

July 24, 2025

Q1FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		HOLD	
Target Price	705		625	
Sales (Rs. m)	50,397	65,655	50,397	65,655
% Chng.	-	-	-	-
EBITDA (Rs. m)	4,215	5,610	4,049	5,393
% Chng.	4.1	4.0	-	-
EPS (Rs.)	13.0	17.4	11.9	15.4
% Chng.	9.5	12.9	-	-

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	31,541	37,867	50,397	65,655
EBITDA (Rs. m)	2,023	3,233	4,215	5,610
Margin (%)	6.4	8.5	8.4	8.5
PAT (Rs. m)	1,073	1,699	2,316	3,104
EPS (Rs.)	6.0	9.5	13.0	17.4
Gr. (%)	(10.4)	57.7	36.4	34.0
DPS (Rs.)	1.5	1.5	1.5	1.5
Yield (%)	0.2	0.2	0.2	0.2
RoE (%)	6.8	10.1	12.5	14.8
RoCE (%)	10.2	13.0	14.9	16.8
EV/Sales (x)	4.1	3.4	2.6	2.0
EV/EBITDA (x)	64.2	39.7	30.5	23.1
PE (x)	116.7	74.0	54.3	40.5
P/BV (x)	7.8	7.2	6.4	5.6

Key Data SYRM.BO | SYRMA IN

52-W High / Low	Rs.737 / Rs.355
Sensex / Nifty	82,184 / 25,062
Market Cap	Rs.126bn / \$ 1,456m
Shares Outstanding	178m
3M Avg. Daily Value	Rs.992.54m

Shareholding Pattern (%)

Promoter's	46.43
Foreign	6.34
Domestic Institution	9.15
Public & Others	38.08
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	33.8	53.2	49.3
Relative	33.6	42.0	45.6

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Focus on high margin segment continuous

Syrma SGS Technology (SYRMA) has reported robust earnings growth of ~145% YoY. This performance was driven by a healthy ~530bps YoY expansion in EBITDA margin to 9.2%, attributed to a favourable segment mix (with consumer contribution reducing to 34% revenue) and improved operating efficiency. SYRMA's Q1FY26 revenue decline by 18.6% YoY, due to major decline in consumer/IT & Railway segment ~48%/39% YoY. The company plans to focus more on high margin products aiming to reduce the consumer segment's contribution to 30% in FY26. Company order book stood at Rs 54-55bn in Q1FY26, majorly driven from industrial and auto segment. SYRMA has guided revenue growth of 30% with EBITDA margin of 8.5-9.0% for FY26, revenue will be mainly driven by auto/industrial segment. Syрма SGS has formed a JV with Shinhyup Electronics Co. Ltd. to set up a multi/double-layer PCB manufacturing plant with a planned capacity of 1.5-2mn sqm with planned capex of USD 91mn over 3-5years. Company received PLI benefit of Rs40-60mn in Q1FY26. We have revised our FY26/FY27E EPS estimates upward by 9.5%/12.9%, with improvement in margin mainly with segment mix change. We estimate FY25-27E revenue/EBITDA/PAT CAGR of 31.7%/31.7%/34.3%. Maintain "HOLD."

Revenues declined by 18.6%, Adj. PAT grew by 145%: Sales declined by 18.6% YoY to Rs 9.4bn (PLe: Rs 9.9bn). Auto/Industrials/Healthcare segment grew by 18.0%/33.5%/14.4% YoY, whereas Consumer/IT & Railway segment declined by 48.5%/38.6% in Q1FY26. EBITDA grew by ~94.3% YoY to Rs 866mn (PLe: Rs 791mn). EBITDA margins expanded by ~530bps to 9.2% (PLe: 8.0%). PBT grew by 128% YoY to Rs 671mn (PLe: Rs 606mn). PAT grew by 145% YoY to Rs 497mn (PLe: Rs 454mn).

