Netweb Technologies India Limited

Strong growth visibility; upgrade to LONG.

CMP	Target Price
Rs 4,524	Rs 5,390
	Sep 2027
Rating	Upside
LONG	19% (↑)

- Netweb reported in-line Sales with beat on OPM and strong order book/pipeline in 1Q.
- Starting 1QFY27 Netweb started incl. strategic orders and its pipeline as part of its quarterly disclosure for orders & pipeline. We believe that Netweb's growth visibility is gaining further traction for FY27E & beyond considering strong order intake of INR25.1bn (at 1Q-end) vs. INR21.0bn qoq (incl. strategic orders for both quarters). Also, Netweb is chasing strong pipeline worth INR104.1bn besides L1-pipeline of INR8.5bn at 1Q-end.
- Netweb's strong pipeline and order intake is backed by catalysts incl. i) AI being the next major technology investment area worldwide with demand in India augmented by GOI's AI mission (with its allocation of INR103bn over FY25-FY29E, ii) broadening adoption of HPC/SPC from research institutions to enterprises across manufacturing, life sciences, oil & gas, BFSI & Govt. besides NSM 2.0, iii) broadening of Pvt. Cloud & HCI demand, iv) GOI's push towards make in India, data security norms & their friendly policies to promote data center investments, v) Netweb's strong eco-system partnership with NVIDIA, Intel & AMD amongst many others besides Netweb's full stack solution, dedicated R&D team (125 at 1Q-end) and its entry into new domains (incl. Physical AI & Quantum computing). We remain watchful of increasing raw material prices, SCM related issues and its impact on execution, if any, despite Netweb addressing these challenges by doing better planning with timely increase in inventory to minimise execution related risks. Despite challenges, Netweb reiterated EBITDAM target of 13-14% which is heartening.
- Considering above arguments, we upgrade Netweb to LONG (from ADD earlier) with Sep'27 TP of Rs.5,390 (Jun'27; Rs.4,110 earlier) set at fwd. PE of 56x EPS of Rs.96.2 (earlier at 63.5x EPS of Rs.64.7). We reiterate that Netweb needs to tighten its working capital and FCF generation on consistent basis.

1Q Sales largely in line with expectations: Netweb Sales grew172% yoy (EE: +173% YoY). Besides strong growth in AI Systems, growth was healthy and broad-based across segments. Excluding the strategic order sales (worth approx. INR 4.3bn), base business grew 29% yoy.

Beat on EBITDAM: Netweb reported GM/EBITDAM/EBITM of 21.2%/14.7%/14.3% in 1Q (vs.EE: GM/EBITDAM/EBITM of 18.1%/12.8%/12.3%). Margin beat was largely led by operating leverage and better revenue mix. Despite rising prices of memory & chip and volatile uncertain macro, Netweb maintains its FY27E EBITDAM target of 13–14%.

Order book/pipeline increases on a base of strong Sales growth; high growth resulting into stress on working capital: Despite strong show on sales in 1QFY27/FY22-FY26, Netweb's order pipeline and intake continue to remain strong. To keep up the pace on order book execution, Netweb reported increase in its inventory days to 110 from 86 qoq / 53 yoy which has resulted into increase in reported cash conversion cycle (in days) to 96 from 84 qoq / 73 yoy. For the first two strategic orders announced earlier it has been receiving customer advances; we remain watchful whether same trend continues with large orders.

Valuations: Our 1-year target PE of 56x (around 10-15%) discount to Netweb's mean since listing and up from 5-10% discount we assigned earlier to factor increasing raw material prices, considerable INR/US$ depreciation in the recent past, any higher-than-expected impact of the same on order execution, margins, ongoing stress on working capital and FCF (which is already low). We are watchful regarding any trend reversal of material increase in raw material prices in the recent past and its impact on Sales growth, if any.

Financial Summary

YE Mar Rs mn	Sales	EBITDA	Recurring PAT	EPS (Rs)	P/E (x)	P/B (x)	EV/ EBITDA (x)	ROE (%)	Core ROIC (%)	EBITDA Margin (%)
FY26A	21,836	3,029	2,058	36.1	125.2	35.6	84.0	32.8	55.5	13.9
FY27E	40,152	5,294	3,720	65.3	69.3	23.9	48.1	41.3	63.3	13.2
FY28E	48,714	6,465	4,554	80.0	56.6	17.1	39.2	35.2	48.4	13.3
FY29E	66,408	8,992	6,410	112.6	40.2	12.2	28.0	35.5	48.4	13.5

Source: Company, Equirus Securities

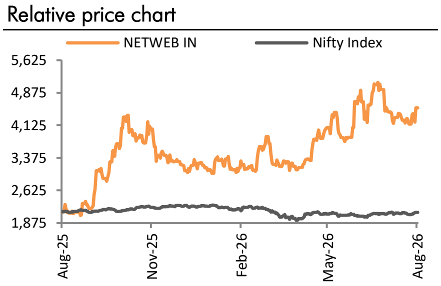
Estimate Revision

	Forecasts		% Change	
(Rs mn)	FY27E	FY28E	FY27E	FY28E
Sales	40,152	48,714	3.0%	49.4%
EBITDA	5,294	6,465	5.9%	38.4%
PAT	3,720	4,554	7.8%	36.2%
EPS	65.3	80.0	7.8%	36.2%

