Black Box | BUY

Bookings reaffirm revival hopes

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Black Box's 1Q revenue growth (-3% YoY) missed expectations (JMFe: +2%). Tariff-linked delays further weighed on a seasonally soft quarter. Unchanged guidance suggests the slowdown in transitory though. Management expects Q2 to be better followed by a strong H2. Importantly, composition of deal wins, strong deal pipeline and robust order inflow guidance suggest Black Box's refreshed GTM/Sales strategy is working. Two-thirds of Black Box's USD 176mn order wins in 1Q were from high value contracts, a key focus area. Order pipeline remains strong at USD 2bn+. Management guided for USD 1bn order inflow in FY26 (+35% YoY; JMFe), spread across Data Centre (USD 200-250mn) and enterprises, indicating improving win-ratio. With 4-6 months' transition phase and 9-12 months of execution timeline, this will set the company up for a strong FY27. Focus on top accounts and larger deal sizes should drive S&M leverage too, though pipeline build-up might keep the near-term margin expansion under check. We therefore build lower end of FY26's revenue/margin guidance. Still, our EPS CAGR over FY25-28E remains healthy at 32%. In that context, valuations - at 23x FY27E EPS - appear reasonable. BUY.

- **1QFY26 – Misses expectations:** Black Box's Q1FY26 revenue declined 2.6%YoY missing JMFe: +2.4%YoY. Revenue was impacted by delayed equipment procurement at select clients due to tariff related uncertainty. Among segments, others/consulting led with 44% YoY growth, TPS grew 6% while system integration declined 6%YoY. Reported EBITDA margins stood at 8.4%, (+30bps YoY), missing JMFe: 9.0%. Margins were impacted by lower fixed-cost absorption given lower revenues. PAT rose 28% YoY to INR 474mn vs JMFe: 36%YoY. It won USD 176mn of orders, taking order backlog to USD 518mn (USD 504mn in 4Q25). Notable wins include a leading US financial services giant, large OTT player and a prominent US public services org. The company also won two significant DC orders from a large hyperscaler and a top-10 global colo provider.

- **Outlook- USD 1bn+ order wins in FY26:** BBOX expects Q2 growth to be better than Q1 before accelerating in H2, as recent deal wins ramp and tariff related delays normalise. Strong pipeline - USD 2bn+ - and improved win rates underpin their strong order-booking outlook as well. Management targets USD 1bn+ (+35% YoY) in cumulative order wins for FY26 and expects to exit FY26 with an order backlog of USD700mn+. This should set them up for a strong FY27. Data centre orders will contribute 20-25% of this with visibility improving across hyperscalers and colo providers. Margins are expected to recover as growth returns and SG&A reduces with tail rationalisation. These reflect in unchanged FY26 guidance - 13-17% YoY revenue growth, 9-9.2% EBITDA margin and 29%-39% YoY PAT growth. That said, a back-ended recovery is always a risk.

- **EPS changes (3%)-3%; Maintain BUY:** Our revenue. est. see limited changes of (0.8%)-1% over FY26-28E as guidance remains unchanged. Q1 miss drives 16-28bps cuts to our margin est. for FY26-28E leading to (3%)-3% EPS change. We project 32% EPS CAGR over FY25-28E. Our target PER of 30x (unchanged), in that context is reasonable. Our target price rolls forward to INR 710 (from INR 670). Reiterate BUY.

Recommendation and Price Target	
Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	710
Upside/(Downside)	49.7%
Previous Price Target	670
Change	6.0%

Key Data – BBOX IN	
Current Market Price	INR474
Market cap (bn)	INR84.2/US$1.0
Free Float	24%
Shares in issue (mn)	169.1
Diluted share (mn)	169.9
3-mon avg daily val (mn)	INR133.1/US$1.5
52-week range	716/321
Sensex/Nifty	80,598/24,631
INR/US$	87.6

