

# Dixon Technologies | ADD

## Navigating choppy waters

Dixon's Q4FY26 print held no significant surprise, with adj. PAT 5%/6% ahead of our/consensus estimates. However, stress around high chip prices disrupting demand could limit FY27E organic smartphone volume growth. For FY27E, ex-Vivo, Dixon guided for flat volumes. The best-case argument being double-digit growth, contingent upon PLI 2.0 fructifying and significantly aiding exports, all in FY27. Fortunately, the possibility of a 12–15% increase in smartphone ASPs could moderate an otherwise sharp decline in smartphone revenue. We, however, believe, given the current situation, flat volumes in FY27E too might be an optimistic scenario. It is also key that Dixon operates on a fixed-fee model (it is paid a fixed conversion fee/unit manufactured). Hence, as volumes get impacted, absolute EBITDA too sees a dip, with no support from rising ASPs; this explains our cut in FY27/28E EBITDA > cut in FY27/28E revenue. Hope is for IT hardware and telecom equipment business to do some heavy lifting in FY27E, aiding revenue growth. We cut our FY27/28E EPS estimates by 0–2%. Maintain ADD with a TP of INR 11,200, at 45x Mar'28E EPS.

- No major surprise in 4Q performance:** Dixon's Q4FY26 revenue at INR 105bn, +2% YoY, was 5% above our estimate and in line with consensus. Mobiles & EMS registered 4% YoY growth, while consumer electronics was flat and home appliances rose 9%. 4Q EBITDA was INR 4.1bn, -8% YoY, 3%/2% above our/consensus estimates, driven primarily by lower-than-expected operating expenses. 4Q margin was 3.9% (4.3% YoY), 40bps lower. Segmentally, all verticals saw YoY margin contraction, with the split being consumer electronics (35bps), home appliances (280bps), and mobiles and EMS (30bps). Adjusted Q4FY26 PAT (adjusted from gain on stake sale in Aditya Infotech) was INR 1.9bn, 5% above our and 6% above consensus estimates.
- Supply chain constraints could limit FY27E organic smartphone volume growth; higher ASPs to aid:** As the smartphone industry faces issues emanating from concerns over rising chip prices, demand has seen some moderation. That said, some green shoots over the last couple of weeks have led to demand-supply dynamics becoming more balanced. One silver lining, however, has been the consequent increase in ASPs, fortunately restricting the impact of weak volumes. We note the possible increase of 12–15% in smartphone ASPs through FY27. On ex-Vivo volume for FY27E, the company guided for flat smartphone volume; best-case argument is double-digit growth, contingent upon PLI 2.0 fructifying and aiding exports significantly. However, we believe, given the current situation, flat volumes in FY27E too is an optimistic scenario.
- Low volumes and absence of PLI incentives could keep margin under pressure:** As highlighted above, the impact of lower volumes is being partly offset by increasing ASPs. However, it is important to note that Dixon operates on a fixed-fee model, being remunerated in the form of a fixed conversion fee per unit manufactured. Hence, as volumes get impacted, absolute EBITDA, too, should see an impact, and not see significant support from rising ASPs. This explains why our cut in FY27/28E EBITDA > cut in FY27/28E revenue estimates. Another trigger to margin pressure exists in the form of absence of PLI incentives in FY27E. While an extension in the form of PLI 2.0 is expected, timelines remain uncertain.
- Vivo JV still on the cards; management confident of approvals soon:** On the Vivo JV, we note that the company is in constant discussions with the government and remains confident of receiving approvals soon. Vivo's contribution in FY27 remains contingent upon timelines, but, on an annualised basis, it can add 22mn–23mn smartphones.

### Financial Summary

Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E
Net Sales	388,601	488,728	629,305	780,461	876,275
Sales Growth (%)	119.7	25.8	28.8	24.0	12.3
EBITDA	15,076	18,666	22,908	30,474	36,060
EBITDA Margin (%)	3.9	3.8	3.6	3.9	4.1
Adjusted Net Profit	6,356	8,451	11,212	15,515	18,225
Diluted EPS (INR)	106.2	136.7	181.4	251.0	294.8
Diluted EPS Growth (%)	72.8	28.7	32.7	38.4	17.5
ROIC (%)	37.2	32.6	33.0	37.1	36.7
ROE (%)	27.0	22.0	21.6	24.0	22.6
P/E (x)	55.4	74.2	55.9	40.4	34.4
P/B (x)	20.2	13.4	10.9	8.7	7.0
EV/EBITDA (x)	41.2	33.0	26.8	20.0	16.7
Dividend Yield (x)	0.1	0.1	0.1	0.1	0.2

