

Amber Enterprises India Accumulate

Consumer Durable | Q1FY26 Result Update

CMP: Rs.7,811 | TP: Rs 8,666 | Upside 11%

Strong quarter despite sluggish RAC industry

- AMBER exhibited revenue growth of 44% YoY in Q1, driven by robust 35/97/29% YoY growth in the Consumer Durables/ Electronics/ Railway subsystems & Mobility divisions resp. EBITDA margins fell 80bps to 7.4% mainly due to unfavorable business mix. However, mgmt. has guided for 8-9% consol EBITDA margins for FY26E.
- Backed by a healthy order book and addition of high margin accretive application, the Electronics division is expected to register a topline of USD 1bn in the next 3 years, with EBITDAM of ~11.5-12%.
- Mgmt. is confident of outpacing the CD division growth by ~10-15% in FY26. We have increased our FY26/27E EPS by 8/9% to Rs 124/172. Maintain 'Accumulate' rating with TP of Rs 8,666, valuing at 50x FY27E EPS.

Results beat estimates

Revenue surged 43.6% YoY to Rs.34.5bn. EBITDA margin contracted 80bps to 7.4% as 210bps increase in RM costs was partially offset by 60/70bps decrease in staff/other costs resp. EBITDA stood at Rs. 2,567mn, an increase of 30.9% YoY. PAT came in at Rs 1,039mn up 43.6% YoY.

Addition of high-margin products to boost Electronics margins

Electronics revenue grew 97% YoY to Rs 7.7bn in Q1. EBIT margins contracted 130bps YoY to 6.4%. Under the ECMS scheme, Amber has filed two applications for 1) Multilayer PCBs through Ascent Circuits and 2) HDI PCBs through Korea Circuit JV. It is targeting a combined TAM of ~\$22-25 bn across PCBA, PCB, industrial automation (HMI, PLCs, drives), and energy storage systems. With a healthy order book and addition of high margin accretive applications (through recent tie-up with Power-One Micro Systems and Unitronics in the industrial application space), mgmt. reiterated guidance of 10% margins in FY27. It also aims for USD1bn revenue in the next three years with an EBITDA margin of 11.5-12%.

Strong RAC business drives Consumer Durable performance

CD segment revenue was up 35.3% YoY to Rs 26.3bn. Despite muted RAC demand owing to unseasonal rains, RAC business surged 40%, while non-RAC components grew 10-15% YoY in Q1. Growth was driven by diversified product offering, an increase in wallet share in some customers, expanding component business, conversion of gas charging customers into full ODM customers and strong traction in the commercial AC vertical. Consequently, Amber is expected to outpace the industry growth by ~10-12% in FY26. EBIT margins fell by 30bps YoY to 7.5%, which can be attributed to unfavourable product mix and is expected to remain in ~7-8% range.

Key Data

| | |
|------------------|------------------|
| Nifty | 24,821 |
| Equity / FV | Rs 338mn / Rs 10 |
| Market Cap | Rs 264bn |
| | USD 3.0bn |
| 52-Week High/Low | Rs 8,177/ 3,964 |
| Avg. Volume (no) | 3,65,191 |
| Bloom Code | AMBER IN |

| | Current | Previous |
|--------------|------------|------------|
| Rating | Accumulate | Accumulate |
| Target Price | 8,666 | 7,350 |

Change in Estimates

| (Rs.bn) | Current | | Chg (%)/bps | |
|------------|---------|-------|-------------|-------|
| | FY26E | FY27E | FY26E | FY27E |
| Revenue | 122 | 145 | 3.2 | 4.8 |
| EBITDA | 10 | 12 | 2.7 | 5.9 |
| EBITDA (%) | 7.9 | 8.3 | (4) | 9 |
| APAT | 4 | 6 | 7.5 | 8.9 |
| EPS (Rs) | 123.8 | 172.2 | 7.5 | 8.9 |

Valuation (x)

| | FY25P | FY26E | FY27E |
|-----------|-------|-------|-------|
| P/E | 108.5 | 63.1 | 45.4 |
| EV/EBITDA | 36.0 | 28.7 | 22.9 |
| ROE (%) | 11.2 | 16.8 | 19.6 |
| RoACE (%) | 12.1 | 13.8 | 15.4 |

Q1FY26 Result (Rs Mn)

| Particulars | Q1FY26 | YoY (%) | QoQ |
|---------------|--------|---------|--------|
| Revenue | 34,491 | 43.6 | (8.1) |
| Total Expense | 31,924 | 44.8 | (7.7) |
| EBITDA | 2,567 | 30.9 | (12.9) |
| Depreciation | 618 | 12.5 | 6.6 |
| EBIT | 1,949 | 38.0 | (17.7) |
| Other Income | 297 | 43.5 | 55.4 |
| Interest | 634 | 22.2 | 16.1 |
| EBT | 1,612 | 46.5 | (19.9) |
| Tax | 484 | 62.5 | (31.1) |
| RPAT | 1,039 | 43.6 | (10.5) |
| APAT | 1,060 | 41.8 | (10.5) |
| | | (bps) | (bps) |
| Gross Margin | 15.7 | (205) | (87) |
| EBITDA (%) | 7.4 | (80) | (41) |
| NPM (%) | 3.0 | 0 | (8) |
| Tax Rate (%) | 30.0 | 295 | (486) |
| EBIT (%) | 5.7 | (23) | (66) |