Price Performance

%	1M	6M	12M
Absolute	-5.6	3.8	-6.5
Relative*	-3.6	-2.2	-8.2

* To the BSE Sensex

Financial Summary (INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	62,816	59,669	67,415	78,957	92,692
Sales Growth (%)	-0.1	-5.0	13.0	17.1	17.4
EBITDA	4,262	5,374	6,011	7,371	9,067
EBITDA Margin (%)	6.8	9.0	8.9	9.3	9.8
Adjusted Net Profit	1,377	2,048	2,659	3,625	4,733
Diluted EPS (INR)	8.2	12.1	15.6	21.3	27.9
Diluted EPS Growth (%)	478.9	48.0	29.2	36.4	30.5
ROIC (%)	52.3	45.6	35.5	35.6	38.7
ROE (%)	35.4	33.0	29.8	30.1	29.1
P/E (x)	60.6	41.0	31.7	23.2	17.8
P/B (x)	17.4	11.1	8.2	6.1	4.5
EV/EBITDA (x)	20.1	16.4	14.7	11.7	9.3
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 13/Aug/2025

Key highlights from the call

- Demand: Management highlighted that order inflow for Q1FY26 remained steady at USD 176mn, with nearly two-thirds contributed by high-value deals. They noted that revenue for the quarter declined 3% YoY, impacted by client-side delays in equipment procurement due to tariff-related uncertainties, particularly in the US. Leadership mentioned that the delays have pushed revenue recognition into future quarters, though these projects remain in execution. Management indicated that the demand environment remains robust, aided by AI-driven infrastructure refresh cycles and strong activity across data center, workplace, and networking verticals.

- Outlook: Leadership expects revenue to ramp from Q2 onwards as delayed Q1 orders begin execution. Hence, they expect Q2 to be significantly better than Q1. Management is targeting USD 1bn in order bookings for FY26 and aims to exit the year with a USD 700mn backlog. They highlighted that the average lead times for revenue recognition have extended to 4–6 months due to the shift towards larger strategic deals. However, management indicated that the current pipeline of over USD 2bn, along with improved conversion across verticals, positions the company well for H2 acceleration. They cited the new GTM structure and vertical-focused leadership as key enablers in expanding wallet share and driving growth in annuity-led engagements.

- Margins: Management reported that EBITDA for Q1FY26 remained flat YoY at INR 1.16bn, with margins improving 30bps YoY to 8.4%. Management attributed sequential decline to lower fixed cost absorption. Leadership highlighted that fixed costs absorption will be better in the coming quarters as revenues increase. They noted that PAT growth was aided by lower tax and reduced exceptional items, with PAT margin expanding 80bps YoY to 3.4%. Despite near-term pressures, management reaffirmed its full-year EBITDA margin guidance of 9-9.2%.

- GTM strategy: Management highlighted that the revamped go-to-market strategy - built around vertical-led leadership, horizontal solution alignment, and deeper client engagement has started to yield tangible results. They noted that under the new structure, the company is now engaging in larger, multi-country deals and expanding wallet share within existing clients. The company mentioned that their strategy has driven higher quality of client conversations and improved positioning across verticals like airports, healthcare, and hyperscaler infrastructure.

- Client rationalisation: Leadership reiterated that the company continues to focus on client rationalisation by cutting down low-value, one-time transactional accounts. They highlighted that the long tail has now reduced to under 1,000 accounts, down from 2,000+ two years ago. Management explained that these accounts were subscale, with deal sizes typically under USD 50,000 and high SG&A overheads relative to revenue contribution. The company noted that the strategic focus going forward is to build deeper, long-term relationships with top 100-200 clients across each vertical and pivot toward larger, multi-year engagements.

- Bookings and orderbook: The Company mentioned key wins, including a very large financial services project in the US, a workplace engagement for a global OTT player in LATAM, and data center orders in the US from a Global hyperscaler and a top-10 co-location provider. Management highlighted that the orderbook stood at USD 518mn at the end of Q1FY26, up from USD 504mn in FY25. The company expects deal closures to accelerate from Q2, supported by a healthy pipeline of over USD 2bn. Management clarified that the pipeline figure is dynamic and continuously replenished as deals convert, with visibility improving across hyperscaler, airport, and enterprise accounts. They noted that their focus on larger deal sizes and multi-country contracts has improved win rates and led to greater predictability in the booking funnel.

- Data centre opportunity: Management highlighted that data center-related orders are expected to contribute 20–25% of FY26 order inflows, with average execution timelines ranging between 6–9 months. They noted that while contribution was slightly lower over the last few quarters, recent wins signal strong momentum. Management shared that Black Box holds preferred vendor status with several large clients and executes both directly and through master contractors, depending on the site and geography. They also highlighted their relationship with Meta – dealing directly with them as well as working with their large vendors. The company noted that relationships are expanding beyond initial build-outs to include support, with 10–15% of workforce typically retained for ongoing service, positioning the company as a long-term strategic partner rather than a transactional vendor.

