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EMS | Q4FY26 Review | 16 June 2026

Demand recovery in sight; margin quality a near-term drag

- **RAC weakness on weather/BEE destocking masked channel normalisation; early sell-through and hikes set up the FY27 rebound**
- **Cost inflation and rupee depreciation could pressurise margins, with price hikes likely to lag**
- **Roll-forward to Jun-28EPS with multiples and ratings broadly unchanged. Amber remains our preferred pick**

Vineet Shanker
Research Analyst
Amey Tupe
Research Associate
research@bobcaps.in

RAC contract manufacturers had a weak quarter, due to supply: PGEL and EPACK saw revenue decline of 10% and 8% YoY, as RACs revenue declined 12% and 33% respectively, hit by weather, BEE-led destocking and, for PGEL, roughly Rs 4.2bn of LPG and truck disruption. Amber was the outlier, with CD up 9% on wallet-share gains. We read the weakness as largely supply- and pre-buy-due to BEE ratings led rather than a demand washout.

Channel inventory has normalised, pointing to an FY27 base-effect recovery: Inventory has unwound from a ~5mn-unit peak to ~4.0mn units, with PGEL and EPACK both flagging firmer April-May sell-through and 15-20% price hikes already passed through. The industry expects ~15% Q1 volume growth off a weak base. We believe FY27 demand recovers, though the cycle read diverges, with PGEL framing FY26 as a washout while in our view, Amber absorbed the same market.

Smartphone weakness was price-led, margin dilution optical as higher costs were passed through and conversion income stayed stable: Dixon's revenue was broadly flat as memory-led ASP inflation suppressed mass-segment demand rather than share, with FY27 volumes guided flat (ex-Vivo) plus 12-15% led by pricing. Localisation is the structural story camera modules scaling to 190mn units and the HKC display JV reaching mass production by Q4FY26 though we expect component accretion to offset PLI expiry only from H2FY27. Vivo approval remains the key upside swing.

Diversified EMS compounded, but execution now separates: Syrma grew 58% YoY on exports, auto and railways, guiding to 35% FY27 growth off an Rs 66bn book. Avalon delivered 40%, staying capex-light. Kaynes decelerated to 26% as an EV OEM cut volumes and orders slipped, withdrawing guidance despite a Rs 90bn book a timing-led miss that nonetheless raises execution-credibility questions given FY26 delivery trailed its own cut guidance.

Recommendation snapshot

Ticker	Price	Target	Rating
AMBER IN	7,811	9,300	BUY
DIXON IN	12,235	12,000	HOLD
EPACK IN	231	310	BUY
PGEL IN	527	610	BUY
SYRMA IN	1,299	1,250	HOLD

Price & Target in Rupees | Price as of 16 Jun 2026

We roll forward our TP to Jun-28E EPS: We have largely retained our valuation multiples, while raising Syrma's target multiple from 35x to 40x 1YF earnings on strong execution and a robust order book. Amber remains our preferred pick in the sector, supported by its strong growth profile with revenue/EBITDA CAGR of 25%/27% over FY26–29E and a potential for further multiple re-rating. We maintain a June-27 TP of Rs 9,300

Fig 1 – KTAs from management commentaries of B2C peers

Category	Dixon	Amber	PGEL	EPACK
Demand	Revenue was broadly flat at +2% YoY as memory-led ASP inflation and brand destocking weighed on smartphones and IT, leaving the weakness price-led vs structural.	Revenue rose 10% YoY, the CD division grew 9% against a flat, weather-hit RAC industry on wallet-share gains and ODM conversion; Electronics and Railway rose 21% and 22% respectively.	Sales declined 10% YoY on a 12% RAC decline, weakness was supply-led, not demand-led, with ~Rs 4.2bn lost to LPG/truck shortages, despite strong washing-machine momentum.	Q4 revenue fell around 8% YoY. The weakness was RAC-specific, hit by BEE norms, weather and destocking, while SDA/LDA and components growth stayed strong.
Margins	EBITDA yielded a ~3.9% margin, as the pass-through model means ASP inflation optically dilutes margins, with PLI expiry adding a 50-100bps drag.	EBITDA margin was at ~8.7%, though management guided to 50-100bps of pressure from CCL, gold, wages and FX, with fixed per-unit margins dipping optically as prices rise.	EBITDA fell 43% with a 6.9% margin, as roughly 250bps of cost inflation went unrecovered compounded by an FY26 forex loss of Rs 388mn.	Margins compressed sharply, with Q4 EBITDA margin at 4.4%, hit by a Rs 324mn PLI reversal, sub-40% RAC utilisation and commodity/FX inflation.
Demand Outlook (Going ahead)	For FY27, the company guides flat mobile volumes excluding Vivo, alongside 12-15% pricing growth, taking revenue to about Rs 560bn ex-Vivo. IT hardware is set to triple beyond Rs 40bn and telecom to reach Rs 75-80bn, with Vivo a meaningful upside trigger.	FY27 guidance points to CD growth of 13-14%, Electronics near 40% at a 9.5-10% margin and Railway of 30-35% at 16-17%, where the mix shift expected to lift overall earnings quality.	Management targets above-industry growth with margins recovering toward 8%, supported by channel inventory that has normalised from a ~5mn-unit peak and a strong early-season sellout.	Early FY27 trends look firmer than FY26, with channel inventory normalised at 4.0-4.5mn units and the industry expecting around 15% Q1 volume growth alongside 15-20% price hikes already passed through
Key Risks	Memory inflation continues to suppress mass-segment demand. while Vivo approval timing remains the key swing factor alongside the PLI drag and persistent mobile dependence.	PCB margins remain pressured by elevated CCL and gold prices on a two-quarter pass-through lag, with wage and FX headwinds adding to a still weather-dependent RAC business.	Heavy FX sensitivity is the key earnings swing compounded by peer pricing desperation in the final PLI-target year and continued weather and ramp-execution risk.	Key overhangs include a Rs 350-360mn PLI shortfall still unrecognised pending DPIIT clarity, a qualified audit opinion on a disputed Rs 196mn receivable (Gangnam), roughly 40% compressor import reliance, and FX volatility that creates a lag in passing on cost inflation.
Capacity/ Backward integration	Camera-module capacity is scaling from 70mn to 190mn units and the HKC display JV reaches mass production by Q4FY26, with a specialty EMS push into aerospace, defence and medical planned via M&A.	Backward integration rests on over Rs 45bn of ECMS-approved PCB investment across Ascent-K HDI, Hosur and Shogini, with Unitronics now at 50.4% and FY27 capex of Rs 18-20bn reflecting an asset-heavy model.	A rotary compressor facility at Supa scaling from 2mn to 4mn units and a refrigerant unit at Sri City, both turning commercial in Q4FY27 at around 60% localisation. FY27 capex is about Rs 4bn, targeting 4x asset turns by FY29.	Capex intensity remains elevated, with Rs 790mn spent in Q4 and Rs 3.0bn capitalised in FY26, driving 0.75mn AC capacity, WM/Bhiwadi expansion and backward integration, though asset turns have moderated to 2.6x vs the 4x medium-term aspiration.

