Dated: 20 Oct 2025

CIE Automotive (CIEINDIA) - REDUCE

Q3CY25 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.432	Rs.435

Rationale:

- Q3CY25: Consolidated EBITDA was 5% above our estimates.
- Higher-than-expected revenue in EU business.
- Better-than-expected profitability in Indian business.
- We expect consolidated earnings to increase by 9% CAGR over CY24-27E.
- Company has maintained its guidance for Indian business to maintain 17-18% EBITDA margins and 14.5-15% EBITDA guidance for Europe business.
- We increase our CY25-27E consolidated EPS by 2-5%.
- We expect earnings per share (EPS) growth of 17.3% in CY26E and 9.7% in CY27E.
- We value company based on 17x Dec 2027E for India business EPS and 10x Dec 2027E EPS for Europe business.

Positives:

- India business EBITDA was up 9.2% yoy and 8.5% qoq, 3.8% above our estimates.
- Europe business revenues stood was up 18% yoy.
- Europe business EBITDA grew 4% yoy and 0.7% qoq, 6% above our estimates.

Negatives:

- Muted growth trends in the automotive segment will weigh on its overall revenue growth in the coming quarters as well.
- The Europe business is likely to be muted in the near term.

(CAGR: Compound Annual Growth Rate; EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization; EU: European Union)

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

FUNDAMENTAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
Head of Research
shrikant.chouhan@kotak.com
+91 22 6218 5408

Arun Agarwal
Auto/Auto Ancillary, Building Material
Cement, Consumer Durable
arun.agarwal@kotak.com
+91 22 6218 6443

Amit Agarwal, CFA
Transportation, Paints, FMCG
agarwal.amit@kotak.com
+91 22 6218 6439

Rini Mehta
Research Associate
rini.mehta@kotak.com
+91 22 6218 6433

Sumit Pokharna
Oil and Gas, Information Tech
sumit.pokharna@kotak.com
+91 22 6218 6438

K. Kathirvelu
Support Executive
k.kathirvelu@kotak.com
+91 22 6218 6427

Pankaj Kumar
Construction, Capital Goods & Midcaps
pankajr.kumar@kotak.com
+91 22 6218 6434

Amarjeet Maurya
Internet Software & Services
amarjeet.maurya@kotak.com
+91 22 6218 6427

Veer Trivedi
BFSI
veer.trivedi@kotak.com
+91 22 6218 6432

TECHNICAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan
shrikant.chouhan@kotak.com
+91 22 6218 5408

Amol Athawale
amol.athawale@kotak.com
+91 20 6620 3350

Sayed Haider
sayed.haider@kotak.com
+91 22 62185458

DERIVATIVES RESEARCH TEAM (PRIVATE CLIENT GROUP)

Sahaj Agrawal
sahaj.agrawal@kotak.com
+91 79 66041701

Prasenjit Biswas, CMT, CFTe
prasenjit.biswas@kotak.com
+91 33 6638 8331

Karan Kulkarni
karan.kulkarni@kotak.com
+91 20 66203350

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