# Syrma SGS Technology | BUY

JM Financial

## 2Q a beat; announces acquisitions in defence electronics

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**Syrma SGS reported a strong 2Q performance, beating our and consensus estimates. It also announced the acquisition of Elcome Integrated Systems, marking its foray into manufacturing of defence and maritime equipment. Syrma SGS will pay cash consideration of INR 2.35bn to acquire a 60% stake in Elcome, while the balance 40% will be acquired in tranches over 3 years. Elcome will use INR 500mn out of these funds to acquire a 100% stake in Navicom Technology International Systems. Elcome and Navicom reported revenue of INR 1.6bn and INR 520mn respectively in FY25, taking consolidated revenue to INR 2.1bn. In FY24, Elcome's revenue stood at INR 1.1bn, with EBITDA margin of 20%, and Navicom's revenue stood at INR 368mn respectively, with EBITDA margin of 13%. This indicates consolidated revenue of INR 1.5bn, and consolidated EBITDA margin of 17.7%. Maintain BUY with a PT of INR 980, at 45x Sep'27E EPS.**

- **2Q results surprise positively:** 2Q revenue at INR 11.5bn, +38% YoY/+21% QoQ, was 7% ahead of our and consensus estimate. 2Q EBITDA at INR 1.2bn, +62% YoY/+33% QoQ, was 27% ahead of our estimate and 21% ahead of consensus. This was due to strong revenue growth and lower operating expenses. Gross margin expanded 60bps YoY, in-line with expectations. EBITDA margin at 10.1% expanded 150bps YoY and was 160bps ahead of estimate of 8.4% and 120bps higher than consensus estimate of 8.9%. 2Q PAT at INR 641mn, +77% YoY/+29% QoQ was a 21% beat on our estimate of INR 531mn, and 17% beat on consensus estimate of 547mn. Concall at 10.30AM tomorrow. Click here to register.

- **Segmental performance:** The automotive segment posted revenue of INR 2.7bn, +28% YoY, constituting 24% of total revenue vs. 25% YoY. The consumer business registered a 35% YoY growth to INR 3.7bn, and constituted 32% of total revenue vs. 33% YoY. Syrma's healthcare vertical registered a growth of 26% to INR 834mn, and was 7% of total revenue vs. 8% YoY. Growth in industrials was relatively muted at 9% YoY, to INR 2.6bn, constituting 23% of total revenue vs. 29% YoY. Lastly, revenue from the IT and railway segment grew 3x to INR 1.6bn, and was 14% of consolidated revenue vs. 5% YoY. Revenue from exports stood at INR 2.6bn, +38% YoY, making up 23% of total revenue, flat YoY.

- **Observations on the balance sheet:** Total gross debt went down from INR 6.1bn as of Mar'25 to INR 2.8bn as of Sep'25. Consequent to the QIP, the Company reported a net cash position of INR 4.8bn as of Sep'25, as compared to net cash of INR 5mn as of Mar'25. Further, net working capital inched up, to 80 days as of Sep'25 vs. 70 days as of Mar'25. Lastly, for 1HFY26, Syrma SGS posted negative operating cash flows of INR 1.1bn, vs. positive operating cash flow of INR 2.1bn reported for FY25. The management had earlier guided for net working capital days of 65 by end-FY26E and positive operating cash flows for full year FY26E, commentary on which will be important to note in the concall tomorrow.

