

July 30, 2025

Q1FY26 Result Update

■ Change in Estimates | ■ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	10,285		10,285	
Sales (Rs. m)	19,437	23,616	19,437	23,616
% Chng.	-	-	-	-
EBITDA (Rs. m)	3,547	4,145	3,547	4,145
% Chng.	-	-	-	-
EPS (Rs.)	325.7	367.3	325.7	367.3
% Chng.	-	-	-	-

Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	16,162	19,342	19,437	23,616
EBITDA (Rs. m)	3,223	3,662	3,547	4,145
Margin (%)	19.9	18.9	18.3	17.6
PAT (Rs. m)	3,074	3,254	3,295	3,716
EPS (Rs.)	303.8	321.6	325.7	367.3
Gr. (%)	53.7	5.9	1.2	12.8
DPS (Rs.)	90.0	100.0	97.7	110.2
Yield (%)	1.0	1.1	1.1	1.2
RoE (%)	25.0	22.1	19.4	19.0
RoCE (%)	25.2	24.0	19.9	20.0
EV/Sales (x)	5.5	4.6	4.5	3.7
EV/EBITDA (x)	27.7	24.1	24.9	21.2
PE (x)	29.3	27.6	27.3	24.2
P/BV (x)	6.6	5.7	5.0	4.3

Key Data

VOTL.BO | VAMP IN

52-W High / Low	Rs.14,800 / Rs.5,900
Sensex / Nifty	81,482 / 24,855
Market Cap	Rs.90bn/ \$ 1,029m
Shares Outstanding	10m
3M Avg. Daily Value	Rs.480.78m

Shareholding Pattern (%)

Promoter's	37.80
Foreign	23.23
Domestic Institution	23.41
Public & Others	15.56
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(6.6)	11.1	(35.0)
Relative	(4.1)	4.7	(35.0)

Amit Anwani

amitanwani@plindia.com | 91-22-66322250

Prathmesh Salunkhe

prathmeshsalunkhe@plindia.com | 91-22-66322324

Hitesh Agarwal

hiteshagarwal@plindia.com | 91-22-66322535

Deferments impact Q1; enquiry pipeline robust

Quick Pointers:

- Order backlog increased by 18.3% YoY to Rs12.6bn (11,226 MVA)
- Rs470mn (440 MVA) revenue was deferred due to site inaccessibility and customer land/regulatory issues.

Voltamp Transformers (VAMP) reported a revenue decline of 1.1% YoY due to deferment of Rs470mn in revenue with EBITDA margin contracting by 55bps YoY to 17.1%. Strong demand momentum continues, backed by sustained public and private sector capex across key industries. The company is witnessing strong order inquiries from high-growth segments such as data centers, steel, cement, oil & gas, and green energy. To capitalize on this, the company's 6,000 MVA capacity expansion remains on track and is expected to be fully operational by Q1FY27. This positions Voltamp well to serve the growing demand for power transformers, particularly in the class of up to 220kV, which constitutes 80–85% of total power transformer demand. However, rising competitive intensity and increased capacity additions are expected to lead to margin normalization going forward. We maintain 'Buy' rating and value the stock at a PE of 28x FY27E (same as earlier) with a TP of Rs10,285 (same as earlier).

We remain positive on VAMP considering its 1) strong market position in industrial transformers, 2) healthy demand momentum, 3) debt-free balance sheet, 4) consistent free cash flow generation, and 5) growing high-margin services business. The stock is trading at a P/E of 27.3x/24.2x FY26/27E.

Healthy profitability despite marginal decline in revenue: Revenue decreased by 1.1% YoY to Rs4.2bn (PL: Rs4.4bn) with sales volume declining 7.5% YoY to 3,260 MVA. Gross margins expanded by 62bps YoY to 27.6% (PL: 26.3%). EBITDA declined by 4.2% YoY to Rs726mn (PL: Rs756mn) with EBITDA margin contracted by 55bps YoY to 17.1% (PL: 17.1%) due to increase in employee cost (+13.2% YoY) to Rs155mn and higher other expenses (+10.5 YoY) to Rs286mn. PBT grew by 3.3% YoY to Rs1.0bn (PL: Rs968mn). Adj.PAT remain flattish to Rs795mn (PL: Rs746mn) as increase in other income (+24.0% YoY) to Rs 357mn was partially offset by higher effective tax rate (24.0% vs 21.6% YoY).

