Classified as Internal

IPO NOTE · PREPARED FOR CLIENTS

Bonfiglioli Transmission

Power Transmission and Renewable Energy | OFS ₹2,533.66 Cr | Opens 15 Oct 2026

RECOMMENDATION – SUBSCRIBE

Angel One Equity Research Desk
14 October 2026

01 THE OFFER

PRICE BAND	ISSUE SIZE	SUBSCRIPTION	LISTING (TENTATIVE)
₹558–586	₹2,533.66 Cr	15–19 Oct 2026	23 Oct 2026
Per equity share			

STRUCTURE	POST-ISSUE P/E	POST-ISSUE MCAP	QIB / NIB / RETAIL
Entire Offer for Sale	46.32x	₹11,016.56 Cr	50 / 15 / 35%
OFS ₹2533.66 Cr		At upper price band	Allocation split

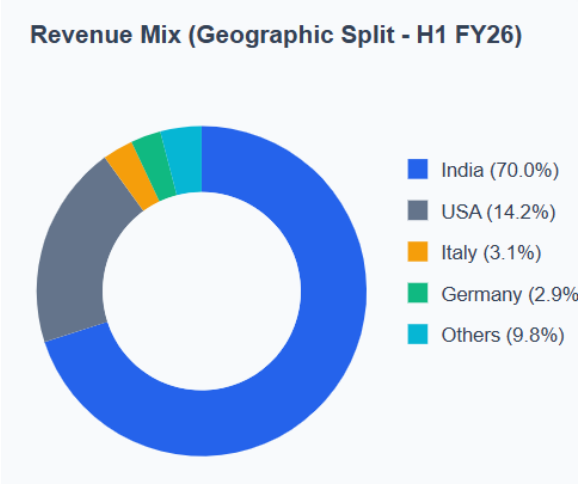
02 COMPANY SNAPSHOT

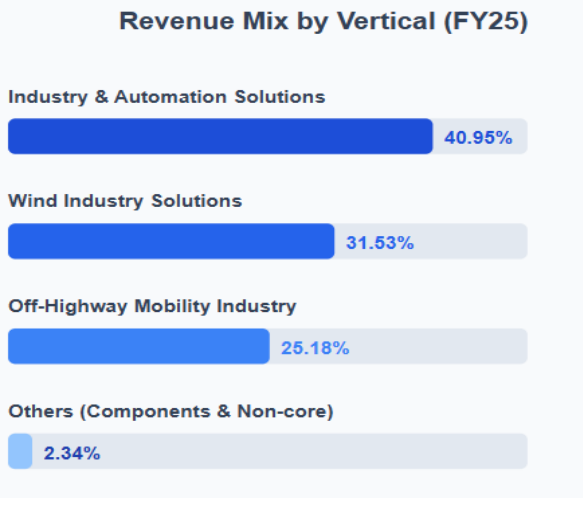
Bonfiglioli Transmissions Ltd is a technology-driven company specializing in mechanical and electro-mechanical power transmission and industrial drive solutions. The company designs and manufactures high-precision gearboxes and drive systems that serve a diverse range of industrial applications, catering to critical operational requirements across multiple sectors.

GEAR MOTORS AND GEARBOXES PRODUCED	MANUFACTURING FACILITIES	EXPORT FOOTPRINT	PAN INDIA DEALER NETWORK
341,133+	3	20+ Countries	44 Dealers
FY25	Thirumudivakkam, Mannur, Talegaon		

ACTIVE SKUs MANUFACTURED	SUPPLIERS	ROCE
8,780 SKUs	285	34.05%
H1FY26	215 In India/ 70 Oversears	FY25