- **Acquisition of Elcome & Navicom to mark a foray into manufacturing of defence equipment:** Syrma SGS entered into an agreement to acquire a 60% stake in Elcome Integrated Systems for INR 2.35bn, by way of a mix of primary and secondary investment. The balance 40% stake will be acquired in tranches over 3 years, linked to earn-out based milestones. Further, Elcome will use INR 500mn out of these funds for acquiring Navicom. Products manufactured by these companies include navigation systems, maritime communication and network systems, and monitoring and safety systems. Elcome and Navicom reported revenue of INR 1.6bn and INR 520mn respectively in FY25 (consolidated INR 2.1bn). On a consolidated basis, in FY24, Elcome and Navicom reported revenue of INR 1.5bn, and consolidated EBITDA margin of 17.7%.

| Recommendation and Price Target | |
|---|---|
| Current Reco. | BUY |
| Previous Reco. | BUY |
| Current Price Target (12M) | 980 |
| Upside/(Downside) | 21.3% |
| Previous Price Target | 980 |
| Change | 0.0% |

| Key Data – SYRMA IN | |
|---|---|
| Current Market Price | INR808 |
| Market cap (bn) | INR155.5/US$1.8 |
| Free Float | 40% |
| Shares in issue (mn) | 178.8 |
| Diluted share (mn) | 193.1 |
| 3-mon avg daily val (mn) | INR1,212.9/US$13.7 |
| 52-week range | 875/355 |
| Sensex/Nifty | 83,535/25,574 |
| INR/US$ | 88.7 |

**Price Performance**

| % | 1M | 6M | 12M |
|---|---|---|---|
| Absolute | -4.2 | 68.9 | 47.1 |
| Relative* | -5.4 | 60.6 | 40.0 |

** To the BSE Sensex*

**Financial Summary** (INR mn)

| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Net Sales | 31,538 | 37,867 | 48,280 | 62,764 | 81,594 |
| Sales Growth (%) | 54.0 | 20.1 | 27.5 | 30.0 | 30.0 |
| EBITDA | 1,984 | 3,238 | 4,135 | 5,476 | 7,382 |
| EBITDA Margin (%) | 6.3 | 8.6 | 8.6 | 8.7 | 9.0 |
| Adjusted Net Profit | 1,073 | 1,704 | 2,429 | 3,575 | 4,926 |
| Diluted EPS (INR) | 6.0 | 9.5 | 12.6 | 18.5 | 25.5 |
| Diluted EPS Growth (%) | -10.5 | 57.8 | 32.0 | 47.2 | 37.8 |
| ROIC (%) | 7.7 | 9.9 | 11.4 | 13.8 | 17.3 |
| ROE (%) | 6.8 | 10.1 | 10.3 | 11.4 | 14.0 |
| P/E (x) | 133.8 | 84.8 | 64.2 | 43.6 | 31.7 |
| P/B (x) | 8.9 | 8.3 | 5.3 | 4.7 | 4.2 |
| EV/EBITDA (x) | 74.0 | 45.7 | 33.5 | 25.3 | 18.5 |
| Dividend Yield (%) | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |

Source: Company data, JM Financial. Note: Valuations as of 10/Nov/2025

### Exhibit 1. Elcome Integrated Systems – historical financials

| Elcome Integrated Systems (INR mn) | FY21 | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|---|
| **Revenue** | **923** | **842** | **1,068** | **1,095** | **1,550** |
| YoY | nm | -8.8% | 26.9% | 2.5% | 41.6% |
| **EBITDA** | **123** | **100** | **161** | **213** | **nm** |
| YoY | nm | -18.6% | 61.1% | 32.2% | nm |
| **EBITDA Margin %** | **13.3%** | **11.9%** | **15.1%** | **19.5%** | **nm** |
| **PAT** | **(68)** | **6** | **72** | **93** | **nm** |
| YoY | nm | nm | 1080.3% | 28.8% | nm |

Source: Industry, Company, JM Financial

### Exhibit 2. Navicom Technology International Systems – historical financials

| Navicom Technology (INR mn) | FY21 | FY22 | FY23 | FY24 | FY25 |
|---|---|---|---|---|---|
| **Revenue** | **152** | **198** | **254** | **368** | **520** |
| YoY | nm | 30.2% | 28.2% | 44.8% | 41.2% |
| **EBITDA** | **40** | **42** | **42** | **46** | **nm** |
| YoY | | *5.7%* | *0.0%* | *8.7%* | nm |
| **EBITDA Margin %** | **26.3%** | **21.4%** | **16.7%** | **12.5%** | **nm** |
| **PAT** | **30** | **31** | **32** | **35** | **nm** |
| YoY | nm | 2.7% | 3.3% | 10.8% | nm |

