

May 8, 2025

Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	1,516		1,593	
Sales (Rs. m)	1,79,749	2,06,321	1,81,217	2,08,054
% Chng.	(0.8)	(0.8)		
EBITDA (Rs. m)	13,391	15,887	13,682	16,020
% Chng.	(2.1)	(0.8)		
EPS (Rs.)	31.2	37.1	33.4	40.3
% Chng.	(6.6)	(7.8)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	1,24,812	1,54,129	1,79,749	2,06,321
EBITDA (Rs. m)	4,746	11,163	13,391	15,887
Margin (%)	3.8	7.2	7.5	7.7
PAT (Rs. m)	2,520	8,415	10,312	12,279
EPS (Rs.)	7.6	25.4	31.2	37.1
Gr. (%)	(33.5)	233.9	22.5	19.1
DPS (Rs.)	5.5	7.0	7.0	7.0
Yield (%)	0.4	0.6	0.6	0.6
RoE (%)	4.5	13.6	14.9	15.7
RoCE (%)	10.8	19.8	19.9	20.3
EV/Sales (x)	3.2	2.6	2.2	1.9
EV/EBITDA (x)	83.9	36.0	30.0	25.2
PE (x)	160.5	48.1	39.2	32.9
P/BV (x)	7.0	6.2	5.5	4.9

Key Data

52-W High / Low	Rs.1,946 / Rs.1,135
Sensex / Nifty	80,335 / 24,274
Market Cap	Rs.405bn / \$ 4,721m
Shares Outstanding	331m
3M Avg. Daily Value	Rs.2802.93m

Shareholding Pattern (%)

Promoter's	30.30
Foreign	18.09
Domestic Institution	37.25
Public & Others	14.36
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(7.4)	(30.7)	(7.3)
Relative	(14.4)	(31.5)	(15.2)

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Market share slips, outlook remains cautious

Quick Pointers:

- Volume growth of 36%/56% in UCP/Voltas Beko in FY25
- UCP EBIT margins expanded by 80bps to 10% in Q4FY25

We downward revise our FY26/FY27E earnings estimate by 6.6%/7.8% factoring slow demand for RAC, cost pressure for key components like compressors and copper tube, no price hikes and slow ramp up of Chennai plant. Voltas Ltd (VOLT) reported volume growth in line with the industry in UCP segment and anticipates demand recovery in upcoming quarters from extended summers and support from In Shop demonstrator. UCP EBIT margins expanded due to the better product mix in Industrial coolers and high energy efficient rated products. VOLT market share has declined slightly in RAC segment (YTD market share of 19% as on Mar'25 vs 19.5% as on Jun'24). Company has faced collection issues in its domestic project business and company is optimistic about the recovery in subsequent quarters. Voltas Beko saw volume growth of 56% FY25, with market share gain in refrigerators/washing machines/ Semi-Automatic Washing Machine at 5.3%/8.7%/15.3%. We estimate FY25-27E revenue/EBITDA/PAT CAGR of 15.7%/19.3%/20.8%. we revise SOTP-based TP to Rs1,516 (down from Rs1,593), implying PE of 41x FY27E earnings

Revenue up 13.4% and PAT at Rs2.4bn: Revenues grew by 13.4% YoY to Rs47.7bn (PLe: Rs50.9bn). Volume growth in the UCP segment was ~36% in FY25. Voltas Beko reported volume growth of ~56% in FY25. Gross margins expanded by 170bps YoY to 21.4% (PLe: 22.6%). EBITDA grew by 74.6% YoY to Rs3.3bn (PLe: Rs3.4bn). EBITDA margin expanded by 240bps YoY to 7.0% (PLe: 6.6%). UCP revenue grew by 17% YoY to Rs34.6bn and EBIT margin came in at 10% (+80bps YoY). EMPS revenue grew by 3.6% YoY to Rs11.4bn. The segment reported EBIT loss of Rs17mn vs loss of Rs1.1bn in Q4FY24. EPS revenue declined by 15.5% YoY to Rs1.3bn. EBIT declined by 28.7% YoY to Rs341mn, and margin contracted by 480bps YoY to 25.8%. PBT grew by 76.6% YoY to Rs3.8bn (PLe: Rs3.7bn). PAT grew by 107% to Rs2.4bn (PLe: Rs2.5bn). VOLT's share of loss from JV and associates stood at Rs320mn.

