

Electronic Manufacturing Services

Jul-Sep'26
Earnings
Preview

October 07, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
Amber Enterprises India	BUY	6,925	9,234
Avalon Technologies	Reduce	2,430	1,786
Cyient DLM	Reduce	988	878
Kaynes Technology India	BUY	3,365	4,280
Syrma SGS Technology	HOLD	1,747	1,827

EMS Growth to Remain Strong, Margins to Improve

Quick Pointers

- EMS universe expected to deliver 26.0% YoY growth in Q2FY27, with Syrma outperforming.
- AMBER is expected to grow ~24.0% YoY, with the CD segment expected to grow 11.0% YoY.

Electronics manufacturing services (EMS) companies under our coverage are expected to post healthy YoY revenue growth of 26.0% in Q2FY27, driven by strong revenue momentum in CYIENTDL, SYRMA and AVAL, with YoY revenue growth of 27.2%, ~50% and 30.0%, respectively. We expect margins to expand by 30bps to 9.9% for the EMS universe. Overall, profit is expected to grow 8.6% YoY. We expect SYRMA to outperform in terms of both revenue and earnings growth. Looking ahead, we expect pickup in order book across companies, supported by their strategic focus on higher margin sectors and orders, which should further support margin expansion in the coming quarters.

We expect our EMS universe to register sales/EBITDA/PAT growth of 26.0%/29.6%/8.6% YoY in Q2FY27, on the back of robust order execution. We continue our positive view on EMS companies that will see healthy growth and continuous expansion in opportunity market.

EMS coverage universe to maintain healthy growth: Our EMS coverage companies focused on PCBA & box-build manufacturing (incl. AMBER's Electronics segment) are expected to report healthy revenue growth of 29.6% YoY in Q2FY27. AMBER's EMS business is likely to post 40.0% growth with consolidation of inorganic expansion. SYRMA's revenue is expected to grow by ~50.0% YoY, driven by the Auto/Industrial/Consumer to grow by 70%/60%/45% YoY, contribute ~27%/25% /31% to the topline. SYRMA is likely to outperform, driven by strong revenue growth and robust earnings growth, with EBITDA/PAT rising 49.0%/66.3% YoY. EBITDA margin is expected to remain flat YoY.

AVAL is expected to grow by 30.0% YoY, with Mobility/Industrial/Clean Energy segment to grow by 21%/20%/81% YoY. CYIENTDL is expected to report revenue growth of 27.2% YoY, driven by strong growth in the Industrial (30%) and Aerospace (37%) segments. Healthy order momentum is expected to continue, supported by a book-to-bill ratio of 1.7x.

KAYNES is expected to report ~3.0% YoY revenue decline, mainly due to lower contribution from the Industrial segment, including smart metering, which accounted for ~55.0% of FY26 revenue. Smart meter revenue declined 12.0% YoY in Q1FY27 as the company reduced supplies amid high receivables and weak collections. However, order visibility remains strong. Excluding smart metering, core EMS is expected to grow ~25.0% YoY, with Automotive, IT and Aerospace expected to grow 14.3%/64.6%/~72.0% YoY. OSAT and PCB businesses are likely to start contributing from Q3FY27.

In Q1FY27, margins across the coverage universe are expected to expand by ~30bps YoY to 9.9%, AVAL /CYIENTDL/SYRMA are expected to see PAT growth of 43.2%/65.0%/66.3% YoY. However, in KAYNES PAT is expected to decline by 59.2% YoY, primarily due to margin contraction, AMBER is expected to post a PAT loss of INR 59mn