Source: Industry, Company, JM Financial

### Exhibit 3. Syrma SGS – 2QFY26 segmental performance

| (INR mn) | Q2FY24 | Q3FY24 | Q4FY24 | FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | FY25 | Q1FY26 | Q2FY26 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Industry Revenue Split | | | | | | | | | | | |
| **Auto** | **1,725** | **1,510** | **1,809** | **6,495** | **1,877** | **2,109** | **2,081** | **2,146** | **8,213** | **2,215** | **2,710** |
| YoY | 91% | 40% | 49% | 61% | 29% | 22% | 38% | 19% | 26% | 18% | 28% |
| % of Total | 24% | 21% | 16% | 21% | 16% | 25% | 24% | 23% | 22% | 23% | 24% |
| **Consumer** | **2,519** | **2,544** | **5,221** | **12,608** | **6,166** | **2,715** | **2,704** | **1,897** | **13,482** | **3,178** | **3,656** |
| YoY | 138% | 24% | 93% | 91% | 165% | 8% | 6% | -64% | 7% | -48% | 35% |
| % of Total | 35% | 36% | 46% | 40% | 53% | 33% | 31% | 21% | 36% | 34% | 32% |
| **Heatlhcare** | **512** | **693** | **1,166** | **2,528** | **589** | **661** | **734** | **929** | **2,913** | **674** | **834** |
| YoY | 2% | 653% | 148% | 55% | 275% | 29% | 6% | -20% | 15% | 14% | 26% |
| % of Total | 7% | 10% | 10% | 8% | 5% | 8% | 8% | 10% | 8% | 7% | 7% |
| **Industrials** | **1,984** | **1,955** | **2,619** | **8,333** | **2,152** | **2,439** | **2,674** | **3,776** | **11,041** | **2,873** | **2,649** |
| YoY | 12% | 21% | 42% | 30% | 21% | 23% | 37% | 44% | 32% | 33% | 9% |
| % of Total | 28% | 28% | 23% | 26% | 19% | 29% | 31% | 41% | 29% | 30% | 23% |
| **IT & Railways** | **376** | **365** | **526** | **1,574** | **814** | **405** | **500** | **497** | **2,216** | **500** | **1,610** |
| YoY | -13% | 25% | -6% | -13% | 165% | 8% | 37% | -6% | 41% | -39% | 298% |
| % of Total | 5% | 5% | 5% | 5% | 7% | 5% | 6% | 5% | 6% | 5% | 14% |
| Revenue Split by geography | | | | | | | | | | | |
| **Domestic Sales** | **5,256** | **5,159** | **8,733** | **23,477** | **9,743** | **6,412** | **6,697** | **6,471** | **29,322** | **7,080** | **8,823** |
| % of Total | 74% | 73% | 77% | 74% | 84% | 77% | 77% | 70% | 77% | 75% | 77% |
| **Exports** | **1,862** | **1,908** | **2,608** | **8,062** | **1,856** | **1,915** | **2,000** | **2,773** | **8,545** | **2,360** | **2,636** |
| % of Total | 26% | 27% | 23% | 26% | 16% | 23% | 23% | 30% | 23% | 25% | 23% |

