BUY

LG Electronics India

Stellar 1Q with strong double-digit growth across categories

Consumer Durables | Result Update | August 16, 2026

CMP (Rs): 1,730 | TP (Rs): 2,050

LG Electronics India (LGEIL) delivered a strong 1Q, with topline growth accelerating to 15% yoy (vs 8% in 4QFY26), led by broad-based double-digit growth across categories, mainly HE (Home Entertainment), which grew 22% yoy, (EBITM at 19% vs 13% qoq). The strong operating print (EBITDA growth of 26% yoy vs 10% decline in 4Q) led to 19%/23% EBITDA/PAT beat vs our estimates. Going ahead, LGEIL remains confident of broad-based growth (mid-teens revenue), led by premiumization, with TV (strong sell-out trend expected, with early channel stocking ahead of the festive season) and WM (monsoon-driven consumption in 2Q alongside festive pre-stocking) expected to be key contributors in 2H, while exports (up 30% yoy; better margins vs domestic), Essential Series, and B2B (targeting ~20% CAGR) provide additional levers. LGEIL is targeting localization of ~65% over the next 3–4 years (vs 55% in FY26), reducing import dependency and improving margin stability. We raise our FY27E EPS by 3% following the strong 1Q print. Maintain BUY and lift our TP by 8% to Rs2,050 (from Rs1,900) based on 50x Jun-28E PER (roll-forward).

Strong 1Q led by Home Entertainment segment

LGEIL posted a robust 1Q, with revenue growth at 15% yoy (vs 8% in 4QFY26), led by strong traction across product categories, especially HE segment, which grew 22% yoy (EBITM at 19% vs 13% in 4QFY26). Home Appliances saw healthy growth of 14%, with EBITM resilient at 11.6%. This led to an EBITDA/PAT beat of 19%/23% vs our estimates.

Earnings call KTAs

1) 1Q growth was portfolio-wide, with all major categories delivering double-digit growth rather than relying on one strong category. 2) Consumer preference is shifting toward higher-value, feature-rich, and energy-efficient products. In TVs, 55-inch+ models grew ~53% yoy (~50% of LG's TV business, with OLED TV/overall TV market share at ~59%/26%). In refrigerators, French door/side-by-side products are seeing strong growth. In WM, 8kg+ and AI DD models are outperforming. In RACs, 5-star inverter models are benefiting from premiumization. 3) Essential Series crossed 0.5mn units in 1HCY26, exceeding initial expectations, with margins largely in line with the broader B2C portfolio. 4) Export revenue grew 30% yoy in 1Q despite a challenging global environment, with LGEIL expanding its export footprint from ~45–47 countries around its IPO to 65 countries now. The strategy involves exporting premium products (large-capacity freezer and side-by-side refrigerators) to developed markets (US, EU), while Essential Series products are exported to emerging markets (Asia, Middle East, and Africa). 5) LGEIL is investing ~Rs50bn in its Sri City plant, with compressor production to commence in 3QFY27, followed by RAC in 4QFY27 (likely to ~2x LGEIL's manufacturing capacity). Capitalization is expected to begin in 2HFY27. While ramp-up may entail some costs, LGEIL expects in-house manufacturing efficiencies to offset initial investments. 6) It targets ~65% localization in the next 3–4 years (vs 55% in FY26). 7) Within B2B, LGEIL is confident of achieving ~20% growth CAGR, led by Information Display, where LG's LED signage market share has reached ~36%, with a ~5% lead over the #2 player).

Target Price – 12M	Jun-26
Change in TP (%)	**7.9**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	18.5

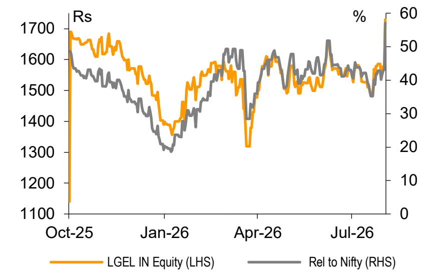
Stock Data	**LGEL IN**
52-week High (Rs)	1,749
52-week Low (Rs)	1,300
Shares outstanding (mn)	678.8
Market-cap (Rs bn)	1,174
Market-cap (USD mn)	12,302
Net-debt, FY27E (Rs mn)	(46,193.5)
ADTV-3M (mn shares)	0.8
ADTV-3M (Rs mn)	965.6
ADTV-3M (USD mn)	10.1
Free float (%)	15.0
Nifty-50	24,366.0
INR/USD	95.4

Shareholding,Jun-26	
Promoters (%)	85.0
FPIs/MFs (%)	3.1/7.8

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	13.3	10.5	0.0
Rel. to Nifty	11.8	7.4	0.0

1-Year share price trend (Rs)



