

## Weak Q1 print, although valuation offers comfort

Consumer Durables ▶ Result Update ▶ August 10, 2025

CMP (Rs): 1,305 | TP (Rs): 1,450

**Voltas' (VOLT) Q1FY26 results were weaker than expected, with UCP revenue down 25% YoY (~8% below Emkay estimate) on a weaker-than-usual summer. EBIT margin contracted sharply (3.6% vs 8.1% in Q1FY25) due to elevated A&P and warehousing expenses to sustain market leadership. The mgmt flagged 3-4M of channel inventory; however, it is hopeful of demand recovering from Q3 owing to the festive season, a 'second summer', and pre-buying ahead of the BEE norm change as it refrains from deep discounting. In EMPS, VOLT remains focused on long-term strategic growth, maintaining order-booking discipline with 5% EBIT margin seen as sustainable ahead. Also, tactical cost-reduction steps are underway to support profitability. The significantly weaker-than-expected summer and its resultant impact on revenue/margins drove a meaningful cut (~13%) in our FY26E EPS. However, we expect growth/margins to rebound in FY27E (refer to our report: [Untimely rain: Killjoy for AC demand, apt time to BUY AC stocks](#)). We maintain BUY, with an unchanged TP of Rs1,450 as valuations remain supportive (UCP P/S trades at 3.3x – below the LTA), and expect earnings traction to improve as seasonality normalizes from H2.**

**UCP margins take a major hit due to higher A&P**

Q1 consolidated revenue was Rs39.4bn (down 20% YoY; 8% miss on Emkay estimate) owing to weak UCP revenue growth (down ~25% YoY). UCP EBIT margin dipped to ~3.6% (vs 8.6%/10% in Q1FY25/Q4FY25) on intensified efforts to drive secondary sales through A&P, as elevated inventory levels persisted in Q1. EMPS revenue fell 3% YoY; EBIT margin was 5.3% (7.1% in Q1FY25); consolidated EBITDA at Rs1.8bn, with margin at 4.5% (miss on our estimated ~6.7%). PAT was a miss at -Rs1.4bn (down 58% YoY).

**Earnings call KTAs**

1)The RAC industry saw a sharp ~35-40% YoY decline in volumes in Q1, impacted by an unseasonably mild summer in the North and the high base of Q1FY25. 2) Per VOLT, it retained leadership with a 19.3% market share in Jun-25 and 17.8% in Q1FY26. 3) Inventory levels in the channel remain high at ~3-4M, putting pressure on primary sales. 4) VOLT increased A&P spends in Q1, leading to a more-than-anticipated EBIT margin compression. The management expects recovery in the RAC industry from Q3, led by the festive season, supported by the possibility of a 'second summer'. 5) While certain brands are resorting to discounting to clear inventory, VOLT has maintained its stance of avoiding price wars to protect its brand equity. 6) The Jan-26 BEE rating change will have a cost impact, although the extent of price hike will be clearer by Nov/Dec-25; the company indicated that it would try to pass on costs through value addition/mix, while protecting margins. 7) The VoltBek JV continues to operate at a loss, though its market share has improved to ~8.6/7.2% in washing machines/refrigerators. Profitability remains a medium-term goal, with no firm timeline provided for breakeven. 8) The EMPS division is trading cautiously with a long-term strategic view, maintaining discipline in order-booking with ~5% EBIT margin seen as sustainable.

Target Price – 12M	Jun-26
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	11.1

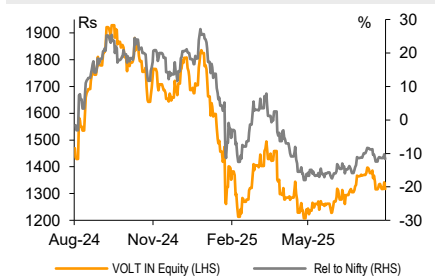
Stock Data	VOLT IN
52-week High (Rs)	1,946
52-week Low (Rs)	1,135
Shares outstanding (mn)	330.9
Market-cap (Rs bn)	432
Market-cap (USD mn)	4,925
Net-debt, FY26E (Rs mn)	(30,237.0)
ADTV-3M (mn shares)	2
ADTV-3M (Rs mn)	1,896.6
ADTV-3M (USD mn)	21.6
Free float (%)	69.7
Nifty-50	24,363.3
INR/USD	87.7

**Shareholding, Jun-25**

Promoters (%)	30.3
FPIs/MFs (%)	21.2/33.4

**Price Performance**

(%)	1M	3M	12M
Absolute	(4.8)	6.7	(9.1)
Rel. to Nifty	(0.3)	6.3	(10.0)

