

Netweb Technologies India Limited

Limited upside; downgrade to ADD.

CMP
Rs 3,799

Target Price
Rs 4,005
Dec 2026

Rating
ADD

Upside
5% (↑)

- Netweb's 2Q performance was largely in-line on Revenues but with beat on OPM.
- We believe that Netweb's growth prospects is further strengthening given healthy deal pipeline (with reported order pipeline excl. L1 of INR 42.04bn with order book plus L1 order pipeline worth INR 8.42bn over and above two strategic order wins in Sept'25 worth of INR 21.840bn related to AI Systems). As per Netweb, its order pipeline remain robust (even after strong Consol. order intake) 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 – a AI native appliance with built-in GPU abstraction, iii) its ongoing benefit from GOI's announced India AI mission with a budget of over INR 103bn (with GOI's plan to double to INR 200bn) to create a 'Sovereign AI' computing infrastructure as a service (Netweb already won two such strategic orders in Sept'25 mentioned hereinabove and its expectations to win such orders ahead despite its sporadic nature and same not part of pipeline disclosed by it), iv) existing catalysts from increasing adoption of Pvt. Cloud, HPC (NSM 2.0 to be launched soon), AI Servers (demand generated by indigenous LLMs) across many industries and v) make in India push and data security norms of GOI, vi) Netweb's expansion plans for export (esp. in Europe/M.East) and vii) its continued focus on R&D.
- We believe that Netweb's above growth potential to some extent is getting priced in considering significant uptick in its share price (+151% in FY26 YTD/+72% since Aug'25-End). Hence, we downgrade Netweb to ADD (from LONG earlier) with Dec'26 TP of Rs.4,005 (Sep'26; Rs.2,510 earlier) set at fwd. PE of 65x EPS of Rs.61.6 (with EPS CAGR of 45% over FY25-FY28E/73% over FY25-FY27E) vs. earlier at 50x EPS of Rs.50.2.

2Q Sales largely in-line: Netweb reported Sales growth of 21% yoy in 2Q (EE:+21.7%). Sales from Super Computing (HPC/SPC)/Pvt. Cloud & HCI / AI Systems / Storage / DC Server / Software-Services / Spares / Network-Switches grew +25%/-1%/+78%/+81%/-35%/+121%/-26%/+61% in 2Q on YoY. In 1H AI Sys. formed 25% (FY25:15%) of Sales.

Beat on OPM: Netweb reported 27.5%/15.8%/14.7% GM/Adj. EBITDAM/Adj. EBITM (adjusted to incl. Fx losses in Net Other Income vs. reported as part of Other Exps.) in 2Q vs. EE of GM/EBITDAM/EBITM of 26.0%/13.8%/12.6%. For FY26E Netweb reiterated its EBITDAM guidance of 13-14% and PATM guidance of 10.0-10.5% (excl. execution of the two strategic orders worth INR 21.84bn; around 1/3rd to be executed in FY26E itself and balance in FY27E). Including execution of these two strategic orders it expects PBTM to be lower by around 150–200 bps.

Healthy order pipeline: Despite strong show on sales in 1H, order book stood at INR 4.94bn (INR 2.30bn qoq) with order pipeline (ex. L1) worth INR 42.04bn (INR 41.42bn qoq) and L1 pipeline worth INR 3.48bn (INR 4.64bn qoq) at end of 2QFY26.

Valuations: Our 1-yr target PE is now close to Netweb's mean since listing (vs. earlier assigned 30-35% discount to factor solid strengthening of its growth profile on back of its recent strong order wins and its pipeline). In our view, Netweb needs to tighten its working capital and FCF generation on consistent basis (FCF improved in 1H also due to some customer advance for strategic deals it won in Sept'25).

