

Weak Q4; multiple diversification initiatives under way

Electronic Manufacturing Services ▶ Result Update ▶ May 13, 2026

CMP (Rs): 10,138 | TP (Rs): 12,500

Dixon logged a weak Q4, with revenue up only 2% YoY amid sequential improvement in the mobile phone business (up 8.5% QoQ, led by better ASP) and 50% YoY decline in the telecom business. EBITDA margin was stable QoQ at 3.9%. Following demand moderation in last 6M, demand-supply dynamics of the mobile phone industry are stabilizing. Dixon guided to flattish smartphone volumes in FY27 (~33mnpa units vs earlier guidance of 60-65mn), though revenue is expected to grow 12-15% (led by higher ASP due to rising component prices), with total revenue growth of 15% YoY at Rs560bn. Pressure on mobile EBITDAM from PLI lapsing (~0.6%) would be partially offset by better operational efficiency, with benefits from backward integration FY28 onward; Dixon expects 40-50bps margin expansion on ramp up of component manufacturing. IT Hardware revenue is expected to scale up 3x in FY27, on a strong orderbook across clients. Dixon is undertaking initiatives to diversify from its current business and add future growth levers like foray into the high-margin industrial EMS business (attractive M&A opportunities on the table; couple of these could fructify in FY27). Also, per the management, Vivo JV approval is around the corner. We cut FY27E/28E EPS by 27-29%, factoring in lower smartphone volume (nil volume from Vivo), along with pressure on mobile business EBITDAM due to lapse of PLI and delay in backward integration. We retain BUY (given robust cash flows, >25% return ratios, negative working capital cycle despite tougher macro conditions, and headwinds in FY26) and revise our DCF-based TP by ~18% to Rs12,500 from Rs15,200.

Stable revenue with sustained EBITDAM

Revenue grew 2% YoY amid QoQ improvement in the mobile phone business (up 8.5% QoQ) and ~50% YoY fall in the telecom business. EBITDA was up 6% YoY; EBITDA margin was stable QoQ at 3.9% amid slight improvement in gross margin (up by 20bps QoQ) offset by higher staff costs/other expenses. Adj PAT was up 47% YoY.

Earnings call KTAs

1) The mobile industry has seen demand moderation over the past 6M; supply-demand dynamics are now stabilizing. Dixon expects strong double-digit QoQ volume growth of ~12-15% in Q1FY27. 2) Ex Vivo, Dixon expects Smartphone volume to be largely flattish YoY in FY27 due to significant price hikes, while revenue is expected to grow 12-15% led by higher ASP. 3) Mobile margin is likely to be under pressure on lapse of PLI benefits. However, part of the hit is being offset by operational efficiencies, with support from ramp-up of camera modules and display manufacturing. 4) Ex Vivo, Dixon targets FY27 revenue of ~Rs560bn and expects to continue delivering ~15-17% growth even without Vivo. Dixon expects margin expansion of ~40-50bps, as component localization scales up. 5) The mgmt highlighted revenue is largely a function of BOM costs and conversion charges. Any rise in BOM costs due to higher memory prices inflates revenue, while EBITDA/unit is linked to manufacturing complexity, resulting in optical margin dilution despite stable unit economics. 6) In IT Products, Dixon expects 3x revenue growth in FY27 at Rs40bn, aided by increase in order book across customers. 7) In display manufacturing, first production line for automotive/IT displays is to undergo trials in Q3FY27 (production from Q4FY27); Mobile display trials/commercial production from Q4FY27. 8) In Industrial EMS, Dixon has onboarded senior leadership, identified 5 micro-verticals; strategies are being formulated, and meaningful progress is expected in FY27.

