BUY

Voltas

1Q a mixed bag – UCP momentum offset by EMPS weakness

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Consumer Durables | Result Update | **August 16, 2026**

CMP (Rs): 1,325 | TP (Rs): 1,500

Voltas (VOLT)'s 1Q results were a mixed bag, with revenue growth accelerating to 19% yoy, led by a strong 32% yoy growth in UCP (RAC volume up 45% yoy), while EMPS declined 27% yoy due to execution challenges. EBITDAM rose by 120bps qoq to 5.7%, while PAT grew 52% yoy to Rs2.1bn. Management holds a constructive stance on RAC, with focus on market-share gains (~17.3% 1Q vs 16% in FY26) via premiumization, innovation, and distribution. On UCP margin, recovery toward >7% is expected to be gradual (vs immediate) over next ~8 quarters; EMPS is likely to be under stress in 2Q, with recovery only from 2H. While we remain positive on the RAC structural growth story, we believe slower margin normalization and near-term EMPS execution challenges warrant a 13%/7% cut to FY27E/FY28E EPS. We maintain BUY and our SOTP-based TP of Rs1,500, supported by Jun-28E roll-forward benefit. Current valuation remains supportive at 1YF implied UCP P/S trading at ~2.8x near its -1SD.

Strong UCP growth dragged down by EMPS

Voltas reported mixed 1Q results, with strong revenue growth of 19% yoy (vs 3%/-1% in 4QFY26/3QFY26) owing to robust growth in the UCP segment (up 32% yoy), which was dragged down by the EMPS segment (down 27% yoy) owing to project execution challenges. EBITDAM saw a sequential improvement of 120bps, but remains subdued at 5.7% (vs ~7-8% earlier). PAT stood at Rs2.1bn (up 52% yoy).

Earnings call KTAs

1) RAC saw a ~45% yoy volume growth spike in 1Q (vs estimated industry primary volume growth of ~20–22%), with VOLT's secondary market share at 17.3% in 1Q (vs 15.9% in FY26). 2) Cost inflation remained significant (BEE changes, commodities, rupee depreciation, freight, and plastics drove a ~10-12% cost inflation); VOLT passed-on almost the entire cost increase, but the lag in pass-through/higher RM costs absorbed a meaningful portion of the operating leverage benefits. 3) VOLT aspires to achieve >7% UCP margins, but the recovery is expected to be gradual over next ~8 quarters, with focus on continuing market-share gains via premiumization, innovation, and distribution. 4) EMPS saw soft topline/profitability, affected by execution challenges – international projects hit by the West Asia conflict, which delayed new order inflows. VOLT expects 2Q to remain relatively soft, with recovery turning more visible in 2H. Voltas has now become more selective in order booking (shorter-gestation, private-sector, manufacturing, data center, MEP projects), to reduce risks related to execution, working capital, and fixed price. 5) Voltbek delivered its highest-ever quarterly sales in both value and volume (market share ~9.4% in WM and 7.4% in refrigerators). However, EBITDA breakeven has been pushed back by a few quarters from the earlier FY27 aspiration (mainly on account of commodity inflation not being fully passed on). 6) VOLT has entered a proposed 50:50 JV with Atomberg for RAC compressor manufacturing, initially targeting ~2.8mn compressors with commercial production expected in ~18M. Atomberg to contribute critical motor technology, while VOLT brings in RAC scale. Major capex ahead expected from Atomberg JV, with investment broadly expected to be shared 50:50.

Voltas: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	154,128	142,445	162,337	187,977	216,956
EBITDA	11,161	6,470	10,038	13,636	16,861
Adj. PAT	8,570	4,013	7,636	10,886	14,188
Adj. EPS (Rs)	25.9	12.1	23.1	32.9	42.9
EBITDA margin (%)	7.2	4.5	6.2	7.3	7.8
EBITDA growth (%)	135.2	(42.0)	55.1	35.8	23.7
Adj. EPS growth (%)	240.1	(53.2)	90.3	42.6	30.3
RoE (%)	13.9	6.2	11.5	14.8	17.1
RoIC (%)	29.6	11.4	17.2	22.0	25.5
P/E (x)	51.1	116.9	57.4	40.3	30.9
EV/EBITDA (x)	37.9	65.5	41.1	29.9	23.8
P/B (x)	6.7	6.9	6.3	5.7	5.0
FCFF yield (%)	(1.0)	(0.1)	0.5	1.4	1.9

Source: Company, Emkay Research

Target Price – 12M	Jun-27
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	13.2

Stock Data	VOLT IN
52-week High (Rs)	1,583
52-week Low (Rs)	1,187
Shares outstanding (mn)	330.9
Market-cap (Rs bn)	438
Market-cap (USD mn)	4,594
Net-debt, FY27E (Rs mn)	(25,550.3)
ADTV-3M (mn shares)	1.1
ADTV-3M (Rs mn)	1,340.5
ADTV-3M (USD mn)	14.0
Free float (%)	69.7
Nifty-50	24,366.0
INR/USD	95.4