Source: Company data, JM Financial. Note: Valuations as of May 12, 2026



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### Recommendation and Price Target

Current Reco.	ADD
Previous Reco.	ADD
Current Price Target (12M)	11,200
Upside/(Downside)	10.5%
Previous Price Target	11,200
Change	0.0%

### Key Data – DIXON IN EQUITY

Current Market Price	INR10,138
Market cap (bn)	INR616.4/US\$6.4
Free Float (%)	61.3
Shares in issue (mn)	60.8
Diluted share (mn)	60.8
3-mon avg daily val (mn)	INR7,939.6/US\$83.1
52-week range	INR18,472/9,600
Sensex/Nifty	74,559/23,380
INR/US\$	95.6

### Price Performance

%	1M	6M	12M
Absolute	-5.0	-33.8	-36.9
Relative*	-2.1	-25.0	-31.4

\*To the NSE Nifty 50

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

# Q4FY26 concall highlights

## Mobiles manufacturing and backward integration

- **Supply chain issues:** The mobiles phones industry continues to face issues emanating from concerns over chip supply given elevated consumption by AI use cases. These issues are specifically around price impacts, and less to do with unavailability. Demand moderation has played out but some green shoots are being seen over the last few weeks. But, over the past few weeks, supply-demand dynamics are becoming more balanced, and improvement in customer ordering pattern is being seen. Basis this, management expects higher double-digit growth QoQ in smartphone volume along with growth in selling prices by 12% to 15%.
- **Outlook for growth in mobile smartphones:** The company ended FY26 with ~32.6mn smartphones, of which ~5mn was exported, indicating domestic volume of ~27.6mn. Management said domestic volumes should be flat in FY27E. Exports in the base case scenario should also be flat; but, if PLI 2.0 goes live, and exports see a boost, the possibility of an incremental 4mn–5mn export volume being added cannot be ruled out. Basis that, FY27E smartphone volume could range from flat YoY to double-digit growth contingent upon exports.
- **Update on Vivo JV:** In constant discussions with the government and remain confident of receiving approvals soon. Vivo's contribution in FY27 remains contingent upon timelines, but, on an annualised basis, Vivo can add 22mn–23mn smartphones. Targeting consolidated revenue of INR 560bn in FY27E, ex of Vivo.
- **Exports:** Exports will primarily be for Motorola (US) and for Ismartu (Africa). This will initially include feature phones and then scale up to smartphones. FY26 exports was ~INR50bn (4mn–5mn smartphone volume).
- **Extension of PLI scheme 2.0:** Remain confident of PLI 2.0 being rolled out, with an increased focus on global markets. When rolled out, this PLI and the incentives therein can help add 4mn–5mn smartphones to the portfolio. Relationships with customers are strategic in nature, which should not fade as PLI goes away. Cannot rule out some margin pressure with the absence of the PLI but hope to more than make up for it through operating efficiencies, and backward integration.
- **Backward Integration:**
  - **Qtech camera module assembly:** Qtech capacities to be expanded from 70mn–80mn annually to 180mn–190mn annually over the next 15–18 months. In FY26, on annualised basis, revenue was INR 17bn, targeting INR 24bn–25bn in FY27.
  - **Display sub-assembly:** Construction of display facility is completed, and installation of machineries are ongoing for mobiles, IT hardware products, and automotive displays. Response for display assemblies encouraging. Expect trials to commence by 3Q, and mass production to start from end-3QFY26/start-4Q.

## Non-mobiles business

- **Telecom and networking products:** Have commenced manufacturing of microwave radios and will commence exports from FY27. Strategy is to move up the value chain to ODM partnerships. Expect high-double digit revenue growth in FY27. Targeting revenue of INR 75bn–80bn from the vertical in FY27E.
- **IT hardware:** Expect 3x revenue growth (~INR 40bn) in FY27 stemming from order books from customers. Execution for recently onboarded customers should commence in Q2FY27. Facility under JV with Inventec progressing well and expect mass production by Q3FY27. In discussions with potential partners for manufacturing of data centre servers.
- **SSD manufacturing:** In line with the backward integration plans, will commence SSD manufacturing from Q2FY27 and display modules with HTC from Q3/Q4FY27; also exploring other critical components such as power supply and mechanicals to enhance value addition and margins. Also in discussions with the JV partner to participate in the server opportunity and to move from end-client IT hardware into data centre and enterprise infrastructure hardware.

