27 July 2026

1QFY27 Results update| Sector: Capital Goods

# Zen Technologies

| | |
|---|---|
| Estimate change | ⟷ |
| TP change | ⟷ |
| Rating change | ⟷ |

| | |
|---|---|
| Bloomberg | ZEN IN |
| Equity Shares (m) | 90 |
| M.Cap.(INRb)/(USDb) | 152.4 / 1.6 |
| 52-Week Range (INR) | 2024 / 1223 |
| 1, 6, 12 Rel. Per (%) | -4/37/-2 |
| 12M Avg Val (INR M) | 1022 |

**Financials Snapshot (INR b)**

| Y/E MARCH | FY27E | FY28E | FY29E |
|---|---|---|---|
| Sales | 9.9 | 13.7 | 17.5 |
| EBITDA | 3.6 | 5.0 | 6.4 |
| EBITDA Margin (%) | 35.9 | 36.4 | 36.4 |
| PAT | 3.0 | 4.2 | 5.3 |
| EPS (INR) | 33.6 | 47.0 | 58.8 |
| EPS Growth (%) | 107.8 | 40.0 | 25.1 |
| BV/Share (INR) | 235.4 | 282.4 | 341.2 |
| **Ratios** | | | |
| Net D/E | -0.6 | -0.6 | -0.6 |
| RoE (%) | 15.4 | 18.2 | 18.9 |
| RoCE (%) | 15.5 | 18.3 | 19.0 |
| **Valuations** | | | |
| P/E (x) | 50.3 | 35.9 | 28.7 |
| P/BV (x) | 7.2 | 6.0 | 5.0 |
| EV/EBITDA (x) | 39.9 | 28.1 | 21.7 |

**Shareholding pattern (%)**

| As Of | Jun-26 | Mar-26 | Jun-25 |
|---|---|---|---|
| Promoter | 48.5 | 48.5 | 49.1 |
| DII | 10.4 | 10.1 | 8.8 |
| FII | 6.9 | 6.4 | 6.5 |
| Others | 34.2 | 35.0 | 35.7 |

FII includes depository receipts

**CMP: INR1,690 TP: INR1,600 (-5%) Neutral**

## Execution to improve from 2HFY27

**Zen Technologies (ZEN)'s 1QFY27 result was weaker than our estimates due to lower-than-expected execution and higher other expenses, which affected its EBITDA margin. Orders started flowing in from Jul'26, and we expect further inflows from simulator orders worth ~INR7-8b, followed by anti-drone orders. We also expect the execution ramp-up to be largely visible from 2HFY27 owing to the inflows of FY26. The company is continuously adding new capabilities to widen its portfolio of offerings, and going forward, we also expect subsidiaries to witness an improvement in inflows. We largely maintain our estimates and reiterate our Neutral rating on the stock with a TP of INR1,600 based on 30x Sep'28E earnings. Order inflows and improvement in execution will be the key re-rating drivers for the stock going forward.**

### A weak set of results

ZEN reported a weak set of results with a miss across revenue, EBITDA, and PAT. Revenue declined 7% YoY to INR1b, missing our estimate by 6%. Gross margins surged to 65.7% (55.1% last year) during the quarter vs. our estimate of 55.0%. However, due to a spike in other expenses, EBITDA margin contracted 690bp YoY to 27.4% vs. our estimate of 28.5%. The absolute EBITDA declined 26% YoY to INR282m (9% below our estimates). Lower execution and margin contraction led to a 21% YoY dip in PAT to INR292m vs. our estimate of INR333m. The standalone order book as of the end of 1QFY27 grew 88% YoY to ~INR11.4b, whereas the consolidated order book stood at INR12.4b, indicating subsidiaries' OB of ~INR1b.

### Inflow and execution to pick up in 2HFY27

ZEN's consolidated order book stood at INR12.4b as of Jun'26, comprising INR9.2b of equipment orders and INR3.2b of AMC orders. At the standalone level, the order book stood at INR11.4b, with equipment orders of ~INR8.4b (55% anti-drone, 34% simulator), and AMC of ~INR3b. Post quarter-end, the company secured an additional INR1.8b order from the Ministry of Defence for the upgradation and integration of tank and crew gunnery simulators, taking the executable consolidated order book to ~INR14.2b. The company expects to end FY27 with an order book of around INR25b, after factoring in order execution during the year, supported by a healthy pipeline across simulators and anti-drone systems. Simulator orders worth INR7-8b remain in the pipeline, with additional orders expected over the next few months as government procurement gains momentum. The company also reiterated that the current order book has a typical execution cycle of around 12 months, with execution weighted towards 2HFY27. We expect standalone inflows/revenue to clock a CAGR of 32%/60% over FY26-29.

### Gradual expansion in export markets

Management expects exports to become a more meaningful growth driver, supported by rising global defense spending and increasing demand for training simulators and anti-drone solutions. The company is expanding beyond its traditional export markets in the Middle East, Africa, Southeast Asia and CIS

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countries into North America and Europe, initially through partnerships with established defence contractors before pursuing direct opportunities. The addressable market for the simulator portfolio in the US alone stands at ~USD10b over the next three years, with the company targeting ~USD100m of revenue from the US market by the third year.

## Expanding defense capabilities through subsidiaries

Vector Technics, the company's drone propulsion subsidiary, has expanded its manufacturing capacity to approximately 300,000 propulsion units and supplies products to domestic drone manufacturers as well as export customers. Nearly 50% of recent inquiries have originated from overseas markets, including Europe and the US, although industry-wide delays in drone procurement have slowed near-term order inflows. Depending on order conversion, Vector Technics has the potential to generate INR1-3b of annual revenues at current capacity utilization. Separately, ZEN continues to evaluate acquisitions to strengthen its technology portfolio, supported by its debt-free balance sheet, cash balance of around ~INR12.2b, and balance proceeds from the earlier QIP.

