




BUY

Sector: Consumer Durables-EMS

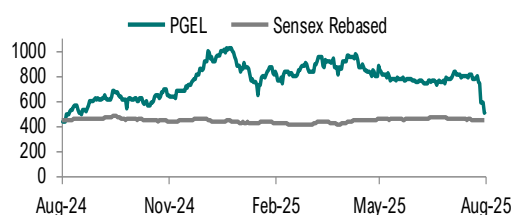
18th August 2025

Key Changes		Target 	Rating 	Earnings 		Target	Rs.623
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs.490
Small Cap	PGEL:IN	80,598	PGEL	533581	12 Months	Return	+27%

Data as of: 14-08-2025, 18:00 hrs

Company Data			
Market Cap (Rs Cr)			13,862
52 Week High — Low (Rs.)			1,055 - 443
Enterprise Value (cr)			12,969
Outstanding Shares (Rs cr)			28.3
Free Float (%)			56
Dividend Yield (%)			0.04
6m average volume (cr)			0.1
Beta			1.1
Face value (Rs)			1
Shareholding (%)	Q3FY25	Q4FY25	Q1FY26
Promoters	49.4	49.4	43.7
FII's	10.3	10.5	13.0
MFs/Insti	16.2	16.4	18.1
Public	24.1	23.8	25.2
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-38%	-36%	17%
Absolute Sensex	-1%	6%	1%
Relative Return*	-37%	-42%	16%

*over or under performance to benchmark index



Standalone (Rs cr)	FY25A	FY26E	FY27E
Sales	4,870	5,677	7,374
Growth (%)	77.3	16.6	29.9
EBITDA	484	500	671
EBITDA Margin(%)	9.9	8.8	9.1
PAT Adj.	291	292	441
Growth (%)	112.3	0.4	50.9
Adj.EPS	10.3	10.3	15.6
Growth (%)	112.3	0.4	50.9
P/E	47.6	47.4	31.4
P/B	4.9	4.4	3.9
EV/EBITDA	26.8	25.8	18.9
ROE (%)	15.0	9.8	13.2
D/E	0.1	0.1	0.1

Monsoon impact weigh on Q1; Expect a recovery in H2FY26...

PG Electroplast Ltd (PGEL), the flagship entity of PG Group is a leading electronic manufacturing service provider in India, having a diverse portfolio and pan-India presence.

- In Q1FY26, PGEL reported a revenue growth of ~14% YoY, which is in line with our estimates. However, air conditioner sales faced significant headwinds due to the early onset of the monsoon, which disrupted the seasonal volumes.
- EBITDA margin declined by 183bps YoY to 8.1% due to negative operating leverage and input cost pressure. The company expects FY26 margin to decline by 1.25-1.5% YoY due to pricing pressure and higher channel inventory.
- PGEL expects inventory to be cleared in H2FY26 as the seasonal demand picks up.
- Washing machine sales were robust during the quarter, reported a growth of 36% YoY. PGEL expects the segment to grow 40-45% YoY in FY26.
- We expect the management's focus to diversify to other business verticals like refrigerator, EV and compressor manufacturing to keep the long-term story intact.

Outlook & Valuations

We expect the long-term outlook to remain intact, and the current underperformance in stock prices is due to a temporary headwind owing to an abrupt end of the RAC season. **The stock is currently trading at its 3-year average 1-year forward P/E of 42x, and we expect most of the negatives are factored into the price. We therefore revise our rating to BUY with a downwardly revised TP of Rs 623, based on a P/E of 40x on FY27E EPS.**

Quarterly Financials Consol.

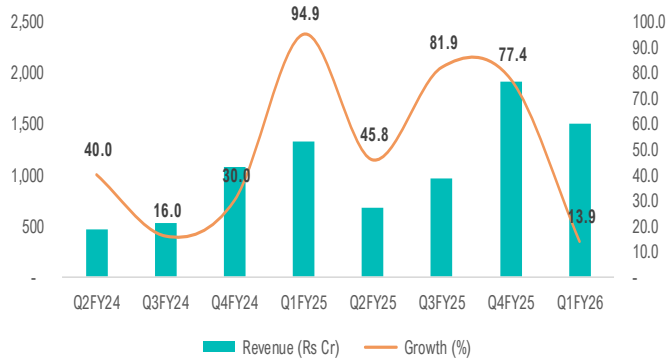
Rs. cr	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Sales	1,504	1,321	13.9	1,910	-21.3
EBITDA	121	131	-7.2	212	-42.8
Margin (%)	8.1	9.9	-183bps	11.1	-303bps
EBIT	100	116	-13.1	193	-48.0
PBT	85	101	-16.3	180	-52.9
Rep. PAT	67	85	-21.4	146	-54.4
Adj PAT	67	85	-21.4	146	-54.4
EPS (Rs)	2.4	3.0	-21.4	5.1	-53.7