Dixon Technologies: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Revenue	176,909	388,601	488,728	569,389	737,818
EBITDA	6,976	15,076	18,665	20,681	29,222
Adj. PAT	3,677	6,356	8,906	10,285	15,851
Adj. EPS (Rs)	61.5	105.5	146.5	169.2	260.7
EBITDA margin (%)	3.9	3.9	3.8	3.6	4.0
EBITDA growth (%)	36.1	116.1	23.8	10.8	41.3
Adj. EPS growth (%)	43.2	71.5	38.9	15.5	54.1
RoE (%)	24.7	27.0	23.2	20.0	24.9
RoIC (%)	25.0	32.7	29.1	26.8	33.6
P/E (x)	164.9	55.8	69.2	59.9	38.9
EV/EBITDA (x)	87.3	40.4	32.6	29.5	20.8
P/B (x)	35.8	20.3	13.2	10.9	8.7
FCFF yield (%)	-	0.4	1.2	0.6	2.2

Source: Company, Emkay Research

Target Price – 12M	Mar-27
Change in TP (%)	(17.8)
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	23.3

Stock Data	DIXON IN
52-week High (Rs)	18,472
52-week Low (Rs)	9,600
Shares outstanding (mn)	60.8
Market-cap (Rs bn)	616
Market-cap (USD mn)	6,446
Net-debt, FY27E (Rs mn)	(4,097.2)
ADTV-3M (mn shares)	0.7
ADTV-3M (Rs mn)	7,939.6
ADTV-3M (USD mn)	83.0
Free float (%)	67.6
Nifty-50	23,379.6
INR/USD	95.6

Shareholding, Mar-26

Promoters (%)	28.7
FPIs/MFs (%)	18.3/28.1

Price Performance

(%)	1M	3M	12M
Absolute	(5.0)	(12.8)	(36.9)
Rel. to Nifty	(2.3)	(3.7)	(32.8)

1-Year share price trend (Rs)**Chirag Jain**chirag.jain@emkayglobal.com
+91-22-66242428**Mayank Pandey**mayank.pandey@emkayglobal.com
+91 22 66121340**Nandan Pradhan**nandan.pradhan@emkayglobal.com
+91-22-66121238**Marazbaan Dastur**marazbaan.dastur@emkayglobal.com
+91-22-66121281

Exhibit 1: Revenue up 2% YoY; EBITDAM flattish QoQ at 3.9%, on gross margin expansion being offset by higher other expenses, staff cost

Rs mn	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
Revenue	46,580	65,798	115,341	104,537	102,925	128,357	148,550	106,716	105,105	2.1	(1.5)
Expenditure	44,755	63,319	111,077	100,632	98,498	123,533	142,937	102,571	101,021	2.6	(1.5)
as % of sales	96.1	96.2	96.3	96.3	95.7	96.2	96.2	96.1	96.1		
Consumption of RM	42,223	60,169	106,605	96,801	94,753	118,750	138,014	98,858	97,151	2.5	(1.7)
as % of sales	90.6	91.4	92.4	92.6	92.1	92.5	92.9	92.6	92.4		
Employee Cost	822	1,201	1,483	1,558	1,433	1,692	1,969	1,710	1,740	21.4	1.7
as % of sales	1.8	1.8	1.3	1.5	1.4	1.3	1.3	1.6	1.7		
Other expenditure	1,710	1,949	2,989	2,273	2,311	3,091	2,955	2,003	2,131	(7.8)	6.4
as % of sales	3.7	3.0	2.6	2.2	2.2	2.4	2.0	1.9	2.0		
EBITDA	1,825	2,479	4,264	3,905	4,428	4,824	5,613	4,145	4,084	(7.8)	(1.5)
EBITDA margin (%)	3.9	3.8	3.7	3.7	4.3	3.8	3.8	3.9	3.9		
Depreciation	510	545	660	746	859	927	963	990	1,050	22.2	6.0
EBIT	1,314	1,934	3,604	3,159	3,569	3,897	4,650	3,155	3,034	(15.0)	(3.8)
Other Income	167	82	(57)	65	113	17	4,957	1,313	843	647.3	(35.8)
Interest	214	293	379	409	463	326	384	429	237	(48.9)	(44.8)
PBT	1,267	1,723	3,167	2,816	3,219	3,588	9,224	4,039	3,640	13.1	(9.9)
Total Tax	322	400	1,172	689	1,111	855	1,779	911	718	(35.4)	(21.2)
Adjusted PAT	945	1,323	1,995	2,127	2,108	2,733	7,445	3,128	2,923	38.6	(6.6)
Minority Interest	21	60	219	450	641	551	757	333	416	(35.2)	24.8
Income from JV/Associates	28	74	26	36	38	68	12	78	57	52.1	(26.9)
Adj. PAT after MI	952	1,337	1,803	1,712	1,504	2,250	6,700	2,873	2,564	70.4	(10.8)
Extra ordinary items	-	-	2,096	-	2,504	-	-	-	-		
Reported PAT	952	1,337	3,899	1,712	4,008	2,250	6,700	2,873	2,564	(36.0)	(10.8)
Adjusted EPS (Rs)	16.0	22.4	30.1	28.6	25.2	37.3	111.2	47.7	42.6	69.2	(10.8)

