

# Bharat Electronics | ADD

## Q4FY26 results in line with consensus

Bharat Electronics reported Q4FY26 results in line with consensus estimates but ahead of JMFe. EBITDA at INR 29.6bn rose 6% YoY (in line with consensus/7% beat on JMFe) with EBITDA margin at 29.1% in line with JMFe of 29.2% but ahead of consensus estimate of 28.3%. Order inflows (reported [earlier](#)) were robust at INR 300bn (+60% YoY), ahead of the company's guidance of INR 270bn, taking the order book to INR 740bn. Earnings conference call is scheduled on 20<sup>th</sup> May at 4PM IST ([Link](#)). We await management commentary on guidance on order inflows for FY27 and outlook on margins. We value BEL at 44x FY28E EPS of INR 11, arriving at our TP of INR 485; maintain ADD.

- Results in line with consensus estimates:** Revenue, EBITDA and PAT were all in line with consensus estimates at INR 101.77bn (+12% YoY), INR 29.6bn (+6% YoY) and INR 22bn (+5% YoY) respectively. Order inflows (reported earlier) were robust at INR 300bn (+60% YoY), ahead of the company's guidance of INR 270bn, taking the order book to INR 740bn. Working capital deteriorated largely led by rise in receivables (from 127 days in FY25 to 146 days in FY26).
- Await outlook on order inflows from conference call:** We await management commentary on guidance on order inflows for FY27 and outlook on margins. ([Link](#))
- Maintain ADD with a TP of INR 485:** We value BEL at 44x FY28E EPS of INR 11, arriving at our TP of INR 485 and maintain ADD rating.



**Neelotpal Sahu**

neelotpal.sahu@jmfl.com | Tel: (91 22) 69703660

**Priyankar Biswas**

priyankar.biswas@jmfl.com | Tel: (91 22) 69703622

**Gaurav Jawalkar**

gaurav.jawalkar@jmfl.com | Tel: (91 22) 66303372

### Recommendation and Price Target

Current Reco.	ADD
Previous Reco.	ADD
Current Price Target (12M)	485
Upside/(Downside)	14.7%
Previous Price Target	485
Change	0.0%

### Key Data – BHE IN EQUITY

Current Market Price	INR423
Market cap (bn)	INR3,091.7/US\$32.0
Free Float (%)	46.6
Shares in issue (mn)	7,309.8
Diluted share (mn)	7,309.8
3-mon avg daily val (mn)	INR7,370.7/US\$76.4
52-week range	INR473/359
Sensex/Nifty	75,201/23,618
INR/US\$	96.5

### Price Performance

%	1M	6M	12M
Absolute	-8.6	-0.1	16.3
Relative*	-4.6	13.8	25.5

\*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.

## Results in line with consensus

### Exhibit 1: Q4FY26 results in line with consensus estimates

	Mar-25	Dec-25	Mar-26	% YoY	% QoQ	vs JMFe	vs BBGe
Revenue	91,197	71,220	1,01,772	11.6%	42.9%	7.7%	-0.6%
EBITDA	27,890	21,176	29,624	6.2%	39.9%	7.3%	2.1%
EBITDA Margin (%)	30.6%	29.7%	29.1%				
PAT	21,048	15,901	22,032	4.7%	38.6%	6.6%	-0.5%

Source: Company, Bloomberg, JM Financial

### Exhibit 2: Q4FY26 results snapshot

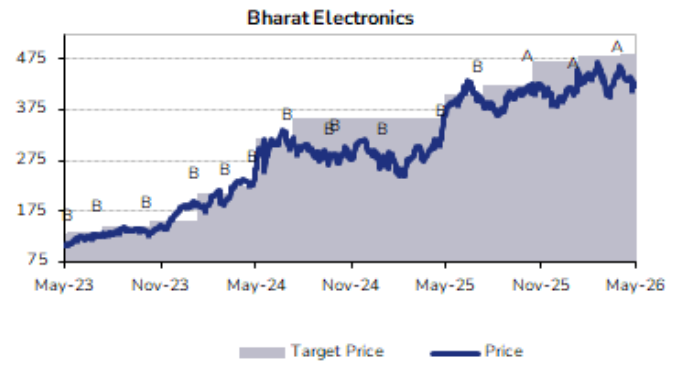
INR mn	Mar-25	Dec-25	Mar-26
Revenue	91,197	71,220	1,01,772
% y-y growth	6.9%	23.7%	11.6%
<b>Gross Profit</b>	<b>43,638</b>	<b>33,106</b>	<b>49,022</b>
GP Margins %	47.8%	46.5%	48.2%
Employee benefit expenses	7,582	8,137	8,259
% of sales	8.3%	11.4%	8.1%
Other Expenses	8,165	3,793	11,140
% of sales	9.0%	5.3%	10.9%
<b>EBITDA</b>	<b>27,890</b>	<b>21,176</b>	<b>29,624</b>
EBITDA margin (%)	30.6%	29.7%	29.1%
Depreciation and Amortization	1,298	1,275	1,651
<b>EBIT</b>	<b>26,592</b>	<b>19,902</b>	<b>27,973</b>
EBIT margin (%)	29.2%	27.9%	27.5%
Finance Cost	58.0	20.3	16.0
Other Income	1,942	1,595	1,082
<b>PBT</b>	<b>28,476</b>	<b>21,477</b>	<b>29,038</b>
PBT Margins	31.2%	30.2%	28.5%
<b>PAT</b>	<b>21,048</b>	<b>15,901</b>	<b>22,032</b>
PAT margin %	23.1%	22.3%	21.6%

Source: Company, JM Financial

**Recommendation History Table**

Date	Recommendation	Target Price	% Chg.
23-Apr-26	Add	485	1.0
29-Jan-26	Add	480	2.1
2-Nov-25	Add	470	10.6
31-Jul-25	Buy	425	4.9
20-May-25	Buy	405	12.5
30-Jan-25	Buy	360	0.0
28-Oct-24	Buy	360	0.0
17-Oct-24	Buy	360	0.0
30-Jul-24	Buy	360	12.5
22-May-24	Buy	320	42.2
1-Apr-24	Buy	225	7.1
31-Jan-24	Buy	210	35.5
1-Nov-23	Buy	155	6.9
31-Jul-23	Buy	145	7.4
24-May-23	Buy	135	3.8
3-Apr-23	Buy	130	0.0
2-Feb-23	Buy	130	-3.7
31-Oct-22	Buy	135	15.8
30-Aug-22	Buy	117	11.1
21-Jul-22	Buy	105	

**Recommendation History Chart**



## APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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Rating System: Definition of ratings	
Rating	Meaning
BUY	Expected return $\geq$ 15% over the next twelve months.
ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
SELL	Expected return $<$ -10% over the next twelve months.

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SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: [jmfinancial.research@jmfl.com](mailto:jmfinancial.research@jmfl.com) | [www.jmfl.com](http://www.jmfl.com)

Compliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: [ashley.johnson@jmfl.com](mailto:ashley.johnson@jmfl.com)

Grievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: [instcompliance@jmfl.com](mailto:instcompliance@jmfl.com)

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