Author : Antu Eapan Thomas, Sr Research Analyst

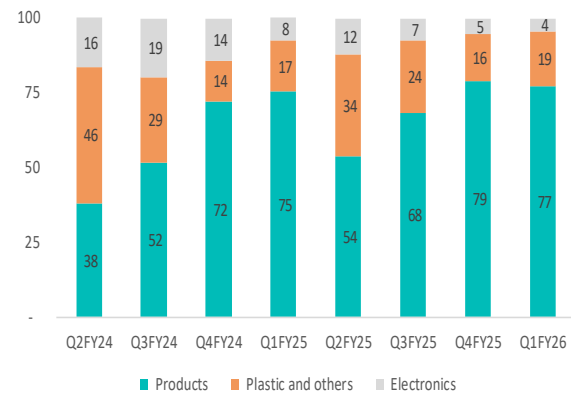
Key Concall Highlights

- The company reduced FY26 revenue estimates to 17-19% YoY from 30% earlier and PAT estimates to 3-7% YoY from 39% earlier due to a sudden demand drop in Q1FY26.
- The company expects EBITDA margins to decline by 1.25-1.5% compared to last year.
- The company is carrying ~Rs1,300cr of inventory in Q1FY26, with ~Rs.1,200cr in the RAC business alone due to significant order cancellations of 50-70% in June-August.
- Management expects inventory to be cleared by December-January due to a pickup in demand.
- The company reduced their FY26 capex guidance to Rs.700-750cr from the earlier planned Rs.800-900cr.

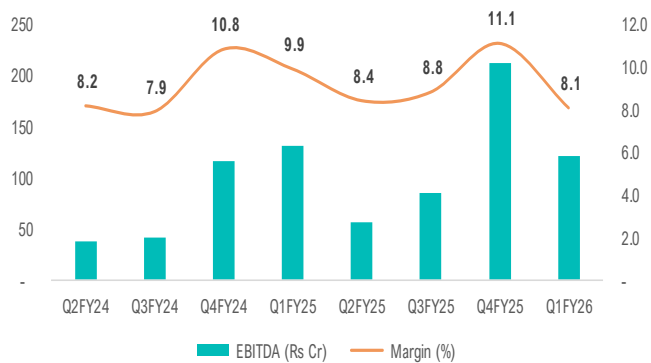
Revenue



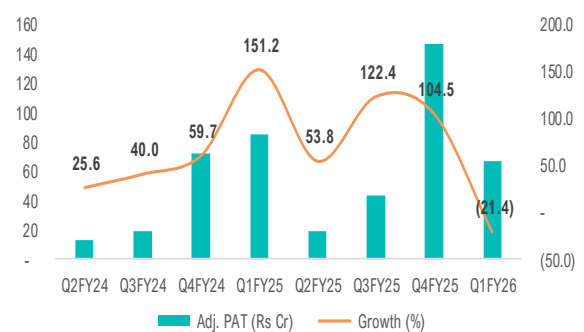
Revenue mix trend %



EBITDA



PAT



Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	5,711	7,170	5,677	7,374	-0.6	2.8
EBITDA	577	739	500	671	-13.4	-9.2
Margins (%)	10.1	10.3	8.8	9.1	-130bps	-121bps
Adj. PAT	389	543	292	441	-24.9	-18.8
EPS	14	19	10	16	-24.7	-18.9

