

EPACK Durable | BUY

1QFY26 first cut: Revenue growth weak; PAT in-line

- **1QFY26 first cut:** EPACK's 1Q revenue registered a 14% YoY decline to INR 6.6bn. This was a 5% miss on our estimate. However, strong growth in the components business drove up gross margins 170bps higher YoY to 15.7%. This supported with lower-than-expected operating costs drove a 7% beat on EBITDA. Absolute EBITDA stood at INR 546mn, +6% YoY and margins stood at 8.2%, +150bps YoY and 90bps ahead of expectations. However, due to higher depreciation and finance costs, PAT at INR 228mn, -3% YoY was in-line with estimate of INR 231mn.
- **Further decoding the revenue performance:** The revenue decline was primarily owing to a weak season for the RAC segment which contracted 34% YoY impacted by suboptimal demand. Further, the SDA (small domestic appliances - induction cooktops, mixer grinders, air fryers, and water dispensers) segment recorded a 16% YoY growth driven by strong order intake across both established and newly launched products, with notable growth in demand for Air Fryers. EPACK's LDA (large-domestic appliances - washing machines and air coolers) segment grew 29% YoY, with customer base expansion being a key strategic growth driver.
- **Ramp up of Sri City facility and components business:** Incrementally, as the newly set up Sri City facility ramps up, the component business has also shown good growth, rising 556% YoY, albeit over a low base; supported by a robust order pipeline for PCBs, copper parts, and plastic moulding components. EPACK also diversified into the energy meter sector in its component vertical thereby expanding beyond its high reliance on the consumer durables business.
- **New Customers:** In Q1, EPACK successfully commenced supply with 3 newly added customers, one of which includes the supply of washing machines to Hisense.

Call scheduled for 9.30AM on Monday (July 21, 2025). [Click here to register](#) / Dial in: +91 22 6280 1384, +91 22 7115 8285



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Exhibit 1. EPACK - 1QFY26 results review

(INR mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	FY25	Q1FY26	Q1FY26E
Total Revenue	4,367	1,781	2,791	5,257	14,196	7,737	3,771	3,768	6,432	21,709	6,624	6,963
YoY	nm	nm	1%	-18%	-8%	77%	112%	35%	22%	53%	-14%	-10%
Raw Material Costs	(3,770)	(1,505)	(2,312)	(4,312)	(11,899)	(6,656)	(3,220)	(3,096)	(5,205)	(18,177)	(5,587)	(5,849)
Gross Profit	596	276	478	945	2,296	1,081	551	673	1,227	3,531	1,037	1,114
Gross Profit margin %	13.7%	15.5%	17.1%	18.0%	16.2%	14.0%	14.6%	17.9%	19.1%	16.3%	15.7%	16.0%
Employee Cost	(106)	(104)	(120)	(152)	(482)	(177)	(168)	(169)	(179)	(692)	(199)	(208)
% of sales	2.4%	5.8%	4.3%	2.9%	3.4%	2.3%	4.4%	4.5%	2.8%	3.2%	3.0%	3.0%
Other expenses	(198)	(95)	(121)	(239)	(653)	(387)	(287)	(262)	(328)	(1,262)	(292)	(400)
% of sales	4.5%	5.3%	4.3%	4.5%	4.6%	5.0%	7.6%	7.0%	5.1%	5.8%	4.4%	5.7%
EBITDA	292	77	237	554	1,162	517	96	241	721	1,577	546	507
YoY	nm	nm	453%	-10%	13%	77%	24%	2%	30%	36%	6%	-2%
EBITDA margin%	6.7%	4.3%	8.5%	10.5%	8.2%	6.7%	2.5%	6.4%	11.2%	7.3%	8.2%	7.3%
Total D&A Expense	(77)	(83)	(89)	(106)	(355)	(113)	(116)	(121)	(124)	(474)	(127)	(120)
EBIT	215	(6)	149	449	807	404	(20)	120	597	1,103	419	387
YoY	nm	nm	-852%	-18%	6%	88%	243%	-19%	33%	37%	4%	-4%
EBIT margin%	4.9%	-0.3%	5.3%	8.5%	5.7%	5.2%	-0.5%	3.2%	9.3%	5.1%	6.3%	5.6%
Other Income	8	7	19	55	89	61	47	49	55	211	57	60
Finance Costs	(98)	(81)	(97)	(113)	(389)	(140)	(137)	(124)	(137)	(539)	(159)	(130)
PBT	125	(79)	70	391	507	325	(110)	44	515	774	317	317
YoY	nm	nm	-184%	-14%	9%	160%	38%	-37%	32%	53%	-3%	-3%
Income Tax Expense	(35)	22	(18)	(107)	(138)	(89)	32	(10)	(126)	(193)	(86)	(76)
Rate %	28.0%	27.5%	25.4%	27.4%	27.3%	27.4%	29.2%	22.3%	24.4%	24.9%	27.0%	24.0%
Share of JV & Associates	(3)	(3)	(3)	(6)	(15)	(2)	(7)	(9)	(12)	(30)	(3)	(10)
Net Profit	87	(61)	49	278	354	234	(85)	25	377	551	228	231
YoY	nm	nm	-177.6%	-10.8%	83.4%	168.6%	-130.4%	-92.9%	36%	83.4%	-3%	-2%
Net Margin%	2.0%	-3.4%	1.8%	5.3%	2.5%	3.0%	-2.2%	0.7%	5.9%	2.5%	3.4%	3.3%

Source: Company, JM Financial

APPENDIX I

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