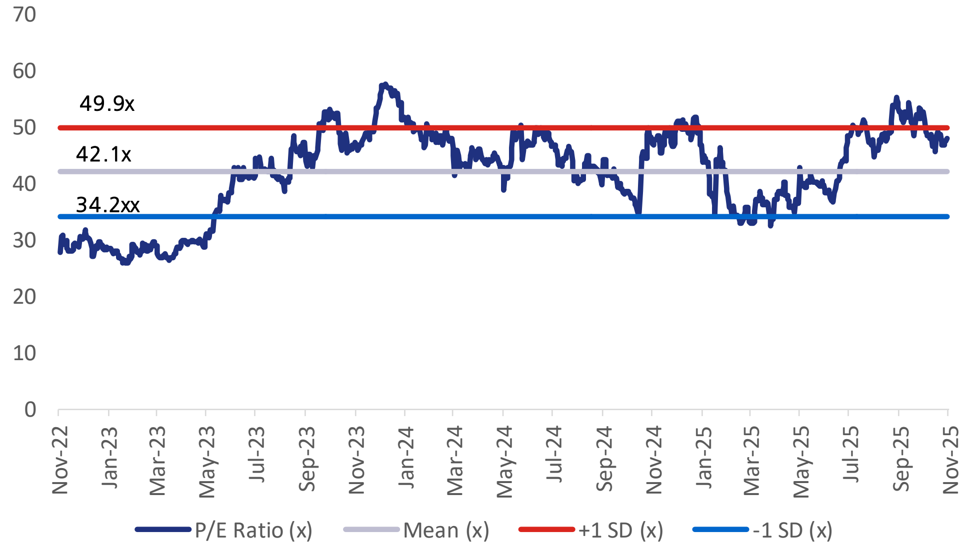
Source: Company, JM Financial

**Exhibit 4. Syrma SGS – 2QFY26 result review**

| (INR mn) | Q2FY24 | Q3FY24 | Q4FY24 | FY24 | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | FY25 | Q1FY26 | Q2FY26 | Q2FY26E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Net Revenue** | **7,117** | **7,067** | **11,341** | **31,538** | **11,599** | **8,327** | **8,697** | **9,244** | **37,867** | **9,440** | **11,459** | **10,750** |
| **YoY** | **52%** | **38%** | **67%** | **54%** | **93%** | **17%** | **23%** | **-18%** | **20%** | **-19%** | **38%** | **29%** |
| | | | | | | | | | | | | |
| Raw Material Costs | (5,517) | (5,473) | (9,393) | (25,069) | (9,859) | (6,294) | (6,430) | (6,731) | (29,315) | (7,107) | (8,730) | (8,181) |
| Gross Profit | 1,600 | 1,594 | 1,948 | 6,469 | 1,740 | 2,033 | 2,267 | 2,512 | 8,552 | 2,333 | 2,728 | 2,569 |
| Gross Profit margin % | 22.5% | 22.6% | 17.2% | 20.5% | 15.0% | 24.4% | 26.1% | 27.2% | 22.6% | 24.7% | 23.8% | 23.9% |
| | | | | | | | | | | | | |
| Employee Cost | (311) | (381) | (403) | (1,426) | (454) | (459) | (465) | (522) | (1,900) | (504) | (515) | (565) |
| % of sales | 4.4% | 5.4% | 3.6% | 4.5% | 3.9% | 5.5% | 5.3% | 5.6% | 5.0% | 5.3% | 4.5% | 5.3% |
| Other expenses | (799) | (826) | (808) | (3,059) | (833) | (864) | (1,006) | (916) | (3,619) | (963) | (1,061) | (1,100) |
| % of sales | 11.2% | 11.7% | 7.1% | 9.7% | 7.2% | 10.4% | 11.6% | 9.9% | 9.6% | 10.2% | 9.3% | 10.2% |
| | | | | | | | | | | | | |
| **EBITDA** | **490** | **388** | **737** | **1,984** | **453** | **710** | **796** | **1,075** | **3,033** | **866** | **1,152** | **904** |
| **YoY** | **-3%** | **-19%** | **28%** | **5%** | **23%** | **45%** | **105%** | **46%** | **53%** | **91%** | **62%** | **27%** |
| **EBITDA margin%** | **6.9%** | **5.5%** | **6.5%** | **6.3%** | **3.9%** | **8.5%** | **9.1%** | **11.6%** | **8.0%** | **9.2%** | **10.1%** | **8.4%** |
| | | | | | | | | | | | | |
| Total D&A Expense | (116) | (139) | (158) | (515) | (174) | (167) | (202) | (208) | (751) | (206) | (218) | (220) |
| **EBIT** | **374** | **249** | **578** | **1,469** | **280** | **542** | **593** | **867** | **2,283** | **660** | **934** | **684** |
| **YoY** | **-14%** | **-37%** | **19%** | **-7%** | **4%** | **45%** | **138%** | **50%** | **55%** | **136%** | **72%** | **26%** |
| **EBIT margin%** | **5.3%** | **3.5%** | **5.1%** | **4.7%** | **2.4%** | **6.5%** | **6.8%** | **9.4%** | **6.0%** | **7.0%** | **8.1%** | **6.4%** |
