equirus SECURITIES

Netweb Technologies India Limited

Robust traction continues; maintain ADD.

CMP	Target Price
Rs 3,928	Rs 4,110 Jun 2027
Rating	Upside
ADD	5% (↑)

- Netweb reported good show on Sales with beat on OPM (on adjusted basis).
- We believe that Netweb's growth prospects remain healthy given robust deal pipeline (with order pipeline excl. L1 of INR44.32bn & order book plus L1 pipeline of INR8.0bn besides unexecuted strategic order worth INR16.3bn related to AI System). Netweb's order pipeline still remain robust considering i) its unique tie up with NVIDIA (established a roadmap to design/develop AI GPU systems based on the advanced NVIDIA Blackwell platform), Intel & AMD (it launched Intel Emerald Rapids & AMD Turin based 'Make in India' high-end computing servers), ii) its launch of "Skylus.ai" with built-in GPU abstraction, "Tyrone Camarero Spark"- AI Edge SPC system, "Tyrone Camarero GB200"- supporting multi-trn. parameter models, "Tyrone ParallelStor Velox", a unified data platform to eliminate data bottleneck in high-end compute Infra, iii) entered collaboration with Vertiv for advanced-cooling AI systems iv) its ongoing benefit from GOI's announced India AI mission with a budget of over INR 103bn (with GOI's plan to materially increase this budget ahead) to create a 'Sovereign AI' compute-infra as a service (Netweb already won 2 such strategic orders & its expectations to win such orders ahead), v) existing catalysts from increasing adoption of Pvt. Cloud, HPC (Govt's launch of NSM 2.0 in Dec'25), AI Servers across many industries, v) GOI's make-in-India push/data security norms, and vi) its expansion plans for export and vii) its R&D focus.
- Considering above, we maintain ADD rating with Jun'27 TP of Rs. 4,110 (Mar'27; Rs.3,810 earlier) set at fwd. PE of 63.5x EPS of Rs.64.7 (earlier at 62x EPS of Rs.61.4).

4Q Sales higher than expected…: Netweb Sales grew 87% yoy (EE:+85% YoY). Excluding the strategic order sales worth INR 1.08bn, balance/base business grew 60% yoy. FY26 Sales grew 90.0% yoy (excl. strategic order Sales, base business grew 41% yoy in FY26).
…with better-than-expected Adj. EBITDAM: Netweb reported 20.4%/14.4%/13.9% GM/Adj. EBITDAM/Adj. EBITM (adjusted to incl. Fx loss in Other Income vs. reported as part of Other Exps.) in 4Q vs. EE of GM/EBITDAM/EBITM of 19.5%/13.6%/13.1%. This was despite increasing raw material prices and largely led by operating leverage and better revenue mix qoq (with lower contribution of relatively low margin strategic order sales). Despite rising memory and chip prices in volatile uncertain macro, Netweb maintains its EBITDAM guidance range of 13–14%; however, we remain watchful (relatively low margin strategic orders expected to contribute meaningfully to FY27E revenue). For FY26 GM/Adj. EBITDAM/Adj. EBITM came at 20.8%/13.9%/13.2% vs. 23.2%/13.9%/12.9% yoy in FY25 (ex PLI 22.8%/13.5%/12.5% yoy in FY25). Netweb increased the inventory levels in 4Q, which in our view is a step in right direction to battle with rising raw material prices.
Healthy order book and pipeline: Despite strong show on sales in FY26, order book stood at INR 4.72bn (INR5.26bn qoq) with order pipeline (ex. L1) worth INR44.3bn (INR42.7bn qoq) and L1 pipeline of INR3.28bn (INR3.32bn qoq) at end of 4QFY26. Strategic order book (pending execution) stood at INR 16.2bn (to be executed from 1Q-3QFY27E) implying total order intake worth INR 20.98bn (INR 24.25bn incl. L1 Order pipeline) at FY26-End (implies strong growth visibility for Netweb even in FY27E in our view).
Valuations: Our 1-yr target PE is now at 5-10% discount to Netweb's mean since listing to factor increasing raw material prices, considerable INR/US$ depreciation in recent past and any higher-than-expected impact of the same on margins. In our view, it further needs to tighten its working capital and FCF generation (improved in FY26) on consistent basis.