Exhibit 1. 1QFY26 result summary

	1Q26A	1Q25A	Change (YoY)	4Q25A	Change (QoQ)	Estimate (JMFe)	Variance (vs. JMFe)	JMFe - YoY
USD-INR*	85.5	83.43	2.5%	86.38	-1.0%	85.40	0.1%	2.4%
CC Revenue Growth (QoQ)	-9%	-10.8%	148bp	0.5%	-977bp	0.0%	-932bp	1080bp
Revenue (USD mn)*	162	171	-5%	179	-9%	171	-5%	0.0%
Revenue (INR mn)	**13,867**	**14,234**	**-3%**	**15,446**	**-10%**	**14,573**	**-5%**	**2.4%**
EBITDA (INR mn) –ex FX	1,048	1,187	-12%	1,428	-27%	1,312	-20%	10.5%
EBITDA margin	7.6%	8.3%	-78bp	9.2%	-169bp	9.0%	-144bp	66bp
EBIT (INR mn)	782	924	-15%	1,153	-32%	998	-22%	8.1%
EBIT margin	5.6%	6.5%	-85bp	7.5%	-182bp	6.9%	-121bp	36bp
PAT (INR mn)	**474**	**371**	**28%**	**605**	**-22%**	**504**	**-6%**	**36.0%**
EPS (INR)	2.79	2.21	26%	3.57	-22%	2.98	-6%	34.7%

*USD/INR rate estimated based on averages. USD revenues calculated from estimated conversion rates. Source: Company, JM Financial estimates

Exhibit 2. Guidance remains unchanged

	FY25 actual	FY26 guidance	
		Earlier	Revised
Revenue - INRmn	59,670	67,500-70,000	67,500-70,000
-YoY growth		13.1%-17.3%	13.1%-17.3%
EBITDA - INRmn	5,310	6,050-6,450	6,050-6,450
-YoY growth		13.9%-21.4%	13.9%-21.4%
EBITDA margin	8.90%	9.0%-9.2%	9.0%-9.2%
-YoY change		10bps - 30 bps	10bps - 30 bps
PAT -INRmn	2,050	2,650-2,850	2,650-2,850
-YoY growth		29.3%-39.0%	29.3%-39.0%
PAT margin	3.40%	3.8%-4.1%	3.8%-4.1%
-YoY change		40bps - 70 bps	40bps - 70 bps

Source: Company, JM Financial

1QFY26 result review

Exhibit 3. Key financials

INR mn	1Q25	2Q25	3Q25	4Q25	FY25	1Q26
USD/INR*	83.43	83.78	84.86	86.38	84.60	85.40
Revenue from operations (USD mn)*	**171**	**179**	**177**	**179**	**705**	**162**
Growth YoY	-10.8%	-6.0%	-11.1%	0.5%	-7.0%	-4.8%
Revenue from Operations	**14,234**	**14,972**	**15,017**	**15,446**	**59,669**	**13,867**
Growth YoY	-9.4%	-4.9%	-9.3%	4.3%	-5.0%	-2.6%
Gross profit	**4,390**	**4,520**	**4,480**	**4,550**	**17,940**	**4,280**
Gross profit margin	30.8%	30.2%	29.8%	29.5%	30.1%	30.9%
Gain on foreign currency translation	-40	30	-100	40	-70	110
Total other expenses	3,200	3,190	3,050	3,120	12,560	3,230
Reported EBITDA	**1,150**	**1,360**	**1,330**	**1,470**	**5,310**	**1,160**
Reported EBITDA margin	8.1%	9.1%	8.9%	9.5%	8.9%	8.4%
EBITDA ex-FX transaction	**1,187**	**1,326**	**1,433**	**1,428**	**5,374**	**1,048**
EBITDA margin	8.3%	8.9%	9.5%	9.2%	9.0%	7.6%
Depreciation and amortization	263	283	312	275	1,133	266
EBIT	**924**	**1,043**	**1,121**	**1,153**	**4,242**	**782**
EBIT margin	6.5%	7.0%	7.5%	7.5%	7.1%	5.6%
Finance cost	339	323	313	472	1,447	336
Other income	11	10	14	15	50	17
PBT	595	731	823	696	2,845	464
PBT margin	4.2%	4.9%	5.5%	4.5%	4.8%	3.3%
Share of net profit from associate	4	-1	1	4	7	0
Gain/ (loss) on foreign currency translation	-44	24	-98	41	-77	115
Exceptional items	-153	-207	-134	-163	-657	-126
Total tax expense	32	35	32	-27	71	-22
PAT	**371**	**511**	**561**	**605**	**2,048**	**474**
PAT margin	2.6%	3.4%	3.7%	3.9%	3.4%	3.4%
Growth YoY	54.9%	60.0%	37.2%	47.8%	48.7%	27.9%
Basic EPS	2.21	3.04	3.33	3.57	12.16	2.80
Diluted EPS	**2.20**	**3.04**	**3.28**	**3.54**	**12.11**	**2.79**