Stock Information	
Market Cap (Rs Mn)	2,57,600
52 Wk H/L (Rs)	5,244/2,037
Avg Daily Volume (1yr)	21,88,436
Avg Daily Value (Rs Mn)	8,016.1
Equity Cap (Rs Mn)	113.9
Face Value (Rs)	2
Share Outstanding (Mn)	56.9
Bloomberg Code	NETWEB IN
Ind Benchmark	BSE IT

Ownership (%)	Recent	3M	12M
Promoters	67.0	(4.0)	(4.1)
DII	4.7	1.4	(0.6)
FII	9.3	(0.3)	(1.4)
Public	19.0	2.9	6.1

Relative price chart



Source: Bloomberg

Analysts
Sandeep Shah
sandeep.shah@equirus.com
022-43320673
Deep Modi
deep.modi@equirus.com
079-69015019

Exhibit 1: Quarterly performance

Particulars	Q1FY27	Q1FY27E	Q4FY26	Q1FY26	% Change			Comments
					Q1FY27E	Q4FY26	Q1FY26	
Net Sales (Rs Mn)	8,197	8,222	7,737	3,012	-0.3%	5.9%	172.1%	Largely in line with estimates.
COGS	6,462	6,733	6,158	2,240	-4.0%	4.9%	188.4%	
Other Expenses*	529	441	467	324	20.1%	13.3%	63.6%	
Total Expenditures	**6,992**	**7,174**	**6,625**	**2,564**	**-2.5%**	**5.5%**	**172.7%**	
EBITDA	**1,205**	**1,049**	**1,112**	**448**	**14.9%**	**8.4%**	**169.0%**	Beat on EBITDA margins.
Depreciation	33	40	38	33	-17.4%	-13.3%	0.1%	
EBIT	**1,172**	**1,008**	**1,073**	**415**	**16.2%**	**9.2%**	**182.5%**	
Other Income*	-31	-109	-125	1	-72.0%	-75.6%	-2503.1%	
PBT	**1,141**	**899**	**948**	**416**	**26.9%**	**20.4%**	**174.3%**	
Tax	288	230	242	111	25.5%	18.9%	159.0%	
Profit from JV/Asso and MI	-	-	-	-				
Recurring PAT	**853**	**670**	**706**	**305**	**27.4%**	**20.9%**	**179.9%**	Above estimates led by better operating margins and better than expected net other income.
Extraordinaries	-	-	-	-				
Reported PAT	**853**	**670**	**706**	**305**	**27.4%**	**20.9%**	**179.9%**	
Recurring. EPS (Rs)	15.0	11.8	12.4	5.4	27.4%	20.9%	178.5%	
EBITDA Margin	14.7%	12.8%	14.4%	14.9%	195 bps	33 bps	-17 bps	
EBIT Margin	14.3%	12.3%	13.9%	13.8%	203 bps	42 bps	53 bps	
PBT Margin	13.9%	10.9%	12.3%	13.8%	299 bps	167 bps	11 bps	
PAT Margin	10.4%	8.1%	9.1%	10.1%	227 bps	129 bps	29 bps	
Tax Rate	25.2%	25.5%	25.6%	26.7%	-29 bps	-31 bps	-150 bps	

*Source: Company, Equirus Securities; Note: *Fx related loss, if any, excluded from other expenses and included in other income.*

1QFY27 Earnings call takeaways

- Revenue growth:
  - During 1QFY27 total revenue grew by 172.1% yoy and stood at Rs. 819.7mn; excluding the strategic order Sales worth approx. INR 4300mn in 1QFY27 (as disclosed in the 1QFY27 earnings call), base business registered Sales worth INR 3897mn, up 29% yoy. The growth was primarily driven by strong growth in AI Systems.
- Revenue by Service Offering:
  - Among product/solution offering, High-Performance Computing (HPC), Pvt Cloud & HCI, AI Workstation, High-Performance Storage (HPS), Data Center Server/Others grew +62%/+32%/+484%/20%/38%/51% yoy, respectively in 1QFY27.
  - Netweb's strategy focused on three major offerings (i.e. HPC, Private Cloud and AI) contributed 94.1% of their total revenue in 1QFY27. (vs. 91.4% in FY26 and c.85% in FY25). AI Systems contributed 62.3% of its total revenue in 1QFY27. (vs.43.4% in FY26 and 14.7% in FY25). Higher contribution in 1QFY27/FY26 are largely due to execution of full/part of two strategic orders (announced in Sept 2025). This segment is dedicated to address AI compute workloads. HPC and Private Cloud also continue to exhibit strong demand.
  - Netweb believe, it is uniquely positioned to harness the opportunities of increasing demand of AI. Netweb is innovating across the AI systems stack, including dense AI compute, advanced liquid cooling, GPU orchestration, and developing sovereign AI appliances, while also investing in emerging opportunities like physical AI and quantum computing R&D.