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	108.7	30.9	72.8	32.8	55.5	13.9
FY27E	38,975	5,000	3,450	60.6	64.8	21.2	43.9	38.8	66.9	12.8
FY28E	32,599	4,671	3,343	58.7	66.9	16.4	46.8	27.6	42.7	14.3
FY29E	46,232	6,502	4,733	83.1	47.3	12.3	33.4	29.7	44.4	14.1

Source: Company, Equirus Securities

Estimate Revision

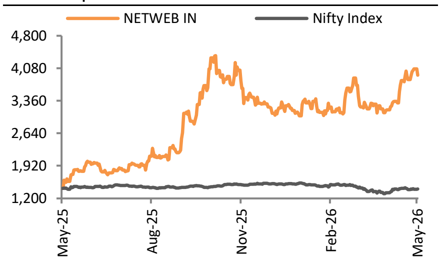
	Forecasts		% Change	
(Rs mn)	FY27E	FY28E	FY27E	FY28E
Sales	38,975	32,599	7.8%	-2.9%
EBITDA	5,000	4,671	8.3%	-3.8%
PAT	3,450	3,343	4.8%	-4.4%
EPS*	60.6	58.7	4.7%	-4.4%

*Diluted

Stock Information	
Market Cap (Rs Mn)	2,23,646
52 Wk H/L (Rs)	4,480/1,494
Avg Daily Volume (1yr)	19,18,069
Avg Daily Value (Rs Mn)	6,210.8
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	71.0	(0.0	(0.4)
DII	3.3	(0.3)	(1.9)
FII	9.6	(1.3)	(1.6)
Public	16.2	1.5	3.9

Relative price chart



Source: Bloomberg

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Exhibit 1: Quarterly performance

Particulars	Q4FY26	Q4FY26E	Q3FY26	Q4FY25	% Change			Comments
					Q4FY26E	Q3FY26	Q4FY25	
Net Sales (Rs Mn)	7,737	7,656	8,049	4,147	1.1%	-3.9%	86.6%	Higher than expectations.
COGS	6,158	6,163	6,681	3,218	-0.1%	-7.8%	91.4%	
Other Expenses*	467	455	380	331	2.7%	22.8%	41.2%	
Total Expenditures	**6,625**	**6,618**	**7,061**	**3,549**	**0.1%**	**-6.2%**	**86.7%**	
EBITDA	**1,112**	**1,038**	**988**	**598**	**7.1%**	**12.5%**	**86.0%**	
Depreciation	38	39	36	32	-1.0%	5.9%	20.7%	
EBIT	**1,073**	**999**	**952**	**566**	**7.4%**	**12.8%**	**89.7%**	Adjusted margins are higher than expectations.
Other Income*	-125	-25	29	13	402.1%	-532.6%	-1054.8%	
PBT	**948**	**974**	**981**	**579**	**-2.7%**	**-3.3%**	**63.8%**	
Tax	242	248	248	149	-2.3%	-2.1%	62.5%	
Profit from JV/Asso and MI	-	-	-	-				
Recurring PAT	**706**	**726**	**733**	**430**	**-2.8%**	**-3.7%**	**64.2%**	Below expectations led by forex losses.
Extraordinaries	-	-	-	-				
Reported PAT	**706**	**726**	**733**	**430**	**-2.8%**	**-3.7%**	**64.2%**	
Recurring. EPS (Rs)	12.4	12.8	12.9	7.6	-3.3%	-4.2%	63.4%	
EBITDA Margin	14.4%	13.6%	12.3%	14.4%	81 bps	210 bps	-4 bps	
EBIT Margin	13.9%	13.1%	11.8%	13.6%	82 bps	205 bps	23 bps	
PBT Margin	12.3%	12.7%	12.2%	14.0%	-47 bps	7 bps	-171 bps	
PAT Margin	9.1%	9.5%	9.1%	10.4%	-36 bps	2 bps	-124 bps	
Tax Rate	25.6%	25.5%	25.2%	25.7%	9 bps	31 bps	-19 bps	