## Margins affected by cost absorption

The company attributed the lower EBITDA margin during the quarter primarily to negative operating leverage arising from lower revenue absorption of fixed costs, with revenue expected to improve as execution accelerates through the year. Margins were also impacted by the absence of INR77m of provision reversals recorded in 1QFY26, along with higher warranty provisions of INR29m and incremental R&D expenditure of ~INR43m during the quarter. The company reiterated its expectation of achieving a mid-30% EBITDA margin for FY27 as execution scales up over 2QFY27 and 3QFY27.

## Broadening solutions across the core and emerging segments

ZEN expects simulators to contribute ~INR20b (50%) of its targeted cumulative revenue of INR40b during FY27-FY28, supported by opportunities across the Army, Navy, and Air Force, including the C-295 flight simulator. Management expects anti-drone procurement to accelerate with fast-track government tenders, while the man-portable anti-drone system remains under armed forces evaluation. Beyond its core businesses, it is also developing an Integrated Smart Border Management System, Hyper-Strike interceptor drones (~20km range), laser-based directed energy weapons, robotics, and autonomous ground vehicles, with these technologies expected to mature over the next 2-3 years and support long-term growth.

## Financial outlook

We broadly maintain our estimates and expect revenue/EBITDA/PAT CAGR of 60%/67%/54% over FY26-29E, with an EBITDA margin of ~36% for FY27-29. Subsidiaries' contributions to consolidated numbers are also expected to improve meaningfully over the next two years.

## Valuation and view

The stock currently trades at 50.3x/35.9x/28.7x P/E on FY27/28/29E earnings. We **reiterate our Neutral rating on the stock with an unchanged TP of INR1,600, based on 30x Sep'28E earnings.**

## Key risks and concerns

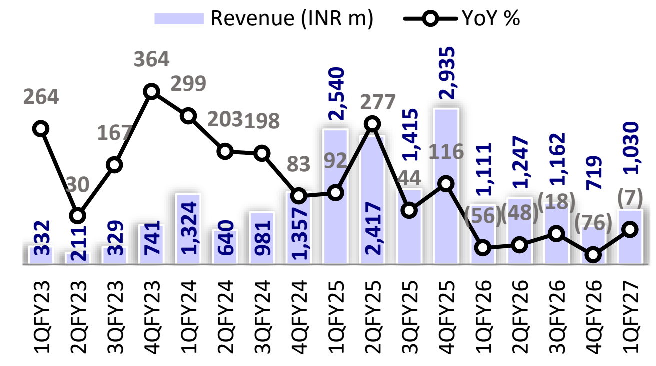
Any slowdown in procurement from the defense industry, especially for simulators, can expose the company to the risk of reduced order inflows and hinder its growth. ZEN is also exposed to foreign currency risk due to its export revenue.

**Standalone - Quarterly Earnings** (INR m)

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27E | Est |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | | 1QE | Var (%) |
| **Net Sales** | **1,111** | **1,247** | **1,162** | **719** | **1,030** | **2,181** | **2,776** | **3,928** | **4,238** | **9,916** | **1,091** | **(6)** |
| YoY Change (%) | (56.3) | (48.4) | (17.9) | (75.5) | (7.3) | 75.0 | 139.0 | 446.3 | (54.5) | 134.0 | (1.8) | |
| Total Expenditure | 730 | 829 | 636 | 683 | 747 | 1,462 | 1,846 | 2,305 | 2,877 | 6,360 | 780 | (4) |
| **EBITDA** | **380** | **418** | **526** | **36** | **282** | **720** | **930** | **1,624** | **1,360** | **3,556** | **311** | **(9)** |
| YoY Change (%) | (63.1) | (47.4) | 43.2 | (96.2) | (25.8) | 72.2 | 76.8 | 4,427.2 | (56.6) | 161.4 | (18.3) | |
| Margins (%) | 34.3 | 33.5 | 45.3 | 5.0 | 27.4 | 33.0 | 33.5 | 41.3 | 32.1 | 35.9 | 28.5 | |
| Depreciation | 31 | 33 | 36 | 37 | 47 | 38 | 39 | 32 | 137 | 156 | 37 | 27 |
| Interest | 14 | 4 | 10 | 6 | 5 | 8 | 9 | 12 | 34 | 34 | 8 | (36) |
| Other Income | 199 | 230 | 143 | 200 | 175 | 177 | 177 | 180 | 772 | 709 | 182 | (4) |
| **PBT** | **535** | **610** | **624** | **192** | **405** | **851** | **1,060** | **1,759** | **1,961** | **4,075** | **448** | **(9)** |
| Tax | 164 | 149 | 145 | 45 | 113 | 218 | 271 | 441 | 502 | 1,044 | 115 | (1) |
| Rate (%) | 30.6 | 24.4 | 23.3 | 23.2 | 27.9 | 25.6 | 25.6 | 25.1 | 25.6 | 25.6 | 25.6 | |
| **Reported PAT** | **371** | **462** | **478** | **147** | **292** | **633** | **788** | **1,318** | **1,459** | **3,031** | **333** | **(12)** |
| **Adj PAT** | **371** | **462** | **478** | **147** | **292** | **633** | **788** | **1,318** | **1,459** | **3,031** | **333** | **(12)** |
| YoY Change (%) | (50.0) | (29.2) | 23.8 | (82.6) | (21.3) | 37.1 | 64.9 | 793.6 | (44.5) | 107.8 | (10.3) | |
| Margins (%) | 33.4 | 37.0 | 41.2 | 20.5 | 28.4 | 29.0 | 28.4 | 33.5 | 34.4 | 30.6 | 30.5 | |