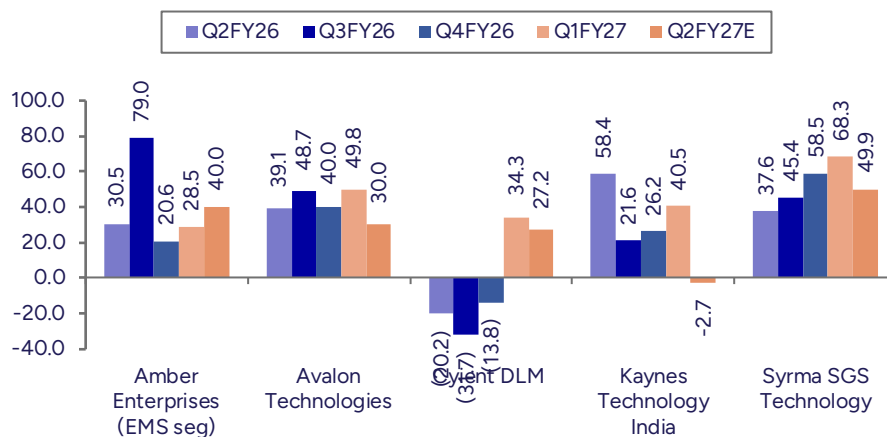
Key changes in ratings/TP: As we roll forward our TP to Sep'28E and introduce FY29 numbers, we revise our TP for all the coverage companies. Further, we upgrade our rating for KAYNES to 'BUY' from 'ACCUMULATE' and downgrade our rating for CYIENTDL to 'REDUCE' from 'HOLD' following the recent run-up in its stock price.

Exhibit 1: Coverage companies' financials

	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27E	YoY gr. (%)
Revenue (INR mn)										
Amber Enterprises	16847	21333	37537	34491	16470	29428	41475	38877	20436	24.1
Avalon Technologies	2,750	2,809	3,428	3,233	3,825	4,175	4,799	4,844	4,972	30.0
Cyient DLM	3,895	4,442	4,281	2,784	3,106	3,033	3,691	3,738	3,951	27.2
Kaynes Technology India	5,721	6,612	9,845	6,735	9,062	8,040	12,426	9,460	8,815	-2.7
Syrma SGS Technology	8,327	8,697	9,244	9,440	11,459	12,642	14,650	15,886	17,172	49.9
EBITDA margin (%)										
										<i>bps change</i>
Amber Enterprises	6.8	7.4	7.9	7.4	5.5	8.4	8.6	8.0	7.7	216
Avalon Technologies	11.0	12.3	12.1	9.2	10.1	11.5	11.8	12.0	11.4	130
Cyient DLM	8.1	6.3	13.4	9.0	10.0	10.2	11.7	10.5	10.4	36
Kaynes Technology India	14.4	14.2	17.1	16.8	16.3	14.8	15.6	15.6	14.0	-238
Syrma SGS Technology	8.5	9.1	11.6	9.2	10.1	12.6	11.9	10.2	10.0	-6
PAT (INR mn)										
										<i>YoY gr. (%)</i>
Amber Enterprises	192	359	1,161	1,039	-329	759	699	1,449	-59	NA
Avalon Technologies	175	240	243	142	250	326	412	349	358	43.2
Cyient DLM	106	155	110	310	75	126	147	239	163	118.2
Kaynes Technology India	602	665	1,162	746	1,214	766	912	564	495	-59.2
Syrma SGS Technology	396	380	654	497	641	1,028	1,012	1,001	1,065	66.3

