

Date	Report / Update	Report Price (₹)	Buy Range (₹)	Target Price (₹)
12-Jul-24	Quick Insight	490.05	460-480	590-600
19-Aug-24	Q1FY25	488.05		590-600
29-Oct-24	Q2FY25	434.00		590-600

GABRIEL

Gabriel India Limited

GABRIEL INDIA LTD.
Q3FY25 RESULT HIGHLIGHTS

- Consolidated Revenue came in at ₹10.2bn, growth of 24.7% YoY and remained flat QoQ. EBITDA at ₹915mn grew 30.1% YoY and de-grew by 7% QoQ to ₹915mn with EBITDA margin at 9.0% compared to 8.6% YoY (de-grew by 61 bps QoQ). PAT at ₹601mn grew 45.7% YoY and de-grew by 4.5% QoQ.
- **Acquisition of MMAS:** Gabriel has acquired the assets of Marelli Motherson Auto Suspension Parts Private Limited (MMAS), a joint venture based in Pune that specializes in shock absorbers, front struts, and gas springs for both passenger vehicles (PVs) and commercial vehicles (CVs). This acquisition brings synergies in terms of products and customer base, with MMAS's top three clients being Tata, Maruti, and Renault. Additionally, Gabriel India will enter into a Technical Assistance Agreement with Marelli Suspension Systems Italy S.p.A., enhancing its advanced suspension offerings for OEMs.
- **Sunroof business:** The sunroof business saw a dip in margins during Q3, mainly due to a one-time cost of ₹22mn. Additionally, some of the sequential decline in margins can be attributed to the exceptionally high margins in Q2FY25. Going forward, the target margin is expected to be in the range of 12%-14%, influenced by factors such as product mix, customer competition, and localization efforts. With new orders, including for the Kia platform, Gabriel plans to double its sunroof capacity by CY25E and significantly increase production over the next two years.
- **New Product offering:** Gabriel India is entering the gas spring and damper market through its acquisition of Marelli, enhancing its technology and boosting capacity by 3.2 million shock absorbers and gas spring units annually. This new product line meets the rising demand for advanced suspension solutions, particularly in the SUV segment, and holds strong revenue potential and global growth opportunities, especially in Europe.
- **Export Growth:** Exports experienced strong growth this quarter, fueled by aftermarket orders and increased demand from Latin America. Gabriel aims to have exports contribute 10% of total revenue. The company is expanding its relationship with its current customer, DAF, and exploring new opportunities through the MMAS acquisition.
- **New Order Wins:** Gabriel has secured confirmed orders for CNG, electric 4-wheeler, and electric 3-wheeler projects with TVS Motor. However, the order volumes and start of production (SOP) details remain confidential and are still in development.

VIEW

Gabriel India has shown strong quarterly performance. The sunroof business will continue to operate as a 100% subsidiary of Gabriel India until the JV is formed. The sunroof business's 12-14% EBITDA margin is sustainable in the long run. The company expects to reach full utilization for the second phase of its capacity by end-CY26 (~400,000 units), with ₹8bn-10bn in revenue. The outlook for high-margin exports is healthy and is on track to achieve a double-digit EBITDA margin at the standalone level by FY26. The earnings growth will accelerate over the next three years, driven by increased scale, a favorable mix, improvements in the sunroof segment, stable commodity prices, and the benefits of the Core90 program. **We continue to maintain our BUY with Target Range ₹590-600 trading at P/E 19x FY27E EPS of ₹24.3.**

Important Data

Nifty	22,125
Sensex	73,198
Key Stock Data	
LTP*	₹461.60
MCAP (bn)	~₹65
52-WHigh/Low	₹560/272
Shares o/s (mn)	143.64
Daily Vol.(3MNSEAvg.)	1,208,268
BSE Code	505714
NSE Code	GABRIEL
Bloomberg Code	GABR:IN

 LTP* as on 28th Feb 2025

Shareholding Pattern (%) – Dec'24

Promoter	55.0
DIs	12.9
FIs	5.5
Public	26.6

Financials

Particulars	FY21	FY22	FY23	FY24
Revenue	16,948	23,320	29,717	34,026
EBITDA	1,025	1,459	2,137	2,926
EBITDA Margin (%)	6.0	6.3	7.2	8.6
Net Profit	603	895	1,324	1,787
EPS (₹)	4.2	6.2	9.2	12.4
DPS (₹)	0.9	1.6	1.7	4.0
RoE (%)	8.7	11.7	15.2	17.8
RoCE (%)	8.1	13.0	18.2	21.7
P/E (x)	107.7	70.9	47.8	35.3