Order Book stood at Rs12.6bn (11,266 MVA) (0.7x of TTM Revenue): Order intake increased by 17% YoY to 7.5bn (6703 MVA). The company maintained a selective approach to order bookings, focusing on projects with an execution timeline of less than nine months due to prevailing market conditions and ongoing supply chain constraints. Despite these challenges, management remains confident in securing new orders, supported by a robust order inquiry pipeline, positioning the company to achieve its targeted revenue over the next four months.

Exhibit 1: Higher other income (+24% YoY to Rs357mn) partially offset by a higher effective tax rate, led to flattish PAT growth.

Y/e March (Rs mn)	Q1FY26	Q1FY25	YoY gr.	Q1FY26E	% Var.	Q4FY25	QoQ gr.	FY26E	FY25	YoY gr.
Revenue	4,236	4,282	-1.1%	4,419	-4.1%	6,248	-32.2%	19,437	19,342	0.5%
Gross Profit	1,168	1,154	1.2%	1,162	0.5%	1,679	-30.5%	5,403	5,412	-0.2%
Margin (%)	27.6	26.9	62	26.3	126.5	26.9	69	27.8	28.0	(18)
Employee Cost	155	137	13.2%	146	6.5%	186	-16.7%	661	602	9.8%
as % of sales	3.7	3.2	46	3.3	36.6	3.0	68	3.4	3.1	29
Other expenditure	286	259	10.5%	261	9.7%	329	-13.0%	1,195	1,148	4.1%
as % of sales	6.7	6.0	71	5.9	84.9	5.3	149	6.2	5.9	21
EBITDA	726	758	-4.2%	756	-3.9%	1,164	-37.6%	3,547	3,662	-3.1%
Margin (%)	17.1	17.7	(55)	17.1	5.0	18.6	(148)	18.3	18.9	(68)
Depreciation	34	30	13.5%	35	-3.6%	36	-7.3%	155	132	17.4%
EBIT	693	728	-4.9%	721	-3.9%	1,128	-38.6%	3,393	3,531	-3.9%
Margin (%)	16.4	17.0	(65)	16.3	4.6	18.0	(169)	17.5	18.3	(80)
Other Income	357	288	24.0%	250	42.8%	170	109.9%	952	847	12.4%
Interest	3	3	-8.8%	2	36.9%	4	-25.8%	10	14	-32.8%
PBT (ex. Extra-ordinaries)	1,046	1,013	3.3%	968	8.1%	1,293	-19.1%	4,335	4,363	-0.6%
Margin (%)	24.7	23.7	105	21.9	279.1	20.7	400	22.3	22.6	(25)
Extraordinary Items	-	-	-	-	-	-	-	-	-	-
PBT	1,046	1,013	3.3%	968	8.1%	1,293	-19.1%	4,335	4,363	-0.6%
Total Tax	251	218	15.0%	223	-	325	-22.8%	1,040	1,109	-6.2%
Effective Tax Rate (%)	24.0	21.6	243	23.0	98.2	25.1	(116)	24.0	25.4	(142)
Adj. PAT	795	794	0.1%	746	6.7%	968	-17.8%	3,295	3,254	1.2%
Margin (%)	18.8	18.6	23	16.9	190.7	15.5	328	17.0	16.8	13
Adj. EPS	78.6	78.5	0.1%	73.7	6.7%	95.7	-17.8%	325.7	321.6	1.2%