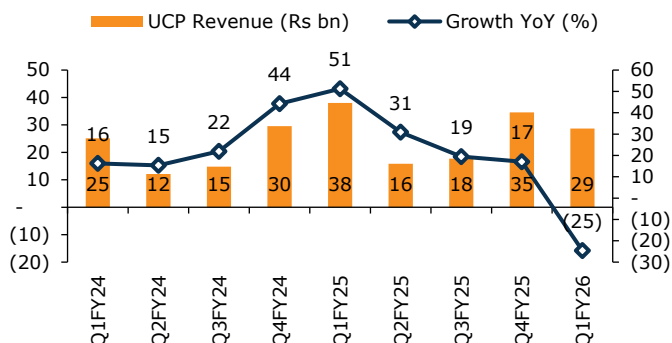
**1-Year share price trend (Rs)****Voltas: Financial Snapshot (Consolidated)**

Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	124,812	154,128	149,141	173,280	198,215
EBITDA	4,746	11,162	9,526	13,005	15,465
Adj. PAT	2,520	8,414	7,673	10,738	12,802
Adj. EPS (Rs)	7.6	25.4	23.2	32.5	38.7
EBITDA margin (%)	3.8	7.2	6.4	7.5	7.8
EBITDA growth (%)	(17.1)	135.2	(14.7)	36.5	18.9
Adj. EPS growth (%)	(33.5)	233.9	(8.8)	39.9	19.2
RoE (%)	4.5	13.6	11.3	14.4	15.2
RoIC (%)	13.2	29.2	18.2	22.1	22.8
P/E (x)	171.3	51.3	56.3	40.2	33.7
EV/EBITDA (x)	86.3	36.1	42.1	30.7	25.6
P/B (x)	7.4	6.6	6.1	5.5	4.8
FCFF yield (%)	1.2	(1.0)	0.3	0.3	0.8

Source: Company, Emkay Research

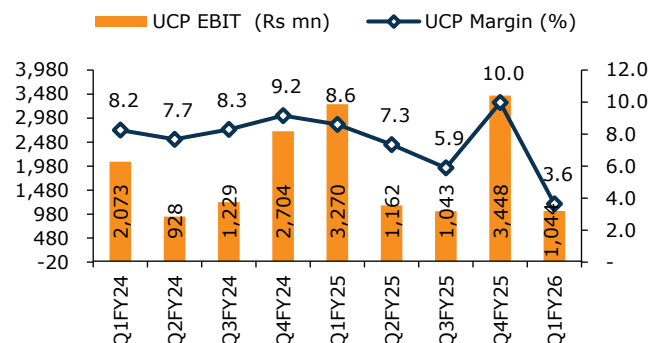
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**Exhibit 1: UCP revenue fell 25% YoY, owing to the onset of a subdued summer...**



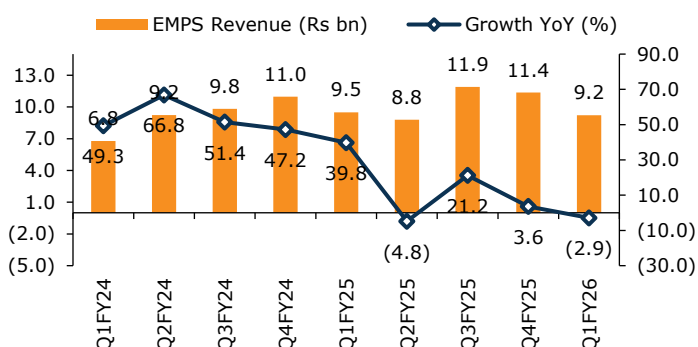
Source: Company, Emkay Research

**Exhibit 2: ...which in turn, coupled with higher A&P spends to retain market leadership, led to a significant margin compression**