Source: Company, BOBCAPS Research

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Fig 2 – KTAs from management commentaries of B2B peers

Category	Syrma	Kaynes	Avalon
Demand	Q4 revenue grew 58%, led by exports (+41%), Auto (+62%), Consumer (+102%) and IT/Railways (+182%), reflecting broad-based, market-share-led growth vs reliance on a single vertical.	FY26 revenue growth held at 33% YoY but Q4 decelerated to 26%, as a top EV OEM cut volumes around 90% and two government orders slipped into the next year, making the miss timing-led vs demand-led.	Q4 revenue rose 40% YoY, driven by industrial (+65%), mobility (+50%) and clean energy (+45%), marking the 7th consecutive quarter of broad-based growth.
Margins	EBITDA margin held at 11.9% in Q4, but eased 70bps QoQ on mix, with FY27 guidance cut to 10.5–11% to factor the lagged pass-through of supply-chain and metal inflation.	Q4 EBITDA margin came in near 15.6%, though a one-time amortisation of acquired intangibles dragged reported PAT, leaving the full-year PAT margin around 10%.	EBITDA yielded an 11.8% margin, up 30bps sequentially, with India manufacturing at 16.7% and the 33.7% gross margin understated by roughly 110bps of tariff pass-through.
Demand Outlook (Going ahead)	Management guides to 35% revenue growth and Rs 7.0bn total EBITDA in FY27 off an Rs 66bn order book, with PCB revenue from FY28 expected to lift growth beyond that base.	The company is targeting 2x EMS market growth of 15–16%, backed by a Rs 90bn order book and OSAT/PCB ramp-up, while remaining cautious on near-term project timing.	FY27 growth guidance of 24–27% and FY29 revenue target of Rs 32bn remain conservative, backed by semiconductor-equipment, satcom and Kavach program ramp-ups.
Key Risks	Principal risks are supply-chain and geopolitical cost inflation passed on with a lag sub-35% consumer mix cap, smart-meter working-capital drag and Ksolare JV lapse, partly mitigated by the AA rating upgrade.	Execution credibility remains the overhang, with Rs 36.3bn FY26 revenue missing guidance and smart-metering dragging CFO to (Rs 6.0bn) amid Rs 13.7bn AMISP receivables.	Key risks are elevated top 10 customer concentration at 61% and US losses (~Rs 50mn in Q4), while PCB inflation and lumpy program cut-ins remain swing factors, albeit largely pass-through.
Capacity/ Backward integration	Capex is anchored on a Rs 8.0bn multilayer-PCB plant being built in two phases through FY29, with a further Rs 8.0bn of ECMS-approved CCL, HDI and flex-PCB lines slated for FY28-30, marking a clear backward-integration push into board and laminate manufacturing.	Backward integration is the most advanced here, with OSAT Unit 1 live and Unit 2 commercialising in Q2 (Rs 25.0bn 5Y revenue visibility), alongside PCB scaling to Rs 3.0-4.0bn and OSAT to Rs 2.5-3.0bn in FY27.	In contrast, Avalon explicitly rules out PCB or component manufacturing, staying capex-light (Rs 560mn in FY26, asset turns 9.9x) and focused on higher-margin complex box build, now 56% of revenue vs 44% four years ago.

Source: Company, BOBCAPS Research

Fig 3 – Amber led Q4 growth with margin expansion; Dixon muted, while PGEL / Epack saw sharp margin pressure

B2C	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Revenue								
Dixon	1,05,105	1,02,925	2	1,06,716	(2)	4,88,728	3,88,601	26
Amber	41,475	37,537	10	29,428	41	1,21,865	99,730	22
PGEL	17,167	19,099	(10)	14,121	22	52,880	48,695	9
Epack	5,910	6,432	(8)	4,278	38	18,945	21,709	(13)
EBITDA								
Dixon	4,084	4,428	(8)	4,145	(1)	18,665	15,076	24
EBITDA margin	3.9	4.3	(42bps)	3.9	0bps	3.8	3.9	(6bps)
Amber	3,582	2,948	22	2,461	46	9,523	7,634	25
EBITDA margin	8.6	7.9	78bps	8.4	27bps	7.8	7.7	16bps
PGEL	1,188	2,119	(44)	1,169	2	3,870	4,841	(20)
EBITDA margin	6.9	11.1	(418bps)	8.3	(136bps)	7.3	9.9	(262bps)
Epack	258	721	(64)	317	(18)	1,127	1,575	(28)
EBITDA margin	4.4	11.2	(683bps)	7.4	(304bps)	5.9	7.3	(131bps)
EBIT								
Dixon	3,034	3,569	(15)	3,154	(4)	14,735	12,266	20
EBIT margin %	2.9	3.5	(58bps)	3.0	(7bps)	3.0	3.2	(14bps)
Amber	2,589	2,368	9	1,549	67	6,298	5,351	18
EBIT margin %	6.2	6.3	(6bps)	5.3	98bps	5.2	5.4	(20bps)
PGEL	950	1,932	(51)	949	0	2,988	4,184	(29)
EBIT margin %	5.5	10.1	(458bps)	6.7	(118bps)	5.7	8.6	(294bps)
Epack	117	597	(80)	181	(35)	587	1,101	(47)
EBIT margin %	2.0	9.3	(731bps)	4.2	(225bps)	3.1	5.1	(197bps)