AVP Research: Nikhat Koor
+91 22 40969764
nikhatk@dolatcapital.com

Associate: Saarang Shetty
+91 22 40969775
saarangas@dolatcapital.com

Railway sub-systems & defense division to gain traction FY27E onwards

Railway sub-systems and mobility segment revenue grew 29.3% to Rs 1.3bn in Q1 on a favourable base. EBIT margins contracted 380bps to 17.9% in Q1 on account of a higher contribution of relatively lower margin metro business. Product trials of couplers, gears and pantographs under Yujin JV are expected to begin by Sep'25. SIDWAL's greenfield facility will commence operations by Q4FY26. Special cooling products for missile launchers and other defense applications are gaining traction and are expected to contribute meaningfully in the coming years. Mgmt. maintains its guidance of double revenue in the next two years, supported by a robust order book (~Rs 20bn) and a strategic expansion of its product portfolio.

Exhibit 1: Actual vs Estimates Q1FY26

| Particulars (Rs mn) | Actual | Dolat Est | Variance% | Comments |
|---------------------|--------|-----------|-----------|--|
| Sales | 34,491 | 27,610 | 24.9 | Growth in Consumer Durable and Electronics division exceeded our estimate |
| EBITDA | 2,567 | 2,151 | 19.4 | |
| EBITDA margin % | 7.4 | 7.8 | (40 bps) | RM cost exceeded our estimate |
| PAT | 1,039 | 917 | 13.3 | Cascading effect of higher EBITDA, partially offset by higher than expected depreciation & interest cost |

Source: Company, Dolat Capital (PAT is including minority interest)

Exhibit 2: Changes in Estimates

| Particulars (Rs mn) | FY26E | | | FY27E | | |
|---------------------|----------|----------|----------|----------|----------|----------|
| | New | Old | Chg. (%) | New | Old | Chg. (%) |
| Sales | 1,22,143 | 1,18,343 | 3.2 | 1,44,841 | 1,38,222 | 4.8 |
| EBITDA | 9,624 | 9,375 | 2.7 | 12,066 | 11,394 | 5.9 |
| EBITDA margins % | 7.9 | 7.9 | 0 bps | 8.3 | 8.2 | 10 bps |
| PAT | 4,188 | 3,894 | 7.5 | 5,824 | 5,347 | 8.9 |
| EPS (Rs) | 123.8 | 115.1 | 7.5 | 172.2 | 158.1 | 8.9 |

Source: Company, Dolat Capital

We build in Revenue/EBITDA/PAT CAGR of 20/26/44% over FY25-27E. To factor in Q1FY26 performance and strong management commentary for the Electronics division, we have increased our revenue estimates for FY26/27E. We have slightly increased our EBITDA margin estimates for FY27E due to an improvement in the Electronics and Mobility business, which will fetch higher margins. Due to higher capex allocation towards the Component scheme and Ascent circuits, we have increased depreciation and interest expenses for FY26/27E. Accordingly, we have revised our PAT estimates. We have raised our target multiple to 50x (46x earlier) due to superlative performance in Q1 and strong business outlook.

Exhibit 3: Segmental Performance

| Revenue (Rs mn) | Q1FY26 | Q1FY25 | YoY(%) | Q4FY25 | QoQ(%) |
|-----------------------------|---------------|---------------|-------------|---------------|---------------|
| Consumer Durables | 25,600 | 19,181 | 33.5 | 27,870 | (8.1) |
| Electronics | 7,660 | 3,882 | 97.3 | 8,420 | (9.0) |
| Railway Subsystem & Defense | 1,230 | 950 | 29.5 | 1,250 | (1.6) |
| Total | 34,490 | 24,013 | 43.6 | 37,540 | (8.1) |
| EBIT | | | | | |
| Consumer Durables | 1,920 | 1,500 | 28.0 | 2,340 | (17.9) |
| Electronics | 490 | 300 | 63.3 | 500 | (2.0) |
| Railway Subsystem & Defense | 220 | 206 | 7.0 | 300 | (26.7) |
| Total | 2,630 | 2,006 | 31.1 | 3,140 | (16.2) |
| EBIT Margin (%) | | | bps | | bps |
| Consumer Durables | 7.5 | 7.8 | (32) | 8.4 | (90) |
| Electronics | 6.4 | 7.7 | (133) | 5.9 | 46 |
| Railway Subsystem & Defense | 17.9 | 21.7 | (377) | 24.0 | (611) |