(%)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (bQT)	QoQ (bQT)
EBITDAM	3.9	3.8	3.7	3.7	4.3	3.8	3.8	3.9	3.9	(42)	0
EBITM	2.8	2.9	3.1	3.0	3.5	3.0	3.1	3.0	2.9	(51)	(7)
EBTM	2.7	2.6	2.7	2.7	3.1	2.8	6.2	3.8	3.5	66	(32)
PATM	2.0	2.0	1.7	2.0	2.0	2.1	5.0	2.9	2.8	88	(15)
Effective Tax rate	25.4	23.2	37.0	24.5	34.5	23.8	19.3	22.6	19.7	(1,195)	(284)

Source: Company, Emkay Research

Exhibit 2: Actual vs Estimates

(Rs mn)	Emkay	Actual	% Variance	Consensus	% Variance
Net sales	109,481	105,105	(4.0)	104,790	0.3
EBITDA	4,253	4,084	(4.0)	3,992	2.3
- Margin (%)	3.9	3.9	0 bps	3.8	8 bps
Adj net income	2,187	2,564	17.2	1,819	41.0

Source: Company, Emkay Research

Other highlights of the earnings call

- FY27 capex: Rs10bn for display module manufacturing plant, expansion of the IT hardware facility, camera module capacity enhancement.
- Display module margins could reach double digits (mid-teens); FY28 margins likely to remain low during the initial ramp-up phase before rising over the next 2-3Y.
- Dixon is in discussions with its JV partner to tap the fast-growing server opportunity and expand from client IT hardware into data center and enterprise infrastructure hardware.
- This is supported by strong policy tailwinds around server manufacturing and backward integration, including localization incentives and a tax holiday framework, materially improving the viability/return profile of India-based server/component manufacturing.
- Dixon expects 2x growth in its Lighting JV, driven by strong operational synergies, manufacturing scale, enhanced productivity, improved operational efficiency, and cost competitiveness, with strong focus on automation and backward integration.

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Exhibit 3: Client-wise smartphone volumes for Dixon