Source: Company, BOBCAPS Research

Fig 4 – Syrma / Avalon delivered a strong growth with margin expansion; Kaynes growth was offset by margin pressure

B2B	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Revenue								
Syrma	14,650	9,244	58	12,642	16	48,191	37,862	27
Kaynes	12,426	9,845	26	8,040	55	36,264	27,218	33
Avalon	4,800	3,430	40	4,175	15	16,030	10,980	46
EBITDA								
Syrma	1,741	1,075	62	1,594	9	5,354	3,021	77
EBITDA margin %	11.9	11.6	26bps	12.6	(72bps)	11.1	8.0	313bps
Kaynes	1,937	1,679	15	1,193	62	5,741	4,107	40
EBITDA margin %	15.6	17.1	(147bps)	14.8	75bps	15.8	15.1	74bps
Avalon	570	410	39	480	19	1,730	1,150	50
EBITDA margin %	11.9	12.0	(8bps)	11.5	38bps	10.8	10.5	32bps
EBIT								
Syrma	1,528	867	76	1,391	10	4,513	2,270	99
EBIT margin %	10.4	9.4	104bps	11.0	(58bps)	9.4	6.0	337bps
Kaynes	1,393	1,510	(8)	989	41	4,670	3,660	28
EBIT margin %	11.2	15.3	(413bps)	12.3	(109bps)	12.9	13.4	(57bps)
Avalon	490	330	48	400	23	1,390	860	62
EBIT margin %	10.2	9.6	59bps	9.6	63bps	8.7	7.8	84bps

Source: Company, BOBCAPS Research

Fig 5 – TP revision from roll-forward to Jun-28EPS for our coverage

Company	CMP	Old Rating	New Rating	Mar-27TP	Jun-27TP	Old Target PE (x)	New Target PE (x)	FY26-29E CAGR (%)			P/E (x)				EV/EBITDA (x)			
								Revenue	EBITDA	PAT	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E
Dixon	12,235	HOLD	HOLD	11,200	12,000	45	45	24	28	7	51	75	49	42	39	32	22	24
Amber	7,811	BUY	BUY	8,700	9,300	40	40	25	27	62	121	53	36	28	29	24	18	25
Syrma	1,299	HOLD	HOLD	1,020	1,250	35	40	33	31	31	78	63	45	34	43	37	25	33
PGEL	527	BUY	BUY	570	610	35	35	19	31	42	77	47	32	27	37	25	19	19
Epack	231	BUY	BUY	280	310	20	20	28	49	291	683	34	17	11	22	12	8	28

Source: Company, BOBCAPS Research

Fig 6 – Bloomberg Valuation Table

Companies	Revenue	EBITDA	PAT	P/E (x)				EV/EBITDA (x)				P/E-G
	FY26-29E	FY26-29E	FY26-29E	FY26	FY27	FY28	FY29	FY26	FY27	FY28	FY29	FY26-29
EPACK	24	38	92	75	35	21	11	20	14	11	8	0.1
PGEL	22	24	30	55	46	33	26	32	27	20	17	0.9
AMBER	22	30	48	96	64	41	32	34	27	20	15	0.7
KAYNES	33	34	26	49	47	35	24	35	27	20	15	0.9
SYRMA	29	32	33	81	59	44	35	49	36	27	22	1.1
AVALON	28	38	42	111	73	53	39	69	47	35	27	0.9
DIXON	26	29	26	78	68	47	37	40	33	23	19	1.4