03 BUSINESS MIX & MARKET LEADERSHIP





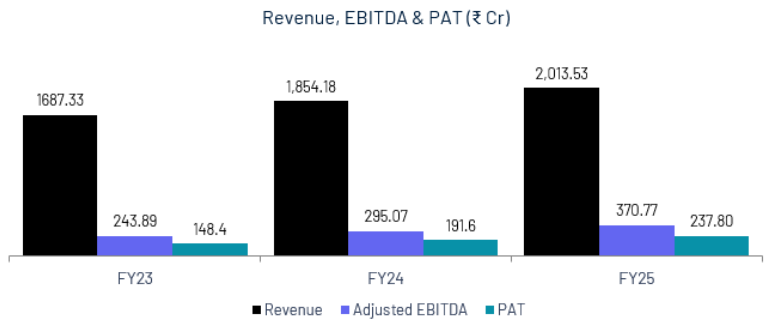
Where the revenue comes from

Bonfiglioli Transmissions generates revenue through mechanical and electro-mechanical power transmission solutions, including precision gearboxes, gearmotors, electric motors and drive systems. In H1 CY2026, Industry & Automation Solutions contributed 42.53% of revenue, followed by Off-Highway Mobility (28.31%) and Wind Industry (27.36%), with the balance from other activities. The company serves domestic and international markets through its global manufacturing and distribution network.

Objective of issue

The IPO of Bonfiglioli Transmissions Ltd. is entirely an Offer for Sale (OFS), with no fresh issue component. Consequently, the company will not receive any proceeds from the issue, as the entire amount will accrue to the existing selling shareholders.

04 FINANCIAL PERFORMANCE



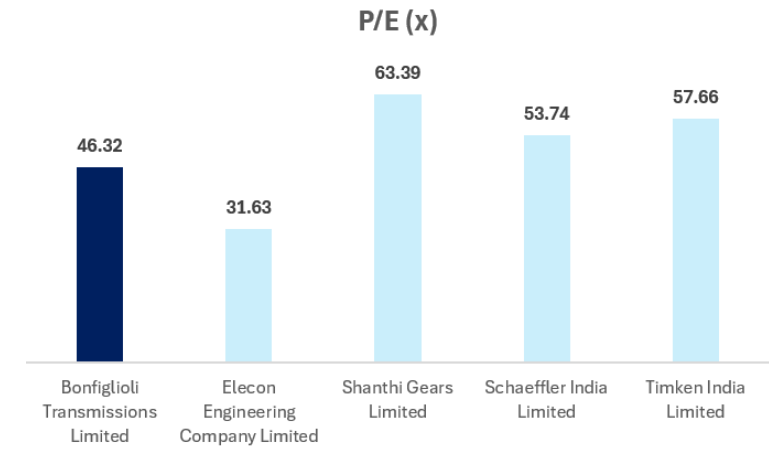
What happened

- Revenue from operations increased from ₹1,687 Cr in CY23 to ₹2,014 Cr in CY25, registering a CAGR of approximately 9.3%.
- PAT grew from ₹147 Cr in CY23 to ₹238 Cr in CY25, delivering a CAGR of approximately 27.3%.
- H1 CY26 sustained the growth momentum, with revenue reaching ₹1,132 Cr and PAT rising to ₹149 Cr, up 17.9% and 29.2% YoY, respectively.

REVENUE (First Half of 2026)	OP. EBITDA (Q1 FY27)	PAT (Q1 FY27)
₹1,131.87 Cr	**₹223.87Cr**	**₹148.58 Cr**
	Margin 19.78%	Margin 13.04%

₹ Cr	Dec 23	Dec 24	Dec 25	H1 FY26
Revenue from operations	**1,687.33**	**1,854.18**	**2,013.53**	**1,131.87**
Operating EBITDA	**243.8**	**295.07**	**370.77**	**223.87**
PAT	**148.4**	**191.60**	**237.87**	**148.58**

05 VALUATION (ONLY LISTED PEER)



Why does the discount look attractive

At the upper price band of **₹586**, Bonfiglioli Transmissions trades at a pre-issue P/E of **46.32x**, which is broadly aligned with listed industrial gear and power transmission peers. Its dominant market share in high-growth wind and off-highway mobility segments and expanding margin profile provide valuation support, though the 100% Offer for Sale (OFS) structure means zero primary capital infusion and leaves it exposed to parent royalty drains and cyclical industrial capex.

