

# Force Motors hits 10% upper circuit on stellar performance in Q1

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Updated: 10 Aug 2023, 01:47 PM IST

## **Force Motors is a fully vertically integrated automobile company with expertise in the design, development, and manufacture of the full spectrum of automotive components, aggregates, and vehicles.**

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Following the company's robust performance for the June quarter, shares of Force Motors, the flagship company of the Abhay Firodia group, were locked in the 10% upper circuit limit at ₹3,040 apiece, hitting a new all-time high during early trade deals on Thursday.

Force Motors is a fully vertically integrated automobile company with expertise in the design, development, and manufacture of the full spectrum of automotive components, aggregates, and vehicles.

Its range of products includes light commercial vehicles (LCVs), multi-utility vehicles (MUVs), small commercial vehicles (SCVs), sports utility vehicles (SUVs), and agricultural tractors. For the April-June quarter of FY24, the company reported a consolidated profit after tax of ₹69 crore, which displays a solid turnaround from a net loss of ₹17 crore reported in the same period of last year.

The consolidated revenue from operations grew by 53.24% YoY to ₹1,488 crore in Q1FY24. The company witnessed an improvement in its operating profit, reaching 177 crore from ₹41 crore in Q1FY23, while the EBITDA margin expanded by 800 basis points YoY to 12%. Further, the company's EPS (Earnings Per Share) during the quarter improved to ₹52. At the prevailing price, the stock trades at a price-to-earnings multiple of 18.3x, which is much lower compared to the industry P/E of 35.5x.

After incurring losses in FY21 and FY22 amounting to ₹124 crore and ₹91 crore, respectively, the company turned profitable, reporting a net profit of ₹134 crore for the financial year ending March 31, 2023.

The company's shares have been on an upward journey since March 2023 lows and have gained 178% to date. Over the past three years, the shares of the company have experienced a stellar rally, soaring from ₹950 apiece to the current trading price of ₹3,040, resulting in a remarkable increase of 220%.

The promoters own 61.6% of the shares in the company, while foreign portfolio investors and domestic institutional investors each own 4.1% and 1.5%, respectively. Regular shareholders own 32.8%, Trendlyne data showed.