- Margin Management:
  - Netweb reported GM/EBITDAM/EBITM of 21.2%/14.7%/14.3% in 1Q (vs.EE: GM/EBITDAM/EBITM of 18.1%/12.8%/12.3%). Margin beat was largely led by operating leverage, better revenue mix. Despite rising memory, chip prices and volatile uncertain macro times, Netweb maintains its FY27E EBITDAM target of 13–14%.
  - Netweb reiterated that its integrated full-stack approach (designing, manufacturing, testing hardware along with software) allows it to command better margins in the market.
- Demand environment: On demand side Netweb continue to expect growth across its focussed segments due to i) AI being the next major technology investment area worldwide with demand in India augmented by GOI's AI mission (with its allocation of INR103bn over FY25-FY29E, ii) broadening adoption of HPC/SPC from research institutions to enterprises across manufacturing, life sciences, oil & gas, BFSI & Govt. besides NSM 2.0, iii) broadening of Pvt. Cloud & HCI demand, iv) GOI's push towards make in India, data security norms & their friendly policies to promote data center investments, v) Netweb's strong eco-system partnership with NVIDIA, Intel & AMD amongst many others besides Netweb's full stack solution, dedicated R&D team (125 at 1Q-end) and its entry into new domains (incl. Physical AI & Quantum computing).
- For tapping new opportunities including i) Physical AI: Netweb is planning to Invest/investing in R&D across the physical AI stack- hardware, agentic and interface layers to position their AI systems, digital twins and in-house software as the training and simulation backbone for India's physical AI developers; ii) Quantum Computing: Netweb commenced R&D of quantum simulators and emulators- classical HPC platforms that let institutions, academia and enterprises develop and validate quantum algorithms on simulated qubits before committing to scarce, costly physical hardware. Netweb is planning to engage with the institutions, thematic hubs and start-ups constituting the National Quantum Mission ecosystem as a technology partner/provider
- Further Netweb believes India is at the cusp of an unprecedented AI infrastructure build-out, driven by the India AI Mission, sovereign AI initiatives, and rising demand from Neocloud providers and CSPs. Also, it has started witnessing demand related discussion with GOI directly as part of the emerging opportunity from GOI's AI mission. With NSM 2.0 (emphasizing a "Build and Design in India" approach) and enterprise adoption of HPC accelerating, the company believes indigenous design and domestic manufacturing will

become key differentiators, creating a strong, multi-year demand opportunity for its AI and high-performance computing solutions.

- **Focus on R&D:** Netweb emphasized its significant focus on R&D and, entering FY27, remains committed to continued investments in R&D and talent. Netweb has a dedicated R&D team of approximately 125 people at the end of 1QFY27.
- **Global Supply Chain impact:** The global supply chain is currently experiencing tight availability and industry-wide price increase, driven by the rapid acceleration of AI adoption worldwide. Netweb has been managing this situation by:
    - carefully planning contracts and maintaining strong alignment with their OEM partners to manage costs effectively.
    - Utilizing proactive supply chain planning and leveraging long-standing partnerships with key technology providers to secure necessary components.
    - Increased its inventory days to 110 days in 1QFY27, up from 86 days qoq and 53 days in yoy, primarily to build up raw material stock and secure key inputs.
    - Further Netweb believe that their direct relationships with technology providers and in-house manufacturing capabilities position them to sustain and navigate supply challenges better than others .
- **Order Pipeline and Order book:**
    - Starting 1QFY27 Netweb started incl. strategic orders and its pipeline as part of its quarterly disclosure for orders & pipeline.
    - **Order Pipeline:** Netweb reported order pipeline worth INR 104.1bn besides L1 order pipeline worth INR 8.5bn implying total order pipeline worth INR 112.6bn at 1QFY27-end.
    - Reported order book came INR 25.1bn (including pending execution worth of INR 11.95bn of earlier won strategic order amongst others) vs. INR 20.97bn qoq.
    - At the end of 1QFY27, order book and L1 order pipeline are worth INR 33.5bn.
    - As per Netweb their strong business pipeline and order book, coupled with ongoing capability enhancements and product expansion, position them for sustained growth while maintaining technological leadership.
- **Update on announced two strategic order execution:**
    - First strategic order win was worth of INR 17.3bn. To the extent of INR 1.084bn was executed in 4QFY26 and approx. INR 4.3bn was executed in 1QFY27. This implies pending execution value of approx. INR 11.9bn for this order. It will execute the pending order in a phased manner, during FY27. Further, the revenue generated from the strategic order will be classified under the AI Systems segment.
    - Regarding strategic orders, Netweb has decided to stop segregating them from their regular business reporting. Netweb believes this provides better clarity on the overall business they are chasing.
- **Borrowings, cash and working capital details:** Reported borrowing (excl. Lease Liabilities) worth INR 2,625mn at 1QFY26-end vs. INR 2,717mn at 4QFY26-end and INR 12.7mn yoy. Reported Free Cash & equivalents came at INR 734mn at 1QFY27-end vs. INR4,066mn qoq/INR1,701mn yoy. To secure adequate key inputs amidst these global pressures and to ensure smooth execution of large strategic orders, it proactively built up its raw material stock, which increased its inventory days from 86 in 4Q to 110 in 1Q. Reported DSO came at 78 days vs 86 days qoq, reported payables days at 92 days vs. 88 days qoq, net of three elements net working capital days came at 96 days vs. 84 days qoq & 73 days yoy.
- **Capex Plan:** Netweb Technologies has stated that they do not anticipate any major in Capex spend in the near term, as their current facilities are already equipped to support significant growth.
- **Fund raise update:** Netweb recently passed an enabling resolution to potentially raise up to INR 1,200 crores in capital (either in form of Equity or debt). Netweb clarified that if this capital is raised, it will be used for working capital to support growth.