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

4QFY26 Earnings call takeaways

- Revenue and growth guidance:
  - During 4QFY26 total revenue grew by 86.6% yoy and stood at Rs. 7,737mn; excluding the derived strategic order Sales worth INR 1,084mn in 4QFY26, balance/base business registered sales worth INR 6,653mn, up 60.4% yoy. The growth was primarily driven by a transformational shift in its AI Systems segment. FY26 revenue growth is robust at 90.0% yoy (excluding derived strategic order, FY26 Sales grew at 41.4% yoy).
  - The strategic order is expected to be executed over the next 3 quarters (from 1QFY27 to 3QFY27) and will act as a major additional growth driver for FY27E.
  - Netweb has provided a organic revenue growth guidance of 35% to 40% over the next couple of years (which excludes revenue from strategic orders execution).
- Revenue by Service Offering:
  - Among product/solution offering, High Performance Computing (HPC), Pvt Cloud & HCI, AI Workstation, High Performance Storage (HPS), Data Center Server, Software & Services, Spares & Others grew +59%/+36% /+351%/40%/15%/-59%/+141% YoY, respectively in 4QFY26 and grew +31%/+28% /+460%/+19%/-14%/+13%/+30% YoY, respectively in FY26.
  - Netweb reiterated their strategic focus on three major offerings (ie. HPC, Private Cloud and AI) which contributed 91.4% of their total revenue in FY26/c.85% of its sales in FY25.
  - AI Systems contributed 43.4% of its total revenue in FY26 (largely led by execution of strategic orders) (vs.14.7% in FY25). This segment is dedicated to addressing and handling AI workloads. HPC and Private Cloud, continue to exhibit demand.
  - Higher contribution on account of strategic order execution. Netweb's management highlighted that the global surge in AI adoption is also reflected in their own business, with strong growth in the AI domain driven by the latest system architectures and their in-house software platform, Skylus.ai. Further, Netweb believe, it is uniquely positioned to harness the opportunities of increasing demand of AI and expects AI Systems and Enterprise Workstations' sales contribution to increase ahead as well led by India's flourishing AI research ecosystem, supported by government initiatives and industry partnerships.

- Demand environment: On demand side Netweb continue to expect growth across its focussed segments due to (i) increase in demand for high-end computing system in various industries (ii) rising demand of cyber security solutions (iii) growing demand for AI across various industries, business verticals with rising investments in Generative AI infra by Govt & large enterprises to cater to demand for LLM oriented solutions (iv) rising adoption of private cloud by enterprises across sectors (v) various Govt initiative relating high end compute infrastructure building and promotion (including GOI's approval of over Rs.103bn for the India AI Mission, National Supercomputing Mission 2.0) (vi) Huge demand of high-end compute for booming in-bound data centre across India (vii) Large strategic order wins.
- Margin Management: Netweb reported 20.4%/14.4%/13.9% GM/Adj. EBITDAM/Adj. EBITM (adjusted to incl. Fx losses in Net Other Income vs. reported as part of Other Exps.) in 4Q vs. EE of GM/EBITDAM/EBITM of 19.5%/13.6%/13.1% largely led by operating leverage, better revenue mix qoq (with lower contribution of relatively low margin strategic order Sales). Despite rising memory and chip prices in volatile uncertain macros, Netweb maintains its FY27E EBITDAM guidance of 13–14%; however, we remain watchful (as strategic orders expected to contribute meaningfully to FY27E revenue carry lower margins than the base business, as per Netweb's 2QFY26/3QFY26 earnings call commentary earlier won two strategic orders to adversely impact PBTM by around 150–200 bps). For FY26 Adj. EBITDAM/Adj. EBITM came at 13.9%/13.2% vs. 13.9%/12.9% yoy in FY25 (ex PLI 13.5%/12.5% yoy in FY25). Netweb reiterated that its integrated full-stack approach (designing, manufacturing, and providing software and hardware) allows it to command better margins in the market, unlike its competitors who are either hardware or software companies that bundle their products together.
- 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.

- Global Supply Chain impact:
  - The global supply chain is currently experiencing tight availability and industry-wide price increase, (particularly for flash memory and storage) 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.
  - maintaining deep, long-standing relationships with few major technology providers (such as NVIDIA, Intel, and AMD), because Netweb focuses on niche, high-end solutions rather than "box pushing," they receive priority access to critical components like storage and memory.
  - Aligning pricing for new orders with prevailing market dynamics at the time of order placement.
- Order Pipeline and Order book (both excl. strategic orders won/its pipeline):
  - Order Pipeline: Netweb reported order pipeline worth INR 44.3bn besides L1 order pipeline worth INR 3.3bn implying total order pipeline worth INR 47.6bn at 4QFY26-end. Reported order book came INR 4.7bn. At the end of 4QFY26, order book and L1 order pipeline are worth INR 8.0bn.
  - The order pipeline, L1 pipeline and order intake does not include Sovereign AI/AI related pipeline and/or wins of strategic orders announced in Sept 2025.
  - 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 Strategic Order execution:
  - Strategic order book at FY26 end stands at INR 16,252mn vs. fist strategic order win worth INR 17,336mn implying sales conversion worth INR 1084mn in 4QFY26.
  - It will execute the order in a phased manner, over the next 3 quarters (from 1QFY26 to 3QFY26). Further, the revenue generated from the strategic order will be classified under the AI Systems segment.