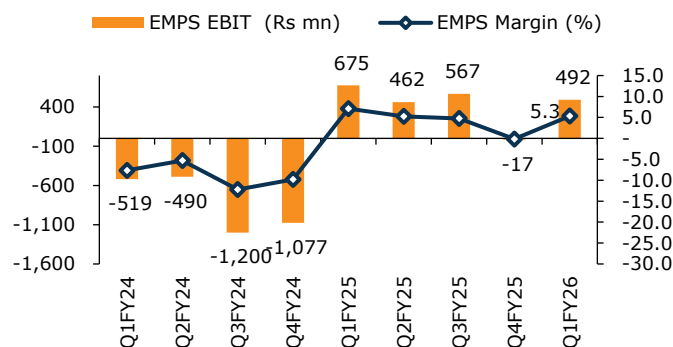
Source: Company, Emkay Research

**Exhibit 3: Projects business saw flattish growth...**



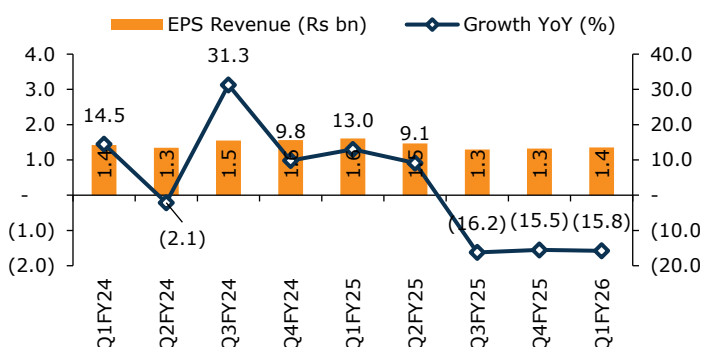
Source: Company, Emkay Research

**Exhibit 4: ...while EBIT margin at ~5% is seen sustainable ahead**



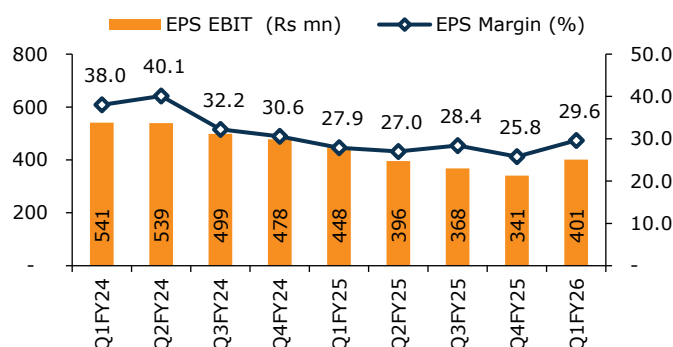
Source: Company, Emkay Research

**Exhibit 5: EPS business saw a decline in revenue for another quarter...**



Source: Company, Emkay Research

**Exhibit 6: ...while the better product mix helped the segment's margin profile**



Source: Company, Emkay Research

**Exhibit 7: UCP revenue growth/margins dragged VOLT's overall performance in Q1**

Segmental Snapshot (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
<b>Revenue</b>											
EMPS	6,791	9,242	9,819	10,979	9,491	8,799	11,902	11,375	9,218	(2.9)	(19.0)
UCP	25,140	12,088	14,826	29,551	38,022	15,822	17,711	34,584	28,679	(24.6)	(17.1)
EPS	1,423	1,344	1,548	1,564	1,608	1,467	1,297	1,321	1,354	(15.8)	2.5
<b>Total</b>	<b>33,353</b>	<b>22,674</b>	<b>26,193</b>	<b>42,094</b>	<b>49,121</b>	<b>26,088</b>	<b>30,910</b>	<b>47,280</b>	<b>39,251</b>	<b>(20.1)</b>	<b>(17.0)</b>
<b>EBIT</b>											
EMPS	(519)	(490)	(1,200)	(1,077)	675	462	567	(17)	492	(27.0)	(2,946.2)
UCP	2,073	928	1,229	2,704	3,270	1,162	1,043	3,448	1,044	(68.1)	(69.7)
EPS	541	539	499	478	448	396	368	341	401	(10.5)	17.8
<b>Total</b>	<b>2,096</b>	<b>977</b>	<b>528</b>	<b>2,105</b>	<b>4,394</b>	<b>2,020</b>	<b>1,978</b>	<b>3,771</b>	<b>1,937</b>	<b>(55.9)</b>	<b>(48.6)</b>
<b>EBIT Margin (%)</b>											
EMPS	(7.6)	(5.3)	(12.2)	(9.8)	7.1	5.2	4.8	(0.2)	5.3		
UCP	8.2	7.7	8.3	9.2	8.6	7.3	5.9	10.0	3.6		
EPS	38.0	40.1	32.2	30.6	27.9	27.0	28.4	25.8	29.6		
<b>Total</b>	<b>6.3</b>	<b>4.3</b>	<b>2.0</b>	<b>5.0</b>	<b>8.9</b>	<b>7.7</b>	<b>6.4</b>	<b>8.0</b>	<b>4.9</b>		

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

**Exhibit 8: Q1FY26 was a washout quarter for Voltas with revenue/EBITDA/PAT declining by 20%/58%/58% YoY, respectively**

