

Syrma SGS Technology Ltd.

Initiation Coverage

18 Mar 2026

Spark Initiating Coverage Reports – Rebooted!

Outlining the framework from our desk

In our new, rejuvenated approach to publishing fundamental research ideas, we aim to balance a traditional, time-tested framework with a contemporary and hopefully refreshing segue into stock-picking. Accordingly, our Initiating Coverage reports will be presented in five sections: **(1) Annual Report Deep-dive, (2) Business Assessment Scores, (3) Valuation Framework, (4) Stock Buzz & Influencing Factors, and (5) Technical Analysis.**

This report is underpinned by three key beliefs: (1) Technical analysis, when combined with fundamentals, leads to better stock calls; (2) business assessment should be separated from valuation frameworks so that equity research can calibrate the mix objectively when making stock calls; and (3) reactions to “buzz” and other factors that influence price action must be identified and given due regard when timing stock calls, particularly in the current environment where information flow is incessant.

Annual Report Deep-dive

Drawing on the time-tested but sadly, rarely-applied practice of drilling into historical annual reports, we dedicate the opening section to the **Analytical Perspective gleaned** from this exercise. A helpful forensic overlay provides a clearer view of the company’s **historical operating performance, balance sheet behaviour, cash flow quality & governance structure.** By anchoring the analysis in reported numbers and disclosures, this section helps assess earnings quality and risk before progressing to any forward-looking calls with conviction.

Business Assessment Scores

To address the question of whether a company’s business can emerge as a long-term winner, we draw on Porter’s Five Forces framework to examine key aspects such as revenue models, pricing risks, market positioning, and competitive moats. Our financial analysis and estimates are anchored in our assessment of both the company’s current performance and its long-term potential. To ensure that this assessment remains objective and not influenced by subjective judgment, we employ a scoring model that captures the key drivers of business quality across five composite vectors. The resulting scores form the basis of our call on the business.

Valuation Framework

We have often observed how markets can make target multiples appear like the proverbial rabbits out of a hat. To avoid the temptation of retrospectively justifying valuations alongside the broader market, we returned to first principles while designing our Valuation Framework. Anchored in market, peer, and historical absolute benchmarks, our valuation scores incorporate Economic Value Added, return profiles, growth prospects, and leadership positions, mapped against relevant valuation multiples. Ultimately, the central question remains: given everything we know about the business, markets, and peers, does the current pricing appear attractive? This question forms the bedrock of stock-picking in equity research.

Stock Buzz & Influencing Factors

The **Buzz Chart & Liquidity Chart** track stock-specific news flow, events, and market activity to help identify **periods of elevated attention or sentiment shifts**, complementing fundamental and valuation analysis.

Technical Analysis

The report also includes a **Technical Analysis** section to capture prevailing price trends, momentum, and key support-resistance levels, offering additional insight into **market timing and near-term market behavior.**

Source: Company, Spark PWM Pvt. Ltd.

Report In Gist (1/2)

Last Day Close
Rs. 766

1Y TP
Rs. 1,090

Upside
42%

Rating
BUY

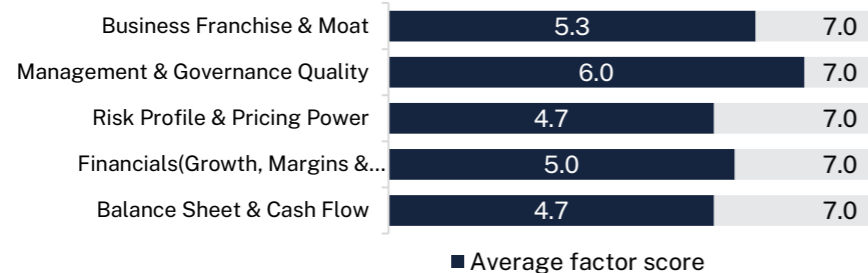
About the company

- Syrma SGS Technology Ltd. is one of the leading Electronic System Design and Manufacturing (ESDM) service providers to diversified industries such as consumer, industrial, automotive, healthcare, IT, and railways. It provides customers with end-to-end solutions, including PCB assembly, ODM, box-build, and IoT services, thereby building strong relationships with customers. The company has a strong moat in the RFID technology and maintains a leadership position in the segment domestically.
- While the company maintains a strong presence in the domestic market, equal focus in overseas markets has expanded its footprint to more than 20 export destinations. Overall, the company serves over 300 customers through 13 facilities in India and one in Stuttgart, Germany. Research & Development remains core to the business model, supported by four dedicated R&D facilities with nearly 190 employees.

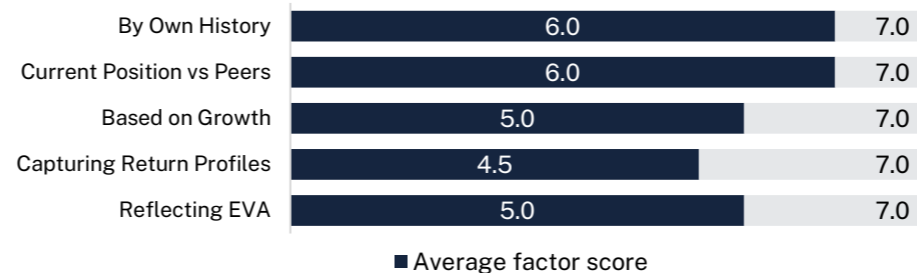
Annual Report
Deep-dive

- Syrma has delivered healthy and largely organic growth with no earnings distortion, though historical cash conversion remained moderate due to elevated working capital intensity and receivables' expansion. FY25 witnessed an improvement in cash flow generation and liquidity, with stable leverage and strengthened balance sheet positioning following the recent capital raise.

Business Assessment Scores



Valuation Framework



Financials and Estimates Summary

Particulars (Rs cr)	Revenue	EBITDA	EBITDA %	PAT	EPS	RoE %	RoCE%	P/E	EV/EBITDA
FY24	3,154	219	7%	107	6.0	7%	8%	127.2	69.9
FY25	3,787	324	9%	170	9.5	10%	10%	80.4	46.7
FY26E	4,896	542	11%	319	16.5	13%	14%	46.3	26.6
FY27E	6,433	674	10%	403	20.9	12%	14%	36.6	21.7
FY28E	8,217	856	10%	522	27.1	14%	16%	28.3	17.0

18 MAR 2026

Industry EMS

Key Stock Data

Bloomberg	SYRMA IN
Shares o/s (Cr)	19.2
Market Cap (Rs. Cr)	14,763
52-wk High-Low	910/370
30D ADV ('000)	109.0
Index	Nifty 500
F&O	N

Latest Shareholding (%)

	Dec 25	Sep 25	Jun 25
Promoters	42.7	43.0	46.4
Institutions	22.4	23.4	15.5
Public	34.8	33.5	38.0
Pledge	0.0	0.0	0.0

Stock Performance (%)

	1M	6M	12M
SYRMA IN	-11.0	-3.8	73.5
Nifty 500	-8.0	-7.6	6.8

RESEARCH ANALYST

Prasad U. Hase
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Source: Company, Bloomberg, Midas Research

Report In Gist (2/2)

Stock Buzz & Influencing Factors



Syrma underperformed the broader markets during 2024-25, largely due to margin pressures and slower revenue growth in certain quarters relative to the industry. However, performance has strengthened over the past year, with the stock recently reaching a 52-week high of ₹900+ per share. Fund raise via QIP, foray into PCB manufacturing and multiple acquisition announcements has off-late created a buzz in the stock.



Technical Analysis



Following a major structural breakout in mid-2025, the stock is showing significant inherent strength by holding above key moving averages and maintaining a bullish Ichimoku setup. Current levels present a strong entry point, with a "buy on dips" strategy recommended toward the 630-650 support zone for a sustained long-term uptrend.



Investment Rationale

- Syrma SGS is currently in an **expansionary phase** and has **strong earnings growth visibility** over foreseeable future supported by **multi-year contracts and sticky customer relationships**.
- Over FY25-28E, **revenue growth is projected at ~29% CAGR**, while **PAT expected to grow at ~45% CAGR**, thus showcasing robust earnings trajectory. Our estimates factor in **EBITDA margin expansion of ~185bps+ to 10.4% by FY28E**, which will support **RoE expansion of ~400bps+ to 14.1% (FY28E)**.
- We assign a **40x Fwd P/E multiple on FY28E basis**, slightly below the company's long-term 1-Yr Fwd P/E average of 43x, to arrive at **TP of Rs.1,090, offering 42% upside potential**.
- PAT CAGR growth of ~45% over FY25-28E, and an assigned target multiple of 40x FY28E P/E, **yields an implied PEG of 0.88x**, thus providing sufficient cushioning in terms of valuation in case of any adverse externalities, and **offering an attractive investment opportunity**.

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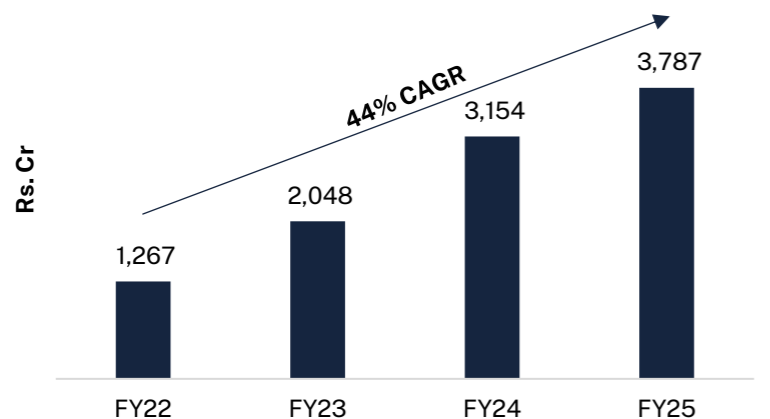
Initiating Coverage Reports – Rebooted

Report In Gist

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1 – Annual Report Deep-dive (1/2)

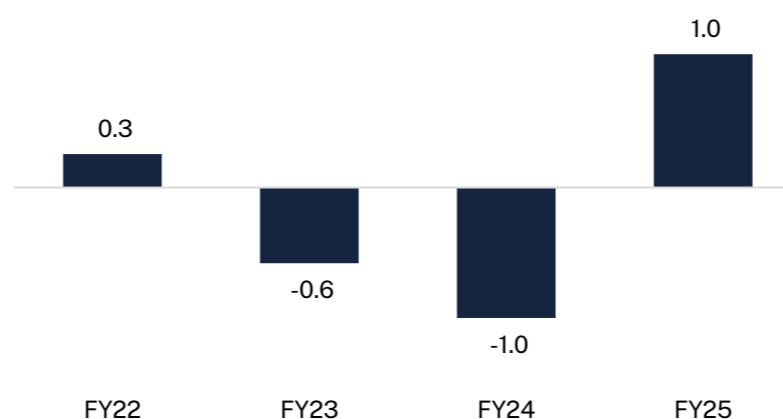
Net revenue



Earnings Quality

- Over FY22–25, Syrma’s revenue grew at a 44% CAGR, generated largely through **organic business** with ~3% contribution coming in from **Johari Digital (FY25 basis)** and **without** recognition of **any exceptional income**.
- Historically, **earnings quality has remained moderate** as the company witnessed **negative OCF generation** on account of **higher working capital requirement**.
- Over FY22-25, while **Syrma’s profitability grew ~3x while receivables increased by ~5.3x**. However, in FY25, healthy OCF generation at ~1.0x OCF/PAT reflects a turnaround and we expect this trend to continue.