Client-wise smartphone volumes (mn units)	Earlier estimates			Base case (ex-Vivo JV)			Comments
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	
Domestic	38.5	45.6	53.9	34.4	34.5	44.2	
Oppo	4.3	4.3	5.2	4.1	5.6	6.8	Another big client for Dixon with expanding relations; Dixon contributes to 25% of Oppo's domestic volume; Oppo has cut CY26 global shipment guidance by 20%
Vivo	-	6.9	11.4	-	-	6.9	We have now built in lower volumes from Vivo, assuming organic scale-up in volumes for Dixon; Vivo has cut CY26 global shipment target by ~15%
One Plus	-	-	-	-	-	-	Not yet a client
Realme	4.1	4.1	4.5	3.5	3.4	3.8	For Realme, Dixon had called out 0.45mn/mth volume; Realme is the more affordable brand of the BBK Group (models priced below those of Xiaomi); as part of Oppo, a similar 20% cut in global volume guidance
Iqoo	-	-	-	-	-	-	Not yet a client
Nokia	0.6	0.4	0.4	0.6	0.6	0.6	Dixon is the sole supplier for Nokia; volumes for Nokia remain limited
Transsion (Itel, Tecno, Infinix)	8.5	6.8	8.1	7.0	4.6	4.9	Most models are in the sub-Rs20k range for Infinix and Tecno, and Itel is sub-Rs15k, wherein volume erosion is likely owing to the higher DRAM prices; Transsion has cut global guidance by ~35% for CY26, from 115mn
Motorola	9.5	9.4	9.4	9.5	8.8	8.8	Here, Dixon has lost market share to a peer; 85% of volume to be supplied by Dixon now vs 100% earlier; though absolute volume to increase for Motorola
Xiaomi	6.2	6.1	7.0	4.5	3.9	4.5	Xiaomi has seen market share loss, and curtailed volumes for FY26E-28E to factor this in; Xiaomi announced a >20% cut from earlier volume guidance of 180mn globally for CY26
Compal/Google	0.1	0.1	0.1	0.1	0.1	0.1	Google Pixel has relatively lower volumes with higher ASPs
Samsung	5.2	4.5	4.7	5.0	4.5	4.7	Dixon has a sub-contracting arrangement with Samsung; we assume some decline here as well; ASPs for this are nearly 1/4 th of the normal ASP; hence, limited impact on revenue
New ODM	-	3.1	3.2	-	3.1	3.3	Dixon has highlighted new ODM from Q1FY27 with potential of 0.5mn/mth units; we factor in ~0.25mn/mth
Exports	4.3	8.2	10.3	4.3	4.2	4.9	Exports to see growth going ahead, largely driven by Motorola
Total domestic, including Samsung	38.5	45.6	53.9	34.4	34.5	44.2	
Total domestic, excluding Samsung	33.3	41.1	49.2	29.4	30.0	39.5	
Total domestic (ex Samsung and Vivo)	33.3	34.2	37.8	29.4	30.0	32.6	
Exports	4.3	8.2	10.3	4.3	4.2	4.9	

Source: Company, Emkay Research

Exhibit 4: We build in 15%/27%/33% volume/revenue/EPS CAGR over FY26-28E

Particulars (Rs mn)	FY25	FY26	FY27E	FY28E	FY26-28E CAGR
Smartphone volumes, incl exports (ex-Samsung, mn units)	28.3	33.6	34.3	44.4	15%
- Of which Vivo volumes (mn units)			0.0	6.9	
Smartphone volume growth YoY (%)		14.8	2.0	29.5	
Segmental Revenue					
- Mobiles and EMS	330,435	442,570	518,677	684,846	27%
-- Mobiles	289,675	353,345	392,193	544,709	24%
-- IT Products	0	13,860	39,640	46,208	
-- Telecom	33,440	50,000	80,000	86,400	31%
-- Other EMS Products	7,320	6,222	6,844	7,529	10%
- Home Appliances	13,664	14,260	16,463	17,741	12%
- Consumer Electronics	35,900	36,788	34,249	35,231	-2%
- Lighting	8,602	1,880	0	0	
Consolidated Revenue	388,601	488,728	569,389	737,818	23%
Growth YoY (%)	119.7	25.8	16.5	29.6	
EBITDA	15,076	18,665	20,681	29,222	25%
EBITDA Margin (%)	3.9	3.8	3.6	4.0	
Minority Interest	1,370	2,056	1,483	2,045	
JV Income	174	215	429	508	
Adjusted PAT	6,356	8,906	10,285	15,851	33%
PAT Margin (%)	1.6	1.8	1.8	2.1	
Adjusted EPS (Rs)	105.5	146.5	169.2	260.7	33%

Source: Company, Emkay Research; Note: FY26E PAT is excluding one-off gains reported in Q2/Q3; Lighting business moved to JV from Q2

Exhibit 5: Revenue Model – We build in 27%/23%/33% revenue/EBITDA/EPS CAGR, respectively, over FY26-28E