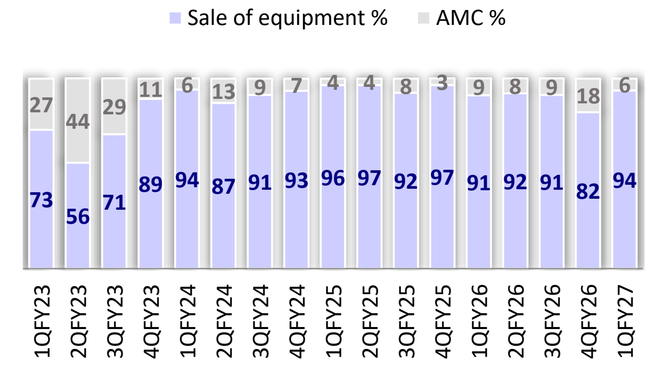
## Key Exhibits

**Exhibit 1: Total revenue declined 7% YoY on slower-than-expected execution**



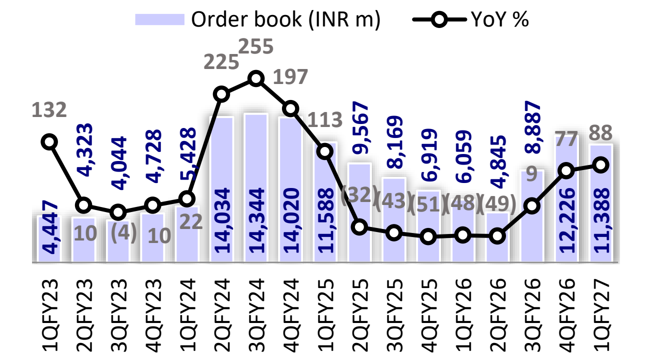

Source: Company, MOFSL

**Exhibit 2: Share of revenue from equipment sales remained a major contributor**



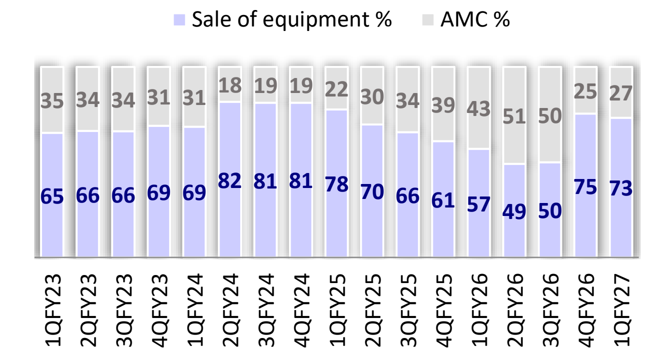

Source: Company, MOFSL

**Exhibit 3: Order book jumped 88% YoY on improved ordering during 2HFY26**



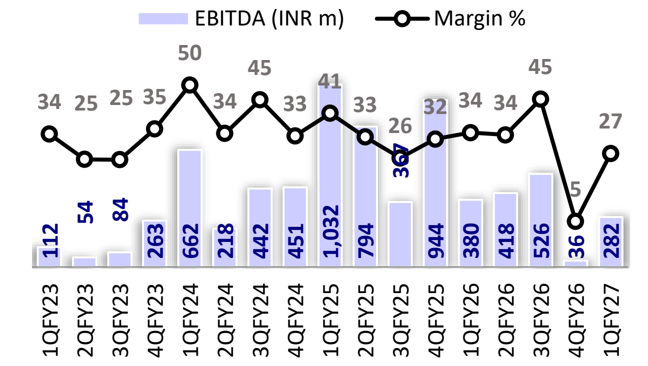

Source: Company, MOFSL

**Exhibit 4: Share of equipment in overall order book increased due to ramp-up in inflows during 2HFY26**



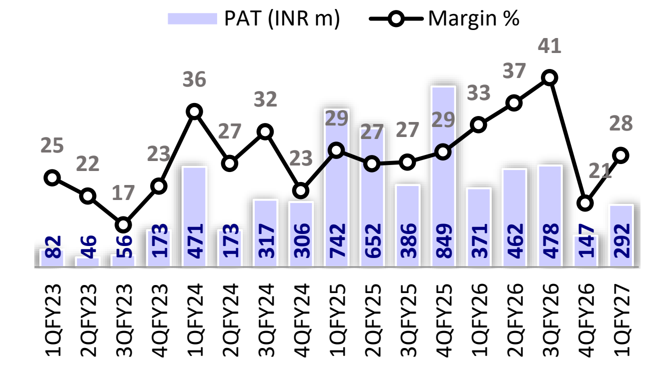

Source: Company, MOFSL

**Exhibit 5: EBITDA declined due to fixed cost absorption**



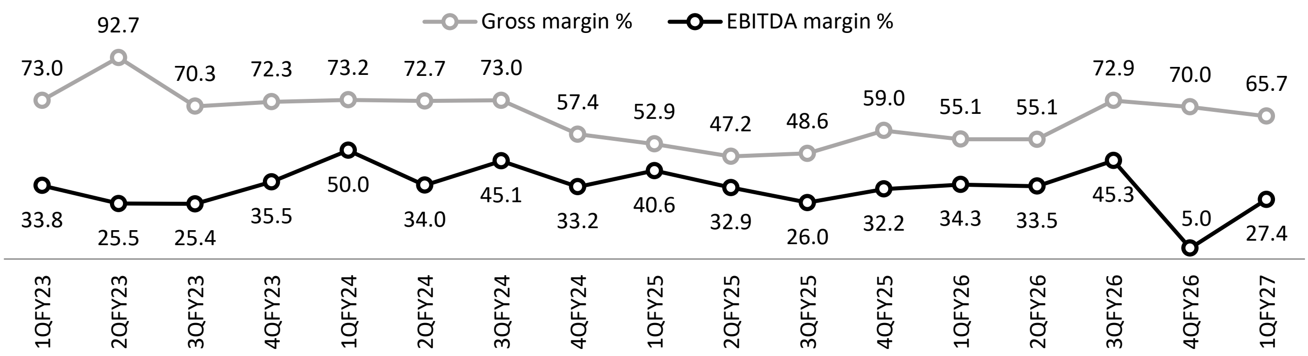

Source: Company, MOFSL

**Exhibit 6: PAT declined 21% YoY**




Source: Company, MOFSL

**Exhibit 7: Gross margin remained strong during the quarter; however, EBITDA margin dipped due to operating deleverage from lower revenue absorption of fixed costs, along with higher warranty provisions and increased R&D spending**