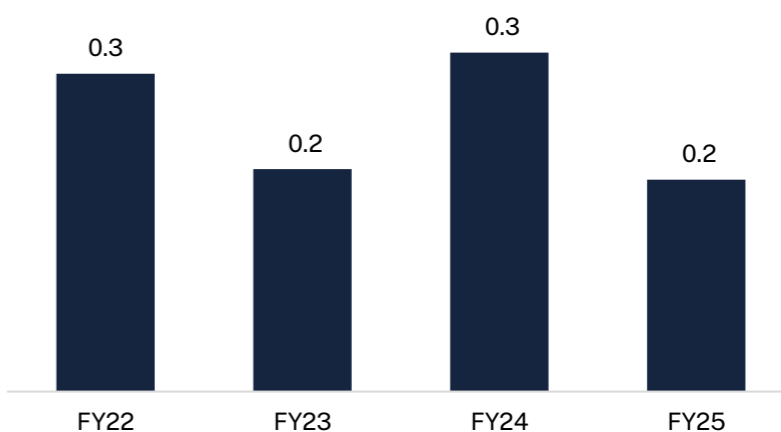
Cash flow (OCF)/PAT



Cash Flow Integrity

- Historically, the company’s cash flow generation capability has been moderate largely **impacted by high working capital requirement**.
- Since FY22, **Syrma’s profitability grew ~3x** by FY25, resulting in significant increase in WC.
- Receivables increased from ~Rs.277Cr in FY22 to ~Rs.1,477cr by FY25 (~5.3x)**. However, Trade payables rose in-tandem, resulting in WC cycle stable at ~70 days.
- During FY22-25, incremental WC stood at ~Rs.420Cr, partially funded via borrowings.
- In FY23 and FY24, OCF/PAT were negative, however turned positive during FY25.
- OCF/EBITDA were also negative at -0.4x and -0.5x during FY23 and FY24, respectively. However, turned positive to 0.5x in FY25.

Net debt/Equity



Balance Sheet and Leverage

- Syrma SGS remains comfortable on the balance sheet leverage front.
- Over the past three years, the Net Debt/Equity ratio remained largely in the 0.2–0.3x range.
- Historically, large part of borrowings raised were utilized to fund WC requirement (~90% in FY25)**.
- The interest coverage ratio ranged between 3.2x and 4.5x over the period.
- The Rs.1,000Cr QIP concluded in Aug’25 helps the company maintain a net cash position in near term.

1 – Annual Report Deep-dive (2/2)

Revenue Recognition

- Syrma receives Production-Linked Incentive (PLI) benefits, currently linked to telecom-related production. Incentives range between 5–6% of revenue.
- Holding co. recognized PLI incentive of ~Rs.41.8cr during FY25.
- Although, PLI revenues are recognized as produced, it is received from the government with a lag which could range up to one-year.

Auditor and Disclosure Quality

- The auditor has issued a clean report, stating that the company has disclosed the information required under the Companies Act, 2013, in the prescribed manner and that the financial statements present a true and fair view in conformity with Indian Accounting Standards.
- Statutory auditor M/s Walker Chandio & Co. LLP was appointed in Sept. 2024.

Management Remuneration

- Remuneration of the Exec. Chairman, Mr. Sandeep Tandon, was 0.09% of FY25 revenue, while that of the Managing Director, Mr. Jasbir Singh Gujral, was 0.06%.
- With 844 permanent employees, a median remuneration is Rs. 374,991 in FY25. Thus, Mr. Tandon's and Mr. Gujral's salaries were 93x and 64x median, respectively.
- Five independent directors from diversified industries on the board provides better oversight of management.

Acquisition & QIP

- The company announced three acquisitions/JVs— Elcome-Navicom, Elemaster, and Ksolare; all are expected to close on a cash basis without any equity share swap agreement.
- In Aug'25, Syrma raised ~Rs.1,000Cr via QIP. All allocations were made to institutional investors, including insurance companies and mutual funds, with no participation from individuals.

Corporate Governance

- The company did not have any materially significant related-party transactions.

2 - Business Assessment Scores



Business Assessment Scores – Summary

Business Franchise and Moat: 2.1

Syrma's business franchise is anchored in long-standing customer relationships, supported by high switching costs and multi-year engagements with several clients spanning over a decade. These sticky relationships enhance revenue visibility and enable incremental wallet share gains, strengthening the company's competitive positioning, resulting in 5.3/7.0 score.

Management and Governance Quality: 2.2

The company has a nine-member board with a majority of independent directors. The stable tenure of the MD and CFO since 2021 reflects leadership continuity, while promoter shareholding consistently maintained above 40% underscores long-term commitment. Thus, we assign 6.0 rating.

Risk Profile and Pricing Power: 2.3

The company operates in a competitively intense and supply-chain-dependent industry, with high supplier and buyer bargaining power exposing margins to volatility and pricing pressure. While entry barriers remain relatively high, overall moderate pricing power given the dominance of large OEM customers and a fragmented competitive landscape, leads to 4.7/7.0 rating.

Financials (Growth, Margins & Returns): 2.4

Syrma SGS has multiple growth drivers in place across both organic and inorganic avenues. Organic expansion is expected to be supported by order book growth, improved execution, and capacity additions, while inorganic initiatives include the commencement of PCB manufacturing, entry into the defence EMS segment through the Elecom-Navicom acquisition, and diversification into renewable energy via the acquisition of Ksolare for solar inverter manufacturing. In addition, a favorable shift in product mix, operating leverage benefits, and increased presence in relatively higher-margin segments are likely to support margin sustainability. The combination of revenue growth drivers and margin levers underpins a constructive overall assessment to assign 5.0/7.0 rating.

Balance Sheet and Cash Flow: 2.5

Free cash flows have been impacted by acquisitions and elevated capex, with further PCB-related investments likely to keep FCF negative in the near term; however, cash generation is expected to normalize from FY28 as capex moderates and working capital stabilizes. With improving OCF conversion and a more stable working capital cycle, the capex-to-cash flow ratio is projected to strengthen over time, supporting a gradual improvement in cash flow metrics, resulting in 4.7/7.0 score.

Syrma SGS Technology Ltd. - Company Factsheet

Corporate Snapshot	
Company background	<ul style="list-style-type: none"> Syrma SGS Technology Ltd., incorporated in 2004, is one of India's leading Electronic System Design & Manufacturing (ESDM) service providers. Leveraging expertise developed over the years, the company offers a comprehensive range of solutions, from PCB assemblies and customized RFID products to complex box-builds and turnkey electronic systems. Over the years, it has developed expertise in RFID technology and maintains a market-leading position in this segment domestically. It serves over 300 clients across industries, including consumer, industrials, automotive, healthcare, and IT & railways. By 9MFY26-end exports accounted for 25% of revenue, with a strong presence in the US & Europe. Supported by the subsidiary, Johari Digital, the company has established a strong presence in overseas healthcare market. Syrma SGS operates via 13 manufacturing facilities across India and a facility in Stuttgart, Germany and four R&D/design centers in Bengaluru, Chennai, Pune, and Stuttgart. The company's overall workforce exceeds 9,000, including 844 permanent staff, with ~190 employees in R&D.
Revenue mix (9MFY26)	<ul style="list-style-type: none"> Domestic turnover: Rs.2,519cr (75.1%) ; Export turnover: Rs.835Cr (24.9%) Automotive: 24%; Consumer: 32%; Industrials: 28%; Healthcare: 8%; IT & Railways: 9%.
Demand drivers	<ul style="list-style-type: none"> Increased outsourcing by OEMs: Supported by the growing involvement of EMS players in product development, OEMs are steadily increasing their outsourcing mix. Expanding product portfolio: The company follows a two-pronged approach: (1) launching new products within existing segments, and (2) increasing content per unit in existing products. Expanding TAM: Technological progress is bringing new segments into the EMS industry. Sectors like defense, renewable energy, and electric vehicles, previously marginal, now forms a substantial part of EMS players' order books.
Business model	<ul style="list-style-type: none"> Syrma SGS generates revenue primarily by providing PCB assembly services to customers across diversified sectors. Additional revenue comes from offering Box-Build and design (ODM) services.
Plants	<ul style="list-style-type: none"> 14 operational manufacturing facilities – located across Tamil Nadu, Karnataka, Andhra Pradesh, Maharashtra, Haryana, and Rajasthan. 4 R&D Centers – (Pune, Bengaluru, Chennai, & Stuttgart, Germany) 190 employees deployed in R&D (13.1% of permanent employees) 537 engineers across R&D, operations, manufacturing, and other functions.
Auditors	<ul style="list-style-type: none"> M/s. Walker Chandiook & Co. LLP
Credit rating	<ul style="list-style-type: none"> IND AA- / STABLE
Employee count	<ul style="list-style-type: none"> 9,352 employees (844 permanent employees)

Category (Dec '25)	% Share
Promoter Group	42.7
FII	6.5
DII	15.9
Others (Public)	34.8
Total	100.0

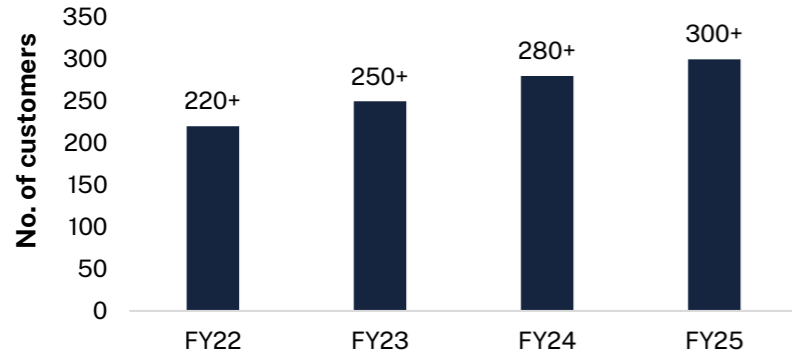
Key Metrics (Rs. Cr)	FY22	FY23	FY24	FY25	9M FY26
Revenue	1,267	2,048	3,154	3,787	3,354
EBITDA	129	195	219	324	370
EBITDA Margin	10.2%	9.5%	6.9%	8.6%	11.0%
PBT	111	179	168	239	298
PBT Margin	8.8%	8.7%	5.3%	6.3%	8.9%
PAT	79	119	107	170	220
Net Worth	583	1,543	1,677	1,825	NA
Net Debt	181	320	543	369	NA
NWC - Ex Cash	286	446	625	429	NA
Total Assets	913	2,053	2,466	2,630	NA
RoE	-	11%	7%	10%	NA
RoCE	-	12%	8%	10%	NA

Source: Company, Midas Research

2.1 - Business Franchise and Moat (1/2)

Sticky customer relationships

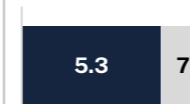
Focus is on long-term customer base, 15-20 customers associated for over 10 years



Sticky Customer relationships: Key lies in high switching costs

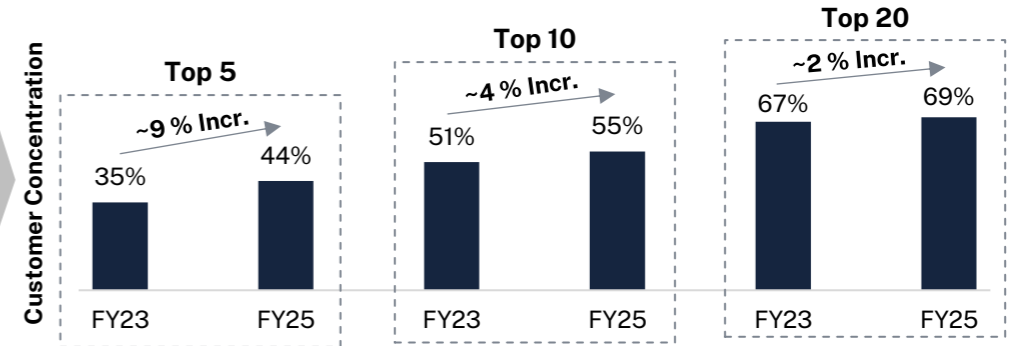
Sticky relationship (A key moat)

- Syrma SGS maintains a strong relationship with customers, a key moat of the business strategy.
- It has 15-20 customers associated for **over 10 years**.
- More than 100 customers associated for **over 3 years**.