Shareholding,Jun-26	
Promoters (%)	30.3
FPIs/MFs (%)	16.9/39.0

Price Performance

(%)	1M	3M	12M
Absolute	(2.5)	2.4	3.9
Rel. to Nifty	(3.8)	(0.4)	5.1

1-Year share price trend (Rs)

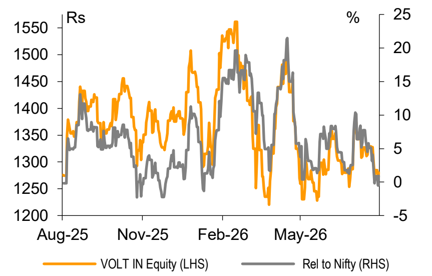

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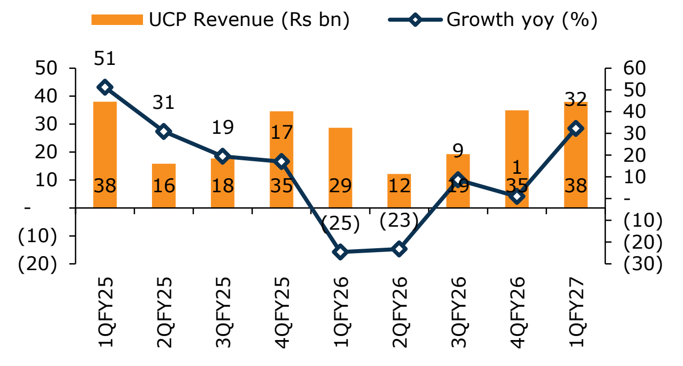
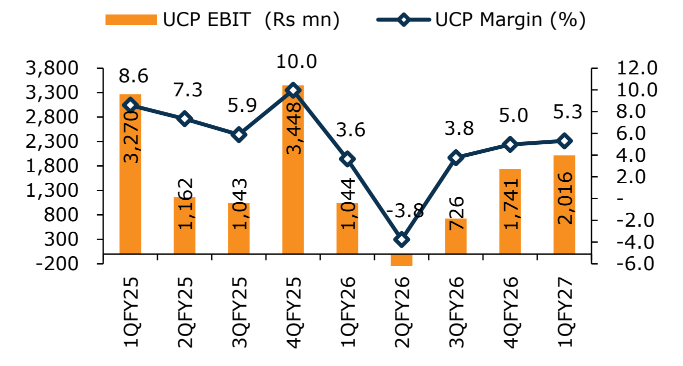
Exhibit 1: UCP revenue growth spikes to 32% yoy in 1Q, owing to strong 45% volume growth in RAC…



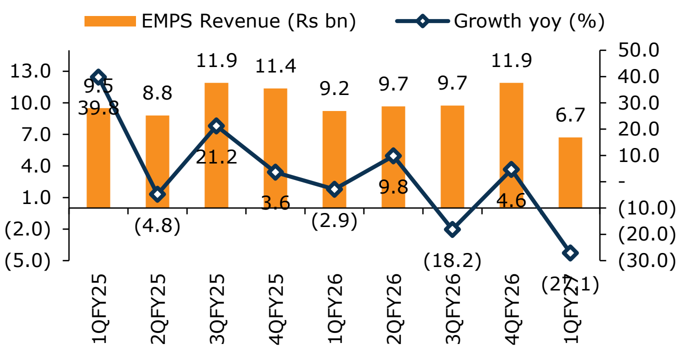
Source: Company, Emkay Research

Exhibit 2: …with UCP margin rising gradually to ~5.3% sequentially



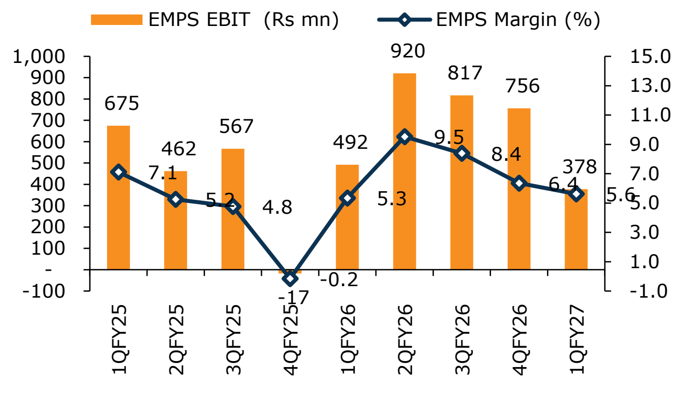
Source: Company, Emkay Research

Exhibit 3: Projects business faces execution challenges in 1Q, compounded by geopolitical disruption in the Middle East, causing a 27% decline in 1Q…