Source: Company, MOFSL

**Exhibit 8: Comparison of key metrics of ZEN on a standalone and consolidated basis**

| Zen Technologies | 1QFY27 | | |
|---|---|---|---|
| INR m | Standalone | Consolidated | Subsidiaries |
| Order book | 11,388 | 12,390 | 1,003 |
| Revenue | 1,030 | 1,416 | 387 |
| *YoY growth (%)* | *-7.3* | *-10.5* | *NM* |
| EBITDA | 282 | 387 | 105 |
| *YoY growth (%)* | *-25.8* | *-40.2* | *NM* |
| *Margin (%)* | *27.4* | *27.3* | *27.2* |
| Adj PAT | 292 | 378 | 86 |
| *YoY growth (%)* | *-21.3* | *-20.8* | *NM* |
| *Margin (%)* | *28.4* | *26.7* | *22.3* |

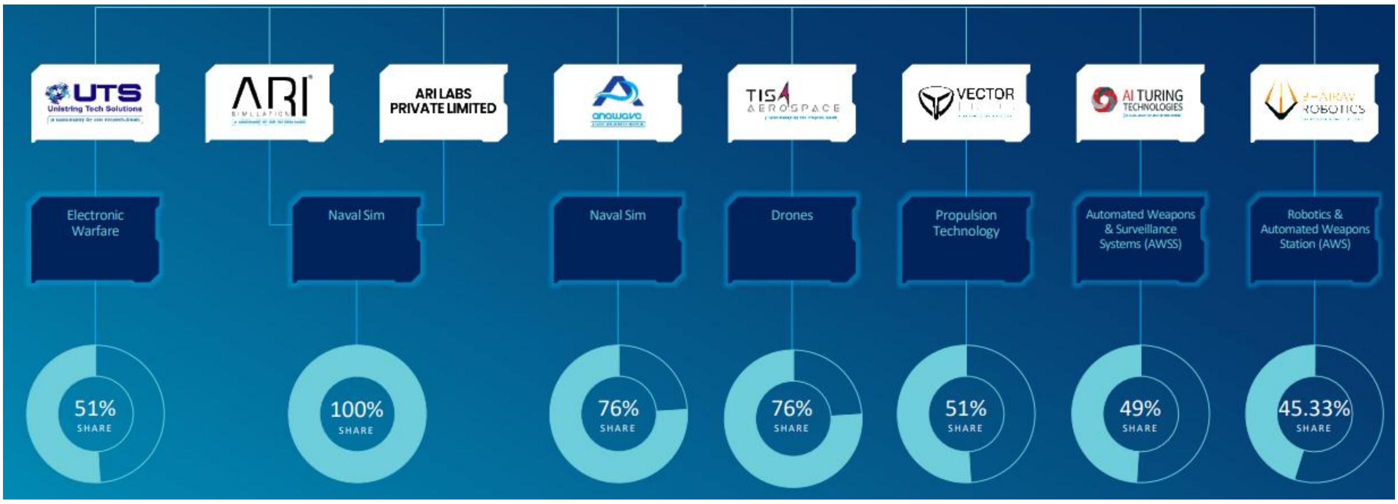
Source: Company, MOFSL

**Exhibit 9: Proforma consolidated income statement of ZEN (INR m)**

| Y/E Mar | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Income from Operations** | **1,493** | **546** | **698** | **2,188** | **4,399** | **9,736** | **6,877** | **13,267** | **17,936** | **22,526** |
| Change (%) | 61.9 | -63.4 | 27.7 | 213.7 | 101.0 | 121.4 | -29.4 | 92.9 | 35.2 | 25.6 |
| **Total Expenditure** | **866** | **473** | **652** | **1,462** | **2,591** | **6,001** | **4,404** | **8,371** | **11,346** | **14,253** |
| % of Sales | 58.0 | 86.5 | 93.5 | 66.8 | 58.9 | 61.6 | 64.0 | 63.1 | 63.3 | 63.3 |
| **EBITDA** | **627** | **74** | **46** | **726** | **1,808** | **3,735** | **2,472** | **4,896** | **6,590** | **8,273** |
| Margin (%) | 42.0 | 13.5 | 6.5 | 33.2 | 41.1 | 38.4 | 36.0 | 36.9 | 36.7 | 36.7 |
| Depreciation | 46 | 50 | 48 | 61 | 97 | 154 | 244 | 279 | 334 | 392 |
| **EBIT** | **582** | **24** | **-3** | **666** | **1,711** | **3,581** | **2,229** | **4,618** | **6,256** | **7,881** |
| Int. and Finance Charges | 33 | 11 | 15 | 41 | 23 | 104 | 103 | 135 | 160 | 185 |
| Other Income | 19 | 30 | 54 | 72 | 149 | 584 | 854 | 810 | 1,061 | 1,193 |
| **PBT bef. EO Exp.** | **567** | **44** | **36** | **697** | **1,837** | **4,061** | **2,980** | **5,293** | **7,157** | **8,889** |
| EO Items | 0 | 0 | 3 | -20 | -24 | 0 | 9 | 0 | 0 | 0 |
| **PBT after EO Exp.** | **567** | **44** | **33** | **717** | **1,862** | **4,061** | **2,971** | **5,293** | **7,157** | **8,889** |
| Total Tax | -19 | 16 | 7 | 218 | 566 | 1,067 | 787 | 1,397 | 1,882 | 2,336 |
| Tax Rate (%) | -3.4 | 36.4 | 21.0 | 30.3 | 30.4 | 26.3 | 26.5 | 26.4 | 26.3 | 26.3 |
| Share of P/L from JV and MI | -1 | -3 | 6 | 72 | 16 | 191 | 268 | 304 | 363 | 437 |
| **Reported PAT** | **588** | **31** | **20** | **427** | **1,279** | **2,802** | **1,916** | **3,592** | **4,912** | **6,116** |
| **Adjusted PAT** | **588** | **31** | **23** | **407** | **1,255** | **2,802** | **1,925** | **3,592** | **4,912** | **6,116** |
| Change (%) | 341.4 | -94.7 | -27.2 | 1,698.8 | 208.0 | 123.3 | -31.3 | 86.6 | 36.8 | 24.5 |
| Margin (%) | 39.4 | 5.7 | 3.2 | 18.6 | 28.5 | 28.8 | 28.0 | 27.1 | 27.4 | 27.2 |