Syrma's business franchise is underpinned by long-standing customer relationships. Moreover, its diversified presence across multiple industries provides execution flexibility, resulting in a score of **5.3 out of 7.0**.

Syrma leverages sticky relationships to drive wallet share gains



- Healthy customer onboarding rate with focus on **building long-term relationships**.
- Recent customer additions highlight this strategy:
 - Contract with a major customer having potential ~US\$250mn over 2-3 years.
 - Onboarded 8 major customer with US\$100mn+ potential (FY27)
 - Acquired 9 customers in FY25 with revenue potential of Rs. 500cr+ from FY26 onwards
- The company is focusing on building relationships with **Global OEMs**.

Key drivers for wallet share increase

- R&D and design-driven product development :**
 - 4 R&D Centres
 - 190 Employees deployed in R&D
 - ODM revenue mix - 16% (9MFY26)
- High gestation period :**
 - For some customers, the time from initial contract to commercial production could be **2 years**.
 - Results in **high switching costs** for customers
- End-to-End solution provider:** The company is a **single supplier to many customers**, as it is a one-stop solution provider to all.

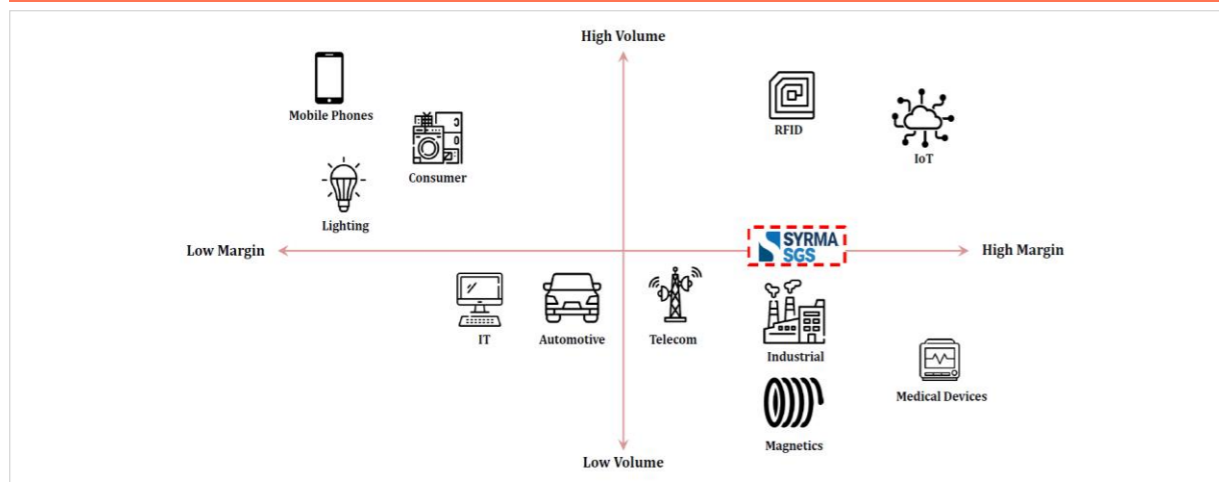
Automotive	Industrials	Consumer

Source: Company, Midas Research.

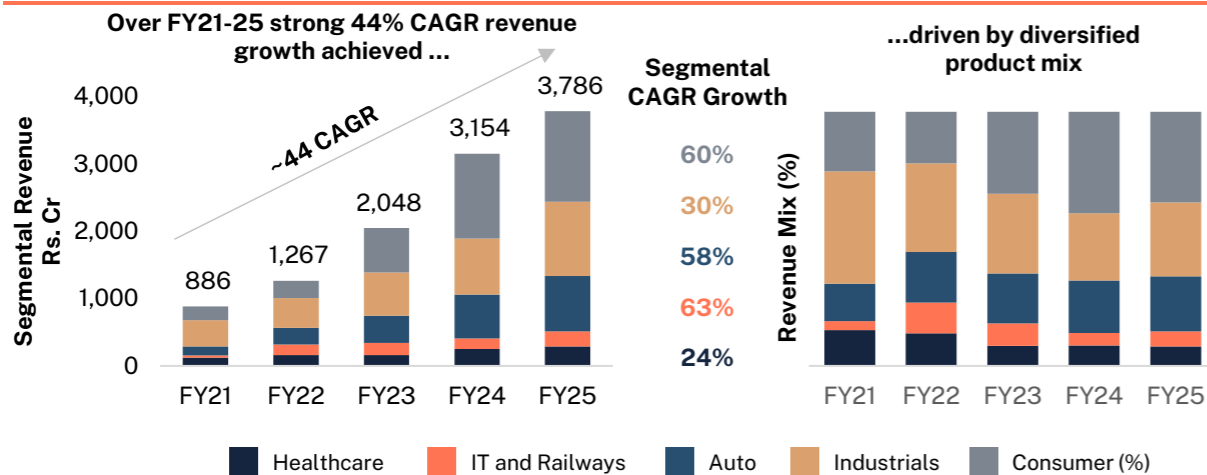
2.1 - Business Franchise and Moat (2/2)

Multiple industry presence provides execution fungibility

Syrma has a presence in 7 core industries and is set to enter two more – Defence and Renewable Energy



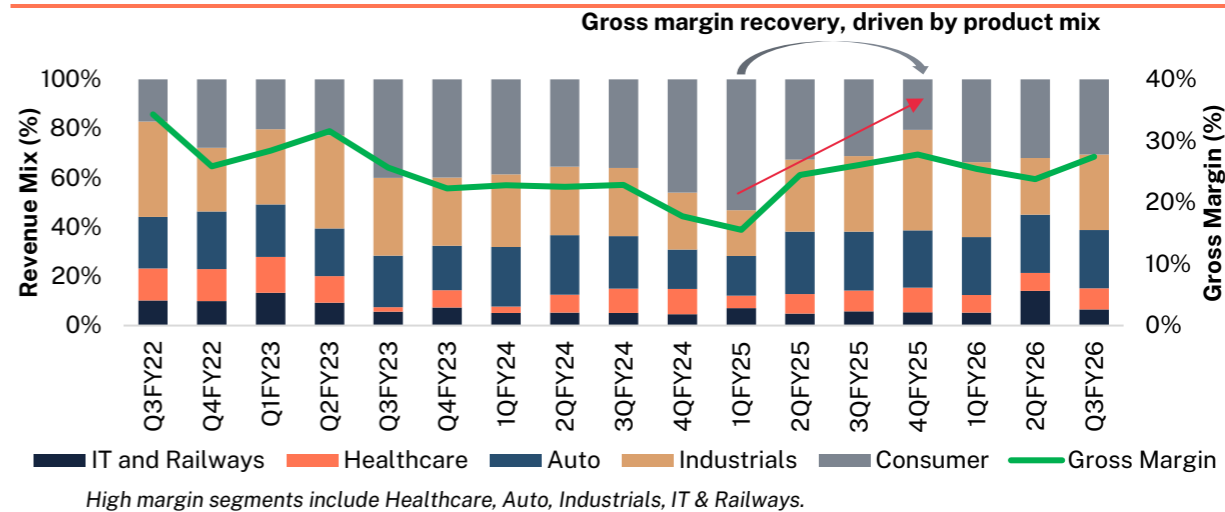
Diversified portfolio mix minimizes sectoral dependence, thus, enabling maintain robust growth trajectory



Syrma SGS has built one of the most diversified product portfolio across the board.

Company	Revenue (9MFY26)(Rs. Cr)	Top-1	Top-2	Top-3	Industry Concentration
Dixon <small>The brand behind brands</small>	38,065	91% (Mobile)	6% (Consumer)	3% (Home Appliances)	Skewed towards Mobile
Amber	8,039	67% (RAC)	28% (EMS - PCBA, PCB, Box-Build)	5% (Railway)	Skewed towards RAC (Consumer)
SYRMA SGS	3,354	32% (Consumer)	28% (Industrials)	24% (Automotive)	Diversified
KAYNES TECHNOLOGY <small>INNOVATING WITH QUALITY AND VALUE, FOREVER</small>	2,384	54% (Industrials incl. EV)	27% (Automotive)	9% (IoT / IT, Cons. & Others)	Skewed towards Industrials
Avalon	1,123	35% (Industrials)	27% (Mobility)	19% (Clear Energy)	Diversified

Multiple industry exposure enables Syрма to improve Gross Margins by changing portfolio mix to favorable



Source: Company, Industry, Midas Research

2.2 - Management and Governance Quality (1/2)

Management Team

6 7

The company has a nine-member board with a majority of independent directors. The stable tenure of the MD and CFO since 2021 reflects leadership continuity, while promoter shareholding consistently maintained above 40% underscores long-term commitment. Thus, we assign **6.0 rating**.

Senior management comprises highly skilled professionals with decades of industry experience



Mr. Sandeep Tandon
Executive Chairman

- Mr. Tandon is an entrepreneur with 18+ years in the electronics manufacturing industry.
- He holds a B.Sc. in Electrical Engineering from the Andrew and Erna Viterbi School of Engineering, University of Southern California.
- He was earlier associated with Celetronix Inc., USA.



Mr. Jasbir S. Gujral
Managing Director

- Mr. Gujral has over 39 years of experience in electronics design and manufacturing.
- He is a Chartered Accountant and holds a B.Com (Hons) from the University of Delhi.
- He was one of founding promoters of SGS Teknics, a wholly owned subsidiary of Syrma SGS and earlier associated with Metro Milk Products, Valere Power India, etc.



Mr. Satendra Singh
Chief Executive Officer

- Mr. Singh has 30+ years of experience in leading Global Supply Chain and Business Operations.
- He holds a master's degree in manufacturing management from BITS Pilani and completed advanced management program from IIM Bangalore.
- He was previously associated with Nokia and Flextronics.



Mr. Bijay Agarwal
Chief Financial Officer

- Mr. Agarwal has 16+ years of experience in finance and business strategy.
- He holds a master's degree in Business Administration.
- He was earlier associated with Motorola India, Times Internet, Dalmia Bharat and Omax Autos.



2.2 - Management and Governance Quality (2/2)

Governance Overview

✔: Positive
✔: Neutral
✘: Negative

Rating	Corporate Factsheet
✔ Board of Directors – Independence & Diversity (Positive)	The board of directors comprises of 9 members, including one Executive Director, one Managing Director, two Non-Executive Directors and five independent directors. Out of 5 total independent directors, one is a woman director. The board is largely composed of seasoned professionals, with two promoter family representation. Independent directors constitute 55.5% of the board.
✔ Board of Directors – Changes in directors (Neutral)	Mr. Sudeep Tandon has been appointed as Alternate director (non-executive and non-independent Director) to Mr. Jaideep Tandon.
✔ Board of Directors – Independence in board committees (Positive)	The Audit Committee comprises four directors, of whom three are independent directors. The Nomination and Remuneration Committee comprises all three independent directors.
✔ Changes in Key Managerial Personnel (Positive)	Ms. Komal Malik resigned from her position as Company Secretary, Compliance Officer, and Key Managerial Personnel of Syrma SGS Technology Limited, effective July 30, 2025. Mr. Sreeram Srinivasan ceased to be CEO of Syrma SGS Technology Ltd. as took over as CEO of subsidiary Syrma SGS Technology and Engineering Services Pvt Ltd. from April 01, 2023. Satendra Singh as Chief Executive Officer (CEO) of the Company with immediate effect. Mr. Satendra Singh is appointed as Chief Executive Officer (CEO) effective August 24, 2023.
✔ Management Continuity (Positive)	Mr. Jasbir Singh Gujral, Managing Director, (founder SGS Tekniks) associated since Sept. 2021. Mr. Bijay Agarwal, CFO, CFO, (earlier associated with Tandon Holdings Ltd.) associated since Oct. 2021
✔ Management Remuneration (Neutral)	Executive Chairman Mr. Sandeep Tandon’s remuneration stood at 1.5% of FY25 PAT. MD Mr. J. S. Gujral’s remuneration stood at 1.2% of FY25 PAT CEO Mr. Satendra Singh’s remuneration was at 4.3% of FY25 PAT
✔ Promoter Holding (Positive)	Mr. Sandeep Tandon – 35.6%, Ms. Veena Kumari Tandon – 0.64%, Mr. J. S. Gujral – 6.48%
✔ Related-party transactions (Positive)	Related party transactions are insignificant as it is less than 10% of overall topline.