Source: Company, BOBCAPS Research

Stock performance

Fig 7 – AMBER

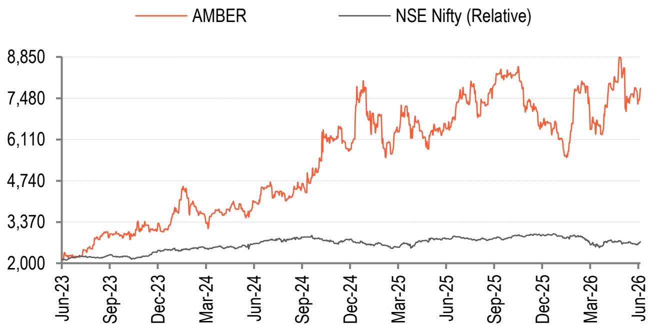


Fig 8 – DIXON

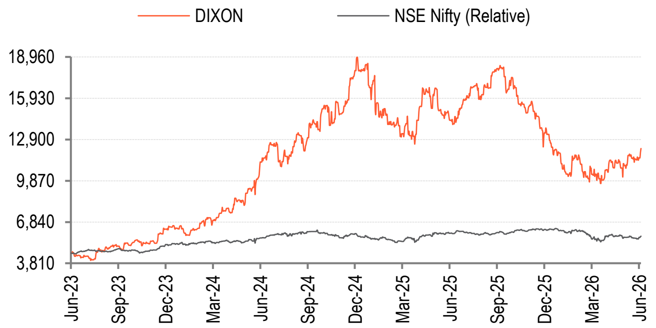


Fig 9 – EPACK

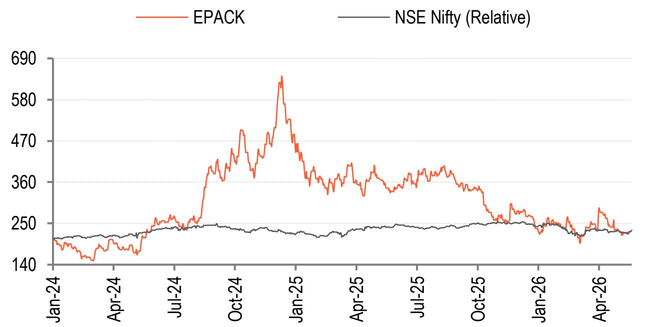


Fig 10 – PGEL

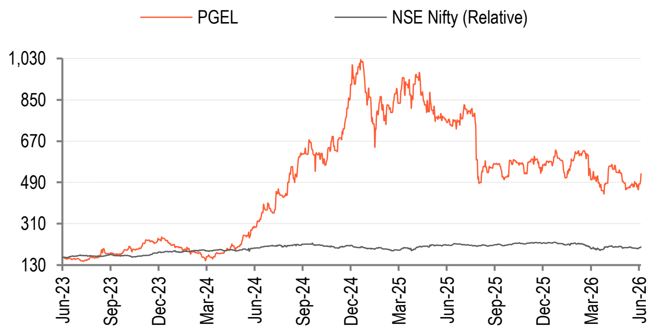
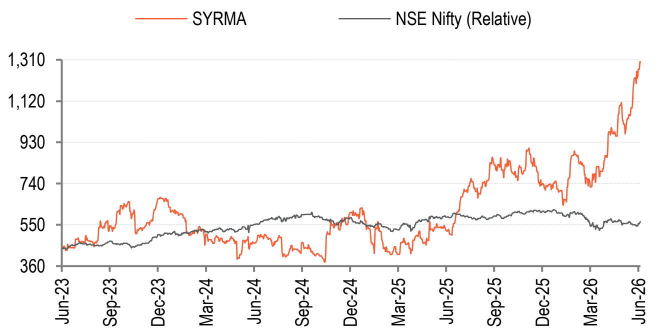


Fig 11 – SYRMA



Source: NSE

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Financials – AMBER

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**99,730**	**1,21,865**	**1,52,858**	**1,92,857**	**2,36,722**
EBITDA	7,634	9,523	11,710	15,736	19,669
Depreciation	2,283	3,226	3,216	4,496	5,732
EBIT	5,351	6,298	8,494	11,240	13,937
Net interest inc./(exp.)	(2,087)	(2,844)	(2,765)	(2,627)	(2,867)
Other inc./(exp.)	736	1,202	1,302	1,402	1,502
Exceptional items	0	0	0	0	0
EBT	3,999	4,655	7,030	10,014	12,572
Income taxes	1,188	1,100	1,770	2,521	3,164
Extraordinary items	0	391	0	0	0
Min. int./Inc. from assoc.	(300)	(900)	150	300	350
Reported net profit	**2,436**	**1,781**	**4,928**	**7,311**	**9,275**
Adjustments	0	391	0	0	0
Adjusted net profit	**2,436**	**2,172**	**4,928**	**7,311**	**9,275**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	31,703	28,385	41,879	52,838	64,855
Other current liabilities	4,051	14,176	14,658	18,493	22,699
Provisions	0	0	0	0	0
Debt funds	19,400	23,059	30,059	28,559	26,059
Other liabilities	6,268	28,326	28,810	29,293	29,776
Equity capital	338	352	352	352	352
Reserves & surplus	22,520	43,369	48,297	55,608	64,882
Shareholders' fund	22,858	43,721	48,649	55,960	65,234
Total liab. and equities	**84,281**	**1,37,669**	**1,64,055**	**1,85,142**	**2,08,624**
Cash and cash eq.	7,268	4,656	5,883	4,103	6,764
Accounts receivables	17,501	22,463	29,315	36,986	45,399
Inventories	16,551	24,520	30,572	34,344	42,156
Other current assets	5,160	12,858	16,129	20,349	24,977
Investments	0	0	0	0	0
Net fixed assets	22,840	26,798	34,585	44,089	43,857
CWIP	1,151	5,003	6,000	3,500	3,500
Intangible assets	8,384	26,967	27,067	27,167	27,267
Deferred tax assets, net	0	0	0	0	0
Other assets	5,426	14,404	14,504	14,604	14,704
Total assets	**84,281**	**1,37,669**	**1,64,055**	**1,85,142**	**2,08,624**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**7,109**	**2,402**	**5,944**	**10,937**	**10,378**
Capital expenditures	(5,556)	(12,881)	(12,000)	(11,500)	(5,500)
Change in investments	(2,580)	(11,430)	(100)	(100)	(100)
Other investing cash flows	(1,394)	(6,429)	(100)	(100)	(100)
Cash flow from investing	**(9,529)**	**(30,740)**	**(12,200)**	**(11,700)**	**(5,700)**
Equities issued/Others	1	27,618	0	0	0
Debt raised/repaid	1,259	2,287	7,000	(1,500)	(2,500)
Interest expenses	0	0	0	0	0
Dividends paid	1,969	(3,079)	483	483	483
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**3,229**	**26,826**	**7,483**	**(1,017)**	**(2,017)**
Chg in cash & cash eq.	**809**	**(1,512)**	**1,227**	**(1,780)**	**2,661**
Closing cash & cash eq.	**7,268**	**4,656**	**5,883**	**4,103**	**6,764**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	72.3	52.9	146.3	217.0	275.3
Adjusted EPS	72.3	64.5	146.3	217.0	275.3
Dividend per share	0.0	0.0	0.0	0.0	0.0
Book value per share	678.4	1,297.6	1,443.9	1,660.8	1,936.1

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	2.6	2.2	1.7	1.4	1.1
EV/EBITDA	34.5	27.6	22.5	16.7	13.4
Adjusted P/E	108.1	121.2	53.4	36.0	28.4
P/BV	11.5	6.0	5.4	4.7	4.0