Con call highlights: **1)** Mgmt has guided for 30% revenue growth in FY26, driven primarily by the industrial and automotive segments, with margin of 9%. **2)** The consumer segment contributed ~34% to the topline in Q1FY26, but the company expects this to reduce to 30% as it shifts focus towards higher-margin segments. **3)** The company has a order book of Rs 54-55bn in Q1FY26, auto/consumer/industrial/healthcare/IT & Railway segments contribute 35-35%/25%/25%/6-8%/7-9%. **4)** The IT & Railway segments declined by 39% in Q1FY26. However, strong growth is expected in the coming quarters. Railway revenue stood at Rs210mn in Q1FY26, expected to reach Rs1bn by FY26. FY27 is expected to be stronger, backed by a healthy order book. **5)** Syрма SGS has formed a JV with Shinhyup Electronics Co. Ltd. to set up a multi/double-layer PCB manufacturing plant with a planned capacity of 1.5-2mn sqm. Phase 1 involves a capex of USD 91mn, targeting an asset turn of 1-2x over 5 years. **6)** The company expects 40% of the capex to be supported through PLI incentives from the state government. It is targeting an EBITDA margin of 12-15% and RoCE of ~20%, with commercial production slated to begin from Q4FY27. **7)** The company received PLI benefit Rs 40-60mn in Q1FY26. **8)** Smart meter business contributes Rs 550-600mn in Q1FY26, Company expects to reach Rs 2.5-3bn for FY26. **9)** In the industrial segment, domestic growth will be driven by energy metering, while globally, power electronics, large format box builds (including EV charging and

power supplies), and smart metering are expected to be key growth drivers. The automotive segment will benefit from increasing demand in EV. **10)** Company expects large orders in exports segment from Q2FY26 as there will be no uncertainties. For FY26 company expects to reach Rs 10bn (22-24%) of Topline. Currently USA contributes 5-6% to the exports and rest is in the Europe. **11)** Syrma SGS incorporated two new wholly owned subsidiaries to manufacture electronic components, bare printed circuit boards, loading components onto printed circuit boards and for manufacturing interface cards and other electronic components. **12)** The company aims to reduce working capital days from 69 to 65 in FY26.

Exhibit 1: Q1FY26 result overview: Sales declined 18.6% YoY; PAT grew by 145% YoY.

Y/e March (Rs mn)	Q1FY26	Q1FY25	YoY gr. (%)	Q1FY26E	% Var.	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Net Sales	9,440	11,599	-18.6	9,888	-4.5	9,244	2.1	50,397	37,867	33.1
Expenditure										
Operating & Manufacturing Expenses	7,107	9,859	-27.9	7,861	-9.6	6,731	5.6	38,420	29,315	31.1
<i>% of Net Sales</i>	<i>75.3</i>	<i>85.0</i>		<i>79.5</i>		<i>72.8</i>		<i>76.2</i>	<i>77.4</i>	
Gross Profit	2,333	1,740	34.1	2,027	15.1	2,512	-7.1	11,976	8,552	40.0
<i>% of Net Sales</i>	<i>24.7</i>	<i>15.0</i>	<i>9.71</i>	<i>20.5</i>	<i>4.22</i>	<i>27.2</i>		<i>23.8</i>	<i>22.6</i>	
Personnel Cost	504	454	11.0	396	27.4	522	-3.4	2,268	1,910	18.7
<i>% of Net Sales</i>	<i>5.3</i>	<i>3.9</i>		<i>4.0</i>		<i>5.6</i>		<i>4.5</i>	<i>5.0</i>	
Other Expenses	963	840	14.6	840	14.6	916	5.2	5,493	3,409	61.2
<i>% of Net Sales</i>	<i>10.2</i>	<i>7.2</i>		<i>8.5</i>		<i>9.9</i>		<i>10.9</i>	<i>9.0</i>	
Total Expenditure	8,574	11,153	-23.1	9,097	-5.8	8,169	5.0	46,182	34,634	33.3
EBITDA	866	446	94.3	791	9.5	1,075	-19.4	4,215	3,233	30.4
<i>Margin (%)</i>	<i>9.2</i>	<i>3.8</i>	<i>5.33</i>	<i>8.0</i>	<i>1.18</i>	<i>11.6</i>		<i>8.4</i>	<i>8.5</i>	
Depreciation	206	174	18.5	213	-3.4	208	-0.8	823	751	9.7
EBIT	660	272	142.6	578	14.2	867	-23.9	3,392	2,482	36.6
Other income	160	153	4.8	180	-10.8	223	-28.0	519	494	5.0
Interest	149	130	14.6	152	-1.8	156	-4.6	621	585	6.2
PBT	671	295	127.7	606	10.8	934	-28.1	3,290	2,371	38.8
Total Taxes	172	91	88.4	151	13.8	219	-21.4	828	526	57.4
<i>ETR (%)</i>	<i>25.7</i>	<i>31.0</i>		<i>25.0</i>		<i>23.5</i>		<i>25.2</i>	<i>22.2</i>	
Adj. PAT	497	203	144.5	454	9.5	654	-24.0	2,316	1,699	36.4
Exceptional Items	-	-	-	-	-	-	-	-	-	-
Reported PAT	497	203	144.5	454	9.5	654	-24.0	2,316	1,699	36.4

Source: Company, PL

Exhibit 2: Segmental breakup: Auto/Industrial grew by ~18%/34% YoY.