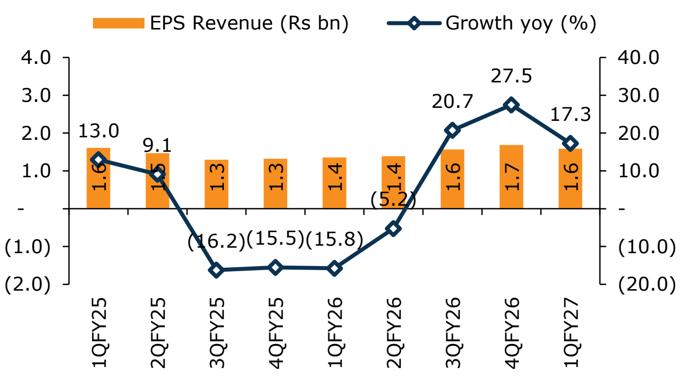
Source: Company, Emkay Research

Exhibit 4: …with EMPS EBITM dipping to ~5.6%



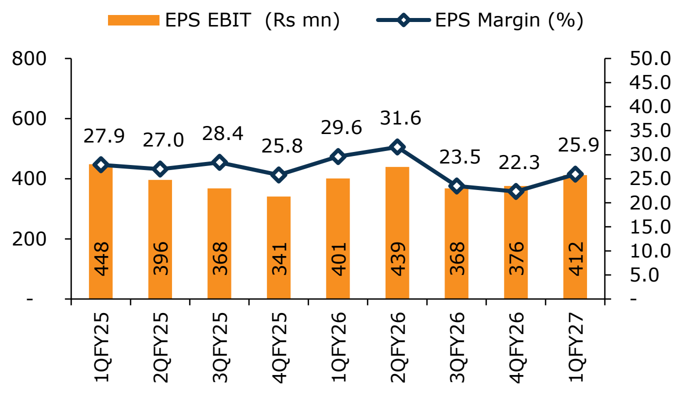
Source: Company, Emkay Research

Exhibit 5: The EPS segment saw a decent 17% revenue growth in 1Q…



Source: Company, Emkay Research

Exhibit 6: …with margins rising sequentially



Source: Company, Emkay Research

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Exhibit 7: UCP revenue sees substantial growth in 1Q (~32% yoy); EMPS sees a decline of ~27%, with a modest ~5.6% margin performance

Segmental snapshot (Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Revenue											
EMPS	9,491	8,799	11,902	11,375	9,218	9,662	9,742	11,903	6,718	*(27.1)*	*(43.6)*
UCP	38,022	15,822	17,711	34,584	28,679	12,151	19,242	34,934	37,935	*32.3*	*8.6*
EPS	1,608	1,467	1,297	1,321	1,354	1,391	1,566	1,684	1,589	*17.3*	*(5.7)*
Total	**49,121**	**26,088**	**30,910**	**47,280**	**39,251**	**23,204**	**30,550**	**48,522**	**46,242**	***17.8***	***(4.7)***
EBIT											
EMPS	675	462	567	(17)	492	920	817	756	378	*(23.3)*	*(50.1)*
UCP	3,270	1,162	1,043	3,448	1,044	(458)	726	1,741	2,016	*93.2*	*15.8*
EPS	448	396	368	341	401	439	368	376	412	*2.7*	*9.5*
Total	**4,394**	**2,020**	**1,978**	**3,771**	**1,937**	**902**	**1,911**	**2,873**	**2,806**	***44.8***	***(2.3)***
EBIT Margin (%)											
EMPS	7.1	5.2	4.8	(0.2)	5.3	9.5	8.4	6.4	5.6		
UCP	8.6	7.3	5.9	10.0	3.6	(3.8)	3.8	5.0	5.3		
EPS	27.9	27.0	28.4	25.8	29.6	31.6	23.5	22.3	25.9		
Total	**8.9**	**7.7**	**6.4**	**8.0**	**4.9**	**3.9**	**6.3**	**5.9**	**6.1**		

Source: Company, Emkay Research

Exhibit 8: Voltas's topline performance was a standout, with 32% growth (though on a subdued 1Q base last year), with EBITM coming in better vs Blue Star (dragged down by the commercial refrigeration portfolio)

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

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Exhibit 9: 1QFY27 – Voltas's revenue/EBITDA/PAT was up 19%/49%/50% yoy, respectively, albeit on a subdued 1Q base

