.7
Westlife Foodworld Ltd	BUY	700	870	24.3

Trading Insights

Insight from trading volumes

Script	CMP	Total Volume (x1000)	Monthly Avg Volume(x1000)	% Change
SHREE CEMENT LTD	30,620	100	33	198.7%
CIPLA LTD	1,495	3,597	1,810	98.8%
NTPC LTD	339	22,795	12,159	87.5%
UPL LTD	637	4,681	2,749	70.3%
TATA MOTORS LTD	699	33,882	19,966	69.7%
TATA STEEL LTD	155	64,548	40,360	59.9%
HERO MOTOCORP LTD	4,067	1,233	843	46.3%

Insight from delivery

Script	CMP	Total Delivery Volume(x1000)	Monthly Avg Delivery Volume(x1000)	%Change
UPL LTD	637	3,765	1,438	161.9%
SUN PHARMACEUTICAL INDUS	1,708	4,132	1,646	151.1%
CIPLA LTD	1,495	1,941	1,020	90.3%
TECH MAHINDRA LTD	1,603	2,329	1,457	59.8%
TATA STEEL LTD	155	23,285	15,446	50.7%
SHREE CEMENT LTD	30,620	24	17	45.4%
BRITANNIA INDUSTRIES LTD	5,484	221	159	39.5%

*CMP-Closing Market Price

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