ConCall Takeaways: **1)** VOLT has maintained its leadership position in split and window air conditioners. It has a YTD market share of 19% as on Mar'25. **2)** Voltbek reported volume growth of 56% YoY in FY25. **3)** Voltas's Rs3.9bn bank guarantees for a Qatar project remain unencashed amid ongoing legal proceedings; based on legal advice, the company sees strong grounds to defend claims and has made no further provisions. **4)** EMPS order book for the project business reached Rs65bn. **5)** Air cooler YTD Mar'25 market share at 8.5% securing a position among the top three brands. **6)** VOLT has a YTD Feb'25 market share of 5.3%/8.7%/15.3% in refrigerators/washing machines/Semi-Automatic Washing Machine. **7)** Company aims to localize its refrigerator manufacturing to strengthen its market presence in India. **8)** Company faced challenges in secondary and tertiary sales due to delayed summer and unseasonal rains, which adversely impacted its market share and expects to improve by H1FY26. **9)** Company has recommended a final dividend of Rs 7 per share.

Exhibit 1: Q4FY25 Result Overview (Rs mn)

Y/e March (Rs mn)	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Net Sales	47,676	42,029	13.4	31,051	53.5	154,128	124,812	23.5
Expenditure								
Operating & Manufacturing Expenses	37,454	33,727	11.0	23,807	57.3	119,604	98,140	21.9
% of Net Sales	78.6	80.2	(1.7)	76.7		77.6	78.6	(1.0)
Gross Profit	10,222	8,302	23.1	7,244	41.1	34,524	26,672	29.4
% of Net Sales	21.4	19.8	1.7	23.3		22.4	21.4	1.0
Personnel Cost	2,185	1,992	9.7	2,311	(5.5)	8,901	7,788	14.3
% of Net Sales	4.6	4.7	(0.2)	7.4		5.8	6.2	(0.5)
Other Expenses	4,709	4,404	6.9	2,959	59.1	14,462	14,138	2.3
% of Net Sales	9.9	10.5	(0.6)	9.5		9.4	11.3	(1.9)
Total Expenditure	44,348	40,123	10.5	29,077	52.5	142,966	120,066	19.1
EBITDA	3,328	1,906	74.6	1,974	68.6	11,162	4,746	135.2
Margin (%)	7.0	4.5	2.4	6.4		7.2	3.8	3.4
Other income	797	544	46.4	591	35.0	3,245	2,533	28.1
Depreciation	141	118	19.0	179	(21.4)	618	476	29.8
EBIT	3,984	2,332	70.9	2,386	67.0	13,789	6,803	102.7
Interest	233	208	12.0	155	50.0	621	559	11.1
PBT	3,751	2,124	76.6	2,231	68.2	13,168	6,244	110.9
Total Taxes	1,075	634	69.4	599	79.5	3,565	2,377	50.0
ETR (%)	28.7	29.9	(1.2)	26.8		27.1	38.1	(11.0)
Share of JV/Associates	(320)	(383)	(16.6)	(324)		(1,260)	(1,386)	
Minority Interest	(53.30)	(58)		(14)		(71)	(39)	
Adj. PAT	2,410	1,164	107.0	1,321	82.4	8,414	2,520	233.9
Exceptional Items	-	-		-		-	-	
Reported PAT	2,410	1,164	107.0	1,321	82.4	8,414	2,520	233.9

Source: Company, PL

Exhibit 2: Segmental breakup (Rs mn)

Y/e March (Rs mn)	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Revenues								
Unitary Cooling Products	34,584	29,551	17.0	17,711	95.3	106,139	81,605	30.1
Electro-Mechanical Projects & Services	11,376	10,979	3.6	11,902	(4.4)	41,569	36,830	12.9
Engineering Products & Services	1,321	1,564	(15.5)	1,297	1.9	5,693	5,879	(3.2)
EBIT								
Unitary Cooling Products	3,448	2,704	27.5	1,043	230.6	8,923	6,935	28.7
EBIT margin (%)	10.0	9.2		5.9		8.4	8.5	
Electro-Mechanical Projects & Services	(17)	(1,077)	NA	567	(103.1)	1,686	(3,285)	NA
EBIT margin (%)	(0.2)	(9.8)		4.8		4.1	(8.9)	
Engineering Products & Services	341	478	(28.7)	368	(7.5)	1,553	2,057	(24.5)
EBIT margin (%)	25.8	30.6		28.4		27.3	35.0	(7.7)