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 (%)
FY25A	11,490	1,600	1,145	20.1	189.0	40.8	133.4	24.0	38.8	13.9
FY26E	23,556	3,175	2,200	38.6	98.3	29.3	67.1	34.7	50.5	13.5
FY27E	37,998	4,920	3,443	60.5	62.8	20.3	43.0	38.2	55.8	12.9
FY28E	33,888	4,952	3,525	61.9	61.4	15.6	42.7	28.8	39.4	14.6

Source: Company, Equirus Securities

Estimate Revision

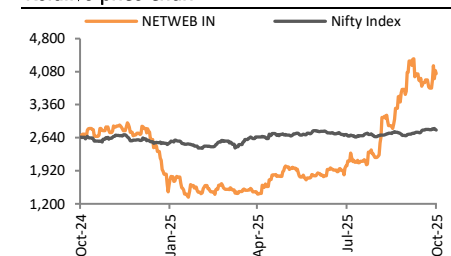
(Rs mn)	Forecasts		% Change	
	FY26E	FY27E	FY26E	FY27E
Sales	23,556	37,998	38.8%	58.4%
EBITDA	3,175	4,920	33.8%	44.0%
PAT	2,200	3,443	30.2%	41.9%
EPS	38.6	60.5	30.3%	41.9%

Stock Information

Market Cap (Rs Mn)	2,15,217
52 Wk H/L (Rs)	4,480/1,252
Avg Daily Volume (1 yr)	11,84,063
Avg Daily Value (Rs Mn)	3,436.6
Equity Cap (Rs Mn)	113
Face Value (Rs)	2
Share Outstanding (Mn)	56.7
Bloomberg Code	NETWEB IN
Ind Benchmark	BSE IT

Ownership (%)	Recent	3M	12M
Promoters	71.0	(0.0)	(0.4)
DII	3.6	(0.7)	(2.0)
FII	10.8	1.3	(1.3)
Public	14.6	(0.6)	3.7

Relative price chart



Source: Bloomberg

Analysts

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Exhibit 1: Quarterly performance

Particulars	Q2FY26	Q2FY26E	Q1FY26	Q2FY25	% Change			Comments
					Q2FY26E	Q1FY26	Q2FY25	
Net Sales (Rs Mn)	3,037	3,054	3,012	2,511	-0.6%	0.8%	21.0%	Largely in-line with expectations
COGS	2,203	2,260	2,240	1,891	-2.5%	-1.7%	16.5%	
Other Expenses	353	371	324	257	-5.0%	9.0%	37.3%	
Total Expenditures	2,556	2,631	2,564	2,148	-2.9%	-0.3%	19.0%	
EBITDA	481	423	448	363	13.8%	7.4%	32.5%	Above EE led by better margins.
Depreciation	34	37	33	26	-6.1%	3.3%	30.0%	
EBIT	447	386	415	337	15.7%	7.8%	32.7%	
Other Income	-26.68	10.22	1.27	8	-361.1%	-2200.8%	-438.1%	
PBT	420	397	416	345	6.0%	1.0%	22.0%	
Tax	106	100	111	87	5.8%	-4.8%	21.1%	
Profit from JV/Asso and MI	-	-	-	-				
Recurring PAT	314	296	305	257	6.0%	3.1%	22.2%	Above EE led by better operating margins partially offset by lower than expected other income.
Extraordinaries	-	-	-	-				
Reported PAT	314	296	305	257	6.0%	3.1%	22.2%	
Recurring. EPS (Rs)	5.5	5.2	5.4	4.6	6.0%	3.1%	21.6%	
EBITDA Margin	15.8%	13.8%	14.9%	14.5%	200 bps	97 bps	138 bps	
EBIT Margin	14.7%	12.6%	13.8%	13.4%	207 bps	94 bps	130 bps	
PBT Margin	13.8%	13.0%	13.8%	13.7%	85 bps	2 bps	11 bps	
PAT Margin	10.3%	9.7%	10.1%	10.2%	64 bps	23 bps	11 bps	
Tax Rate	25.2%	25.3%	26.7%	25.4%	-4 bps	-154 bps	-17 bps	

