

Apr-Jun'25 Earnings Preview

Operating performance remains muted

Education companies under our coverage are expected to report 8.5% YoY growth in top-line in Q1FY26E. DOMS IN is likely to sustain the growth momentum driven by Uniclan's consolidation. Nonetheless, fall in syndication revenue is likely to suppress SCHAND IN's top-line, while NELI IN's struggle for growth would stem from rising usage of second-hand books and falling realization in the domestic stationery market. On the operating performance front, DOMS IN is likely to witness 210bps compression in EBITDA margin due to consolidation of the personal hygiene business. On the other hand, SCHAND IN is likely to report a loss at operating level amid declining contribution of high-margin syndication revenue, while NELI IN's EBITDA margin is likely to witness a compression of 40bps. Among our coverage universe, DOMS IN remains our preferred pick with a TP of Rs3,087 (60x FY27E EPS, no change in target multiple).

DOMS's top-line to increase by 23.6% YoY: DOMS is likely to report a robust 23.6% YoY growth in top-line to Rs5,501mn in Q1FY26E, aided by the consolidation of Uniclan (diaper business). The core stationery business is expected to grow by 18.0% YoY, while the remainder of top-line expansion (~Rs250mn) is expected to stem from Uniclan's contribution. However, due to lower profitability of the personal hygiene segment, we expect EBITDA margin to contract by 210bps YoY to 17.3%. We retain 'BUY' on the stock with a TP of Rs3,087 (60x FY27E EPS).

NELI's top-line to remain flat YoY: We expect NELI's publishing top-line to increase 3.0% YoY to Rs4,330mn in Q1FY26E, while the stationery top-line is likely to be flat at Rs3,789mn. EBIT margin for publishing/stationery segment is expected to be at 37.0%/16.0% respectively. Overall, we anticipate top-line to grow 1.9% YoY to Rs8,127mn with an EBITDA margin of 27.1%. We retain 'HOLD' on NELI IN with an SOTP-based TP of Rs145. We value the publishing business at 11x FY27E (no change in target multiple), while the K-12 business is valued at Rs28 per share.

SCHAND to report loss at EBITDA level: SCHAND is likely to report a 4.9% YoY decline in its top-line to Rs1,052mn, with an EBITDA loss of Rs65mn in Q1FY26E. Amid anticipation of higher volumes from announcement of new competency-based textbooks for grades 4, 5, 7 and 8, we expect top-line growth to be in early double-digits for FY26E with an EBITDA margin of 19.3%. We retain 'BUY' on the stock with a TP of Rs286 (11x on FY27E EPS).

July 7, 2025

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
DOMS Industries	BUY	2,456	3,087
Navneet Education	HOLD	143	145
S Chand and Company	BUY	229	286

Source: PL

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Exhibit 2: Q1FY26 Result Preview – Education (Rs mn)

Company Name		Q1FY26E	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	Remark
DOMS Industries	Sales	5,501	4,450	23.6	5,087	8.1	We expect top-line to increase 23.6% YoY to Rs5,501mn led by the consolidation of Uniclan's business. EBITDA margin is expected to decline by 210bps YoY to 17.3%, primarily due to the consolidation of the diaper business, which operates at lower margins compared to the core stationery business.
	EBITDA	952	864	10.2	883	7.8	
	Margin (%)	17.3	19.4	-212 bps	17.3	-5 bps	
	PBT	765	732	4.5	686	11.4	
	Adj. PAT	540	518	4.1	484	11.4	
Navneet Education	Sales	8,127	7,978	1.9	4,338	87.3	We expect publishing top-line to increase marginally by 3.0% YoY to Rs4,330mn amid increasing usage of second-hand books. The stationery business is expected to remain flat YoY due to rising competition in the domestic stationery market. Overall, we anticipate top-line growth of 1.9% YoY to Rs8,127mn with an EBITDA margin of 27.2%.
	EBITDA	2,210	2,199	0.5	786	181.3	
	Margin (%)	27.2	27.6	-36 bps	18.1	908 bps	
	PBT	2,031	2,062	(1.5)	582	249.1	
	Adj. PAT	1,513	851	77.8	503	201.0	
S Chand and Company	Sales	1,052	1,107	-4.9	4,714	(77.7)	We expect a marginal decline in top-line by 4.9% YoY to Rs1,052mn. Moderation in revenue is estimated on account of lower syndication revenue. GM is expected to be at 71.2%, with an EBITDA loss of Rs65mn for the quarter.
	EBITDA	-65	84	NA	2,032	NA	
	Margin (%)	-6.2	7.6	-1378 bps	43.1	-4930 bps	
	PBT	-171	-16	NA	1,932	NA	
	Adj. PAT	-114	-21	NA	1,419	NA	