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	60.9	46.7	70.1	73.0	73.8
Interest burden (PBT/EBIT)	74.7	73.9	82.8	89.1	90.2
EBIT margin (EBIT/Revenue)	5.4	5.2	5.6	5.8	5.9
Asset turnover (Rev./Avg TA)	4.4	4.5	4.4	4.4	5.4
Leverage (Avg TA/Avg Equity)	1.1	0.8	0.7	0.8	0.7
Adjusted ROAE	11.2	6.5	10.7	14.0	15.3

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	48.2	22.2	25.4	26.2	22.7
EBITDA	55.2	24.7	23.0	34.4	25.0
Adjusted EPS	83.3	(10.8)	126.9	48.4	26.9
Profitability & Return ratios (%)					
EBITDA margin	7.7	7.8	7.7	8.2	8.3
EBIT margin	5.4	5.2	5.6	5.8	5.9
Adjusted profit margin	2.4	1.8	3.2	3.8	3.9
Adjusted ROAE	11.2	6.5	10.7	14.0	15.3
ROCE	10.0	7.0	8.0	9.6	11.0
Working capital days (days)					
Receivables	64	67	70	70	70
Inventory	61	73	73	65	65
Payables	116	85	100	100	100
Ratios (x)					
Gross asset turnover	3.3	3.4	3.4	3.3	3.5
Current ratio	1.0	1.1	1.0	1.0	1.1
Net interest coverage ratio	2.6	2.2	3.1	4.3	4.9
Adjusted debt/equity	0.8	0.5	0.6	0.5	0.4

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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Financials – DIXON

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**3,88,601**	**4,88,728**	**6,66,596**	**8,29,195**	**9,40,856**
EBITDA	15,076	18,665	22,937	33,258	39,052
Depreciation	2,810	3,930	3,808	5,614	6,718
EBIT	12,266	14,735	19,129	27,644	32,334
Net interest inc./(exp.)	(1,544)	(1,375)	(2,517)	(2,508)	(2,819)
Other inc./(exp.)	202	867	750	1,000	1,250
Exceptional items	0	6,263	0	0	0
EBT	10,924	12,493	17,362	26,136	30,764
Income taxes	3,372	4,263	4,375	6,586	7,753
Extraordinary items	(4,600)	0	0	0	0
Min. int./Inc. from assoc.	174	215	437	538	553
Reported net profit	**10,955**	**14,386**	**9,726**	**14,788**	**17,450**
Adjustments	(4,600)	0	0	0	0
Adjusted net profit	**6,356**	**14,386**	**9,726**	**14,788**	**17,450**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	1,08,837	1,07,222	1,82,629	2,15,818	2,44,880
Other current liabilities	15,395	18,023	25,568	31,805	36,088
Provisions	0	0	0	0	0
Debt funds	6,710	9,942	10,942	11,942	10,442
Other liabilities	6,626	9,663	13,360	18,660	24,775
Equity capital	121	122	122	122	122
Reserves & surplus	29,982	46,645	56,252	70,921	88,252
Shareholders' fund	30,102	46,767	56,374	71,043	88,373
Total liab. and equities	**1,67,669**	**1,91,616**	**2,88,873**	**3,49,267**	**4,04,559**
Cash and cash eq.	2,635	9,411	4,564	4,115	3,525
Accounts receivables	69,655	65,299	1,20,535	1,52,208	1,77,861
Inventories	39,924	38,365	74,878	93,142	1,15,996
Other current assets	18,730	22,079	23,742	27,261	28,355
Investments	0	0	0	0	0
Net fixed assets	21,091	27,199	40,100	47,986	54,268
CWIP	2,561	5,708	1,500	1,000	1,000
Intangible assets	6,655	14,518	14,518	14,518	14,518
Deferred tax assets, net	0	0	0	0	0
Other assets	6,418	9,038	9,038	9,038	9,038
Total assets	**1,67,669**	**1,91,616**	**2,88,873**	**3,49,267**	**4,04,559**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**11,498**	**17,823**	**3,075**	**6,370**	**7,914**
Capital expenditures	(8,956)	(10,579)	(12,500)	(13,000)	(13,000)
Change in investments	(3,210)	(620)	0	0	0
Other investing cash flows	(123)	(1,306)	0	0	0
Cash flow from investing	**(12,289)**	**(12,505)**	**(12,500)**	**(13,000)**	**(13,000)**
Equities issued/Others	1,399	2,632	0	0	0
Debt raised/repaid	583	(1,506)	1,000	1,000	(1,500)
Interest expenses	0	0	0	0	0
Dividends paid	(2,248)	(2,208)	3,578	5,181	5,996
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(266)**	**(1,082)**	**4,578**	**6,181**	**4,496**
Chg in cash & cash eq.	**(1,057)**	**4,236**	**(4,847)**	**(449)**	**(590)**
Closing cash & cash eq.	**2,635**	**9,411**	**4,564**	**4,115**	**3,525**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	184.0	241.6	163.3	248.3	293.0
Adjusted EPS	106.7	241.6	163.3	248.3	293.0
Dividend per share	8.0	10.0	2.0	2.0	2.0
Book value per share	505.5	785.3	946.7	1,193.0	1,484.0

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	1.9	1.5	1.1	0.9	0.8
EV/EBITDA	48.3	39.0	31.8	21.9	18.7
Adjusted P/E	114.6	50.6	74.9	49.3	41.8
P/BV	24.2	15.6	12.9	10.3	8.2

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	58.2	70.2	56.0	56.6	56.7
Interest burden (PBT/EBIT)	89.1	139.1	90.8	94.5	95.1
EBIT margin (EBIT/Revenue)	3.2	3.0	2.9	3.3	3.4
Asset turnover (Rev./Avg TA)	18.4	18.0	16.6	17.3	17.3
Leverage (Avg TA/Avg Equity)	0.9	0.7	0.8	0.8	0.7
Adjusted ROAE	27.0	37.4	18.9	23.2	21.9

