

Gearing for a shock proof growth ride...

About the stock: Gabriel India (GIL) is a global top-10 shock absorber manufacturer serving 2-W, 3-W, PV, CV, railway and aftermarket segments.

- FY25 revenue mix – ~63% 2-W/3-W, ~24% PV, ~11% CV & railways
- FY25 Channel mix – 88% OEM; 12% Replacement market.

Investment Rationale

- Strong Core business with structural growth drivers:** Gabriel remains one of India's leading suspension players with entrenched OEM relationships, diversified presence across 2W, PV, CV, and railways, and demonstrated ability to consistently outgrow industry volumes. The company continues to ride on premiumization trends (inverted front forks, mono-shocks) in 2Ws and improving penetration in PVs, backed by secured future programs from Maruti and Yamaha, ensuring sustained revenue visibility.
- Healthy presence in SUV space, augmented by sunroof segment addition:** Gabriel has ~24% market share in PV space and realises healthy ~23% of its sales from this category. Interestingly, within PV space, GIL realizes large part of its sales from the SUV sub-segment which is witnessing healthy demand traction. Also notably, with aim to expand its presence in top selling SUV space & to catch up on premiumization trend, GIL has entered into JV with Inalfa for manufacturing of sunroof system components for OEMs in India. Simultaneously, it is entering the solar dampers and e-bike suspension business, both positioned as global products with upcoming commercialization timelines, opening a scalable export opportunity beyond domestic cyclicity.
- Strategic Scheme of Arrangement to unlock growth potential:** Gabriel is executing its Scheme of arrangement under which key ANAND group entities are being merged into the company, including (100%) of Anchemco Ltd (operates into brake fluid, coolant, Ad-blue etc), 25% stake in Dana Anand Ltd (operated in axles and drivetrain components including EV), 49% stake in Henkel Anand (operates into body in white parts segments) and 76% stake in Anand CY Myotec (operated into synchronizer rings and Aluminium forgings). This restructuring is actively diversifying Gabriel beyond its legacy suspension business, lowering product concentration risk, and positioning it as the group's core automotive growth platform and will now be the main growth engine for the group amidst its ambition to take group turnover to ~₹50,000 crore by 2030.

Rating and Target Price

- We remain positive on Gabriel, reflecting confidence in its strong core suspension franchise, increasing premium content per vehicle, and incremental optionality from JVs and export initiatives. While near-term profitability may remain influenced by MMAS integration and softer Sunroof trajectory, medium to long term outlook remains robust with improving mix, and multiple structural growth levers. We upgrade our Rating to **BUY** and value Gabriel India at ₹1235 i.e. 35x P/E on FY28E

Key Financial Summary (Standalone)

Key Financials (₹ crore)	FY21	FY22	FY23	FY24	FY25	5 year CAGR (FY20-25)	FY26E	FY27E	FY28E	3 year CAGR (FY25-28E)
Net Sales	1,695	2,332	2,972	3,343	3,643	14.3%	4,266	4,938	5,400	14.0%
EBITDA	103	146	214	290	322	18.5%	384	469	540	18.8%
EBITDA Margins (%)	6.0	6.3	7.2	8.7	8.8		9.0	9.5	10.0	
Net Profit	60	90	132	185	212	20.1%	241	299	351	18.4%
EPS (₹)	4.2	6.2	9.2	12.9	14.7		16.8	20.8	24.5	
P/E	250.3	168.5	114.0	81.5	71.2		62.6	50.5	42.9	
RoNW (%)	8.7	11.7	15.2	18.4	18.3		18.3	19.7	20.0	
RoCE (%)	8.3	13.2	18.4	22.6	22.0		22.6	24.7	24.9	

Source: Company, ICICI Direct Research

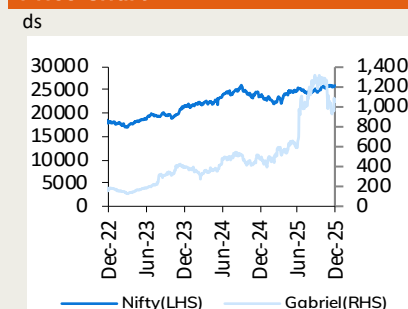
Particulars

Particulars	₹ crore
Market capitalisation	15,082
Total Debt (FY25)	7
Cash & Investment (FY25)	254
EV (₹ crore)	14,835
52 week H/L (₹)	1,388 / 387
Equity capital (₹ crore)	14.4
Face value (₹)	1.0

Shareholding pattern

	Dec-24	Mar-25	Jun-25	Sep-25
Promoter	55.0	55.0	55.0	55.0
FII	5.3	5.2	6.0	6.5
DII	13.5	14.7	15.0	15.7
Other	26.2	25.1	24.0	22.8