Particulars (Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Segmental Revenue								
Mobile and EMS	8,531	31,383	52,243	109,190	330,435	442,570	518,677	684,846
as a % of total revenue	13	29	43	62	85	91	91	93
Growth YoY (%)	54	268	66	109	203	34	17	32
Consumer Electronics	38,426	51,695	42,780	41,480	42,840	36,788	34,249	35,231
as a % of total revenue	60	48	35	23	11	8	6	5
Growth YoY (%)	83	35	(17)	(3)	3	(14)	(7)	3
Home Appliances	4,312	7,088	11,435	12,050	13,664	14,260	16,463	17,741
as a % of total revenue	7	7	9	7	4	3	3	2
Growth YoY (%)	9	64	61	5	13	4	15	8
Lighting Solutions	11,037	12,841	10,546	7,870	8,602	1,880	0	0
as a % of total revenue	17	12	9	4	2	0	-	-
Growth YoY (%)	(3)	16	(18)	(25)	9	(78)	(100)	
Security and Surveillance	2,176	3,964	4,918	6,330	0	0	0	0
as a % of total revenue	3	4	4	4	-	-	-	-
Growth YoY (%)	1	82	24	29	-	-	-	-
Consolidated Revenues	64,482	106,971	121,920	176,909	388,601	488,728	569,389	737,818
Growth (%)	47	66	14	45	120	26	17	30
Segmental EBITDA								
Mobile and EMS	406	971	1,670	3,550	11,508	15,540	16,887	25,153
as a % of total EBITDA	14	26	33	51	76	83	82	86
EBITDA margin (%)	4.8	3.1	3.2	3.3	3.5	3.5	3.3	3.7
Consumer Electronics	1,028	1,246	1,310	1,410	1,448	1,430	1,983	2,117
as a % of total EBITDA	36	33	26	20	10	8	10	7
EBITDA margin (%)	2.7	2.4	3.1	3.4	3.4	3.9	5.8	6.0
Home Appliances	397	541	1,090	1,310	1,504	1,580	1,811	1,952
as a % of total EBITDA	14	14	21	19	10	8	9	7
EBITDA margin (%)	9.2	7.6	9.5	10.9	11.0	11.1	11.0	11.0
Lighting Solutions	974	881	910	590	616	110	0	0
as a % of total EBITDA	34	23	18	8	4	1	-	-
EBITDA margin (%)	8.8	6.9	8.6	7.5	7.2	5.9		
Security and Surveillance	61	152	148	123	0	0	0	0
as a % of total EBITDA	2	4	3	2	-	-	-	
EBITDA margin (%)	2.8	3.8	3.0	1.9				
Consolidated EBITDA	2,866	3,791	5,128	6,976	15,076	18,665	20,681	29,222
EBITDA margin (%)	4.4	3.5	4.2	3.9	3.9	3.8	3.6	4.0
EBITDA growth (%)	28.5	32.3	35.3	36.1	116.1	23.8	10.8	41.3
Depreciation	437	840	1,146	1,619	2,810	3,930	5,124	6,063
EBIT	2,429	2,952	3,981	5,357	12,266	14,735	15,557	23,159
EBIT margin (%)	3.8	2.8	3.3	3.0	3.2	3.0	2.7	3.1
Other income	16	38	56	226	202	7,130	364	546
Interest	274	442	606	747	1,544	1,375	1,603	1,695
PBT	2,170	2,548	3,432	4,836	10,924	20,491	14,318	22,010
Tax	572	644	897	1,189	3,372	4,263	2,979	4,622
Tax Rate (%)	26.4	25.3	26.1	24.6	30.9	20.8	20.8	21.0
PAT	1,598	1,902	2,555	3,677	6,356	8,906	10,285	15,851
PAT margin (%)	2.5	1.8	2.1	2.1	1.6	1.8	1.8	2.1
EPS (Rs)	27.3	32.0	42.9	61.5	105.5	146.5	169.2	260.7
Capex	-1,680	-4,174	-4,502	-5,686	-8,956	-10,579	-7,900	-11,361
FCF	22	-1,446	2,755	157	2,541	7,244	5,684	12,962
ROE (%)	25.0	21.9	22.4	24.7	27.0	23.2	20.0	24.9
ROCE - Pre tax (%)	28.7	21.6	23.1	26.8	37.8	27.4	21.9	27.1