Source: Company, Equirus Securities

2QFY26 Earnings call takeaways

- **Revenue:** During 2QFY26 total revenue up 21% yoy and stood at Rs. 3,037mn. Going forward Netweb expects healthy revenue growth in coming years as well (reiterated its growth outlook of around 35-40% CAGR in next 2-3 excluding revenues from the strategic orders worth Rs. 21,840mn in Sep'25 and any such strategic order wins ahead).
- **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, Other Spares, Network switches Sales in 2QFY26 grew +25%/-1% /+78%/+81%/-35%/+121%/-26%/+61% YoY, respectively.
 - Netweb reiterated their strategic focus on three major offerings (ie. HPC, Private Cloud and AI) which contributed 89% of their total revenue in 2QFY26/c.85% of its sales in FY25.
 - In 2Q/1HFY26 AI and Workstation systems formed 21.8%/25.4% of sales (vs. 14.7%/11.0% in FY25/FY24). 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.
 - During 2HFY24 Netweb has launched Network Switches, and which has contributed Rs. 17mn in 1QFY26 (vs. Rs.33mn in FY24 and Rs.123mn in FY25).
- **Revenue from Govt customer/non-Govt customer:** Netweb mentioned its 50% business comes from government and 50% from enterprises clients and it may vary sequentially. Revenue from Govt customer/non-Govt customer stood at 42.5%/57.5% in 2Q vs. 59.5%/40.5%.
- **Revenue from Exports:** Netweb started receiving export orders in FY25 (aligns with their growth strategy to enter overseas markets). Netweb expects around 5-6% export contribution ahead (of its revenue excluding the revenue from the strategic orders).
- **Margin Management:**
 - Netweb reported 27.5%/15.8%/14.7% GM/Adj. EBITDAM/Adj. EBITM (adjusted to incl. Fx losses in Net Other Income vs. reported as part of Other Exps.) in 2Q vs. EE of GM/EBITDAM/EBITM of 26.0%/13.8%/12.6%. For FY26E Netweb reiterated its EBITDAM guidance of 13-14% and PATM guidance of 10.0-10.5% (excl. execution of the two strategic orders worth INR 21.84bn; around 1/3rd to be executed in FY26E itself and balance in FY27E). Including execution of these two strategic orders it expects PBTM to be lower by around 150-200 bps.
 - 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.
- **Order Pipeline and Order book (including two strategic orders):**
 - **Order Pipeline:** Reported order pipeline worth INR 42,043mn besides L1 order pipeline worth INR 3,480mn qoq implying total order pipeline worth INR 45,523mn at 2QFY26-end. Reported order book came INR 4,939mn. At end of 2QFY26, order book and L1 order pipeline are worth INR 8,419mn. The order pipeline, L1 pipeline and order intake does not include Sovereign AI related pipeline and/or two mega/large deal 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.
- **Strategic Order win in 2QFY26:**
 - Netweb reported strategic order book worth INR 21,840mn (two such mega/large deal announced worth INR 17,340mn & INR 4,500mn in Sept 2025).
 - It won first strategic order worth INR1,7340 mn (excl. taxes) from one of the largest Indian head quartered providers of technology distribution and integrated supply chain

- o solutions to supply servers based on NVIDIA’s cutting-edge Blackwell architecture.
 - o It second strategic order worth INR 4500mn (excl. taxes) from one of the largest Indian head quartered providers of technology distribution and integrated supply chain solutions to deploy AI Infrastructure facility using the latest Tyrone AI GPU accelerated systems.
 - o Netweb mentioned no additional Capex will be required for the large strategic orders.
 - o Netweb expects to execute roughly one-third of the strategic orders in FY26E, with the remaining portion scheduled for delivery in FY27E.
 - o Working Capital Netweb secured short-term working capital needs, primarily LC-based (Letter of Credit). As per Netweb the orders are LC-backed, which guarantees timely payments and eliminates credit risk. Netweb is receiving sufficient advances from customers.
- **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) (vi) Huge demand of high-end compute for booming in-bound data centre across India (vii) Large strategic order wins.
- **Cash Conversion:** Reported DSO came at 117 days vs 124 days, reported Inventory days at 72 days vs. 72 days qoq, reported payables days at 70 days vs. 84 days qoq, net of three elements net working capital days came at 120 days vs. 111 days qoq. DSO calculation does not include customer advances. Reported Cash & equivalents came at Rs. 2,560mn at 2QFY26 end vs. Rs. 617mn qoq and Rs. 1700mn yoy. They reported FCF worth INR972mn in 1HFY26 with OCF/EBITDA at 109% and FCF/PAT at 157% also aided by certain customer advances it received for the two strategic order wins mentioned herein earlier.
- **Continued Focus on R&D:** Netweb mentioned it has continued focus on R&D (on hardware and software part) with dedicated team in place. It spends around 3% of Sales on R&D and Netweb files patents regularly.