Y/e March (Rs mn)	Q1FY26	Q1FY25	YoY gr. (%)	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
Revenues								
Auto	2,215	1,877	18.0	2,146	3.2	12,599	8,213	53.4
Consumer	3,178	6,166	(48.5)	1,897	67.5	15,119	13,491	12.1
Healthcare	674	589	14.4	929	(27.4)	3,780	2,912	29.8
Industrials	2,873	2,152	33.5	3,775	(23.9)	15,119	10,758	40.5
IT and Railways	500	814	(38.6)	496	0.8	3,780	2,493	51.6
Total	9,440	11,598	(18.6)	9,243	2.1	50,397	37,867	33.1

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	31,541	37,867	50,397	65,655
YoY gr. (%)	54.0	20.1	33.1	30.3
Cost of Goods Sold	25,071	29,315	38,420	50,053
Gross Profit	6,470	8,552	11,976	15,602
Margin (%)	20.5	22.6	23.8	23.8
Employee Cost	1,446	1,910	2,268	2,836
Other Expenses	3,001	3,409	5,493	7,156
EBITDA	2,023	3,233	4,215	5,610
YoY gr. (%)	7.7	59.9	30.4	33.1
Margin (%)	6.4	8.5	8.4	8.5
Depreciation and Amortization	515	751	823	961
EBIT	1,508	2,482	3,392	4,649
Margin (%)	4.8	6.6	6.7	7.1
Net Interest	413	585	621	812
Other Income	583	494	519	555
Profit Before Tax	1,664	2,371	3,290	4,392
Margin (%)	5.3	6.3	6.5	6.7
Total Tax	421	526	828	1,105
Effective tax rate (%)	25.3	22.2	25.2	25.2
Profit after tax	1,243	1,845	2,462	3,287
Minority interest	170	146	146	182
Share Profit from Associate	-	-	-	-
Adjusted PAT	1,073	1,699	2,316	3,104
YoY gr. (%)	(10.1)	58.3	36.4	34.0
Margin (%)	3.4	4.5	4.6	4.7
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,073	1,699	2,316	3,104
YoY gr. (%)	(10.1)	58.3	36.4	34.0
Margin (%)	3.4	4.5	4.6	4.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,073	1,699	2,316	3,104
Equity Shares O/s (m)	177	178	178	178
EPS (Rs)	6.0	9.5	13.0	17.4

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	9,006	10,446	11,698	14,540
Tangibles	8,726	10,066	11,223	13,947
Intangibles	280	380	474	593
Acc: Dep / Amortization	1,473	2,223	3,047	4,008
Tangibles	1,360	2,036	2,763	3,618
Intangibles	113	187	283	390
Net fixed assets	7,533	8,222	8,651	10,533
Tangibles	7,366	8,030	8,460	10,330
Intangibles	167	192	191	203
Capital Work In Progress	168	656	665	676
Goodwill	3,221	3,221	3,221	3,221
Non-Current Investments	2,987	291	191	191
Net Deferred tax assets	(164)	(117)	(117)	(117)
Other Non-Current Assets	211	226	230	230
Current Assets				
Investments	355	514	514	514
Inventories	10,043	8,219	10,938	14,250
Trade receivables	9,301	14,775	18,640	23,924
Cash & Bank Balance	866	2,958	5,829	6,317
Other Current Assets	1,846	1,960	3,025	3,815
Total Assets	36,894	42,047	52,910	64,675
Equity				
Equity Share Capital	1,774	1,780	1,780	1,780
Other Equity	14,352	15,719	17,770	20,608
Total Networth	16,126	17,500	19,551	22,388
Non-Current Liabilities				
Long Term borrowings	645	619	950	1,150
Provisions	132	152	207	259
Other non current liabilities	39	67	90	117
Current Liabilities				
ST Debt / Current of LT Debt	5,188	5,579	8,193	9,598
Trade payables	12,231	15,744	20,953	27,297
Other current liabilities	1,029	812	1,098	1,427
Total Equity & Liabilities	36,894	42,047	52,910	64,675

