

**Stovekraft (SKL) logged a strong Q4, with revenue up 32% YoY led by robust growth across verticals (ex gas cooktops) amid gas supply shortages. EBITDA grew 26% YoY; EBITDAM fell by 30bps QoQ to 9.2% on a 80bps QoQ gross-margin (GM) drop, largely offset by better operating leverage. The management gave guidance for FY27 revenue growth of 15%, led by small appliances, ramp-up in IKEA supplies (from Q1FY27; full potential at Rs2-2.5bnpa), and export normalization. So far, a 10% price hike has been taken to counter the rise in commodity cost. From Jun-26, price hikes, pending due to negotiations, would be taken in export supplies too. Long-term GM is expected to range in a similar territory, with potential for a ~1% pa rise as volumes scale up. Focus for FY27 is to protect the 11% EBITDAM, with SKL confident of operating leverage driving further improvement as revenue sees growth. With majority of the capex cycle now behind, SKL aims for Rs25-30bn revenue in the next 2-3Y without any meaningful incremental capex. We roll forward to Mar-28E and retain BUY while raising Mar-27E TP by ~8% to Rs700 (from Rs650) at 11x FY28E EV/EBITDA. The 10% change in our EPS estimate is only due to a change in the accounting policy for lease liabilities and does not affect our valuations.**

#### Strong topline growth; EBITDAM down QoQ due to gross margin contraction

Revenue grew 32% YoY on robust growth across segments ex gas cooktops. EBITDA was up 26% YoY, but EBITDAM fell by 30bps QoQ to 9.2% due to 80bps QoQ GM compression, partially offset by lower staff costs and other expenses. Adj PAT grew 318% to Rs61mn.

#### Earnings call KTAs

1) The mgmt guides to FY27 revenue growth of >15% on strong growth in small appliances, ramp-up in supply to IKEA, and export normalization; on induction cooktops, post-GST reduction, demand has seen a continuous surge, with the pipeline running empty; near-term outlook is strong. 2) IKEA revenue to commence from Q1FY27; 3 product lines awarded – Line 1 starts in Q1, Line 2 by Q3, Line 3 by Q4; full-capacity revenue potential: Rs2-2.5bn. 3) Exports contributed 8.7% of revenue in Q4FY26 and 11% for full FY26. Ahead, exports expected to grow faster than company average. Earlier disruptions in export business have largely normalized, and SKL is now the preferred supplier for existing global customers. 4) SKL targets Rs25-30bn revenue over the next 2-3Y which is achievable from current capacity. GM to stay broadly at current levels, with potential for ~1% pa improvement with scale-up. For FY27, focus is on protecting 11% EBITDAM, with the mgmt confident of operating leverage driving further improvement as revenue grows. 5) Price hikes for covering commodity cost increases have been implemented. Effective Jun-26, export price increases, which had been delayed till now, have also been agreed upon and will come into effect soon. 6) On induction cooktops, SKL is better positioned than most peers due to its high level of backward integration. Unlike typical assemblers who import the entire unit, SKL manufactures its own PCBs and sources PCB boards locally. The main exception is glass tops, which are currently not manufactured domestically in India. Overall, 33-35% of content is still imported. SKL has a strong sourcing team actively working with China to manage this effectively. 7) FY27 capex guidance: Rs400-500mn, with the major capex cycle now largely behind.

Target Price – 12M	Mar-27
Change in TP (%)	7.7
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	29.4

Stock Data	STOVEKRA IN
52-week High (Rs)	814
52-week Low (Rs)	446
Shares outstanding (mn)	33.1
Market-cap (Rs bn)	18
Market-cap (USD mn)	187
Net-debt, FY27E (Rs mn)	(1,059.3)
ADTV-3M (mn shares)	0.3
ADTV-3M (Rs mn)	235.3
ADTV-3M (USD mn)	2.5
Free float (%)	44.1
Nifty-50	23,412.6
INR/USD	95.7

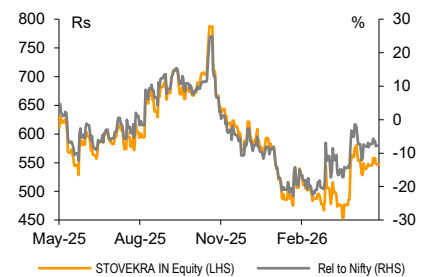
#### Shareholding, Mar-26

Promoters (%)	55.8
FPIs/MFs (%)	0.8/8.0

#### Price Performance

(%)	1M	3M	12M
Absolute	(6.0)	5.8	(14.2)
Rel. to Nifty	(4.3)	15.1	(9.9)