Source: Company, JM Financial

Exhibit 4. Order backlog details

USDmn	1Q25	2Q25	3Q25	4Q25	1Q26
Order backlog					
Managed services + T&M	158	160	170	180	190
Maintenance contract	135	130	134	185	157
Projects	167	147	141	121	150
Products	15	18	20	18	20
Total	**475**	**455**	**465**	**504**	**517**
% share					
Managed services + T&M	33%	35%	37%	36%	37%
Maintenance contract	28%	29%	29%	37%	30%
Projects	35%	32%	30%	24%	29%
Products	3%	4%	4%	4%	4%
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Net New Order					
Opening Order	470	475	455	465	504
Less: Consumed	-171	-179	-177	-179	-162
Ending Order book	475	455	465	504	517
Net New Order	**176**	**159**	**187**	**218**	**175**

Source: Company, JM Financial

Two-thirds of new order inflow came from high value deals, a key focus area of Black Box's renewed sales strategy

Exhibit 5. Revenue by Geography

	1Q25	2Q25	3Q25	4Q25	1Q26
Geographies					
North America	77%	77%	68%	62%	65%
India	6%	6%	6%	10%	6%
Europe	8%	8%	8%	12%	10%
MEA	2%	2%	2%	2%	4%
APAC	5%	5%	14%	12%	12%
Latin America	2%	2%	2%	2%	3%
Total	100%	100%	100%	100%	100%
Geographies - Revenue (INRmn)					
North America	10,960	11,452	10,223	9,603	9,062
India	854	892	901	1,536	824
Europe	1,139	1,190	1,201	1,845	1,373
MEA	285	297	300	309	549
APAC	712	744	2,091	1,845	1,648
Latin America	285	297	300	309	412
Total	14,234	14,872	15,017	15,446	13,867
Geographies - Revenue (YoY)					
North America	-8.2%	-4.3%	-15.5%	-22.3%	-17.3%
India	-9.4%	-5.5%	-9.3%	72.9%	-3.5%
Europe	-19.5%	-16.0%	-39.1%	742.4%	20.6%
MEA	-39.6%	-37.0%	-39.5%	-30.4%	92.9%
APAC	-9.4%	-5.5%	152.6%	149.2%	131.5%
Latin America	81.2%	88.9%	81.4%	108.7%	44.7%
Total	-9.4%	-5.5%	-9.3%	4.3%	-2.6%