Source: Company, Emkay Research; Note: Dixon has sold off its stake in the security and surveillance business and has transferred the Lighting business to a 50:50 JV with Signify

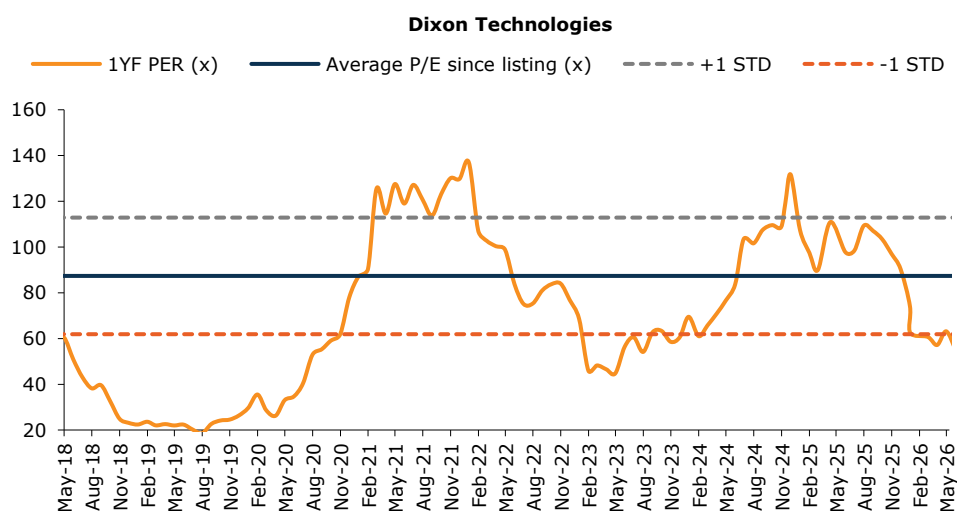
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Exhibit 6: We cut FY27E/28E EPS by 27-29%, factoring in the lower smartphone volume (nil volume from Vivo), along with pressure on the mobile business EBITDAM due to lapse of PLI and delay in backward integration

Consolidated (Rs mn)	FY26E		FY27E				FY28E			
	Actual	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Revenue	488,728	25.8	699,820	569,389	(18.6)	16.5	887,815	737,818	(16.9)	29.6
EBITDA	18,665	23.8	27,288	20,681	(24.2)	10.8	40,017	29,222	(27.0)	41.3
EBITDAM (%)	3.8	(6) bps	3.8	3.6	(16) bps	(19) bps	4.5	4.0	(55) bps	33 bps
Adj. PAT	8,906	40.13	14,392	10,285	(28.5)	15.5	21,637	15,851	(26.7)	54.1
Income from JV	215	23.4	433	429	(0.8)	100.2	505	508	0.6	18.3
- Lighting (Signify)	151		309	303	(1.9)	100.5	368	369	0.1	21.7
- PCBA (Rexxam)	58		124	127	1.9	116.9	139	139	-	10.2
Adj EPS (Rs)	146.5	38.9	238.9	169.2	(29.2)	15.5	359.1	260.7	(27.4)	54.1