Quarterly Snapshot (Rs mn)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	YoY (%)	QoQ (%)
<b>Revenue from operations</b>	<b>33,599</b>	<b>22,928</b>	<b>26,257</b>	<b>42,029</b>	<b>49,210</b>	<b>26,191</b>	<b>31,051</b>	<b>47,676</b>	<b>39,386</b>	<b>(20.0)</b>	<b>(17.4)</b>
Growth YoY (%)	21	30	31	42	46	14	18	13	(20)		
<b>Total Operating Expenses</b>	<b>31,745</b>	<b>22,225</b>	<b>25,973</b>	<b>40,123</b>	<b>44,972</b>	<b>24,569</b>	<b>29,077</b>	<b>44,348</b>	<b>37,601</b>	<b>(16.4)</b>	<b>(15.2)</b>
Growth YoY (%)	14.7	25.7	29.5	35.7	41.7	10.5	12.0	10.5	(16.4)		
Raw Material	26,504	17,305	20,605	33,727	38,922	19,421	23,807	37,454	30,796	<b>(20.9)</b>	<b>(17.8)</b>
As a (%) of Revenue	78.9	75.5	78.5	80.2	79.1	74.2	76.7	78.6	78.2		
Employee expense	1,805	1,945	2,046	1,992	2,023	2,382	2,311	2,185	2,305	<b>14.0</b>	<b>5.5</b>
As a (%) of Revenue	5.4	8.5	7.8	4.7	4.1	9.1	7.4	4.6	5.9		
Other expense	3,436	2,975	3,322	4,404	4,027	2,766	2,959	4,709	4,500	<b>11.7</b>	<b>(4.5)</b>
As a (%) of Revenue	10.2	13.0	12.7	10.5	8.2	10.6	9.5	9.9	11.4		
<b>EBITDA</b>	<b>1,854</b>	<b>703</b>	<b>284</b>	<b>1,906</b>	<b>4,238</b>	<b>1,622</b>	<b>1,974</b>	<b>3,328</b>	<b>1,785</b>	<b>(57.9)</b>	<b>(46.4)</b>
<b>EBITDA Margin (%)</b>	<b>5.5</b>	<b>3.1</b>	<b>1.1</b>	<b>4.5</b>	<b>8.6</b>	<b>6.2</b>	<b>6.4</b>	<b>7.0</b>	<b>4.5</b>		
<b>Gross Profit</b>	<b>7,095</b>	<b>5,623</b>	<b>5,652</b>	<b>8,302</b>	<b>10,288</b>	<b>6,770</b>	<b>7,244</b>	<b>10,222</b>	<b>8,590</b>	<b>(16.5)</b>	<b>(16.0)</b>
<b>Gross Margin (%)</b>	<b>21.1</b>	<b>24.5</b>	<b>21.5</b>	<b>19.8</b>	<b>20.9</b>	<b>25.8</b>	<b>23.3</b>	<b>21.4</b>	<b>21.8</b>		
Less: Depreciation	113	117	128	118	134	164	179	141	185		
<b>EBIT</b>	<b>1,741</b>	<b>586</b>	<b>156</b>	<b>1,788</b>	<b>4,104</b>	<b>1,458</b>	<b>1,795</b>	<b>3,187</b>	<b>1,601</b>	<b>(61.0)</b>	<b>(49.8)</b>
<b>EBIT Margin (%)</b>	<b>5.2</b>	<b>2.6</b>	<b>0.6</b>	<b>4.3</b>	<b>8.3</b>	<b>5.6</b>	<b>5.8</b>	<b>6.7</b>	<b>4.1</b>		
Add: Other income	700	710	579	544	803	1,055	591	797	821		
Less: Interest	101	115	135	208	98	136	155	233	135		
<b>PBT</b>	<b>2,340</b>	<b>1,181</b>	<b>599</b>	<b>2,124</b>	<b>4,809</b>	<b>2,377</b>	<b>2,231</b>	<b>3,751</b>	<b>2,286</b>	<b>(52.5)</b>	<b>(39.1)</b>
Less: Taxes	<b>735</b>	<b>493</b>	<b>509</b>	<b>634</b>	<b>1,165</b>	<b>726</b>	<b>599</b>	<b>1,075</b>	<b>621</b>		
Add/Less: Exceptional Items	-	-	-	-	-	-	-	-	-		
<b>PAT</b>	<b>1,605</b>	<b>688</b>	<b>91</b>	<b>1,490</b>	<b>3,644</b>	<b>1,651</b>	<b>1,632</b>	<b>2,677</b>	<b>1,665</b>	<b>(54.3)</b>	<b>(37.8)</b>
<b>PAT Margin (%)</b>	<b>4.8</b>	<b>3.0</b>	<b>0.3</b>	<b>3.5</b>	<b>7.4</b>	<b>6.3</b>	<b>5.3</b>	<b>5.6</b>	<b>4.2</b>		
Share of profit/(loss) of an associate and a JV	(310)	(332)	(361)	(383)	(294)	(323)	(324)	(320)	(259)		
Non-controlling interests	(1)	10	(28)	58	(8)	12	14	53	(2)		
<b>Reported PAT</b>	<b>1,293</b>	<b>367</b>	<b>(298)</b>	<b>1,164</b>	<b>3,342</b>	<b>1,340</b>	<b>1,321</b>	<b>2,410</b>	<b>1,405</b>	<b>(58.0)</b>	<b>(41.7)</b>
Reported PAT (%)	3.8	1.6	(1.1)	2.8	6.8	5.1	4.3	5.1	3.6		