| | | | | | | | | | | | | |
| Other Income | 86 | 96 | 73 | 419 | 61 | 72 | 51 | 142 | 325 | 69 | 87 | 120 |
| Gain on Forex fluctuation | 3 | 26 | 83 | 168 | 92 | 29 | - | 80 | 201 | 91 | - | 60 |
| Finance Costs | (80) | (100) | (123) | (378) | (138) | (136) | (154) | (156) | (585) | (149) | (126) | (75) |
| **PBT** | **383** | **270** | **612** | **1,678** | **295** | **507** | **490** | **934** | **2,225** | **671** | **895** | **789** |
| **YoY** | **-8%** | **-40%** | **-10%** | **-6%** | **-29%** | **32%** | **81%** | **53%** | **33%** | **128%** | **77%** | **56%** |
| | | | | | | | | | | | | |
| Income Tax Expense | (64) | (67) | (160) | (421) | (91) | (110) | (79) | (219) | (500) | (172) | (232) | (198) |
| Rate % | 16.8% | 24.7% | 26.1% | 25.1% | 31.0% | 21.8% | 16.0% | 23.5% | 22.5% | 25.7% | 25.9% | 25.1% |
| | | | | | | | | | | | | |
| Exceptional | (14) | - | - | (14) | - | - | 119 | - | - | - | - | - |
| **Net Profit** | **305** | **203** | **452** | **1,243** | **203** | **396** | **530** | **715** | **1,725** | **499** | **663** | **591** |
| **Margins** | **4.3%** | **2.9%** | **4.0%** | **3.9%** | **1.8%** | **4.8%** | **6.1%** | **7.7%** | **4.6%** | **5.3%** | **5.8%** | **5.5%** |
| **YoY** | **5.7%** | **-40.6%** | **5.4%** | **1%** | **-63%** | **11%** | **161%** | **58%** | **39%** | **146%** | **67%** | **49%** |
| | | | | | | | | | | | | |
| Minority Interest | (22) | (48) | (103) | (170) | (10) | (34) | (42) | (60) | (147) | (2) | (23) | (60) |
| As % of NP | 7.1% | 23.4% | 22.7% | 13.7% | 5.0% | 8.6% | 7.9% | 8.4% | 8.5% | 0.4% | 3.4% | 10.2% |
| **Net Profit to Shareholders** | **283** | **156** | **349** | **1,073** | **193** | **362** | **488** | **654** | **1,579** | **497** | **641** | **531** |
| **YoY** | **0.3%** | **-53.1%** | **-17.4%** | **153.6%** | **-32%** | **28%** | **213%** | **87%** | **351.9%** | **158%** | **77%** | **47%** |
| **Net Margin%** | **4.0%** | **2.2%** | **3.1%** | **3.4%** | **1.7%** | **4.4%** | **5.6%** | **7.1%** | **4.2%** | **5.3%** | **5.6%** | **4.9%** |
| | | | | | | | | | | | | |
| **Adjusted PAT** | **297** | **156** | **349** | **1,087** | **193** | **362** | **369** | **654** | **1,579** | **497** | **641** | **531** |
| **YoY** | **5.2%** | **-53.1%** | **-17.4%** | **-8.9%** | **-32.3%** | **22.0%** | **137.0%** | **87.3%** | **45.2%** | **157.6%** | **76.8%** | **175.0%** |

