

## HFCL Ltd.

28-04-2026

Sector: Telecom Equipment &amp; Defence

 Security Not Under ASM: 

<b>LTP</b> Rs.107	<b>Recommendation</b> Buy between Rs.105-115	<b>Target</b> Rs.150	<b>Stop Loss</b> Rs.86	<b>Return</b> +40%
<b>SENSEX</b> 77,304	<b>Market Cap</b> Rs.16,339cr	<b>NSE Code</b> HFCL	<b>BSE Code</b> 500183	<b>Time Frame</b> 3-6 Months

Data as of: 27-04-2026

52W H/L	Group	F&O Listed	Div. Yield	D/E
Rs.60/ Rs108	A	NO	0.1%	0.4
Consolidated (Rs.cr)				
	FY26E	FY27E	FY28E	
Revenue	4,496	5,813	7,374	
Growth (%)	12	29	27	
EBITDA	698	984	1,374	
EBITDA Margin(%)	16	17	19	
Adj. PAT	274	518	829	
Growth (%)	58	89	60	
EPS	1.8	3.4	5.2	
Growth (%)	58	89	60	
RoE (%)	6.2	11.1	14.0	
Valuation				
	FY26E	FY27E	FY28E	
P/E (x)	56	31	19	
P/B	3.1	2.8	2.4	
EV/EBITDA	23	17	12	
Price Performance				
	3 Month	6 Month	1 Year	
Absolute Return (%)	75.0	38.8	31.5	
Absolute Sensex (%)	-5.6	-8.8	-2.4	
Shareholding (%)				
	Q1FY26	Q2FY26	Q3FY26	
Promoters	30.0	28.3	28.3	
FII's	7.5	7.5	7.1	
MFs/Institutions	13.6	9.1	8.6	
Public	48.9	55.1	56.0	
Total	100.0	100.0	100.0	
Promoter pledge	1.15	1.15	1.15	

### Fundamental View

**HFCL Ltd.**, incorporated in 1987, is a leading technology company with a vertically integrated presence across optical fiber and OFC (Optical Fiber Cable), telecom networking products, and defence electronics. Its portfolio spans high fiber count cables, routers, WiFi, data centre solutions, and defence systems including electronic fuses, radars, and thermal weapon sights, serving domestic and global customers.

- After closing Q3FY26 with a strong order book of ₹11,125cr (2.7x FY25 revenues), the company secured two large orders aggregating ~₹11,525cr during March-April 2026, materially enhancing revenue visibility while underscoring its technological capabilities and execution credibility.
- Growth visibility is further strengthened by a rising share of product-led and private orders, strong hyperscale data-centre demand for ultra-high-fiber-count OFCs, planned capacity expansion from 30.5 mn fkm to ~42.4 mn fkm by FY27, and backward integration into preform manufacturing (a key raw material for fiber production).
- HFCL's foray into defence vertical offers medium-term revenue visibility, with electronic fuses nearing commercialization and a diversified portfolio targeting ₹400-500cr revenue in FY27, scaling to >₹1,000cr by FY28; this is further strengthened by the recent ₹25cr Spiral EHL acquisition, consolidating aerostructures, radar, and thermal weapon systems under HASPL (subsidiary).
- The long-term outlook for HFCL remains favorable, supported by a structural upcycle in fiber demand (AI data centres, 5G densification), rising export contribution, margin expansion toward ~18-20% EBITDA, and balance-sheet strengthening post QIP and promoter infusion. As per market consensus, HFCL trades at ~31x one-year forward P/E, with valuations expected to normalize as earnings compound, high-margin segments scale up, and return ratios improve meaningfully over FY26-28E.

### Technical View

- Following a recent low, the stock has attracted buying interest at lower levels and has delivered a breakout from a cup base formation, indicating a potential trend reversal.
- Over the past four weeks, price action on the daily chart reflects a consistent higher high-higher low structure, supported by a series of bullish candles.
- Momentum indicators remain favorable, with RSI in the bullish zone near 77 and a positive MACD crossover signaling strengthening upward momentum.
- The setup presents a favorable risk-reward profile, with support around ₹86 and upside potential toward ₹150, making it suitable for a breakout-driven positional trade.

### Price Chart



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