LG Electronics India: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	243,666	246,049	280,200	317,909	361,311
EBITDA	31,101	24,083	31,561	37,569	42,664
Adj. PAT	22,033	16,851	22,170	26,286	30,195
Adj. EPS (Rs)	32.5	24.8	32.7	38.7	44.5
EBITDA margin (%)	12.8	9.8	11.3	11.8	11.8
EBITDA growth (%)	39.8	(22.6)	31.1	19.0	13.6
Adj. EPS growth (%)	45.8	(23.5)	31.6	18.6	14.9
RoE (%)	45.2	24.7	26.3	26.3	25.6
RoIC (%)	119.3	58.9	53.9	50.9	52.2
P/E (x)	53.3	69.7	53.0	44.7	38.9
EV/EBITDA (x)	36.5	46.9	35.7	29.7	25.8
P/B (x)	19.7	15.3	12.8	10.9	9.2
FCFF yield (%)	1.2	0.5	0.8	1.9	2.4

Source: Company, Emkay Research

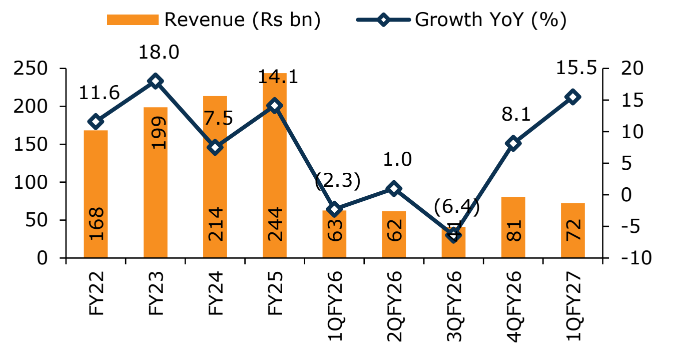
Chirag Jain
chirag.jain@emkayglobal.com
+91-22-66242428

Marazbaan Dastur
marazbaan.dastur@emkayglobal.com
+91-22-66121281

Nandan Pradhan
nandan.pradhan@emkayglobal.com
+91-22-66121238

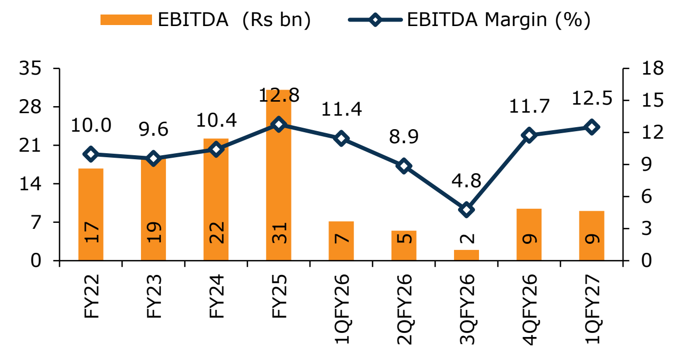
Mohit Ranga
mohit.ranga@emkayglobal.com
+91-22-66242478

Exhibit 1: Revenue growth saw acceleration to ~15% yoy during 1QFY27…



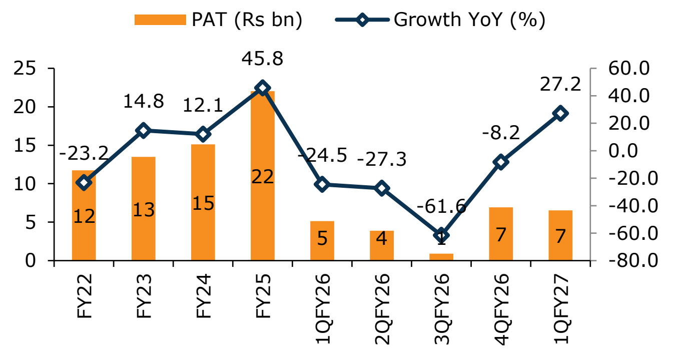
Source: Company, Emkay Research

Exhibit 2: …with EBITDA margin rising by ~80bps qoq, owing to GM expansion and curtailed other opex…



