

## Cooling demand accelerates amid rising copper prices

- Extended summer to drive cooling-led demand off a weak base, with refrigerators and washing machines also strong
- Copper pass-through lifts W&C realisations, keeping value growth ahead of volume with margins largely protected
- We expect input-cost inflation and price hikes to compress cooling and appliance margins as pass-through stays incomplete

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**RAC demand improves YoY on an early and extended summer:** Weak 2025 demand and an early, intense summer drove strong primary sales, with a stalled monsoon leaving northern and central markets hot through one of the driest Junes on record and extending demand later than usual. RAC volumes are likely up high-teens/~20% YoY though input and price-hike costs weighed on margins.

**W&C demand stays healthy; copper inflates value growth:** W&C value growth likely overstated underlying demand as elevated copper prices lifted realisations. Steady execution across power, railways and real estate supported volumes, but much of the gap between ~25% value growth and single digit volume growth was likely driven by copper pass-through and some channel stocking rather than stronger end-demand.

**Fans and lighting led by mix rather than volume:** Fan demand followed the same April-May-then-June pattern as ACs, with the structural driver being the shift to BLDC on mandatory star-labelling, which raises ASPs. Lighting profitability is stabilising as LED price erosion eases, allowing value growth to exceed volume, aided by a higher share of decorative and smart lighting.

**EMS growth continues; component capex weighs on near-term returns:** Assembly volumes were muted due to rising input prices. The shift towards backward integration into components continues but involves margin dilution due to increasing competitive intensity amid absence of PLI incentives. Revenue growth remains high; incremental returns, rather than revenue, are the key monitorable.

**Margins to decline as input costs stay elevated:** Copper held near record levels through the quarter and aluminium touched multi-year highs on West Asia-led supply disruption before easing in late June, with copper and aluminium up ~42/43% and rupee depreciation adding to imported-component costs. Despite better pass-through than last quarter, adverse input costs and currency together should drive YoY margin compression across the cooling and W&C space.



**Fig 1 – BOBCAPS Consumer Durables universe: Q1FY27 snapshot**

Companies	Revenue (Rs mn)					EBITDA (Rs mn)					EBITDA margin (%)			PAT (Rs mn)				
	Q1FY27E	Q1FY26	Q4FY26	YoY (%)	QoQ (%)	Q1FY27E	Q1FY26	Q4FY26	YoY (%)	QoQ (%)	Q1FY27E	Q1FY26	Q4FY26	Q1FY27E	Q1FY26	Q4FY26	YoY (%)	QoQ (%)
VOLT	51,444	39,386	48,878	30.6	5.2	3,542	1,785	2,207	98.4	60.5	6.9	4.5	4.5	2,707	1,405	1,162	92.7	133.0
BLSTR	36,949	29,823	40,721	23.9	(9.3)	2,614	2,000	3,263	30.7	(19.9)	7.1	6.7	8.0	1,536	1,208	2,097	27.1	(26.7)
POLYCAB	78,237	59,060	88,645	32.5	(11.7)	9,921	8,576	11,613	15.7	(14.6)	12.7	14.5	13.1	6,697	5,921	7,728	13.1	(13.3)
CROMPTON	22,528	19,983	22,833	12.7	(1.3)	2,058	1,917	2,707	7.4	(24.0)	9.1	9.6	11.9	1,323	1,223	1,821	8.2	(27.3)
HAVL	67,156	54,554	67,052	23.1	0.2	6,953	5,157	7,263	34.8	(4.3)	10.4	9.5	10.8	4,752	3,477	4,708	36.7	0.9
ORIENTEL	8,755	7,691	9,483	13.8	(7.7)	631	461	774	37.0	(18.4)	7.2	6.0	8.2	305	175	418	73.8	(27.1)
VGUARD	17,462	14,661	17,553	19.1	(0.5)	1709	1,236	1,707	38.3	0.1	9.8	8.4	9.7	1039	739	1,121	40.7	(7.3)
KEI	33,414	25,903	34,764	29.0	(3.9)	3729	2,578	3,816	44.6	(2.3)	11.2	10.0	11.0	2621	1,956	2,843	34.0	(7.8)
DIXON	1,16,332	1,28,357	1,05,105	(9.4)	10.7	3,916	4,824	4,084	(18.8)	(4.1)	3.4	3.8	3.9	1,688	2,250	2,564	(25.0)	(34.2)
AMBER	46,211	34,491	41,475	34.0	11.4	3,475	2,567	3,582	35.4	(3.0)	7.5	7.4	8.6	1,235	1,039	699	18.9	76.9
SYRMA	13,808	9,440	14,650	46.3	(5.7)	1,256	866	1,741	45.0	(27.9)	9.1	9.2	11.9	745	497	1,024	49.7	(27.3)
PGEL	20,768	15,039	17,167	38.1	21.0	1505	1,212	1,188	24.1	26.7	7.2	8.1	6.9	902	670	649	34.7	39.1
EPACK	8,582	6,624	5,910	29.6	45.2	575	546	258	5.2	122.3	6.7	8.2	4.4	227	229	0	(0.8)	NA
<b>Total</b>	<b>5,21,646</b>	<b>4,45,010</b>	<b>5,14,235</b>	<b>17.2</b>	<b>1.4</b>	<b>41,883</b>	<b>33,726</b>	<b>44,203</b>	<b>24.2</b>	<b>(5.2)</b>	<b>8.0</b>	<b>7.6</b>	<b>8.6</b>	<b>25,778</b>	<b>20,788</b>	<b>26,832</b>	<b>24.0</b>	<b>(3.9)</b>