Source: Company, Dolat Capital

Exhibit 4: Q1FY26 Financial Performance

| Particulars (Rs mn) | Q1FY26 | Q1FY25 | YoY(%) | Q4FY25 | QoQ(%) |
|--------------------------------|---------------|---------------|-------------|---------------|---------------|
| Net Revenue | 34,491 | 24,013 | 43.6 | 37,537 | (8.1) |
| Total Raw Material Cost | 29,072 | 19,747 | 47.2 | 31,312 | (7.2) |
| Staff Expenditure | 898 | 764 | 17.5 | 923 | (2.7) |
| Other Expenses | 1,954 | 1,540 | 26.9 | 2,354 | (17.0) |
| EBITDA | 2,567 | 1,962 | 30.9 | 2,948 | (12.9) |
| Depreciation | 618 | 549 | 12.5 | 580 | 6.6 |
| EBIT | 1,949 | 1,412 | 38.0 | 2,368 | (17.7) |
| Other Income | 297 | 207 | 43.5 | 191 | 55.4 |
| Interest | 634 | 518 | 22.2 | 546 | 16.1 |
| PBT | 1,612 | 1,101 | 46.5 | 2,013 | (19.9) |
| Tax | 484 | 298 | 62.5 | 702 | (31.1) |
| Share of JV & MI | 90 | 80 | 12.6 | 151 | (40.4) |
| Net Profit | 1,039 | 723 | 43.6 | 1,160 | (10.5) |
| Reported EPS (Rs) | 31 | 21 | 43.6 | 34 | (10.5) |

| | | | | | |
|---------------------------------|------|------|------------|------|------------|
| Op. Cost as a % of Sales | | | bps | | bps |
| Raw Material Cost | 84.3 | 82.2 | 205 | 83.4 | 87 |
| Staff Cost | 2.6 | 3.2 | (58) | 2.5 | 14 |
| Other Expenses | 5.7 | 6.4 | (75) | 6.3 | (61) |
| Tax Rate | 30.0 | 27.0 | 295 | 34.9 | (486) |

| | | | | | |
|--------------------|------|------|------------|------|------------|
| Margins (%) | | | bps | | bps |
| GM | 15.7 | 17.8 | (205) | 16.6 | (87) |
| EBITDA | 7.4 | 8.2 | (80) | 7.9 | (41) |
| EBIT | 5.7 | 5.9 | (23) | 6.3 | (66) |
| PBT | 4.7 | 4.6 | 9 | 5.4 | (69) |
| NPM | 3.0 | 3.0 | (0) | 3.1 | (8) |

Source: Company, Dolat Capital

Earnings Call KTAs

Guidance / Outlook

- Consolidated EBITDA margins are expected to be ~8-9% in FY26.
- Maintained guidance of ~10-15% growth over RAC industry in the consumer durables division; driven by strong product portfolio, deepening relationships and expansion in components biz.
- Revenue contribution from consumer durables division (~73% in FY25) is expected to decline to ~45% in FY26 and further to <25% in the next three years.
- Electronics division to see ~10% operating margins in FY27 led by growth and strategic pricing.
- Electronics division to post topline of USD 1bn in the next 3 years, with EBITDAM of ~11.5-12%.
- Railway Sub-Systems & defence biz revenues to double in the next 2 years.
- Aims to be Net debt-free by the end of FY27.

Consumer Durables Division

- Robust division performance despite the challenging season for the RAC industry.
- Optimistic of outperforming the RAC industry by ~10-12% in FY26, supported by a strong portfolio of finished goods and components to a diversified customer base.
- Light Commercial AC vertical strengthened; onboarded an MNC customer during the quarter. Biz grown >40% led by diverse offerings.
- Entered strategic cooperation agreement with GMCC, ensuring compressor supplies for 3 years. GMCC is expanding its capacity for Amber with operations expected to commence by Nov'25. No compressor shortages are expected during this time.
- QCO on washing machine to be implemented in October'25; reconsidering entry into segment given the capex requirement
- Standard RAC inventory in the channels is ~1.4–1.5 mn units; current levels are elevated at ~2–3 mn due to an adverse season.
- Upcoming Q2 and Q3 are seasonally weak (Q1 and Q4 contribute ~65% of annual sales), however, full-year performance will hinge on festive season demand.
- Product margins in the business vary from 6% to 10%. Consumer durable margins to remain in 7- 8% range.
- Growth in Q1FY26: i) RAC & RAC components +40%, ii) Non-RAC components +10%, iii) Motors and injection moulding +10-15%

Electronics Division

- Q1FY26 revenue contribution of PCB-A was 87% and Bare PCB was 13%.
- Imposition of anti-dumping duty on PCBs (up to 6 layers), enabling inroads into consumer electronics, IT, auto-EV, aerospace, defence, industrial and other sectors.
- Strategically building the margin accretive industrial application portfolio through Power-One and Unitronics.
- Automotive segment has started gaining traction, telecom and smart meters is progressing well.

- Emerging as a full-stack provider. Division has expanded capabilities to include a complete box build for industrial applications (power electronics and automation market).
- Amber caters to ~18-20% of India's PCB requirement.
- The division is expected to achieve ~10% operating margins in FY27 led by growth and strategic pricing.
- The division to post topline of USD 1bn in the next 3 years, with EBITDAM of ~11.5-12%.

Total Addressable Market in the Electronics Industry:

- RAC manufacturing: ~\$5 bn.
- PCB: ~\$4 bn & PCBA: ~\$12–15 bn, within India's \$135 bn electronics consumption.
- UPS, inverter, and battery storage (Power One Biz): ~\$4.75 bn
- VFD drives, HMIs, and PLCs (Unitronics Biz): ~\$6.5 bn.
- The company is now targeting a combined TAM of ~\$22–25 bn across PCBA, PCB, industrial automation (HMI, PLCs, drives), and energy storage systems. This TAM is expected to double over the next 3–4 years nearly.
- It aims to scale to Rs 20-25bn in PCB revenues and an additional Rs 13-14bn from the industrial portfolio by then, backed by a strong customer base.