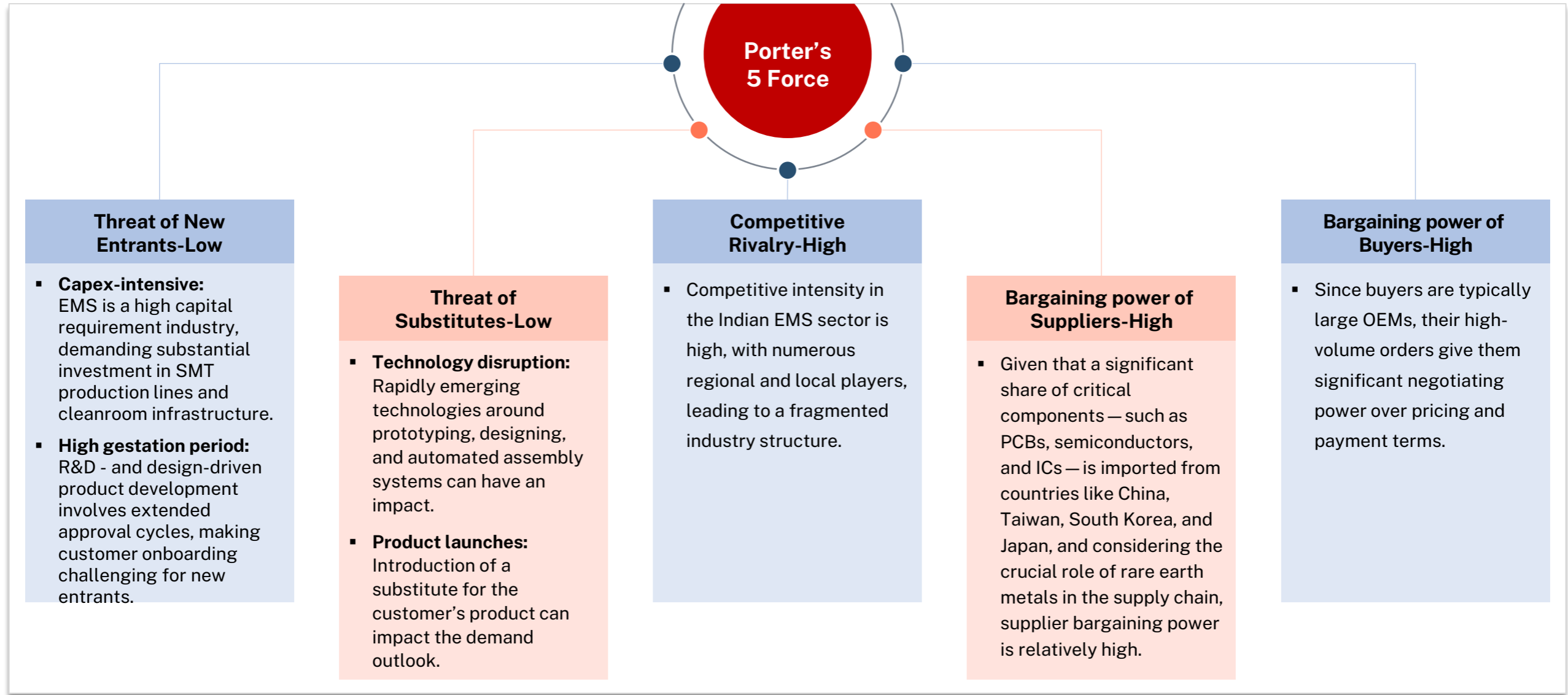
2.3 - Risk Profile and Pricing Power

Highly competitive industry

4.7

7

The company operates in a highly competitive and supply-chain-dependent industry. While entry barriers are relatively high, pricing power remains moderate due to the strong bargaining position of large OEMs, resulting in a **4.7 rating**.



Source: Company, Industry, Midas Research

2.4 - Financials (1/4)

Organic growth drivers

Growth Driver

Strong order book*
(core business)

Details

- **Revenue visibility:** Current order book stands at Rs.6,400Cr, providing revenue visibility for the next 5-6 quarters.
- Historically order book grew strongly at ~34% CAGR in tandem with revenue growth of ~36%.
- **Order book growth is likely to be driven by :**
- Focus on high-growth segments

Segments	FY23-28E CAGR
Healthcare	44%
Automotive	29%
Industrials	20%

- Strong traction in export markets

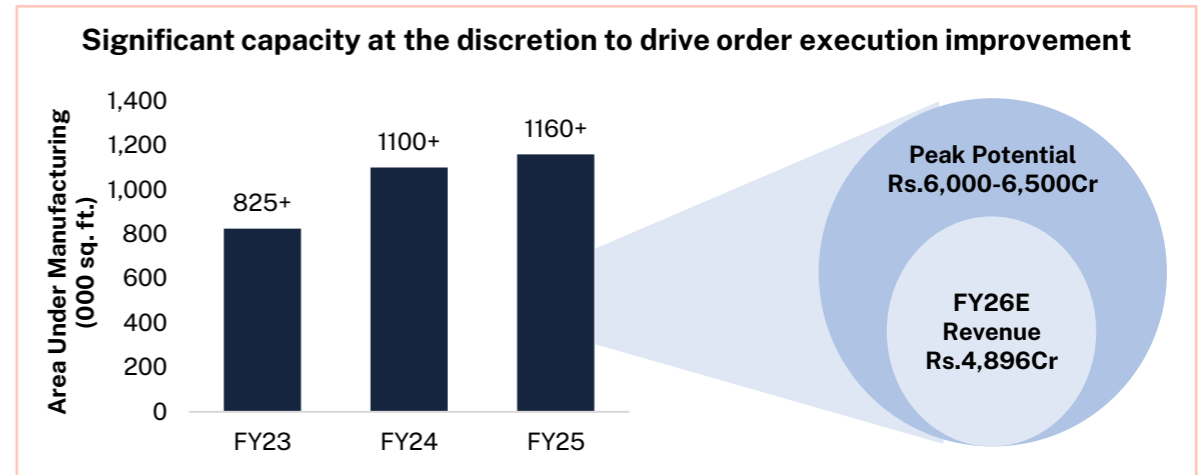
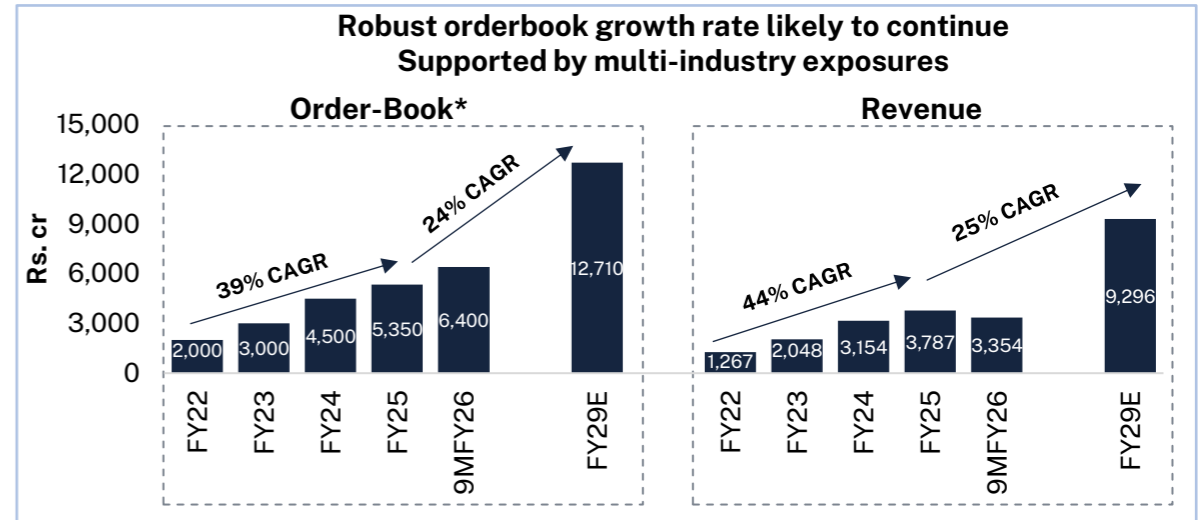
Execution Improvement

- **Pune facility:** The first phase of 60,000+ sq. ft was commissioned in Oct '24. The overall Pune campus offers 1.2 mn sq. ft of manufacturing space.
- **Capacity headroom:** Peak revenue potential from available capacity is ~Rs.6,000-6,500 cr, as against estimated topline of ~Rs.4,896Cr in FY26E, thus providing notable opportunity to ramp-up.

5 7

Syrma SGS has multiple revenue growth drivers in place. A favorable shift in product mix along with operating leverage benefits is expected to support margin sustainability. These topline growth drivers and margin levers underpin a constructive overall outlook, leading to a **5.0 score**.




Analysis



* Order book pertains to core business and does not include orders from Elemaster, PCB and Elcome-Navicom.

2.4 - Financials (2/4)

Inorganic growth drivers

	Growth driver	Type	Partner / Syрма's stake	Acquisition stake / Investment	Valuation	Area of specialization	Commencement Timeline	Peak Revenue Potential	Margin Profile (Range)
New Acquisitions	PCB Manufacturing	New entry (Greenfield)	Shinhyup Electronics Co. Ltd. (South Korea) (Syrma:Shinhyup – 75 : 25)	Total investment: Rs.1,500Cr State capex incentive: 50% Syrma Investment: Rs.765Cr Phase I: Multi-layer PCB Phase II: HDI PCB Phase III : CCL	-	Printed Circuit Boards	1QFY28	FY29E: ~Rs.578Cr (Revenue mix: 6%)	Op. margin : 12-15%
	Elcome and Navicom	New entry in Defence (Acquisition)	Elcome Integrated Systems & Navicom Technology International	Elcome – Rs.235Cr (60% Stake) Navicom – Rs.50Cr (100% Stake)	FY25 P/S - ~2.0x	Maritime (Defence)	3QFY26	FY29E: ~Rs.403Cr (Revenue mix: 4%)	Op. margin : 15-20%
	 Elemaster S.P.A.	JVA for Existing Verticals (Acquisition)	Rs.33Cr (60% Stake)	-	Railways, Industrials and Healthcare	1QFY27	FY29E: ~Rs.173Cr (Revenue Mix : 2%)	Op. margin: 10-12%	
	 Premier Energies Pvt Ltd.	New entry in renewable energy (Acquisition)	Rs.83Cr (49% Stake) (Minority)	FY25 P/S - ~2.0x	Solar Inverter	1QFY27	Expected CAGR - 20-30%. (FY25 revenue – Rs.342Cr)	Op. margin : 8-10%	
Existing Acquisition	 SYRMA MEDTECH JOHARI A Syрма SGS Company	Existing entity in healthcare	Johari Digital Healthcare Pvt Ltd	-	-	Healthcare	-	Expected CAGR - 20-30%	Op. margin : 30-40%