Exhibit 2: Revenue growth by HCS Offering (% change yoy)

HCS Offering (Rs. mn)	FY22	FY23	FY24	FY25	FY26	1QFY27		
	Revenue (Rs. mn)	Revenue (Rs. mn)	Revenue (Rs. mn)	Revenue (Rs. mn)	Revenue (Rs. mn)	Revenue (Rs. mn)	% to Revenue	% chg yoy
High-performance computing (Supercomputing / HPC) systems	1,030	1729	2,624	4,055	5,308	1,253	15%	62%
Private cloud and hyperconverged Infrastructure (HCI)	479	1460	2,644	4,027	5,170	1,353	17%	32%
AI systems and enterprise workstations	243	310	799	1,694	9,478	5,106	62%	484%
High-performance storage (HPS/Enterprise Storage) solutions	217	308	339	275	328	73	1%	20%
Data Centre servers	241	284	337	373	320	112	1%	38%
Software services spares and others incl. PLI, if any	260	360	498	1,066	1,232	300	4%	51%

Source: Company data, Equirus

Exhibit 3: Revenue growth by Application Industry (% chg yoy)

Application Industry (Rs. mn)	FY22	FY23	FY24	FY25
	Revenue (Rs. mn)	Revenue (Rs. mn)	Revenue (Rs. mn)	Revenue (Rs. mn)
Higher Education and Research	1409	2,060	2,637	3,273
Information Technology and Information Technology Enabled Services	526	1,094	2,880	3,343
Other Enterprises	272	985	1,392	3,102
Space and Defence	263	272	331	1,713

Source: Company data, Equirus; Note: Netweb stopped providing Revenue by Application Industry data post FY25.

Exhibit 4: Other Operational Matrix – including strategic order

Other Operational Matrix	FY22	FY23	FY24	FY25	FY26	1QFY27
Revenue from repeat customers (in %)	77.7%	90.7%	69.0%	81.4%	75.6%	98.9%
Customer concentration						
Revenue from Top 5 Customer	38.40%	47.10%	50.30%	50.80%	62.20%	81.20%
Revenue from Top 10 Customer	49.50%	57.80%	64.50%	65.80%	76.40%	87.71%
New customer acquisition	**174**	**192**	**171**	**147**	**131**	**28**

Source: Company data, Equirus

Exhibit 5: Order Pipeline and Order book (at the end of quarter)

Order Pipeline and Order Book (Rs.in mn)	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Oder pipeline (excluding L1)*	32,322	34,466	35,477	37,038	38,149	39,714	41,421	42,043	42,703	44,315	1,04,100
L1 Order pipeline*	3,024	3,142	3,225	3,316	3,481	3,628	4,640	3,480	3,316	3,278	8,480
Total Order Pipeline*	**35,346**	**37,608**	**38,702**	**40,354**	**41,630**	**43,342**	**46,061**	**45,523**	**46,019**	**47,593**	**1,12,580**
Order book (incl. Strategic order book)	**3,391**	**4,112**	**4,197**	**3,697**	**3,603**	**3,252**	**2,299**	**26,779**	**22,594**	**20,976**	**25,069**

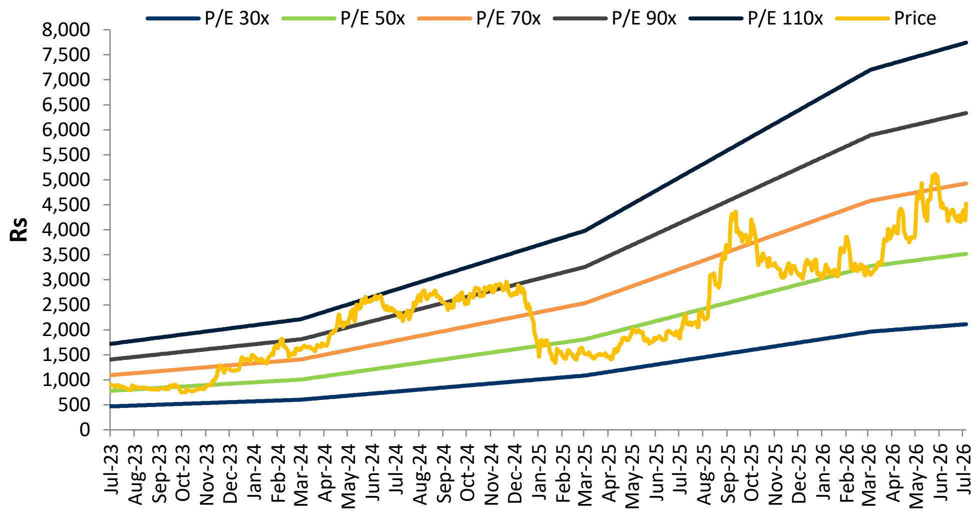
Source: Company data, Equirus; including strategic orders pipeline effective 1QFY27.