- Cash Conversion: 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 60 to 86. Reported DSO came at 86 days vs 114 days qoq, reported Inventory days at 86 days vs. 60 days qoq, reported payables days at 88 days vs. 105 days qoq, net of three elements net working capital days came at 84 days vs. 69 days qoq.
- Borrowings, cash and working capital details: Reported borrowing (excl. Lease Liabilities) worth INR 2,716.7mn at 4QFY26-end vs. INR 35.5mn at 3QFY26-end and INR 12.7m yoy. Increase in short-term borrowings was primarily a transitional measure to fund the working capital required to execute large strategic orders. Reported Cash & equivalents came at INR 3,655mn at 4QFY26 end vs. INR 2,050mn qoq and INR 1700.8mn yoy.
- Capex Plan: Netweb highlighted, it does not need a significant new capex to support its near-term growth as its current manufacturing facility is sufficient to support current revenue scale. No significant Capex expansion is expected for FY27E, with only routine Capex anticipated.
- Dividend: Board proposed a final dividend of INR 3/share (vs. INR 2.5 in FY25 INR 2 in FY24).

Exhibit 2: Revenue growth by HCS Offering (% change yoy) – including strategic order

HCS Offering (Rs. in mn)	FY22	FY23	FY24	FY25	FY26		
	Revenue (Rs. in mn)	Revenue (Rs. in mn)	Revenue (Rs. in mn)	Revenue (Rs. in mn)	Revenue (Rs. in mn)	% to Revenue	% chg yoy
High performance computing (Supercomputing / HPC) systems	1,030	1729	2,624	4,055	5,308	24%	31%
Private cloud and hyperconverged Infrastructure (HCI)	479	1460	2,644	4,027	5,170	24%	28%
AI systems and enterprise workstations	243	310	799	1,694	9,478	43%	460%
High performance storage (HPS/Enterprise Storage) solutions	217	308	339	275	328	2%	19%
Data Centre servers	241	284	337	373	320	1%	-14%
Software and services for HCS offerings	69	94	176	455	514	2%	13%
Network switches	-	-	33	123	209	1%	70%
Others (spares sales)	192	225	289	429	509	2%	19%

Source: Company data, Equirus

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

Application Industry (Rs. in mn)	FY22	FY23	FY24	FY25
	Revenue (Rs. in mn)	Revenue (Rs. in mn)	Revenue (Rs. in mn)	Revenue (Rs. in 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
Revenue from repeat customers (in %)	77.7%	90.7%	69.0%	81.4%	75.6%
Customer concentration					
Revenue from Top 5 Customer	38.40%	47.10%	50.30%	50.80%	62.20%
Revenue from Top 10 Customer	49.50%	57.80%	64.50%	65.80%	76.40%
New customer acquisition	174	192	171	147	131

Source: Company data, Equirus

Exhibit 5: Order Pipeline and Order book (at the end of quarter) – excluding strategic orders wins/their pipeline

Order Pipeline and Order Book (Rs.in mn)	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Oder pipeline (excluding L1)	31,479	32,322	34,466	35,477	37,038	38,149	39,714	41,421	42,043	42,703	44,315
L1 Order pipeline	3,496	3,024	3,142	3,225	3,316	3,481	3,628	4,640	3,480	3,316	3,278
Total Order Pipeline	**34,975**	**35,346**	**37,608**	**38,702**	**40,354**	**41,630**	**43,342**	**46,061**	**45,523**	**46,019**	**47,593**
Order book	2,174	3,391	4,112	4,197	3,697	3,603	3,252	2,299	4939	5,258	4,724
Order book + L1 Order pipeline	5,670	6,415	7,254	7,422	7,013	7,084	6,880	6,939	8,419	8,574	8,002*

