

## Jan-Mar'25 Earnings Preview

### Writing different growth stories

*Education companies under our coverage are expected to report 12.5% YoY growth in top-line led by DOMS and S Chand. DOMS is likely to sustain the growth momentum driven by Uniclan's consolidation (diaper business) while S Chand is likely to benefit from seasonal tailwinds in the K-12 cycle. Additionally, NCERT's announcement of new competency-based textbooks for grades 4, 5, 7, and 8 marks a meaningful expansion in the curriculum upgrade cycle. While the sales season for FY25E will remain unaffected, this development is expected to drive stronger adoption of new curriculum books from FY26E onwards benefiting S Chand. In contrast, NELI's growth is likely to remain under pressure amid the growing adoption of second-hand books, although recurring institutional orders may offer a temporary buffer. On the operating performance front, while NELI and S Chand's EBITDA is likely to witness mid-single digit growth, DOMS is likely to witness margin compression due to consolidation of personal hygiene business. Among our coverage universe, DOMS is our preferred pick with a TP of Rs3,308 (60x FY27E EPS).*

**Uniclan to aid top-line growth for DOMS:** DOMS is likely to report a robust 25.5% YoY growth in top-line to Rs5,067mn in 4QFY25E, aided by consolidation of Uniclan (diaper business). The core stationery business is expected to grow by 18.0% YoY, while remainder of the top-line expansion (~Rs350mn) is expected to stem from Uniclan's contribution. However, due to the lower profitability profile of the personal hygiene segment, we expect EBITDA margin to contract by 176bps YoY to 17.0%. We retain 'BUY' on the stock with a TP of Rs3,308 (60x FY27E EPS).

**NELI's top-line to increase by 5.0% YoY:** We expect NELI's publishing top-line to increase by 5.1% YoY to Rs1,516mn in 4QFY25E, while the stationery business is likely to report a growth of 4.9% YoY to Rs3,049mn. EBIT margins for publishing/stationery segments are expected to be at 26.7%/13.8% respectively. Overall, we anticipate top-line growth of 5.0% YoY to Rs4,570mn with an EBITDA margin of 19.8% in 4QFY25E. We retain 'HOLD' on NELI with an SOTP-based TP of Rs152. 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's top-line to rise by 7.9% YoY:** SCHAND is likely to report a 7.9% YoY growth in top-line to Rs4,718mn, with EBITDA margin of 42.2% in 4QFY25E. Amid anticipation of higher volumes from announcement of new competency based textbooks for grades 4,5,7 and 8 we expect the topline growth trajectory to be in mid double digit for FY26E with an EBITDA margin of 18.8%. We retain 'BUY' on the stock with a TP of Rs294 (11x on FY27E EPS).

April 9, 2025

#### Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
DOMS Industries	BUY	2,635	3,308
Navneet Education	HOLD	136	152
S Chand and Company	BUY	193	294

Source: PL

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**Exhibit 2: Q4FY25 Result Preview – Education (Rs mn)**

