Q1FY27 Result Update

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Retail Equity Research

V-Guard Industries Ltd.

BUY

Sector: Electrical Equipment

11th August 2026

Key Changes	Target	Rating	Earnings

Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Small Cap	VGRD:IN	78,154	VGUARD	532953	12 Months

Target	**Rs.404**
CMP	**Rs.325**
Return	**+24%**

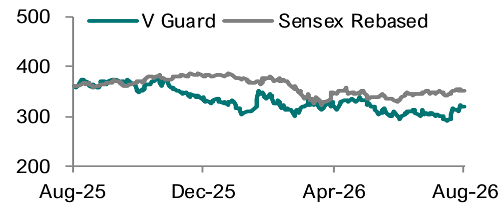
Data as of: 11-08-2026, 17.30 hrs

Company Data	
Market Cap (Rs. cr.)	14,209
52 Week High — Low (Rs.)	392–289
Enterprise Value (Rs. cr)	14,232
Outstanding Shares (Rs cr)	43.6
Free Float (%)	46.0
Dividend Yield (%)	0.00
6m average volume (cr)	0.07
Beta	0.69
Face value (Rs)	1.0

Shareholding (%)	Q3FY26	Q4FY26	Q1FY27
Promoters	53.3	53.2	53.2
FII's	12.1	12.1	12.0
MFs/Institutions	23.3	23.4	23.2
Public	11.3	11.3	11.5
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	0.1%	-4.0%	-11.5%
Absolute Sensex	4.4%	-6.1%	-2.6%
Relative Return	-4.3%	2.1%	-9.0%

***over or under performance to benchmark index**



Y.E March (Rs.cr)	FY26A	FY27E	FY28E
Sales	5,966	6,696	7,581
Growth (%)	*7.0*	*12.2*	*13.2*
EBITDA	527	646	773
EBITDA Margin (%)	8.8	9.7	10.2
PAT Adjusted	330	412	505
Growth (%)	*5.1*	*24.6*	*22.2*
Adjusted EPS	7.6	9.4	11.6
Growth (%)	*5.1*	*24.6*	*22.6*
P/E	43.0	34.5	28.2
P/B	6.0	5.2	4.5
EV/EBITDA	27.0	21.9	18.1
ROE (%)	13.8	16.1	17.1
D/E	0.0	0.0	0.0

Author: Anil R - Sr. Research Analyst

Strong start to FY27; Margin expansion Adds to Conviction.

V-Guard Industries Ltd (VGRD) is a prominent player in the electrical and consumer appliance market, with key product segments spanning stabilizers, cables & wires, UPS systems, pumps, and a broad range of appliances.

- In Q1FY27, revenue increased 23.5% YoY, primarily driven by strong double digit growth across all business verticals along with calibrated price hikes to mitigate inflationary pressures.
- Gross margins remained resilient at ~37.0%, despite raw-material inflation and supply-chain challenges, reflecting pricing discipline and a strong product mix.
- EBITDA surged by 54% YoY, with margin expanding by 210bps YoY to 10.5% led by lower operating expenses and lower ad spends. Adj. PAT, grew by 76% YoY supported by higher other income.
- Growth remained skewed toward South markets (37% YoY Vs. 12% YoY in non-South markets), aided by favourable weather conditions and early pricing interventions ahead of competitors, reflecting its strong brand equity in its core markets.
- We marginally raise our FY27E/FY28E EPS estimates by 2.4%/3.2%, respectively, reflecting improved margins assumptions following the stronger than expected Q1FY26 performance. We revise our EBITDA margin estimates upwards to 9.7%/10.2% for FY27E & FY28E from 9.5%/10% earlier.

Outlook & Valuation

VGRD's medium-term growth outlook remains strong, driven by healthy demand across core categories, product diversification, appliance expansion, Non-South market penetration and improving operating leverage. With integration of Sunflame, expanding distribution reach and improving operating leverage should support healthy earnings compounding over the medium term. **We value VGRD at 35x FY28E EPS,** representing a ~10% discount to its long-term average multiple, reflecting near-term commodity and execution risks while recognizing its strong brand franchise, superior capital efficiency and long runway for growth. **Accordingly, we maintain a BUY rating on the stock with a target price of Rs.404.**

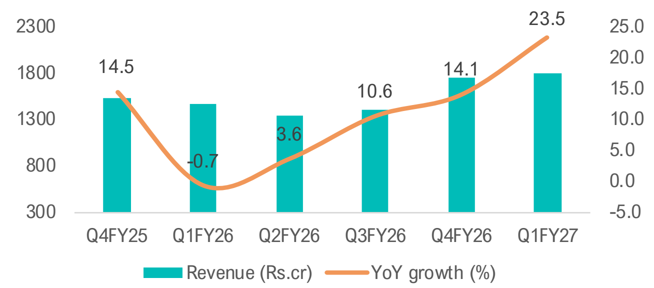
Quarterly Financials Consol.