## Consumer electronics

- **Television manufacturing:** Witnessed a slowdown given elevated input cost. However, have secured orders from customers, which should materialise over the coming quarters.
- **Refrigerators:** Industry-wide price increase as new rating norms went live for compressors. Continue to see traction with healthy orders coming in and a robust order book from refrigerator manufacturing.

## Home appliances

- **Ramp-up in washing machines:** Semi-automatic washing machines demonstrated robust growth. Started manufacturing 16kg and 18kg washing machines. Fully automatic washing machines scaling up well. Will also be launching the first ODM solution for fully automatic washing machines through FY27, the first in India.
- **New product launches:** Looking at new products including microwaves, kitchen chimneys, and dishwashers, while robotic vacuum cleaners are scaling up well; have a healthy order book in the emerging categories.

## Lighting products JV with Signify

- **Growth in lighting segment:** Expect revenue to grow almost to 2x, have received two export orders from a large retail chain in US and Europe, which will commence from Q2FY27 for strip lighting, along with discussion for other categories.

## Other takeaways

- **Industrial EMS:** Have hired a senior resource who will build this business for Dixon. Have partnered with a large consulting company, with which the company has identified five micro-verticals. This can be an important business w.r.t. margin expansion, with less dependence on mobile segment
- **Capex:** FY26 capex was INR 10bn, and capex in FY27E likely to be at FY26 levels.
- **PLI incentives:** INR 3.6bn of PLI incentives booked across five entities, of which booked INR 2,5bn of PLI incentives only from the mobile manufacturing business. As per the PLI, specific amounts were dedicated to domestic entities and foreign entities. Further, the scheme included provisions to distribute incentives not paid to underperformers to outperformers, which is under discussion with the government, given Dixon has hit the ceiling limit.