Source: Company, JM Financial

**Exhibit 5. Syrma SGS – 1-yr forward P/E chart (since listing)**




Source: Company, Bloomberg, JM Financial

# Financial Tables (Consolidated)

**Income Statement** (INR mn)

| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Net Sales | 31,538 | 37,867 | 48,280 | 62,764 | 81,594 |
| *Sales Growth* | *54.0%* | *20.1%* | *27.5%* | *30.0%* | *30.0%* |
| Other Operating Income | 0 | 0 | 0 | 0 | 0 |
| **Total Revenue** | **31,538** | **37,867** | **48,280** | **62,764** | **81,594** |
| Cost of Goods Sold/Op. Exp | 25,069 | 29,315 | 37,417 | 48,642 | 63,072 |
| Personnel Cost | 1,426 | 1,910 | 2,388 | 3,104 | 4,035 |
| Other Expenses | 3,059 | 3,404 | 4,340 | 5,542 | 7,104 |
| **EBITDA** | **1,984** | **3,238** | **4,135** | **5,476** | **7,382** |
| *EBITDA Margin* | *6.3%* | *8.6%* | *8.6%* | *8.7%* | *9.0%* |
| *EBITDA Growth* | *5.7%* | *63.2%* | *27.7%* | *32.4%* | *34.8%* |
| Depn. & Amort. | 515 | 751 | 855 | 1,015 | 1,135 |
| EBIT | 1,470 | 2,487 | 3,281 | 4,461 | 6,247 |
| Other Income | 586 | 327 | 517 | 627 | 670 |
| Finance Cost | 378 | 585 | 388 | 101 | 45 |
| PBT before Excep. & Forex | 1,678 | 2,230 | 3,410 | 4,987 | 6,872 |
| Excep. & Forex Inc./Loss(-) | 0 | 0 | 0 | 0 | 0 |
| PBT | 1,678 | 2,230 | 3,410 | 4,987 | 6,872 |
| Taxes | 422 | 500 | 784 | 1,122 | 1,546 |
| Extraordinary Inc./Loss(-) | -14 | 119 | 0 | 0 | 0 |
| Assoc. Profit/Min. Int.(-) | 170 | 146 | 197 | 290 | 399 |
| Reported Net Profit | 1,073 | 1,704 | 2,429 | 3,575 | 4,926 |
| **Adjusted Net Profit** | **1,073** | **1,704** | **2,429** | **3,575** | **4,926** |
| *Net Margin* | *3.4%* | *4.5%* | *5.0%* | *5.7%* | *6.0%* |
| Diluted Share Cap. (mn) | 177.6 | 178.8 | 193.1 | 193.1 | 193.1 |
| **Diluted EPS (INR)** | **6.0** | **9.5** | **12.6** | **18.5** | **25.5** |
| *Diluted EPS Growth* | *-10.5%* | *57.8%* | *32.0%* | *47.2%* | *37.8%* |
| Total Dividend + Tax | 266 | 268 | 290 | 290 | 290 |
| Dividend Per Share (INR) | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |

