

Tube Investments of India Ltd.

BUY

Sector: Auto Ancillaries

19th November 2025

Key Changes	Target 	Rating 	Earnings 	Target	Rs. 3,828
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Mid Cap	TIINDIA:IN	84,673	TIINDIA	540762	12 Months
				CMP	Rs. 3,025
				Return	+27%

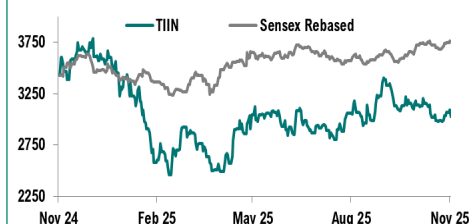
Data as of: 19-11-2025, 16:00 hrs

Company Data	
Market Cap (Rs.cr)	58,788
52 Week High - Low (Rs.)	3,827-2,400
Enterprise Value (Rs.cr)	58,788
Outstanding Shares (cr)	19.4
Free Float (%)	55.0
Dividend Yield	0.1%
6m average volume (cr)	0.0
Beta	1.1
Face value (Rs.)	1.0

Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	44.1	44.1	44.1
FII's	26.9	26.3	25.5
MFs/Insti	16.1	16.8	17.7
Public	12.9	12.8	12.7
Total	100.0	100.0	100.0
Promoter pledge	0.01	0.01	0.01

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-4.7%	1.6%	-11.5%
Absolute Sensex	3.8%	4.9%	9.8%
Relative Return*	-8.4%	-3.3%	-21.4%

*over or under performance to benchmark index



Consolidated (cr)	FY25A	FY26E	FY27E
Sales	19,727	22,710	27,242
Growth (%)	15.3	15.1	20.0
EBITDA	1,808	2,316	2,942
EBITDA Margin (%)	9.2	10.2	10.8
Adj. PAT	644	964	1,276
Growth (%)	8.3	49.7	32.4
Adj. EPS	34.3	49.9	66.1
Growth (%)	8.3	45.7	32.4
P/E	105.0	72.1	54.4
P/B	12.6	10.2	8.1
EV/EBITDA	37.1	28.2	21.7
ROE (%)	12.1	15.6	16.6
D/E	0.1	0.1	0.0

Driving Long-term Growth through Diversification...

Tube Investment of India Ltd. (TII) is a flagship company of the Murugappa group. It is one of the leading product manufacturers for major industries such as Automotive, Railway, Construction, Mining, etc.

- In Q2FY26, consolidated revenue rose 12% YoY, supported by strong growth in the Power Systems, Mobility, and EV (Montra) segments. In contrast, standalone engineering and metal businesses delivered muted performance due to softer overall demand.
- TII's EBITDA rose 10% YoY, aided by a favourable product mix, especially from the EV and Power Systems segments. We anticipate further margin improvement as EV operations expand and revenues from the industrial and power divisions remain strong.
- The impact of the GST cut on ICE (internal combustion engines) is minimal and is recoverable in 2-3 months. Overall impact is minor, mostly affecting only the 3W segment.
- New specialised bike launches in the Mobility segment, along with ongoing EV expansion, are driving momentum. Moreover, the EV business is showing strong traction, with the SCV and E-tractor categories witnessing robust volume growth.
- Looking ahead, the surgical business is also looking to explore new verticals under TII Medical's segment; the railway business is expected to start in Q4FY26, and the company is looking to diversify with new capex planned in the coming quarters.

Outlook & Valuation

Tube Investments posted resilient performance in Q2FY26, underpinned by strong growth across key segments. Management reiterated that diversification remains a core advantage, with momentum supported by new specialised bike launches and the scaling up of EV platforms. The upcoming railway business and the addition of new verticals under TI Medical further enhance long-term visibility. With capex planned across both established and emerging divisions, TII is well-placed to maintain double-digit growth and reinforce its position in the industrial, power systems, and clean mobility markets.

We value TII on a SOTP basis, giving standalone business at Rs.977/share, 21x FY27E EPS, CG Power at Rs.2,676/share, Shanti Gears at Rs.50/share, and EV Mobility at Rs.125/share, cumulatively arriving at a target price of Rs.3,828 per share and maintain a BUY rating.

Quarterly Financials Consolidated.

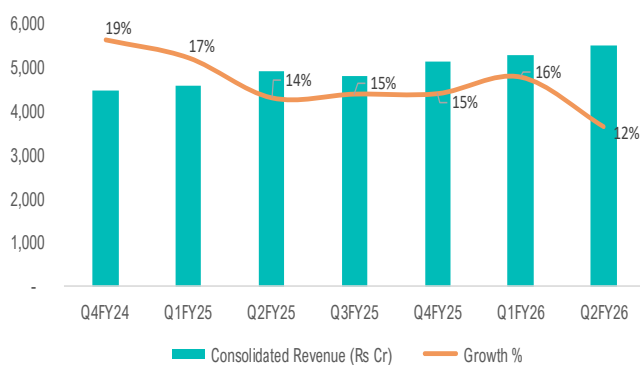
Rs.cr	Q2FY26	Q2FY25	YoY Growth (%)	Q1FY26	QoQ Growth (%)	H1FY26	H1FY25	YoY Growth (%)
Sales	5,523	4,925	12.1	5,309	4.0	10,832	9,502	14.0
EBITDA	544	490	11.0	546	-0.3	1,090	1,019	7.0
Margin (%)	9.9	10.0	-10bps	10.3	-43bps	10.1	10.7	-66bps
EBIT	380	372	2.3	394	-3.5	774	786	-1.5
PBT	459	426	7.8	449	2.2	908	890	2.1
Rep. PAT	302	299	1.0	303	-0.4	605	613	-1.2
Adj PAT	187	207	-9.7	199	-6.1	386	432	-10.8
EPS (Rs)	9.7	10.7	-9.7	10.3	-6.1	20.0	22.4	-10.8



