

## Pick of the Week

### BUY – Eureka Forbes (EUREKAFO)

CMP: ₹572 as on 4<sup>th</sup> Aug 2025

Fair Value (FV): ₹800

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Time Period: **12 months**

### Why Invest?

- EFL ticked most of the boxes in FY25: (1) product growth acceleration to high teens, (2) margin expansion and (3) healthy FCF generation.
- EFL expects the product business to continue in its mid-to-high teens growth trajectory in FY26, notwithstanding the challenging market conditions.
- Company will maintain its thrust on innovation to further reduce the total cost of ownership in water purifiers so as to accelerate penetration and improve its premium mix.
- On the service front, management expects growth to accelerate in the next 3-4 quarters.
- Management shared that the EBITDA margin will keep expanding year after year, even as it further ramps up A&P spends.
- Our fair value is based DCF (discounted cash flow) methodology.

Maintain BUY with

FV Rs-800

**Read Full Report**

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