Source: Company, JM Financial

Exhibit 6. Revenue by client cohort

	1Q25	2Q25	3Q25	4Q25	1Q26
Top client cohorts - Share %					
Top 10	52%	51%	49%	49%	47%
Top 11-20	8%	7%	8%	7%	9%
Top 21-30	4%	4%	4%	5%	5%
Top 31-50	6%	5%	6%	5%	7%
Top 51-100	7%	8%	7%	8%	8%
Top 101-200	7%	8%	5%	8%	5%
Non-Top 200	16%	17%	21%	18%	19%
Top client cohorts - Revennue (INRmn)					
Top 10	7,259	7,336	7,358	7,260	6,518
Top 11-20	996	1,198	1,051	1,390	1,248
Top 21-30	569	599	751	772	693
Top 31-50	712	898	751	1,081	971
Top 51-100	1,139	1,048	1,201	1,236	1,109
Top 101-200	1,139	749	1,201	772	693
Non-Top 200	2,420	3,144	2,703	2,935	2,635
Top client cohorts - Revennue (YoY)					
Top 10	-1.7%	-0.9%	-5.4%	4.3%	-10.2%
Top 11-20	-9.4%	8.7%	-9.3%	34.1%	25.3%
Top 21-30	-27.5%	-23.9%	-9.3%	4.3%	21.8%
Top 31-50	-24.5%	-4.9%	-24.4%	21.7%	36.4%
Top 51-100	-19.5%	-26.0%	-19.4%	19.2%	-2.6%
Top 101-200	-9.4%	-32.1%	-9.3%	-34.8%	-39.1%
Non-Top 200	-14.5%	5.1%	-9.3%	-0.9%	8.9%

Source: Company, JM Financial

Decline in top-10 account was partially attributable to client specific delays in procurement due to tariff uncertainty. This is likely to normalise in Q2

Exhibit 7. Verticals share

	1HFY25	9MFY25	FY25	1QFY26
Verticals				
Technology	32%	31%	28%	22%
Financial services	20%	22%	22%	22%
Healthcare	11%	11%	10%	10%
Consumer and public services	12%	12%	12%	22%
Commercial and Industrial	12%	13%	18%	12%
Distribution and others	12%	11%	10%	12%

Source: Company, JM Financial

Maintain BUY with a revised TP of 710

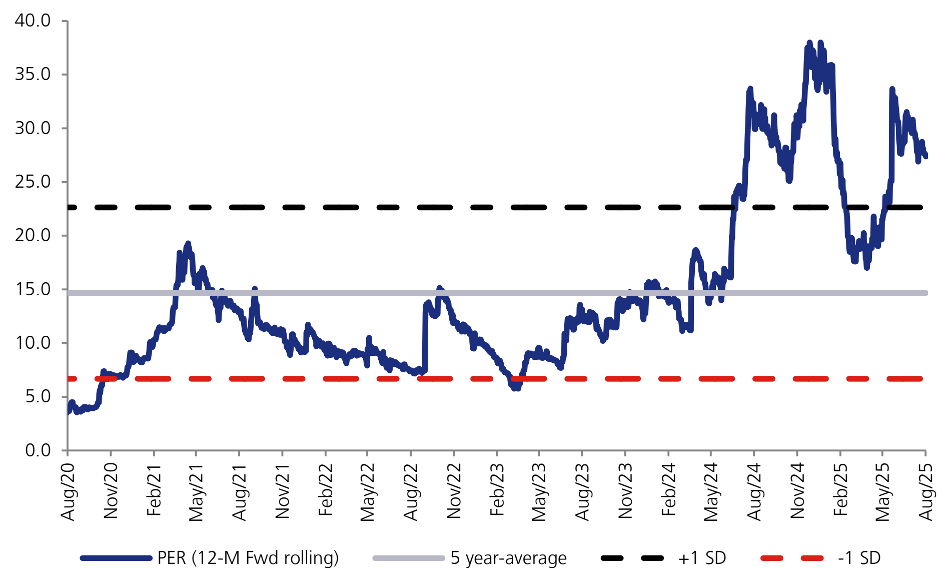
We have revised our USD revenue estimates by (0.8%)-1.0% over FY26-28E. Revenue estimates see little change as guidance remains intact. Our FY26E INR revenue is at the lower end of guidance and INR depreciation drives 0.6%-3% increases to our INR revenue estimates. Others/consulting estimates are raised 8.1%-40% on strong Q1 performance, while TPS (1.3%-1.4% over FY26-28E) and System integration (-1.3%-0.4% over FY26-28E) see limited changes. We have lowered our EBTIDA margin estimates by 16-28bps over FY26-28E driven by increase to our other expense estimates. These revisions result in PAT revision of (2.7%)-2.7% over FY26-28E. PAT for FY26E is lowered more than EBITDA due to increase in exceptional items estimates. We continue to value Black Box at 30x 12m fwd earnings. Maintain BUY with a revised TP of 710 (from 670 earlier).