#### 1-Year share price trend (Rs)



#### Stovekraft: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Revenue	13,643	14,498	16,074	18,017	20,174
EBITDA	1,283	1,542	1,675	1,859	2,142
Adj. PAT	341	385	420	530	667
Adj. EPS (Rs)	10.3	11.6	12.7	16.0	20.2
EBITDA margin (%)	9.4	10.6	10.4	10.3	10.6
EBITDA growth (%)	24.2	20.2	8.6	11.0	15.2
Adj. EPS growth (%)	(4.7)	12.9	9.1	26.1	25.8
RoE (%)	8.1	8.5	8.6	10.1	11.6
RoIC (%)	10.6	11.3	13.1	14.6	19.7
P/E (x)	52.5	46.5	42.6	33.8	26.9
EV/EBITDA (x)	15.0	12.7	10.5	9.1	7.4
P/B (x)	4.1	3.8	3.5	3.3	3.0
FCFF yield (%)	0.4	2.5	8.5	7.7	9.7

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: Q4 Results snapshot – Revenue was up 32% YoY; EBITDAM was down by 30bps QoQ largely due to contraction in gross margin**

Rs mn	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
<b>Revenue</b>	<b>3,252</b>	<b>3,145</b>	<b>4,183</b>	<b>4,041</b>	<b>3,130</b>	<b>3,401</b>	<b>4,744</b>	<b>3,784</b>	<b>4,145</b>	<b>32.4</b>	<b>9.6</b>
Growth YoY (%)	17.0	5.6	10.1	11.7	(3.8)	8.2	13.4	(6.4)	32.4		
<b>Expenditure</b>	<b>2,957</b>	<b>2,820</b>	<b>3,680</b>	<b>3,629</b>	<b>2,827</b>	<b>3,037</b>	<b>4,172</b>	<b>3,426</b>	<b>3,764</b>	33.2	9.9
as a % of sales	90.9	89.7	88.0	89.8	90.3	89.3	87.9	90.5	90.8		
Consumption of RM	2,045	1,943	2,585	2,523	1,922	2,097	2,916	2,292	2,543	32.3	11.0
as a % of sales	62.9	61.8	61.8	62.4	61.4	61.7	61.5	60.6	61.4		
Employee cost	401	420	449	460	390	442	479	468	496	26.9	5.9
as a % of sales	12.3	13.3	10.7	11.4	12.5	13.0	10.1	12.4	12.0		
Other expenditure	511	458	646	645	514	497	776	667	726	41.0	8.9
as a % of sales	15.7	14.6	15.4	16.0	16.4	14.6	16.4	17.6	17.5		
<b>EBITDA</b>	<b>295</b>	<b>324</b>	<b>503</b>	<b>412</b>	<b>303</b>	<b>364</b>	<b>572</b>	<b>358</b>	<b>381</b>	<b>25.7</b>	<b>6.4</b>
<b>EBITDA margin (%)</b>	<b>9.1</b>	<b>10.3</b>	<b>12.0</b>	<b>10.2</b>	<b>9.7</b>	<b>10.7</b>	<b>12.1</b>	<b>9.5</b>	<b>9.2</b>		
Growth YoY (%)	298.8	20.2	24.2	31.5	2.7	12.4	13.7	-13.1	25.7		
Depreciation	193	158	187	188	215	179	210	224	196	(8.6)	(12.2)
<b>EBIT</b>	<b>102</b>	<b>166</b>	<b>316</b>	<b>224</b>	<b>88</b>	<b>185</b>	<b>362</b>	<b>134</b>	<b>184</b>	<b>109.4</b>	<b>37.4</b>
Other income	(5)	10	(19)	(1)	13	21	(29)	(19)	(57)	(534.3)	198.1
Interest	75	67	79	74	90	73	62	61	77	(14.7)	26.1
<b>PBT</b>	<b>22</b>	<b>109</b>	<b>219</b>	<b>149</b>	<b>11</b>	<b>133</b>	<b>272</b>	<b>54</b>	<b>51</b>	366.5	(6.2)
Total tax	(4)	27	51	28	(4)	29	58	13	(10)	<b>170.8</b>	<b>(177.1)</b>
<b>Adjusted PAT</b>	<b>27</b>	<b>82</b>	<b>167</b>	<b>121</b>	<b>14</b>	<b>104</b>	<b>214</b>	<b>41</b>	<b>61</b>	317.9	45.9
Growth YoY (%)	-144.3	0.0	1.2	79.7	-45.5	27.2	27.8	-65.8	317.9		
<b>Extraordinary items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Reported PAT</b>	<b>27</b>	<b>82</b>	<b>167</b>	<b>121</b>	<b>14</b>	<b>104</b>	<b>214</b>	<b>41</b>	<b>61</b>	317.9	45.9
<b>Adjusted EPS (Rs)</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>4</b>	<b>0</b>	<b>3</b>	<b>6</b>	<b>1</b>	<b>2</b>	<b>317.9</b>	<b>45.9</b>