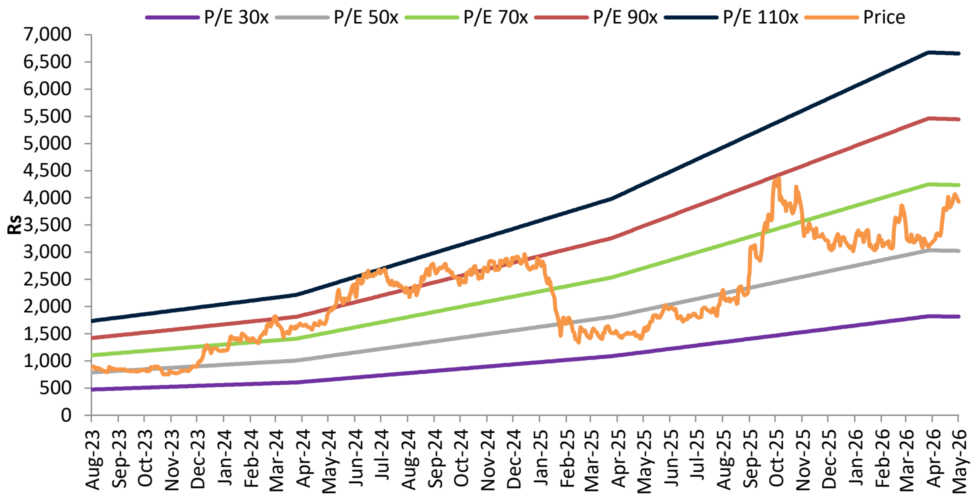
*Source: Company data, Equirus; * excludes pending strategic orderbook worth INR 16.25bn*

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

Breakup of Govt and non-govt. customers revenue (in% terms)	FY23	FY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Government Customers	53.2%	47.3%	59.2%	37.5%	59.9%	52.1%	59.5%	42.50%	25.1%	54.8%
Non-Government Customers	46.8%	52.7%	40.8%	62.5%	40.1%	47.9%	40.5%	57.50%	74.9%	45.2%

Source: Company data, Equirus

Exhibit 7: 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	60.6	72.1	-16.0%	
	FY28E	58.7	80.5	-27.1%	
Sales	FY27E	38,975	36,719	6.1%	
	FY28E	32,599	44,678	-27.0%	
PAT	FY27E	3,450	3,754	-8.1%	
	FY28E	3,343	4,399	-24.0%	

Source: Company data, Equirus

Key Estimates

	Earlier estimates		Revised estimates		Difference	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue (Rs mn)	36,172	33,563	38,975	32,599	7.8%	-2.9%
EBITDA (Rs mn)	4,618	4,856	5,000	4,671	8.3%	-3.8%
EBITDA (%)	12.8%	14.5%	12.8%	14.3%	6 bps	-14 bps
EBIT (Rs mn)	4,437	4,634	4,824	4,459	8.7%	-3.8%
EBIT (%)	12.3%	13.8%	12.4%	13.7%	11 bps	-13 bps
PAT (Rs mn)	3,292	3,497	3,450	3,343	4.8%	-4.4%
EPS* (Rs)	57.9	61.4	60.6	58.7	4.7%	-4.4%

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

Our Key Investment arguments:

- We believe that Netweb's growth prospects remain healthy given robust deal pipeline (with order pipeline excl. L1 of INR44.32bn & order book plus L1 pipeline of INR8.0bn besides unexecuted strategic order worth INR16.3bn related to AI System). Netweb's order pipeline still remain robust considering i) its unique tie up with NVIDIA (established a roadmap to design/develop AI GPU systems based on the advanced NVIDIA Blackwell platform), Intel & AMD (it launched Intel Emerald Rapids & AMD Turin based 'Make in India' high-end computing servers), ii) its launch of "Skylus.ai" with built-in GPU abstraction, "Tyrone Camarero Spark"- AI Edge SPC system, "Tyrone Camarero GB200"- supporting multi-trn. parameter models, "Tyrone ParallelStor Velox", a unified data platform to eliminate data bottleneck in high-end compute Infra, iii) entered collaboration with Vertiv for advanced-cooling AI systems iv) its ongoing benefit from GOI's announced India AI mission with a budget of over INR 103bn (with GOI's plan to materially increase this budget ahead) to create a 'Sovereign AI' compute-infra as a service (Netweb already won 2 such strategic orders & its expectations to win such orders ahead), v) existing catalysts from increasing adoption of Pvt. Cloud, HPC (Govt's launch of NSM 2.0 in Dec'25), AI Servers across many industries, v) GOI's make-in-India push/data security norms, and vi) its expansion plans for export and vii) its R&D focus.
- Considering above, we maintain ADD rating.