Quarterly Snapshot (Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Revenue from operations	**49,210**	**26,191**	**31,051**	**47,676**	**39,386**	**23,473**	**30,708**	**48,878**	**46,735**	***18.7***	***(4.4)***
Growth yoy (%)	*46.5*	*14.2*	*18.3*	*13.4*	*-20.0*	*-10.4*	*-1.1*	*2.5*	*18.7*		
Total Operating Expenses	**44,972**	**24,569**	**29,077**	**44,348**	**37,601**	**22,769**	**28,935**	**46,672**	**44,080**	***17.2***	***(5.6)***
Growth yoy (%)	41.7	10.5	12.0	10.5	(16.4)	(7.3)	(0.5)	5.2	17.2		
Raw Material	*38,922*	*19,421*	*23,807*	*37,454*	*30,796*	*17,645*	*23,442*	*38,816*	*36,509*	*18.6*	*(5.9)*
As a (%) of Revenue	*79.1*	*74.2*	*76.7*	*78.6*	*78.2*	*75.2*	*76.3*	*79.4*	*78.1*		
Employee expense	2,023	2,382	2,311	2,185	*2,305*	*2,408*	*2,246*	*2,427*	*2,582*	*12.0*	*6.4*
As a (%) of Revenue	*4.1*	*9.1*	*7.4*	*4.6*	*5.9*	*10.3*	*7.3*	*5.0*	*5.5*		
Other expense	4,027	2,766	2,959	4,709	*4,500*	*2,717*	*3,247*	*5,429*	*4,989*	*10.9*	*(8.1)*
As a (%) of Revenue	*8.2*	*10.6*	*9.5*	*9.9*	*11.4*	*11.6*	*10.6*	*11.1*	*10.7*		
EBITDA	**4,238**	**1,622**	**1,974**	**3,328**	**1,785**	**704**	**1,773**	**2,207**	**2,655**	***48.7***	***20.3***
EBITDA Margin (%)	**8.6**	**6.2**	**6.4**	**7.0**	**4.5**	**3.0**	**5.8**	**4.5**	**5.7**		
Gross Profit	**10,288**	**6,770**	**7,244**	**10,222**	**8,590**	**5,829**	**7,266**	**10,063**	**10,226**	***19.0***	***1.6***
Gross Margin (%)	**20.9**	**25.8**	**23.3**	**21.4**	**21.8**	**24.8**	**23.7**	**20.6**	**21.9**		
Less: Depreciation	134	164	179	141	185	244	206	206	213		
EBIT	**4,104**	**1,458**	**1,795**	**3,187**	**1,601**	**460**	**1,567**	**2,001**	**2,442**	***52.6***	***22.1***
EBIT Margin (%)	**8.3**	**5.6**	**5.8**	**6.7**	**4.1**	**2.0**	**5.1**	**4.1**	**5.2**		
Add: Other income	803	1,055	591	797	821	646	488	426	912		
Less: Interest	98	136	155	233	135	200	311	222	128		
PBT	**4,809**	**2,377**	**2,231**	**3,751**	**2,286**	**906**	**1,744**	**2,205**	**3,227**	***41.1***	***46.3***
Less: Taxes	**1,165**	**726**	**599**	**1,075**	**621**	**226**	**313**	**711**	**727**		
Add/Less: Exceptional Items	**-**	**-**	**-**	**-**	**-**	**-**	**(265)**	**-**	**-**		
PAT	**3,644**	**1,651**	**1,632**	**2,677**	**1,665**	**680**	**1,431**	**1,494**	**2,500**	***50.1***	***67.3***
PAT Margin (%)	**7.4**	**6.3**	**5.3**	**5.6**	**4.2**	**2.9**	**4.7**	**3.1**	**5.3**		
Share of profit/(loss) of an associate and a JV	(294)	(323)	(324)	(320)	(259)	(365)	(322)	(360)	(372)		
Non-controlling interests	(8)	12	14	53	(2)	28	5	28	10		
Reported PAT	**3,342**	**1,340**	**1,321**	**2,410**	**1,405**	**343**	**1,114**	**1,162**	**2,137**	***52.2***	***84.0***
Reported PAT (%)	6.8	5.1	4.3	5.1	3.6	1.5	3.6	2.4	4.6		

Source: Company, Emkay Research

Exhibit 10: Revenue/EBITDA/PAT missed our estimates by ~4%/1%/9%, respectively, owing to a weaker-than-anticipated growth/margin performance within the EMPS segment

Actuals vs Estimates – 1QFY27					
Consolidated (Rs mn)	**Actual**	**Emkay**	**Variation (%)**	**Consensus**	**Variation (%)**
Revenue	**48,522**	**50,581**	**(4)**	**50,071**	**(3)**
EMPS	6,718	9,658	(30)	na	
UCP	37,935	39,433	(4)	na	
EPS	1,589	1,490	7	na	
EBITDA	**2,655**	**2,687**	(1)	**2,944**	**(10)**
EBITDA Margin (%)	5.5	5.3		5.9	
EBIT	**2,806**	**3,232**	**(13)**	**3,485**	**(19)**
EMPS	378	676	(44)	na	
UCP	2,016	2,169	(7)	na	
EPS	412	387	6	na	
EBIT Margin (%)	***5.8***	***6.4***		***7.0***	
EMPS	5.6	7.0		na	
UCP	5.3	5.5		na	
EPS	25.9	26.0		na	
PAT	**2,137**	**2,355**	**(9)**	**2,028**	**5**
PAT Margin (%)	***4.4***	***4.7***		***4.1***	