(%)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY bps	QoQ bps
EBITDAM	9.1	10.3	12.0	10.2	9.7	10.7	12.1	9.5	9.2	(49)	(27)
EBITM	3.1	5.3	7.6	5.5	2.8	5.4	7.6	3.5	4.4	164	90
EBTM	0.7	3.5	5.2	3.7	0.3	3.9	5.7	1.4	1.2	88	(21)
PATM	0.8	2.6	4.0	3.0	0.5	3.1	4.5	1.1	1.5	100	36
Effective tax rate	(19.1)	24.9	23.5	18.7	(33.1)	21.8	21.3	23.4	(19.2)	1,388	(4,257)

Source: Company, Emkay Research

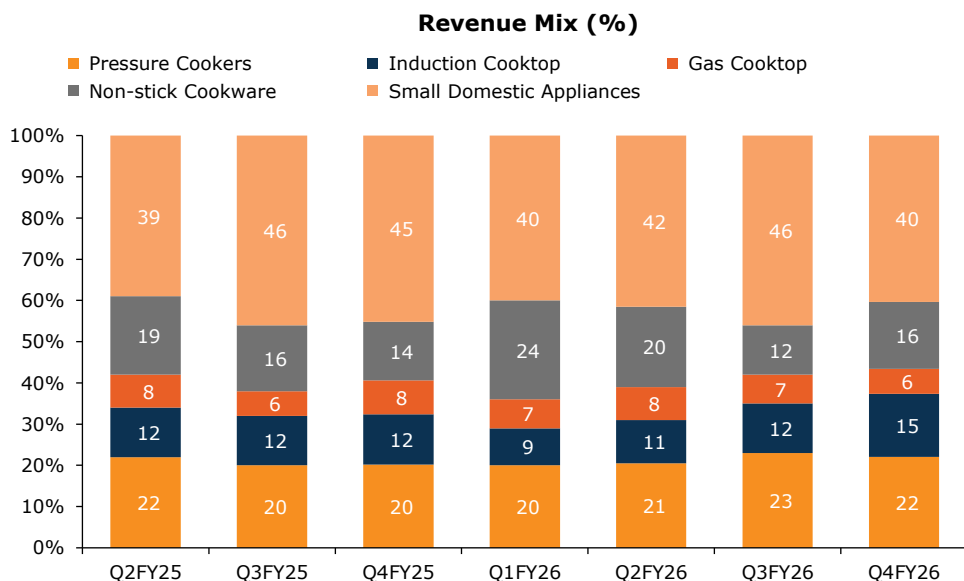
**Exhibit 2: Robust growth was seen across segments, barring gas cook tops (higher base for cooktops vs other verticals)**

Segmental Revenue (Rs mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	YoY (%)	QoQ (%)
<b>Pressure Cookers</b>	<b>846</b>	<b>660</b>	<b>920</b>	<b>808</b>	<b>632</b>	<b>680</b>	<b>973</b>	<b>870</b>	<b>912</b>	44.2	4.8
Growth YoY (%)	19	10	5	(1)	(25)	3	6	8	44		
<b>LED</b>	<b>65</b>	<b>94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
Growth YoY (%)	(43)	(44)	(100)	(100)	(100)	(100)					
<b>Induction Cooktop</b>	<b>423</b>	<b>252</b>	<b>502</b>	<b>485</b>	<b>382</b>	<b>306</b>	<b>498</b>	<b>454</b>	<b>630</b>	65.0	38.8
Growth YoY (%)	33	(1)	10	(24)	(10)	22	(1)	(6)	65		
<b>Gas Cooktop</b>	<b>228</b>	<b>220</b>	<b>335</b>	<b>242</b>	<b>257</b>	<b>238</b>	<b>380</b>	<b>265</b>	<b>249</b>	(3.1)	(6.1)
Growth YoY (%)	(15)	1	10	(29)	13	8	13	9	(3)		
<b>Non-stick Cookware</b>	<b>618</b>	<b>786</b>	<b>795</b>	<b>647</b>	<b>444</b>	<b>816</b>	<b>925</b>	<b>454</b>	<b>672</b>	51.1	47.9
Growth YoY (%)	65	21	(0)	(19)	(28)	4	16	(30)	51		
<b>Small Domestic Appliances</b>	<b>1,073</b>	<b>1,132</b>	<b>1,631</b>	<b>1,859</b>	<b>1,415</b>	<b>1,360</b>	<b>1,969</b>	<b>1,741</b>	<b>1,666</b>	17.8	(4.3)
Growth YoY (%)	8	4	34	118	32	20	21	(6)	18		
<b>Total</b>	<b>3,252</b>	<b>3,145</b>	<b>4,183</b>	<b>4,041</b>	<b>3,130</b>	<b>3,401</b>	<b>4,744</b>	<b>3,784</b>	<b>4,129</b>	31.9	9.1
Growth YoY (%)	17	6	10	12	(4)	8	13	(6)	32		