Source: Company, Emkay Research

Exhibit 7: Dixon currently trades 1SD below its LTA on 1YF PER basis



Source: Bloomberg, Emkay Research

Dixon Technologies: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Revenue	176,909	388,601	488,728	569,389	737,818
Revenue growth (%)	45.1	119.7	25.8	16.5	29.6
EBITDA	6,976	15,076	18,665	20,681	29,222
EBITDA growth (%)	36.1	116.1	23.8	10.8	41.3
Depreciation & Amortization	1,619	2,810	3,930	5,124	6,063
EBIT	5,357	12,266	14,735	15,557	23,159
EBIT growth (%)	34.6	128.9	20.1	5.6	48.9
Other operating income	-	-	-	-	-
Other income	226	202	1,650	364	546
Financial expense	747	1,544	1,375	1,603	1,695
PBT	4,836	10,924	15,011	14,318	22,010
Extraordinary items	0	4,600	5,480	0	0
Taxes	1,189	3,372	4,263	2,979	4,622
Minority interest	(72)	(1,370)	(2,056)	(1,483)	(2,045)
Income from JV/Associates	102	174	215	429	508
Reported PAT	3,677	10,956	14,386	10,285	15,851
PAT growth (%)	43.9	197.9	31.3	(28.5)	54.1
Adjusted PAT	3,677	6,356	8,906	10,285	15,851
Diluted EPS (Rs)	61.5	105.5	146.5	169.2	260.7
Diluted EPS growth (%)	43.2	71.5	38.9	15.5	54.1
DPS (Rs)	3.0	5.5	19.4	11.8	18.2
Dividend payout (%)	4.9	3.0	13.2	7.0	7.0
EBITDA margin (%)	3.9	3.9	3.8	3.6	4.0
EBIT margin (%)	3.0	3.2	3.0	2.7	3.1
Effective tax rate (%)	24.6	30.9	28.4	20.8	21.0
NOPLAT (pre-IndAS)	4,040	8,480	10,551	12,320	18,295
Shares outstanding (mn)	60	60	61	61	61

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
PBT (ex-other income)	4,836	15,524	20,491	14,747	22,518
Others (non-cash items)	-	-	-	-	-
Taxes paid	(1,218)	(2,760)	(4,146)	(2,979)	(4,622)
Change in NWC	(88)	(1,816)	2,233	(4,547)	(785)
Operating cash flow	5,843	11,497	17,823	13,585	24,323
Capital expenditure	(5,686)	(8,956)	(10,579)	(10,000)	(11,000)
Acquisition of business	366	(3,414)	(2,013)	0	0
Interest & dividend income	11	81	87	364	546
Investing cash flow	(5,309)	(12,289)	(12,505)	(9,636)	(10,454)
Equity raised/(repaid)	469	1,399	2,632	0	0
Debt raised/(repaid)	(496)	(117)	(1,506)	786	397
Payment of lease liabilities	-	-	-	-	-
Interest paid	(494)	(1,219)	(1,030)	(1,603)	(1,695)
Dividend paid (incl tax)	(179)	(329)	(1,178)	(720)	(1,110)
Others	-	-	-	-	-
Financing cash flow	(700)	(266)	(1,082)	(1,537)	(2,408)
Net chg in Cash	(166)	(1,058)	4,236	2,412	11,461
OCF	5,843	11,497	17,823	13,585	24,323
Adj. OCF (w/o NWC chg.)	5,931	13,313	15,590	18,131	25,108
FCFF	157	2,541	7,244	3,585	13,323
FCFE	(579)	1,079	5,956	2,346	12,174
OCF/EBITDA (%)	83.8	76.3	95.5	65.7	83.2
FCFE/PAT (%)	(15.7)	9.8	41.4	22.8	76.8
FCFF/NOPLAT (%)	3.9	30.0	68.7	29.1	72.8

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Share capital	120	121	122	122	122
Reserves & Surplus	16,829	29,982	46,645	56,210	70,951
Net worth	16,949	30,102	46,767	56,332	71,073
Minority interests	276	4,591	7,100	8,583	10,629
Non-current liab. & prov.	259	1,072	1,203	1,203	1,203
Total debt	4,890	6,710	9,942	10,729	11,125
Total liabilities & equity	23,028	43,251	66,227	77,984	95,504
Net tangible fixed assets	16,368	23,876	32,625	39,600	44,176
Net intangible assets	307	307	307	307	307
Net ROU assets	-	-	-	-	-
Capital WIP	683	2,570	5,708	3,609	3,970
Goodwill	303	570	5,800	5,800	5,800
Investments [JV/Associates]	200	5,356	7,065	7,065	7,065
Cash & equivalents	2,087	2,635	12,414	14,826	26,287
Current assets (ex-cash)	46,698	128,819	124,109	148,965	193,030
Current Liab. & Prov.	46,886	124,418	125,390	145,981	189,163
NWC (ex-cash)	(188)	4,401	(1,281)	2,984	3,867
Total assets	23,028	43,251	66,227	77,984	95,504
Net debt	2,803	4,074	(2,472)	(4,097)	(15,162)
Capital employed	23,028	43,251	66,227	77,984	95,504
Invested capital	19,774	32,139	40,436	51,676	57,135
BVPS (Rs)	283.4	499.6	769.2	926.5	1,169.0
Net Debt/Equity (x)	0.2	0.1	(0.1)	(0.1)	(0.2)
Net Debt/EBITDA (x)	0.4	0.3	(0.1)	(0.2)	(0.5)
Interest coverage (x)	7.5	8.1	11.9	9.9	14.0
RoCE (%)	28.3	39.3	31.1	22.8	28.1