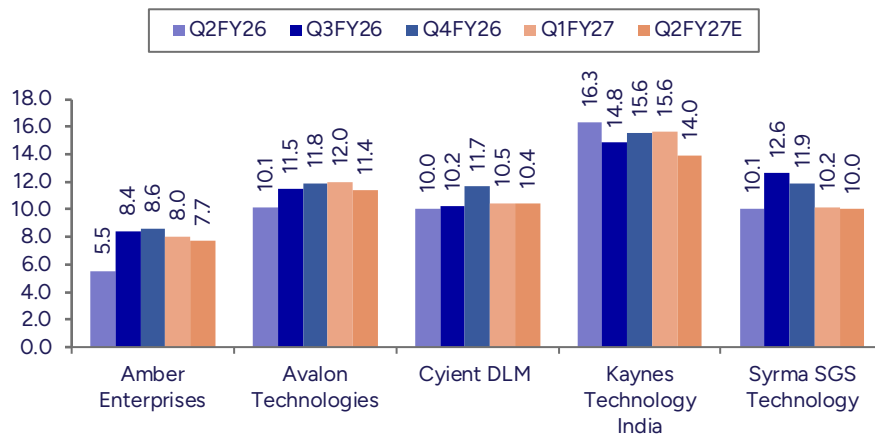
Source: Company, PL

Exhibit 2: Healthy revenue growth of 26.0% YoY in Q2FY27E



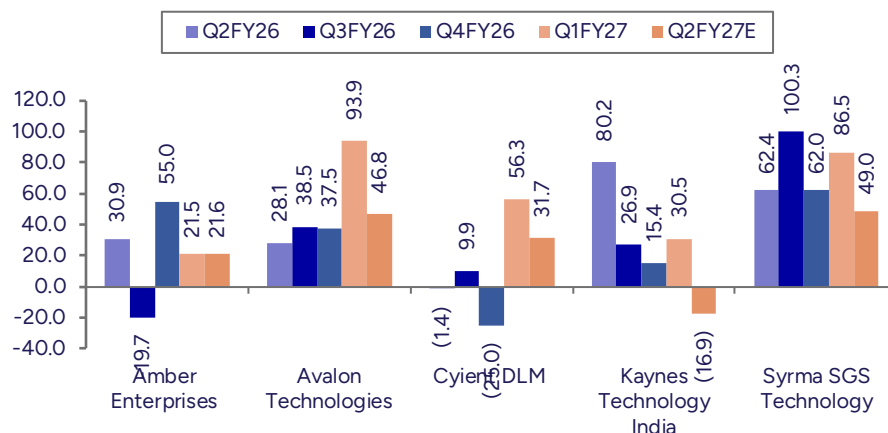
Source: Company, PL

Exhibit 3: EBITDA margin to expand by ~30bps to 9.9% YoY



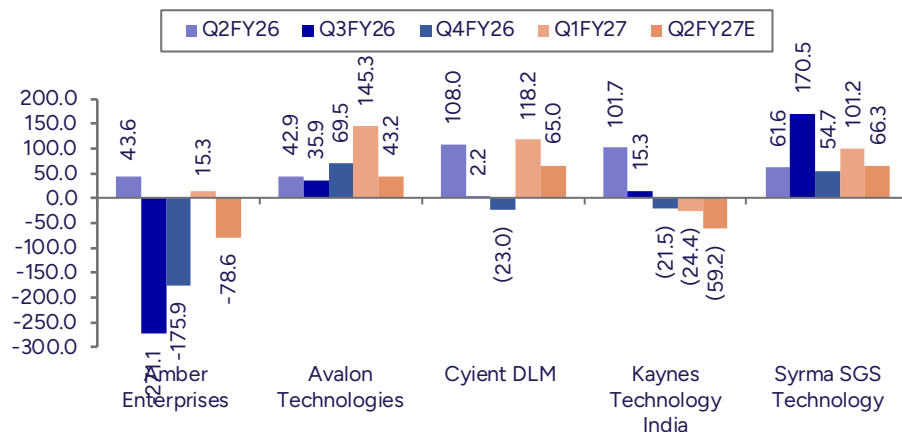
Source: Company, PL

Exhibit 4: Healthy EBITDA growth of 29.6% YoY



Source: Company, PL

Exhibit 5: PAT growth of 8.6% YoY with margin of 3.7%



Source: Company, PL

Exhibit 6: Q2FY27 Result Preview (INR mn)