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	16,162	19,342	19,437	23,616
YoY gr. (%)	16.7	19.7	0.5	21.5
Cost of Goods Sold	11,303	13,930	14,033	17,145
Gross Profit	4,859	5,412	5,403	6,471
Margin (%)	30.1	28.0	27.8	27.4
Employee Cost	539	602	661	744
Other Expenses	431	483	486	732
EBITDA	3,223	3,662	3,547	4,145
YoY gr. (%)	39.6	13.6	(3.1)	16.8
Margin (%)	19.9	18.9	18.3	17.6
Depreciation and Amortization	114	132	155	235
EBIT	3,110	3,531	3,393	3,910
Margin (%)	19.2	18.3	17.5	16.6
Net Interest	21	14	10	12
Other Income	890	847	952	992
Profit Before Tax	3,979	4,363	4,335	4,890
Margin (%)	24.6	22.6	22.3	20.7
Total Tax	905	1,109	1,040	1,174
Effective tax rate (%)	22.7	25.4	24.0	24.0
Profit after tax	3,074	3,254	3,295	3,716
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	3,074	3,254	3,295	3,716
YoY gr. (%)	53.7	5.9	1.2	12.8
Margin (%)	19.0	16.8	17.0	15.7
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	3,074	3,254	3,295	3,716
YoY gr. (%)	53.7	5.9	1.2	12.8
Margin (%)	19.0	16.8	17.0	15.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,074	3,254	3,295	3,716
Equity Shares O/s (m)	10	10	10	10
EPS (Rs)	303.8	321.6	325.7	367.3

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	1,323	1,857	2,685	3,384
Tangibles	1,323	1,857	2,685	3,384
Intangibles	-	-	-	-
Acc: Dep / Amortization	561	684	839	1,074
Tangibles	561	684	839	1,074
Intangibles	-	-	-	-
Net fixed assets	762	1,173	1,846	2,311
Tangibles	762	1,173	1,846	2,311
Intangibles	-	-	-	-
Capital Work In Progress	11	39	11	11
Goodwill	-	-	-	-
Non-Current Investments	8,921	9,340	10,641	12,014
Net Deferred tax assets	(57)	(130)	(130)	(130)
Other Non-Current Assets	56	79	80	102
Current Assets				
Investments	313	1,237	1,237	1,237
Inventories	2,262	2,374	2,663	3,235
Trade receivables	2,388	2,926	3,248	3,753
Cash & Bank Balance	294	388	516	791
Other Current Assets	93	63	87	118
Total Assets	15,211	17,757	20,488	23,789
Equity				
Equity Share Capital	101	101	101	101
Other Equity	13,435	15,775	18,058	20,786
Total Network	13,536	15,876	18,159	20,887
Non-Current Liabilities				
Long Term borrowings	17	4	4	4
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	16	18	18	18
Trade payables	85	42	75	104
Other current liabilities	1,501	1,687	2,103	2,647
Total Equity & Liabilities	15,211	17,757	20,488	23,789

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	3,979	4,363	4,335	4,890
Add. Depreciation	114	132	155	235
Add. Interest	21	14	10	12
Less Financial Other Income	890	847	952	992
Add. Other	(849)	(799)	(952)	(992)
Op. profit before WC changes	3,264	3,711	3,547	4,145
Net Changes-WC	(237)	(499)	(212)	(619)
Direct tax	865	1,020	1,040	1,174
Net cash from Op. activities	2,163	2,192	2,294	2,352
Capital expenditures	(193)	(603)	(800)	(700)
Interest / Dividend Income	170	326	952	992
Others	(1,408)	(887)	(1,297)	(1,368)
Net Cash from Inv. activities	(1,431)	(1,164)	(1,145)	(1,077)
Issue of share cap. / premium	-	-	-	-
Debt changes	(9)	(13)	-	-
Dividend paid	(607)	(910)	(1,012)	(988)
Interest paid	(18)	(14)	(10)	(12)
Others	-	-	-	-
Net cash from Fin. activities	(633)	(938)	(1,021)	(1,000)
Net change in cash	99	90	128	275
Free Cash Flow	1,969	1,590	1,494	1,652