Source: Company, Emkay Research

**Exhibit 9: Revenue/EBITDA/PAT came in 8%/41%/42% lower vs our estimates, owing to the higher-than-anticipated margin cut surprise in Q1**

Actuals vs Estimates - Q1FY26					
Consolidated (Rs mn)	Actual	Emkay Variation (%)	Consensus	Variation (%)	
Revenue	39,251	42,644	(8)	43,836	(10)
EMPS	9,218	9,001	2	na	
UCP	28,679	31,955	(10)	na	
EPS	1,354	1,688	(20)	na	
EBITDA	1,785	3,024	(41)	2,813	(37)
EBITDA Margin (%)	4.5	7.1		6.4	
EBIT	1,937	3,242	(40)	3,095	(37)
EMPS	492	315	56	na	
UCP	1,044	2,461	(58)	na	
EPS	401	466	(14)	na	
EBIT Margin (%)	4.9	7.6		7.1	
EMPS	5.3	3.5		na	
UCP	3.6	7.7		na	
EPS	29.6	27.6		na	
PAT	1,405	2,402	(42)	2,247	(37)
PAT Margin (%)	3.6	5.6		5.1	

Source: Company, Bloomberg, Emkay Research

**Exhibit 10: Revenue model: We have built in a 3% revenue decline for FY26E on the back of a weak Q1 print for UCP business, with recovery-led growth in FY27/28E**

<b>Voltas - Consolidated (Rs mn)</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
<b>Revenues</b>	<b>1,24,812</b>	<b>1,54,128</b>	<b>1,49,141</b>	<b>1,73,280</b>	<b>1,98,215</b>
<b>Growth YoY (%)</b>	<b>31</b>	<b>23</b>	<b>(3)</b>	<b>16</b>	<b>14</b>
UCP (RAC, Com Ref/AC & Air Cooler)	81,605	1,06,139	1,01,769	1,20,718	1,40,102
Growth YoY (%)	26	30	(4)	19	16
EMPS (Projects)	36,830	41,568	40,576	45,225	50,202
Growth YoY (%)	53	13	(2)	11	11
EPS (Products - Mining & Textile)	5,879	5,692	6,091	6,517	6,973
Growth YoY (%)	13	(3)	7	7	7
Gross profit	26,672	34,524	32,810	38,121	43,606
Gross margin (%)	21	22	22	22	22
EBITDA	4,746	11,162	9,526	13,005	15,465
EBITDA margin (%)	3.8	7.2	6.4	7.5	7.8
Depreciation	476	618	847	1,066	1,306
<b>EBIT</b>	<b>4,270</b>	<b>10,544</b>	<b>8,679</b>	<b>11,939</b>	<b>14,159</b>
Growth YoY (%)	(20)	147	(18)	38	19
<b>EBIT margin (%)</b>	<b>3.4</b>	<b>6.8</b>	<b>5.8</b>	<b>6.9</b>	<b>7.1</b>
UCP (RAC, Com Ref/AC & Air Cooler)	6,935	8,923	6,615	9,657	11,629
EBIT margin (%)	8.5	8.4	6.5	8.0	8.3
Growth YoY (%)	29	29	(26)	46	20
EMPS (Projects)	(3,285)	1,686	2,029	2,306	2,611
EBIT margin (%)	(8.9)	4.1	5.0	5.1	5.2
Growth YoY (%)	464	(151)	20	14	13
EPS (Products - Mining & Textile)	2,057	1,553	1,736	1,870	2,022
EBIT margin (%)	35.0	27.3	28.5	28.7	29.0
Growth YoY (%)	2	(24)	12	8	8
Other Income	2,533	3,245	3,274	3,724	4,194
Interest	559	621	610	698	810
PBT before Exceptional Item	6,244	13,168	11,344	14,965	17,543
Exceptional Item	-	-	-	-	-
PBT	6,244	13,168	11,344	14,965	17,543
Tax rate (%)	38	27	25	25	25
<b>PAT before MI</b>	<b>3,867</b>	<b>9,603</b>	<b>8,508</b>	<b>11,223</b>	<b>13,157</b>
Minority Interest	39	71	71	71	71
Share of profit/(loss) of joint ventures (net of tax)	(1,386)	(1,260)	(905)	(556)	(426)
<b>Adj. PAT</b>	<b>2,520</b>	<b>8,414</b>	<b>7,673</b>	<b>10,738</b>	<b>12,802</b>
<b>PAT margin (%)</b>	<b>2.0</b>	<b>5.5</b>	<b>5.1</b>	<b>6.2</b>	<b>6.5</b>
Growth YoY (%)	(33)	234	(9)	40	19
No. of shares (mn)	331	331	331	331	331
<b>EPS (Rs.)</b>	<b>8</b>	<b>25</b>	<b>23</b>	<b>32</b>	<b>39</b>
DPS (Rs)	6	7	7	7	7
Dividend payout (%)	72	28	30	22	18

Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquessolutions)

**Exhibit 11: We lower our FY26E margin following a weak Q1 and muted Q2 outlook, resulting in a 13% cut to FY26E earnings; we also introduce FY28E, factoring in revenue/EBITDA/PAT CAGR of 14%/19%/19%, as our long-term structural view on the stock remains unchanged**

Revision in estimates	FY26E				FY27E				FY28E	
Consolidated (Rs mn)	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Introduced	% YoY
<b>Revenue</b>	<b>1,51,349</b>	<b>1,49,141</b>	<b>(1.5)</b>	<b>(3.2)</b>	<b>1,72,997</b>	<b>1,73,280</b>	<b>0.2</b>	<b>16.2</b>	<b>1,98,215</b>	<b>14.4</b>
EMPS	40,576	40,576	(0.0)	(2.4)	45,225	45,225	0.0	11.5	50,202	11.0
UCP	1,03,967	1,01,769	(2.1)	(4.1)	1,20,437	1,20,718	0.2	18.6	1,40,102	16.1
EPS	6,091	6,091	(0.0)	7.0	6,517	6,517	0.0	7.0	6,973	7.0
<b>EBITDA</b>	<b>10,983</b>	<b>9,526</b>	<b>(13.3)</b>	<b>(14.7)</b>	<b>13,332</b>	<b>13,005</b>	<b>(2.5)</b>	<b>36.5</b>	<b>15,465</b>	<b>18.9</b>
<b>EBITDA Margin (%)</b>	<b>7.3</b>	<b>6.4</b>			<b>7.7</b>	<b>7.5</b>			<b>7.8</b>	
<b>EBIT</b>	<b>10,144</b>	<b>8,679</b>	<b>(14.4)</b>	<b>(17.7)</b>	<b>12,276</b>	<b>11,939</b>	<b>(2.7)</b>	<b>37.6</b>	<b>14,159</b>	<b>18.6</b>
EMPS	1,623	2,029	25.0	20.3	2,283	2,306	1.0	13.7	2,611	13.2
UCP	8,525	6,615	(22.4)	(25.9)	10,062	9,657	(4.0)	46.0	11,629	20.4
EPS	1,705	1,736	1.8	11.8	1,825	1,870	2.5	7.8	2,022	8.1
<b>EBIT Margin (%)</b>	<b>6.7</b>	<b>5.8</b>			<b>7.1</b>	<b>6.9</b>			<b>7.1</b>	
EMPS	4.0	5.0			5.0	5.1			5.2	
UCP	8.2	6.5			8.4	8.0			8.3	
EPS	28.0	28.5			28.0	28.7			29.0	
<b>PAT</b>	<b>8,838</b>	<b>7,673</b>	<b>(13.2)</b>	<b>(8.8)</b>	<b>11,033</b>	<b>10,738</b>	<b>(2.7)</b>	<b>39.9</b>	<b>12,802</b>	<b>19.2</b>
<b>PAT Margin (%)</b>	<b>5.8</b>	<b>5.1</b>			<b>6.4</b>	<b>6.2</b>			<b>6.5</b>	

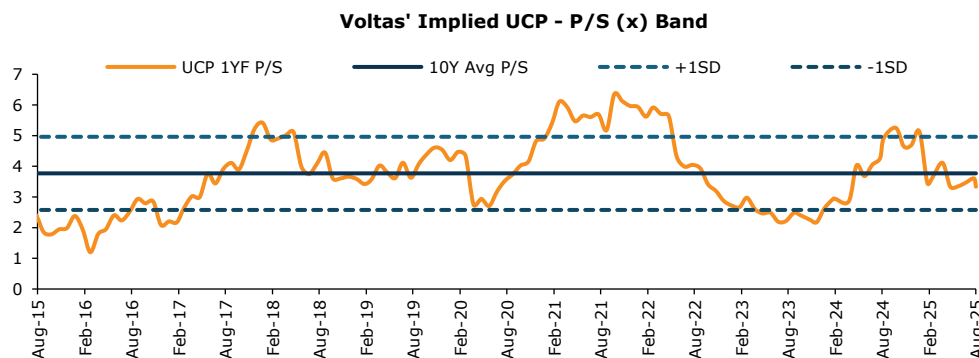
Source: Company, Emkay Research

**Exhibit 12: We value the UCP/EMPS/EPS segments at 50x/15x/15x, respectively, and roll forward our valuation to Jun-27E; our target price remains unchanged at Rs1,450**