Revenue Mix (%)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Pressure Cookers	26	21	22	20	20	20	21	23	22
LED	2	3							
Induction Cooktop	13	8	12	12	12	9	11	12	15
Gas Cooktop	7	7	8	6	8	7	8	7	6
Non-stick Cookware	19	25	19	16	14	24	20	12	16
Small Domestic Appliances	33	36	39	46	45	40	42	46	40

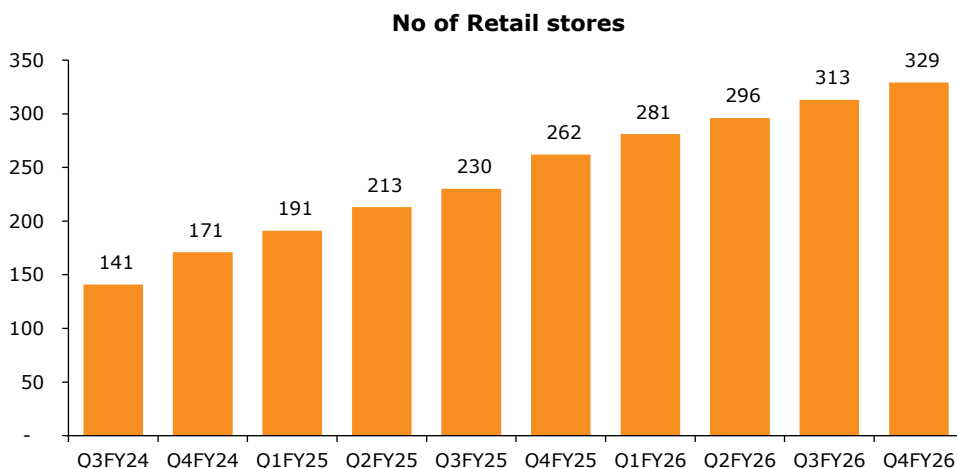
Source: Company, Emkay Research

**Exhibit 3: SDA and Pressure Cookers continue to form >65% of SKL’s overall revenue**



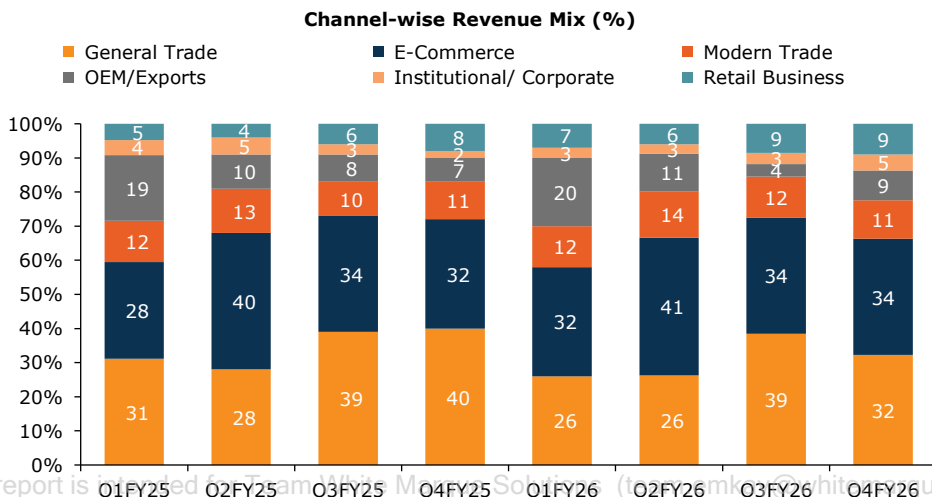
Source: Company, Emkay Research

**Exhibit 4: SKL has 329 operational retail Pigeon stores, as of Q4FY26**



Source: Company, Emkay Research

**Exhibit 5: Share of exports has improved to ~9%; E-commerce has maintained >30% share**



Source: Company, Emkay Research

## Exhibit 6: We build in 12%/ 13% revenue/EBITDA CAGR over FY26-28E

Standalone (Rs mn)	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>Segmental revenue</b>								
<b>Small Domestic Appliances</b>	2,895	3,432	3,954	4,229	6,234	6,736	7,960	9,130
% of revenue	33.7	30.2	30.8	31.0	43.0	42	44	45
Growth YoY (%)		18.6	15.2	7.0	47.4	8	18	15
<b>Pressure Cooker</b>	1,890	2,727	3,017	3,138	3,045	3,435	3,747	4,087
% of revenue	22.0	24.0	23.5	23.0	21.0	21	21	20
Growth YoY (%)		44.3	10.6	4.0	(3.0)	13	9	9
<b>Non-stick Cookware</b>	1,589	1,921	2,298	2,865	2,610	2,867	3,157	3,544
% of revenue	18.5	16.9	17.9	21.0	18.0	18	18	18
Growth YoY (%)		20.9	19.7	24.7	(8.9)	10	10	12
<b>Induction Cooktop</b>	739	1,318	1,605	1,774	1,595	1,888	2,056	2,294
% of revenue	8.6	11.6	12.5	13.0	11.0	12	11	11
Growth YoY (%)		78.4	21.7	10.5	(10.1)	18	9	12
