

**Market Cap.**

**Rs. 5,635 Cr.**

**52 Week H/L**

**Rs. 213/424**

**CMP**

**Rs. 285**

**Target Price**

**Rs. 523**

## TEXT

### STOCK DATA

#### BUY

Reuters Code ICNT.BO  
Bloomberg Code ICNT IN

BSE Code 521016  
NSE Symbol ICIL

Face Value Rs.2

Shares Outstanding 19.7 Cr

Avg. Daily Volume (6m) 493197 Shares

Price Performance (%)

1M 3M 6M

2 (15) (16)

200 days EMA Rs.294

### SHARE HOLDING (%)

Promoters 58.8

FII 9.9

FI / MF 13.1

Bodies Corporate 4.8

Public & Others 13.5

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Indo Count Industries Ltd has recently announced its performance for the quarter ended June 30, 2025. Following are the key financial highlights:

Particulars	Q1FY26	Q1FY25	YoY	Q4FY25	QoQ
Net Sales	958.7	941.4	1.8%	1022.6	-6.2%
EBITDA	110.0	145.1	(24.2%)	81.9	34.3%
<b>EBITDA Margin</b>	<b>11.5%</b>	<b>15.4%</b>	<b>-390 bps</b>	<b>8.0%</b>	<b>350 bps</b>
Profit before Tax	49.3	107.6	(54.2%)	15.6	215.6%
Profit (loss) after Tax	37.8	77.8	(51.4%)	11.2	237.4%
<b>PAT Margin</b>	<b>3.9%</b>	<b>8.3%</b>	<b>(440 bps)</b>	<b>1.1%</b>	<b>280 bps</b>
EPS	1.9	3.9	(51.4%)	0.6	237.4%

### Highlights from the Quarter (Q1FY26):

Indo Count Industries Ltd (ICIL) reported subdued revenue performance in Q1FY26 at Rs. 958.7 cr., up 1.8% YoY but down 6.2% QoQ. Sales volumes stood at 23.6 mn meters, compared with 25.3 mn meters in Q1FY25, reflecting a decline in volume but an improvement in realization per meter by ~9%. The volume drop was primarily attributable to the prevailing tariff uncertainty between the US and India, which has impacted order flows.

EBITDA for the quarter came in at Rs. 110 cr., down 24% YoY (Rs. 145.1 cr. in Q1FY25), but up 34.3% QoQ (Rs. 81.9 cr. in Q4FY25). EBITDA margin stood at 11.5%, compared with 15.4% in the same quarter last year and 8.0% in the preceding quarter. The margin contraction on a YoY basis was mainly due to an unfavourable product mix and incubation costs of new businesses, which management expects to continue until year-end. Net profit for the quarter was reported at Rs. 37.8 cr., translating into a net margin of 3.9%. Importantly, ICIL continued its balance sheet discipline, reducing debt by Rs. 60 cr. during Q1FY26.

Since the US accounts for nearly 70% of ICIL's revenues, management has highlighted near-term uncertainty stemming from recent tariff escalations between the US and India. Effective end-August 2025, tariffs have been raised from 10–25% to 50%, which could impact demand and customer ordering patterns over the coming quarters. The company remains in active dialogue with its US clients as they adapt to the evolving trade environment. While Indo Count may derive some benefit from Free Trade Agreements (FTAs) with other countries, any material shift in export mix away from the US could take a few quarters to play out. Despite these challenges, management has reiterated its long-term guidance of doubling revenues over the medium term and sustaining EBITDA margins in the 16–18% range.

Y/E Mar	Revenue (Rs. Cr)	EBITDA (Rs. Cr)	EBITDA Margin (%)	PAT (Rs. Cr)	NPM (%)	EPS (Rs.)	P/E (x)	P/S (x)	P/BV (x)
FY25	4,151.4	533.8	12.9%	246.0	5.9%	12.4	22.9	1.4	2.5
<b>FY26E</b>	<b>4,359.0</b>	<b>553.6</b>	<b>12.7%</b>	<b>288.3</b>	<b>6.6%</b>	<b>14.6</b>	<b>19.6</b>	<b>1.3</b>	<b>2.2</b>
<b>FY27E</b>	<b>5,012.8</b>	<b>709.3</b>	<b>14.2%</b>	<b>412.6</b>	<b>8.2%</b>	<b>20.8</b>	<b>13.7</b>	<b>1.1</b>	<b>2.0</b>
<b>FY27E</b>	<b>5,764.7</b>	<b>954.1</b>	<b>16.6%</b>	<b>608.8</b>	<b>10.6%</b>	<b>30.7</b>	<b>9.3</b>	<b>1.0</b>	<b>1.6</b>

## OUTLOOK AND VALUATION

We are revising our target price to Rs. 523 from Rs. 555 due to prevailing tariff uncertainty between the US and India coupled with impact on operating margins led by unfavorable product mix and incubation costs of new businesses. However, We expect FY28E revenue at Rs.5,764.7 cr, EBITDA of Rs.954.1 cr at an EBITDA margin of 16.6% and PAT of Rs.608.8 cr. We estimate FY27E EPS at Rs.30.7, and assign a PE multiple of 17x, reducing the target price to Rs.523 (upside ~83.4%) from the current market price of Rs.285. We keep our BUY Rating for ICIL over an investment horizon of 24-30 months.