Rs.cr	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Sales	1,811	1,466	*23.5*	1755	*3.2*
EBITDA	191	124	*54.5*	171	*11.9*
Margin %	10.5	8.4	212bps	9.7	82bps
EBIT	163	97	*67.9*	143	*14.5*
PBT	172	98	*74.9*	147	*16.7*
Rep. PAT	130	74	*76.4*	112	*16.1*
Ad. PAT	130	74	*76.4*	112	*16.1*
EPS (Rs)	3.0	1.7	*76.4*	2.6	*16.1*

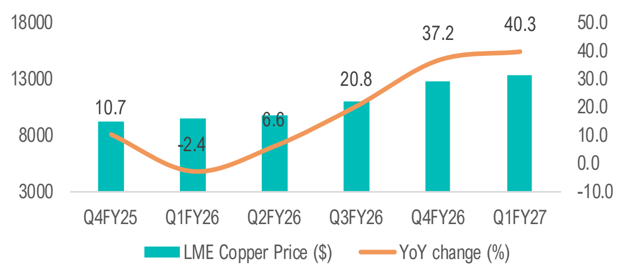
Key Highlights

- Revenue growth was broad-based, with Electronics and Electricals growing 22.8% and 27.7% YoY, respectively, driven by healthy demand and commodity-led price benefits. Consumer durables grew 19.2% YoY, supported by strong traction in kitchen appliances despite weak air cooler demand.
- Sunflame reported 18.3% growth, with integration complete, the focus has shifted toward accelerating volume growth and gradually restoring margins over the next 3–5 years.
- About 80-85% of required price hikes have been implemented to offset raw material inflation. Price growth contributed ~14% and volume growth ~9% to overall revenue growth.
- Gross Margin Stability was achieved through proactive pricing, cost management, and manufacturing efficiencies, while Ad Spend was kept lower due to uncertainty from geopolitical events, ad spends are expected to remain at 2.5% for the full year.
- Strong cash flow with net cash position at Rs.670cr (vs. Rs.155cr a year ago).
- Management is scaling its solar rooftop and battery storage businesses while incubating new categories such as lighting, expected to be launched in FY27.
- Capex Guidance: Annual capex expected at Rs150-170cr for the next two years
- Gegadyne transitioning from R&D to nearing into early commercialization stage.

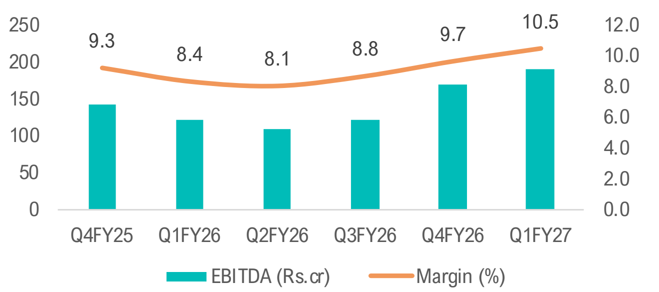
Revenue



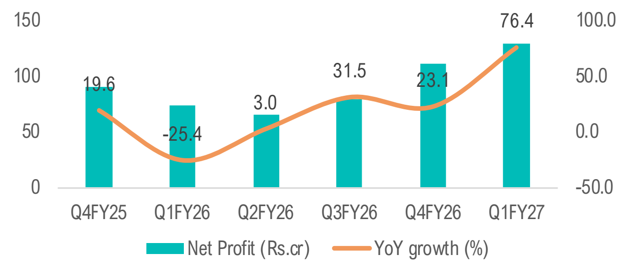
Copper prices ($)



EBITDA



PAT



Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	**FY27E**	**FY28E**	**FY27E**	**FY28E**	**FY27E**	**FY28E**
Revenue	6,585	7,516	6,696	7,581	*1.7*	*0.9*
EBITDA	626	752	646	773	*3.2*	*2.8*
Margins (%)	9.5	10.0	9.7	10.2	*+10bps*	*+20bps*
Adj. PAT	399	488	412	505	*3.2*	*3.4*
EPS	9.2	11.2	9.4	11.6	*2.4*	*3.2*

Consolidated Financials

Profit & Loss

Y.E March (Rs cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	**4,857**	**5,578**	**5,966**	**6,696**	**7,581**
% change	*17.7*	*14.8*	*7.0*	*12.2*	*13.2*
EBITDA	**427**	**513**	**527**	**646**	**773**
% change	*33.3*	*20.3*	*2.6*	*22.7*	*19.7*
Depreciation	81	96	108	117	133
EBIT	**346**	**418**	**419**	**529**	**641**
Interest	40	25	12	16	13
Other Income	34	21	24	35	45
Share of profit	-	-	-	-	-
PBT	**340**	**414**	**408**	**549**	**673**
% change	*33.1*	*21.6*	*(1.5)*	*34.6*	*22.6*
Tax	82.7	100.2	99.6	137.2	168.2
Tax Rate (%)	25	24	26	25	25
Reported PAT	**258**	**314**	**308**	**412**	**505**
Adj.*	-	-	(22)	-	-
Adj. PAT	**258**	**314**	**330**	**412**	**505**
% change	*36.3*	*21.8*	*(1.7)*	*33.5*	*22.6*
No. of shares (cr)	43.4	43.6	43.7	43.7	43.7
Adj EPS (Rs)	**5.9**	**7.2**	**7.6**	**9.4**	**11.6**
% change	*35.6*	*21.4*	*5.1*	*24.6*	*22.6*
DPS (Rs)	1.3	1.3	1.3	1.3	1.3