<b>Gas Cooktop</b>	936	1,182	1,181	1,091	1,015	1,148	1,097	1,119
% of revenue	10.9	10.4	9.2	8.0	7.0	7	6	6
Growth YoY (%)		26.2	(0.1)	(7.6)	(7.0)	13	(4)	2
<b>LED</b>	541	784	783	546	-	-	-	-
% of revenue	6.3	6.9	6.1	4.0	-	-	-	-
Growth YoY (%)		44.9	(0.1)	(30.3)	(100.0)	-	-	-
<b>Total revenue</b>	<b>8,590</b>	<b>11,364</b>	<b>12,839</b>	<b>13,643</b>	<b>14,498</b>	<b>16,074</b>	<b>18,017</b>	<b>20,174</b>
Growth YoY (%)	28.2	32.3	13.0	6.3	6.3	10.9	12.1	12.0
<b>Gross profit</b>	3,007	3,629	4,204	5,039	5,524	6,225	6,846	7,686
Gross margin (%)	35.0	31.9	32.7	36.9	38.1	38.7	38.0	38.1
<b>EBITDA</b>	<b>1,142</b>	<b>1,082</b>	<b>1,033</b>	<b>1,283</b>	<b>1,542</b>	<b>1,675</b>	<b>1,859</b>	<b>2,142</b>
EBITDA margin (%)	13.3	9.5	8.0	9.4	10.6	10.4	10.3	10.6
<b>Depreciation</b>	<b>142</b>	<b>330</b>	<b>359</b>	<b>588</b>	<b>748</b>	809	977	1,030
ROU (retail stores)	-	-	18	97	78	102	194	199
Other assets	142	330	342	491	670	707	783	831
<b>EBIT</b>	<b>999</b>	<b>751</b>	<b>673</b>	<b>695</b>	<b>794</b>	<b>866</b>	<b>882</b>	<b>1,112</b>
EBIT margin (%)	11.6	6.6	5.2	5.1	5.5	5.4	4.9	5.5
Other income	5	(16)	(35)	1	4	(84)	4	4
Interest	192	110	165	240	310	272	207	260
Lease liability (retail stores)	-	-	11	58	118	163	183	213
Other liabilities	192	110	155	183	192	109	24	48
<b>PBT</b>	<b>812</b>	<b>625</b>	<b>473</b>	<b>455</b>	<b>488</b>	<b>510</b>	<b>679</b>	<b>855</b>
Tax rate (%)	-	10.1	24.3	25.1	21.1	18	22	22
<b>PAT</b>	<b>812</b>	<b>562</b>	<b>358</b>	<b>341</b>	<b>385</b>	<b>420</b>	<b>530</b>	<b>667</b>
PAT margin (%)	9.4	4.9	2.8	2.5	2.7	2.6	2.9	3.3
<b>EPS (Rs)</b>	<b>24.9</b>	<b>17.1</b>	<b>10.8</b>	<b>10.3</b>	<b>11.6</b>	<b>12.7</b>	<b>16.0</b>	<b>20.2</b>

