CONSUMER DURABLES | Q2FY26 Preview | 10 October 2025

Weak demand, inventory overhang; margins tight

- **Weak demand and elevated channel inventory, along with GST deferring demand to quarter end; margin pressure likely**
- **Wires & cables continue to outperform, driven by improving construction activity and continued stocking**
- **Growth momentum in EMS intact, growth normalizes to double digit in Dixon as the high base kicks in**

Vineet Shanker
Research Analyst
research@bobcaps.in

Weak demand in CD, W&C outshines: Demand in consumer durables stayed weak, with the GST rate cut deferring RAC purchases by ~4-5 weeks. We see RAC softness, Voltas/Blue Star UCP sales to decline 7-10% YoY, Lloyd to decline 8% YoY (Voltas cushioned by wider reach) and margins flat to slightly lower on tepid volumes/promos. Wires & Cables is the bright spot (+17-19% YoY) on restocking, gov't capex and higher copper prices. EMS is mixed: Dixon ~+23% YoY (Mobiles ~+35%), Amber's CD to decline 5% YoY but outperforming via client adds/commercial AC. Elevated channel inventory keeps Q4FY26 primary billing risk if secondary offtake doesn't normalize.

Weak demand continued in RACs and other cooling categories: For Q2FY26, we expect a weak print across cooling names: Voltas/Blue Star RAC down ~7–10% YoY on soft demand and elevated channel stock, with the GST rate-cut deferring purchases by ~4–5 weeks to quarter-end. Lloyd likely ~8% YoY lower; Voltas' wider reach may cushion volumes. FY26 remains challenging—high inventory risks 4Q primary billings if secondary offtake doesn't normalise. In ECD, fans ~2–3% YoY (ex-cooling) while lighting stays sluggish.

W&C to continue to report steady growth on the back of improved construction activity: We estimate W&C companies to report revenue growth of 17–19% YoY (ex-other products), driven by channel restocking and sustained demand for cables, supported by government-led capex and elevated copper prices during the quarter. A key monitorable in the upcoming quarter will be commentaries on rising competitive intensity and its potential impact on capacity expansion plans.

EMS companies' growth momentum intact in 2QFY26: We forecast Dixon to deliver ~23% YoY revenue growth, driven by stronger smartphone volumes; we model the Mobile Phones division at ~35% YoY on a high base. In RAC, demand softness should weigh on contract manufacturers; however, we expect Amber to outperform the category with a limited ~5% YoY decline, supported by client additions and a richer mix (notably commercial AC).

Fig 1 – BOBCAPS Consumer Durables universe: Q2FY26 snapshot

Companies	Revenue (Rs mn)					EBITDA (Rs mn)					EBITDA margin (%)			PAT (Rs mn)				
	Q2FY26E	Q2FY25	Q1FY26	YoY (%)	QoQ (%)	Q2FY26E	Q2FY25	Q1FY26	YoY (%)	QoQ (%)	Q2FY26E	Q2FY25	Q1FY26	Q2FY26E	Q2FY25	Q1FY26	YoY (%)	QoQ (%)
VOLT	25,223	26,191	39,386	(3.7)	(36.0)	1,137	1,622	1,785	(29.9)	(36.3)	4.5	6.2	4.5	922	1,340	1,405	(31.2)	(34.3)
BLSTR	24,144	22,760	29,823	6.1	(19.0)	1,556	1,493	2,000	4.2	(22.2)	6.4	6.6	6.7	951	961	1,208	(1.0)	(21.3)
POLYCAB	64,363	54,984	59,060	17.1	9.0	8,928	6,316	8,576	41.4	4.1	13.9	11.5	14.5	6,076	4,398	5,921	38.1	2.6
CROMPTON	19,509	18,960	19,983	2.9	(2.4)	1,902	2,034	1,917	(6.5)	(0.8)	9.8	10.7	9.6	1,222	1,249	1,223	(2.2)	(0.1)
HAVL	49,101	45,393	54,554	8.2	(10.0)	4,682	3,751	5,157	24.8	(9.2)	9.5	8.3	9.5	3,110	2,678	3,477	16.2	(10.5)
ORIENTEL	6,932	6,602	7,691	5.0	(9.9)	364	357	461	2.2	(20.9)	5.3	5.4	6.0	90	104	175	(13.7)	(48.6)
VGUARD	13,676	12,940	14,661	5.7	(6.7)	1158	1,103	1,236	5.0	(6.3)	8.5	8.5	8.4	654	634	739	3.1	(11.5)
KEI	26,869	22,796	25,903	17.9	3.7	2797	2,206	2,578	26.8	8.5	10.4	9.7	10.0	2014	1,548	1,956	30.1	3.0
DIXON	1,42,228	1,15,341	1,28,357	23.3	10.8	5480	4,264	4,824	28.5	13.6	3.9	3.7	3.8	2757	1,803	2,250	52.9	22.5
AMBER	18,408	16,847	34,491	9.3	(46.6)	1338	1,137	2,567	17.6	(47.9)	7.3	6.8	7.4	217	192	1,039	12.9	(79.1)
SYRMA	10,826	8,327	9,440	30.0	14.7	986	710	866	39.0	13.8	9.1	8.5	9.2	592	396	501	49.3	18.1
Total	**4,01,279**	**3,51,141**	**4,23,347**	**14.3**	**(5.2)**	**30,328**	**24,991**	**31,967**	**21.4**	**(5.1)**	**7.6**	**7.1**	**7.6**	**18,604**	**15,304**	**19,893**	**21.6**	**(6.5)**