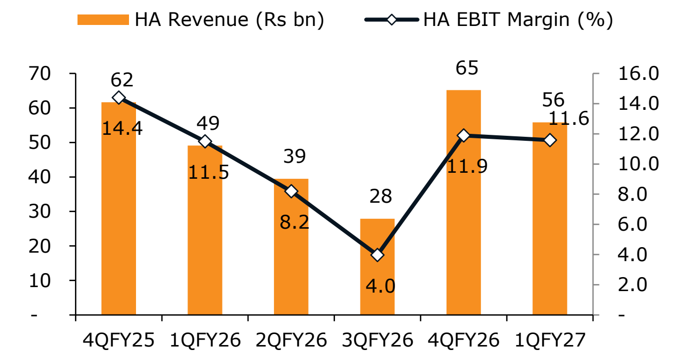
Source: Company, Emkay Research

Exhibit 3: …leading to PAT growth of ~27% yoy



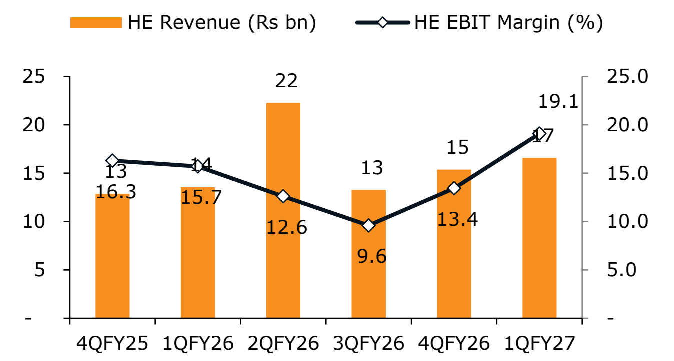
Source: Company, Emkay Research

Exhibit 4: HA revenue rose ~14% yoy, with EBIT margin held at 11.6% despite commodity headwinds…



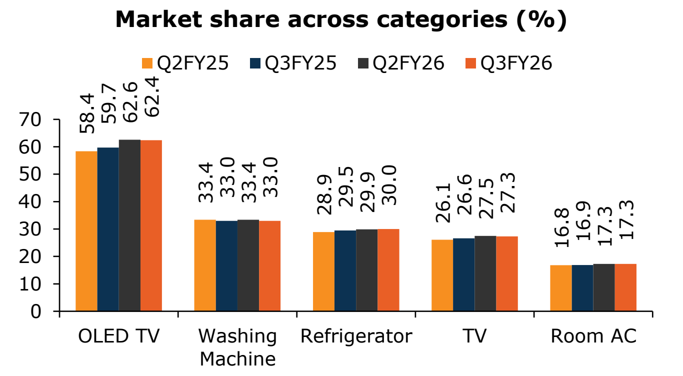
Source: Company, Emkay Research

Exhibit 5: …while Home Entertainment (HE) revenue saw an uptick of ~22% yoy, with EBITM expanding to 19% (vs 13% in 4Q)



Source: Company, Emkay Research

Exhibit 6: LGEIL market share is broadly stable across segments



Source: Company, Emkay Research

Exhibit 7: Actuals vs estimates

Particulars (Rs mn)	Actuals	Emkay Estimates	Variance %
Net sales	72,334	72,028	0.4
EBITDA	9,044	7,572	19.4
EBITDA margin (%)	12.5	10.5	199 bps
Adj net income	6,529	5,286	23.5

Source: Company, Bloomberg, Emkay Research

Exhibit 8: 1QFY27 – A strong quarter for LGEIL, with revenue/EBITDA/PAT growing at ~15%/26%/27% yoy, respectively