Particulars	Jun-27E PAT	PER (x)	Rs mn	Contri % to SOTP
UCP	8,228	50	4,11,413	86
EMPS	1,931	15	28,971	6
EPS	1,547	15	23,207	5
<b>Total MCAP</b>	<b>11,707</b>		<b>4,63,592</b>	
Number of Shares			331	
<b>Target Price (Rs)</b>			<b>1,401</b>	
<b>Value of VoltBek (Rs) at P/S of 0.75x</b>			<b>37</b>	<b>3</b>
<b>Total Value (Rs) – Rounded Off</b>			<b>1,450</b>	<b>100</b>
<b>CMP (Rs)</b>			<b>1,305</b>	
Upside (%)			11	

Source: Company, Emkay Research

**Exhibit 13: Voltas' UCP 1YF P/S trades at ~3.3x below its 10Y average UCP P/S**



Source: Company, Bloomberg, Emkay Research

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

Voltas: Consolidated Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	124,812	154,128	149,141	173,280	198,215
Revenue growth (%)	31.4	23.5	(3.2)	16.2	14.4
EBITDA	4,746	11,162	9,526	13,005	15,465
EBITDA growth (%)	(17.1)	135.2	(14.7)	36.5	18.9
Depreciation & Amortization	476	618	847	1,066	1,306
EBIT	4,270	10,544	8,679	11,939	14,159
EBIT growth (%)	(19.8)	146.9	(17.7)	37.6	18.6
Other operating income	-	-	-	-	-
Other income	2,533	3,245	3,274	3,724	4,194
Financial expense	559	621	610	698	810
PBT	6,244	13,168	11,344	14,965	17,543
Extraordinary items	0	0	0	0	0
Taxes	2,377	3,565	2,836	3,741	4,386
Minority interest	39	71	71	71	71
Income from JV/Associates	(1,386)	(1,260)	(905)	(556)	(426)
Reported PAT	2,520	8,414	7,673	10,738	12,802
PAT growth (%)	86.6	233.9	(8.8)	39.9	19.2
Adjusted PAT	2,520	8,414	7,673	10,738	12,802
Diluted EPS (Rs)	7.6	25.4	23.2	32.5	38.7
Diluted EPS growth (%)	(33.5)	233.9	(8.8)	39.9	19.2
DPS (Rs)	4.3	5.5	7.0	7.0	7.0
Dividend payout (%)	56.8	21.6	30.2	21.6	18.1
EBITDA margin (%)	3.8	7.2	6.4	7.5	7.8
EBIT margin (%)	3.4	6.8	5.8	6.9	7.1
Effective tax rate (%)	38.1	27.1	25.0	25.0	25.0
NOPLAT (pre-IndAS)	2,645	7,690	6,509	8,954	10,619
Shares outstanding (mn)	331	331	331	331	331

Source: Company, Emkay Research

Cash flows					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	4,858	11,908	10,438	14,409	17,117
Others (non-cash items)	3,036	(1,349)	(3,274)	(3,724)	(4,194)
Taxes paid	(2,115)	(3,107)	(2,836)	(3,741)	(4,386)
Change in NWC	801	(10,932)	(502)	(3,124)	(3,235)
Operating cash flow	7,615	(2,241)	5,282	5,584	7,417
Capital expenditure	(2,883)	(1,907)	(3,906)	(4,294)	(4,389)
Acquisition of business	-	-	-	-	-
Interest & dividend income	835	1,309	3,274	3,724	4,194
Investing cash flow	(5,224)	1,579	(632)	(570)	(195)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	974	1,500	(289)	1,113	1,402
Payment of lease liabilities	-	-	-	-	-
Interest paid	(555)	(610)	(610)	(698)	(810)
Dividend paid (incl tax)	(1,432)	(1,820)	(2,316)	(2,316)	(2,316)
Others	(149)	(67)	0	0	0
Financing cash flow	(1,163)	(997)	(3,214)	(1,900)	(1,723)
Net chg in Cash	1,228	(1,659)	1,437	3,114	5,500
OCF	7,615	(2,241)	5,282	5,584	7,417
Adj. OCF (w/o NWC chg.)	6,814	8,690	5,785	8,708	10,653
FCFF	4,732	(4,149)	1,376	1,290	3,029
FCFE	5,008	(3,460)	4,041	4,316	6,413
OCF/EBITDA (%)	160.4	(20.1)	55.5	42.9	48.0
FCFE/PAT (%)	198.7	(41.1)	52.7	40.2	50.1
FCFF/NOPLAT (%)	178.9	(53.9)	21.1	14.4	28.5