Margin Profile in Electronics Industry:

- Margins in the industry vary with end-user industry, 1) Defense and industrials: 15–20% margins with high entry barriers and sticky customer base, though working capital is stretched.
- Industrials include power electronics (UPS, BESS), HMI/PLCs, automation, smart meters, and railway signalling.
- Medical segment offers 12–14% margins; auto ranges from 7-9% based on segment, with EVs offering better margins.
- Consumer durables remain lowest margin at ~4-4.5%.

1. Ascent Facility:

- Filed application under ECMS for multi-layer PCBs through Ascent Circuits for ~Rs 9.9bn over the MeitY scheme tenure through Ascent Circuits
- Investment of Rs 6.5bn in Phase-1 for new facility at Hosur. Commercial Production starts by Q4FY26/Q1FY27. Of this, Rs 3.5-4bn will be incurred in FY26. The remaining portion thereafter.
- Margins in multi-level PCB in the range of ~15-20%.

2. Korea Circuit:

- Filed application under ECMS for HDI PCBs through Korea Circuit JV for ~Rs 32bn over the MeitY scheme tenure through Korea Circuits. Approvals expected by Oct-Nov'25. Q1FY28 operationalisation expected.
- In phase 1, investment will be Rs 12bn. Topline of Rs 7-8bn expected from the first year of operations.
- Asset turns out to be ~0.75-1x. Since an offtake agreement has already been signed, asset turns in the 1st onwards will be 0.75x. Working capital cycle is 60-70 days.

- HDI margins, depending on end user industry application, range between ~15-30%; higher in defence and lower in IT and telecom.

3. Power- One Micro Systems:

- The ILJIN signed definitive agreements to acquire a majority stake in Power One by June'25. Transaction closure is expected in Aug'25.
- Customers include marquee public sector clients and leading private sector enterprises backed by strong after-sales support in products like Solar inverters, UPS systems, EV chargers and battery energy systems
- The acquisition will enable 1) Expansion into high-potential and rapidly growing sectors, 2) Accelerated growth by leveraging the group's strength, and 3) Backward integration, leveraging decades-old electronic manufacturing experience.
- Amber is a debt-free company and has clocked an EBITDA margin of 17% to 18% on the revenue base of ~ Rs 2.45bn in FY25 and is expected to register revenue of Rs 3.25 bn in FY26. Growth in the biz to be >40% in the coming years.
- The company will pay Rs 2.62bn plus a deferred consideration based on FY26 numbers.
- Biz is cleared to participate in government tenders. Will continue to grow in the ~40% range.
- Given the multi-billion-dollar TAM in this sector, it is a highly scalable business.

4. Unitronics

- ILJIN enters into definitive agreements to take a controlling stake in Unitronics in July'25.
- ILJIN to hold 40.24% controlling stake for a consideration of Rs 4.03bn. Transaction to be closed in ~60 days.
- In FY24, Unitronics posted revenue of USD 57mn with EBITDA margins of ~30%. RoCE in the biz at ~60%. ~55% of revenues contributed by US markets and ~40% from EU markets.
- The acquisition will enable, 1) Expansion of Electronic Division portfolio into industrial applications, 2) Access to global markets like the US and Europe, 3) Geographic market expansion of Unitronics into India and 4) Backward integration of PCB-A and Bare PCB, leveraging capabilities of the Electronic Division.
- Revenue to be muted in FY26, margins to be maintained, due to geopolitical tensions in the region. Tangible growth in the business is expected in ~6 quarters.

Railway Sub Systems & Defence Division

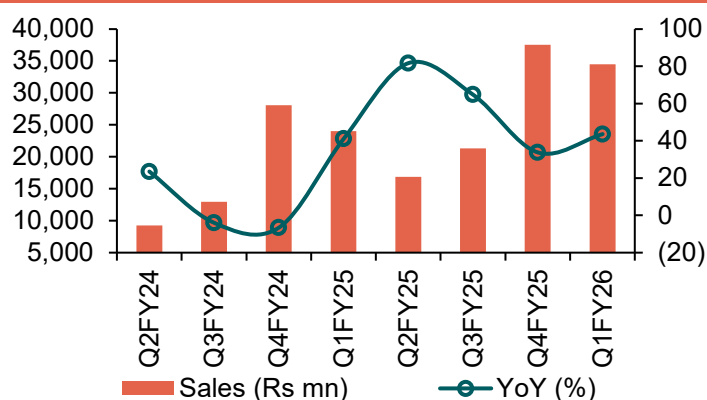
- Growth in Q1 driven by Metro biz. Executed the Gangway order of 26 train sets.
- Defence projects are gaining robust traction. Data centre products are also gaining traction.
- Order book stands at Rs 20bn.
- Wallet share further enhanced by the addition of brakes into Yujin Machinery JV product line-up.
- Sidwal greenfield is expected to operationalise by Q4FY26.
- New facility under Yujin JV to commence product trials by Sep'25

- Optimistic of doubling the division's revenue over the next two financial years
- Higher contribution of metro revenues impacted margins in the quarter, full year guidance maintained. Defence, AMC & railways have higher margins versus the rest of the business (metro & bus air conditioning). Higher contribution of high margin biz to enable divisional margin in the range of ~20%.