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 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 - FY25	CAGR (FY22-FY25)	CAGR (FY25-FY28E)	% - FY25	CAGR (FY22-FY25)	CAGR (FY25-FY28E)	% - FY25	CAGR (FY22-FY25)	CAGR (FY25-FY28E)
Kaynes Technology India*	27,218	57%	43%	15.1%	64%	46%	10.8%	92%	39%
Syrma SGS Technology*	37,867	55%	29%	8.6%	51%	38%	4.5%	44%	46%
Dixon Technologies*	3,88,601	54%	29%	3.9%	58%	31%	2.8%	79%	16%
Netweb	11,490	67%	42%	13.9%	67%	43%	10.0%	72%	43%

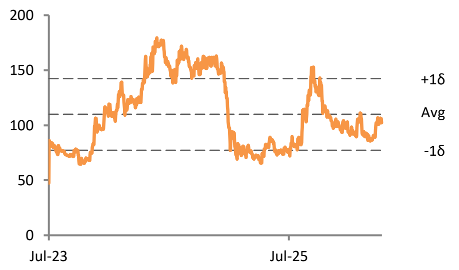
Source: Company data, Bloomberg, Equirus; *Financials/estimates taken from Bloomberg reported/consensus figures.

Peer Comparison analysis (Table-II)

Company	Sales Growth (%)			EBITDA %			EBIT (%)			PAT Margin (%)			RoE (%)			P/E Ratio			
	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY28E
Kaynes Technology India*	51%	42%	50%	15.1%	16.0%	15.6%	13.4%	14.1%	12.8%	10.8%	11.4%	10.1%	11.0%	11.3%	11.5%	90.3	63.3	47.0	34.5
Syrma SGS Technology*	20%	27%	31%	8.6%	10.5%	10.5%	6.6%	8.8%	8.7%	4.5%	6.3%	6.4%	10.1%	13.1%	13.6%	107.0	64.6	49.9	39.0
Dixon Technologies*	120%	26%	38%	3.9%	3.8%	3.7%	3.2%	3.0%	3.0%	2.8%	2.2%	1.8%	46.6%	25.8%	24.3%	56.3	71.5	60.5	42.2
Netweb #	59%	90%	78%	13.9%	13.9%	12.8%	12.9%	13.2%	12.4%	10.0%	9.4%	8.9%	24.0%	32.8%	38.8%	194.9	108.4	64.8	66.9

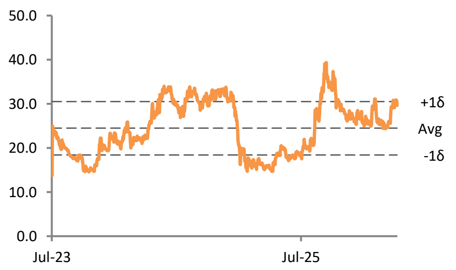
*Source: Company data, Bloomberg, Equirus; * Financials/estimates taken from Bloomberg reported/consensus figures; priced as on 4th May 2026 closing prices.*
 # In case of Netweb FY26 numbers are actual while for its peers FY26 numbers are based on Bloomberg consensus.