Source: Company, Emkay Research

## Exhibit 7: Our EPS change is driven by revision in the accounting policy around RoU and lease liabilities

(Rs mn)	FY26		FY27E				FY28E			
	Revised	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
<b>Revenue</b>	<b>16,074</b>	<b>10.9</b>	<b>17,498</b>	<b>18,017</b>	<b>3.0</b>	<b>12.1</b>	<b>19,752</b>	<b>20,174</b>	<b>2.1</b>	<b>12.0</b>
<b>EBITDA</b>	<b>1,675</b>	<b>8.6</b>	<b>1,846</b>	<b>1,859</b>	<b>0.7</b>	<b>11.0</b>	<b>2,143</b>	<b>2,142</b>	<b>0.0</b>	<b>15.2</b>
EBITDAM (%)	10.4	(2) bps	10.6	10.3	(23) bps	(1) bps	10.9	10.6	(23) bps	3 bps
Depreciation	809	8.2	964	977	1.3	20.7	1,029	1,030	0.1	5.4
Interest	272	-12.3	281	207	-26.5	-24.1	341	260	-23.7	25.9
Other Income	-84	-2,242.5	3.5	3.6	2.0	-104.3	3	4	2.0	0.0
Tax Rate	18	-16.3	22	22	0.0	24.7	22	22	0.0	0.0
<b>PAT</b>	<b>420</b>	<b>9.1</b>	<b>471</b>	<b>530</b>	<b>12.4</b>	<b>26.1</b>	<b>605</b>	<b>667</b>	<b>10.2</b>	<b>26.0</b>
EPS (Rs)	12.7	9.1	14.3	16.0	12.4	26.1	18.3	20.2	10.0	25.8

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions.com)

## Stovekraft: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
<b>Revenue</b>	<b>13,643</b>	<b>14,498</b>	<b>16,074</b>	<b>18,017</b>	<b>20,174</b>
Revenue growth (%)	6.3	6.3	10.9	12.1	12.0
<b>EBITDA</b>	<b>1,283</b>	<b>1,542</b>	<b>1,675</b>	<b>1,859</b>	<b>2,142</b>
EBITDA growth (%)	24.2	20.2	8.6	11.0	15.2
Depreciation & Amortization	97	195	102	194	199
<b>EBIT</b>	<b>695</b>	<b>794</b>	<b>866</b>	<b>882</b>	<b>1,112</b>
EBIT growth (%)	3.2	14.3	9.0	1.9	26.1
Other operating income	-	-	-	-	-
Other income	1	4	(84)	4	4
Financial expense	240	310	272	207	260
<b>PBT</b>	<b>455</b>	<b>488</b>	<b>510</b>	<b>679</b>	<b>855</b>
Extraordinary items	0	0	0	0	0
Taxes	114	103	90	149	188
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
<b>Reported PAT</b>	<b>341</b>	<b>385</b>	<b>420</b>	<b>530</b>	<b>667</b>
PAT growth (%)	(4.3)	12.9	9.1	26.1	26.0
<b>Adjusted PAT</b>	<b>341</b>	<b>385</b>	<b>420</b>	<b>530</b>	<b>667</b>
<b>Diluted EPS (Rs)</b>	<b>10.3</b>	<b>11.6</b>	<b>12.7</b>	<b>16.0</b>	<b>20.2</b>
Diluted EPS growth (%)	(4.7)	12.9	9.1	26.1	25.8
<b>DPS (Rs)</b>	<b>0</b>	<b>2.5</b>	<b>3.0</b>	<b>3.5</b>	<b>3.5</b>
<b>Dividend payout (%)</b>	<b>0</b>	<b>21.5</b>	<b>23.6</b>	<b>21.8</b>	<b>17.4</b>
EBITDA margin (%)	9.4	10.6	10.4	10.3	10.6
EBIT margin (%)	5.1	5.5	5.4	4.9	5.5
Effective tax rate (%)	25.1	21.1	17.6	22.0	22.0
<b>NOPLAT (pre-IndAS)</b>	<b>521</b>	<b>627</b>	<b>713</b>	<b>688</b>	<b>868</b>
Shares outstanding (mn)	33	33	33	33	33