Source: Company, MOFSL

**Exhibit 10: ZEN's subsidiaries and their offerings**




Source: Company

# Financial outlook

**Exhibit 11: We expect revenue to grow going forward, driven by higher order inflows**

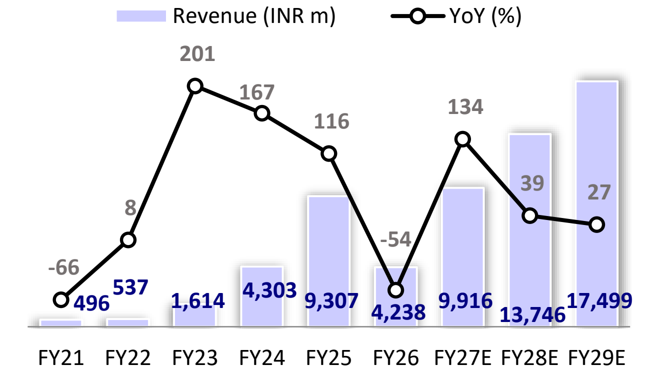



**Exhibit 12: We expect gross margin to remain at comfortable levels of ~60%**

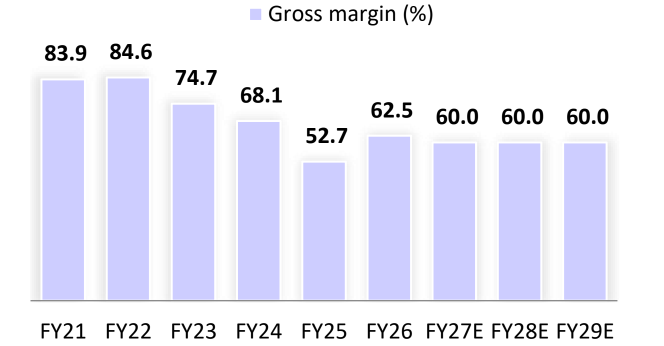



**Exhibit 13: We expect EBITDA margin to remain at ~36%**

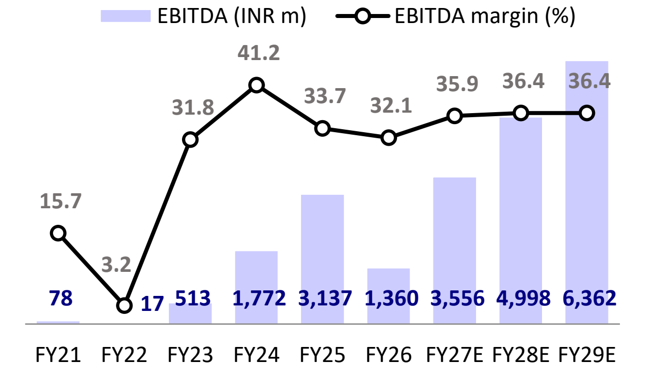



**Exhibit 14: We expect PAT CAGR of ~54% over FY26-29**

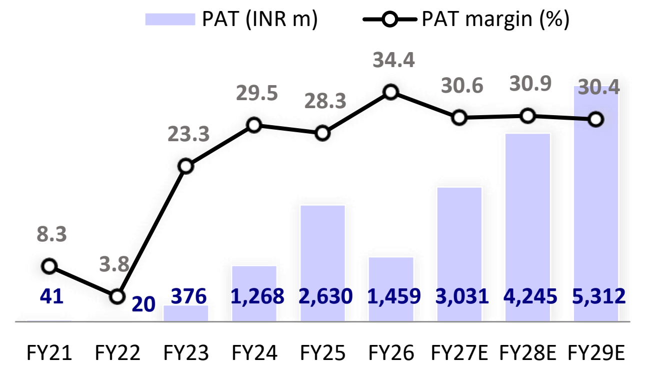



**Exhibit 15: OCF and FCF to be lumpy over the years**

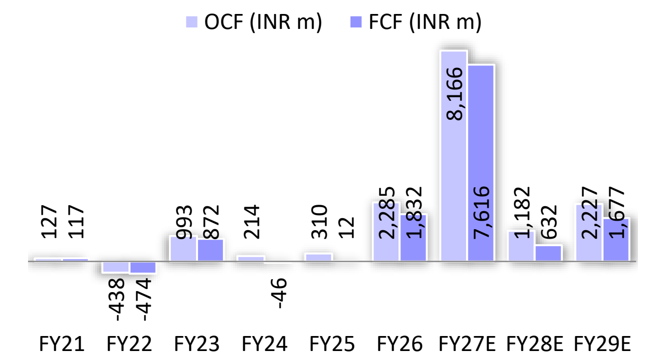



**Exhibit 16: We expect RoE/RoCE to be at ~15-19%**

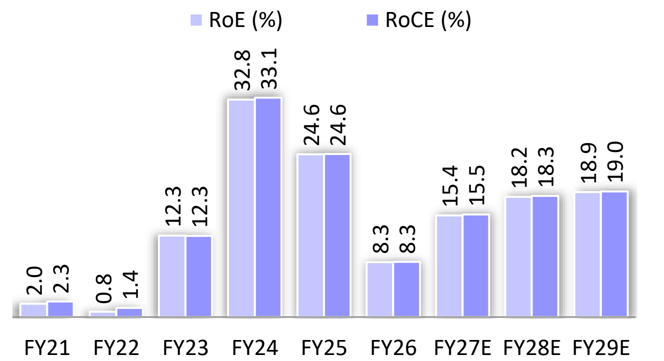
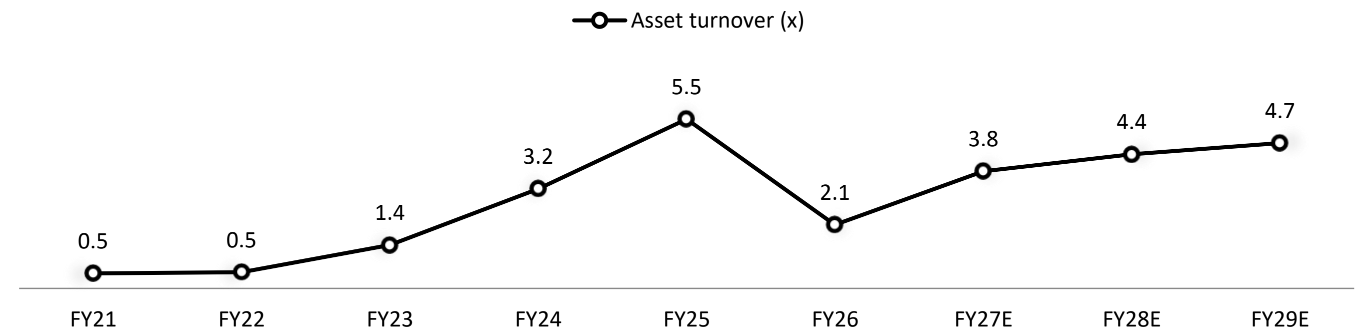



**Exhibit 17: With an improved product mix, we expect the asset turnover ratio to improve beyond FY26**




Source: Company, MOFSL

# Financials and valuations

| Standalone - Income Statement | | | | | | | | | | (INR m) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Y/E Mar** | **FY20** | **FY21** | **FY22** | **FY23** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** | **FY29E** |
| **Total Income from Operations** | **1,470** | **496** | **537** | **1,614** | **4,303** | **9,307** | **4,238** | **9,916** | **13,746** | **17,499** |
| Change (%) | 59.4 | -66.3 | 8.4 | 200.6 | 166.5 | 116.3 | -54.5 | 134.0 | 38.6 | 27.3 |
| Raw Materials | 390 | 80 | 83 | 408 | 1,373 | 4,402 | 1,589 | 3,966 | 5,498 | 6,999 |
| **Gross Profit** | **1,080** | **416** | **454** | **1,206** | **2,930** | **4,904** | **2,649** | **5,949** | **8,247** | **10,499** |
| Employee Cost | 167 | 127 | 148 | 228 | 432 | 570 | 562 | 645 | 825 | 1,050 |