Exhibit 8. What has changed

	Old			New			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Exchange rate (INR/USD)*	85.71	85.80	85.80	86.94	87.50	87.50	1.4%	2.0%	2.0%
Consolidated revenue (USD mn)*	782	902	1,049	775	902	1,059	-0.8%	0.0%	1.0%
Growth in USD revenues (YoY)	10.9%	15.4%	16.3%	9.9%	16.4%	17.4%	-92bp	100bp	108bp
Consolidated revenue (INR mn)	67,017	77,399	90,030	67,415	78,957	92,692	0.6%	2.0%	3.0%
Growth in INR revenues (YoY)	12.3%	15.5%	16.3%	13.0%	17.1%	17.4%	67bp	163bp	108bp
Gross profit (INRmn)	20,105	23,220	27,009	20,424	23,687	27,808	1.6%	2.0%	3.0%
Gross profit margin -%	30.0%	30.0%	30.0%	30.3%	30.0%	30.0%	30bp	0bp	0bp
EBITDA INR mn	6,084	7,359	9,061	6,009	7,371	9,067	-1.2%	0.2%	0.1%
EBITDA margin	9.1%	9.5%	10.1%	8.9%	9.3%	9.8%	-16bp	-17bp	-28bp
EBIT (INR Mn)	4,799	5,969	7,549	4,828	6,072	7,653	0.6%	1.7%	1.4%
EBIT margin	7.2%	7.7%	8.4%	7.2%	7.7%	8.3%	0bp	-2bp	-13bp
PAT (INR mn)	2,746	3,549	4,675	2,657	3,625	4,733	-3.2%	2.1%	1.2%
Diluted EPS	16.1	20.8	27.4	15.6	21.3	27.9	-2.7%	2.7%	1.8%

Note: USD/INR rate assumed based on averages. Source: JM Financial estimates

Exhibit 9. Black Box – PER 12M fwd



Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	62,816	59,669	67,415	78,957	92,692
Sales Growth	-0.1%	-5.0%	13.0%	17.1%	17.4%
Other Operating Income	0	0	0	0	0
Total Revenue	**62,816**	**59,669**	**67,415**	**78,957**	**92,692**
Cost of Goods Sold/Op. Exp	17,993	18,391	46,991	55,270	64,884
Personnel Cost	25,007	22,792	0	0	0
Other Expenses	15,555	13,112	14,413	16,316	18,740
EBITDA	**4,262**	**5,374**	**6,011**	**7,371**	**9,067**
EBITDA Margin	6.8%	9.0%	8.9%	9.3%	9.8%
EBITDA Growth	56.0%	26.1%	11.8%	22.6%	23.0%
Depn. & Amort.	1,143	1,133	1,181	1,299	1,414
EBIT	3,119	4,242	4,830	6,072	7,653
Other Income	192	50	28	13	17
Finance Cost	1,413	1,447	1,777	2,056	2,289
PBT before Excep. & Forex	1,898	2,845	3,080	4,030	5,380
Excep. & Forex Inc./Loss(-)	-334	-726	-313	-1	-1
PBT	1,564	2,119	2,768	4,029	5,379
Taxes	187	71	108	403	646
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	0	0	0	0	0
Reported Net Profit	1,377	2,048	2,659	3,625	4,733
Adjusted Net Profit	**1,377**	**2,048**	**2,659**	**3,625**	**4,733**
Net Margin	2.2%	3.4%	3.9%	4.6%	5.1%
Diluted Share Cap. (mn)	168.3	169.1	169.9	169.9	169.9
Diluted EPS (INR)	**8.2**	**12.1**	**15.6**	**21.3**	**27.9**
Diluted EPS Growth	478.9%	48.0%	29.2%	36.4%	30.5%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Balance Sheet					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	4,809	7,587	10,246	13,873	18,609
Share Capital	336	339	339	339	339
Reserves & Surplus	4,473	7,249	9,907	13,535	18,270
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	3,973	6,537	6,537	6,537	6,537
Def. Tax Liab. / Assets (-)	-246	-231	-231	-231	-231
Total - Equity & Liab.	**8,537**	**13,893**	**16,551**	**20,179**	**24,915**
Net Fixed Assets	8,082	7,685	7,104	6,506	5,892
Gross Fixed Assets	7,895	8,339	8,939	9,639	10,439
Intangible Assets	3,341	3,354	3,354	3,354	3,354
Less: Depn. & Amort.	3,154	4,007	5,188	6,487	7,901
Capital WIP	0	0	0	0	0
Investments	321	328	328	328	328
Current Assets	19,356	22,477	26,084	32,399	39,483
Inventories	2,464	2,097	2,401	2,812	3,301
Sundry Debtors	3,863	5,671	6,464	7,571	8,888
Cash & Bank Balances	2,141	2,138	1,957	3,860	6,211
Loans & Advances	0	0	0	0	0
Other Current Assets	10,888	12,572	15,262	18,155	21,082
Current Liab. & Prov.	19,222	16,597	16,965	19,053	20,787
Current Liabilities	11,035	8,748	8,733	9,898	10,556
Provisions & Others	8,188	7,850	8,233	9,155	10,231
Net Current Assets	134	5,880	9,119	13,346	18,696
Total – Assets	**8,537**	**13,893**	**16,552**	**20,179**	**24,915**