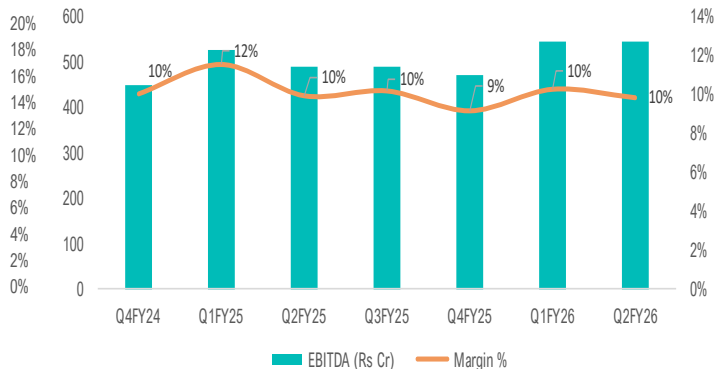
Key Highlights

- The engineering division witnessed a 10% increase in volumes despite slower exports (particularly in the US). New plants in Nasik and Phaltan started production, showing positive growth for 2 years forward. TI holds close to 50% market share in chains.
- Railway business is expected to kick off its business in Q4 of this year, having contacts already made with customers and a strong order book. TI itself is ready; customer ramp-up is expected from Q4FY26 onwards. The mobility side has launched specialised bikes, E-bikes, and is now focusing on the fitness side of the story.
- The EV business has shown impressive growth, with revenue growing 21% YoY and 31% QoQ. GST cuts on ICE vehicles have impacted 3-wheeler demand but have minimal effect on E-tractor and SCV demand, maintaining over 50% market share in the HCV segment. New product launches like the 4x2 variant, battery swap technology and Tipper are signalling growth for the future.
- The focus is on boosting market share and diversification through a planned Rs.200-300cr of capex for M&A and Rs.300-400cr in TI Medical and the standalone company, targeting a PBT close to 14% for the standalone company. There is also a plan to introduce Capex in TI clean mobility (EV segment) after further consideration.
- Standalone revenue for Q2FY26 reached Rs.2,142 cr, an increase from Rs.2,065cr YoY. Profit Before Tax (PBT) came in at Rs.234 cr, up from Rs.224cr in the previous year.

Revenue



EBITDA



Valuation Summary (SOTP)

Rs cr	Valuation	PAT	(x)	Equity Value	Per share value (Rs)
Standalone	P/E	902	21	18,946	977
Shanti Gears (70.47% Stake +30% Holding dis.)	P/E	69	20	968	50
CG Power (58.09% + 30% Holding dis.)	P/E	1,016	73	51,917	2,676
EV Mobility business	Mcap/Sales	811	3	2,433	125
					3,828

Change in Estimates

	Old estimates		New estimates		Change(%)	
Year / Rs cr	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	23,281	29,280	22,710	27,242	-2.5	-7.0
EBITDA	2,445	3,367	2,316	2,942	-5.3	-12.6
Margins (%)	10.5	11.5	10.2	10.8	-30bps	-70bps
Adj. PAT	1,089	1,567	964	1,276	-11.5	-18.6
EPS	56.4	81.2	49.9	66.1	-11.4	-18.6

Consolidated Financials

PROFIT & LOSS

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Revenue	14,964	17,103	19,727	22,710	27,242
% change	19%	14%	15%	15%	20%
EBITDA	1,665	1,885	1,808	2,316	2,942
% change	11%	11%	9%	10%	11%
Depreciation	396	465	492	604	657
EBIT	1,270	1,420	1,316	1,712	2,285
Interest	42	52	63	50	41
Other Income	144	252	371	341	409
PBT	1,546	2,155	1,612	2,008	2,658
% change	33%	39%	-25%	25%	32%
Tax	423	497	599	642	850
Tax Rate (%)	27%	23%	37%	32%	32%
Reported PAT	734	1,130	1,013	1,370	1,812
Adj*	174.7	535.7	-11.1	5.0	5.0
Adj PAT	559	594	644	964	1,276
% change	-23%	6%	8%	50%	32%
No. of shares (cr)	19.3	19.3	19.3	19.3	19.3
Adj EPS (Rs.)	29.8	31.7	34.3	49.9	66.1
% change	-23%	6%	8%	46%	32%
DPS (Rs.)	3.5	3.5	3.5	3.5	3.5
CEPS (Rs.)	49.5	54.9	58.8	81.2	100.1

