



Jan-Mar'25 Earnings Preview

July 4, 2025

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
Avalon Technologies	Acc	838	927
Cyient DLM	Acc	480	546
Kaynes Technology India	HOLD	6,176	6,068
Syrma SGS Technology	HOLD	607	625

Source: PL Acc=Accumulate

Top Picks

Moderate growth, but margins to expand

Electronics manufacturing services (EMS) companies under our coverage are expected to post moderate YoY revenue growth in Q1FY26, due to single-digit growth in CYIENTDL and revenue decline in SYRMA. In contrast, KAYNES and AVAL are likely to continue their strong momentum, with YoY revenue growth of 50% and 30%, respectively. Profitability is set to improve sharply, with margin expansion across the board driven by increasing exposure to high-margin segments. We estimate ~390bps YoY expansion in EBITDA margin and 59.1% YoY growth in PAT for our EMS coverage universe in Q1FY26. Looking ahead, we expect pickup in order book across EMS companies, supported by their strategic focus on higher margin sectors and orders, which should further support margin expansion in the coming quarters.

We expect our EMS universe to register sales/EBITDA/PAT growth of 7.5%/73.5%/59.1% YoY in Q1FY26, on the back of robust order execution and margin improvement led by cost rationalization and increased contribution from high-margin segments. We continue our positive view on EMS companies that will see healthy growth and continuously expanding opportunity market.

EMS sector to see moderate revenue growth: EMS companies under our coverage universe are expected to report single-digit revenue growth of 7.5% YoY in Q1FY26, as H1 has been historically weak. AVAL is expected to grow by 30.0% YoY, with mobility/industrial/clean energy segments growing by 50%/35%/30% YoY. CYIENTDL is expected to post only 7% YoY revenue growth in Q1FY26 due to the completion of an important project contributing to ~1/3rd of revenue. However, its gross margins are likely to improve due to better segment mix of the recently acquired Altek. KAYNES is expected to grow by 50.0% YoY, driven by automotive, industrial and aerospace. SYRMA revenue is expected to decline by 14.8% YoY, but margins are likely to expand due to the shift to margin-accretive segments and reducing consumer segment contribution to revenue (to decline by 40% YoY).

In Q1FY26, margins of the coverage companies are expected to expand due to cost rationalization and increased contributions from high-margin sectors/segments. AVAL/CYIENTDL/KAYNES/SYRMA are expected to see margin improvements of ~740/20/120/420bps YoY.

With moderate revenue growth and margin improvement, the coverage companies are expected to report healthy profitability. AVAL is expected to report profit of Rs124mn in Q1FY26 as against loss of Rs23mn in Q1FY25, and KAYNES / SYRMA are expected to see PAT growth of 22.4% / 123.3% YoY. CYIENTDL PAT is expected to decline by 39.3% YoY due to higher fixed cost and loss of a big client.

Key changes in ratings/TP: We have upward revised our TP for KAYNES, while maintaining for other companies and downgraded our rating for SYRMA to 'HOLD' from 'BUY' due to uptick in the stock prices while maintaining for other companies.

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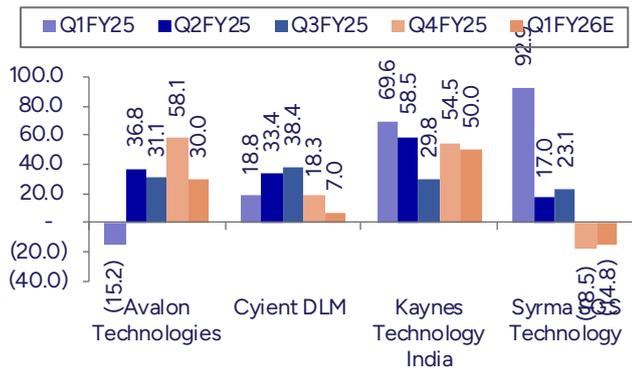
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Exhibit 2: Coverage companies' financials

	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26E	YoY (% change)
Revenue (Rs mn)										
Avalon Technologies	2,351	2,010	2,143	2,168	1,995	2,750	2,809	3,428	2,593	30.0
Cyient DLM	2,171	2,918	3,210	3,618	2,579	3,895	4,442	4,281	2,760	7.0
Kaynes Technology India	2,972	3,608	5,093	6,373	5,040	5,721	6,612	9,845	7,559	50.0
Syrma SGS Technology	6,013	7,117	7,067	11,341	11,599	8,327	8,697	9,244	9,888	-14.8
EBITDA margin (%)										
Avalon Technologies	6.9	6.3	7.7	7.9	2.2	11.0	12.3	12.1	9.6	741 bps
Cyient DLM	9.2	8.1	9.2	10.5	7.8	7.8	6.3	13.4	8.0	25
Kaynes Technology India	13.5	13.5	13.7	14.9	13.3	14.4	14.2	17.1	14.5	123
Syrma SGS Technology	6.1	6.9	5.5	6.5	3.8	8.5	9.1	11.6	8.0	416
PAT (Rs mn)										
Avalon Technologies	71	73	66	71	-23	175	240	243	124	NA
Cyient DLM	54	147	184	228	106	155	110	310	64	-39.3
Kaynes Technology India	246	323	452	813	508	602	665	1,162	622	22.4
Syrma SGS Technology	285	297	203	349	203	396	380	654	454	123.3