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	303.8	321.6	325.7	367.3
CEPS	315.0	334.7	340.9	390.5
BVPS	1,337.9	1,569.2	1,794.9	2,064.5
FCF	194.7	157.1	147.7	163.3
DPS	90.0	100.0	97.7	110.2
Return Ratio(%)				
RoCE	25.2	24.0	19.9	20.0
ROIC	20.5	20.1	16.9	17.0
RoE	25.0	22.1	19.4	19.0
Balance Sheet				
Net Debt : Equity (x)	0.0	(0.1)	(0.1)	(0.1)
Net Working Capital (Days)	103	99	110	106
Valuation(x)				
PER	29.3	27.6	27.3	24.2
P/B	6.6	5.7	5.0	4.3
P/CEPS	28.2	26.6	26.1	22.8
EV/EBITDA	27.7	24.1	24.9	21.2
EV/Sales	5.5	4.6	4.5	3.7
Dividend Yield (%)	1.0	1.1	1.1	1.2

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Net Revenue	3,977	4,835	6,248	4,236
YoY gr. (%)	4.3	18.4	23.9	(1.1)
Raw Material Expenses	2,808	3,425	4,569	3,068
Gross Profit	1,170	1,410	1,679	1,168
Margin (%)	29.4	29.2	26.9	27.6
EBITDA	750	990	1,164	726
YoY gr. (%)	9.0	21.0	15.5	(4.2)
Margin (%)	18.9	20.5	18.6	17.1
Depreciation / Depletion	32	34	36	34
EBIT	718	957	1,128	693
Margin (%)	18.1	19.8	18.0	16.4
Net Interest	3	3	4	3
Other Income	320	69	170	357
Profit before Tax	1,265	1,022	1,293	1,046
Margin (%)	31.8	21.1	20.7	24.7
Total Tax	278	288	325	251
Effective tax rate (%)	22.0	28.2	25.1	24.0
Profit after Tax	987	734	968	795
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	757	734	968	795
YoY gr. (%)	10.7	2.4	3.5	0.1
Margin (%)	19.0	15.2	15.5	18.8
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	757	734	968	795
YoY gr. (%)	10.7	2.4	3.5	0.1
Margin (%)	19.0	15.2	15.5	18.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	757	734	968	795
Avg. Shares O/s (m)	10	10	10	10
EPS (Rs)	75.0	72.7	95.9	78.8

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Jul-25	BUY	10,285	9,420
2	06-May-25	BUY	10,285	8,195
3	09-Apr-25	BUY	11,437	6,582
4	31-Jan-25	BUY	11,437	8,358
5	09-Jan-25	BUY	12,531	9,682
6	29-Oct-24	BUY	14,326	10,516
7	07-Oct-24	Accumulate	14,922	12,236
8	13-Aug-24	Accumulate	14,922	13,177

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ABB India	BUY	6,851	5,840
2	Apar Industries	Hold	9,540	9,682
3	BEML	Hold	4,142	4,522
4	Bharat Electronics	Hold	374	422
5	BHEL	Hold	237	258
6	Carborundum Universal	Hold	1,028	994
7	Cummins India	BUY	3,647	3,478
8	Elgi Equipments	Accumulate	559	535
9	Engineers India	Accumulate	250	242
10	GE Vernova T&D India	Accumulate	2,706	2,473
11	Grindwell Norton	Hold	1,739	1,635
12	Harsha Engineers International	Accumulate	398	405
13	Hindustan Aeronautics	Accumulate	5,500	5,003
14	Ingersoll-Rand (India)	BUY	4,522	4,045
15	Kalpataru Projects International	Accumulate	1,268	1,190
16	KEC International	Accumulate	911	860
17	Kirloskar Pneumatic Company	BUY	1,636	1,316
18	Larsen & Toubro	BUY	4,144	3,496
19	Praj Industries	BUY	545	497
20	Siemens	Accumulate	3,497	3,291
21	Thermax	Accumulate	3,629	3,435
22	Triveni Turbine	BUY	772	640
23	Voltamp Transformers	BUY	10,285	9,420

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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Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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