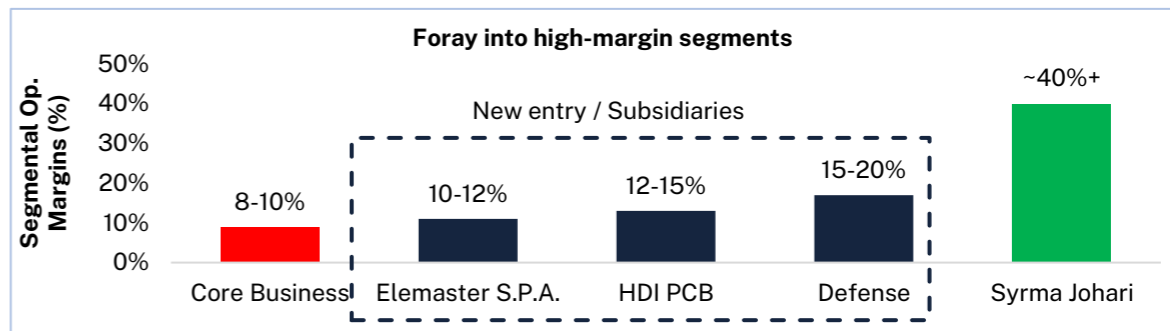
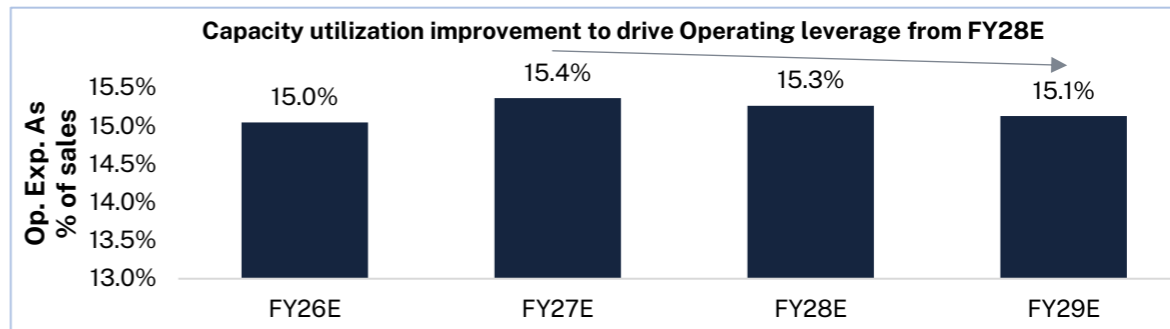
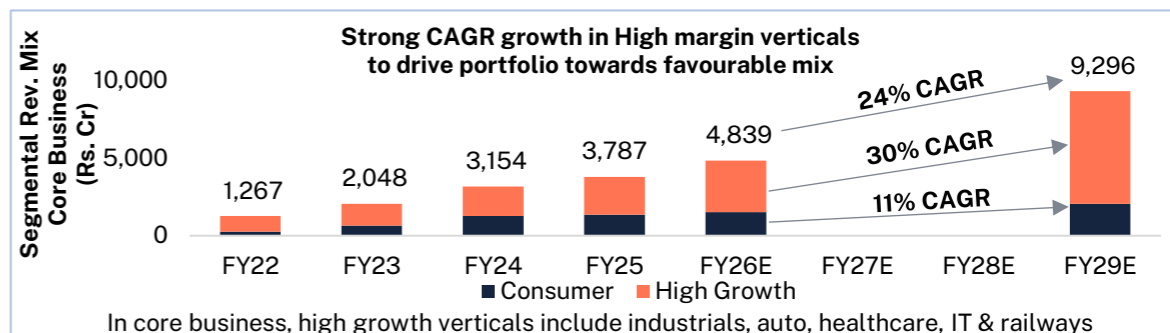
Source: Premier Energies, Company, Midas Research

2.4 - Financials (3/4)

Consol. margin drivers

Margin driver	Details
Improving product mix	<ul style="list-style-type: none"> Company's focus remains on steering the portfolio towards favorable product mix. We expect high margin segments like Automotive, Industrials and Healthcare to witness strong CAGR growth over the medium term. Increase in contribution from higher margin segments to overall revenue mix, would be the key driver of margin improvement going forward.
Operating leverage	<ul style="list-style-type: none"> In the last couple of years, greenfield/ brownfield capacity additions have been undertaken at several sites like Pune, Stuttgart, Gurgaon, and Bawal. As some of these facilities are underutilized, operating at 50-60%, significant headroom is available for ramp-up. FY27E may see higher operating expenses due to new subsidiaries, JVs, and the PCB project. Operating leverage will play out from FY28E.
Foray into better-margin inorganic businesses	<ul style="list-style-type: none"> The new subsidiaries and businesses Syрма is entering into, have relatively higher-margin profile compared to the core business. We forecast, by FY29, EBITDA contribution (from inorganic business) to be 16% against revenue contribution of 11%.

Analysis



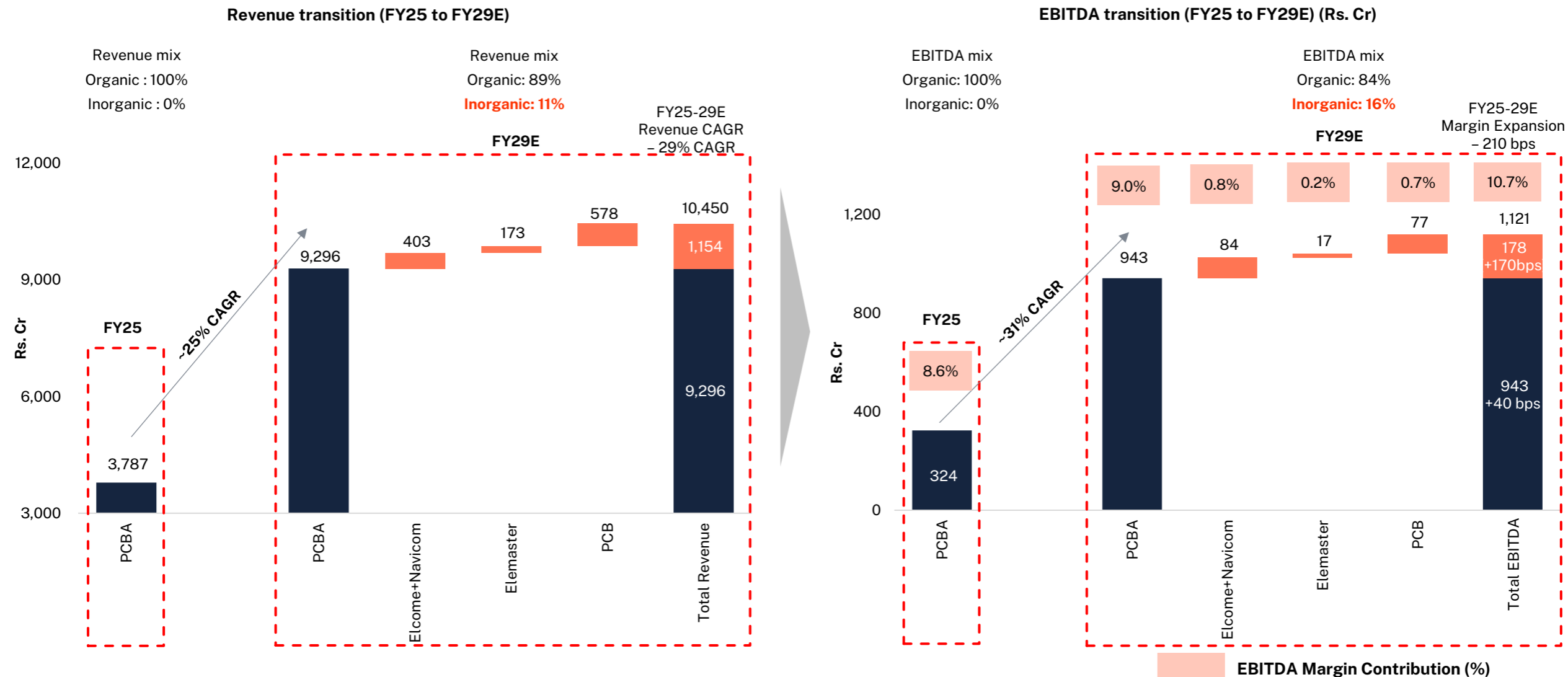
Source: Company, Midas Research

2.4 - Financials (4/4)

Revenue and EBITDA transition

Organic Business: EBITDA Growth (~31% CAGR) to exceed Revenue Growth (~25%), led by Portfolio Mix change and Operating Leverage

Inorganic Business: EBITDA contribution at ~16% (FY29E) ahead of Revenue contribution at ~11%, driven by foray into better margin verticals



Note: Syrma SGS's key growth driver i.e Foray into PCB manufacturing is expected to start revenue contribution from FY28E. However, capacity ramp-up and production stabilization is expected from FY29E. Additionally, ramp-up of other key subsidiaries and hence their meaningful contribution to topline is anticipated only from FY29E onwards.; Thus, we showcase FY29E analysis in our investment hypothesis, as we believe it is of paramount importance to highlight true potential, of revenue and margin drivers, and its subsequent impact on shaping up the fundamental structure of the company.

2.5 – Balance Sheet and Cash Flow

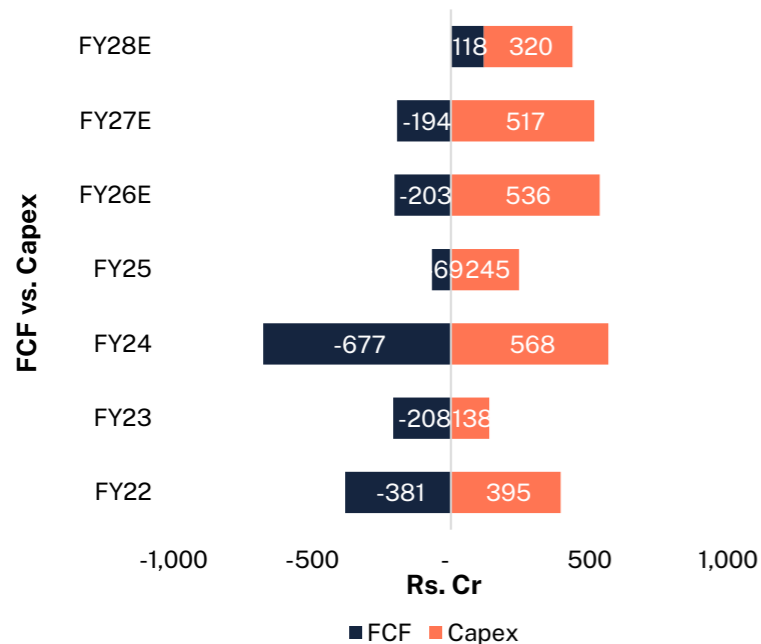
Revenue is vanity, profit is sanity, but cash is reality

4.7

7

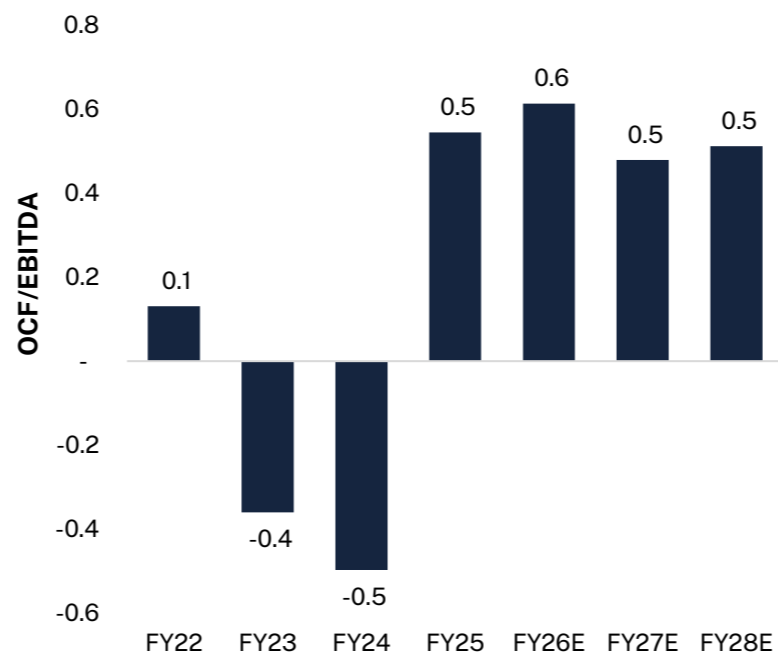
Free cash flows have been impacted by acquisitions and elevated capex, with ongoing PCB investments likely to keep FCF negative in the near term. However, cash generation is expected to normalize from FY28 as capex moderates. Considering moderate historical trends and expected improvement in ratios, we assign a **neutral rating of 4.7**