## Exhibit 1: Q4FY26 results review

(INR mn)	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q4FY26E
<b>Net Revenue</b>	<b>46,580</b>	<b>176,909</b>	<b>65,798</b>	<b>115,341</b>	<b>104,537</b>	<b>102,925</b>	<b>388,601</b>	<b>128,357</b>	<b>148,550</b>	<b>106,716</b>	<b>105,105</b>	<b>99,810</b>
<b>YoY</b>	<b>52%</b>	<b>45%</b>	<b>101%</b>	<b>133%</b>	<b>117%</b>	<b>121%</b>	<b>120%</b>	<b>95%</b>	<b>29%</b>	<b>2%</b>	<b>2%</b>	<b>-3%</b>
Raw Material Costs	(42,223)	(160,390)	(60,169)	(106,605)	(96,801)	(94,753)	(358,328)	(118,749)	(138,014)	(98,858)	(97,151)	(91,555)
<b>Gross Profit</b>	<b>4,356</b>	<b>16,519</b>	<b>5,629</b>	<b>8,736</b>	<b>7,736</b>	<b>8,172</b>	<b>30,273</b>	<b>9,607</b>	<b>10,537</b>	<b>7,858</b>	<b>7,955</b>	<b>8,255</b>
<b>Gross Profit margin %</b>	<b>9.4%</b>	<b>9.3%</b>	<b>8.6%</b>	<b>7.6%</b>	<b>7.4%</b>	<b>7.9%</b>	<b>7.8%</b>	<b>7.5%</b>	<b>7.1%</b>	<b>7.4%</b>	<b>7.6%</b>	<b>8.3%</b>
Employee Cost	(822)	(3,327)	(1,201)	(1,483)	(1,558)	(1,433)	(5,674)	(1,692)	(1,969)	(1,711)	(1,740)	(2,005)
% of sales	1.8%	1.9%	1.8%	1.3%	1.5%	1.4%	1.5%	1.3%	1.3%	1.6%	1.7%	2.0%
Other expenses	(1,710)	(6,217)	(1,949)	(2,989)	(2,273)	(2,311)	(9,523)	(3,091)	(2,955)	(2,003)	(2,131)	(2,289)
% of sales	3.7%	3.5%	3.0%	2.6%	2.2%	2.2%	2.5%	2.4%	2.0%	1.9%	2.0%	2.3%
<b>EBITDA</b>	<b>1,825</b>	<b>6,976</b>	<b>2,479</b>	<b>4,264</b>	<b>3,905</b>	<b>4,428</b>	<b>15,076</b>	<b>4,824</b>	<b>5,613</b>	<b>4,145</b>	<b>4,084</b>	<b>3,962</b>
<b>YoY</b>	<b>17%</b>	<b>36%</b>	<b>88%</b>	<b>114%</b>	<b>112%</b>	<b>143%</b>	<b>116%</b>	<b>95%</b>	<b>32%</b>	<b>6%</b>	<b>-8%</b>	<b>-11%</b>
<b>EBITDA margin%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.8%</b>	<b>3.7%</b>	<b>3.7%</b>	<b>4.3%</b>	<b>3.9%</b>	<b>3.8%</b>	<b>3.8%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>4.0%</b>
Total D&A Expense	(510)	(1,619)	(545)	(660)	(746)	(859)	(2,810)	(927)	(963)	(990)	(1,050)	(1,051)
<b>EBIT</b>	<b>1,315</b>	<b>5,358</b>	<b>1,934</b>	<b>3,604</b>	<b>3,159</b>	<b>3,569</b>	<b>12,266</b>	<b>3,897</b>	<b>4,650</b>	<b>3,154</b>	<b>3,034</b>	<b>2,910</b>
<b>YoY</b>	<b>6%</b>	<b>35%</b>	<b>97%</b>	<b>122%</b>	<b>120%</b>	<b>172%</b>	<b>129%</b>	<b>102%</b>	<b>29%</b>	<b>0%</b>	<b>-15%</b>	<b>-18%</b>
<b>EBIT margin%</b>	<b>2.8%</b>	<b>3.0%</b>	<b>2.9%</b>	<b>3.1%</b>	<b>3.0%</b>	<b>3.5%</b>	<b>3.2%</b>	<b>3.0%</b>	<b>3.1%</b>	<b>3.0%</b>	<b>2.9%</b>	<b>2.9%</b>
Other Income	167	226	82	(57)	65	113	202	17	43	63	153	122
Finance Costs	(214)	(748)	(293)	(379)	(409)	(463)	(1,544)	(326)	(384)	(429)	(237)	(369)
<b>PBT</b>	<b>1,267</b>	<b>4,836</b>	<b>1,723</b>	<b>3,167</b>	<b>2,816</b>	<b>3,219</b>	<b>10,925</b>	<b>3,588</b>	<b>4,310</b>	<b>2,789</b>	<b>2,950</b>	<b>2,663</b>
<b>YoY</b>	<b>15%</b>	<b>41%</b>	<b>98%</b>	<b>117%</b>	<b>128%</b>	<b>154%</b>	<b>126%</b>	<b>108%</b>	<b>36%</b>	<b>-1%</b>	<b>-8%</b>	<b>-17%</b>
Income Tax Expense	(322)	(1,189)	(400)	(1,172)	(689)	(1,111)	(3,372)	(855)	(1,092)	(730)	(668)	(606)
Rate %	25.4%	24.6%	23.2%	37.0%	24.5%	34.5%	30.9%	23.8%	25.3%	26.2%	22.6%	24.0%
Share of JCEs/Associates	28	102	74	26	36	38	174	68	12	78	57	93
Exceptional				2,096		2,504	4,600					
<b>Net Profit</b>	<b>973</b>	<b>3,748</b>	<b>1,397</b>	<b>4,117</b>	<b>2,162</b>	<b>4,650</b>	<b>12,327</b>	<b>2,801</b>	<b>3,230</b>	<b>2,137</b>	<b>2,340</b>	<b>2,150</b>
<b>Margins</b>	<b>2.1%</b>	<b>2.1%</b>	<b>2.1%</b>	<b>3.6%</b>	<b>2.1%</b>	<b>4.5%</b>	<b>3.2%</b>	<b>2.2%</b>	<b>2.2%</b>	<b>2.0%</b>	<b>2.2%</b>	<b>2.2%</b>
<b>YoY</b>	<b>20.7%</b>	<b>47.0%</b>	<b>108.0%</b>	<b>263.2%</b>	<b>123.0%</b>	<b>377.7%</b>	<b>228.9%</b>	<b>100.4%</b>	<b>-21.5%</b>	<b>-1.2%</b>	<b>-49.7%</b>	<b>-53.8%</b>
Minority Interest	(21)	(72)	(60)	(219)	(450)	(641)	(1,370)	(551)	(757)	(333)	(415)	(319)
As % of NP	2.2%	1.9%	4.3%	5.3%	20.8%	13.8%	11.1%	19.7%	23.4%	15.6%	17.8%	14.8%
<b>Net Profit</b>	<b>952</b>	<b>3,677</b>	<b>1,337</b>	<b>3,899</b>	<b>1,712</b>	<b>4,009</b>	<b>10,956</b>	<b>2,250</b>	<b>2,473</b>	<b>1,804</b>	<b>1,924</b>	<b>1,830</b>
<b>YoY</b>	<b>18.1%</b>	<b>43.9%</b>	<b>94.3%</b>	<b>263.3%</b>	<b>77.7%</b>	<b>321.1%</b>	<b>198.0%</b>	<b>68.3%</b>	<b>-36.6%</b>	<b>5.4%</b>	<b>-52.0%</b>	<b>-54.3%</b>
<b>Net Margin%</b>	<b>2.0%</b>	<b>2.1%</b>	<b>2.0%</b>	<b>3.4%</b>	<b>1.6%</b>	<b>3.9%</b>	<b>2.8%</b>	<b>1.8%</b>	<b>1.7%</b>	<b>1.7%</b>	<b>1.8%</b>	<b>1.8%</b>
<b>Adj. PAT to Shareholders</b>	<b>952</b>	<b>3,677</b>	<b>1,337</b>	<b>1,802</b>	<b>1,712</b>	<b>1,505</b>	<b>6,356</b>	<b>2,250</b>	<b>2,473</b>	<b>1,804</b>	<b>1,924</b>	<b>1,830</b>
<b>YoY</b>	<b>18.1%</b>	<b>43.9%</b>	<b>94.3%</b>	<b>67.9%</b>	<b>77.7%</b>	<b>58.0%</b>	<b>72.9%</b>	<b>68.3%</b>	<b>37.2%</b>	<b>5.4%</b>	<b>27.9%</b>	<b>21.7%</b>