Price Chart



Recent Event & Key risks

- On standalone basis, we expect Sales/PAT at GIL to grow at 14%/18.4% CAGR over FY25-28E.
- Key Risk: (i) lower than anticipated ramp up in sales & integration benefits (ii) lower than expected improvement in EBITDA margins profile over FY25-28E

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Q2FY26 Earnings Conference Call Highlights

Strong Revenue Growth Across Segments: Gabriel India reported standalone revenue growth of 15.4% YoY to ₹1,066 crore, driven by higher volumes and robust performance across segments, with two-wheeler revenue up ~14%, passenger vehicles up ~12%, and commercial vehicle & railway division up ~32% YoY. The company expects demand momentum to sustain in H2 supported by festive demand, exports recovery, and positive auto industry outlook.

Business Updates – JV Progress, Market Share, and Margins: The company entered a JV with SK Enmove (49% Gabriel stake) to expand into lubricants and e-fluids, targeting ₹500 crore revenue in 5–6 years, though margins may initially be soft before improving. The revised shareholding in the Inalfa Sunroof JV is proposed at 65% Gabriel – 35% Inalfa, pending regulatory approvals. The Sunroof business revenue stood at ₹114 crore with ~16.5% EBITDA margin, but near-term growth remains subdued due to weak performance of some of the Kia and Hyundai platforms; the company does not expect to meet its ₹1,000 crore FY30 target and anticipates a 1–2-year delay. Margins at consolidated level are stable, though MMAS acquisition still drags profitability; management reiterated plans to restore profitability trajectory and move toward double-digit margins over time.

Market Share & Order Wins: Gabriel highlighted steady 30–32% share in 2W suspension, securing new orders including Yamaha inverted front forks and additional premium 2W suspension programs, supporting further share gains. In passenger vehicles, Gabriel has secured three new Maruti platforms, including one model already launched, and expects 4–5% market share improvement beginning next year. The EV 2W business remains strong where Gabriel intends to maintain >50% share despite competitive intensity.

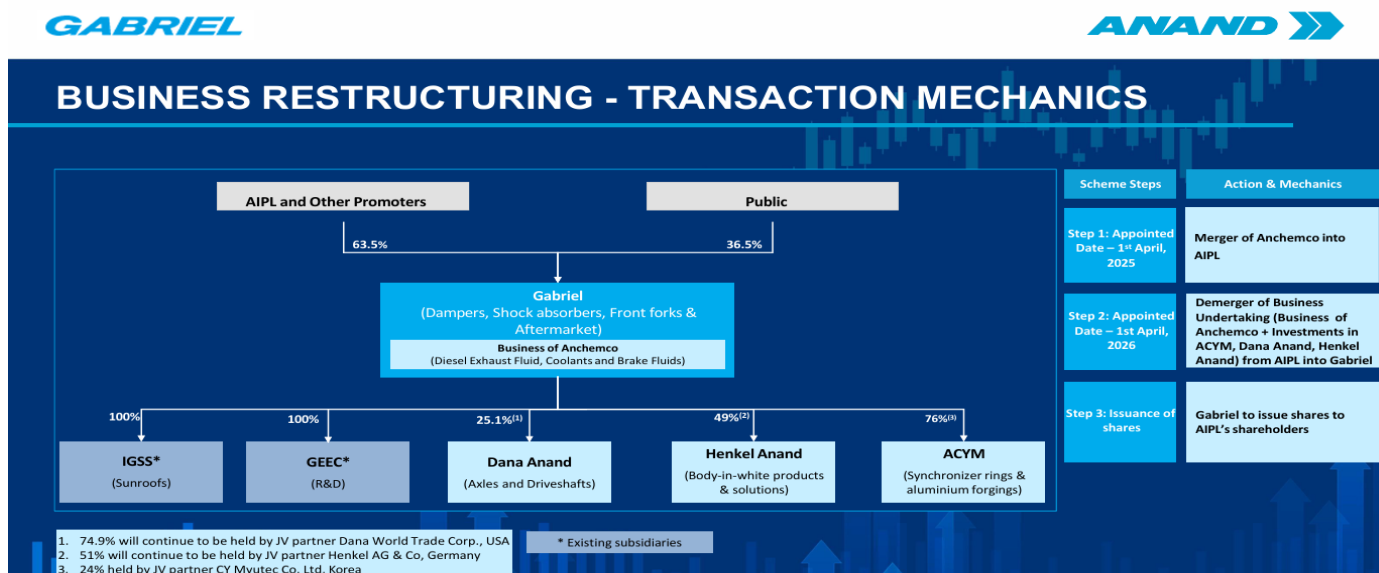
Future Growth levers: Export initiatives continue, with potential traction expected over the next 12–18 months, supported by e-bike and solar suspension products. Railway business continues to benefit from Vande Bharat/Train-18 exposure, though scale remains relatively small and linked to ordering cycles.