Source: Company, BOBCAPS Research

**Fig 2 – Quarterly revenue growth trend**

YoY (%)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27E
VOLT	29.7	30.9	42.1	46.5	14.2	18.3	13.4	(20.0)	(10.4)	(1.1)	2.5	30.6
BLSTR	19.9	24.9	26.8	28.7	20.4	25.3	20.8	4.1	6.4	4.2	1.3	23.9
POLYCAB	0.0	16.8	29.3	20.8	30.4	20.4	24.9	25.7	17.7	46.1	26.9	32.5
CROMPTON	4.9	11.6	9.5	13.9	6.4	4.5	5.1	(6.5)	1.0	7.3	10.8	12.7
HAVL	6.0	6.9	12.0	20.1	16.4	10.8	20.2	(6.0)	5.3	14.3	2.5	23.1
ORIENTEL	11.0	1.7	19.7	7.0	16.4	8.6	9.4	1.9	6.4	11.0	10.0	13.8
VGUARD	15.0	18.8	17.8	21.6	14.1	8.9	14.5	(0.7)	3.6	10.6	14.1	19.1
KEI	21.1	15.4	18.7	15.6	17.1	20.0	25.7	25.7	19.6	19.5	19.3	29.0
DIXON	27.8	100.4	52.0	101.1	133.3	117.0	121.0	95.1	28.8	2.1	2.1	(9.4)
AMBER	23.5	(4.0)	(6.6)	41.1	81.7	64.8	33.8	43.6	(2.2)	37.9	10.5	34.0
SYRMA	52.4	37.9	66.9	92.9	17.0	23.0	(18.5)	(18.6)	37.6	45.4	58.5	46.3
PGEL	37.2	15.8	30.0	94.9	45.8	81.9	77.4	13.9	(2.4)	45.9	(10.1)	38.1
EPACK	NA	1.8	(17.7)	77.2	111.7	35.0	22.4	(14.4)	(43.4)	13.5	(8.1)	29.6

Source: Company, BOBCAPS Research

**Fig 3 – Quarterly EBITDA margin trend**

YoY (%)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27E
VOLT	3.1	1.1	4.5	8.6	6.2	6.4	7.0	4.5	3.0	3.0	5.8	6.9
BLSTR	6.5	6.9	7.3	8.3	6.6	7.5	7.0	6.7	7.6	7.6	7.5	7.1
POLYCAB	14.4	13.1	13.6	12.4	11.5	13.8	14.7	14.5	15.7	15.7	12.7	12.7
CROMPTON	9.8	8.8	10.4	10.9	10.7	10.6	12.8	9.6	8.3	8.3	10.3	9.1
HAVL	9.5	9.8	11.7	9.9	8.3	8.7	11.6	9.5	9.2	9.2	9.2	10.4
ORIENTEL	3.6	6.5	3.9	5.3	5.4	7.5	7.8	6.0	5.4	5.4	7.5	7.2
VGUARD	8.2	8.7	9.5	10.5	8.5	8.2	9.3	8.4	8.1	8.1	8.8	9.8
KEI	10.5	10.4	10.5	10.4	9.7	9.9	10.3	10.0	9.9	9.9	10.8	11.2
DIXON	4.0	3.8	3.9	3.8	3.7	3.7	4.3	3.8	3.8	3.8	3.9	3.4
AMBER	6.4	6.1	7.9	8.2	6.8	7.4	7.9	7.4	5.5	5.5	8.4	7.5
SYRMA	6.9	5.5	6.5	3.8	8.5	9.1	11.6	9.2	10.1	10.1	12.6	9.1
PGEL	8.2	7.9	10.8	9.9	8.4	8.8	11.1	8.1	4.6	8.3	6.9	7.2
EPACK	4.3	8.5	10.5	6.7	2.5	6.4	11.2	8.2	0.3	7.4	4.4	6.7

Source: Company, BOBCAPS Research

**Fig 4 – Quarterly PAT growth trend**

YoY (%)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27E
VOLT	(63.0)	(212.6)	(19.1)	158.5	265.3	(534.5)	107.0	(58.0)	(74.4)	(15.7)	(51.8)	92.7
BLSTR	66.2	72.0	192.9	102.3	35.8	19.4	21.5	(28.4)	2.8	14.1	8.1	27.1
POLYCAB	58.4	15.2	27.3	(0.3)	3.6	11.5	32.7	49.3	54.5	35.7	7.0	13.1
CROMPTON	(22.7)	(0.4)	(2.0)	28.2	28.5	29.4	31.9	(19.4)	(26.7)	7.7	7.5	8.2
HAVL	32.4	1.5	24.8	42.0	8.2	(3.5)	15.9	(14.7)	17.3	24.4	(9.1)	36.7
ORIENTEL	NA	(25.3)	(48.0)	(27.2)	NA	11.7	144.2	22.2	15.5	27.5	33.7	73.8
VGUARD	35.0	48.2	44.5	54.1	7.5	3.4	19.6	(25.4)	3.0	31.5	23.0	40.7
KEI	31.3	17.2	22.1	23.8	10.4	9.4	34.3	30.2	31.5	42.5	25.5	34.0
DIXON	39.4	85.9	18.1	103.9	68.0	77.5	58.1	68.3	(3.3)	(8.9)	70.4	(25.0)
AMBER	NA	(103.6)	(4.8)	58.6	NA	NA	17.2	0.4	(270.7)	111.5	(39.8)	18.9
SYRMA	5.4	(40.9)	5.5	(28.2)	29.9	172.5	58.0	145.5	67.3	106.2	68.5	49.7
PGEL	72.3	39.6	73.2	147.6	56.3	106.2	108.8	(20.0)	(85.7)	56.7	(55.3)	34.7
EPACK	(3.4)	1.8	5.3	3.0	(2.3)	0.7	5.9	3.5	(10.4)	0.6	0.0	(0.8)

Source: Company, BOBCAPS Research

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