Metric	Bonfiglioli Transmissions Limited	Elecon Engineering Company Limited	Shanthi Gears Limited	Schaeffler India Limited	Timken India Limited
Total Income (Cr)	**2,024**	**2,135**	**504**	**7,855**	**3,142**
EPS (Basic)	**12.65**	**15.2**	**9.99**	**73.6**	**55.16**
NAV (per share)	**52.82**	**102.65**	**57.36**	**386.94**	**403.31**
RoNW (%)	**23.96%**	**14.81%**	**17.42%**	**19.02%**	**13.68%**
P/E (x)	**46.32x**	**31.63x**	**63.39x**	**53.74x**	**57.66x**

06 SECTOR OUTLOOK & KEY RISK

Structural tailwinds intact

Poised for long-term growth driven by structural national capex in renewables and infrastructure, where it commands dominant market shares in wind turbine drives (~68%) and off-highway mobility (~32%). Coupled with deep local manufacturing capabilities and expanding factory automation demand, these tailwinds provide strong top-line visibility and margin resiliency.

Meaningful growth headroom

It is supported by an unused operational capacity buffer of ~25% and local electric motor manufacturing that shortens delivery lead times. This operational runway positions the company to scale into emerging vectors like off-highway machinery electrification and high-margin wind repowering services.

⚠ KEY RISK

Company faces key risks from customer and supplier concentration, including heavy reliance on its Italian parent for proprietary technology licensing fees and raw material sourcing. Additionally, extended credit terms of up to 240 days create potential working capital and cash flow pressures.

07 OFFER STRUCTURE

Price Band

₹558 **₹586**

Post-issue market cap at the upper band: ₹11,016.56 Cr, across 4.3239042 Cr shares under offer.

Investor Category Allocation



QIB 2.1620 Cr · NIB 0.6486 Cr · Retail 1.5134 Cr shares

Timeline

15 Oct → **19 Oct** → **23 Oct**

Subscription opens · Subscription closes · Tentative listing

Shareholding Pattern

Category	Pre IPO	Post IPO
Promoter and Promoter Group	100.00%	77.00%
Public	-	23.00%
Total	**100%**	**100%**

08 OUR CALL

SUBSCRIBE

Bonfiglioli Transmissions' leadership in wind (~68% market share) and off-highway mobility drives (~32%), strong execution (13.1% PAT margin in H1 CY26), and localized manufacturing footprint support long-term growth visibility. While royalty payments to its parent and cyclical industrial capex remain key risks, its pre-issue P/E of 46.32x is attractive relative to Shanthi Gears (~63x) and Timken India (~58x). With RoNW of ~24% and established market leadership, the IPO offers a favorable risk-reward proposition for long-term investors.

Price band	**₹558-586**
Issue size	**₹2533.66 Cr**
Structure	**OFS**
Pre-issue P/E	**46.32x**
Listing	**23 Oct 2026**

09 DISCLOSURES — RESEARCH TEAM & CERTIFICATION

SEBI (Research Analyst) Regulations, 2014 — Registration No. INH000000164

Aamar Deo Singh	Head Research	**Hitesh Rathi**	Analyst — Tech. & Derivatives
Osho Krishan	Sr. Analyst — Tech. & Derivatives	**Bhuvan Shah**	Analyst — Tech. & Derivatives
Sneha Seth	Sr. Analyst — Tech. & Derivatives	**Vaqarjaved Khan, CFA**	Sr. Analyst — Fundamental
Sugreem Vishwakarma	Sr. Analyst — Tech. & Derivatives	**Shruti Panday**	Analyst — Fundamental
Abhishek Chauhan	Sr. Analyst — Tech. & Derivatives	**Sugesh Kollara**	Analyst — Fundamental

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Certification & contact

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