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

HCS Offering (Rs. in mn)	FY22	FY23	FY24	FY25	2QFY26		
	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	1,021	34%	25%
Private cloud and hyperconverged Infrastructure (HCI)	479	1460	2,644	4,027	1,019	34%	-1%
AI systems and enterprise workstations	243	310	799	1,694	662	22%	78%
High performance storage (HPS/Enterprise Storage) solutions	217	308	339	275	65	2%	81%
Data Centre servers	241	284	337	373	51	2%	-35%
Software and services for HCS offerings	69	94	176	455	117	4%	121%
Network switches	-	-	33	123	17	0.5%	61%
Others (spares sales)	192	225	289	429	86	3%	-26%

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

Exhibit 4: Other Operational Matrix

Other Operational Matrix	FY22	FY23	FY24	FY25	1HFY26
Revenue from repeat customers (in %)	77.7%	90.7%	69.0%	81.4%	74.7%
Customer concentration					
Revenue from Top 5 Customer	38.40%	47.10%	50.30%	50.80%	56.40%
Revenue from Top 10 Customer	49.50%	57.80%	64.50%	65.80%	71.30%
New customer acquisition	174	192	171	147	61

Source: Company data, Equirus

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

Order Pipeline and Order book (Rs.in mn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Oder pipeline (excluding L1)	22,845	31,479	32,322	34,466	35,477	37,038	38,149	39,714	41,421	42,043
L1 Order pipeline	5,392	3,496	3,024	3,142	3,225	3,316	3,481	3,628	4,640	3,480
Total Order Pipeline	28,237	34,975	35,346	37,608	38,702	40,354	41,630	43,342	46,061	45,523
Order book	994	2,174	3,391	4,112	4,197	3,697	3,603	3,252	2,299	4939
Order book + L1 Order pipeline	6,386	5,670	6,415	7,254	7,422	7,013	7,084	6,880	6,939	8,419