| Other Expenses | 278 | 211 | 289 | 465 | 726 | 1,197 | 726 | 1,749 | 2,425 | 3,087 |
| **Total Expenditure** | **834** | **418** | **520** | **1,102** | **2,530** | **6,169** | **2,877** | **6,360** | **8,748** | **11,136** |
| % of Sales | 56.7 | 84.3 | 96.8 | 68.2 | 58.8 | 66.3 | 67.9 | 64.1 | 63.6 | 63.6 |
| **EBITDA** | **636** | **78** | **17** | **513** | **1,772** | **3,137** | **1,360** | **3,556** | **4,998** | **6,362** |
| Margin (%) | 43.3 | 15.7 | 3.2 | 31.8 | 41.2 | 33.7 | 32.1 | 35.9 | 36.4 | 36.4 |
| Depreciation | 38 | 40 | 37 | 44 | 73 | 101 | 137 | 156 | 192 | 229 |
| **EBIT** | **599** | **38** | **-20** | **469** | **1,699** | **3,036** | **1,223** | **3,400** | **4,805** | **6,133** |
| Int. and Finance Charges | 32 | 10 | 14 | 20 | 18 | 94 | 34 | 34 | 34 | 34 |
| Other Income | 19 | 29 | 53 | 91 | 139 | 578 | 772 | 709 | 935 | 1,042 |
| **PBT bef. EO Exp.** | **586** | **57** | **19** | **539** | **1,820** | **3,520** | **1,961** | **4,075** | **5,706** | **7,141** |
| EO Items | -1 | 0 | -2 | 14 | -24 | 0 | 0 | 0 | 0 | 0 |
| **PBT after EO Exp.** | **587** | **57** | **20** | **525** | **1,844** | **3,520** | **1,961** | **4,075** | **5,706** | **7,141** |
| Total Tax | -20 | 16 | -2 | 163 | 552 | 890 | 502 | 1,044 | 1,461 | 1,829 |
| Tax Rate (%) | -3.3 | 27.8 | -7.9 | 31.0 | 29.9 | 25.3 | 25.6 | 25.6 | 25.6 | 25.6 |
| **Reported PAT** | **606** | **41** | **22** | **362** | **1,292** | **2,630** | **1,459** | **3,031** | **4,245** | **5,312** |
| **Adjusted PAT** | **605** | **41** | **20** | **376** | **1,268** | **2,630** | **1,459** | **3,031** | **4,245** | **5,312** |
| Change (%) | 214.4 | -93.2 | -50.5 | 1,753.7 | 237.0 | 107.3 | -44.5 | 107.8 | 40.0 | 25.1 |
| Margin (%) | 41.2 | 8.3 | 3.8 | 23.3 | 29.5 | 28.3 | 34.4 | 30.6 | 30.9 | 30.4 |