Source: Company, JM Financial

## Exhibit 2: Q4FY26 segmental results review

(INR mn)	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
<b>Revenue Split</b>											
<b>Consumer Electronics</b>	<b>8,970</b>	<b>41,480</b>	<b>8,550</b>	<b>14,130</b>	<b>6,330</b>	<b>6,890</b>	<b>35,900</b>	<b>6,720</b>	<b>9,560</b>	<b>5,670</b>	<b>6,970</b>
YoY %	-9%	-3%	-3%	-2%	-32%	-23%	-13%	-21%	-32%	-10%	1%
% of Total	19%	23%	13%	12%	6%	7%	9%	5%	6%	5%	7%
<b>Lighting Products</b>	<b>1,970</b>	<b>7,870</b>	<b>2,270</b>	<b>2,330</b>	<b>2,010</b>	<b>2,000</b>	<b>8,610</b>	<b>1,880</b>	-	-	-
YoY %	-27%	-25%	2%	29%	7%	2%	9%	-17%	-	-	-
% of Total	4%	4%	3%	2%	2%	2%	2%	1%	-	-	-
<b>Home Appliances</b>	<b>2,940</b>	<b>12,050</b>	<b>3,050</b>	<b>4,440</b>	<b>3,150</b>	<b>3,020</b>	<b>13,660</b>	<b>3,130</b>	<b>4,290</b>	<b>3,550</b>	<b>3,290</b>
YoY %	5%	5%	18%	22%	9%	3%	13%	3%	-3%	13%	9%
% of Total	6%	7%	5%	4%	3%	3%	4%	2%	3%	3%	3%
<b>Mobile Phones &amp; EMS</b>	<b>30,910</b>	<b>109,190</b>	<b>51,920</b>	<b>94,440</b>	<b>93,050</b>	<b>91,020</b>	<b>330,430</b>	<b>116,630</b>	<b>133,610</b>	<b>97,500</b>	<b>94,850</b>
YoY %	119%	109%	189%	235%	190%	194%	203%	125%	41%	5%	4%
% of Total	66%	62%	79%	82%	89%	88%	85%	91%	91%	91%	90%
<b>EBITDA Split</b>											
<b>Consumer Electronics</b>	<b>300</b>	<b>1,410</b>	<b>290</b>	<b>520</b>	<b>220</b>	<b>420</b>	<b>1,450</b>	<b>400</b>	<b>390</b>	<b>240</b>	<b>400</b>
EBITDA Margin %	3.3%	3.4%	3.4%	3.7%	3.5%	6.1%	4.0%	6.0%	4.1%	4.2%	5.7%
<b>Lighting Products</b>	<b>142</b>	<b>592</b>	<b>150</b>	<b>170</b>	<b>140</b>	<b>150</b>	<b>610</b>	<b>110</b>	-	-	-
EBITDA Margin %	7.2%	7.5%	6.6%	7.3%	7.0%	7.5%	7.1%	5.9%	-	-	-
<b>Home Appliances</b>	<b>301</b>	<b>1,300</b>	<b>320</b>	<b>490</b>	<b>320</b>	<b>370</b>	<b>1,500</b>	<b>360</b>	<b>500</b>	<b>410</b>	<b>310</b>
EBITDA Margin %	10.2%	10.8%	10.5%	11.0%	10.2%	12.3%	11.0%	11.5%	11.7%	11.5%	9.4%
<b>Mobile Phones &amp; EMS</b>	<b>1,050</b>	<b>3,550</b>	<b>1,710</b>	<b>3,080</b>	<b>3,220</b>	<b>3,490</b>	<b>11,500</b>	<b>3,950</b>	<b>4,720</b>	<b>3,500</b>	<b>3,370</b>
EBITDA Margin %	3.4%	3.3%	3.3%	3.3%	3.5%	3.8%	3.5%	3.4%	3.5%	3.6%	3.6%