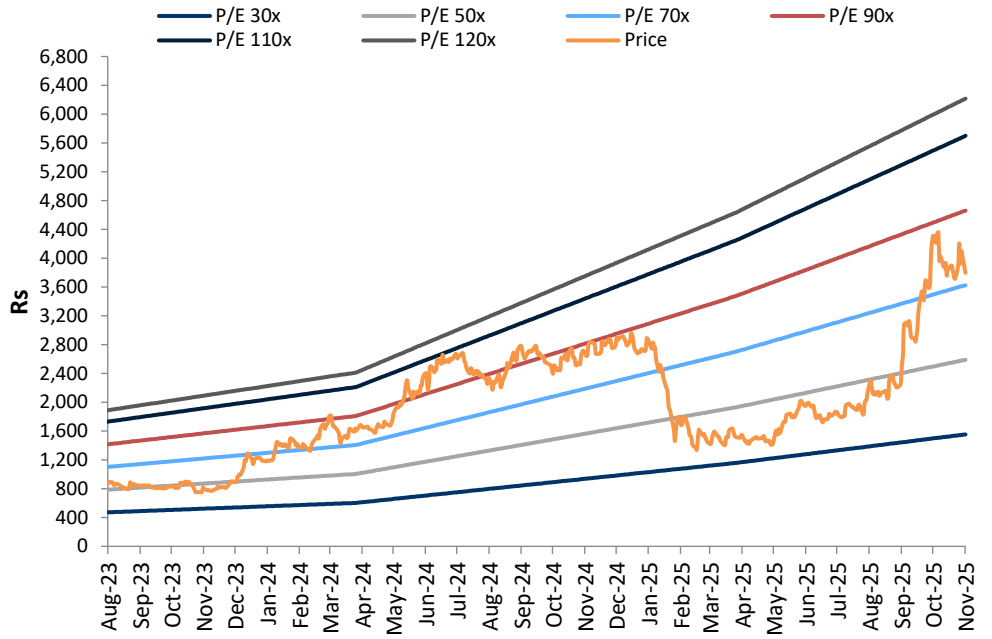
Source: Company data, Equirus

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

Breakup of Govt and non-govt. customers revenue (in% terms)	FY22	FY23	FY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Government Customers	61.8%	53.2%	47.3%	59.2%	37.5%	59.9%	52.1%	59.5%	42.50%
Non-Government Customers	38.2%	46.8%	52.7%	40.8%	62.5%	40.1%	47.9%	40.5%	57.50%

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	FY26E	38.7	36.8	5.1%	
	FY27E	60.5	57.9	4.6%	
Sales	FY26E	23,556	22,596	4.2%	
	FY27E	37,998	34,803	9.2%	
PAT	FY26E	2,200	2,089	5.3%	
	FY27E	3,443	3,283	4.9%	

Source: Company data, Equirus

Key Estimates

	Earlier estimates			Revised estimates			Difference		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue (Rs mn)	16,968	23,995	32,258	23,556	37,998	33,888	38.8%	58.4%	5.1%
EBITDA (Rs mn)	2,374	3,416	4,608	3,175	4,920	4,952	33.8%	44.0%	7.5%
EBITDA (%)	14.0%	14.2%	14.3%	13.5%	12.9%	14.6%	-51 bps	-129 bps	33 bps
EBIT (Rs mn)	2,213	3,188	4,311	3,027	4,710	4,664	36.8%	47.8%	8.2%
EBIT (%)	13.0%	13.3%	13.4%	12.9%	12.4%	13.8%	-19 bps	-89 bps	40 bps
PAT (Rs mn)	1,689	2,427	3,286	2,200	3,443	3,525	30.2%	41.9%	7.3%
EPS* (Rs)	29.7	42.6	57.7	38.7	60.5	61.9	30.1%	42.1%	7.3%

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

Our Key Investment arguments:

- We believe that Netweb's growth prospects is further strengthening given healthy deal pipeline (with reported order pipeline excl. L1 of INR 42.04bn with order book plus L1 order pipeline worth INR 8.42bn over and above two strategic order wins in Sept'25 worth of INR 21.840bn related to AI Systems). As per Netweb, its order pipeline remain robust (even after strong Consol. order intake) 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 - a AI native appliance with built-in GPU abstraction, iii) its ongoing benefit from GOI's announced India AI mission with a budget of over INR 103bn (with GOI's plan to double to INR 200bn) to create a 'Sovereign AI' computing infrastructure as a service (Netweb already won two such strategic orders in Sept'25 mentioned hereinabove and its expectations to win such orders ahead despite its sporadic nature and same not part of pipeline disclosed by it), iv) existing catalysts from increasing adoption of Pvt. Cloud, HPC (NSM 2.0 to be launched soon), AI Servers (demand generated by indigenous LLMs) across many industries and v) make in India push and data security norms of GOI, vi) Netweb's expansion plans for export (esp. in Europe/M.East) and vii) its continued focus on R&D.
- We believe that Netweb's above growth potential to some extent is getting priced in considering significant uptick in its share price (+151% in FY26 YTD/+72% since Aug'25-End). Hence, we downgrade Netweb to ADD (from LONG 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 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%	47%	15.1%	64%	52%	10.8%	92%	49%
Syrma SGS Technology*	37,867	55%	28%	8.6%	51%	33%	4.5%	44%	40%
Dixon Technologies*	3,88,601	54%	34%	3.9%	58%	39%	2.8%	79%	27%
Netweb	11,490	67%	43%	13.9%	67%	46%	10.0%	72%	45%

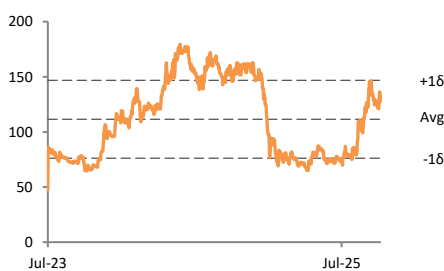
Source: Company data, Bloomberg, Equirus; *Financials/estimates taken from Bloomberg reported/consensus figures.

