

## Report Review -

Since the initiation of coverage on L.G. Balakrishnan & Bros Ltd. on October 28, 2024, at a recommended entry price of ₹1,265 with a price target of ₹1,925 (implying 52% upside), the stock has delivered substantial returns and has now **successfully achieved approximately 52% of the intended price** appreciation trajectory from our recommended levels, validating our original investment thesis and reinforcing the strength of our fundamental assessment.

However, following the strong rally and significant wealth creation for investors, the stock's risk-reward profile has become relatively balanced in the near term. A meaningful portion of the expected upside has already been realized, and the current valuation now reflects a substantial part of the anticipated earnings growth and business momentum. While the long-term fundamentals of the company remain structurally intact, including its positioning in EV-compatible transmission components and its strong OEM relationships, the scope for further sharp rerating appears more moderate from current levels in the near term.

Accordingly, from a portfolio management and capital preservation perspective, **we recommend partial profit booking at current levels** to lock in gains, while allowing investors to retain limited exposure to participate in the company's long-term structural growth story. This approach enables investors to crystallize returns generated from the successful execution of our investment thesis, while prudently managing downside risk amid evolving market conditions and valuation normalization.

13 Feb 2026

Profit Booking

## Company Data

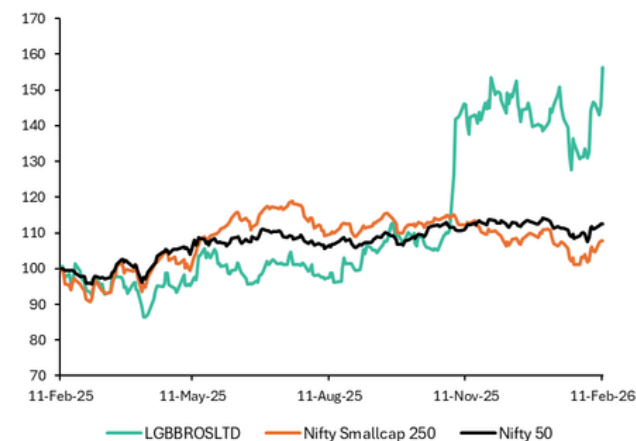
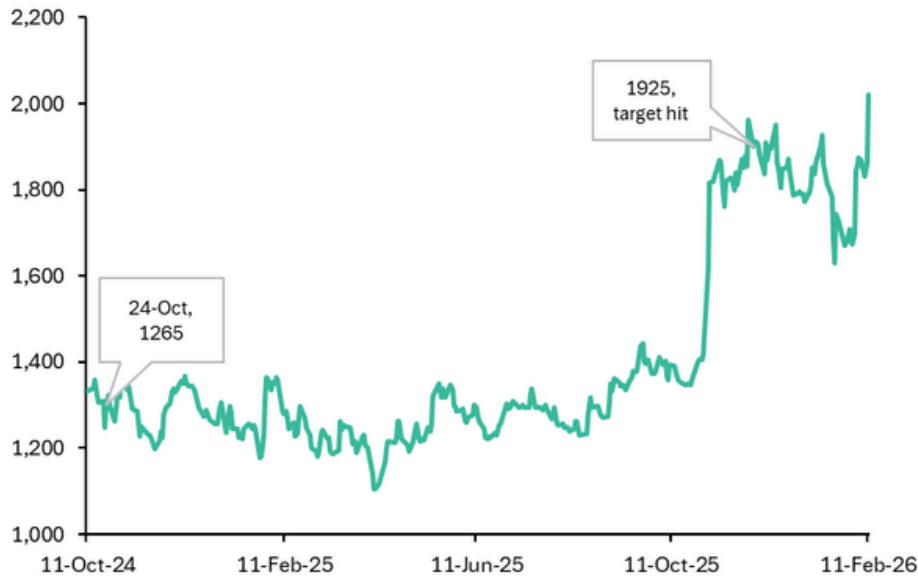
Ticker / CMP	LGBBROSLTD / Rs. 1965
Earlier Price Target   Upside %	Rs. 1925   52%
Record Price   Date	Rs. 1265   28 Oct, 2024
Market Cap	Rs. 6315 Cr
Outstanding shares	3.19 Cr
Free Float	65.18%
52w High/Low	2097/1080

## Shareholding Pattern %

	Jun-25	Sep-25	Dec-25
Promotor	34.80	34.82	34.82
Mutual Funds	13.11	13.00	12.83
DII	0.63	0.47	0.05
FII	5.97	5.85	7.00
Retail	45.49	45.86	45.30

## Key Financial Data

(Rs. Crore)	FY23	FY24	FY25	FY26E
Revenue	2203	2346	2578	2753
Operating Profit	382	395	416	481
Operating Margin%	17.35	16.83	16.13	17.48
Net Profit	252	272	302	335
Net Profit Margin%	11.45	11.57	11.71	12.17
EPS	80.25	86.44	94.73	107.08
Total Assets	1873	2237	2757	2717
ROE%	20.2	18.06	15.13	16.79



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