* Not Comparable

CASH FLOW

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	955	1,060	1,136	1,975	2,469
Non-cash adj.	416	398	547	1,075	1,418
Other Adjustments	-233	-274	-463	-642	-850
Changes in W.C	-343	-1,090	-413	-658	-631
C.F. Operation	795	93	806	1,749	2,407
Capital exp.	-922	-1,836	-2,259	-356	-961
Change in inv.	0	0	0	70	0
Other invest. CF	51	178	643	0	0
C.F – Investment	-871	-1,658	-1,615	-356	-961
Issue of equity	72	72	72	0	0
Issue/repay debt	-515	-112	-477	82	-39
Dividends paid	-169	-162	-162	-68	-68
Other finance. CF	277	132	127	0	0
C.F – Finance	-407	-142	-542	14	-107
Chg. in cash	-483	-1,707	-1,351	1,408	1,339
Closing cash	-69	-834	-815	2,065	3,404

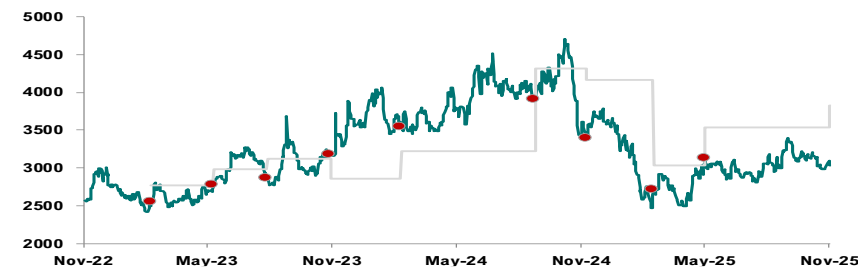
BALANCE SHEET

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	954	1,314	2,059	3,467	4,806
Accounts Receivable	2,254	2,854	3,390	3,858	4,627
Inventories	1,353	1,788	2,224	2,579	3,066
Other Cur. Assets	649	681	869	933	1,120
Investments	741	1,382	943	1,182	1,418
Gross Fixed Assets	3,620	4,307	5,325	6,187	6,950
Net Fixed Assets	2,252	2,698	3,223	3,482	3,587
CWIP	191	381	770	700	700
Intangible Assets	1,360	1,710	2,002	1,553	1,453
Def. Tax (Net)	335	125	85	124	149
Other Assets	289	304	443	268	331
Total Assets	10,378	13,309	16,080	18,147	21,257
Current Liabilities	4,213	4,324	4,931	5,166	5,960
Provisions	46	71	98	93	112
Debt Funds	726	896	695	545	485
Other Liabilities	1,042	1,706	2,425	3,129	3,742
Equity Capital	19	19	19	19	19
Reserves & Surplus	3,931	5,086	5,516	6,799	8,544
Shareholder's Fund	4,351	6,312	7,930	9,213	10,957
Total Liabilities	10,378	13,309	16,080	18,147	21,257
BVPS (Rs.)	177	235	248	343	433

RATIOS

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	11.1	11.0	9.2	10.2	10.8
EBIT margin (%)	8.5	8.3	6.7	7.5	8.4
Net profit mgn. (%)	3.7	3.5	3.3	4.2	4.7
ROE (%)	15.9	13.1	12.1	15.6	16.6
ROCE (%)	9.7	8.1	5.6	7.5	8.4
W.C & Liquidity	0.0	0.0	0.0	0.0	0.0
Receivables (days)	51.4	54.5	57.8	58.2	56.8
Inventory (days)	32.7	33.5	37.1	38.6	37.8
Payables (days)	85.1	71.8	62.3	68.7	71.2
Current ratio (x)	1.2	1.6	1.8	2.2	2.4
Quick ratio (x)	0.7	0.8	1.0	1.3	1.5
Turnover & Leverage	0.0	0.0	0.0	0.0	0.0
Gross asset T.O (x)	4.2	4.3	4.1	3.9	4.1
Total asset T.O (x)	1.5	1.4	1.3	1.3	1.4
Int. coverage ratio (x)	29.9	27.2	20.7	34.3	55.4
Adj. debt/equity (x)	0.2	0.1	0.1	0.1	0.0
Valuation	0.0	0.0	0.0	0.0	0.0
EV/Sales (x)	4.6	4.0	3.4	2.9	2.3
EV/EBITDA (x)	41.1	35.9	37.1	28.2	21.7
P/E (x)	120.8	113.7	105.0	72.1	54.4
P/BV (x)	17.6	13.6	12.6	10.2	8.1

Recommendation Summary (Last 3 years)



Dates	Rating	Target
24.Feb.23	Buy	2,768
26.May.23	Hold	2,983
14.Aug.23	Hold	3,127
15.Nov.23	Sell	2,855
27.Feb.24	Reduce	3,225
11.Sep.24	Accumulate	4,321
25.Nov.24	Buy	4,169
04.Mar.25	Buy	3,032
19.May.25	Buy	3,533
19.Nov.25	Buy	3,828

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%


Not rated/Neutral


Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

 Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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