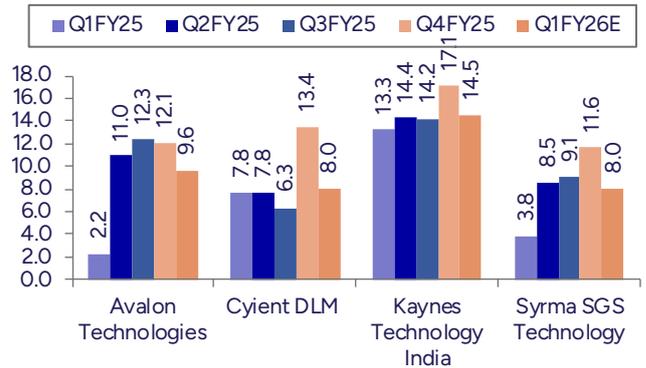
Source: Company, PL

Exhibit 3: Moderate revenue growth of 7.5% YoY in Q1FY26E



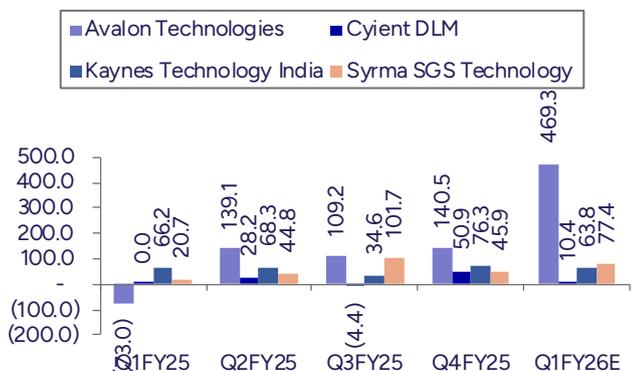
Source: Company, PL

Exhibit 4: EBITDA margin to see ~390bps improvement



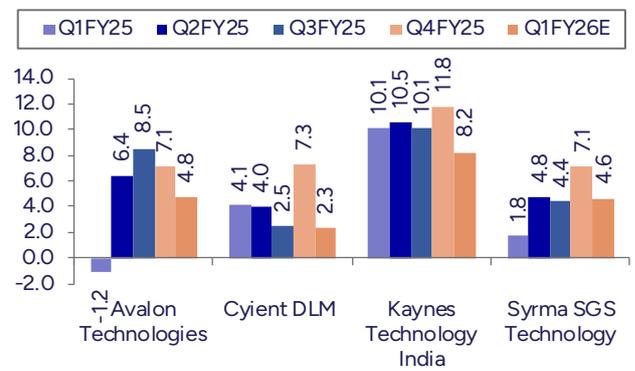
Source: Company, PL

Exhibit 5: Healthy EBITDA growth of 73.5% YoY



Source: Company, PL

Exhibit 6: PAT growth of ~59% YoY with a PAT margin of 5.5%



Source: Company, PL

Exhibit 7: Q1FY26 Result Preview

Company Name		Q1FY26E	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Remark
Avalon Technologies	Sales	2,593	1,995	30.0	3,428	(24.4)	We expect sales growth of 30% YoY. Mobility/Industrial/Clean Energy segment to grow by 50%/35%/30% YoY. EBITDA margin to expand by ~740 bps, improvement largely driven operational efficiency and favourable shift in segment mix.
	EBITDA	249	44	469.3	414	(39.8)	
	Margin (%)	9.6	2.2	741 bps	12.1	-246 bps	
	PBT	165	(20)	NA	326	(49.3)	
	Adj. PAT	124	(23)	NA	243	(49.0)	
Cyient DLM	Sales	2,760	2,579	7.0	4,281	(35.5)	We expect sales to grow by 7.0% YoY, decline in existing business due to end of BEL order and growth from Altek addition. Medtech/Industrial to grow by 200%/75% YoY. Margin is expected to expand by ~20bps to 8.0%. PAT is expected to decline by 39.3%.
	EBITDA	221	200	10.4	574	(61.5)	
	Margin (%)	8.0	7.8	25 bps	13.4	-541 bps	
	PBT	86	142	(39.4)	417	(79.4)	
	Adj. PAT	64	106	(39.3)	310	(79.3)	
Kaynes Technology India	Sales	7,559	5,040	50.0	9,845	(23.2)	We expect sales to grow 50.0% YoY, led by strong performance across segments — Automotive, Industrial, and Aerospace are expected to grow 35%, 65%, and 45% YoY, respectively. Margins are likely to expand by 120bps to 14.5%, with PAT expected to rise 22.4% YoY. The company has guided for a stronger H2 versus H1, implying relatively lower growth in Q1FY26.
	EBITDA	1,096	669	63.8	1,679	(34.7)	
	Margin (%)	14.5	13.3	123 bps	17.1	-255 bps	
	PBT	830	641	29.4	1,419	(41.5)	
	Adj. PAT	622	508	22.4	1,162	(46.4)	
Syrma SGS Technology	Sales	9,886	11,599	-14.8	9,244	6.9	We expect sales to decline by 14.8% YOY. Auto/Healthcare/Industrial to grow by 17%/15%/20% YoY. Margin is expected to expand by ~420bps to 8.0%. PAT to grow by ~123%
	EBITDA	791	446	77.4	1,075	(26.4)	
	Margin (%)	8.0	3.8	416 bps	11.6	-363 bps	
	PBT	606	295	105.4	934	(35.1)	
	Adj. PAT	454	203	123.3	654	(30.6)	