Capex: H1FY26 capex was ₹108 crore, elevated due to MMAS asset acquisition; full-year capex is expected at ₹150–₹180 crore.

JVs commercialisation & Strategy: SK Enmove and Jinhap JV commercialization is expected in FY27, with meaningful revenue contribution from FY28 onward. Management reiterated Gabriel's role as the growth platform for ANAND Group, focusing on technology advancement, premiumization, and diversification beyond suspension through lubricants, sunroof systems, and mobility solutions.

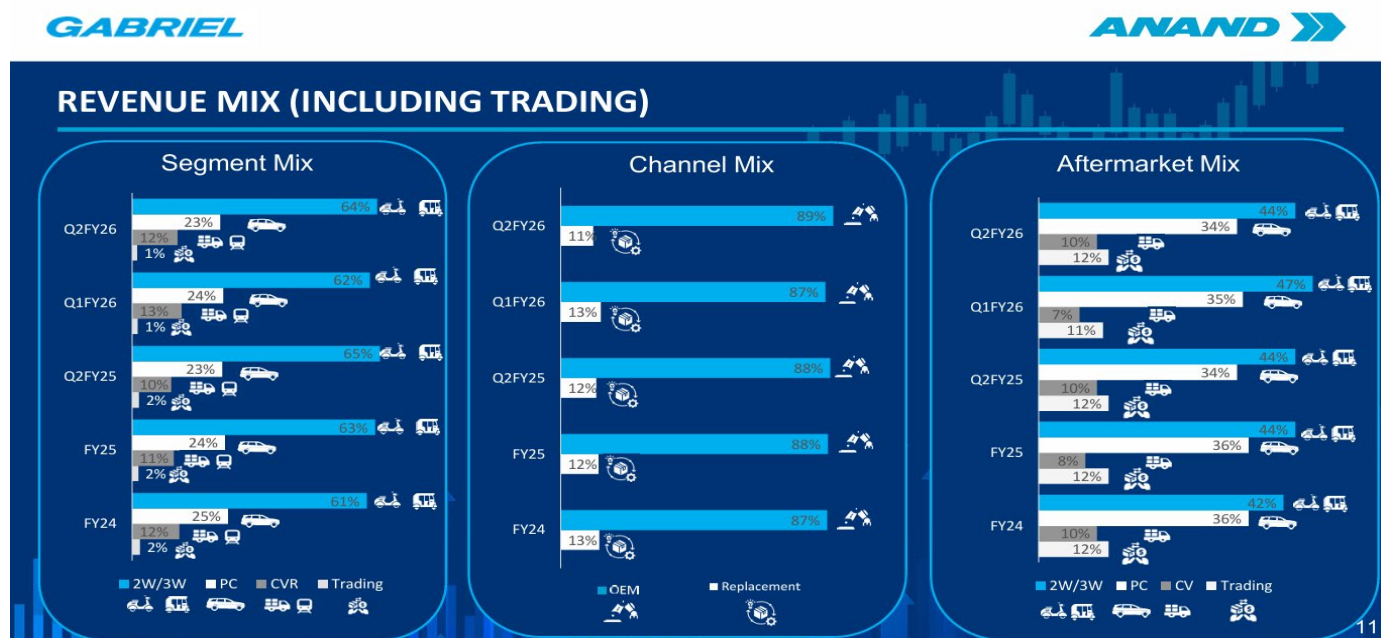
Key Charts from PPT

Exhibit 1: Gabriel India – Transaction mechanics of the Scheme



Source: Company, ICICI Direct Research

Exhibit 2: Gabriel India – Revenue Mix



Source: Company, ICICI Direct Research

Exhibit 3: Gabriel India – Presence in high demand segments



Source: Company, ICICI Direct Research

Exhibit 4: Gabriel India – Valuation Table – target price calculation

Particulars (FY28E)	Units	Amount
Base Shock Absorber Business, Standalone PAT (A)	₹ crore	351
Sunroof Business Apportioned PAT(Inalfa -JV, 65% stake, B)	₹ crore	28
Group Companies Apportioned PAT, current restructuring (C)	₹ crore	247
Total Consolidated PAT post restructuring (D= A+B+C)	₹ crore	626
Total No of Shares post current restructuring (E)	crore	17.7
New EPS (F = D/E)	₹/share	35
Assigned PE Multiple	x	35
Target Price	₹/share	1,235

Source: ICICI Direct Research

Financial Summary (Standalone)