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	331	331	331	331	331
Reserves & Surplus	57,874	64,802	70,088	78,440	88,856
Net worth	58,205	65,133	70,419	78,771	89,187
Minority interests	337	271	271	271	271
Non-current liab. & prov.	176	140	140	140	140
Total debt	7,133	8,633	8,344	9,458	10,860
Total liabilities & equity	66,154	74,462	79,460	88,926	100,743
Net tangible fixed assets	4,351	8,638	11,495	14,466	17,249
Net intangible assets	56	34	15	31	88
Net ROU assets	348	340	331	319	304
Capital WIP	3,675	824	1,053	1,305	1,563
Goodwill	723	723	723	723	723
Investments [JV/Associates]	14,385	2,070	2,070	2,070	2,070
Cash & equivalents	29,221	37,145	38,581	41,695	47,195
Current assets (ex-cash)	67,186	81,304	80,045	90,872	102,056
Current Liab. & Prov.	53,790	56,614	54,853	62,556	70,505
NWC (ex-cash)	13,396	24,689	25,192	28,316	31,551
Total assets	66,154	74,462	79,460	88,926	100,743
Net debt	(22,088)	(28,512)	(30,237)	(32,237)	(36,335)
Capital employed	66,154	74,462	79,460	88,926	100,743
Invested capital	18,526	34,084	37,425	43,536	49,611
BVPS (Rs)	176.0	196.9	212.9	238.1	269.6
Net Debt/Equity (x)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Net Debt/EBITDA (x)	(4.7)	(2.6)	(3.2)	(2.5)	(2.3)
Interest coverage (x)	12.2	22.2	19.6	22.4	22.7
RoCE (%)	6.7	15.1	11.3	14.3	15.0

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	171.3	51.3	56.3	40.2	33.7
EV/CE(x)	6.2	5.4	5.1	4.5	3.9
P/B (x)	7.4	6.6	6.1	5.5	4.8
EV/Sales (x)	3.3	2.6	2.7	2.3	2.0
EV/EBITDA (x)	86.3	36.1	42.1	30.7	25.6
EV/EBIT(x)	95.9	38.2	46.3	33.5	27.9
EV/IC (x)	22.1	11.8	10.7	9.2	8.0
FCFF yield (%)	1.2	(1.0)	0.3	0.3	0.8
FCFE yield (%)	1.2	(0.8)	0.9	1.0	1.5
Dividend yield (%)	0.3	0.4	0.5	0.5	0.5
DuPont-RoE split					
Net profit margin (%)	2.0	5.5	5.1	6.2	6.5
Total asset turnover (x)	2.0	2.2	1.9	2.1	2.1
Assets/Equity (x)	1.1	1.1	1.1	1.1	1.1
RoE (%)	4.5	13.6	11.3	14.4	15.2
DuPont-RoIC					
NOPLAT margin (%)	2.1	5.0	4.4	5.2	5.4
IC turnover (x)	6.2	5.9	4.2	4.3	4.3
RoIC (%)	13.2	29.2	18.2	22.1	22.8
Operating metrics					
Core NWC days	39.2	58.5	61.7	59.6	58.1
Total NWC days	39.2	58.5	61.7	59.6	58.1
Fixed asset turnover	14.6	13.5	9.4	8.8	8.3
Opex-to-revenue (%)	17.6	15.2	15.6	14.5	14.2

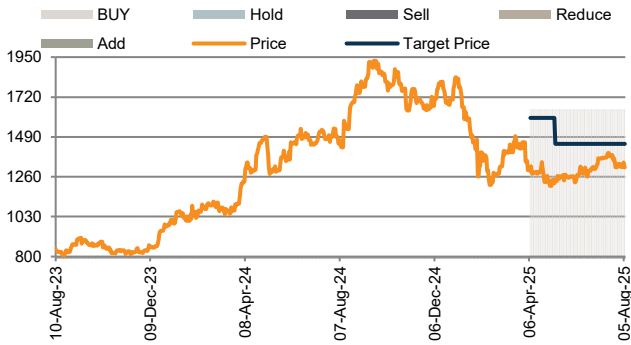
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
18-Jun-25	1,292	1,450	Buy	Chirag Jain
28-May-25	1,258	1,450	Buy	Chirag Jain
09-May-25	1,236	1,450	Buy	Chirag Jain
07-Apr-25	1,295	1,600	Buy	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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