Source: Company, JM Financial

**Balance Sheet** (INR mn)

| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Shareholders' Fund | 16,126 | 17,500 | 29,638 | 32,924 | 37,560 |
| Share Capital | 1,774 | 1,780 | 1,924 | 1,924 | 1,924 |
| Reserves & Surplus | 14,352 | 15,719 | 27,715 | 31,000 | 35,636 |
| Preference Share Capital | 0 | 0 | 0 | 0 | 0 |
| Minority Interest | 644 | 749 | 945 | 1,235 | 1,635 |
| Total Loans | 5,763 | 6,112 | 1,493 | 493 | 393 |
| Def. Tax Liab. / Assets (-) | 176 | 139 | 139 | 139 | 139 |
| **Total - Equity & Liab.** | **22,710** | **24,499** | **32,216** | **34,791** | **39,727** |
| Net Fixed Assets | 6,840 | 7,473 | 8,518 | 9,404 | 9,169 |
| Gross Fixed Assets | 8,008 | 8,952 | 10,952 | 12,952 | 13,952 |
| Intangible Assets | 0 | 0 | 0 | 0 | 0 |
| Less: Depn. & Amort. | 1,337 | 2,087 | 2,942 | 3,957 | 5,092 |
| Capital WIP | 168 | 609 | 509 | 409 | 309 |
| Investments | 419 | 594 | 594 | 594 | 594 |
| Current Assets | 29,636 | 33,979 | 45,203 | 53,199 | 66,480 |
| Inventories | 10,043 | 8,219 | 10,700 | 14,188 | 18,765 |
| Sundry Debtors | 9,301 | 14,775 | 18,461 | 23,519 | 29,963 |
| Cash & Bank Balances | 3,778 | 2,958 | 7,903 | 7,353 | 9,613 |
| Loans & Advances | 163 | 0 | 110 | 110 | 110 |
| Other Current Assets | 6,350 | 8,028 | 8,028 | 8,028 | 8,028 |
| Current Liab. & Prov. | 14,185 | 17,548 | 22,099 | 28,405 | 36,516 |
| Current Liabilities | 12,955 | 16,497 | 20,849 | 26,877 | 34,627 |
| Provisions & Others | 1,230 | 1,050 | 1,250 | 1,528 | 1,889 |
| Net Current Assets | 15,451 | 16,432 | 23,104 | 24,794 | 29,964 |
| **Total – Assets** | **22,710** | **24,499** | **32,216** | **34,791** | **39,727** |

Source: Company, JM Financial

**Cash Flow Statement** (INR mn)

| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Profit before Tax | 1,678 | 2,230 | 3,410 | 4,987 | 6,872 |
| Depn. & Amort. | 515 | 751 | 855 | 1,015 | 1,135 |
| Net Interest Exp. / Inc. (-) | 0 | 0 | 0 | 0 | 0 |
| Inc (-) / Dec in WCap. | -3,281 | -1,070 | -1,726 | -2,240 | -2,910 |
| Others | 39 | -37 | 0 | 0 | 0 |
| Taxes Paid | -605 | -531 | -982 | -1,412 | -1,946 |
| **Operating Cash Flow** | **-1,655** | **1,343** | **1,557** | **2,350** | **3,150** |
| Capex | -3,821 | -1,881 | -1,900 | -1,900 | -900 |
| *Free Cash Flow* | *-5,476* | *-538* | *-343* | *450* | *2,250* |
| Inc (-) / Dec in Investments | 7,790 | -175 | 0 | 0 | 0 |
| Others | -1,901 | -233 | 0 | 0 | 0 |
| **Investing Cash Flow** | **2,068** | **-2,289** | **-1,900** | **-1,900** | **-900** |
| Inc / Dec (-) in Capital | 535 | 47 | 10,197 | 290 | 399 |
| Dividend + Tax thereon | -266 | -268 | -290 | -290 | -290 |
| Inc / Dec (-) in Loans | 2,552 | 347 | -4,619 | -1,000 | -100 |
| Others | 0 | 0 | 0 | 0 | 0 |
| **Financing Cash Flow** | **2,821** | **126** | **5,289** | **-1,000** | **10** |
| **Inc / Dec (-) in Cash** | **3,234** | **-820** | **4,946** | **-550** | **2,260** |
| Opening Cash Balance | 544 | 3,778 | 2,958 | 7,903 | 7,353 |
| Closing Cash Balance | 3,778 | 2,958 | 7,903 | 7,353 | 9,613 |