Other Highlights

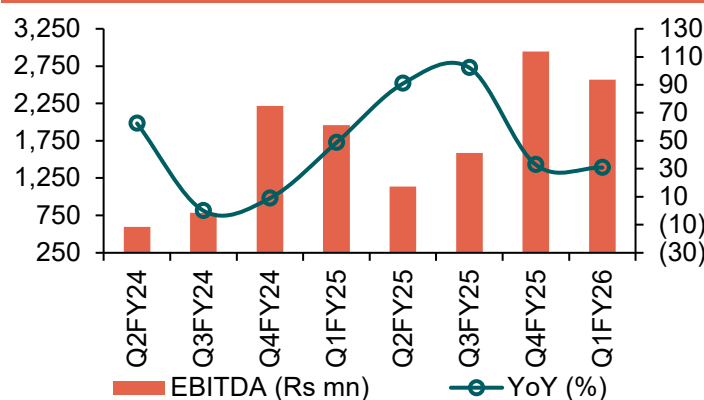
- Continuing with the old tax regime (~35%) in the main entity to utilize available MAT credit and additional depreciation benefits. Taxes are calculated based on actual net cash outflow. Will shift to the new regime once existing benefits are exhausted.
- Funding plans include Rs 25bn QIP (approval awaited) and private equity route.

Exhibit 5: Revenue and YoY growth (%)



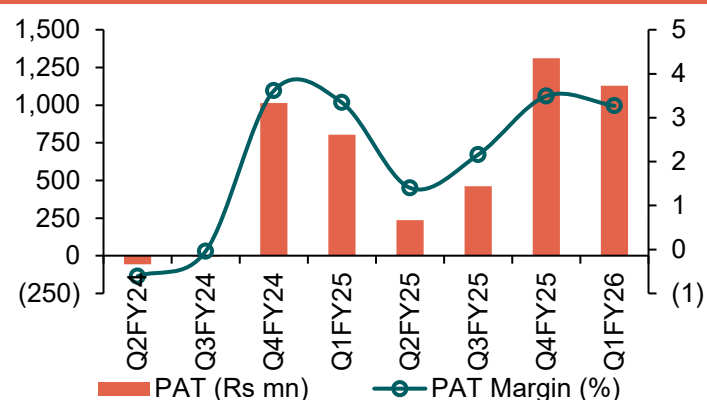
Source: Company, Dolat Capital

Exhibit 6: EBITDA and YoY Growth (%)



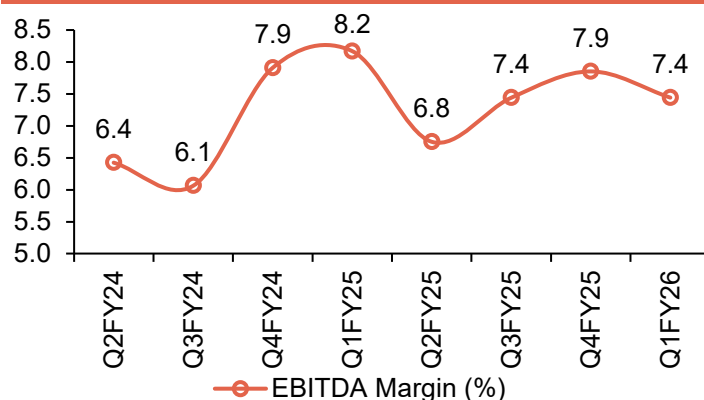
Source: Company, Dolat Capital

Exhibit 7: PAT and PAT Margin (%)



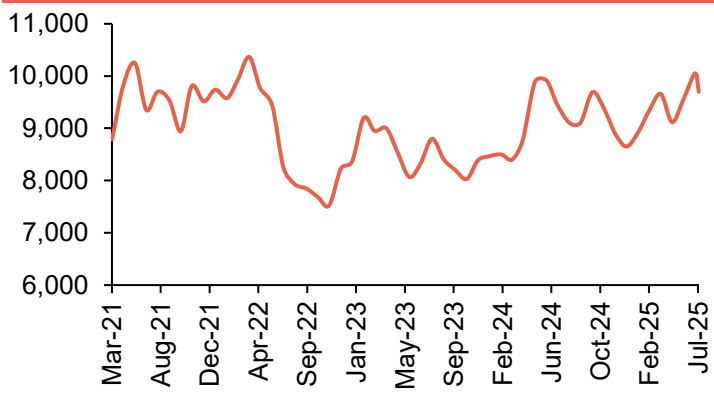
Source: Company, Dolat Capital

Exhibit 8: EBITDA Margin (%)