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	119.7	25.8	36.4	24.4	13.5
EBITDA	116.1	23.8	22.9	45.0	17.4
Adjusted EPS	72.8	126.4	(32.4)	52.0	18.0
Profitability & Return ratios (%)					
EBITDA margin	3.9	3.8	3.4	4.0	4.2
EBIT margin	3.2	3.0	2.9	3.3	3.4
Adjusted profit margin	1.6	2.9	1.5	1.8	1.9
Adjusted ROAE	27.0	37.4	18.9	23.2	21.9
ROCE	23.4	29.4	16.4	18.8	17.8
Working capital days (days)					
Receivables	65	49	66	67	69
Inventory	37	29	41	41	45
Payables	102	80	100	95	95
Ratios (x)					
Gross asset turnover	15.6	14.5	14.2	13.3	12.5
Current ratio	1.0	1.1	1.1	1.1	1.1
Net interest coverage ratio	7.9	10.7	7.6	11.0	11.5
Adjusted debt/equity	0.2	0.2	0.2	0.2	0.1

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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Financials – EPACK

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**21,709**	**18,945**	**25,160**	**33,039**	**39,799**
EBITDA	1,577	1,139	2,171	3,111	3,803
Depreciation	474	540	771	928	1,029
EBIT	1,103	599	1,400	2,183	2,774
Net interest inc./(exp.)	(329)	(447)	(507)	(377)	(182)
Other inc./(exp.)	211	163	200	270	281
Exceptional items	0	0	0	0	0
EBT	774	153	893	1,806	2,592
Income taxes	193	56	224	453	651
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	(30)	(64)	(20)	(10)	10
Reported net profit	**551**	**33**	**649**	**1,343**	**1,951**
Adjustments	0	0	0	0	0
Adjusted net profit	**551**	**33**	**649**	**1,343**	**1,951**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	5,389	7,141	8,272	9,957	11,449
Other current liabilities	968	533	708	929	1,119
Provisions	0	0	0	0	0
Debt funds	3,697	7,070	7,070	5,870	3,870
Other liabilities	556	709	709	709	709
Equity capital	960	962	962	962	962
Reserves & surplus	8,559	8,641	9,290	10,633	12,584
Shareholders' fund	9,518	9,603	10,252	11,595	13,547
Total liab. and equities	**20,128**	**25,056**	**27,011**	**29,061**	**30,695**
Cash and cash eq.	442	158	458	1,029	551
Accounts receivables	2,980	3,522	4,136	4,978	5,997
Inventories	5,807	8,357	7,582	8,147	9,268
Other current assets	845	1,410	1,410	1,410	1,410
Investments	0	0	0	0	0
Net fixed assets	5,450	7,665	9,481	10,439	10,411
CWIP	582	886	886	0	0
Intangible assets	12	10	10	10	10
Deferred tax assets, net	0	0	0	0	0
Other assets	4,008	3,049	3,049	3,049	3,049
Total assets	**20,128**	**25,056**	**27,011**	**29,061**	**30,695**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**313**	**(1,396)**	**2,887**	**2,771**	**2,522**
Capital expenditures	(1,117)	(3,015)	(2,586)	(1,000)	(1,000)
Change in investments	(144)	1,768	0	0	0
Other investing cash flows	315	119	0	0	0
Cash flow from investing	**(946)**	**(1,128)**	**(2,586)**	**(1,000)**	**(1,000)**
Equities issued/Others	26	40	0	0	0
Debt raised/repaid	167	3,097	0	(1,200)	(2,000)
Interest expenses	0	0	0	0	0
Dividends paid	0	0	0	0	0
Other financing cash flows	(486)	(599)	0	0	0
Cash flow from financing	**(294)**	**2,538**	**0**	**(1,200)**	**(2,000)**
Chg in cash & cash eq.	**(927)**	**14**	**300**	**571**	**(478)**
Closing cash & cash eq.	**442**	**158**	**458**	**1,029**	**551**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	5.7	0.3	6.7	14.0	20.3
Adjusted EPS	5.7	0.3	6.7	14.0	20.3
Dividend per share	0.0	0.0	0.0	0.0	0.0
Book value per share	99.2	99.8	106.5	120.5	140.8

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	0.9	0.9	0.6	0.5	0.5
EV/EBITDA	12.3	15.0	7.1	5.3	4.8
Adjusted P/E	40.2	682.6	34.3	16.6	11.4
P/BV	2.3	2.3	2.2	1.9	1.6

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	71.2	21.3	72.7	74.3	75.3
Interest burden (PBT/EBIT)	70.2	25.5	63.8	82.7	93.4
EBIT margin (EBIT/Revenue)	5.1	3.2	5.6	6.6	7.0
Asset turnover (Rev./Avg TA)	398.3	247.1	265.4	316.5	382.3
Leverage (Avg TA/Avg Equity)	0.6	0.8	1.0	1.0	0.8
Adjusted ROAE	6.0	0.3	6.5	12.3	15.5

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	52.9	(12.7)	32.8	31.3	20.5
EBITDA	35.8	(27.8)	90.6	43.3	22.2
Adjusted EPS	55.6	(94.1)	1891.6	106.9	45.3
Profitability & Return ratios (%)					
EBITDA margin	7.3	6.0	8.6	9.4	9.6
EBIT margin	5.1	3.2	5.6	6.6	7.0
Adjusted profit margin	2.5	0.2	2.6	4.1	4.9
Adjusted ROAE	6.0	0.3	6.5	12.3	15.5
ROCE	8.0	2.9	7.0	10.5	13.2
Working capital days (days)					
Receivables	50	68	60	55	55
Inventory	98	161	110	90	85
Payables	91	138	120	110	105
Ratios (x)					
Gross asset turnover	3.2	2.3	2.3	2.5	2.7
Current ratio	1.0	1.0	1.0	1.0	1.1
Net interest coverage ratio	2.0	1.0	2.0	3.4	6.0
Adjusted debt/equity	0.4	0.7	0.7	0.5	0.3