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

Source: Company, Bloomberg, Emkay Research

Exhibit 11: Revenue model – We build in ~15%/38%/52% revenue/EBITDA/PAT CAGR for FY26-29E

Voltas - Consolidated (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**154,128**	**142,445**	**162,337**	**187,977**	**216,956**
Growth yoy (%)	***23.5***	***(7.6)***	***14.0***	***15.8***	***15.4***
UCP (RAC, Com Ref/AC, and Air Cooler)	106,139	95,006	113,398	131,168	151,308
Growth YoY (%)	*30.1*	*(10.5)*	*19.4*	*15.7*	*15.4*
EMPS (Projects)	41,568	40,525	40,386	47,285	55,044
Growth YoY (%)	*12.9*	*(2.5)*	*(0.3)*	*17.1*	*16.4*
EPS (Products - Mining and Textile)	5,692	5,994	6,534	7,187	7,906
Growth YoY (%)	*(3.2)*	*5.3*	*9.0*	*10.0*	*10.0*
Gross profit	**34,524**	**31,747**	**35,937**	**42,365**	**49,330**
Gross margin (%)	*22.4*	*22.3*	*22.1*	*22.5*	*22.7*
EBITDA	**11,162**	**6,470**	**10,038**	**13,636**	**16,861**
EBITDA margin (%)	***7.2***	***4.5***	***6.2***	***7.3***	***7.8***
Depreciation	618	852	978	1,107	1,241
EBIT	**10,544**	**5,617**	**9,060**	**12,528**	**15,621**
Growth YoY (%)	*146.9*	*(46.7)*	*61.3*	*38.3*	*24.7*
EBIT margin (%)	**6.8**	**3.9**	**5.6**	**6.7**	**7.2**
UCP (RAC, Com Ref/AC, and Air Cooler)	8,923	3,052	6,747	9,444	11,802
EBIT margin (%)	*8.4*	*3.2*	*6.0*	*7.2*	*7.8*
Growth yoy (%)	*28.7*	*(65.8)*	*121.1*	*40.0*	*25.0*
EMPS (Projects)	1,686	2,986	2,948	3,783	4,679
EBIT margin (%)	*4.1*	*7.4*	*7.3*	*8.0*	*8.5*
Growth yoy (%)	*(151.3)*	*77.1*	*(1.3)*	*28.3*	*23.7*
EPS (Products - Mining and Textile)	1,553	1,584	1,764	2,012	2,253
EBIT margin (%)	*27.3*	*26.4*	*27.0*	*28.0*	*28.5*
Growth yoy (%)	*(24.5)*	*2.0*	*11.4*	*14.1*	*12.0*
Other Income	3,245	2,382	2,840	3,221	3,659
Interest	621	868	722	783	894
PBT before Exceptional Item	13,168	7,131	11,179	14,967	18,386
Exceptional Item	-	(265)	-	-	-
PBT	13,168	6,866	11,179	14,967	18,386
Tax rate (%)	*27.1*	*27.3*	*24.5*	*24.5*	*24.5*
PAT before MI	**9,603**	**4,995**	**8,440**	**11,300**	**13,881**
Minority Interest	*71*	*59*	*59*	*59*	*59*
Share of profit/(loss) of joint ventures (net of tax)	(1,260)	(1,306)	(863)	(473)	247
Adj. PAT	**8,414**	**4,013**	**7,636**	**10,886**	**14,188**
PAT margin (%)	***5.5***	***2.8***	***4.7***	***5.8***	***6.5***
Growth yoy (%)	234	(52)	90	43	30
No of shares (mn)	331	331	331	331	331
EPS (Rs)	**25.4**	**12.1**	**23.1**	**32.9**	**42.9**
DPS (Rs)	7.0	4.0	6.0	8.0	10.0
Dividend payout (%)	*27.5*	*33.0*	*26.0*	*24.3*	*23.3*