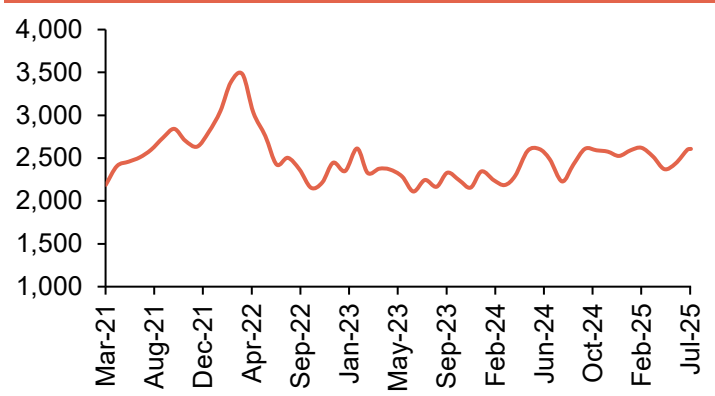
Source: Company, Dolat Capital

Exhibit 9: Trend in Copper Prices (US\$/MT)



Source: Bloomberg, Dolat Capital

Exhibit 10: Trend in Aluminum Prices (US\$/MT)



Source: Bloomberg, Dolat Capital

Financial Performance

Profit and Loss Account

| (Rs Mn) | FY24A | FY25A | FY26E | FY27E |
|---------------------------------|---------------|---------------|-----------------|-----------------|
| Revenue | 67,293 | 99,730 | 1,22,143 | 1,44,841 |
| Total Expense | 62,374 | 92,096 | 1,12,519 | 1,32,776 |
| COGS | 55,000 | 81,856 | 1,00,646 | 1,18,915 |
| Employees Cost | 2,572 | 3,246 | 4,336 | 4,925 |
| Other expenses | 4,802 | 6,995 | 7,537 | 8,936 |
| EBIDTA | 4,919 | 7,634 | 9,624 | 12,066 |
| Depreciation | 1,865 | 2,283 | 2,444 | 2,826 |
| EBIT | 3,053 | 5,351 | 7,180 | 9,240 |
| Interest | 1,670 | 2,087 | 2,270 | 2,256 |
| Other Income | 553 | 736 | 956 | 1,071 |
| Exc. / E.O. items | 0 | 0 | 0 | 0 |
| EBT | 1,937 | 3,999 | 5,867 | 8,055 |
| Tax | 519 | 1,188 | 1,679 | 2,231 |
| Minority Interest | 66 | 76 | 90 | 99 |
| Profit/Loss share of associates | (23) | (300) | (250) | (150) |
| RPAT | 1,329 | 2,436 | 4,188 | 5,824 |
| Adjustments | 0 | 0 | 0 | 0 |
| APAT | 1,329 | 2,436 | 4,188 | 5,824 |

Balance Sheet

| (Rs Mn) | FY24A | FY25A | FY26E | FY27E |
|-------------------------------|---------------|---------------|---------------|---------------|
| Sources of Funds | | | | |
| Equity Capital | 337 | 338 | 338 | 338 |
| Minority Interest | 518 | 245 | 335 | 434 |
| Reserves & Surplus | 20,307 | 22,520 | 26,687 | 32,141 |
| Net Worth | 20,644 | 22,858 | 27,025 | 32,479 |
| Total Debt | 14,332 | 19,400 | 20,070 | 20,953 |
| Net Deferred Tax Liability | 1,348 | 1,749 | 1,749 | 1,749 |
| Total Capital Employed | 36,841 | 44,252 | 49,180 | 55,615 |

Applications of Funds

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Net Block | 29,496 | 31,658 | 37,414 | 41,088 |
| CWIP | 243 | 1,151 | 1,151 | 1,151 |
| Investments | 1,108 | 1,187 | 1,187 | 1,187 |
| Current Assets, Loans & Advances | 35,049 | 50,268 | 49,608 | 58,352 |
| Current Investments | 1,064 | 1,170 | 1,170 | 1,170 |
| Inventories | 8,408 | 16,551 | 16,397 | 18,254 |
| Receivables | 15,693 | 17,501 | 19,744 | 23,810 |
| Cash and Bank Balances | 6,913 | 7,268 | 6,788 | 7,693 |
| Loans and Advances | 49 | 356 | 155 | 184 |
| Other Current Assets | 2,923 | 7,424 | 5,374 | 7,242 |
| Less: Current Liabilities & Provisions | 29,055 | 40,012 | 40,181 | 46,163 |
| Payables | 21,671 | 31,703 | 32,460 | 37,302 |
| Other Current Liabilities | 7,385 | 8,309 | 7,721 | 8,862 |
| <i>sub total</i> | | | | |
| Net Current Assets | 5,994 | 10,256 | 9,428 | 12,189 |
| Total Assets | 36,841 | 44,252 | 49,180 | 55,615 |