Exhibit 5: Profit and loss statement

₹ crore

(Year-end March)	FY25	FY26E	FY27E	FY28E
Net Sales	3,643	4,266	4,938	5,400
Other Operating Income	-	-	-	-
Total Operating Income	3,643	4,266	4,938	5,400
Growth (%)	9.0	17.1	15.7	9.3
Raw Material Expenses	2,723	3,157	3,654	3,990
Employee Expenses	232	273	301	329
Other Operating Expense	366	452	514	540
Total Operating Expenditure	3,321	3,882	4,469	4,860
EBITDA	322	384	469	540
Growth (%)	11.2	19.2	22.2	15.1
Depreciation	63	82	91	100
Interest	4	4	3	3
Other Income	30	25	27	35
PBT	285	323	401	472
Exceptional Item	0	0	0	0
Total Tax	73	82	102	120
PAT	212	241	299	351
Growth (%)	14.5	13.7	24.1	17.6
EPS (₹)	14.7	16.8	20.8	24.5

Source: Company, ICICI Direct Research

Exhibit 6: Cash flow statement

₹ crore

(Year-end March)	FY25	FY26E	FY27E	FY28E
Profit after Tax	212	241	299	351
Add: Depreciation	63	82	91	100
(Inc)/dec in Current Assets	-165	-162	-156	-115
Inc/(dec) in CL and Provisions	30	135	118	81
Others	-22	-21	-23	-32
CF from operating activities	118	275	329	385
(Inc)/dec in Investments	65	-65	-110	-175
(Inc)/dec in Fixed Assets	-128	-180	-120	-120
Others	27	25	27	35
CF from investing activities	-36	-220	-203	-260
Issue/(Buy back) of Equity	0	0	0	0
Inc/(dec) in loan funds	-1	-2	-2	-2
Dividend paid & dividend tax	-72	-83	-104	-118
Inc/(dec) in Share Cap	0	0	0	0
Others	4	0	0	0
CF from financing activities	-69	-85	-106	-120
Net Cash flow	13	-30	19	5
Opening Cash	204	218	188	207
Closing Cash	218	188	207	212

Source: Company, ICICI Direct Research

Exhibit 7: Balance Sheet

₹ crore

(Year-end March)	FY25	FY26E	FY27E	FY28E
Liabilities				
Equity Capital	14.4	14.4	14.4	14.4
Reserve and Surplus	1,142	1,304	1,503	1,739
Total Shareholders funds	1,157	1,319	1,517	1,753
Total Debt	7	5	3	1
Deferred Tax Liability	11	11	11	11
Minority Interest / Others	0	0	0	0
Total Liabilities	1,175	1,335	1,531	1,765
Assets				
Gross Block	1,185	1,331	1,476	1,596
Less: Acc Depreciation	672	754	845	945
Net Block	512	577	631	651
Capital WIP	42	75	50	50
Total Fixed Assets	554	652	681	701
Investments	78	143	253	428
Inventory	277	327	379	414
Debtors	527	620	704	769
Loans and Advances	110	128	149	163
Other Current Assets	0	0	0	0
Cash	218	188	207	212
Total Current Assets	1,131	1,263	1,438	1,558
Current Liabilities	574	701	812	888
Provisions	37	45	52	57
Current Liabilities & Prov	611	746	864	945
Net Current Assets	520	517	574	613
Others Assets	23	23	23	23
Application of Funds	1,175	1,335	1,531	1,765

Source: Company, ICICI Direct Research

Exhibit 8: Key ratios

(Year-end March)	FY25	FY26E	FY27E	FY28E
Per share data (₹)				
EPS	14.7	16.8	20.8	24.5
Cash EPS	19.2	22.5	27.2	31.4
BV	80.5	91.8	105.6	122.1
DPS	4.7	5.5	7.0	8.0
Cash Per Share (Incl Invest)	20.6	23.0	32.0	44.6
Operating Ratios (%)				
EBITDA Margin	8.8	9.0	9.5	10.0
PAT Margin	5.8	5.6	6.1	6.5
Inventory days	27.7	28.0	28.0	28.0
Debtor days	52.8	53.0	52.0	52.0
Creditor days	57.5	60.0	60.0	60.0
Return Ratios (%)				
RoE	18.3	18.3	19.7	20.0
RoCE	22.0	22.6	24.7	24.9
RoIC	29.5	29.6	32.5	34.8
Valuation Ratios (x)				
P/E	71.2	62.6	50.5	42.9
EV / EBITDA	46.1	38.7	31.5	27.1
EV / Net Sales	4.1	3.5	3.0	2.7
Market Cap / Sales	4.1	3.5	3.1	2.8
Price to Book Value	13.0	11.4	9.9	8.6
Solvency Ratios				
Debt/EBITDA	0.0	0.0	0.0	0.0
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	1.5	1.4	1.4	1.4
Quick Ratio	1.0	1.0	1.0	1.0

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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