Source: Company, JM Financial

Cash Flow Statement					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	1,564	2,119	3,078	4,031	5,382
Depn. & Amort.	1,143	1,133	1,181	1,299	1,414
Net Interest Exp. / Inc. (-)	1,164	1,197	1,777	2,056	2,289
Inc (-) / Dec in WCap.	-3,014	-5,509	-3,420	-2,323	-2,999
Others	201	209	-339	-15	-18
Taxes Paid	235	-24	-108	-403	-646
Operating Cash Flow	**1,295**	**-876**	**2,169**	**4,645**	**5,422**
Capex	47	-411	-600	-700	-800
Free Cash Flow	1,341	-1,287	1,569	3,945	4,622
Inc (-) / Dec in Investments	14	-55	0	0	0
Others	-54	0	28	15	18
Investing Cash Flow	**7**	**-466**	**-572**	**-685**	**-782**
Inc / Dec (-) in Capital	3	1,346	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	453	2,564	0	0	0
Others	-2,006	-1,988	-1,777	-2,056	-2,289
Financing Cash Flow	**-1,550**	**1,922**	**-1,777**	**-2,056**	**-2,289**
Inc / Dec (-) in Cash	**-249**	**580**	**-181**	**1,904**	**2,351**
Opening Cash Balance	1,999	2,141	2,138	1,957	3,860
Closing Cash Balance	2,141	2,138	1,957	3,860	6,211

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	2.2%	3.4%	3.9%	4.6%	5.1%
Asset Turnover (x)	5.5	4.0	3.6	3.6	3.6
Leverage Factor (x)	2.9	2.4	2.1	1.8	1.6
RoE	35.4%	33.0%	29.8%	30.1%	29.1%

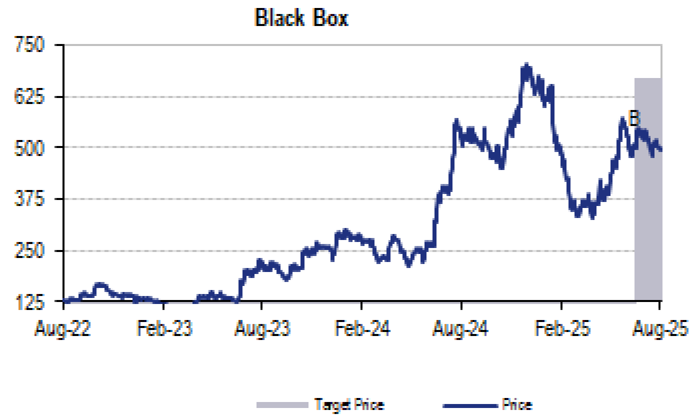
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	28.6	44.9	60.3	81.7	109.5
ROIC	52.3%	45.6%	35.5%	35.6%	38.7%
ROE	35.4%	33.0%	29.8%	30.1%	29.1%
Net Debt/Equity (x)	0.4	0.6	0.4	0.2	0.0
P/E (x)	60.6	41.0	31.7	23.2	17.8
P/B (x)	17.4	11.1	8.2	6.1	4.5
EV/EBITDA (x)	20.1	16.4	14.7	11.7	9.3
EV/Sales (x)	1.4	1.5	1.3	1.1	0.9
Debtor days	22	35	35	35	35
Inventory days	14	13	13	13	13
Creditor days	45	37	33	34	32

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
27-Jun-25	Buy	670	

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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