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%	57%	50%	15.1%	16.1%	16.2%	13.4%	14.2%	13.7%	10.8%	11.2%	10.9%	11.0%	12.5%	14.5%	146.5	97.4	66.7	48.0
Syrma SGS Technology*	20%	27%	30%	8.6%	8.9%	9.2%	6.6%	7.1%	7.6%	4.5%	5.0%	5.4%	10.1%	12.3%	15.0%	83.0	60.3	42.9	32.4
Dixon Technologies*	120%	45%	39%	3.9%	3.9%	4.0%	3.2%	3.3%	3.4%	2.8%	2.2%	2.2%	46.6%	30.5%	30.6%	76.4	75.9	58.5	43.9
Netweb	59%	105%	61%	13.9%	13.5%	12.9%	12.9%	12.9%	12.4%	10.0%	9.3%	9.1%	24.0%	34.7%	38.2%	188.5	98.2	62.8	61.4

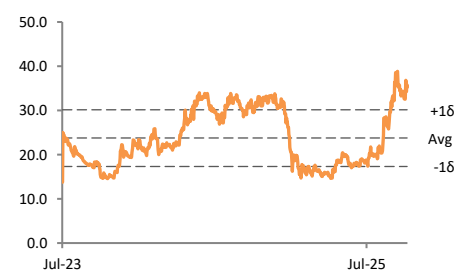
Source: Company data, Bloomberg, Equirus; * Financials/estimates taken from Bloomberg reported/consensus figures; priced as on 3rd November 2025 closing prices.

Price to earning chart



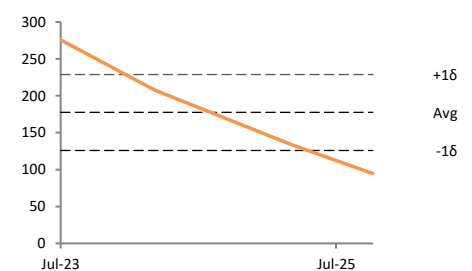
Source: Company, Equirus Research

Price to book chart



Source: Company, Equirus Research

EV-EBITDA chart



Source: Company, Equirus Research

Quarterly performance

Y/E Mar (Rs mn)	1QFY25A	2QFY25A	3QFY25A	4QFY25A	1QFY26A	2QFY26A	3QFY26E	4QFY26E
Revenue	1,493	2,511	3,340	4,147	3,012	3,037	4,484	13,023
COGS	1,092	1,891	2,625	3,218	2,240	2,203	3,498	10,719
Employee Cost	0	0	0	0	0	0	0	0
Other Expenses	201	257	276	331	324	353	383	661
EBITDA	200	363	439	598	448	481	603	1,643
Depreciation	24	26	31	32	33	34	38	43
EBIT	176	337	408	566	415	447	565	1,600
Interest Exp.	0	0	0	0	0	0	0	0
Other Income	31	8	1	13	1	(27)	(11)	(36)
Profit before Tax	207	345	409	579	416	420	554	1,564
Tax Expenses	52	87	106	149	111	106	140	398
Profit After Tax	154	257	303	430	305	314	415	1,166
Minority Interest	0	0	0	0	0	0	0	0
Profit/(Loss) from Associates	0	0	0	0	0	0	0	0
Recurring PAT	154	257	303	430	305	314	415	1,166
Exceptional Items	0	0	0	0	0	0	0	0
Reported PAT	154	257	303	430	305	314	415	1,166
Other comprehensive income.	0	0	0	0	0	0	0	0
PAT after comp. income.	154	257	303	430	305	314	415	1,166
FDEPS	2.7	4.5	5.3	7.5	5.4	5.5	7.3	20.5
Cost items as % of sales								
RM expenses	73.1	75.3	78.6	77.6	74.4	72.5	78.0	82.3
Employee expenses	13.5	10.2	8.3	8.0	10.7	11.6	8.5	5.1
Margin (%)								
Gross Margin	26.9	24.7	21.4	22.4	25.6	27.5	22.0	17.7
EBITDA Margin	13.4	14.5	13.2	14.4	14.9	15.8	13.5	12.6
PAT Margin	10.3	10.2	9.1	10.4	10.1	10.3	9.2	9.0
YoY Growth (%)								
Sales	149.7	73.2	31.8	55.9	101.7	21.0	34.3	214.1
EBITDA	131.8	88.8	28.3	47.9	124.0	32.5	37.3	174.9
EBIT	139.4	89.1	25.9	46.3	136.1	32.7	38.4	182.7
PAT	203.4	69.8	16.6	45.0	97.4	22.2	36.7	171.2