Source: Company, PL

Exhibit 8: Valuation Summary

Company Names	S/ C	Rating	CMP (Rs)	TP (Rs)	MCap (Rs bn)	Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)				RoE (%)				PE (x)			
						FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E
Avalon Technologies	C	Acc	838	927	55.5	8,672	10,981	13,811	17,849	625	1,149	1,563	2,178	280	634	919	1,351	4.3	9.6	13.9	20.4	5.2	10.9	14.0	17.5	196.9	87.4	60.3	41.1
Cyient DLM	C	Acc	480	546	38.1	11,919	15,196	16,870	22,279	1,110	1,372	1,687	2,362	612	681	948	1,442	7.7	8.6	12.0	18.2	11.1	7.3	9.3	12.4	62.2	55.9	40.2	26.4
Kaynes Technology India	C	HOLD	6,176	6,068	395.8	18,046	27,218	41,688	63,010	2,542	4,107	6,520	9,956	1,833	2,934	4,073	6,433	28.7	45.8	63.6	100.4	10.6	11.0	13.5	18.4	215.4	134.9	97.2	61.5
Syrma SGS Technology	C	HOLD	607	625	108.0	31,541	37,867	50,397	65,655	2,023	3,233	4,049	5,393	1,073	1,699	2,116	2,750	6.0	9.5	11.9	15.4	6.8	10.1	11.5	13.4	100.3	63.6	51.1	39.3

Source: Company, PL

Acc=Accumulate / S=Standalone / C=Consolidated

Exhibit 9: Change in Estimates

	Rating		Target Price			Sales						PAT						EPS					
						FY26E			FY27E			FY26E			FY27E			FY26E			FY27E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Avalon Technologies	Acc	Acc	927	927	0.0%	13,811	13,811	0.0%	17,849	17,849	0.0%	919	919	0.0%	1,351	1,351	0.0%	13.9	13.9	0.0%	20.4	20.4	0.0%
Cyient DLM	Acc	Acc	546	546	0.0%	16,870	16,870	0.0%	22,279	22,279	0.0%	948	948	0.0%	1,442	1,442	0.0%	12.0	12.0	0.0%	18.2	18.2	0.0%
Kaynes Technology India	HOLD	HOLD	6,068	5,744	5.6%	41,688	43,196	-3.5%	63,010	64,862	-2.9%	4,073	4,002	1.8%	6,433	6,128	5.0%	63.6	62.5	1.8%	100.4	95.6	5.0%
Syrma SGS Technology	HOLD	BUY	625	618	1.1%	50,397	50,397	0.0%	65,655	65,655	0.0%	2,116	2,100	0.8%	2,750	2,750	0.0%	11.9	11.8	0.8%	15.4	15.4	0.0%

Source: Company, PL

Acc=Accumulate / C=Current / P=Previous

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	Accumulate	1,630	1,494
2	Avalon Technologies	Accumulate	927	879
3	Bajaj Electricals	Hold	641	610
4	Cello World	BUY	746	623
5	Century Plyboard (I)	Hold	775	749
6	Cera Sanitaryware	Accumulate	7,389	6,788
7	Crompton Greaves Consumer Electricals	BUY	423	327
8	Cyient DLM	Accumulate	546	494
9	Finolex Industries	Hold	222	217
10	Greenpanel Industries	BUY	310	271
11	Havells India	Hold	1,717	1,665
12	Kajaria Ceramics	Accumulate	1,171	1,075
13	Kaynes Technology India	Hold	5,744	6,263
14	KEI Industries	BUY	4,278	3,295
15	Polycab India	BUY	7,152	5,880
16	R R Kabel	BUY	1,292	1,426
17	Supreme Industries	Hold	4,346	4,376
18	Syrma SGS Technology	BUY	618	526
19	Voltas	BUY	1,516	1,223

PL's Recommendation Nomenclature

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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