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
PBT (ex-other income)	455	488	510	679	855
Others (non-cash items)	-	-	-	-	-
Taxes paid	(124)	(124)	(129)	(149)	(188)
Change in NWC	(50)	(125)	1,070	82	91
<b>Operating cash flow</b>	<b>1,126</b>	<b>1,299</b>	<b>2,577</b>	<b>1,795</b>	<b>2,048</b>
Capital expenditure	(1,043)	(811)	(1,081)	(500)	(500)
Acquisition of business	0	0	0	0	0
Interest & dividend income	9	17	(13)	0	0
<b>Investing cash flow</b>	<b>(896)</b>	<b>(811)</b>	<b>(1,081)</b>	<b>(500)</b>	<b>(500)</b>
Equity raised/(repaid)	4	12	15	0	0
Debt raised/(repaid)	73	(43)	(1,457)	352	43
Payment of lease liabilities	(95)	(245)	500	(194)	(199)
Interest paid	(175)	(189)	(251)	(207)	(260)
Dividend paid (incl tax)	0	(83)	(99)	(116)	(116)
Others	-	-	-	-	-
<b>Financing cash flow</b>	<b>(193)</b>	<b>(548)</b>	<b>(1,291)</b>	<b>(164)</b>	<b>(532)</b>
Net chg in Cash	37	(60)	206	1,131	1,017
OCF	1,126	1,299	2,577	1,795	2,048
Adj. OCF (w/o NWC chg.)	1,175	1,424	1,508	1,713	1,957
FCFF	83	488	1,497	1,295	1,548
FCFE	(90)	308	1,374	1,271	1,501
OCF/EBITDA (%)	87.8	84.2	153.8	96.6	95.6
FCFE/PAT (%)	(26.5)	79.9	327.3	240.0	224.9
<b>FCFF/NOPLAT (%)</b>	<b>16.0</b>	<b>77.8</b>	<b>209.8</b>	<b>188.2</b>	<b>178.5</b>

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Share capital	331	331	331	331	331
Reserves & Surplus	4,062	4,378	4,711	5,125	5,677
<b>Net worth</b>	<b>4,392</b>	<b>4,708</b>	<b>5,042</b>	<b>5,456</b>	<b>6,008</b>
Minority interests	0	0	0	0	0
Non-current liab. & prov.	(25)	(32)	(58)	(58)	(58)
<b>Total debt</b>	<b>1,458</b>	<b>1,795</b>	<b>24</b>	<b>376</b>	<b>419</b>
<b>Total liabilities &amp; equity</b>	<b>7,048</b>	<b>8,320</b>	<b>6,227</b>	<b>7,340</b>	<b>7,986</b>
Net tangible fixed assets	3,966	4,585	5,190	4,991	4,660
Net intangible assets	30	90	16	16	16
Net ROU assets	1,105	1,597	624	895	863
Capital WIP	296	226	148	64	64
Goodwill	1	0	0	0	0
Investments [JV/Associates]	0	0	0	0	0
<b>Cash &amp; equivalents</b>	<b>150</b>	<b>95</b>	<b>304</b>	<b>1,435</b>	<b>2,452</b>
Current & ex-cash	4,959	5,096	5,096	5,712	6,396
Current Liab. & Prov.	3,896	3,687	5,457	6,116	6,849
<b>NWC (ex-cash)</b>	<b>1,063</b>	<b>1,408</b>	<b>(361)</b>	<b>(404)</b>	<b>(453)</b>
<b>Total assets</b>	<b>7,048</b>	<b>8,320</b>	<b>6,227</b>	<b>7,340</b>	<b>7,986</b>
Net debt	1,308	1,700	(280)	(1,059)	(2,033)
Capital employed	7,048	8,320	6,227	7,340	7,986
<b>Invested capital</b>	<b>5,060</b>	<b>6,083</b>	<b>4,845</b>	<b>4,603</b>	<b>4,224</b>
BVPS (Rs)	132.9	142.5	152.6	165.1	181.5
Net Debt/Equity (x)	0.3	0.4	(0.1)	(0.2)	(0.3)
Net Debt/EBITDA (x)	1.0	1.1	(0.2)	(0.6)	(0.9)
Interest coverage (x)	2.7	2.2	2.3	3.4	3.5
<b>RoCE (%)</b>	<b>12.5</b>	<b>12.9</b>	<b>13.5</b>	<b>16.3</b>	<b>18.2</b>