Source: Company, Emkay Research

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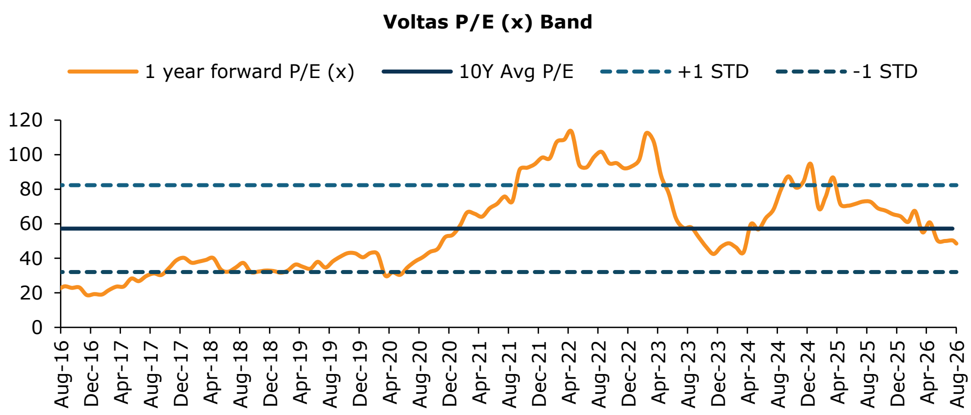
Exhibit 12: We cut our EPS estimates for FY27/28 by ~13%/7%, to factor in a gradual recovery in UCP margins in FY27 and a weaker 1Q for the EMPS business (2Q also expected to be soft, with recovery expected only 2H onward)

Actuals vs Estimates	FY27E				FY28E				FY29E	
Consolidated (Rs mn)	Earlier	Revised	% Change	% yoy	Earlier	Revised	% Change	% yoy	Introduced	% yoy
Revenue	**166,166**	**162,337**	**(2.3)**	**14.0**	**190,436**	**187,977**	**(1.3)**	**15.8**	**216,956**	**15.4**
EMPS	44,232	40,386	(8.7)	(0.3)	49,453	47,285	(4.4)	17.1	55,044	16.4
UCP	113,633	113,398	(0.2)	19.4	131,766	131,168	(0.5)	15.7	151,308	15.4
EPS	6,414	6,534	1.9	9.0	7,055	7,187	1.9	10.0	7,906	10.0
EBITDA	**11,547**	**10,038**	**(13.1)**	**55.1**	**14,778**	**13,636**	**(7.7)**	**35.8**	**16,861**	**23.7**
EBITDA Margin (%)	**6.9**	**6.2**			**7.8**	**7.3**			**7.8**	
EBIT	**10,564**	**9,060**	**(14.2)**	**61.3**	**13,636**	**12,528**	**(8.1)**	**38.3**	**15,621**	**24.7**
EMPS	3,406	2,948	(13.4)	(1.3)	3,956	3,783	(4.4)	28.3	4,679	23.7
UCP	7,954	6,747	(15.2)	121.1	10,541	9,444	(10.4)	40.0	11,802	25.0
EPS	1,764	1,764	0.0	11.4	2,011	2,012	0.1	14.1	2,253	12.0
EBIT Margin (%)	**6.4**	**5.6**			**7.2**	**6.7**			**7.2**	
EMPS	7.7	7.3			8.0	8.0			8.5	
UCP	7.0	6.0			8.0	7.2			7.8	
EPS	27.5	27.0			28.5	28.0			28.5	
PAT	**8,756**	**7,636**	**(12.8)**	**90.3**	**11,676**	**10,886**	**(6.8)**	**42.6**	**14,188**	**30.3**
PAT Margin (%)	**5.3**	**4.7**			**6.1**	**5.8**			**6.5**	
EPS (Rs)	**26.5**	**23.1**	**(12.8)**	**90.3**	**35.3**	**32.9**	**(6.8)**	**42.6**	**42.6**	**30.3**

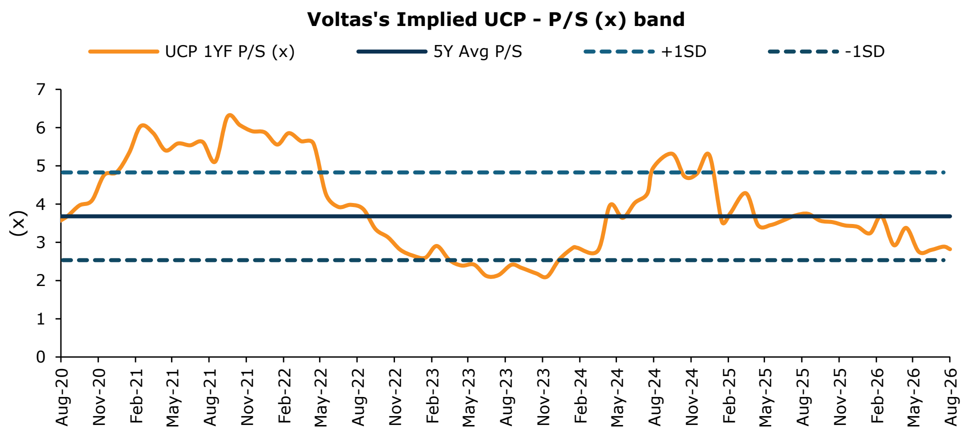
Source: Company, Emkay Research

Exhibit 13: Voltas's 1YF PER trades at ~49x below its 10Y LTA



Source: Company, Bloomberg, Emkay Research

Exhibit 14: Voltas's implied UCP 1YF P/S trades at ~2.8x near its -1SD for UCP P/S