E – Estimates

Important Ratios

| Particulars | FY24A | FY25A | FY26E | FY27E |
|---|----------|----------|----------|----------|
| (A) Margins (%) | | | | |
| Gross Profit Margin | 18.3 | 17.9 | 17.6 | 17.9 |
| EBIDTA Margin | 7.3 | 7.7 | 7.9 | 8.3 |
| EBIT Margin | 4.5 | 5.4 | 5.9 | 6.4 |
| Tax rate | 26.8 | 29.7 | 28.6 | 27.7 |
| Net Profit Margin | 2.0 | 2.4 | 3.4 | 4.0 |
| (B) As Percentage of Net Sales (%) | | | | |
| COGS | 81.7 | 82.1 | 82.4 | 82.1 |
| Employee | 3.8 | 3.3 | 3.6 | 3.4 |
| Other | 7.1 | 7.0 | 6.2 | 6.2 |
| (C) Measure of Financial Status | | | | |
| Gross Debt / Equity | 0.7 | 0.8 | 0.7 | 0.6 |
| Interest Coverage | 1.8 | 2.6 | 3.2 | 4.1 |
| Inventory days | 46 | 61 | 49 | 46 |
| Debtors days | 85 | 64 | 59 | 60 |
| Average Cost of Debt | 12.0 | 12.4 | 11.5 | 11.0 |
| Payable days | 118 | 116 | 97 | 94 |
| Working Capital days | 13 | 9 | 11 | 12 |
| FA T/O | 2.3 | 3.2 | 3.3 | 3.5 |
| (D) Measures of Investment | | | | |
| AEPS (Rs) | 39.3 | 72.0 | 123.8 | 172.2 |
| CEPS (Rs) | 94.4 | 139.5 | 196.1 | 255.7 |
| DPS (Rs) | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividend Payout (%) | 0.0 | 0.0 | 0.0 | 0.0 |
| BVPS (Rs) | 612.7 | 675.8 | 799.0 | 960.2 |
| RoANW (%) | 6.7 | 11.2 | 16.8 | 19.6 |
| RoACE (%) | 8.7 | 12.1 | 13.8 | 15.4 |
| RoAIC (%) | 10.5 | 16.0 | 18.1 | 20.5 |
| (E) Valuation Ratios | | | | |
| CMP (Rs) | 7811 | 7811 | 7811 | 7811 |
| Mcap (Rs Mn) | 2,64,178 | 2,64,178 | 2,64,178 | 2,64,178 |
| EV | 2,70,534 | 2,75,141 | 2,76,311 | 2,76,269 |
| MCap/ Sales | 3.9 | 2.6 | 2.2 | 1.8 |
| EV/Sales | 4.0 | 2.8 | 2.3 | 1.9 |
| P/E | 198.8 | 108.5 | 63.1 | 45.4 |
| EV/EBITDA | 55.0 | 36.0 | 28.7 | 22.9 |
| P/BV | 12.7 | 11.6 | 9.8 | 8.1 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.0 |
| (F) Growth Rate (%) | | | | |
| Revenue | (2.9) | 48.2 | 22.5 | 18.6 |
| EBITDA | 17.7 | 55.2 | 26.1 | 25.4 |
| EBIT | 9.5 | 75.3 | 34.2 | 28.7 |
| PBT | (11.8) | 106.5 | 46.7 | 37.3 |
| APAT | (15.5) | 83.3 | 72.0 | 39.1 |
| EPS | (15.5) | 83.3 | 72.0 | 39.1 |

E – Estimates

Cash Flow

| Particulars | FY24A | FY25A | FY26E | FY27E |
|--|----------------|-----------------|----------------|----------------|
| Profit before tax | 3,053 | 5,351 | 7,180 | 9,240 |
| Depreciation & w.o. | 1,865 | 2,283 | 2,444 | 2,826 |
| Net Interest Exp | 553 | 736 | 956 | 1,071 |
| Direct taxes paid | (461) | (710) | (1,679) | (2,231) |
| Change in Working Capital | 5,030 | 301 | 329 | (1,837) |
| Non Cash | (400) | (848) | 0 | 0 |
| (A) CF from Operating Activities | 9,641 | 7,112 | 9,320 | 8,798 |
| Capex {(Inc.)/ Dec. in Fixed Assets n WIP} | (3,977) | (5,556) | (8,200) | (6,500) |
| Free Cash Flow | 5,664 | 1,556 | 1,120 | 2,298 |
| (Inc.)/ Dec. in Investments | (3,062) | (1,019) | 0 | 0 |
| Other | (204) | (3,516) | 0 | 0 |
| (B) CF from Investing Activities | (7,243) | (10,091) | (8,200) | (6,500) |
| Issue of Equity/ Preference | 0 | 353 | 0 | 0 |
| Inc./(Dec.) in Debt | 590 | 5,067 | 670 | 882 |
| Interest exp net | (1,670) | (2,087) | (2,270) | (2,256) |
| Dividend Paid (Incl. Tax) | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| (C) CF from Financing | (1,080) | 3,333 | (1,599) | (1,374) |
| Net Change in Cash | 1,318 | 355 | (479) | 925 |
| Opening Cash balances | 5,594 | 6,913 | 7,268 | 6,768 |
| Closing Cash balances | 6,913 | 7,268 | 6,788 | 7,693 |