Exhibit 6: Breakup of Revenue from Govt / Non-Govt Customers (in %)

Breakup of Govt and non-govt. customers revenue (in% terms)	FY23	FY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Government Customers	53.2%	47.3%	59.2%	37.5%	59.9%	52.1%	59.5%	42.50%	25.1%	54.8%	Not provided
Non-Government Customers	46.8%	52.7%	40.8%	62.5%	40.1%	47.9%	40.5%	57.50%	74.9%	45.2%	Not provided

Source: Company data, Equirus

Exhibit 7: Netweb's 1-year forward PE chart



Source: Company Data, Equirus, Bloomberg

Company Snapshot

How we differ from consensus

Particular (Rs Mn)		Equirus	Consensus	% Diff	Comment
EPS	FY27E	65.3	68.8	-5.0%	
	FY28E	80.0	80.0	-0.1%	
Sales	FY27E	40,152	37,032	8.4%	
	FY28E	48,714	45,519	7.0%	
PAT	FY27E	3,720	3,545	4.9%	
	FY28E	4,554	4,540	0.3%	

Source: Company data, Equirus

Key Estimates

	Earlier estimates			Revised estimates			Difference		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue (Rs mn)	38,975	32,599	46,232	40,152	48,714	66,408	3.0%	49.4%	43.6%
EBITDA (Rs mn)	5,000	4,671	6,502	5,294	6,465	8,992	5.9%	38.4%	38.3%
EBITDA (%)	12.8%	14.3%	14.1%	13.2%	13.3%	13.5%	36 bps	-106 bps	-52 bps
EBIT (Rs mn)	4,824	4,459	6,243	5,144	6,270	8,743	6.6%	40.6%	40.0%
EBIT (%)	12.4%	13.7%	13.5%	12.8%	12.9%	13.2%	43 bps	-81 bps	-34 bps
PAT (Rs mn)	3,450	3,343	4,733	3,720	4,554	6,410	7.8%	36.2%	35.4%
EPS* (Rs)	60.6	58.7	83.1	65.3	80.0	112.6	7.8%	36.2%	35.4%

*Source: Company data, Equirus; *Weighted average diluted EPS*

Our Key Investment arguments:

- Starting 1QFY27 Netweb started incl. strategic orders and its pipeline as part of its quarterly disclosure for orders & pipeline. We believe that Netweb's growth visibility is gaining further traction for FY27E & beyond considering strong order intake of INR25.1bn (at 1Q-end) vs. INR21.0bn qoq (incl. strategic orders for both). Also, Netweb is chasing strong pipeline worth INR104.1bn besides L1-pipeline of INR8.5bn at 1Q-end.
- Netweb's strong pipeline and order intake is backed by catalysts incl. i) AI being the next major technology investment area worldwide with demand in India augmented by GOI's AI mission (with its allocation of INR103bn over FY25-FY29E, ii) broadening adoption of HPC/SPC from research institutions to enterprises across manufacturing, life sciences, oil & gas, BFSI & Govt. besides NSM 2.0, iii) broadening of Pvt. Cloud & HCI demand, iv) GOI's push towards make in India, data security norms & their friendly policies to promote data center investments, v) Netweb's strong eco-system partnership with NVIDIA, Intel & AMD amongst many others besides Netweb's full stack solution, dedicated R&D team (125 at 1Q-end) and its entry into new domains (incl. Physical AI & Quantum computing). We remain watchful of increasing raw material prices, SCM related issues and its impact on execution, if any, despite Netweb addressing these challenges by doing better planning with timely increase in inventory to minimise execution related risks. Despite challenges, Netweb reiterated EBITDAM target of 13-14% which is heartening.
- Considering above arguments, we upgrade Netweb to LONG (from ADD earlier).