Company Name		Q2FY27E	Q2Y26	YoY gr. (%)	Q1FY27	QoQ gr. (%)	Remark
Amber Enterprises India	Sales	20,436	16,470	24.1	38,877	(47.4)	We expect sales to grow by 24.1% YoY. CD/Electronics/Railway segment revenue to grow by 11.0%/40.0%/22.0% YoY. EBITDA margin to remain stable at 7.7%
	EBITDA	1,574	913	72.4	3,121	(49.6)	
	Margin (%)	7.7	5.5	216 bps	8.0	-33 bps	
	PBT	136	(403)	NA	1,666	(91.8)	
	Adj. PAT	-59	(329)	NA	1,449	NA	
Avalon Technologies	Sales	4,972	3,825	30.0	4,844	2.6	We expect sales growth of 30.0% YoY. Mobility/Industrial/Clean Energy segment to grow by 21%/20%/81% YoY. EBITDA margin to expand by 130 bps to 11.4%. PAT is expected to grow by 43.2% YoY
	EBITDA	567	386	46.8	580	(2.2)	
	Margin (%)	11.4	10.1	130 bps	12.0	-56 bps	
	PBT	478	336	42.4	487	(1.9)	
	Adj. PAT	358	250	43.2	349	2.6	
Cyient DLM	Sales	3,951	3,106	27.2	3,738	5.7	We expects sales to grow by 27.2% YoY. Margins are expected to expand by ~40bps YoY to 10.4%. PBT decline 28%YoY due one off exception gain of Rs 195mn in Q2FY26, while adjusting for one off Adj PAT expected up 65% YoY.
	EBITDA	411	312	31.7	392	4.9	
	Margin (%)	10.4	10.0	36 bps	10.5	-8 bps	
	PBT	264	169	56.3	222	18.9	
	Adj. PAT	207	126	65.0	163	27.3	
Kaynes Technology India	Sales	8,815	9,062	-2.7	9,460	(6.8)	We expect sales to decline by ~3% YoY, Automotive/IT/Aerospace is expected to grow by 14.3%/64.6%/~72%YoY, respectively. Margins are likely to contract by 240bps to 14.0%, with PAT expected to declined by 59% YoY.
	EBITDA	1,230	1,480	(16.9)	1,476	(16.7)	
	Margin (%)	14.0	16.3	-238 bps	15.6	-165 bps	
	PBT	660	1,517	(56.5)	879	(24.9)	
	Adj. PAT	495	1,214	(59.2)	564	(12.3)	
Syrma SGS Technology	Sales	17,172	11,459	49.9	15,886	8.1	We expect sales to grow by ~50% YOY. Auto/Industrial/Consumer to grow by 70%/60%/45% YoY respectively. Margin is expected to remained flat at 10.0%. PAT to grow by 66.3% YoY
	EBITDA	1,717	1,152	49.0	1,616	6.3	
	Margin (%)	10.0	10.1	-6 bps	10.2	-17 bps	
	PBT	1,487	895	66.2	1,408	5.6	
	Adj. PAT	1,065	641	66.3	1,001	6.4	

Source: Company, PL

Exhibit 7: Valuation Summary

Company Name	C/S	Rating	CMP (INR)	TP (INR)	Mcap (INR bn)	Sales (INR mn)				EBITDA (INR mn)				Adj. PAT (INR mn)				EPS (INR)				RoE (%)				PE (x)			
						FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E
Amber Enterprises India	C	BUY	6,925	9,234	243.7	1,21,865	1,50,210	2,43,488	3,35,505	9,523	12,663	16,630	22,915	2,167	4,641	6,548	9,621	61.6	131.9	186.1	273.4	6.5	10.2	13.0	18.0	112.4	52.5	37.2	25.3
Avalon Technologies	C	Reduce	2,430	1,786	162.2	16,032	21,736	28,778	37,922	1,733	2,500	3,439	4,626	1,129	1,598	2,258	3,133	16.9	23.9	33.8	46.9	16.9	19.9	22.7	24.8	143.6	101.5	71.8	51.8
Cyient DLM	C	Reduce	988	878	78.4	12,615	16,703	21,780	28,321	1,268	1,812	2,428	3,186	733	964	1,321	1,827	9.2	12.1	16.6	23.0	7.5	8.8	10.7	13.1	107.0	81.4	59.4	42.9
Kaynes Technology India	C	BUY	3,365	4,280	225.6	36,264	47,661	65,582	89,382	5,740	6,863	10,165	13,854	3,639	3,441	5,210	7,711	54.3	51.3	77.7	115.0	9.6	7.0	9.8	12.9	62.0	65.6	43.3	29.3
Syrma SGS Technology	C	HOLD	1,747	1,827	336.5	48,191	72,640	94,397	1,22,691	5,445	7,502	9,938	13,530	3,178	4,729	6,347	8,801	16.5	24.6	32.9	45.7	13.8	15.0	16.9	19.6	105.9	71.1	53.0	38.2