Balance Sheet

Y.E March (Rs cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	47	50	47	78	152
Accounts Receivable	596	542	533	642	727
Inventories	812	997	1,024	1,196	1,343
Other Cur. Assets	264	255	470	560	737
Investments	72	71	96	121	146
Gross Fixed Assets	914	1,007	1,232	1,332	1,432
Net Fixed Assets	645	670	833	816	784
CWIP	25	49	20	30	50
Intangible Assets	700	704	691	691	691
Def. Tax (Net)	(102)	(100)	(84)	(84)	(84)
Other Assets	0	0	0	0	0
Total Assets	**3,060**	**3,239**	**3,630**	**4,051**	**4,547**
Current Liabilities	742	887	935	1,002	1,088
Provisions	102	120	156	174	197
Debt Funds	401	134	165	145	85
Minor interest	0	0	0	0	0
Equity Capital	43	44	44	44	44
Reserves & Surplus	1,771	2,054	2,329	2,685	3,133
Shareholder's Fund	1,814	2,098	2,373	2,728	3,177
Total Liabilities	**3,060**	**3,239**	**3,630**	**4,051**	**4,547**
BVPS	42	48	54	62	73

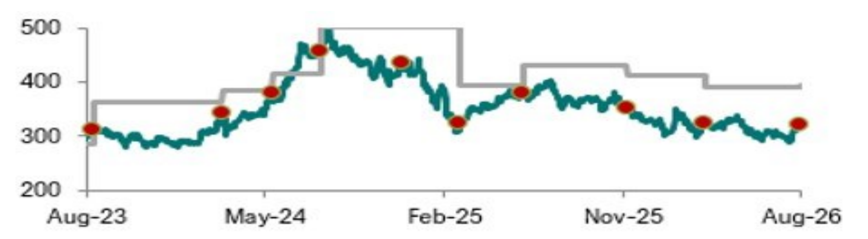
Cash Flow

Y.E March (Rs cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	338	409	416	528	637
Non-cash adj.	23	35	25	(19)	(32)
Changes in W.C	31	32	17	(286)	(302)
C.F. Operation	**393**	**477**	**459**	**223**	**303**
Capital exp.	(127)	(120)	(179)	(135)	(145)
Change in inv.	(25)	23	(170)	35	45
Other invest.CF	-	-	-	-	-
C.F - Investment	**(153)**	**(97)**	**(364)**	**(100)**	**(100)**
Issue of equity	6	8	6	-	-
Issue/repay debt	(182)	(325)	(38)	(36)	(73)
Dividends paid	(56)	(61)	(65)	(56)	(56)
Other finance.CF	-	-	-	-	-
C.F - Finance	**(232)**	**(378)**	**(98)**	**(92)**	**(129)**
Chg. in cash	8	3	(3)	31	74
Closing cash	**47**	**50**	**47**	**78**	**152**

Ratios

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab & Return					
EBITDA margin (%)	8.8	9.2	8.8	9.7	10.2
EBIT margin (%)	7.1	7.5	7.0	7.9	8.4
Net profit mgn.(%)	5.3	5.6	5.5	6.1	6.7
ROE (%)	15.1	16.0	13.8	16.1	17.1
ROCE (%)	13.7	15.2	13.4	15.8	16.9
W.C & Liquidity					
Receivables (days)	43.8	37.2	32.9	32.0	33.0
Inventory (days)	89.7	92.9	97.1	97.4	99.2
Payables (days)	76.6	83.6	87.6	85.1	81.7
Current ratio (x)	2.0	1.8	1.9	2.1	2.3
Quick ratio (x)	0.9	0.7	0.6	0.7	0.8
Turnover & Leverage					
Gross asset T.O (x)	7.0	6.6	6.2	6.0	5.9
Total asset T.O (x)	1.7	1.8	1.7	1.7	1.8
Int. covge. ratio (x)	8.7	17.0	33.8	34.1	50.5
Adj. debt/equity (x)	0.2	0.0	0.0	0.0	0.0
Valuation					
EV/Sales (x)	3.0	2.5	2.4	2.1	1.8
EV/EBITDA (x)	34.0	27.7	27.0	21.9	18.1
P/E (x)	54.9	45.2	43.0	34.5	28.2
P/BV (x)	7.8	6.8	6.0	5.2	4.5

Recommendation Summary (last 3 years)



Dates	Rating	Target
24.Aug.23	Accumulate	363
07.Mar.24	Accumulate	385
24.May.24	Hold	417
06.Aug.24	Hold	503
10.Dec.24	Accumulate	504
07.Mar.25	Buy	393
11.June.25	Accumulate	430
18.Nov.25	Accumulate	414
18.Mar.26	Buy	392
11.Aug.26	Buy	404

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

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