| Standalone - Balance Sheet | | | | | | | | | | (INR m) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Y/E Mar** | **FY20** | **FY21** | **FY22** | **FY23** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** | **FY29E** |
| Equity Share Capital | 77 | 80 | 80 | 80 | 84 | 90 | 90 | 90 | 90 | 90 |
| Total Reserves | 1,910 | 2,052 | 2,837 | 3,112 | 4,447 | 16,800 | 18,129 | 21,161 | 25,405 | 30,718 |
| **Net Worth** | **1,988** | **2,132** | **2,917** | **3,192** | **4,531** | **16,890** | **18,220** | **21,251** | **25,496** | **30,808** |
| Minority Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Loans | 9 | 9 | 123 | 59 | 0 | 522 | 0 | 0 | 0 | 0 |
| Deferred Tax Liabilities | -203 | -206 | -201 | -134 | 63 | 2 | 29 | 29 | 29 | 29 |
| **Capital Employed** | **1,794** | **1,935** | **2,839** | **3,117** | **4,595** | **17,414** | **18,249** | **21,280** | **25,525** | **30,837** |
| Gross Block | 995 | 1,012 | 1,016 | 1,142 | 1,326 | 1,689 | 2,050 | 2,600 | 3,150 | 3,700 |
| Less: Accum. Deprn. | 351 | 391 | 425 | 468 | 541 | 642 | 767 | 923 | 1,115 | 1,344 |
| **Net Fixed Assets** | **644** | **621** | **591** | **674** | **785** | **1,047** | **1,283** | **1,677** | **2,035** | **2,355** |
| Goodwill on Consolidation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital WIP | 0 | 0 | 25 | 19 | 107 | 70 | 151 | 151 | 151 | 151 |
| **Total Investments** | **159** | **241** | **243** | **243** | **263** | **2,185** | **2,839** | **2,839** | **2,839** | **2,839** |
| **Curr. Assets, Loans & Adv.** | **1,128** | **1,169** | **2,517** | **3,394** | **6,029** | **15,452** | **15,070** | **18,041** | **22,480** | **28,012** |
| Inventory | 104 | 86 | 142 | 411 | 1,334 | 510 | 839 | 544 | 754 | 959 |
| Account Receivables | 444 | 174 | 196 | 662 | 1,691 | 3,784 | 1,317 | 4,032 | 5,589 | 7,115 |
| Cash and Bank Balance | 185 | 333 | 761 | 1,472 | 1,422 | 2,741 | 2,228 | 10,519 | 12,052 | 14,737 |
| Loans and Advances | 299 | 563 | 1,404 | 812 | 1,564 | 8,404 | 10,617 | 2,933 | 4,066 | 5,176 |
| Other Current Asset | 96 | 13 | 15 | 36 | 17 | 13 | 68 | 14 | 20 | 25 |
| **Curr. Liability & Prov.** | **138** | **95** | **538** | **1,213** | **2,589** | **1,340** | **1,094** | **1,428** | **1,980** | **2,520** |
| Account Payables | 111 | 78 | 520 | 1,190 | 2,559 | 1,309 | 1,058 | 1,395 | 1,934 | 2,462 |
| Other Current Liabilities | 16 | 17 | 18 | 23 | 0 | 0 | 0 | 0 | 0 | 0 |
| Provisions | 10 | 1 | 0 | 0 | 31 | 31 | 36 | 33 | 46 | 59 |
| **Net Current Assets** | **990** | **1,074** | **1,979** | **2,181** | **3,440** | **14,112** | **13,976** | **16,613** | **20,500** | **25,492** |
| **Appl. of Funds** | **1,793** | **1,935** | **2,839** | **3,117** | **4,595** | **17,414** | **18,249** | **21,280** | **25,525** | **30,837** |