Syrma SGS to turn FCF positive in FY28



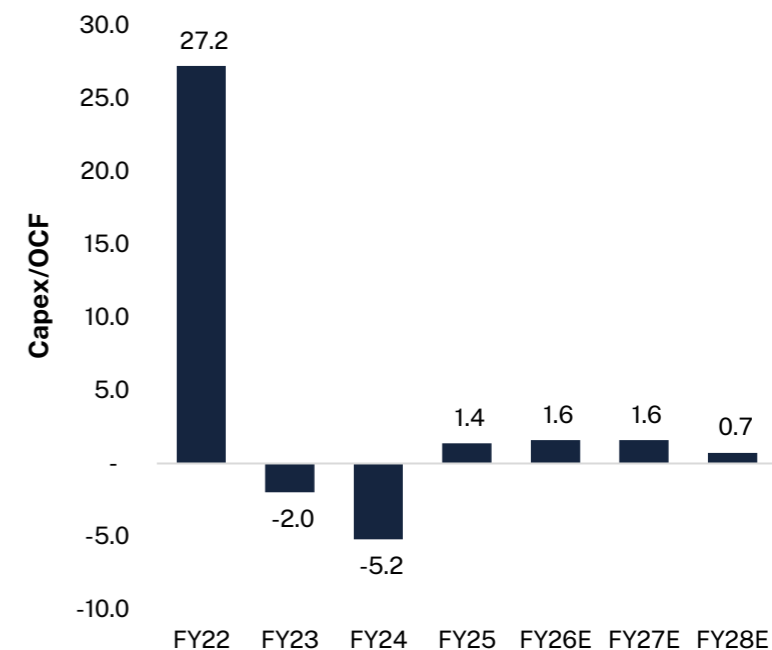
- Since 2020, acquisitions of SGS Teknics, Perfect ID, and Johari Digital Healthcare have significantly impacted FCFs.
- Large PCB-related capex, planned for FY27, will result in negative FCF,
- However, from FY28, we expect Syрма SGS to be FCF positive.

Anticipation of healthy OCF generation



- Since FY22, Syрма's topline has grown ~4x. Structural changes — such as shifts in product mix, overseas order deferments, & the incorporation of subsidiaries — have increased working capital volatility.
- Going forward, we estimate this volatility to moderate, assuming the WC cycle to hover at ~70-80 days.
- Thus, we project healthy OCF conversions ahead, stabilizing at ~0.5-0.6x OCF/EBITDA

Capex intensity to moderate from FY28E



- In FY22, Syрма's acquisition of SGS Teknics far exceeded its book size, resulting in a capex/OCF of 27.2x.
- Johari Health acquisition executed in FY24.
- Large-capex execution for PCB investment planned in FY27.
- Total PCB capex envisaged at ~Rs.750Cr
- We expect the capex/OCF ratio to improve consistently hereon.



3 - Valuation Framework



Valuation Framework – Summary

By Own History:

3.1

Syrma SGS appears reasonably placed from a valuation perspective. Across key parameters such as P/E, EV/EBITDA, and P/Bk, the stock is trading below its long-term averages. Historically, the P/E multiple has remained largely range-bound between +1 SD and -1 SD. Currently the stock is trading at valuations below the historical average near 1-SD providing cushioning, thus we assign a 6.0 rating out of 7.0.

Current Position vs Peers:

3.2

In relative analysis of EMS players, Syrma SGS is expected to deliver ~45% earnings CAGR over FY25–28E, outpacing the industry average of ~36%. Despite this stronger growth outlook, the stock trades at ~28x FY28E P/E, marginally below the industry average of ~29x, leaving room for potential valuation expansion. Accordingly, we assign a 6.0 rating.

Based on Growth:

3.3

Syrma SGS Technology Ltd offers a compelling growth profile, with PAT expected to grow at ~45% CAGR over FY25–28E. Current valuations at 28x FY28E P/E multiple, this translates into an attractive PEG ratio of ~0.6x, indicating that valuations remain supportive relative to the strong earnings trajectory. Thus, we assign rating of 5.0/7.0.

Capturing Return Profiles:

3.4

The company has historically reported moderate RoE trends, largely due to margin pressures in the consumer segment that weighed on profitability. The relatively lower return profile was reflected in subdued valuations, with the company trading at a discount to peers at around ~48x P/E and ~28x EV/EBITDA on TTM basis. Overall, the company's moderate return profile (FY25 RoE: ~10.1%; RoCE: ~10.4%) has historically weighed on the valuations relative to peers, leading to a neutral score of 4.5.

Reflecting EVA:

3.5

The company has reported negative economic value addition over the past three years. In FY25, the EVA spread stood at ~-1.7%, broadly in line with several other EMS peers. However, the company appears relatively better placed on an EV/EBITDA basis, leading to a score of 5.0 on a scale of 0–7.0. Going forward, we expect return ratio expansion and improved execution to support a shift toward positive EVA.

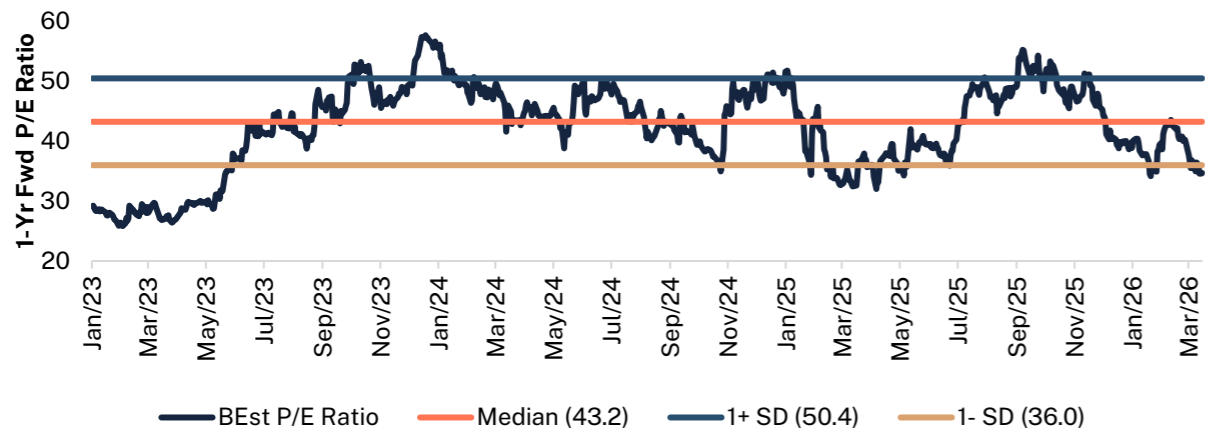
3.1 - By Own History (in charts)

Reasonable and range-bound valuations

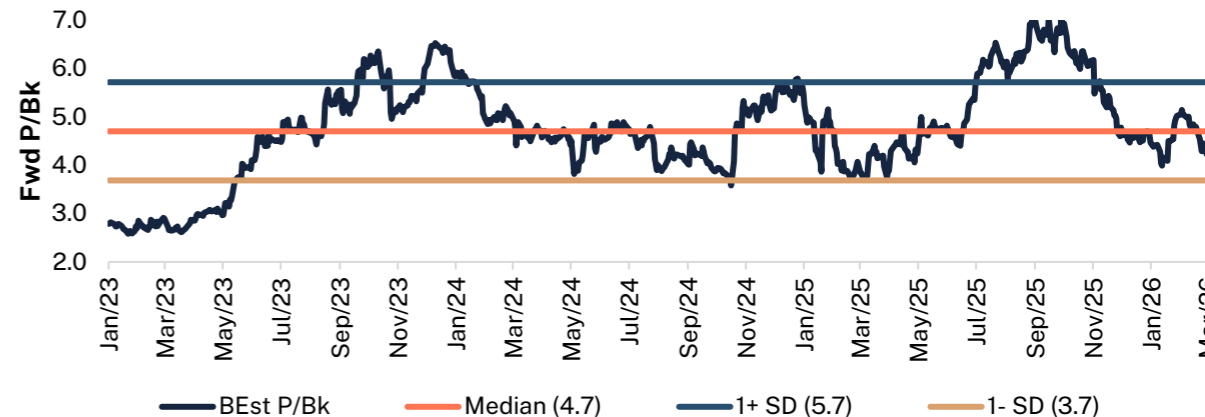
6 7

Syrma SGS appears reasonably placed from a valuation perspective. Across key parameters such as P/E, EV/EBITDA, and P/Bk, the stock is trading below its long-term averages. Historically, the P/E multiple has remained largely range-bound between +1 SD and -1 SD. Currently the stock is trading at valuations below the historical average near 1-SD providing cushioning, thus we assign **6.0 rating out of 7.0**.

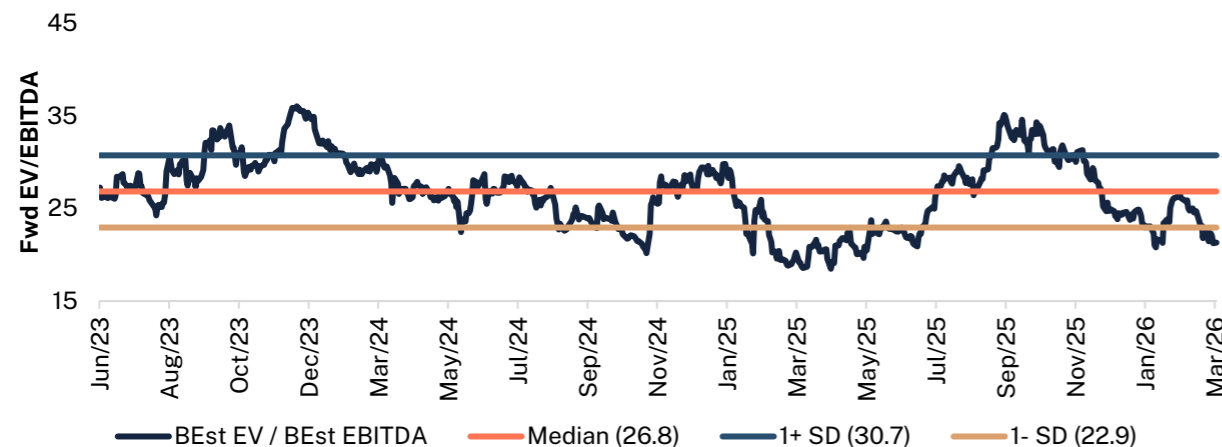
Fwd P/E Valuation largely range-bound



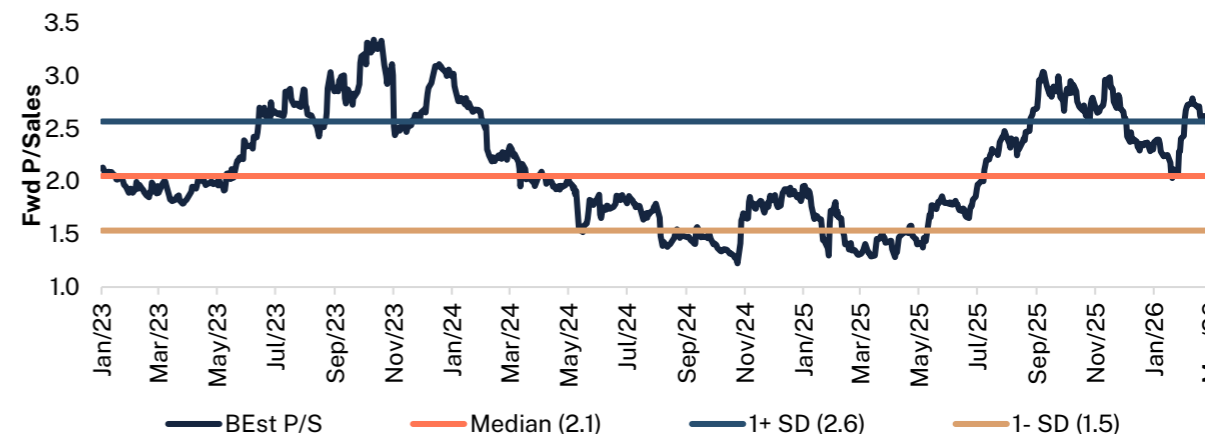
Trading at reasonable ~4.4x Fwd P/Bk valuation



On EV/EBITDA basis, trading below -1SD level



Rangebound trading on Fwd P/Sales basis



Source: Bloomberg, Midas Research

All forward data is based on Blended forward 12 months basis.; Forward multiple data available for 3 years, as the stock listed in Aug'22.