## Earlier Recommendation

Date	Report Type	Reco	Price (Rs.)	Target (Rs.)
6-Sep-24	Initiating Coverage	Buy	422	555

## PROFIT & LOSS STATEMENT

(Rs.Cr)

Y/E Mar.	FY25	FY26e	FY27e	FY28e
<b>Revenue</b>	<b>4,151</b>	<b>4,359</b>	<b>5,013</b>	<b>5,765</b>
Raw Material Cost	1849	1948	2166	2464
Employee Cost	433	462	534	617
Other Expenses	1336	1395	1604	1729
<b>EBITDA</b>	<b>534</b>	<b>554</b>	<b>709</b>	<b>954</b>
<i>EBITDA Margin (%)</i>	<i>12.9%</i>	<i>12.7%</i>	<i>14.2%</i>	<i>16.6%</i>
Depreciation	117	113	113	109
<b>EBIT</b>	<b>417</b>	<b>441</b>	<b>597</b>	<b>845</b>
<i>EBIT Margin (%)</i>	<i>10.1%</i>	<i>10.1%</i>	<i>11.9%</i>	<i>14.7%</i>
Finance Costs	123	97	88	76
Other Income	40	41	42	43
<b>Profit before Tax</b>	<b>334</b>	<b>384</b>	<b>550</b>	<b>812</b>
Tax Expense	80	96	138	203
<b>Net Profit</b>	<b>246</b>	<b>288</b>	<b>413</b>	<b>609</b>
<i>Net Margin (%)</i>	<i>5.9%</i>	<i>6.6%</i>	<i>8.2%</i>	<i>10.6%</i>
<b>EPS</b>	<b>12.4</b>	<b>14.6</b>	<b>20.8</b>	<b>30.7</b>

## BALANCE SHEET

(Rs.Cr)

Y/E Mar.	FY25	FY26e	FY27e	FY28e
PP&E (incl. CWIP)	1,408	1,445	1,452	1,544
Other Non-Current	370	370	370	370
Inventories	1,163	1,388	1,549	1,769
Trade Receivables	592	657	742	837
Cash and Bank Balances	117	95	140	196
Other Current Assets	368	430	475	521
<b>Total Assets</b>	<b>4,260</b>	<b>4,627</b>	<b>4,969</b>	<b>5,479</b>
Equity Share Capital	40	40	40	40
Reserves & Surplus	2,238	2,483	2,852	3,417
Borrowings (LT)	270	250	200	150
Trade Payables	231	406	457	527
Other Financial Liabilities	83	96	110	127
Current Borrowings	948	900	850	750
Other Current Tax Liab & Provisions	53	55	62	71
<b>Total Liabilities</b>	<b>4,260</b>	<b>4,627</b>	<b>4,969</b>	<b>5,479</b>

Source: Company, Sushil Finance Research

**CASH FLOW**

(Rs.Cr)

Y/E Mar.	FY25	FY26e	FY27e	FY28e
PBT	334	384	550	812
Depreciation	117	113	113	109
Interest	123	97	88	76
<b>CFO before Working Cap chg</b>	<b>573</b>	<b>594</b>	<b>751</b>	<b>997</b>
Chg in Inventories	(20)	(225)	(161)	(220)
Chg in Trade Receivables	(64)	(65)	(85)	(95)
Chg in Trade Payables	(77)	175	51	70
Income Taxes Paid	(80)	(96)	(138)	(203)
<b>Cash Flow from Operations</b>	<b>394</b>	<b>478</b>	<b>557</b>	<b>751</b>
Interest Paid	(123)	(97)	(88)	(76)
Dividend Paid	(44)	(44)	(44)	(44)
Other Adjustments	352	(138)	(123)	(172)
<b>Cash Flow from Financing</b>	<b>105</b>	<b>(375)</b>	<b>(392)</b>	<b>(494)</b>
Capital Expenditure	(223)	(150)	(120)	(200)
Other Adjustments	(262)	24	-	-
<b>Cash Flow from Investing</b>	<b>(485)</b>	<b>(126)</b>	<b>(120)</b>	<b>(200)</b>
<b>Opening Cash</b>	<b>103</b>	<b>117</b>	<b>95</b>	<b>140</b>
<b>Total Cash Flow</b>	<b>14</b>	<b>(22)</b>	<b>45</b>	<b>56</b>
<b>Closing Cash</b>	<b>117</b>	<b>95</b>	<b>140</b>	<b>196</b>

**FINANCIAL RATIO**

Y/E Mar.	FY25	FY26e	FY27e	FY28e
<b><u>Growth (%)</u></b>				
Revenue	16.7%	5.0%	15.0%	15.0%
EBITDA	(4.5%)	3.7%	28.1%	34.5%
Net Profit	(27.2%)	17.2%	43.1%	47.5%
<b><u>Profitability (%)</u></b>				
EBITDA Margin	12.9%	12.7%	14.2%	16.6%
Net Profit Margin	5.9%	6.6%	8.2%	10.6%
ROCE	13.2%	13.3%	16.4%	20.6%
ROE	10.8%	11.4%	14.3%	17.6%
<b><u>Per Share Data (Rs.)</u></b>				
EPS	12.4	14.6	20.8	30.7
BVPS	115.0	127.4	146.0	174.5
CEPS	18.3	20.2	26.5	36.2
<b><u>Valuation (x)</u></b>				
P/E	22.9	19.6	13.7	9.3
P/BV	2.5	2.2	2.0	1.6
EV/EBITDA	12.6	12.2	9.5	7.1
P/Sales	1.4	1.3	1.1	1.0
<b><u>Turnover</u></b>				
Inventory days	229	260	261	262
Debtor days	52	55	54	53
Creditor days	46	76	77	78
<b>Net working capital days</b>	<b>236</b>	<b>239</b>	<b>238</b>	<b>237</b>
<b><u>Gearing (x)</u></b>				
D/E	0.5	0.5	0.4	0.3

Source: Company, Sushil Finance Research

## Rating Scale :

This is a guide to the rating system used by our Institutional Research Team. Our rating system comprises of three rating categories.

Total Expected Return Matrix (Rating and Return)	BUY : Over 12%	HOLD : -12% to 12%	SELL : Below -12%
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