# Financials and valuations

**Ratios**

| Y/E Mar | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|---|---|---|
| **Basic (INR)** | | | | | | | | | | |
| **EPS** | **6.7** | **0.5** | **0.2** | **4.2** | **14.0** | **29.1** | **16.2** | **33.6** | **47.0** | **58.8** |
| Cash EPS | 7.1 | 0.9 | 0.6 | 4.7 | 14.9 | 30.2 | 17.7 | 35.3 | 49.1 | 61.4 |
| BV/Share | 22.0 | 23.6 | 32.3 | 35.4 | 50.2 | 187.1 | 201.8 | 235.4 | 282.4 | 341.2 |
| DPS | 0.4 | 0.1 | 0.1 | 0.2 | 1.0 | 2.0 | 1.0 | 0.0 | 0.0 | 0.0 |
| Payout (%) | 5.1 | 19.4 | 39.2 | 4.2 | 6.6 | 6.9 | 6.2 | 0.0 | 0.0 | 0.0 |
| **Valuation (x)** | | | | | | | | | | |
| P/E | 252.0 | 3,720.6 | 7,514.5 | 405.4 | 120.3 | 58.0 | 104.6 | 50.3 | 35.9 | 28.7 |
| Cash P/E | 237.3 | 1,885.6 | 2,648.3 | 363.1 | 113.7 | 55.9 | 95.6 | 47.9 | 34.4 | 27.5 |
| P/BV | 76.8 | 71.6 | 52.3 | 47.8 | 33.7 | 9.0 | 8.4 | 7.2 | 6.0 | 5.0 |
| EV/Sales | 103.7 | 307.1 | 282.8 | 93.6 | 35.1 | 16.2 | 35.5 | 14.3 | 10.2 | 7.9 |
| EV/EBITDA | 239.6 | 1,961.6 | 8,831.8 | 294.7 | 85.3 | 47.9 | 110.5 | 39.9 | 28.1 | 21.7 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 |
| FCF per share | 6.9 | 1.3 | -5.2 | 9.7 | -0.5 | 0.1 | 20.3 | 84.3 | 7.0 | 18.6 |
| **Return Ratios (%)** | | | | | | | | | | |
| RoE | 35.6 | 2.0 | 0.8 | 12.3 | 32.8 | 24.6 | 8.3 | 15.4 | 18.2 | 18.9 |
| RoCE | 33.4 | 2.3 | 1.4 | 12.3 | 33.1 | 24.6 | 8.3 | 15.5 | 18.3 | 19.0 |
| RoIC | 42.2 | 1.9 | -1.4 | 20.3 | 56.9 | 29.8 | 7.2 | 24.3 | 39.2 | 38.7 |
| **Working Capital Ratios** | | | | | | | | | | |
| Fixed Asset Turnover (x) | 1.5 | 0.5 | 0.5 | 1.4 | 3.2 | 5.5 | 2.1 | 3.8 | 4.4 | 4.7 |
| Asset Turnover (x) | 0.8 | 0.3 | 0.2 | 0.5 | 0.9 | 0.5 | 0.2 | 0.5 | 0.5 | 0.6 |
| Inventory (Days) | 26 | 64 | 96 | 93 | 113 | 20 | 72 | 20 | 20 | 20 |
| Debtor (Days) | 110 | 128 | 133 | 150 | 143 | 148 | 113 | 148 | 148 | 148 |
| Creditor (Days) | 28 | 57 | 353 | 269 | 217 | 51 | 91 | 51 | 51 | 51 |
| **Leverage Ratio (x)** | | | | | | | | | | |
| Current Ratio | 8.2 | 12.3 | 4.7 | 2.8 | 2.3 | 11.5 | 13.8 | 12.6 | 11.4 | 11.1 |
| Interest Cover Ratio | 18.8 | 3.8 | -1.4 | 23.1 | 92.3 | 32.2 | 35.7 | 99.1 | 140.1 | 178.8 |
| Net Debt/Equity | -0.2 | -0.3 | -0.3 | -0.5 | -0.4 | -0.3 | -0.3 | -0.6 | -0.6 | -0.6 |

**Standalone - Cashflow Statement** (INR m)

| Y/E Mar | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|---|---|---|---|
| OP/(Loss) before Tax | 586 | 57 | 19 | 539 | 1,844 | 3,520 | 1,961 | 4,075 | 5,706 | 7,141 |
| Depreciation | 38 | 40 | 37 | 44 | 73 | 101 | 137 | 156 | 192 | 229 |
| Interest & Finance Charges | 23 | -15 | -30 | -48 | 12 | 59 | 9 | 34 | 34 | 34 |
| Direct Taxes Paid | -114 | -28 | -12 | -87 | -321 | -984 | -560 | -1,044 | -1,461 | -1,829 |
| (Inc)/Dec in WC | 111 | 74 | -452 | 537 | -1,405 | -2,005 | 1,409 | 5,654 | -2,354 | -2,306 |
| **CF from Operations** | **643** | **127** | **-439** | **985** | **204** | **691** | **2,956** | **8,875** | **2,117** | **3,269** |
| Others | 1 | 0 | 1 | 8 | 10 | -381 | -671 | -709 | -935 | -1,042 |
| **CF from Operating incl EO** | **644** | **127** | **-438** | **993** | **214** | **310** | **2,285** | **8,166** | **1,182** | **2,227** |
| (Inc)/Dec in FA | -23 | -10 | -36 | -121 | -260 | -298 | -453 | -550 | -550 | -550 |
| **Free Cash Flow** | **622** | **117** | **-474** | **872** | **-46** | **12** | **1,832** | **7,616** | **632** | **1,677** |
| (Pur)/Sale of Investments | -26 | -82 | -3 | -25 | -42 | -1,922 | -658 | 0 | 0 | 0 |
| Others | -62 | -84 | -393 | 119 | -518 | -8,177 | -524 | 709 | 935 | 1,042 |
| **CF from Investments** | **-110** | **-176** | **-432** | **-27** | **-820** | **-10,397** | **-1,635** | **159** | **385** | **492** |
| Issue of Shares | 0 | 0 | 0 | 0 | 0 | 9,802 | 0 | 0 | 0 | 0 |
| Inc/(Dec) in Debt | -154 | -1 | 865 | -64 | -58 | 507 | -518 | 0 | 0 | 0 |
| Interest Paid | -32 | -5 | -9 | -16 | -12 | -44 | -13 | -34 | -34 | -34 |
| Dividend Paid | -23 | -32 | -8 | -8 | -17 | -90 | -180 | 0 | 0 | 0 |
| Others | -5 | 134 | 25 | -97 | 26 | -7 | 8 | 0 | 0 | 0 |
| **CF from Fin. Activity** | **-214** | **97** | **873** | **-184** | **-62** | **10,169** | **-703** | **-34** | **-34** | **-34** |
| **Inc/Dec of Cash** | **321** | **47** | **3** | **782** | **-668** | **82** | **-53** | **8,291** | **1,533** | **2,685** |
| Opening Balance | -225 | 96 | 144 | 147 | 929 | 261 | 342 | 2,228 | 10,519 | 12,052 |
| Other Bank Balances | 89 | 189 | 614 | 543 | 1,161 | 2,398 | 1,939 | 0 | 0 | 0 |
| **Closing Balance** | **185** | **333** | **761** | **1,472** | **1,422** | **2,741** | **2,228** | **10,519** | **12,052** | **14,737** |

| Explanation of Investment Rating | |
|---|---|
| **Investment Rating** | **Expected return (over 12-month)** |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

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