Source: Company, JM Financial

**Dupont Analysis**

| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Net Margin | 3.4% | 4.5% | 5.0% | 5.7% | 6.0% |
| Asset Turnover (x) | 1.5 | 1.5 | 1.6 | 1.8 | 2.1 |
| Leverage Factor (x) | 1.4 | 1.5 | 1.2 | 1.1 | 1.1 |
| RoE | 6.8% | 10.1% | 10.3% | 11.4% | 14.0% |

**Key Ratios**

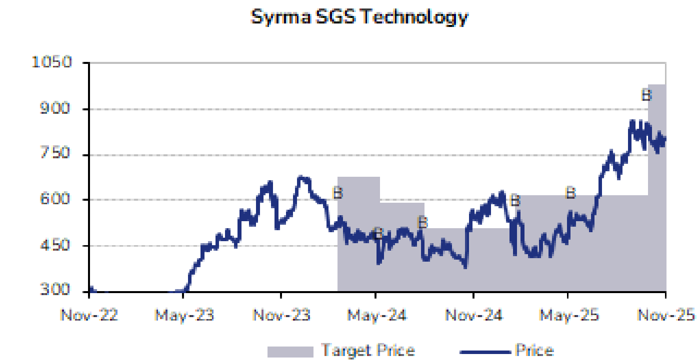
| Y/E March | FY24A | FY25A | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| BV/Share (INR) | 90.8 | 97.9 | 153.5 | 170.5 | 194.5 |
| ROIC | 7.7% | 9.9% | 11.4% | 13.8% | 17.3% |
| ROE | 6.8% | 10.1% | 10.3% | 11.4% | 14.0% |
| Net Debt/Equity (x) | 0.1 | 0.2 | -0.2 | -0.2 | -0.3 |
| P/E (x) | 133.8 | 84.8 | 64.2 | 43.6 | 31.7 |
| P/B (x) | 8.9 | 8.3 | 5.3 | 4.7 | 4.2 |
| EV/EBITDA (x) | 74.0 | 45.7 | 33.5 | 25.3 | 18.5 |
| EV/Sales (x) | 4.7 | 3.9 | 2.9 | 2.2 | 1.7 |
| Debtor days | 108 | 142 | 140 | 137 | 134 |
| Inventory days | 116 | 79 | 81 | 83 | 84 |
| Creditor days | 151 | 166 | 166 | 166 | 167 |

Source: Company, JM Financial

## History of Recommendation and Target Price

| Date | Recommendation | Target Price | % Chg. |
|---|---|---|---|
| 27-Feb-24 | Buy | 675 | |
| 13-May-24 | Buy | 590 | -12.5 |
| 6-Aug-24 | Buy | 510 | -13.6 |
| 29-Jan-25 | Buy | 620 | 21.6 |
| 14-May-25 | Buy | 620 | 0.0 |
| 8-Oct-25 | Buy | 980 | 58.1 |

## Recommendation History



# APPENDIX I

## JM Financial Institutional Securities Limited

**Corporate Identity Number: U67100MH2017PLC296081**
**Member of BSE Ltd. and National Stock Exchange of India Ltd.**
**SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610**
**Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.**
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**Compliance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: ashley.johnson@jmfl.com**
**Grievance Officer: Ms. Ashley Johnson | Tel: +91 22 6224 1862 | Email: instcompliance@jmfl.com**

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

| **New Rating System: Definition of ratings** | |
|---|---|
| **Rating** | **Meaning** |
| **BUY** | Expected return >= 15% over the next twelve months. |
| **ADD** | Expected return >= 5% and < 15% over the next twelve months. |
| **REDUCE** | Expected return >= -10% and < 5% over the next twelve months. |
| **SELL** | Expected return < -10% over the next twelve months. |

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

| **Previous Rating System: Definition of ratings** | |
|---|---|
| **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. |
| **SELL** | Price expected to move downwards by more than 10% from the current market price over the next twelve months. |

* REITs refers to Real Estate Investment Trusts.

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