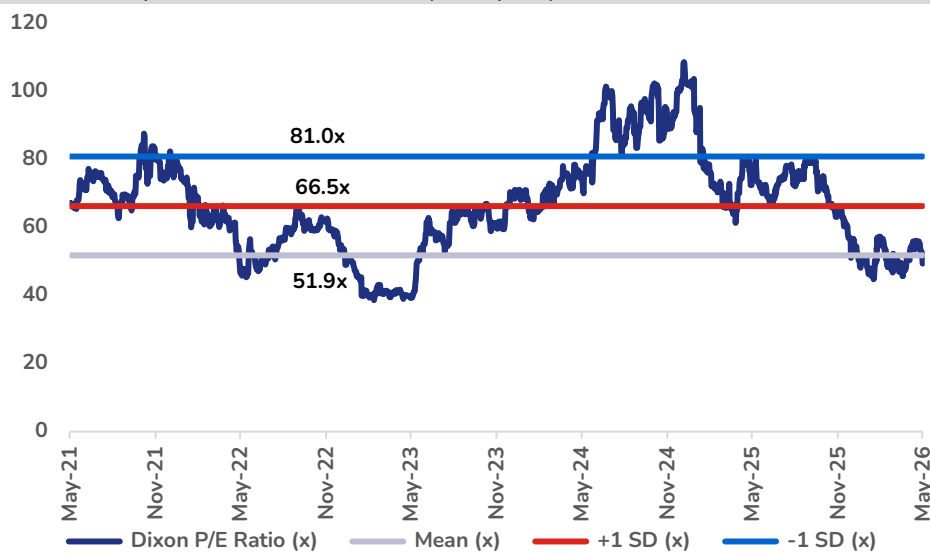
Source: Company, JM Financial

**Exhibit 3: EPS revision table**

INR mn	FY27E	FY28E	FY29E
<b>Revenues</b>			
Old	633,553	782,408	nm
New	629,305	780,461	876,275
Change	-0.7%	-0.2%	nm
<b>EBITDA</b>			
Old	23,556	31,013	nm
New	22,908	30,474	36,060
Change	-2.8%	-1.7%	nm
<b>EBITDA margins</b>			
Old	3.7%	4.0%	nm
New	3.6%	3.9%	4.1%
Change	-8	-6	nm
<b>Recurring PAT</b>			
Old	11,471	15,551	nm
New	11,212	15,515	18,226
Change	-2.3%	-0.2%	nm
<b>EPS</b>			
Old	185.6	251.5	nm
New	181.4	251.0	294.8
Change	-2.3%	-0.2%	nm