Risk to Our View:

- High client concentration and high exposure to Government clients.
- Any material adverse change in relationship/partnership with leading global tech vendors.
- Any intense competition and any execution related issues in large orders.
- Any higher currency depreciation and its impact on raw material prices; any inability to pass on rising raw material prices.
- Any trend reversal of material increases in raw material prices in the recent past and its impact on Sales growth if any

- Any failure in launching new products / solutions and/or failure to meet quality standard.
- Any higher-than-expected attrition in the leadership/R&D team.
- Any major adverse macro / geo-political risks.
- Any breach of the non-compete agreement executed by Netweb with entity of the relative of the promoter. Any adverse actions initiated against the member of the promoter group in relation to the business operations carried out under identical brands (trademarks) in respective markets.
- Any lower-than-expected PLI income and/or higher than expected time for PLI claim approval.
- Any major technology led disruption and its adverse impact on Netweb's products and/or solution offerings

Notes to accounts/Financial statement:

- Netweb changed its accounting policy for valuation of Raw Materials, Finished Goods and Work in Progress from First-In-First-Out (FIFO) to moving weighted average cost method eff. 1QFY26 and restated its prior period numbers (however the impact is not material as per Netweb). Please note that we have not changed the prior period numbers.

Peer Comparison analysis (Table-I)

Company	Revenue			EBITDA			PAT		
	Rs. mn - FY26	CAGR (FY23-FY26)	CAGR (FY26-FY29E)	% - FY26	CAGR (FY23-FY26)	CAGR (FY26-FY29E)	% - FY26	CAGR (FY23-FY26)	CAGR (FY26-FY29E)
Kaynes Technology India*	36,264	48%	37%	15.8%	51%	37%	10.0%	56%	37%
Syrma SGS Technology*	48,191	33%	32%	11.3%	43%	30%	6.6%	37%	34%
Dixon Technologies*	4,88,728	59%	28%	3.8%	54%	30%	2.9%	78%	11%
Netweb	21,836	70%	45%	13.9%	63%	44%	9.4%	64%	46%

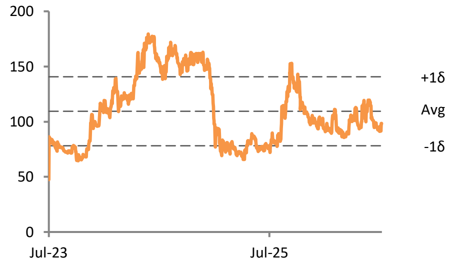
Source: Company data, Bloomberg, Equirus; *Financials/estimates taken from Bloomberg reported/consensus figures.

Peer Comparison analysis (Table-II)

Company	Sales Growth (%)			EBITDA %			EBIT (%)			PAT Margin (%)			RoE (%)			P/E Ratio			
	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY29E
Kaynes Technology India*	33%	40%	37%	15.8%	15.5%	15.9%	12.9%	12.1%	12.2%	10.0%	9.0%	9.1%	9.6%	9.0%	11.1%	69.9	57.7	40.6	30.5
Syrma SGS Technology*	27%	37%	32%	11.3%	10.8%	11.1%	9.6%	9.2%	9.5%	6.6%	6.6%	6.8%	13.8%	13.7%	16.2%	80.8	61.5	45.4	33.2
Dixon Technologies*	26%	41%	28%	3.8%	3.4%	3.8%	3.0%	2.7%	3.2%	2.9%	1.5%	1.8%	37.4%	21.6%	24.8%	52.2	77.9	52.0	41.2
Netweb #	90%	84%	21%	13.9%	13.2%	13.3%	13.2%	12.8%	12.9%	9.4%	9.3%	9.3%	32.8%	41.3%	35.2%	124.9	69.3	56.6	40.2

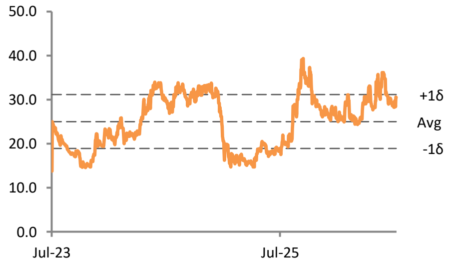
*Source: Company data, Bloomberg, Equirus; * Financials/estimates taken from Bloomberg reported/consensus figures; priced as on 31st July 2026 closing prices.*