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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Financials – PGEL

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**48,695**	**52,880**	**64,168**	**76,823**	**88,497**
EBITDA	4,841	3,870	5,655	7,412	8,657
Depreciation	656	882	1,091	1,424	1,606
EBIT	4,184	2,988	4,565	5,988	7,052
Net interest inc./(exp.)	(537)	(469)	(575)	(236)	8
Other inc./(exp.)	351	548	581	616	653
Exceptional items	0	0	0	0	0
EBT	3,647	2,519	3,990	5,752	7,060
Income taxes	738	583	818	1,179	1,447
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	(31)	30	50	60	60
Reported net profit	**2,878**	**1,966**	**3,222**	**4,633**	**5,673**
Adjustments	0	0	0	0	0
Adjusted net profit	**2,878**	**1,966**	**3,222**	**4,633**	**5,673**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	13,744	17,573	21,325	25,530	29,409
Other current liabilities	4,802	4,755	5,770	6,907	7,957
Provisions	0	0	0	0	0
Debt funds	3,019	4,997	4,247	3,497	2,947
Other liabilities	1,361	1,656	1,656	1,656	1,656
Equity capital	283	285	285	285	285
Reserves & surplus	27,999	30,201	33,423	38,055	43,728
Shareholders' fund	28,282	30,486	33,708	38,341	44,013
Total liab. and equities	**51,208**	**59,467**	**66,705**	**75,931**	**85,983**
Cash and cash eq.	9,797	3,894	851	3,140	6,705
Accounts receivables	9,804	11,840	14,064	16,838	18,184
Inventories	13,162	16,013	19,338	18,943	21,821
Other current assets	4,775	6,193	7,515	8,997	10,364
Investments	0	0	0	0	0
Net fixed assets	11,343	15,348	20,882	23,958	24,853
CWIP	736	3,124	1,000	1,000	1,000
Intangible assets	42	52	52	52	52
Deferred tax assets, net	0	0	0	0	0
Other assets	1,549	3,003	3,003	3,003	3,003
Total assets	**51,208**	**59,467**	**66,705**	**75,931**	**85,983**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**(766)**	**(782)**	**2,207**	**7,540**	**6,615**
Capital expenditures	(4,872)	(7,832)	(4,500)	(4,500)	(2,500)
Change in investments	1	5,296	0	0	0
Other investing cash flows	(7,142)	560	0	0	0
Cash flow from investing	**(12,014)**	**(1,977)**	**(4,500)**	**(4,500)**	**(2,500)**
Equities issued/Others	14,899	167	0	0	0
Debt raised/repaid	(728)	1,978	(750)	(750)	(550)
Interest expenses	0	0	0	0	0
Dividends paid	0	0	0	0	0
Other financing cash flows	(881)	(1,327)	0	0	0
Cash flow from financing	**13,290**	**818**	**(750)**	**(750)**	**(550)**
Chg in cash & cash eq.	**510**	**(1,941)**	**(3,043)**	**2,290**	**3,565**
Closing cash & cash eq.	**9,797**	**3,894**	**851**	**3,140**	**6,705**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	10.2	6.9	11.3	16.2	19.9
Adjusted EPS	10.2	6.9	11.3	16.2	19.9
Dividend per share	0.0	0.0	0.0	0.0	0.0
Book value per share	99.9	106.8	118.1	134.4	154.2

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	3.1	2.9	2.3	1.9	1.7
EV/EBITDA	31.6	39.6	26.2	20.1	17.6
Adjusted P/E	51.9	76.6	46.7	32.5	26.5
P/BV	5.3	4.9	4.5	3.9	3.4

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	78.9	78.0	80.8	80.5	80.3
Interest burden (PBT/EBIT)	87.2	84.3	87.4	96.1	100.1
EBIT margin (EBIT/Revenue)	8.6	5.7	7.1	7.8	8.0
Asset turnover (Rev./Avg TA)	429.3	344.5	307.3	320.7	356.1
Leverage (Avg TA/Avg Equity)	0.6	0.5	0.7	0.7	0.6
Adjusted ROAE	14.9	6.7	10.0	12.9	13.8

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	77.3	8.6	21.3	20.0	15.2
EBITDA	84.9	(20.1)	46.1	31.1	16.8
Adjusted EPS	96.1	(32.2)	63.9	43.8	22.4
Profitability & Return ratios (%)					
EBITDA margin	9.9	7.3	8.8	9.6	9.8
EBIT margin	8.6	5.7	7.1	7.8	8.0
Adjusted profit margin	2.8	5.4	3.1	4.2	5.2
Adjusted ROAE	14.9	6.7	10.0	12.9	13.8
ROCE	21.3	10.3	11.9	13.3	13.9
Working capital days (days)					
Receivables	73	82	80	80	75
Inventory	99	111	110	90	90
Payables	103	121	121	121	121
Ratios (x)					
Gross asset turnover	4.2	3.3	2.9	2.8	2.9
Current ratio	1.9	1.5	1.4	1.4	1.4
Net interest coverage ratio	4.7	2.9	4.0	7.0	10.9
Adjusted debt/equity	0.1	0.2	0.1	0.1	0.1

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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Financials – SYRMA