Company Name		Q4FY25E	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	Remark
DOMS Industries	Sales	5,067	4,037	25.5	5,011	1.1	For DOMS, we expect 25.5% YoY increase in topline to Rs5,067mn, aided by consolidation of diaper business. However, EBITDA margin is expected to decline by 176bps on YoY basis to 17.0%, on account of consolidation of diaper business, as it commands lower margins as compared to the core stationery business.
	EBITDA	864	759	13.7	879	(1.7)	
	Margin (%)	17.0	18.8	-176 bps	17.5	-49 bps	
	PBT	698	629	11.0	730	(4.4)	
	Adj. PAT	496	452	9.9	507	(2.2)	
Navneet Education	Sales	4,570	4,353	5.0	2,823	61.8	We expect publishing topline to increase 5.1% YoY to Rs1,516mn, while the stationery business is expected to report a growth of 4.9% YoY to Rs3,049mn. Overall, we anticipate top-line growth of 5.0% YoY to Rs4,570mn with an EBITDA margin of 19.8% in 4QFY25E.
	EBITDA	905	865	4.5	178	409.0	
	Margin (%)	19.8	19.9	-8 bps	6.3	1350 bps	
	PBT	706	647	9.1	-5	NA	
	Adj. PAT	517	479	7.8	-97	NA	
S Chand and Company	Sales	4,718	4,372	7.9	1,002	371.1	For S Chand, we expect 7.9% YoY increase in topline to Rs4,718mn, aided by introduction of semester system (aids in volume & realization) for grades 11th and 12th in West Bengal. GM is expected to be at 66.9%, with an EBITDA of Rs1,990mn for the quarter.
	EBITDA	1,990	1,863	6.8	-192	NA	
	Margin (%)	42.2	42.6	-44 bps	-19.2	6135 bps	
	PBT	1,884	1,698	11.0	-311	NA	
	Adj. PAT	1,473	1,292	14.0	-246	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	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E
DOMS Industries	C	BUY	2,635	3,308	159.9	15,371	19,106	25,828	31,166	2,727	3,466	4,531	5,441	1,531	2,035	2,725	3,346	25.2	33.5	44.9	55.1	26.6	22.3	23.8	23.2	104.4	78.6	58.7	47.8
Navneet Education	C	HOLD	136	152	30.1	17,513	18,089	19,962	22,121	2,951	3,306	3,648	4,147	1,834	1,919	2,167	2,476	8.1	8.7	9.8	11.2	15.0	11.8	10.7	11.2	16.8	15.7	13.9	12.2
S Chand and Company	C	BUY	193	294	6.8	6,626	7,200	8,301	9,041	1,098	1,308	1,557	1,701	566	689	853	937	16.1	19.6	24.2	26.6	6.2	7.1	8.2	8.4	12.0	9.8	8.0	7.2

Source: Company, PL

S=Standalone / C=Consolidated

**Exhibit 4: Change in Estimates**

	Rating		Target Price			Sales						PAT						EPS					
						FY25E			FY26E			FY25E			FY26E			FY25E			FY26E		
	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	3,308	3,370	-1.8%	19,106	19,354	-1.3%	25,828	26,064	-0.9%	2,035	2,104	-3.3%	2,725	2,779	-1.9%	33.5	34.7	-3.3%	44.9	45.8	-1.9%
Navneet Education	HOLD	HOLD	152	150	1.1%	18,089	17,964	0.7%	19,962	19,848	0.6%	1,919	1,784	7.6%	2,167	2,134	1.5%	8.7	8.1	7.6%	9.8	9.6	1.5%
S Chand and Company	BUY	BUY	294	305	-3.4%	7,200	7,455	-3.4%	8,301	8,598	-3.5%	689	718	-4.0%	853	881	-3.2%	19.6	20.4	-4.0%	24.2	25.0	-3.2%

Source: Company, PL

C=Current / P=Previous

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Chalet Hotels	BUY	1,064	767
2	Delhivery	Hold	340	315
3	DOMS Industries	BUY	3,370	2,810
4	Imagicaaworld Entertainment	BUY	97	71
5	Indian Railway Catering and Tourism Corporation	Hold	809	751
6	InterGlobe Aviation	BUY	5,861	5,087
7	Lemon Tree Hotels	BUY	175	145
8	Mahindra Logistics	Hold	399	354
9	Navneet Education	Hold	150	140
10	Nazara Technologies	BUY	1,117	921
11	PVR Inox	Hold	1,215	1,090
12	S Chand and Company	BUY	305	189
13	Safari Industries (India)	BUY	2,783	2,383
14	TCI Express	BUY	1,021	791
15	V.I.P. Industries	BUY	463	374
16	Zee Entertainment Enterprises	Hold	137	121

**PL's Recommendation Nomenclature**

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

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