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY24	FY25	FY26	FY27E	FY28E
P/E (x)	164.9	55.8	69.2	59.9	38.9
EV/CE(x)	27.5	14.7	9.5	8.1	6.6
P/B (x)	35.8	20.3	13.2	10.9	8.7
EV/Sales (x)	3.4	1.6	1.2	1.1	0.8
EV/EBITDA (x)	87.3	40.4	32.6	29.5	20.8
EV/EBIT(x)	113.7	49.7	41.3	39.2	26.3
EV/IC (x)	30.8	19.0	15.1	11.8	10.7
FCFF yield (%)	-	0.4	1.2	0.6	2.2
FCFE yield (%)	(0.1)	0.2	1.0	0.4	2.0
Dividend yield (%)	-	0.1	0.2	0.1	0.2
DuPont-RoE split					
Net profit margin (%)	2.1	1.6	1.8	1.8	2.1
Total asset turnover (x)	8.7	11.7	8.9	7.9	8.5
Assets/Equity (x)	1.4	1.4	1.4	1.4	1.4
RoE (%)	24.7	27.0	23.2	20.0	24.9
DuPont-RoIC					
NOPLAT margin (%)	2.3	2.2	2.2	2.2	2.5
IC turnover (x)	10.9	15.0	13.5	12.4	13.6
RoIC (%)	25.0	32.7	29.1	26.8	33.6
Operating metrics					
Core NWC days	(0.4)	4.1	(1.0)	1.9	1.9
Total NWC days	(0.4)	4.1	(1.0)	1.9	1.9
Fixed asset turnover	8.8	13.0	11.0	9.6	10.4
Opex-to-revenue (%)	5.4	3.9	3.5	3.5	3.7

Source: Company, Emkay Research

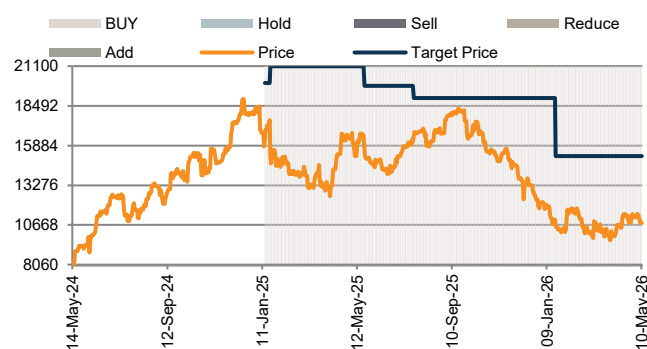
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Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
10-Mar-26	10,908	15,200	Buy	Chirag Jain
30-Jan-26	10,446	15,200	Buy	Chirag Jain
20-Jan-26	10,682	15,200	Buy	Chirag Jain
20-Oct-25	16,075	19,000	Buy	Chirag Jain
23-Jul-25	16,556	19,000	Buy	Chirag Jain
26-Jun-25	14,315	19,800	Buy	Chirag Jain
21-May-25	15,612	19,800	Buy	Chirag Jain
03-Feb-25	14,486	21,100	Buy	Chirag Jain
21-Jan-25	15,144	21,100	Buy	Chirag Jain
14-Jan-25	16,275	20,000	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

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