Key Financials (Consolidated)

Income Statement

Y/E Mar (Rs mn)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	2,470	4,450	7,241	11,490	23,556	37,998	33,888
COGS	1,865	3,244	5,445	8,825	18,660	30,540	26,119
Employee Cost	0	0	0	0	0	0	0
Other Expenses	260	506	770	1,065	1,721	2,539	2,816
EBITDA	346	700	1,025	1,600	3,175	4,920	4,952
Depreciation	16	37	63	113	148	209	289
EBIT	330	664	963	1,487	3,027	4,710	4,664
Interest Exp.	(27)	(26)	(50)	(21)	(61)	(155)	(37)
Other Income	0	(8)	107	74	(12)	68	105
Profit before Tax	302	630	1,020	1,540	2,954	4,624	4,732
Tax Expenses	78	160	261	395	754	1,181	1,207
Profit After Tax	225	469	759	1,145	2,200	3,443	3,525
Minority Interest	0	0	0	0	0	0	0
Profit/(Loss) from Associates	0	0	0	0	0	0	0
Recurring PAT	225	469	759	1,145	2,200	3,443	3,525
Exceptional Items	0	0	0	0	0	0	0
Reported PAT	225	469	759	1,145	2,200	3,443	3,525
Other comprehensive income.	0	0	0	0	0	0	0
PAT after comp. income.	225	469	759	1,145	2,200	3,443	3,525
FDEPS	4.4	9.2	13.3	20.1	38.6	60.5	61.9
DPS	0	1	2	3	4	6	6
BVPS	9	18	74	93	130	187	243

YoY Growth (%)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Sales	73.0	80.1	62.7	58.7	105.0	61.3	(10.8)
EBITDA	140.6	102.4	46.4	56.1	98.5	54.9	0.7
EBIT	154.9	101.3	45.1	54.4	103.6	55.6	(1.0)
PAT	172.8	109.0	61.7	50.8	92.2	56.5	2.4

Key Ratios

Profitability (%)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Gross Margin	24.5	27.1	24.8	23.2	20.8	19.6	22.9
EBITDA Margin	14.0	15.7	14.2	13.9	13.5	12.9	14.6
PAT Margin	9.1	10.5	10.5	10.0	9.3	9.1	10.4
ROE	67.8	68.0	29.4	24.0	34.7	38.2	28.8
ROIC	37.5	47.2	28.5	24.0	35.0	39.0	28.7
Core ROIC	42.5	53.2	44.0	38.8	50.5	55.8	39.4
Dividend Payout	0.0	5.4	14.9	12.3	10.0	10.0	10.0

CAGR (%)	1 year	2 years	3 years	5 years	7 years	10 years
Revenue	58.7	60.7	66.9	49.1	52.6	NA
EBITDA	56.1	51.2	66.6	81.8	75.0	NA
PAT	50.8	56.2	72.1	96.5	104.4	NA