Source: Company, BOBCAPS Research

Fig 2 – Quarterly revenue growth trend

YoY (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26E
VOLT	21.4	29.7	30.9	42.1	46.5	14.2	18.3	13.4	(20.0)	(3.7)
BLSTR	12.6	19.9	24.9	26.8	28.7	20.4	25.3	20.8	4.1	6.1
POLYCAB	42.1	26.6	16.8	29.3	20.8	30.4	20.4	24.9	25.7	17.1
CROMPTON	0.7	4.9	11.6	9.5	13.9	6.4	4.5	5.1	(6.5)	2.9
HAVL	13.9	6.0	6.9	12.0	20.1	16.4	10.8	20.2	(6.0)	8.2
ORIENTEL	13.5	11.0	1.7	19.7	7.0	16.4	8.6	9.4	1.9	5.0
VGUARD	19.3	15.0	18.8	17.8	21.6	14.1	8.9	14.5	(0.7)	5.7
KEI	13.9	21.1	15.4	18.7	15.6	17.1	20.0	25.7	25.7	17.9
DIXON	14.6	27.8	100.4	52.0	101.1	133.3	117.0	121.0	95.1	23.3
AMBER	(6.8)	23.5	(4.0)	(6.6)	41.1	81.7	64.8	33.8	43.6	9.3
SYRMA	54.4	52.4	37.9	66.9	92.9	17.0	23.0	(18.5)	(18.6)	30.0

Source: Company, BOBCAPS Research

Fig 3 – Quarterly EBITDA margin growth trend

YoY (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26E
VOLT	5.5	3.1	1.1	4.5	8.6	6.2	6.4	7.0	4.5	4.5
BLSTR	6.5	6.5	6.9	7.3	8.3	6.6	7.5	7.0	6.7	6.4
POLYCAB	14.1	14.4	13.1	13.6	12.4	11.5	13.8	14.7	14.5	13.9
CROMPTON	9.9	9.8	8.8	10.4	10.9	10.7	10.6	12.8	9.6	9.8
HAVL	8.3	9.5	9.8	11.7	9.9	8.3	8.7	11.6	9.5	9.5
ORIENTEL	6.2	3.6	6.5	3.9	5.3	5.4	7.5	7.8	6.0	5.3
VGUARD	8.6	8.2	8.7	9.5	10.5	8.5	8.2	9.3	8.4	8.5
KEI	10.0	10.5	10.4	10.5	10.4	9.7	9.9	10.3	10.0	10.4
DIXON	4.0	4.0	3.8	3.9	3.8	3.7	3.7	4.3	3.8	3.9
AMBER	7.8	6.4	6.1	7.9	8.2	6.8	7.4	7.9	7.4	7.3
SYRMA	6.1	6.9	5.5	6.5	3.8	8.5	9.1	11.6	9.2	9.1

Source: Company, BOBCAPS Research

Fig 4 – Quarterly PAT growth trend

YoY (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26E
VOLT	18.7	(63.0)	(212.6)	(19.1)	158.5	265.3	(534.5)	107.0	(58.0)	(31.2)
BLSTR	12.3	66.2	72.0	192.9	102.3	35.8	19.4	21.5	(28.4)	(1.0)
POLYCAB	80.0	58.4	15.2	27.3	(0.3)	3.6	11.5	32.7	49.3	38.1
CROMPTON	(7.1)	(22.7)	(0.4)	(2.0)	28.2	28.5	29.4	31.9	(19.4)	(2.2)
HAVL	18.1	32.4	1.5	24.8	42.0	8.2	(3.5)	15.9	(14.7)	16.2
ORIENTEL	3.9	NA	(25.3)	(48.0)	(27.2)	NA	11.7	144.2	22.2	(13.7)
VGUARD	20.5	35.0	48.2	44.5	54.1	7.5	3.4	19.6	(25.4)	3.1
KEI	16.9	31.3	17.2	22.1	23.8	10.4	9.4	34.3	30.2	30.1
DIXON	43.5	39.4	85.9	18.1	103.9	68.0	77.5	58.1	68.3	52.9
AMBER	8.5	NA	(103.6)	(4.8)	58.6	NA	NA	17.2	0.4	12.9
SYRMA	65.9	5.4	(40.9)	5.5	(28.2)	29.9	172.5	58.0	145.5	49.3

Source: Company, BOBCAPS Research

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Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**
Brand Name: **BOBCAPS**
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