Source: Company, JM Financial

**Exhibit 4: One-year forward P/E band chart (last 5 years)**



Source: Company, JM Financial

## Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E	
Net Sales	388,601	488,728	629,305	780,461	876,275	
Sales Growth (%)	119.7	25.8	28.8	24.0	12.3	
Other Operating Income	-	-	-	-	-	
<b>Total Revenue</b>	<b>388,601</b>	<b>488,728</b>	<b>629,305</b>	<b>780,461</b>	<b>876,275</b>	
Cost of Goods Sold/Op. Exp	358,328	452,771	581,432	719,138	805,233	
Personnel Cost	5,674	7,112	8,178	9,405	10,816	
Other Expenses	9,523	10,180	16,787	21,445	24,166	
<b>EBITDA</b>	<b>15,076</b>	<b>18,666</b>	<b>22,908</b>	<b>30,474</b>	<b>36,060</b>	
EBITDA Margin (%)	3.9	3.8	3.6	3.9	4.1	
EBITDA Growth (%)	116.1	23.8	22.7	33.0	18.3	
Depn. & Amort.	2,810	3,930	4,573	5,523	6,573	
EBIT	12,266	14,736	18,335	24,951	29,488	
Other Income	12	12	12	12	12	
Finance Cost	1,544	1,375	1,128	1,052	995	
PBT before Excep. & Forex	10,924	13,638	17,509	24,325	29,109	
Excep. & Forex Inc./Loss(-)	-	-	-	-	-	
PBT	10,924	13,638	17,509	24,325	29,109	
Taxes	3,372	3,345	3,852	5,351	6,404	
Extraordinary Inc./Loss(-)	4,600	-	-	-	-	
Assoc. Profit/Min. Int.(-)	1,544	2,271	2,901	4,026	5,063	
Reported Net Profit	10,955	8,451	11,212	15,515	18,225	
<b>Adjusted Net Profit</b>	<b>6,356</b>	<b>8,451</b>	<b>11,212</b>	<b>15,515</b>	<b>18,225</b>	
Net Margin (%)	1.6	1.7	1.8	2.0	2.1	
Diluted Share Cap. (mn)	60	62	62	62	62	
<b>Diluted EPS (INR)</b>	<b>106.2</b>	<b>136.7</b>	<b>181.4</b>	<b>251.0</b>	<b>294.8</b>	
Diluted EPS Growth (%)	72.8	28.7	32.7	38.4	17.5	
Total Dividend + Tax	479	618	742	804	990	
Dividend Per Share (INR)	8.0	10.0	12.0	13.0	16.0	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E	
Profit before Tax	10,924	13,638	17,509	24,325	29,109	
Depn. & Amort.	2,810	3,930	4,573	5,523	6,573	
Net Interest Exp. / Inc. (-)	-	-	-	-	-	
Inc (-) / Dec in WCap.	-4,501	6,541	-3,565	-4,792	-6,097	
Others	-456	-1,716	-2,445	-3,458	-4,480	
Taxes Paid	-3,372	-3,345	-3,852	-5,351	-6,404	
<b>Operating Cash Flow</b>	<b>5,406</b>	<b>19,047</b>	<b>12,220</b>	<b>16,246</b>	<b>18,701</b>	
Capex	-12,205	-15,411	-9,350	-10,350	-11,350	
Free Cash Flow	-6,799	3,635	2,870	5,896	7,351	
Inc (-) / Dec in Investments	-5,156	-4,712	-	-	-	
Others	-430	-6,102	-	-	-	
<b>Investing Cash Flow</b>	<b>-17,790</b>	<b>-26,226</b>	<b>-9,350</b>	<b>-10,350</b>	<b>-11,350</b>	
Inc / Dec (-) in Capital	1	1	-	-	-	
Dividend + Tax thereon	-479	-618	-742	-804	-990	
Inc / Dec (-) in Loans	1,820	3,232	-1,078	-200	-750	
Others	11,591	11,339	2,673	3,742	4,771	
<b>Financing Cash Flow</b>	<b>12,933</b>	<b>13,954</b>	<b>853</b>	<b>2,738</b>	<b>3,031</b>	
<b>Inc / Dec (-) in Cash</b>	<b>549</b>	<b>6,775</b>	<b>3,724</b>	<b>8,635</b>	<b>10,382</b>	
Opening Cash Balance	2,087	2,635	9,411	13,134	21,769	
Closing Cash Balance	2,635	9,411	13,134	21,769	32,151	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E	
Shareholders Fund	34,693	53,867	67,010	85,464	107,470	
Share Capital	121	122	122	122	122	
Reserves & Surplus	29,982	46,645	57,115	71,827	89,062	
Preference Share Capital	-	-	-	-	-	
Minority Interest	4,591	7,100	9,773	13,515	18,286	
Total Loans	2,023	4,675	3,597	3,397	2,647	
Def. Tax Liab. / Assets (-)	794	961	961	961	961	
Other non-current liabilities / Lease Liabilities	5,463	6,481	6,481	6,481	6,481	
<b>Total - Equity &amp; Liab.</b>	<b>42,179</b>	<b>65,023</b>	<b>77,088</b>	<b>95,342</b>	<b>116,598</b>	
Net Fixed Assets	24,045	32,907	37,685	42,512	47,289	
Gross Fixed Assets	28,109	37,728	46,728	56,728	67,728	
Intangible Assets	-34	-	-	-	-	
Less: Depn. & Amort.	6,599	10,529	14,752	19,925	26,147	
Capital WIP	2,570	5,708	5,708	5,708	5,708	
Investments	5,356	10,068	10,068	10,068	10,068	
Current Assets	132,485	140,232	177,989	224,026	260,893	
Inventories	39,924	38,365	50,253	63,397	72,407	
Sundry Debtors	69,655	65,299	87,445	111,702	129,178	
Cash & Bank Balances	2,635	9,411	13,134	21,769	32,151	
Loans & Advances	-	-	-	-	-	
Other Current Assets	20,271	27,158	27,158	27,158	27,158	
Current Liab. & Prov.	124,418	125,391	155,859	188,470	208,858	
Current Liabilities	110,377	115,303	145,772	178,382	198,771	
Provisions & Others	14,041	10,087	10,087	10,087	10,087	
Net Current Assets	6,526	6,760	14,049	27,475	43,954	
Other Non Current Assets/ROU Assets	7,232	16,393	16,393	16,393	16,393	
<b>Total - Assets</b>	<b>42,179</b>	<b>65,023</b>	<b>77,088</b>	<b>95,342</b>	<b>116,598</b>	