3.2 – Current Position vs Peers

Attractively valued compared to peers

6 7

In relative analysis of EMS players, Syrma SGS is expected to deliver ~45% earnings CAGR over FY25–28E, outpacing the industry average of ~36%. Despite this stronger growth outlook, the stock trades at ~28x FY28E P/E, marginally below the industry average of ~29x, leaving room for potential valuation expansion. **Accordingly, we assign a 6.0 rating.**

Syrma SGS is currently trading at P/E multiple of 28x on FY28E basis, slightly below the industry average of 29x. Historically, the stock commanded a discount to its peers, due to concerns around EBITDA margins and return ratios. However, the company's strong operational turnaround, reflected in its 9MFY26 financial performance, signals a structural improvement in profitability and execution.

Our investment thesis suggests that there is a strong case for the company to continue this (9MFY26) performance supported by operating leverage, improving product mix and support from inorganic expansions. Our estimates factor in EBITDA margin expansion of ~185+bps to 10.4% by FY28E, which is expected to drive RoE expansion of ~400bps+ to 14.1% (FY28E) broadly in-line with industry average. With PAT projected to grow at ~45% over FY25-28E, the earnings trajectory remains robust. Assigning a 40x target multiple on FY28E basis, which is slightly below the company's long-term 1-Yr Fwd P/E average of ~43x, yields an implied PEG of 0.88x, indicating attractive valuation relative to growth prospects. Given the improving fundamentals, strengthening return profile, and continued visibility on earing growth, we derive a Target Price of Rs.1,090, implying an upside potential of 42%. The valuation also provides adequate cushion to absorb any market volatility, reinforcing a compelling risk-reward for long-term investors.

	Price (Rs)	Market cap (Rs. Cr)	Revenue (Rs. Cr)			EBITDA (Rs. Cr)			PAT (Rs. Cr)			EBITDA margin		RoE		P/E
			FY25	FY28E	CAGR	FY25	FY28E	CAGR	FY25	FY28E	CAGR	FY25	FY28E	FY25	FY28E	FY28E
Syrma SGS Technology Ltd.	766	14,763	3,787	8,217	29%	324	856	38%	170	522	45%	8.6%	10.4%	10.1%	14.1%	28x
Kaynes Technology India Ltd.	3,638	24,387	2,722	8,022	43%	412	1,284	46%	287	765	39%	15.1%	16.0%	11.0%	13.9%	31x
Cyient DLM Ltd.	297	2,329	1,520	2,035	10%	137	231	19%	68	138	27%	9.0%	11.4%	7.3%	11.4%	17x
Avalon Technologies Ltd.	901	6,015	1,098	2,486	31%	110	307	41%	60	197	48%	10.0%	12.3%	10.9%	20.1%	30x
Dixon Technology Ltd.	10,290	62,565	38,860	83,999	29%	1,506	3,485	32%	1,094	1,748	17%	3.9%	4.1%	46.6%	27.0%	36x
Amber Enterprises India Ltd.	6,790	23,895	9,674	18,654	24%	771	1,631	28%	265	723	40%	8.0%	8.7%	11.8%	14.9%	31x
Average					28%			34%			36%	9.1%	10.5%	16.3%	16.9%	29x

Source: Bloomberg, Midas Research

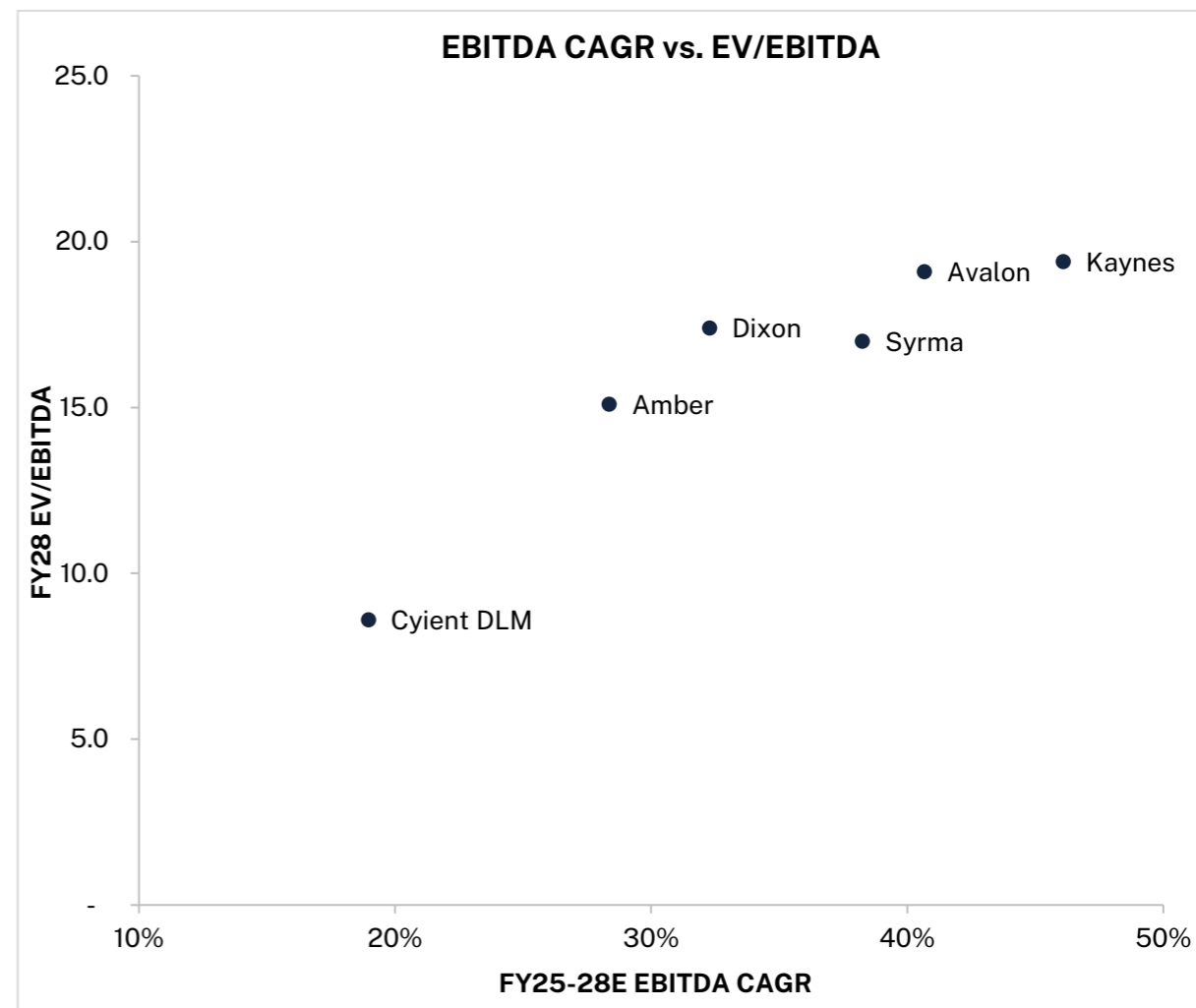
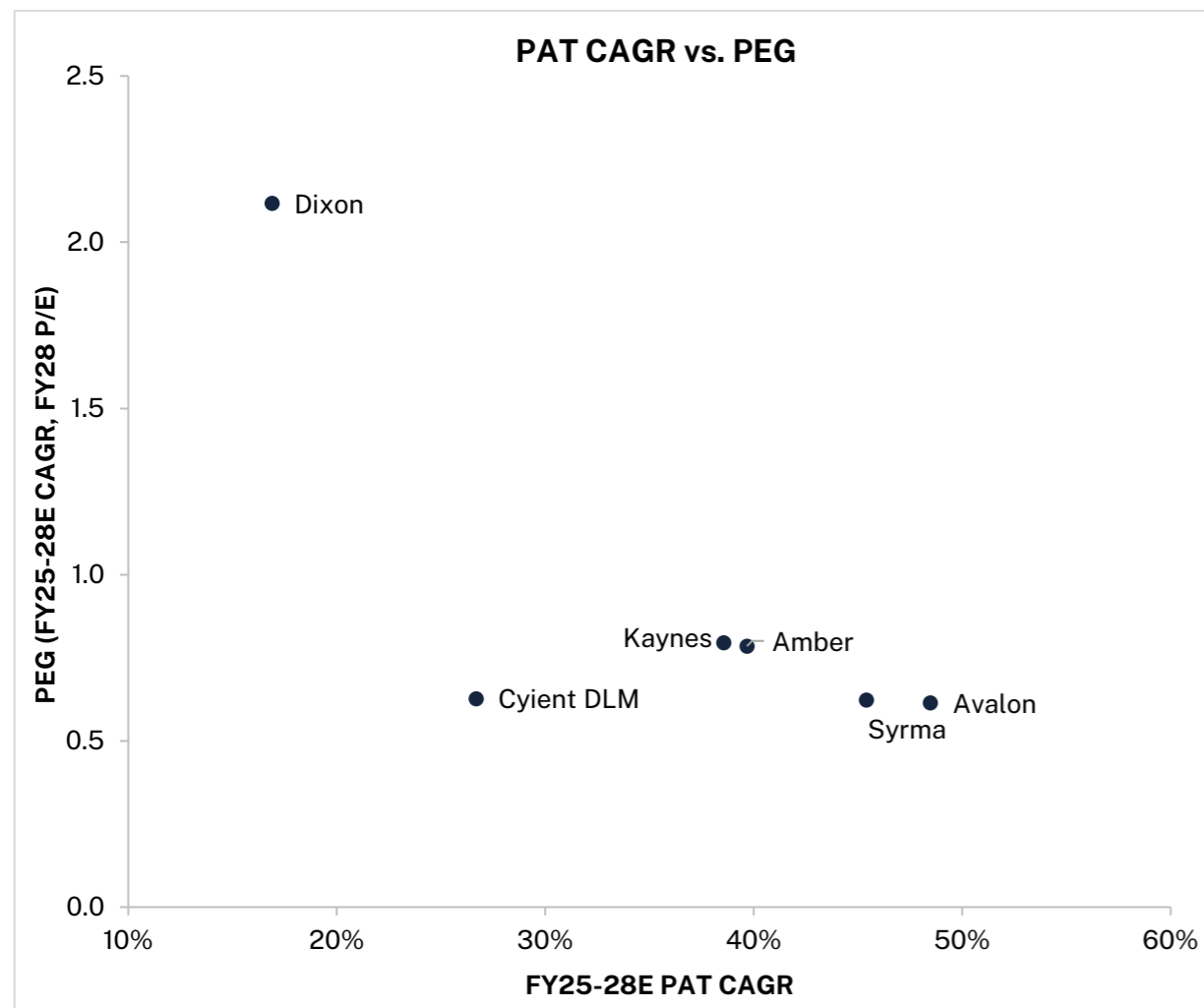
3.3 – Based on Growth

Relatively better placed on PEG basis

5 7

Syrma SGS Technology Ltd offers a compelling growth profile, with **PAT expected to grow at ~45% CAGR over FY25–28E**. Current valuations at 28x FY28E P/E multiple, this translates into an attractive **PEG ratio of ~0.6x**, indicating that valuations remain supportive relative to the strong earnings trajectory. **Thus, we assign rating of 5.0/7.0.**

Syrma is currently trading at 28x FY28E P/E, with anticipation of 45% FY25-28E PAT CAGR, implying a PEG ratio of 0.6x, thus, providing an attractive investment opportunity.