Price to earning chart



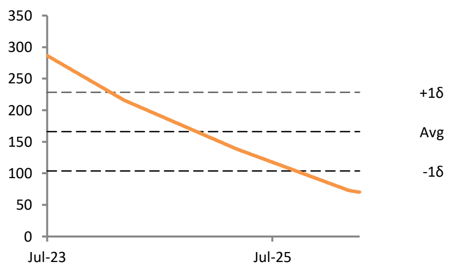
Source: Company, Equirus Research

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	1QFY27E	2QFY27E	3QFY27E	4QFY27E
Revenue	**3,012**	**3,037**	**8,049**	**7,737**	**8,222**	**9,882**	**12,693**	**8,178**
COGS	2,240	2,203	6,681	6,158	6,733	8,131	10,644	6,460
Employee Cost	0	0	0	0	0	0	0	0
Other Expenses	324	353	380	467	441	489	525	552
EBITDA	**448**	**481**	**988**	**1,112**	**1,049**	**1,262**	**1,523**	**1,165**
Depreciation	33	34	36	38	40	42	44	48
EBIT	**415**	**447**	**952**	**1,073**	**1,008**	**1,220**	**1,479**	**1,117**
Interest Exp.	0	0	0	0	0	0	0	0
Other Income	1	(27)	29	(125)	(109)	(74)	(29)	19
Profit before Tax	**416**	**420**	**981**	**948**	**899**	**1,146**	**1,450**	**1,135**
Tax Expenses	111	106	248	242	230	293	370	288
Profit After Tax	**305**	**314**	**733**	**706**	**670**	**853**	**1,080**	**847**
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**	**670**	**853**	**1,080**	**847**
Exceptional Items	0	0	0	0	0	0	0	0
Reported PAT	**305**	**314**	**733**	**706**	**670**	**853**	**1,080**	**847**
Other comprehensive income.	0	0	0	0	0	0	0	0
PAT after comp. income.	**305**	**314**	**733**	**706**	**670**	**853**	**1,080**	**847**
FDEPS	**5.4**	**5.5**	**12.9**	**12.4**	**11.8**	**15.0**	**19.0**	**14.9**
Cost items as % of sales								
RM expenses	74.4	72.5	83.0	79.6	81.9	82.3	83.9	79.0
Employee expenses	10.7	11.6	4.7	6.0	5.4	4.9	4.1	6.8
Margin (%)								
Gross Margin	25.6	27.5	17.0	20.4	18.1	17.7	16.1	21.0
EBITDA Margin	14.9	15.8	12.3	14.4	12.8	12.8	12.0	14.2
PAT Margin	10.1	10.3	9.1	9.1	8.1	8.6	8.5	10.4
YoY Growth (%)								
Sales	101.7	21.0	141.0	86.6	173.0	225.4	57.7	5.7
EBITDA	124.0	32.5	124.8	86.0	134.0	162.3	54.2	4.8
EBIT	136.1	32.7	133.1	89.7	143.1	173.0	55.4	4.0
PAT	97.4	22.2	141.8	64.2	119.7	171.5	47.3	20.0

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**	**38,975**	**32,599**	**46,232**
COGS	3,244	5,445	8,825	17,283	31,969	25,387	36,422
Employee Cost	0	0	0	0	0	0	0
Other Expenses	506	770	1,065	1,524	2,007	2,541	3,308
EBITDA	**700**	**1,025**	**1,600**	**3,029**	**5,000**	**4,671**	**6,502**
Depreciation	37	63	113	142	175	212	259
EBIT	**664**	**963**	**1,487**	**2,887**	**4,824**	**4,459**	**6,243**
Interest Exp.	(26)	(50)	(21)	(115)	(205)	(97)	(49)
Other Income	(8)	107	74	(7)	11	125	159
Profit before Tax	**630**	**1,020**	**1,540**	**2,765**	**4,631**	**4,487**	**6,353**
Tax Expenses	160	261	395	707	1,181	1,144	1,620
Profit After Tax	**469**	**759**	**1,145**	**2,058**	**3,450**	**3,343**	**4,733**
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**	**3,450**	**3,343**	**4,733**
Exceptional Items	0	0	0	0	0	0	0
Reported PAT	**469**	**759**	**1,145**	**2,058**	**3,450**	**3,343**	**4,733**
Other comprehensive income.	0	0	0	0	0	0	0
PAT after comp. income.	**469**	**759**	**1,145**	**2,058**	**3,450**	**3,343**	**4,733**
FDEPS	9.2	13.3	20.1	36.1	60.6	58.7	83.1
DPS	1	2	3	3	4	5	7
BVPS	18	74	93	127	185	240	319

YoY Growth (%)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Sales	80.1	62.7	58.7	90.0	78.5	(16.4)	41.8
EBITDA	102.4	46.4	56.1	89.3	65.1	(6.6)	39.2
EBIT	101.3	45.1	54.4	94.2	67.1	(7.6)	40.0
PAT	109.0	61.7	50.8	79.8	67.6	(3.1)	41.6

Key Ratios

Profitability (%)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Gross Margin	27.1	24.8	23.2	20.8	18.0	22.1	21.2
EBITDA Margin	15.7	14.2	13.9	13.9	12.8	14.3	14.1
PAT Margin	10.5	10.5	10.0	9.4	8.9	10.3	10.2
ROE	68.0	29.4	24.0	32.8	38.8	27.6	29.7
ROIC	47.2	28.5	24.0	27.8	32.6	25.7	28.6
Core ROIC	53.2	44.0	38.8	55.5	66.9	42.7	44.4
Dividend Payout	5.4	14.9	12.3	8.3	6.5	8.0	8.0