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY24	FY25	FY26	FY27E	FY28E
P/E (x)	52.5	46.5	42.6	33.8	26.9
EV/CE(x)	3.3	3.0	3.5	2.9	2.5
P/B (x)	4.1	3.8	3.5	3.3	3.0
EV/Sales (x)	1.4	1.4	1.1	0.9	0.8
EV/EBITDA (x)	15.0	12.7	10.5	9.1	7.4
EV/EBIT(x)	27.6	24.7	20.3	19.1	14.3
EV/IC (x)	3.8	3.2	3.6	3.7	3.8
FCFF yield (%)	0.4	2.5	8.5	7.7	9.7
FCFE yield (%)	(0.5)	1.7	7.7	7.1	8.4
Dividend yield (%)	0	0.5	0.6	0.6	0.6
<b>DuPont-RoE split</b>					
Net profit margin (%)	2.5	2.7	2.6	2.9	3.3
Total asset turnover (x)	2.4	2.3	2.6	3.0	3.0
Assets/Equity (x)	1.4	1.4	1.3	1.1	1.2
<b>RoE (%)</b>	<b>8.1</b>	<b>8.5</b>	<b>8.6</b>	<b>10.1</b>	<b>11.6</b>
<b>DuPont-RoIC</b>					
NOPLAT margin (%)	3.8	4.3	4.4	3.8	4.3
IC turnover (x)	2.8	2.6	2.9	3.8	4.6
<b>RoIC (%)</b>	<b>10.6</b>	<b>11.3</b>	<b>13.1</b>	<b>14.6</b>	<b>19.7</b>
<b>Operating metrics</b>					
Core NWC days	28.4	35.5	(8.2)	(8.2)	(8.2)
<b>Total NWC days</b>	<b>28.4</b>	<b>35.5</b>	<b>(8.2)</b>	<b>(8.2)</b>	<b>(8.2)</b>
Fixed asset turnover	2.7	2.4	2.1	2.1	2.2
Opex-to-revenue (%)	27.5	27.5	28.3	27.7	27.5

Source: Company, Emkay Research

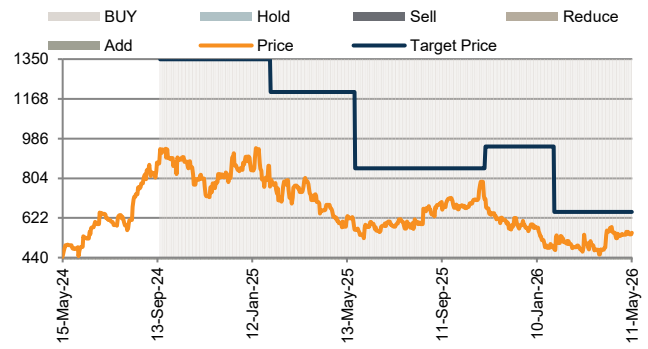
This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions.com)

**RECOMMENDATION HISTORY - DETAILS**

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
01-Feb-26	478	650	Buy	Chirag Jain
05-Nov-25	709	950	Buy	Chirag Jain
06-Aug-25	584	850	Buy	Chirag Jain
23-May-25	568	850	Buy	Chirag Jain
04-Feb-25	794	1,200	Buy	Chirag Jain
19-Nov-24	764	1,350	Buy	Chirag Jain
30-Oct-24	774	1,350	Buy	Chirag Jain
16-Sep-24	937	1,350	Buy	Chirag Jain

Source: Company, Emkay Research

**RECOMMENDATION HISTORY - TREND**



Source: Company, Bloomberg, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

**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](http://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](http://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.

This report is intended for Team White Marque Solutions ([team.emkay@whitemarqueresolutions.com](mailto:team.emkay@whitemarqueresolutions.com))

**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 persons<sup>1</sup> 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 Interests<sup>2</sup> 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.

<sup>1</sup> 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.

<sup>2</sup> 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:-

- 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 May 14, 2026
- 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:**
- 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.
- 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 May 14, 2026
- 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 May 14, 2026
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- 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.
- EGFSL, its affiliates and/or 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.
<b>BUY</b>	>15% upside
<b>ADD</b>	5-15% upside
<b>REDUCE</b>	5% upside to 15% downside
<b>SELL</b>	>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

This report is intended for Team White Marque Solutions (team.emkay@whitemarqueresolutions.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](http://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.

This report is intended for Team White Marque Solutions ([team.emkay@whitemarqueresolutions.com](mailto:team.emkay@whitemarqueresolutions.com))