Price to earning chart



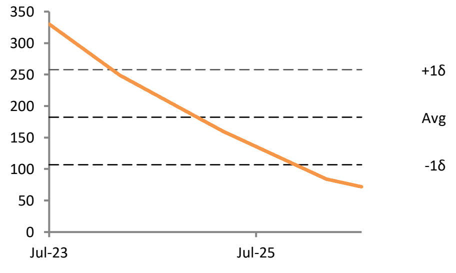
Source: Company, Equirus Research

Price to book chart



Source: Company, Equirus Research

EV-EBITDA chart



Source: Company, Equirus Research

Quarterly performance

Y/E Mar (Rs mn)	1QFY26A	2QFY26A	3QFY26A	4QFY26A	1QFY27A	2QFY27E	3QFY27E	4QFY27E
Revenue	**3,012**	**3,037**	**8,049**	**7,737**	**8,197**	**10,025**	**11,308**	**10,623**
COGS	2,240	2,203	6,681	6,158	6,462	8,170	9,216	8,575
Employee Cost	0	0	0	0	0	0	0	0
Other Expenses	324	353	380	467	529	571	647	687
EBITDA	**448**	**481**	**988**	**1,112**	**1,205**	**1,283**	**1,445**	**1,362**
Depreciation	33	34	36	38	33	36	39	42
EBIT	**415**	**447**	**952**	**1,073**	**1,172**	**1,247**	**1,405**	**1,319**
Interest Exp.	0	0	0	0	0	0	0	0
Other Income	1	(27)	29	(125)	(31)	(55)	(49)	(6)
Profit before Tax	**416**	**420**	**981**	**948**	**1,141**	**1,192**	**1,356**	**1,313**
Tax Expenses	111	106	248	242	288	307	349	339
Profit After Tax	**305**	**314**	**733**	**706**	**853**	**885**	**1,007**	**974**
Minority Interest	0	0	0	0	0	0	0	0
Profit/(Loss) from Associates	0	0	0	0	0	0	0	0
Recurring PAT	**305**	**314**	**733**	**706**	**853**	**885**	**1,007**	**974**
Exceptional Items	0	0	0	0	0	0	0	0
Reported PAT	**305**	**314**	**733**	**706**	**853**	**885**	**1,007**	**974**
Other comprehensive income.	0	0	0	0	0	0	0	0
PAT after comp. income.	**305**	**314**	**733**	**706**	**853**	**885**	**1,007**	**974**
FDEPS	**5.4**	**5.5**	**12.9**	**12.4**	**15.0**	**15.5**	**17.7**	**17.1**
Cost items as % of sales								
RM expenses	74.4	72.5	83.0	79.6	78.8	81.5	81.5	80.7
Employee expenses	10.7	11.6	4.7	6.0	6.5	5.7	5.7	6.5
Margin (%)								
Gross Margin	25.6	27.5	17.0	20.4	21.2	18.5	18.5	19.3
EBITDA Margin	14.9	15.8	12.3	14.4	14.7	12.8	12.8	12.8
PAT Margin	10.1	10.3	9.1	9.1	10.4	8.8	8.9	9.2
YoY Growth (%)								
Sales	101.7	21.0	141.0	86.6	172.1	230.1	40.5	37.3
EBITDA	124.0	32.5	124.8	86.0	169.0	166.6	46.2	22.5
EBIT	136.1	32.7	133.1	89.7	182.5	179.1	47.7	22.9
PAT	97.4	22.2	141.8	64.2	179.9	181.7	37.4	38.0

Key Financials (Consolidated)

Income Statement

Y/E Mar (Rs mn)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Revenue	**4,450**	**7,241**	**11,490**	**21,836**	**40,152**	**48,714**	**66,408**
COGS	3,244	5,445	8,825	17,283	32,423	39,215	53,625
Employee Cost	0	0	0	0	0	0	0
Other Expenses	506	770	1,065	1,524	2,435	3,034	3,792
EBITDA	**700**	**1,025**	**1,600**	**3,029**	**5,294**	**6,465**	**8,992**
Depreciation	37	63	113	142	151	195	249
EBIT	**664**	**963**	**1,487**	**2,887**	**5,144**	**6,270**	**8,743**
Interest Exp.	(26)	(50)	(21)	(115)	(237)	(247)	(258)
Other Income	(8)	107	74	(7)	96	110	159
Profit before Tax	**630**	**1,020**	**1,540**	**2,765**	**5,003**	**6,133**	**8,645**
Tax Expenses	160	261	395	707	1,283	1,579	2,235
Profit After Tax	**469**	**759**	**1,145**	**2,058**	**3,720**	**4,554**	**6,410**
Minority Interest	0	0	0	0	0	0	0
Profit/(Loss) from Associates	0	0	0	0	0	0	0
Recurring PAT	**469**	**759**	**1,145**	**2,058**	**3,720**	**4,554**	**6,410**
Exceptional Items	0	0	0	0	0	0	0
Reported PAT	**469**	**759**	**1,145**	**2,058**	**3,720**	**4,554**	**6,410**
Other comprehensive income.	0	0	0	0	0	0	0
PAT after comp. income.	**469**	**759**	**1,145**	**2,058**	**3,720**	**4,554**	**6,410**
FDEPS	9.2	13.3	20.1	36.1	65.3	80.0	112.6
DPS	1	2	3	3	5	7	10
BVPS	18	74	93	127	190	264	370

YoY Growth (%)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Sales	80.1	62.7	58.7	90.0	83.9	21.3	36.3
EBITDA	102.4	46.4	56.1	89.3	74.8	22.1	39.1
EBIT	101.3	45.1	54.4	94.2	78.2	21.9	39.4
PAT	109.0	61.7	50.8	79.8	80.7	22.4	40.8

Key Ratios

Profitability (%)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Gross Margin	27.1	24.8	23.2	20.8	19.2	19.5	19.2
EBITDA Margin	15.7	14.2	13.9	13.9	13.2	13.3	13.5
PAT Margin	10.5	10.5	10.0	9.4	9.3	9.3	9.7
ROE	68.0	29.4	24.0	32.8	41.3	35.2	35.5
ROIC	47.2	28.5	24.0	27.8	32.7	29.7	31.1
Core ROIC	53.2	44.0	38.8	55.5	63.3	48.4	48.4
Dividend Payout	5.4	14.9	12.3	8.3	8.3	8.5	8.7