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

Valuation (x)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
P/E	426.1	294.8	195.4	108.7	64.8	66.9	47.3
P/B	213.5	52.9	42.2	30.9	21.2	16.4	12.3
P/FCFF	2,593.7	(3,454.0)	(587.9)	150.2	211.6	234.7	126.2
EV/EBITDA	319.7	216.0	138.7	72.8	43.9	46.8	33.4
EV/Sales	50.3	30.6	19.3	10.1	5.6	6.7	4.7
Dividend Yield (%)	0.0	0.1	0.1	0.1	0.1	0.1	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	10,421	13,564	18,055
Net Worth	**937**	**4,228**	**5,303**	**7,233**	**10,535**	**13,678**	**18,169**
Total Debt	304	16	13	2,717	1,363	686	347
Other long term liabilities	53	80	67	117	160	224	289
Minority Interest	0	0	0	0	0	0	0
Account Payables	1,034	1,266	2,979	7,607	5,135	7,163	9,936
Other Current Liabilities	333	535	572	4,694	1,191	1,648	2,245
Total Liabilities	**2,660**	**6,125**	**8,934**	**22,369**	**18,385**	**23,398**	**30,987**
Gross Fixed Assets	222	445	599	750	932	1,232	1,450
Acc. Depreciation	(38)	(78)	(154)	(270)	(416)	(594)	(811)
Net Fixed Assets	184	367	445	480	516	639	639
Capital WIP	18	6	56	15	25	35	40
long term investments	0	0	0	0	0	0	0
Others	74	152	179	233	287	347	436
Inventory	541	1,147	2,228	8,048	4,178	5,964	8,419
Receivables	1,515	1,838	3,615	6,700	6,563	9,214	12,863
Loans and advances	0	0	0	0	0	0	0
Other current assets	189	399	612	999	1,339	1,601	1,751
Cash & Cash Equivalents.	139	2,216	1,798	5,894	5,476	5,598	6,839
Total Assets	**2,660**	**6,125**	**8,934**	**22,369**	**18,385**	**23,398**	**30,987**
Non-Cash WC	879	1,583	2,905	3,446	5,754	7,968	10,852
Cash Conv. Cycle	72.1	79.8	92.3	57.6	53.9	89.2	85.7
WC Turnover	5.1	4.6	4.0	6.3	6.8	4.1	4.3
Gross Asset Turnover	20.0	16.3	19.2	29.1	41.8	26.5	31.9
Net Asset Turnover	24.1	19.7	25.8	45.5	75.5	51.0	72.3
Net D/E	0.2	(0.5)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)

Days (x)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Receivable Days	124	93	115	112	61	103	102
Inventory Days	44	58	71	135	39	67	66
Payable Days	116	85	123	161	59	103	100
Non-cash WC days	72	80	92	58	54	89	86

Cash Flow

Y/E Mar (Rs mn)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E	FY29E
Profit Before Tax	630	1,020	1,540	2,765	4,631	4,487	6,353
Depreciation	37	63	113	142	175	212	259
Others	23	55	(16)	26	23	24	26
Tax paid	(156)	(263)	(402)	(699)	(1,188)	(1,151)	(1,630)
Change in WC	(277)	(668)	(1,357)	(554)	(2,341)	(2,239)	(2,938)
Operating Cashflow	**256**	**206**	**(122)**	**1,681**	**1,300**	**1,333**	**2,070**
Capex	(179)	(271)	(259)	(192)	(243)	(380)	(298)
Change in Invest.	(4)	(1,251)	1,222	(148)	(185)	69	(147)
Others	0	9	26	15	0	0	0
Investing Cashflow	**(183)**	**(1,514)**	**989**	**(325)**	**(428)**	**(311)**	**(445)**
Change in Debt	(32)	(288)	(4)	2,704	(1,354)	(677)	(338)
Change in Equity	0	2,571	1	1	0	0	0
Others	9	(150)	(61)	(113)	(121)	(154)	(192)
Financing Cashflow	**(22)**	**2,133**	**(64)**	**2,592**	**(1,475)**	**(831)**	**(531)**
Net Change in Cash	**51**	**826**	**804**	**3,948**	**(603)**	**191**	**1,094**

Source: Company, Equirus Research

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