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Source: Company, Bloomberg, Emkay Research

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Voltas: Consolidated Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**154,128**	**142,445**	**162,337**	**187,977**	**216,956**
Revenue growth (%)	23.5	(7.6)	14.0	15.8	15.4
EBITDA	**11,161**	**6,470**	**10,038**	**13,636**	**16,861**
EBITDA growth (%)	135.2	(42.0)	55.1	35.8	23.7
Depreciation & Amortization	461	852	978	1,107	1,241
EBIT	**10,701**	**5,617**	**9,060**	**12,528**	**15,621**
EBIT growth (%)	150.6	(47.5)	61.3	38.3	24.7
Other operating income	-	-	-	-	-
Other income	3,245	2,382	2,840	3,221	3,659
Financial expense	621	868	722	783	894
PBT	**13,324**	**7,131**	**11,179**	**14,967**	**18,386**
Extraordinary items	0	(265)	0	0	0
Taxes	3,565	1,871	2,739	3,667	4,505
Minority interest	71	59	59	59	59
Income from JV/Associates	(1,260)	(1,306)	(863)	(473)	247
Reported PAT	**8,570**	**3,748**	**7,636**	**10,886**	**14,188**
PAT growth (%)	240.1	(56.3)	103.7	42.6	30.3
Adjusted PAT	**8,570**	**4,013**	**7,636**	**10,886**	**14,188**
Diluted EPS (Rs)	**25.9**	**12.1**	**23.1**	**32.9**	**42.9**
Diluted EPS growth (%)	240.1	(53.2)	90.3	42.6	30.3
DPS (Rs)	**5.5**	**7.0**	**6.0**	**8.0**	**10.0**
Dividend payout (%)	**21.2**	**61.9**	**26.0**	**24.3**	**23.3**
EBITDA margin (%)	7.2	4.5	6.2	7.3	7.8
EBIT margin (%)	6.9	3.9	5.6	6.7	7.2
Effective tax rate (%)	26.8	26.2	24.5	24.5	24.5
NOPLAT (pre-IndAS)	**7,838**	**4,144**	**6,840**	**9,459**	**11,794**
Shares outstanding (mn)	331	331	331	331	331