Quarterly snapshot (Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Revenue from operations	**64,088**	**61,139**	**43,955**	**74,484**	**62,629**	**61,740**	**41,144**	**80,536**	**72,334**	***15.5***	***(10.2)***
Growth YoY (%)					(2)	1	(6)	8	15		
Total operating expenses	**54,507**	**53,569**	**40,552**	**64,002**	**55,467**	**56,265**	**39,183**	**71,082**	**63,290**	***14.1***	***(11.0)***
Growth YoY (%)					1.8	5.0	(3.4)	11.1	14.1		
Raw material	*42,824*	*41,721*	*29,432*	*51,824*	*42,831*	*43,561*	*27,739*	*57,537*	*49,613*	*15.8*	*(13.8)*
As a (%) of revenue	*66.8*	*68.2*	*67.0*	*69.6*	*68.4*	*70.6*	*67.4*	*71.4*	*68.6*		
Employee expense	*2,409*	*2,345*	*2,371*	*2,503*	*2,536*	*2,480*	*2,606*	*2,348*	*2,787*	*9.9*	*18.7*
As a (%) of revenue	*3.8*	*3.8*	*5.4*	*3.4*	*4.0*	*4.0*	*6.3*	*2.9*	*3.9*		
Other expense	*9,275*	*9,503*	*8,749*	*9,674*	*10,099*	*10,224*	*8,838*	*11,197*	*10,890*	*7.8*	*(2.7)*
As a (%) of revenue	*14.5*	*15.5*	*19.9*	*13.0*	*16.1*	*16.6*	*21.5*	*13.9*	*15.1*		
EBITDA	**9,581**	**7,570**	**3,404**	**10,482**	**7,163**	**5,476**	**1,961**	**9,454**	**9,044**	***26.3***	***(4.3)***
EBITDA margin (%)	**14.9**	**12.4**	**7.7**	**14.1**	**11.4**	**8.9**	**4.8**	**11.7**	**12.5**		
Gross profit	**21,264**	**19,418**	**14,524**	**22,660**	**19,798**	**18,179**	**13,405**	**22,998**	**22,720**	***14.8***	***(1.2)***
Gross margin (%)	**33.2**	**31.8**	**33.0**	**30.4**	**31.6**	**29.4**	**32.6**	**28.6**	**31.4**		
Less: Depreciation	967	973	898	965	902	935	1,107	1,016	1,118		
EBIT	**8,613**	**6,597**	**2,506**	**9,517**	**6,260**	**4,541**	**854**	**8,437**	**7,925**	***26.6***	***(6.1)***
EBIT margin (%)	**13.4**	**10.8**	**5.7**	**12.8**	**10.0**	**7.4**	**2.1**	**10.5**	**11.0**		
Add: Other income	580	668	786	671	744	798	757	1,011	947		
Less: Interest	69	65	85	86	85	90	94	138	91		
PBT	**9,124**	**7,199**	**3,206**	**10,102**	**6,920**	**5,249**	**1,516**	**9,310**	**8,781**	***26.9***	***(5.7)***
Less: Taxes	**2,328**	**1,842**	**872**	**2,556**	**1,787**	**1,354**	**620**	**2,383**	**2,252**		
Add/Less: Exceptional items	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
PAT	**6,796**	**5,357**	**2,335**	**7,546**	**5,133**	**3,894**	**896**	**6,927**	**6,529**	***27.2***	***(5.7)***
PAT margin (%)	**10.6**	**8.8**	**5.3**	**10.1**	**8.2**	**6.3**	**2.2**	**8.6**	**9.0**		
Share of profit/(loss) of an associate and a JV	-	-	-	-	-	-	-	-	-		
Non-controlling interests	-	-	-	-	-	-	-	-	-		
Reported PAT	**6,796**	**5,357**	**2,335**	**7,546**	**5,133**	**3,894**	**896**	**6,927**	**6,529**	***27.2***	***(5.7)***
Reported PAT (%)	10.6	8.8	5.3	10.1	8.2	6.3	2.2	8.6	9.0		

Source: Company, Emkay Research

Exhibit 9: HA segment revenue was up ~14% yoy, while HE segment was a standout with revenue up ~22% yoy and EBITM up 570bps qoq to ~19%

Segmental snapshot (Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Revenue											
Home Appliances and Air Solutions	50,615	39,537	30,909	61,630	49,086	39,481	27,881	65,163	55,814	*13.7*	*(14.3)*
Home Entertainment	13,479	21,607	13,046	12,854	13,547	22,262	13,263	15,373	16,575	*22.3*	*7.8*
Total	**64,093**	**61,144**	**43,955**	**74,484**	**62,633**	**61,743**	**41,144**	**80,536**	**72,389**	***15.6***	***(10.1)***
yoy (%)											
Home Appliances and Air Solutions	*na*	*na*	*na*	*na*	*(3.0)*	*(0.1)*	*(9.8)*	*5.7*	*13.7*		
Home Entertainment	*na*	*na*	*na*	*na*	*0.5*	*3.0*	*1.7*	*19.6*	*22.3*		
Total	*na*	*na*	*na*	*na*	*(2.3)*	*1.0*	*(6.4)*	*8.1*	*15.6*		
EBIT											
Home Appliances and Air Solutions	7,571	4,807	2,195	8,875	5,643	3,245	1,108	7,748	6,467	*14.6*	*(16.5)*
Home Entertainment	2,337	3,121	1,762	2,096	2,125	2,810	1,273	2,066	3,163	*48.9*	*53.1*
Total	**9,908**	**7,928**	**3,957**	**10,971**	**7,767**	**6,055**	**2,381**	**9,814**	**9,630**	***24.0***	***(1.9)***
EBIT margin (%)											
Home Appliances and Air Solutions	15.0	12.2	7.1	14.4	11.5	8.2	4.0	11.9	11.6		
Home Entertainment	17.3	14.4	13.5	16.3	15.7	12.6	9.6	13.4	19.1		
Total	**15.5**	**13.0**	**9.0**	**14.7**	**12.4**	**9.8**	**5.8**	**12.2**	**13.3**		

Source: Company, Emkay Research

Exhibit 10: LGEIL's HA segment revenue was up 14% yoy vs 13% for Blue Star UP and ~15% for Lloyd (Havells), while Voltas was a standout performer with 32% growth (subdued 1Q base last year)