Source: Company, Way2Wealth

Relative Performance

Return (%)	1Yr	3Yr	5Yr
GABRIEL	45.1	198.1	337.6
Nifty50	27.6	34.6	110.6
Sensex	25.9	32.3	106.5

Source: Company, Way2Wealth

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Q3FY25 FINANCIAL PERFORMANCE

Particulars	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ(%)	9MFY25	9MFY24	YoY (%)
Net Revenue	10,166	8,154	24.7	10,271	(1.0)	29,902	24,856	20.3
Expenses:								
Total Raw Material Cost	7,557	6,076	24.4	7,603	(0.6)	22,185	18,608	19.2
Employee Cost	652	526	24.0	644	1.2	1,898	1,564	21.4
Other Expenses	1,042	850	22.6	1,036	0.5	3,010	2,563	17.5
Total Operating Cost	9,251	7,452	24.1	9,284	(0.4)	27,093	22,735	19.2
EBITDA	915	702	30.3	987	(7.3)	2,809	2,121	32.4
EBITDA (%)	9.0	8.6	39 bps	9.6	-61 bps	9.4	8.5	86 bps
Depreciation	194	144	34.9	194	0.2	575	423	36.1
EBIT	721	558	29.1	793	(9.2)	2,234	1,699	31.5
Other Income	95	39	145.6	48	96.0	206	135	52.1
Interest	30	16	89.7	20	51.7	72	59	21.5
Extraordinary Items	0	0	NA	0	NA	0	0	NA
PBT	785	581	35.2	822	(4.5)	2,368	1,775	33.4
Tax	184	168	9.3	193	(4.4)	561	478	17.5
Effective Tax Rate (%)	23.5	29.0	-554 bps	23.4	0 bps	23.7	26.9	-320 bps
RPAT	601	412	45.7	629	(4.5)	1,806	1,297	39.2
Reported EPS	4.2	2.9	45.7	4.4	(4.5)	12.6	9.0	39.3

As% of Sales	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ(%)	9MFY25	9MFY24	YoY (%)
Total Raw Material Cost	74.3%	74.52%	-18.0 bps	74.0%	31 bps	74.2%	74.9%	-67.3 bps
Gross Margin	25.7%	25.5%	18.0 bps	26.0%	-31 bps	25.8%	25.1%	67.3 bps
Employee Expense	6.4%	6.4%	-3.2 bps	6.3%	14 bps	6.3%	6.3%	5.6 bps
Other Expense	10.2%	10.4%	-17.6 bps	10.1%	16 bps	10.1%	10.3%	-24.4 bps

Segment Mix	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)
2W/3W	64%	61%	300 bps	65%	-100 bps
PC	24%	24%	0 bps	23%	100 bps
CVR	10%	13%	-300 bps	10%	0 bps
Trading	2%	2%	0 bps	2%	0 bps

Channel Mix	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)
OE	88%	86%	200 bps	88%	0 bps
Replacement	12%	14%	-200 bps	12%	0 bps

Aftermarket Mix	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)
2W/3W	44%	41%	300 bps	44%	0 bps
PC	36%	37%	-100 bps	34%	200 bps
CVR	8%	10%	-200 bps	10%	-200 bps
Trading	12%	12%	0 bps	12%	0 bps

Source: Company, Way2Wealth

FINANCIALS

Particulars	2022	2023	2024	2025E	2026E	2027E
Revenue	23320	29717	34026	40588	46923	54331
EBITDA	1459	2137	2926	3910	4754	5516
EBITDA Margin	6.3%	7.2%	8.6%	9.6%	10.1%	10.2%
Net Income	895	1324	1787	2504	3051	3492
EPS	6.2	9.2	12.4	17.4	21.3	24.3
Return on Equity %	11.7	15.2	19.1	21.3	20.8	20.6
P/E	74.5	50.2	37.2	26.5	21.7	19.0

Source: Company, Way2Wealth

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Disclosure of Interest Statement: GABRIEL INDIA LTD. as on 3rd March 2025

Name of the Security	GABRIEL INDIA LTD.
Name of the analyst	Ashwini Sonawane
Analysts' ownership of any stock related to the information contained.	NIL
Financial Interest	
Analyst :	No
Analyst's Relative : Yes / No	No
Analyst's Associate/Firm : Yes/No	No
Conflict of Interest	No
Receipt of Compensation	No
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