Source: Company, PL C=Consolidated / S=Standalone

Exhibit 8: Change in Estimates

	Rating		Target Price			Sales (INR mn)						PAT (INR mn)						EPS (INR)					
						FY27E			FY28E			FY27E			FY28E			FY27E			FY28E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Amber Enterprises India	BUY	BUY	9,234	9,244	-0.1%	1,50,210	1,50,317	-0.1%	2,43,488	2,45,127	-0.7%	4,641	4,944	-6.1%	6,548	7,002	-6.5%	131.9	140.5	-6.1%	186.1	199.0	-6.5%
Avalon Technologies	Reduce	Reduce	1,786	1,470	21.5%	21,736	21,736	0.0%	28,778	27,851	3.3%	1,598	1,598	0.0%	2,258	2,179	3.6%	23.9	23.9	0.0%	33.8	32.6	3.6%
Cyient DLM	Reduce	HOLD	878	875	0.3%	16,703	16,703	0.0%	21,780	21,780	0.0%	964	964	0.0%	1,321	1,318	0.2%	12.1	12.1	0.0%	16.6	16.6	0.2%
Kaynes Technology India	BUY	Accumulate	4,280	4,390	-2.5%	47,661	51,106	-6.7%	65,582	72,701	-9.8%	3,441	4,197	-18.0%	5,210	5,833	-10.7%	51.3	62.6	-18.0%	77.7	87.0	-10.7%
Syrma SGS Technology	HOLD	HOLD	1,827	1,409	29.6%	72,640	72,243	0.6%	94,397	90,052	4.8%	4,729	4,839	-2.3%	6,347	6,032	5.2%	24.6	25.1	-2.3%	32.9	31.3	5.2%

Source: PL C = Current / P = Previous

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Amber Enterprises India	Buy	9244	7222
2	Astral	Buy	1593	1362
3	Avalon Technologies	Reduce	1470	1823
4	Bajaj Electricals	HOLD	302	299
5	Blue Star	Buy	1797	1510
6	Cello World	Buy	428	340
7	Century Plyboard (I)	Buy	871	678
8	Cera Sanitaryware	Buy	7548	5057
9	Crompton Greaves Consumer Electricals	Buy	294	212
10	Cyient DLM	HOLD	875	889
11	Finolex Industries	Buy	226	149
12	Greenpanel Industries	Buy	271	160
13	Havells India	Buy	1309	1047
14	Kajaria Ceramics	Buy	1458	1215
15	Kaynes Technology India	Accumulate	4390	3856
16	KEI Industries	Buy	5961	4638
17	LG Electronics India	Accumulate	1870	1771
18	Polycab India	Buy	10786	8080
19	Premier Energies	Accumulate	1131	1047
20	R R Kabel	HOLD	2725	2648
21	Supreme Industries	Buy	4414	3399
22	Syrma SGS Technology	HOLD	1409	1378
23	Vikram Solar	Accumulate	173	157
24	Voltas	Buy	1251	1061
25	Waaree Energies	BUY	3280	2625

PL's Recommendation Nomenclature (Absolute Performance)

BUY	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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