Revenue (Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
LG - Home Appliances	**50,615**	**39,537**	**30,920**	**61,630**	**49,086**	**39,481**	**27,881**	**65,163**	**55,814**
Growth (%, yoy)	**-**	**-**	**-**	**-**	***(3.0)***	***(0.1)***	***(9.8)***	***5.7***	***13.7***
Voltas (UCP)	38,022	15,822	17,711	34,584	28,679	12,151	19,242	34,934	37,940
Growth (%, yoy)	*51.2*	*30.9*	*19.5*	*17.0*	*(24.6)*	*(23.2)*	8.6	1.0	*32.3*
Blue Star (UP)	17,295	7,670	11,643	19,602	14,994	6,938	11,542	19,850	16,893
Growth (%, yoy)	*44.3*	*5.1*	*21.9*	*14.7*	*(13.3)*	*(9.5)*	*(0.9)*	*1.3*	*12.7*
Lloyd (Havells)	19,287	5,896	7,422	18,736	12,711	4,790	6,940	15,205	14,596
Growth (%, yoy)	*47.1*	*18.5*	*13.1*	*39.2*	*(34.1)*	*(18.8)*	*(6.5)*	*(18.8)*	*14.8*
EBIT (Rs mn)	**1QFY25**	**2QFY25**	**3QFY25**	**4QFY25**	**1QFY26**	**2QFY26**	**3QFY26**	**4QFY26**	**1QFY27**
LG - Home Appliances	**7,571**	**4,807**	**2,195**	**8,875**	**5,643**	**3,245**	**1,108**	**7,748**	**6,467**
EBITM (%)	***15.0***	***12.2***	***7.1***	***14.4***	***11.5***	***8.2***	***4.0***	***11.9***	***11.6***
Voltas (UCP)	3,270	1,162	1,043	3,448	1,044	-458	726	1,741	2,020
EBITM (%)	*8.6*	*7.3*	*5.9*	*10.0*	*3.6*	*(3.8)*	*3.8*	*5.0*	*5.3*
Blue Star (UP)	1,580	539	948	1,645	875	427	977	2,070	497
EBITM (%)	*9.1*	*7.0*	*8.1*	*8.4*	*5.8*	*6.2*	*8.5*	*10.4*	*2.9*
Lloyd (Havells)	636	-243	-361	1,144	-209	-1,060	-590	-272	-510
EBITM (%)	*3.3*	*(4.1)*	*(4.9)*	*6.1*	*(1.6)*	*(22.1)*	*(8.5)*	*(1.8)*	*(3.5)*

Source: Company, Emkay Research

Exhibit 11: Revenue model – We build in ~14%/21%/25% revenue/EBITDA/PAT CAGR, respectively, over FY26-29E

LG Electronics - Consolidated (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**243,666**	**246,049**	**280,200**	**317,909**	**361,311**
Growth yoy (%)	14.1	1.0	13.9	13.5	13.7
Home Appliances and Air Solutions	**182,678**	**181,605**	**206,338**	**234,587**	**266,640**
Growth yoy (%)	16.5	(0.6)	13.6	13.7	13.7
-Refrigerators	**66,965**	**69,292**	**77,369**	**87,512**	**96,153**
Growth yoy (%)	15.8	3.5	11.7	13.1	9.9
-Washing machines	**50,417**	**52,802**	**59,581**	**67,803**	**77,213**
Growth yoy (%)	12.2	4.7	12.8	13.8	13.9
- Air conditioners	**52,708**	**48,419**	**57,187**	**65,850**	**78,510**
Growth yoy (%)	**22.9**	**(8.1)**	**18.1**	**15.1**	**19.2**
-Others	**12,589**	**11,092**	**12,201**	**13,422**	**14,764**
Growth yoy (%)	**13.1**	**(11.9)**	**10.0**	**10.0**	**10.0**
Home Entertainment	**60,988**	**64,444**	**73,861**	**83,322**	**94,671**
Growth yoy (%)	**7.5**	**5.7**	**14.6**	**12.8**	**13.6**
-Televisions	**49,248**	**51,957**	**59,750**	**67,518**	**76,970**
Growth yoy (%)	**8.0**	**5.5**	**15.0**	**13.0**	**14.0**
-Others	**11,740**	**12,488**	**14,111**	**15,805**	**17,701**
Growth yoy (%)	**5.4**	**6.4**	**13.0**	**12.0**	**12.0**
Gross profit	**77,865**	**74,380**	**86,862**	**99,188**	**113,452**
Gross margin (%)	**32.0**	**30.2**	**31.0**	**31.2**	**31.4**
EBITDA	31,101	24,083	31,561	37,569	42,664
EBITDA margin (%)	*12.8*	*9.8*	*11.3*	*11.8*	*11.8*
Depreciation	3,804	3,961	5,032	5,889	6,783
EBIT	**27,298**	**20,122**	**26,529**	**31,680**	**35,881**
EBIT margin (%)	11.2	8.2	9.5	10.0	9.9
Home Appliances and Air Solutions	**23,434**	**17,744**	**22,110**	**26,793**	**30,822**
EBIT margin (%)	12.8	9.8	10.7	11.4	11.6
Growth yoy (%)	40.0	(24.3)	24.6	21.2	15.0
Home Entertainment	**9,309**	**8,273**	**10,955**	**12,243**	**13,978**
EBIT margin (%)	15.3	12.8	14.8	14.7	14.8
Growth yoy (%)	35.3	(11.1)	32.4	11.8	14.2
Other income	2,640	3,279	3,557	3,976	5,078
Interest	306	406	446	513	590
PBT before exceptional item	29,631	22,995	29,639	35,142	40,368
Exceptional item					
PBT	**29,631**	**22,995**	**29,639**	**35,142**	**40,368**
Tax rate (%)	25.6	26.7	25.2	25.2	25.2
PAT before MI	22,033	16,851	22,170	26,286	30,195
Minority interest					
Share of profit/(loss) of joint ventures (net of tax)					
Adj PAT	**22,033**	**16,851**	**22,170**	**26,286**	**30,195**
PAT margin (%)	9.0	6.8	7.9	8.3	8.4
Growth yoy (%)	45.8	(23.5)	31.6	18.6	14.9
EPS (Rs)	**32**	**25**	**33**	**39**	**44**