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Total revenue	**37,867**	**48,191**	**65,096**	**88,701**	**1,13,181**
EBITDA	3,233	5,445	6,346	9,329	12,103
Depreciation	751	841	943	1,354	1,634
EBIT	2,482	4,604	5,403	7,975	10,470
Net interest inc./(exp.)	(585)	(483)	(700)	(910)	(1,120)
Other inc./(exp.)	494	378	600	500	500
Exceptional items	0	0	0	0	0
EBT	2,392	4,499	5,303	7,565	9,850
Income taxes	526	996	1,335	1,904	2,479
Extraordinary items	21	46	0	0	0
Min. int./Inc. from assoc.	0	0	25	50	50
Reported net profit	**1,699**	**3,178**	**3,943**	**5,604**	**7,256**
Adjustments	21	46	0	0	0
Adjusted net profit	**1,720**	**3,224**	**3,943**	**5,604**	**7,256**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Accounts payables	15,744	19,586	26,395	35,966	45,892
Other current liabilities	812	1,601	1,701	1,801	1,901
Provisions	0	0	0	0	0
Debt funds	6,646	3,999	4,999	6,499	7,999
Other liabilities	1,345	3,893	3,893	3,893	3,893
Equity capital	1,780	1,926	1,926	1,926	1,926
Reserves & surplus	15,719	26,696	30,350	35,665	42,632
Shareholders' fund	17,500	28,622	32,276	37,591	44,559
Total liab. and equities	**42,047**	**57,700**	**69,264**	**85,750**	**1,04,244**
Cash and cash eq.	3,942	2,988	7,736	6,749	8,481
Accounts receivables	14,775	18,408	24,969	34,022	43,412
Inventories	8,219	10,616	15,159	20,656	26,357
Other current assets	2,474	9,485	2,140	2,916	3,721
Investments	180	485	485	485	485
Net fixed assets	8,030	9,870	12,927	15,073	15,940
CWIP	719	675	675	675	675
Intangible assets	3,460	4,754	4,754	4,754	4,754
Deferred tax assets, net	0	0	0	0	0
Other assets	248	418	418	418	418
Total assets	**42,047**	**57,700**	**69,264**	**85,750**	**1,04,244**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26A	FY27E	FY28E	FY29E
Cash flow from operations	**1,765**	**2,896**	**8,037**	**1,302**	**3,021**
Capital expenditures	(2,452)	(1,753)	(4,000)	(3,500)	(2,500)
Change in investments	626	(2,644)	0	0	0
Other investing cash flows	774	(3,023)	0	0	0
Cash flow from investing	**(1,052)**	**(7,420)**	**(4,000)**	**(3,500)**	**(2,500)**
Equities issued/Others	(125)	9,651	0	0	0
Debt raised/repaid	330	(3,266)	1,000	1,500	1,500
Interest expenses	0	0	0	0	0
Dividends paid	(912)	(807)	(289)	(289)	(289)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(707)**	**5,579**	**711**	**1,211**	**1,211**
Chg in cash & cash eq.	**6**	**1,055**	**4,748**	**(987)**	**1,732**
Closing cash & cash eq.	**3,942**	**2,988**	**7,736**	**6,749**	**8,481**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26A	FY27E	FY28E	FY29E
Reported EPS	9.5	16.5	20.5	29.1	37.7
Adjusted EPS	9.7	16.7	20.5	29.1	37.7
Dividend per share	1.5	1.5	1.5	1.5	1.5
Book value per share	98.3	148.6	167.6	195.2	231.3

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26A	FY27E	FY28E	FY29E
EV/Sales	6.1	4.8	3.5	2.6	2.0
EV/EBITDA	71.0	42.2	36.2	24.6	19.0
Adjusted P/E	134.5	77.6	63.5	44.7	34.5
P/BV	13.2	8.7	7.8	6.7	5.6

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26A	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	71.9	71.6	74.4	74.1	73.7
Interest burden (PBT/EBIT)	96.4	97.7	98.2	94.9	94.1
EBIT margin (EBIT/Revenue)	6.6	9.6	8.3	9.0	9.3
Asset turnover (Rev./Avg TA)	4.7	4.9	5.0	5.9	7.1
Leverage (Avg TA/Avg Equity)	0.5	0.4	0.4	0.4	0.4
Adjusted ROAE	10.2	14.0	13.0	16.0	17.7

Ratio Analysis

Y/E 31 Mar	FY25A	FY26A	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	20.1	27.3	35.1	36.3	27.6
EBITDA	59.9	68.4	16.6	47.0	29.7
Adjusted EPS	57.3	73.2	22.3	42.1	29.5
Profitability & Return ratios (%)					
EBITDA margin	8.5	11.3	9.7	10.5	10.7
EBIT margin	6.6	9.6	8.3	9.0	9.3
Adjusted profit margin	4.5	6.7	6.1	6.3	6.4
Adjusted ROAE	10.2	14.0	13.0	16.0	17.7
ROCE	9.1	12.1	12.1	14.7	16.1
Working capital days (days)					
Receivables	142	139	140	140	140
Inventory	79	80	85	85	85
Payables	152	148	148	148	148
Ratios (x)					
Gross asset turnover	4.1	4.2	4.4	4.8	5.2
Current ratio	1.3	1.7	1.5	1.5	1.5
Net interest coverage ratio	4.2	9.5	7.7	8.8	9.3
Adjusted debt/equity	0.4	0.1	0.2	0.2	0.2

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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Name of the Research Entity: **BOB Capital Markets Limited**
Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
SEBI Research Analyst Registration No: **INH000000040 (Perpetual)**
SEBI Stock Broker Registration No: **INZ000159332**
SEBI Depository Participant Registration No: **IN-DP-728-2022**
SEBI Merchant Banker Registration No: **INM000009926**
Phone: +91-22-61389300
Name of the Compliance Officer: Mr. Sameer Khobrekar
Email ID: Compliance@bobcaps.in; Phone no.: +91-22-61389358
For any queries or grievances, you may contact the Grievance Officer.
Name of the Grievance Officer: Mr.Manoj Pawar
Email ID: head-customercare@bobcaps.in; Phone no: 0+91-22-69417333

Brand Name: **BOBCAPS**
Website: **https://www.bobcaps.in/**
CIN: **U65999MH1996GOI098009**

Logo:

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Note: Recommendation structure changed with effect from 21 June 2021

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