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	1,24,812	1,54,129	1,79,749	2,06,321
YoY gr. (%)	31.4	23.5	16.6	14.8
Cost of Goods Sold	98,140	1,19,604	1,38,227	1,58,661
Gross Profit	26,672	34,525	41,522	47,660
Margin (%)	21.4	22.4	23.1	23.1
Employee Cost	7,788	8,901	9,527	10,729
Other Expenses	12,895	12,648	16,357	18,672
EBITDA	4,746	11,163	13,391	15,887
YoY gr. (%)	(17.1)	135.2	20.0	18.6
Margin (%)	3.8	7.2	7.5	7.7
Depreciation and Amortization	476	618	771	906
EBIT	4,270	10,545	12,620	14,981
Margin (%)	3.4	6.8	7.0	7.3
Net Interest	559	621	675	731
Other Income	2,533	3,245	2,943	2,855
Profit Before Tax	6,244	13,169	14,888	17,104
Margin (%)	5.0	8.5	8.3	8.3
Total Tax	2,377	3,565	3,747	4,305
Effective tax rate (%)	38.1	27.1	25.2	25.2
Profit after tax	3,867	9,604	11,141	12,799
Minority interest	(39)	(71)	(53)	(53)
Share Profit from Associate	(1,386)	(1,260)	(882)	(573)
Adjusted PAT	2,520	8,415	10,312	12,279
YoY gr. (%)	(33.5)	233.9	22.5	19.1
Margin (%)	2.0	5.5	5.7	6.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	2,520	8,415	10,312	12,279
YoY gr. (%)	86.7	233.9	22.5	19.1
Margin (%)	2.0	5.5	5.7	6.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,520	8,415	10,312	12,279
Equity Shares O/s (m)	331	331	331	331
EPS (Rs)	7.6	25.4	31.2	37.1

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	8,931	13,806	15,989	18,177
Tangibles	8,213	13,081	15,214	17,352
Intangibles	718	725	775	825
Acc: Dep / Amortization	4,177	4,794	5,565	6,471
Tangibles	3,514	4,103	4,844	5,717
Intangibles	662	691	722	754
Net fixed assets	4,754	9,012	10,424	11,706
Tangibles	4,699	8,978	10,370	11,634
Intangibles	56	34	54	71
Capital Work In Progress	3,675	824	824	824
Goodwill	723	723	723	723
Non-Current Investments	32,443	30,819	33,620	36,525
Net Deferred tax assets	(176)	(140)	(140)	(140)
Other Non-Current Assets	1,103	920	952	986
Current Assets				
Investments	5,015	3,987	4,649	5,337
Inventories	21,354	27,148	29,548	33,916
Trade receivables	25,328	25,115	29,414	33,762
Cash & Bank Balance	8,523	6,782	7,176	9,010
Other Current Assets	10,586	17,312	19,964	22,900
Total Assets	1,20,357	1,31,520	1,47,290	1,67,095
Equity				
Equity Share Capital	331	331	331	331
Other Equity	57,874	64,796	72,792	82,756
Total Networth	58,205	65,126	73,123	83,087
Non-Current Liabilities				
Long Term borrowings	2,280	3,823	3,823	3,823
Provisions	984	952	1,110	1,275
Other non current liabilities	106	107	107	107
Current Liabilities				
ST Debt / Current of LT Debt	4,853	4,810	5,610	6,190
Trade payables	38,557	38,928	44,308	50,858
Other current liabilities	14,154	16,322	17,711	20,209
Total Equity & Liabilities	1,20,357	1,31,520	1,47,290	1,67,095

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	4,858	11,908	14,888	17,104
Add. Depreciation	476	618	771	906
Add. Interest	559	621	675	731
Less Financial Other Income	2,533	3,245	2,943	2,855
Add. Other	3,036	(1,349)	(1,051)	(749)
Op. profit before WC changes	8,929	11,797	15,283	17,993
Net Changes-WC	801	(10,932)	(2,899)	(3,436)
Direct tax	(2,115)	(3,107)	(3,747)	(4,305)
Net cash from Op. activities	7,615	(2,241)	8,636	10,252
Capital expenditures	(2,611)	11,396	(2,183)	(2,188)
Interest / Dividend Income	103	168	-	-
Others	(2,716)	(9,984)	(3,070)	(3,184)
Net Cash from Invst. activities	(5,224)	1,579	(5,253)	(5,372)
Issue of share cap. / premium	-	-	-	-
Debt changes	790	1,358	-	-
Dividend paid	(1,432)	(1,820)	(2,315)	(2,315)
Interest paid	(521)	(535)	(675)	(731)
Others	-	-	-	-
Net cash from Fin. activities	(1,163)	(997)	(2,990)	(3,047)
Net change in cash	1,228	(1,659)	394	1,833
Free Cash Flow	4,685	(4,323)	6,453	8,064