*Source: Company, Emkay Research *Note: FY26 sub-segmental revenues for Refrigerators, Washing Machines, Air conditioners, TVs and Others are based on our estimates owing to lack of data availability*

Exhibit 12: Factoring in a strong 1Q print (especially Home Entertainment Segment), we slightly raise FY27/28E EPS by ~3%/1% and introduce FY29E estimates

Revision in estimates	FY27E				FY28E				FY29E	
Consolidated (Rs mn)	**Earlier**	**Revised**	**% Change**	**% yoy**	**Earlier**	**Revised**	**% Change**	**% yoy**	**Introduced**	**% yoy**
Revenue	**279,105**	**280,200**	***0.4***	***13.9***	**318,627**	**317,909**	***(0.2)***	***13.5***	**361,311**	***13.7***
Home Appliances (HA)	206,668	206,338	*(0.2)*	*13.6*	237,497	234,587	*(1.2)*	*13.7*	266,640	*13.7*
Home Entertainment (HE)	72,438	73,861	*2.0*	*14.6*	81,130	83,322	*2.7*	*12.8*	94,671	*13.6*
EBITDA	**30,849**	**31,561**	***2.3***	***31.1***	**37,353**	**37,569**	***0.6***	***19.0***	**42,664**	***13.6***
EBITDA margin (%)	**11.1**	**11.3**	***16bps***	***148bps***	**11.7**	**11.8**	***12bps***	***55bps***	**11.8**	***-1bps***
EBIT	**29,161**	**30,086**	***3.2***	***28.6***	**35,452**	**35,655**	***0.6***	***18.5***	**40,958**	***14.9***
Home Appliances (HA)	22,353	22,110	*(1.1)*	*24.6*	27,140	26,793	*(1.3)*	*21.2*	30,822	*15.0*
Home Entertainment (HE)	9,775	10,955	*12.1*	*32.4*	11,700	12,243	*4.6*	*11.8*	13,978	*14.2*
EBIT margin (%)	**10.4**	**10.7**	***34bps***	***123bps***	**11.1**	**11.2**	***12bps***	***48bps***	**11.3**	***12bps***
Home Appliances (HA)	10.8	10.7	*-8bps*	*94bps*	11.4	11.4	*2bps*	*71bps*	11.6	*14bps*
Home Entertainment (HE)	13.5	14.8	*133bps*	*199bps*	14.4	14.7	*29bps*	*-14bps*	14.8	*7bps*
PAT	**21,448**	**22,170**	***3.4***	***31.6***	**26,099**	**26,286**	***0.7***	***18.6***	**30,195**	***14.9***
PAT margin (%)	7.7	7.9	*21bps*	*106bps*	8.2	8.3	*7bps*	*36bps*	8.4	*9bps*
EPS (Rs)	**31.6**	**32.7**	***3.4***	***31.6***	**38.4**	**38.7**	***0.7***	***18.6***	**44.5**	***14.9***

Source: Company, Emkay Research

Exhibit 13: We increase our TP by 8% to Rs2,050 (vs Rs1,900 earlier) basis 50x Jun-28E PER (roll fwd)

Particulars	FY26	FY27E	FY28E	FY29E
EPS (Rs)	25	33	39	44
Target multiple (x)				50
Target price (Rs)				**2,025**
Round off (Rs)				**2,050**
CMP (Rs)				**1,730**
Upgrade (%)				***7.9***
Upside (%)				***18.5***