Valuation (x)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	861.6	412.2	285.1	189.0	98.3	62.8	61.4
P/B	436.0	206.5	51.2	40.8	29.3	20.3	15.6
P/FCFF	(5,743.3)	2,508.6	(3,340.6)	(568.6)	460.1	137.4	575.4
EV/EBITDA	622.8	307.6	207.8	133.4	67.1	43.0	42.7
EV/Sales	87.2	48.4	29.4	18.6	9.0	5.6	6.2
Dividend Yield (%)	0.0	0.0	0.1	0.1	0.1	0.2	0.2

Balance Sheet

Y/E Mar (Rs mn)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Equity Capital	57	102	113	113	114	114	114
Reserves	387	835	4,115	5,190	7,276	10,519	13,715
Net Worth	444	937	4,228	5,303	7,390	10,633	13,829
Total Debt	336	304	16	13	14	16	17
Other long term liabilities	10	53	80	67	63	92	138
Minority Interest	0	0	0	0	0	0	0
Account Payables	533	1,034	1,266	2,979	10,035	5,237	7,269
Other Current Liabilities	165	333	535	572	3,014	1,265	1,675
Total Liabilities	1,486	2,660	6,125	8,934	20,515	17,243	22,928
Gross Fixed Assets	107	222	445	599	767	990	1,335
Acc. Depreciation	(11)	(38)	(78)	(154)	(274)	(453)	(708)
Net Fixed Assets	96	184	367	445	493	537	627
Capital WIP	5	18	6	56	5	50	25
long term investments	0	0	0	0	0	0	0
Others	29	74	152	179	311	387	306
Inventory	383	541	1,147	2,228	4,582	4,581	6,694
Receivables	778	1,515	1,838	3,615	12,077	6,839	9,737
Loans and advances	0	0	0	0	0	0	0
Other current assets	111	189	399	612	909	1,305	1,891
Cash & Cash Equivalents.	84	139	2,216	1,798	2,138	3,544	3,647
Total Assets	1,486	2,660	6,125	8,934	20,515	17,243	22,928
Non-Cash WC	575	879	1,583	2,905	4,519	6,222	9,379
Cash Conv. Cycle	85.0	72.1	79.8	92.3	70.0	59.8	101.0
WC Turnover	4.3	5.1	4.6	4.0	5.2	6.1	3.6
Gross Asset Turnover	23.0	20.0	16.3	19.2	30.7	38.4	25.4
Net Asset Turnover	25.8	24.1	19.7	25.8	47.8	70.7	54.0
Net D/E	0.6	0.2	(0.5)	(0.3)	(0.3)	(0.3)	(0.3)
Days (x)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Receivable Days	115	124	93	115	187	66	105
Inventory Days	57	44	58	71	71	44	72
Payable Days	104	116	85	123	196	63	102
Non-cash WC days	85	72	80	92	70	60	101
Cash Flow	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Profit Before Tax	302	630	1,020	1,540	2,954	4,624	4,732
Depreciation	16	37	63	113	148	209	289
Others	0	23	55	(16)	28	20	15
Tax paid	(75)	(156)	(263)	(402)	(768)	(1,202)	(1,230)
Change in WC	(217)	(277)	(668)	(1,357)	(1,765)	(1,759)	(3,040)
Operating Cashflow	26	256	206	(122)	597	1,892	766
Capex	(59)	(179)	(271)	(259)	(127)	(318)	(390)
Change in Invest.	(7)	(4)	(1,251)	1,222	(165)	(156)	45
Others	0	0	9	26	0	0	0
Investing Cashflow	(66)	(183)	(1,514)	989	(292)	(474)	(345)
Change in Debt	45	(32)	(288)	(4)	1	2	1
Change in Equity	0	0	2,571	1	0	0	0
Others	(4)	9	(150)	(61)	(131)	(170)	(274)
Financing Cashflow	40	(22)	2,133	(64)	(130)	(168)	(273)
Net Change in Cash	0	51	826	804	175	1,250	148

Source: Company, Equirus Research



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