Source: Company, PL

Exhibit 3: Valuation Summary

Company Names	S/ C	Rating	CMP (Rs)	TP (Rs)	MCap (Rs bn)	Sales (Rs mn)				EBITDA (Rs mn)				PAT (Rs mn)				EPS (Rs)				RoE (%)				PE (x)			
						FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E	FY24	FY25	FY26E	FY27E
DOMS Industries	C	BUY	2,456	3,087	149.0	15,371	19,126	23,653	29,279	2,727	3,484	4,133	5,234	1,531	2,046	2,404	3,122	25.2	33.7	39.6	51.4	26.6	22.5	21.5	22.5	97.3	72.8	62.0	47.7
Navneet Education	C	HOLD	143	145	31.6	17,513	17,857	19,423	21,520	2,951	3,188	3,468	3,969	1,834	1,412	2,046	2,351	8.1	6.4	9.3	10.6	15.0	9.0	10.7	11.4	17.6	22.4	15.4	13.4
S Chand and Company	C	BUY	229	286	8.1	6,626	7,197	8,095	8,827	1,098	1,350	1,562	1,721	566	635	827	918	16.1	18.0	23.5	26.0	6.2	6.6	8.1	8.4	14.2	12.7	9.7	8.8

Source: Company, PL

S=Standalone / C=Consolidated

Exhibit 4: Change in Estimates

	Rating		Target Price			Sales						PAT						EPS					
						FY26E			FY27E			FY26E			FY27E			FY26E			FY27E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
DOMS Industries	BUY	BUY	3,087	3,087	0.0%	23,653	23,653	0.0%	29,279	29,279	0.0%	2,404	2,404	0.0%	3,122	3,122	0.0%	39.6	39.6	0.0%	51.4	51.4	0.0%
Navneet Education	HOLD	HOLD	145	149	-2.2%	19,423	19,669	-1.3%	21,520	21,784	-1.2%	2,046	2,108	-2.9%	2,351	2,417	-2.7%	9.3	9.5	-2.9%	10.6	10.9	-2.7%
S Chand and Company	BUY	BUY	286	286	0.0%	8,095	8,095	0.0%	8,827	8,827	0.0%	827	827	0.0%	918	918	0.0%	23.5	23.5	0.0%	26.0	26.0	0.0%

Source: Company, PL

C=Current / P=Previous

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Chalet Hotels	BUY	1,130	875
2	Delhivery	BUY	387	321
3	DOMS Industries	BUY	3,087	2,549
4	Imagicaaworld Entertainment	BUY	93	68
5	Indian Railway Catering and Tourism Corporation	BUY	864	775
6	InterGlobe Aviation	BUY	6,084	5,462
7	Lemon Tree Hotels	BUY	174	139
8	Mahindra Logistics	Hold	287	310
9	Navneet Education	Hold	149	145
10	Nazara Technologies	Hold	1,241	1,274
11	PVR Inox	Hold	1,040	966
12	S Chand and Company	BUY	286	227
13	Safari Industries (India)	BUY	2,437	1,960
14	Samhi Hotels	BUY	313	192
15	TCI Express	Hold	816	761
16	V.I.P. Industries	BUY	404	338
17	Zee Entertainment Enterprises	BUY	179	144

PL's Recommendation Nomenclature

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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