Source: Emkay Research

LG Electronics India: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**243,666**	**246,049**	**280,200**	**317,909**	**361,311**
Revenue growth (%)	14.1	1.0	13.9	13.5	13.7
EBITDA	**31,101**	**24,083**	**31,561**	**37,569**	**42,664**
EBITDA growth (%)	39.8	(22.6)	31.1	19.0	13.6
Depreciation & Amortization	3,804	3,961	5,032	5,889	6,783
EBIT	**27,298**	**20,122**	**26,529**	**31,680**	**35,881**
EBIT growth (%)	46.7	(26.3)	31.8	19.4	13.3
Other operating income	-	-	-	-	-
Other income	2,640	3,279	3,557	3,976	5,078
Financial expense	306	406	446	513	590
PBT	**29,631**	**22,995**	**29,639**	**35,142**	**40,368**
Extraordinary items	0	0	0	0	0
Taxes	7,598	6,144	7,469	8,856	10,173
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	**22,033**	**16,851**	**22,170**	**26,286**	**30,195**
PAT growth (%)	45.8	(23.5)	31.6	18.6	14.9
Adjusted PAT	**22,033**	**16,851**	**22,170**	**26,286**	**30,195**
Diluted EPS (Rs)	**32.5**	**24.8**	**32.7**	**38.7**	**44.5**
Diluted EPS growth (%)	45.8	(23.5)	31.6	18.6	14.9
DPS (Rs)	**0**	**0**	**10.0**	**15.0**	**15.0**
Dividend payout (%)	**0**	**0**	**30.6**	**38.7**	**33.7**
EBITDA margin (%)	12.8	9.8	11.3	11.8	11.8
EBIT margin (%)	11.2	8.2	9.5	10.0	9.9
Effective tax rate (%)	25.6	26.7	25.2	25.2	25.2
NOPLAT (pre-IndAS)	**20,298**	**14,745**	**19,844**	**23,696**	**26,839**
Shares outstanding (mn)	679	679	679	679	679

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	6,788	6,788	6,788	6,788	6,788
Reserves & Surplus	52,914	69,868	85,250	101,355	121,368
Net worth	**59,702**	**76,656**	**92,038**	**108,143**	**128,156**
Minority interests	-	-	-	-	-
Non-current liab. & prov.	(2,040)	(2,059)	(2,059)	(2,059)	(2,059)
Total debt	**0**	**0**	**0**	**0**	**0**
Total liabilities & equity	**63,208**	**81,693**	**98,061**	**115,253**	**136,518**
Net tangible fixed assets	9,450	11,442	20,301	24,162	25,879
Net intangible assets	94	115	115	115	115
Net ROU assets	3,746	4,046	7,546	9,046	10,546
Capital WIP	753	4,641	2,250	1,000	1,000
Goodwill	-	-	-	-	-
Investments [JV/Associates]	0	0	0	0	0
Cash & equivalents	**37,415**	**44,763**	**46,193**	**56,796**	**72,539**
Current assets (ex-cash)	59,314	64,540	72,730	80,776	89,824
Current Liab. & Prov.	49,922	52,671	56,561	62,866	70,459
NWC (ex-cash)	**9,392**	**11,869**	**16,169**	**17,910**	**19,365**
Total assets	**63,208**	**81,693**	**98,061**	**115,253**	**136,518**
Net debt	(37,415)	(44,763)	(46,193)	(56,796)	(72,539)
Capital employed	63,208	81,693	98,061	115,253	136,518
Invested capital	**20,247**	**29,833**	**43,785**	**49,287**	**53,558**
BVPS (Rs)	88.0	112.9	135.6	159.3	188.8
Net Debt/Equity (x)	(0.6)	(0.6)	(0.5)	(0.5)	(0.6)
Net Debt/EBITDA (x)	(1.2)	(1.9)	(1.5)	(1.5)	(1.7)
Interest coverage (x)	97.7	57.7	67.4	69.5	69.4
RoCE (%)	**61.5**	**34.3**	**35.7**	**35.6**	**34.7**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	29,631	22,995	29,639	35,142	40,368
Others (non-cash items)	(2,636)	(2,142)	0	0	0
Taxes paid	(7,539)	(6,206)	(7,469)	(8,856)	(10,173)
Change in NWC	(7,025)	(1,755)	(3,984)	(1,391)	(1,053)
Operating cash flow	**16,539**	**17,213**	**23,665**	**31,297**	**36,516**
Capital expenditure	(3,393)	(11,722)	(15,000)	(10,000)	(10,000)
Acquisition of business	-	-	-	-	-
Interest & dividend income	2,477	2,679	0	0	0
Investing cash flow	**(275)**	**(8,565)**	**(15,000)**	**(10,000)**	**(10,000)**
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	(1,065)	(915)	0	0	0
Payment of lease liabilities	-	-	-	-	-
Interest paid	0	(359)	(446)	(513)	(590)
Dividend paid (incl tax)	0	0	(6,788)	(10,182)	(10,182)
Others	-	-	-	-	-
Financing cash flow	**(1,065)**	**(1,274)**	**(7,234)**	**(10,695)**	**(10,772)**
Net chg in Cash	15,199	7,373	1,431	10,602	15,743
OCF	16,539	17,213	23,665	31,297	36,516
Adj. OCF (w/o NWC chg.)	23,564	18,967	27,649	32,689	37,569
FCFF	13,146	5,490	8,665	21,297	26,516
FCFE	15,317	7,764	8,218	20,784	25,925
OCF/EBITDA (%)	53.2	71.5	75.0	83.3	85.6
FCFE/PAT (%)	69.5	46.1	37.1	79.1	85.9
FCFF/NOPLAT (%)	**64.8**	**37.2**	**43.7**	**89.9**	**98.8**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	53.3	69.7	53.0	44.7	38.9
EV/CE(x)	19.0	14.7	12.3	10.3	8.6
P/B (x)	19.7	15.3	12.8	10.9	9.2
EV/Sales (x)	4.7	4.6	4.0	3.5	3.0
EV/EBITDA (x)	36.5	46.9	35.7	29.7	25.8
EV/EBIT(x)	41.6	56.1	42.5	35.3	30.7
EV/IC (x)	56.1	37.9	25.8	22.7	20.6
FCFF yield (%)	1.2	0.5	0.8	1.9	2.4
FCFE yield (%)	1.3	0.7	0.7	1.8	2.2
Dividend yield (%)	0	0	0.6	0.9	0.9
DuPont-RoE split					
Net profit margin (%)	9.0	6.8	7.9	8.3	8.4
Total asset turnover (x)	5.0	3.6	3.3	3.2	3.1
Assets/Equity (x)	1.0	1.0	1.0	1.0	1.0
RoE (%)	**45.2**	**24.7**	**26.3**	**26.3**	**25.6**
DuPont-RoIC					
NOPLAT margin (%)	8.3	6.0	7.1	7.5	7.4
IC turnover (x)	14.3	9.8	7.6	6.8	7.0
RoIC (%)	**119.3**	**58.9**	**53.9**	**50.9**	**52.2**
Operating metrics					
Core NWC days	14.1	17.6	21.1	20.6	19.6
Total NWC days	**14.1**	**17.6**	**21.1**	**20.6**	**19.6**
Fixed asset turnover	7.1	6.4	5.6	4.9	4.8
Opex-to-revenue (%)	19.2	20.4	19.7	19.4	19.6