Source: Company Data, PL Research

Key Financial Metrics

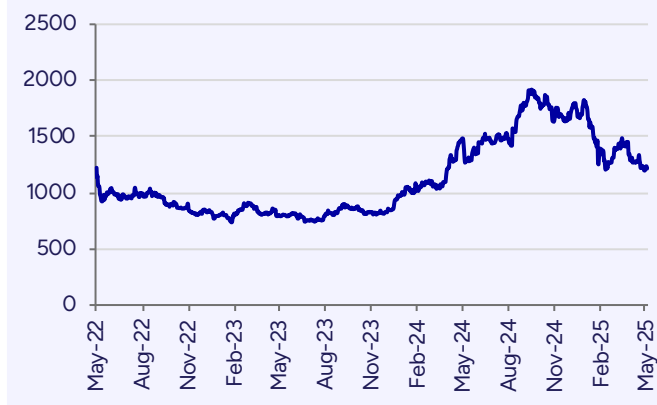
Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	7.6	25.4	31.2	37.1
CEPS	9.1	27.3	33.5	39.9
BVPS	176.0	196.9	221.1	251.2
FCF	14.2	(13.1)	19.5	24.4
DPS	5.5	7.0	7.0	7.0
Return Ratio(%)				
RoCE	10.8	19.8	19.9	20.3
ROIC	5.3	13.1	14.2	15.3
RoE	4.5	13.6	14.9	15.7
Balance Sheet				
Net Debt : Equity (x)	(0.1)	0.0	0.0	(0.1)
Net Working Capital (Days)	24	32	30	30
Valuation(x)				
PER	160.5	48.1	39.2	32.9
P/B	7.0	6.2	5.5	4.9
P/CEPS	135.0	44.8	36.5	30.7
EV/EBITDA	83.9	36.0	30.0	25.2
EV/Sales	3.2	2.6	2.2	1.9
Dividend Yield (%)	0.4	0.6	0.6	0.6

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	49,210	26,191	31,051	47,676
YoY gr. (%)	46.5	14.2	18.3	13.4
Raw Material Expenses	38,922	19,421	23,807	37,454
Gross Profit	10,288	6,770	7,244	10,222
Margin (%)	20.9	25.8	23.3	21.4
EBITDA	4,238	1,622	1,974	3,328
YoY gr. (%)	128.6	130.8	594.5	74.6
Margin (%)	8.6	6.2	6.4	7.0
Depreciation / Depletion	134	164	179	141
EBIT	4,104	1,458	1,795	3,187
Margin (%)	8.3	5.6	5.8	6.7
Net Interest	98	136	155	233
Other Income	803	1,055	591	797
Profit before Tax	4,809	2,377	2,231	3,751
Margin (%)	9.8	9.1	7.2	7.9
Total Tax	1,165	726	599	1,075
Effective tax rate (%)	24.2	30.5	26.8	28.7
Profit after Tax	3,644	1,651	1,632	2,677
Minority interest	8	(12)	(14)	(53)
Share Profit from Associates	(294)	(323)	(324)	(320)
Adjusted PAT	3,342	1,340	1,321	2,410
YoY gr. (%)	158.5	265.3	(534.5)	107.0
Margin (%)	6.8	5.1	4.3	5.1
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	3,342	1,340	1,321	2,410
YoY gr. (%)	158.5	265.3	(534.5)	107.0
Margin (%)	6.8	5.1	4.3	5.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,342	1,340	1,321	2,410
Avg. Shares O/s (m)	331	331	331	331
EPS (Rs)	10.1	4.1	4.0	7.3

Source: Company Data, PL Research


Price Chart

Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	03-Apr-25	BUY	1,593	1,345
2	21-Mar-25	Accumulate	1,593	1,470
3	31-Jan-25	BUY	1,593	1,261
4	08-Jan-25	Accumulate	1,980	1,780
5	30-Oct-24	Accumulate	1,980	1,698
6	08-Oct-24	Accumulate	1,945	1,801
7	16-Aug-24	Hold	1,598	1,535
8	05-Jul-24	Reduce	1,293	1,449
9	09-May-24	Hold	1,241	1,276

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	BUY	1,532	1,288
2	Avalon Technologies	Accumulate	927	879
3	Bajaj Electricals	Hold	552	551
4	Cello World	BUY	770	545
5	Century Plyboard (I)	BUY	806	668
6	Cera Sanitaryware	BUY	7,456	5,398
7	Crompton Greaves Consumer Electricals	BUY	440	339
8	Cyient DLM	Accumulate	546	494
9	Finolex Industries	Accumulate	202	176
10	Greenpanel Industries	BUY	330	233
11	Havells India	Hold	1,717	1,665
12	Kajaria Ceramics	Accumulate	878	800
13	Kaynes Technology India	Accumulate	5,528	4,956
14	KEI Industries	BUY	4,278	3,295
15	Polycab India	BUY	7,152	5,880
16	R R Kabel	BUY	1,292	1,024
17	Supreme Industries	Accumulate	3,803	3,512
18	Syrma SGS Technology	BUY	629	469
19	Voltas	BUY	1,593	1,345

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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