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	1,664	2,371	3,290	4,392
Add. Depreciation	515	751	823	961
Add. Interest	413	585	621	812
Less Financial Other Income	583	494	519	555
Add. Other	(337)	(401)	(445)	(476)
Op. profit before WC changes	2,256	3,306	4,289	5,689
Net Changes-WC	(2,807)	(934)	(2,154)	(2,712)
Direct tax	(540)	(607)	(828)	(1,105)
Net cash from Op. activities	(1,091)	1,765	1,307	1,871
Capital expenditures	(5,677)	(2,452)	(1,261)	(2,854)
Interest / Dividend Income	361	169	519	555
Others	5,033	1,231	100	-
Net Cash from Invst. activities	(283)	(1,052)	(643)	(2,299)
Issue of share cap. / premium	(88)	(125)	-	-
Debt changes	2,288	330	3,093	1,994
Dividend paid	(265)	(266)	(267)	(267)
Interest paid	(362)	(513)	(621)	(812)
Others	(70)	(133)	-	-
Net cash from Fin. activities	1,503	(707)	2,205	915
Net change in cash	128	6	2,869	487
Free Cash Flow	(4,468)	(687)	45	(983)

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	6.0	9.5	13.0	17.4
CEPS	9.0	13.8	17.6	22.8
BVPS	90.9	98.3	109.8	125.7
FCF	(25.2)	(3.9)	0.3	(5.5)
DPS	1.5	1.5	1.5	1.5
Return Ratio(%)				
RoCE	10.2	13.0	14.9	16.8
ROIC	5.9	10.0	12.8	14.4
RoE	6.8	10.1	12.5	14.8
Balance Sheet				
Net Debt : Equity (x)	0.3	0.2	0.1	0.2
Net Working Capital (Days)	82	70	62	60
Valuation(x)				
PER	116.7	74.0	54.3	40.5
P/B	7.8	7.2	6.4	5.6
P/CEPS	78.9	51.3	40.0	30.9
EV/EBITDA	64.2	39.7	30.5	23.1
EV/Sales	4.1	3.4	2.6	2.0
Dividend Yield (%)	0.2	0.2	0.2	0.2

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	8,327	8,697	9,244	9,440
YoY gr. (%)	17.0	23.1	(18.5)	(18.6)
Raw Material Expenses	6,294	6,430	6,731	7,107
Gross Profit	2,033	2,267	2,512	2,333
Margin (%)	24.4	26.1	27.2	24.7
EBITDA	710	796	1,075	866
YoY gr. (%)	44.8	101.7	45.9	94.3
Margin (%)	8.5	9.1	11.6	9.2
Depreciation / Depletion	167	202	208	206
EBIT	542	593	867	660
Margin (%)	6.5	6.8	9.4	7.0
Net Interest	136	154	156	149
Other Income	100	218	223	160
Profit before Tax	507	657	934	671
Margin (%)	6.1	7.6	10.1	7.1
Total Tax	110	105	219	172
Effective tax rate (%)	21.8	16.0	23.5	25.7
Profit after Tax	396	551	715	499
Minority interest	-	42	60	2
Share Profit from Associates	-	-	-	-
Adjusted PAT	396	380	654	497
YoY gr. (%)	33.5	87.3	87.2	144.5
Margin (%)	4.8	4.4	7.1	5.3
Extra Ord. Income / (Exp)	-	108	-	-
Reported PAT	396	488	654	497
YoY gr. (%)	27.7	140.6	80.3	144.5
Margin (%)	4.8	5.6	7.1	5.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	396	488	654	497
Avg. Shares O/s (m)	178	178	178	178
EPS (Rs)	2.2	2.1	3.7	2.8

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	04-Jul-25	Hold	625	607
2	15-May-25	BUY	618	526
3	04-Apr-25	BUY	629	469
4	29-Jan-25	BUY	629	505
5	09-Jan-25	Hold	629	610
6	09-Dec-24	BUY	629	556

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	Accumulate	1,630	1,494
2	Avalon Technologies	Accumulate	927	838
3	Bajaj Electricals	Hold	641	610
4	Cello World	BUY	746	621
5	Century Plyboard (I)	Hold	775	749
6	Cera Sanitaryware	Accumulate	7,389	6,788
7	Crompton Greaves Consumer Electricals	BUY	423	350
8	Cyient DLM	Accumulate	540	480
9	Finolex Industries	Hold	222	217
10	Greenpanel Industries	BUY	310	271
11	Havells India	Accumulate	1,645	1,532
12	Kajaria Ceramics	Hold	1,192	1,242
13	Kaynes Technology India	Hold	6,068	6,176
14	KEI Industries	BUY	4,527	3,970
15	Polycab India	BUY	8,091	6,926
16	R R Kabel	Accumulate	1,485	1,393
17	Supreme Industries	Hold	4,346	4,376
18	Syrma SGS Technology	Hold	625	607
19	Voltas	Hold	1,350	1,367

PL's Recommendation Nomenclature (Absolute Performance)

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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