CAGR (%)		1 year	2 years	3 years	5 years	7 years	10 years
Revenue		90.0	73.7	69.9	72.5	49.7	0.0
EBITDA		89.3	71.9	62.9	83.9	74.7	0.0
PAT		79.8	64.7	63.7	90.4	85.9	0.0

Valuation (x)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
P/E	490.8	339.6	225.0	125.2	69.3	56.6	40.2
P/B	246.0	61.0	48.6	35.6	23.9	17.1	12.2
P/FCFF	2,987.5	(3,978.4)	(677.2)	173.0	(12,892.6)	222.9	112.4
EV/EBITDA	368.2	249.1	159.9	84.0	48.1	39.2	28.0
EV/Sales	57.9	35.3	22.3	11.7	6.3	5.2	3.8
Dividend Yield (%)	0.0	0.0	0.1	0.1	0.1	0.2	0.2

Balance Sheet

Y/E Mar (Rs mn)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Equity Capital	102	113	113	114	114	114	114
Reserves	835	4,115	5,190	7,119	10,685	14,946	20,984
Net Worth	**937**	**4,228**	**5,303**	**7,233**	**10,799**	**15,059**	**21,097**
Total Debt	304	16	13	2,717	2,859	2,909	3,009
Other long term liabilities	53	80	67	117	162	211	263
Minority Interest	0	0	0	0	0	0	0
Account Payables	1,034	1,266	2,979	7,607	14,064	16,633	22,302
Other Current Liabilities	333	535	572	4,694	7,807	8,185	10,283
Total Liabilities	**2,660**	**6,125**	**8,934**	**22,369**	**35,692**	**42,998**	**56,954**
Gross Fixed Assets	222	445	599	747	952	1,296	1,555
Acc. Depreciation	(38)	(78)	(154)	(268)	(388)	(544)	(740)
Net Fixed Assets	184	367	445	480	564	752	815
Capital WIP	18	6	56	15	20	23	25
long term investments	0	0	0	0	0	0	0
Others	74	152	179	233	323	382	480
Inventory	541	1,147	2,228	8,048	15,071	17,884	23,834
Receivables	1,515	1,838	3,615	6,700	12,329	14,630	19,756
Loans and advances	0	0	0	0	0	0	0
Other current assets	189	399	612	999	1,490	2,480	3,131
Cash & Cash Equivalents.	139	2,216	1,798	5,894	5,895	6,847	8,913
Total Assets	**2,660**	**6,125**	**8,934**	**22,369**	**35,692**	**42,998**	**56,954**
Non-Cash WC	879	1,583	2,905	3,446	7,019	10,176	14,137
Cash Conv. Cycle	72.1	79.8	92.3	57.6	63.8	76.2	77.7
WC Turnover	5.1	4.6	4.0	6.3	5.7	4.8	4.7
Gross Asset Turnover	20.0	16.3	19.2	29.2	42.2	37.6	42.7
Net Asset Turnover	24.1	19.7	25.8	45.5	71.2	64.8	81.5
Net D/E	0.2	(0.5)	(0.3)	(0.4)	(0.3)	(0.3)	(0.3)

Days (x)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Receivable Days	124	93	115	112	112	110	109
Inventory Days	44	58	71	135	137	134	131
Payable Days	116	85	123	161	158	155	152
Non-cash WC days	72	80	92	58	64	76	78

Cash Flow

Y/E Mar (Rs mn)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Profit Before Tax	630	1,020	1,540	2,765	5,003	6,133	8,645
Depreciation	37	63	113	142	151	195	249
Others	23	55	(16)	26	18	15	15
Tax paid	(156)	(263)	(402)	(699)	(1,288)	(1,585)	(2,243)
Change in WC	(277)	(668)	(1,357)	(554)	(3,643)	(3,201)	(4,051)
Operating Cashflow	**256**	**206**	**(122)**	**1,681**	**240**	**1,557**	**2,614**
Capex	(179)	(271)	(259)	(192)	(260)	(401)	(322)
Change in Invest.	(4)	(1,251)	1,222	(148)	(198)	(92)	(192)
Others	0	9	26	15	0	0	0
Investing Cashflow	**(183)**	**(1,514)**	**989**	**(325)**	**(458)**	**(493)**	**(514)**
Change in Debt	(32)	(288)	(4)	2,704	142	50	100
Change in Equity	0	2,571	1	1	0	0	0
Others	9	(150)	(61)	(113)	(121)	(254)	(327)
Financing Cashflow	**(22)**	**2,133**	**(64)**	**2,592**	**21**	**(204)**	**(227)**
Net Change in Cash	**51**	**826**	**804**	**3,948**	**(196)**	**860**	**1,874**

Source: Company, Equirus Research

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