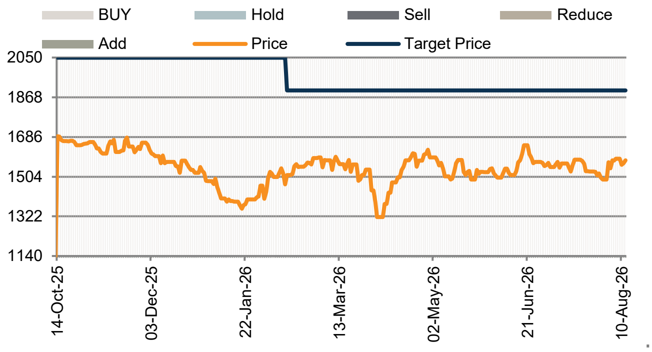
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
22-May-26	1,491	1,900	Buy	Chirag Jain
29-Mar-26	1,536	1,900	Buy	Chirag Jain
17-Mar-26	1,564	1,900	Buy	Chirag Jain
02-Mar-26	1,592	1,900	Buy	Chirag Jain
13-Feb-26	1,511	1,900	Buy	Chirag Jain
15-Oct-25	1,688	2,050	Buy	Chirag Jain
14-Oct-25	1,690	2,050	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com.

EGFSL is registered as Research Analyst with the Securities and Exchange Board of India ("SEBI") bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any Stock Exchange nor its activities were suspended by any Stock Exchange with whom it is registered in last five years. However, SEBI and Stock Exchanges had conducted their routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to its existing clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of EGFSL; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL . All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its affiliates. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

This report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 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 Financial Institutions Regulatory Authority (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.

This report is intended for distribution 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. Emkay Global Financial Services Ltd. 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 effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

This report is not directed to, 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 or regulation. Except otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associated persons1 may have served as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate may have Financial Interests2 in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

[1] An associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

[2] Financial Interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report-:

1. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of August 16, 2026
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report

Disclosure of previous investment recommendation produced:

3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of August 16, 2026
5. EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the August 16, 2026
6. EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
7. EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
8. EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
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

OTHER DISCLAIMERS AND DISCLOSURES:

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) -:

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.

Seshadri Kumar Sen

Digitally signed by Seshadri Kumar Sen
Date: 2026.08.16 20:16:19 +05'30'