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	331	331	331	331	331
Reserves & Surplus	64,802	63,431	69,024	77,204	87,778
Net worth	**65,133**	**63,762**	**69,355**	**77,535**	**88,108**
Minority interests	271	228	228	228	228
Non-current liab. & prov.	140	(370)	(370)	(370)	(370)
Total debt	**9,048**	**10,126**	**8,925**	**9,706**	**11,117**
Total liabilities & equity	**74,878**	**74,007**	**78,399**	**87,360**	**99,345**
Net tangible fixed assets	8,638	9,727	10,925	11,854	12,895
Net intangible assets	34	38	42	47	53
Net ROU assets	340	316	318	320	323
Capital WIP	824	221	253	284	318
Goodwill	723	723	723	723	723
Investments [JV/Associates]	14,494	10,914	1,773	1,773	1,773
Cash & equivalents	**24,721**	**24,512**	**34,475**	**40,559**	**48,891**
Current assets (ex-cash)	81,304	98,140	95,864	108,021	121,762
Current Liab. & Prov.	56,199	70,584	65,974	76,221	87,392
NWC (ex-cash)	**25,105**	**27,556**	**29,889**	**31,800**	**34,370**
Total assets	**74,878**	**74,007**	**78,399**	**87,360**	**99,345**
Net debt	(15,672)	(14,386)	(25,550)	(30,853)	(37,773)
Capital employed	74,878	74,007	78,399	87,360	99,345
Invested capital	**34,500**	**38,044**	**41,580**	**44,425**	**48,041**
BVPS (Rs)	196.9	192.8	209.7	234.4	266.3
Net Debt/Equity (x)	(0.2)	(0.2)	(0.4)	(0.4)	(0.4)
Net Debt/EBITDA (x)	(1.4)	(2.2)	(2.5)	(2.3)	(2.2)
Interest coverage (x)	22.5	9.2	16.5	20.1	21.6
RoCE (%)	**15.3**	**7.6**	**11.9**	**15.1**	**16.7**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	11,908	5,571	10,316	14,494	18,633
Others (non-cash items)	(1,349)	(938)	(2,841)	(3,221)	(3,659)
Taxes paid	(3,107)	(2,113)	(2,739)	(3,667)	(4,505)
Change in NWC	(10,932)	(3,519)	(2,333)	(1,911)	(2,570)
Operating cash flow	**(2,241)**	**710**	**4,102**	**7,585**	**10,034**
Capital expenditure	(1,907)	(1,287)	(2,215)	(2,074)	(2,324)
Acquisition of business	-	-	-	-	-
Interest & dividend income	1,309	1,045	2,841	3,221	3,659
Investing cash flow	**1,579**	**2,818**	**(1,665)**	**(3,853)**	**(3,665)**
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	1,500	728	(1,201)	781	1,411
Payment of lease liabilities	-	-	-	-	-
Interest paid	(610)	(914)	(722)	(783)	(894)
Dividend paid (incl tax)	(1,820)	(2,321)	(1,985)	(2,646)	(3,308)
Others	(67)	(117)	0	0	0
Financing cash flow	**(997)**	**(2,624)**	**(3,907)**	**(2,648)**	**(2,791)**
Net chg in Cash	(1,659)	903	(1,470)	1,084	3,579
OCF	(2,241)	710	4,102	7,585	10,034
Adj. OCF (w/o NWC chg.)	8,690	4,229	6,435	9,495	12,604
FCFF	(4,149)	(577)	1,887	5,511	7,710
FCFE	(3,460)	(399)	4,007	7,949	10,476
OCF/EBITDA (%)	(20.1)	11.0	40.9	55.6	59.5
FCFE/PAT (%)	(40.4)	(10.7)	52.5	73.0	73.8
FCFF/NOPLAT (%)	**(52.9)**	**(13.9)**	**27.6**	**58.3**	**65.4**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	51.1	116.9	57.4	40.3	30.9
EV/CE(x)	5.7	5.7	5.3	4.7	4.0
P/B (x)	6.7	6.9	6.3	5.7	5.0
EV/Sales (x)	2.7	3.0	2.5	2.2	1.8
EV/EBITDA (x)	37.9	65.5	41.1	29.9	23.8
EV/EBIT(x)	39.5	75.5	45.6	32.5	25.6
EV/IC (x)	12.3	11.1	9.9	9.2	8.3
FCFF yield (%)	(1.0)	(0.1)	0.5	1.4	1.9
FCFE yield (%)	(0.8)	(0.1)	0.9	1.8	2.4
Dividend yield (%)	0.4	0.5	0.5	0.6	0.8
DuPont-RoE split					
Net profit margin (%)	5.6	2.8	4.7	5.8	6.5
Total asset turnover (x)	2.2	1.9	2.1	2.3	2.3
Assets/Equity (x)	1.1	1.1	1.1	1.1	1.1
RoE (%)	**13.9**	**6.2**	**11.5**	**14.8**	**17.1**
DuPont-RoIC					
NOPLAT margin (%)	5.1	2.9	4.2	5.0	5.4
IC turnover (x)	5.8	3.9	4.1	4.4	4.7
RoIC (%)	**29.6**	**11.4**	**17.2**	**22.0**	**25.5**
Operating metrics					
Core NWC days	59.5	70.6	67.2	61.7	57.8
Total NWC days	**59.5**	**70.6**	**67.2**	**61.7**	**57.8**
Fixed asset turnover	13.7	9.7	9.7	10.0	10.3
Opex-to-revenue (%)	15.2	17.7	16.0	15.3	15.0

Source: Company, Emkay Research

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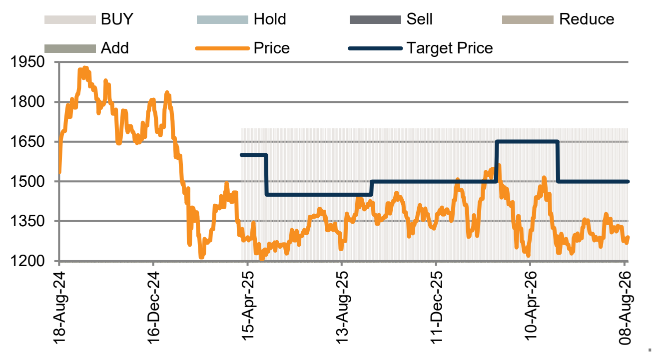
RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
15-May-26	1,231	1,500	Buy	Chirag Jain
26-Feb-26	1,545	1,650	Buy	Chirag Jain
30-Jan-26	1,328	1,500	Buy	Chirag Jain
18-Dec-25	1,402	1,500	Buy	Chirag Jain
14-Nov-25	1,351	1,500	Buy	Chirag Jain
20-Sep-25	1,420	1,500	Buy	Chirag Jain
10-Aug-25	1,305	1,450	Buy	Chirag Jain
18-Jun-25	1,292	1,450	Buy	Chirag Jain
28-May-25	1,258	1,450	Buy	Chirag Jain
09-May-25	1,236	1,450	Buy	Chirag Jain
07-Apr-25	1,295	1,600	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



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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

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