Source: Company, JM Financial

Dupont Analysis						
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E	
Net Margin (%)	1.6	1.7	1.8	2.0	2.1	
Asset Turnover (x)	11.7	8.9	8.7	8.9	8.2	
Leverage Factor (x)	1.4	1.4	1.4	1.4	1.3	
RoE (%)	27.0	22.0	21.6	24.0	22.6	

Source: Company, JM Financial

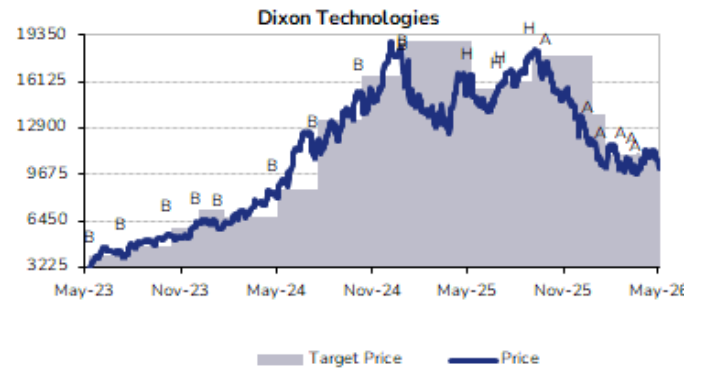
Key Ratios						
Y/E Mar	FY25A	FY26A	FY27E	FY28E	FY29E	
BV/Share (INR)	503.1	756.5	925.9	1,163.8	1,442.6	
ROIC (%)	37.2	32.6	33.0	37.1	36.7	
ROE (%)	27.0	22.0	21.6	24.0	22.6	
Net Debt/Equity (x)	0.0	-0.1	-0.2	-0.3	-0.3	
P/E (x)	55.4	74.2	55.9	40.4	34.4	
P/B (x)	20.2	13.4	10.9	8.7	7.0	
EV/EBITDA (x)	41.2	33.0	26.8	20.0	16.7	
EV/Sales (x)	1.6	1.3	1.0	0.8	0.7	
Debtor days	65	49	51	52	54	
Inventory days	37	29	29	30	30	
Creditor days	106	83	83	83	83	

Source: Company, JM Financial

**Recommendation History Table**

Date	Recommendation	Target Price	% Chg.
8-Apr-26	Add	11,200	0.0
2-Apr-26	Add	11,200	1.8
10-Mar-26	Add	11,000	0.0
30-Jan-26	Add	11,000	-20.3
6-Jan-26	Add	13,800	-23.3
18-Oct-25	Add	18,000	0.0
16-Sep-25	Hold	18,000	11.8
22-Jul-25	Hold	16,100	0.6
16-Jul-25	Hold	16,000	2.2
21-May-25	Hold	15,650	-17.6
20-Jan-25	Buy	19,000	0.0
17-Jan-25	Buy	19,000	14.7
25-Oct-24	Buy	16,570	23.5
31-Jul-24	Buy	13,420	55.7
16-May-24	Buy	8,620	27.9
1-Feb-24	Buy	6,740	-6.6
19-Dec-23	Buy	7,215	20.8
27-Oct-23	Buy	5,975	27.1
30-Jul-23	Buy	4,700	17.5
23-May-23	Buy	4,000	

**Recommendation History Chart**



## APPENDIX I

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Rating	Meaning
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