Consolidated Financials

PROFIT & LOSS

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	2,160	2,746	4,870	5,677	7,374
% change	111	27	77	17	30
EBITDA	176	262	484	500	671
% change	249.1	48.7	84.9	3.2	34.3
Depreciation	35	47	66	82	97
EBIT	141	215	418	417	574
Interest	48	52	89	109	81
Other Income	4	13	35	57	59
PBT	98	176	365	365	551
% change	260.3	80.9	106.7	0.2	50.9
Tax	20	39	74	73	110
Tax Rate (%)	20.6	22.4	20.2	20.0	20.0
Reported PAT	77	137	291	292	441
Adj.*	0	0	0	0	0
Adj. PAT	77	137	291	292	441
% change	401.4	76.9	112.3	0.4	50.9
No. of shares (cr)	28	28	28	28	28
Adj EPS (Rs)	3	5	10	10	16
% change	276	77	112	0	51
DPS (Rs)	0	0.2	0.2	0.2	0.2

CASH FLOW

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	71	132	223	430	448
Non-cash adj.	26	50	58	54	52
Changes in W.C	-177	-137	-95	-515	-368
C.F. Operation	-79	46	186	-31	132
Capital exp.	-157	-155	-227	-387	-30
Change in inv.	0	-2	-9	-4	-6
Other invest.CF	2	3	8	35	57
C.F - Investment	-161	-173	-399	-356	20
Issue of equity	44	3	492	1,500	0
Issue/repay debt	213	109	-257	-75	-73
Dividends paid	0	0	0	0	0
Other finance.CF	0	0	0	0	0
C.F - Finance	257	112	234	1,441	-55
Chg. in cash	16	-15	22	1,054	97
Closing cash	24	9	30	1,084	1,182

BALANCE SHEET

Y.E March (Rs. cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	40	182	1,213	1,285	1,440
Account Receivable	438	553	1,001	1,244	1,515
Inventories	353	543	853	999	1,298
Other Cur. Assets	78	127	167	197	243
Investments	2	6	6	6	6
Gross Fixed Assets	694	942	1,322	1,422	1,572
Net Fixed Assets	577	781	1,096	1,113	1,166
CWIP	2	63	70	0	0
Intangible Assets	1	3	4	4	4
Other Assets	20	49	53	59	66
Total Assets	1,510	2,308	4,462	4,907	5,738
Current Liabilities	487	784	1,140	1,265	1,625
Provisions	7	9	9	9	10
Debt Funds	543	361	321	301	281
Other Liabilities	74	114	160	208	258
Equity Capital	23	26	28	28	28
Reserves & Surplus	373	1,012	2,803	3,095	3,536
Shareholder's Fund	396	1,038	2,831	3,123	3,564
Total Liabilities	1,510	2,308	4,462	4,907	5,738
BVPS	14	37	100	110	126

RATIOS

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab & Return					
EBITDA margin (%)	8.2	9.5	9.9	8.8	9.1
EBIT margin (%)	6.5	7.8	8.6	7.4	7.8
Net profit mgn.(%)	3.6	5.0	6.0	5.1	6.0
ROE (%)	21.9	19.1	15.0	9.8	13.2
ROCE (%)	23.3	18.3	16.2	10.6	13.1
W.C & Liquidity					
Receivables (days)	55.0	65.8	58.2	72.2	68.3
Inventory (days)	66.1	74.2	65.5	74.2	70.8
Payables (days)	68.2	85.7	80.3	90.2	84.1
Current ratio (x)	1.1	1.5	2.5	2.6	2.5
Quick ratio (x)	0.6	0.8	1.8	1.8	1.7
Turnover & Leverage					
Gross asset T.O (x)	4.2	3.4	4.3	4.1	4.9
Total asset T.O (x)	1.7	1.4	1.4	1.2	1.4
Int. covge. ratio (x)	2.9	4.2	4.7	3.8	7.0
Adj. debt/equity (x)	1.4	0.3	0.1	0.1	0.1
Valuation					
EV/Sales (x)	6.7	5.1	2.7	2.3	1.7
EV/EBITDA (x)	81.7	53.7	26.8	25.8	18.9
P/E (x)	179.1	101.2	47.7	47.5	31.5
P/BV (x)	35.0	13.4	4.9	4.4	3.9

Recommendation Summary (last 3 years)



Dates	Rating	Target
24-Mar-25	Accumulate	1,090
18-Aug-25	BUY	623

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%


Not rated/Neutral


Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

 Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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