E – Estimates

Notes

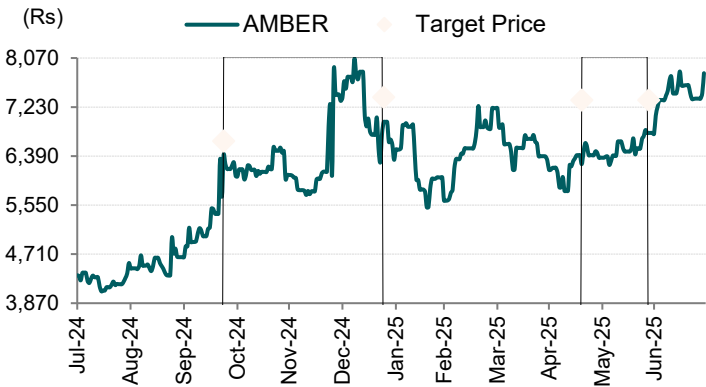
Stock Info and Rating History

Price Performance

| Particulars | 1M | 3M | 12M |
|------------------|----|----|-----|
| Absolute (%) | 15 | 27 | 80 |
| Rel to NIFTY (%) | 18 | 25 | 80 |

Shareholding Pattern

| Particulars | Dec'24 | Mar'25 | Jun'25 |
|-----------------|--------|--------|--------|
| Promoters | 39.7 | 39.7 | 39.7 |
| MF/Banks/FIs | 19.1 | 19.4 | 17.8 |
| FIIIs | 28.6 | 27.1 | 28.6 |
| Public / Others | 12.6 | 13.8 | 14.0 |



| Month | Rating | TP (Rs.) | Price (Rs.) |
|--------|------------|----------|-------------|
| Oct-24 | Accumulate | 6,650 | 6,408 |
| Jan-25 | Accumulate | 7,400 | 6,974 |
| May-25 | Accumulate | 7,350 | 6,252 |
| Jun-25 | Accumulate | 7,350 | 6,787 |

*Price as on recommendation date

Notes

Dolat Rating Matrix

Total Return Expectation (12 Months)

| | |
|-------------------|------------------|
| Buy | > 20% |
| Accumulate | 10 to 20% |
| Reduce | 0 to 10% |
| Sell | < 0% |

Dolat Team

| | | | |
|--------------------------|--------------------------|--------------------------------|------------------------|
| Purvag Shah | Managing Director | purvag@dolatcapital.com | +9122 4096 9747 |
| Amit Khurana, CFA | Head of Equities | amit@dolatcapital.com | +9122 4096 9745 |

CONTACT DETAILS

| Equity Sales | Designation | E-mail | Direct Lines |
|-----------------------|--|------------------------------|---------------------|
| Dinesh Bajaj | Director - Equity Sales | dineshb@dolatcapital.com | +9122 4096 9709 |
| Kapil Yadav | Director - Equity Sales & Corporate Access | kapil@dolatcapital.com | +9122 4096 9735 |
| Jubbin Shah | Director - Equity Sales | jubbins@dolatcapital.com | +9122 4096 9779 |
| Pratik Shroff | AVP - Equity Sales | pratiks@dolatcapital.com | +9122 4096 9621 |
| Rajeev Lala | AVP - Equity Sales | rajeevl@dolatcapital.com | +9122 4096 9767 |
| Equity Trading | Designation | E-mail | |
| P. Sridhar | Director and Head of Sales Trading | sridhar@dolatcapital.com | +9122 4096 9728 |
| Chandrakant Ware | Director - Sales Trading | chandrakant@dolatcapital.com | +9122 4096 9707 |
| Shirish Thakkar | Director - Sales Trading | shirisht@dolatcapital.com | +9122 4096 9702 |
| Kartik Mehta | Director - Sales Trading | kartikm@dolatcapital.com | +9122 4096 9715 |
| Bhavin Mehta | Director Research - Derivatives Strategist | bhavinm@dolatcapital.com | +9122 4096 9705 |

Analyst(s) Certification

The research analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)

II. Disclaimer:

This research report has been prepared by Dolat Capital Market Private Limited, to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies) solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of Dolat Capital Market Private Limited. This report has been prepared independent of the companies covered herein. Dolat Capital Market Private Limited, and its affiliated companies are part of a multi-service, integrated investment banking, brokerage and financing group. Dolat Capital Market Private Limited, and/or its affiliated company(ies) might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, financing or any other advisory services to the company(ies) covered herein. Dolat Capital Market Private Limited, and/or its affiliated company(ies) might have received or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services. Research analysts and sales persons of Dolat Capital Market Private Limited, may provide important inputs to its affiliated company(ies) associated with it. While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and Dolat Capital Market Private Limited, does not warrant its accuracy or completeness. Dolat Capital Market Private Limited, may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and Dolat Capital Market Private Limited, reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. Dolat Capital Market Private Limited, and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions. This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Dolat Capital Market Private Limited, and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

For U.S. persons only: This research report is a product of Dolat Capital Market Private Limited, under Marco Polo Securities 15a-6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

Research reports are intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Dolat Capital Market Private Limited has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be affected through Marco Polo or another U.S. registered broker dealer.



Dolat Capital Market Private Limited.

Corporate Identity Number: U65990GJ993PTC116741

Member: BSE Limited and National Stock Exchange of India Limited.

SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000014012

Regd. office: 1401-1409, Dalal Street Commercial, Block 53 (Bldg. No.53E) Zone-5, Road-5E, Gift City, Sector 9, Gandhinagar-382355 Gujarat, India.

Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com