Source: Bloomberg, Midas Research

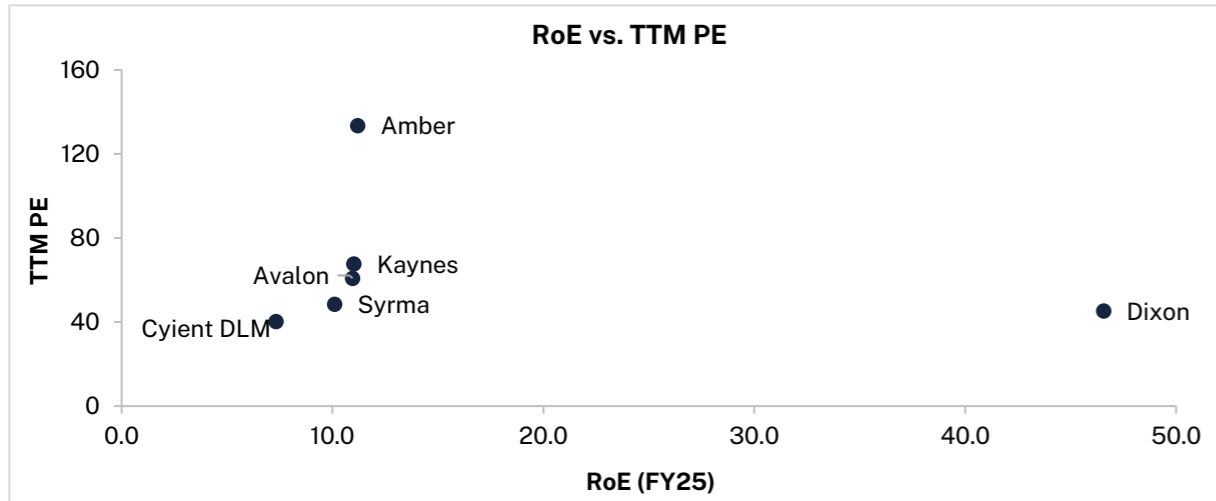
3.4 - Capturing Return Profiles

Historically, lower return profile weighed on valuations

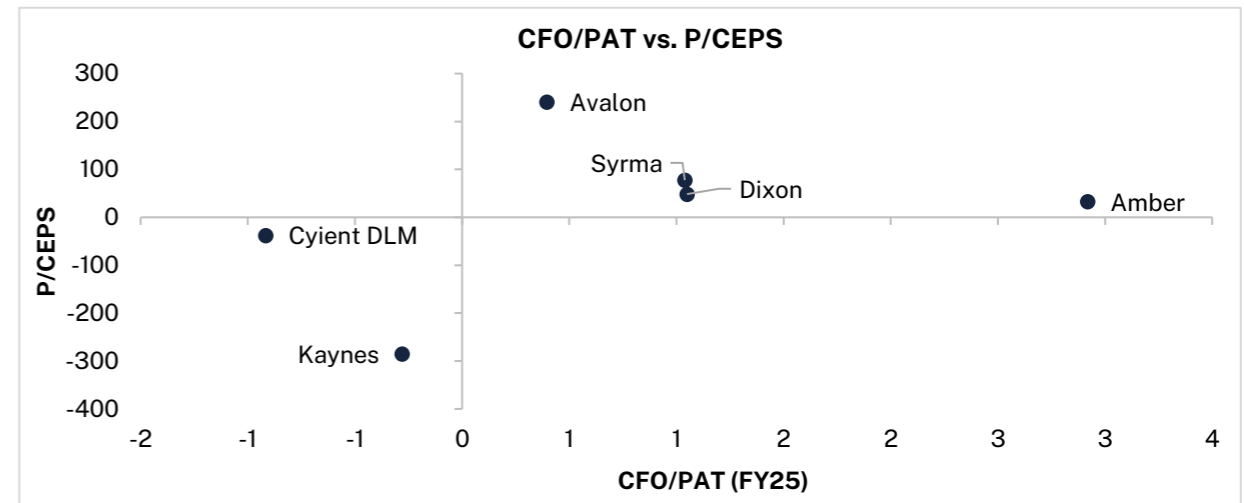
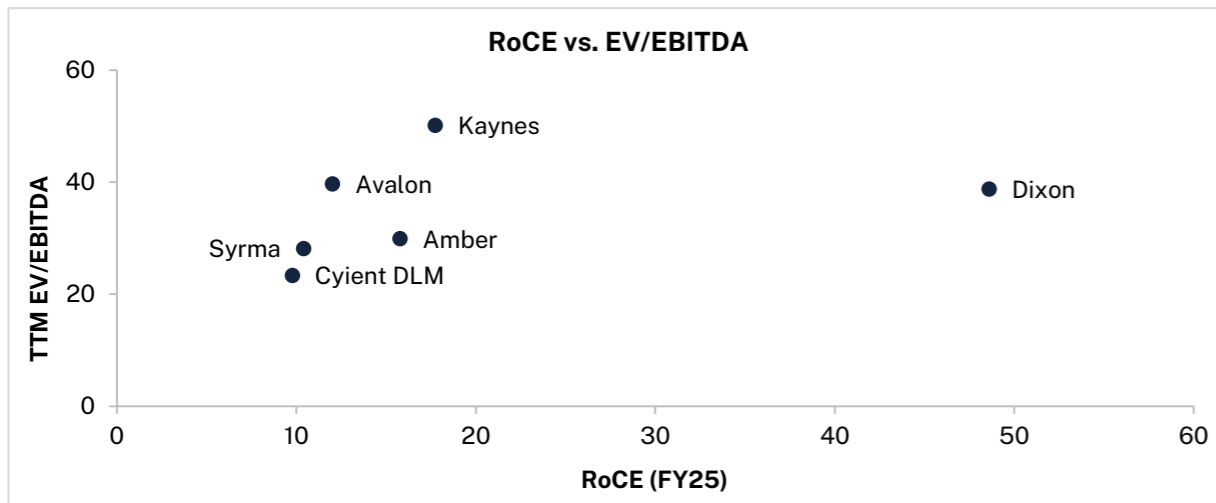
Op. margin compression led moderate profitability impacted return ratios

4.5 7

The company's moderate return profile (FY25 RoE: ~10.1%; RoCE: ~10.4%) has historically weighed on the valuations relative to peers, leading to a neutral score of 4.5.



- Syrma SGS Technology Ltd has historically reported moderate **RoE trends**, largely due to margin pressures in the consumer segment that weighed on profitability. In addition, capacity additions at **Pune, Stuttgart, Gurgaon, and Bawal** over the past few years led to partial underutilization, further impacting return ratios.
- FY27E RoE may see a dip due to an elevated base following the Rs.1,000cr QIP concluded in Aug'25, from FY28E onwards, the RoE uptrend is expected to resume, with anticipation of ~400bps expansion over FY25-28E.
- The relatively lower return profile was reflected in **subdued valuations**, with the company trading at a discount to peers at around **~48x P/E** and **~28x EV/EBITDA on TTM basis..**
- In FY25, Syrma posted positive CFO led by improved WC discipline, resulting in OCF/PAT of ~1.0x placing it in a relatively better position than some of its peers. **On P/CEPS basis, Syrma at ~77x** is placed second in the industry only second to Avalon.



Source: Bloomberg, Midas Research

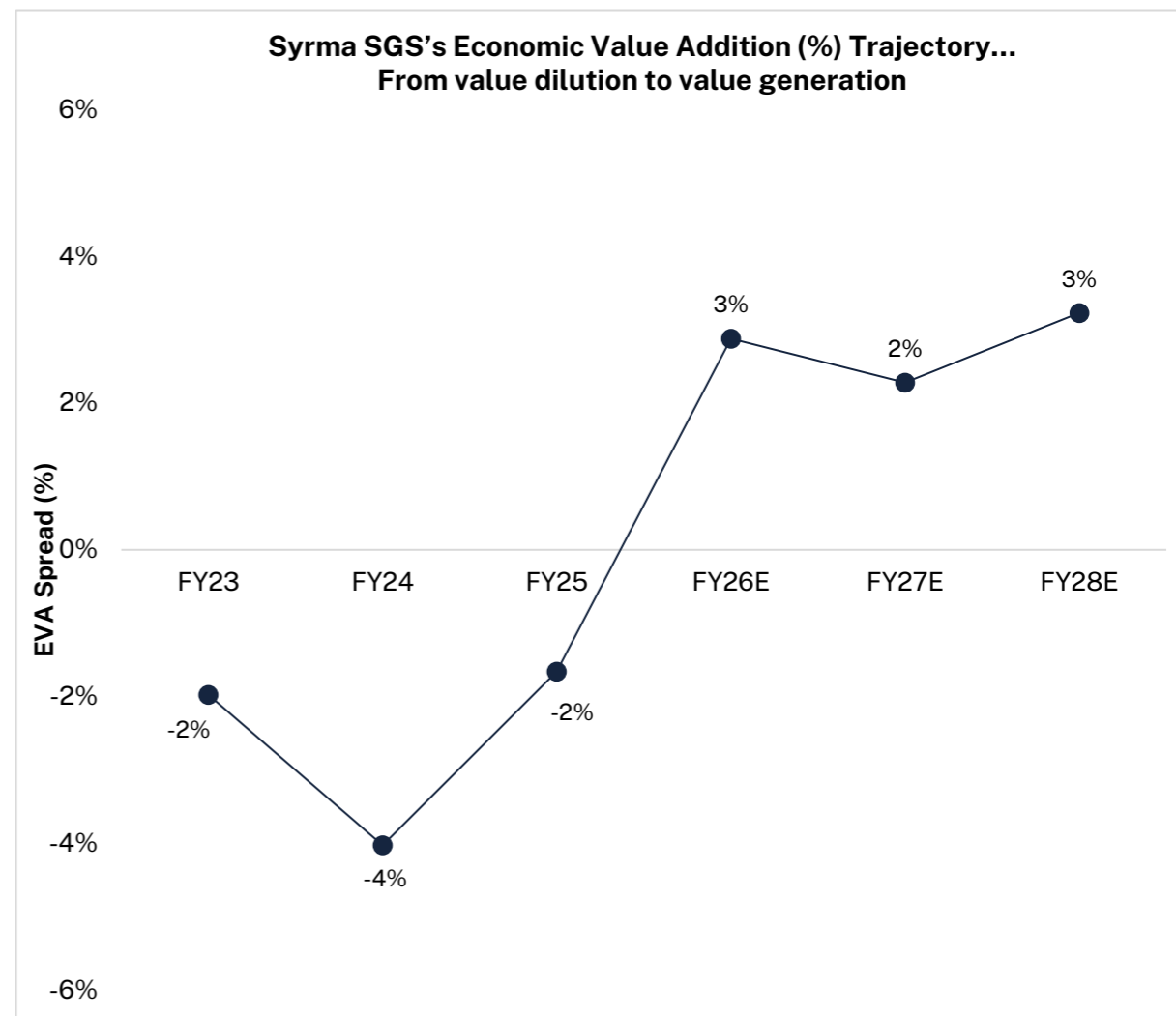
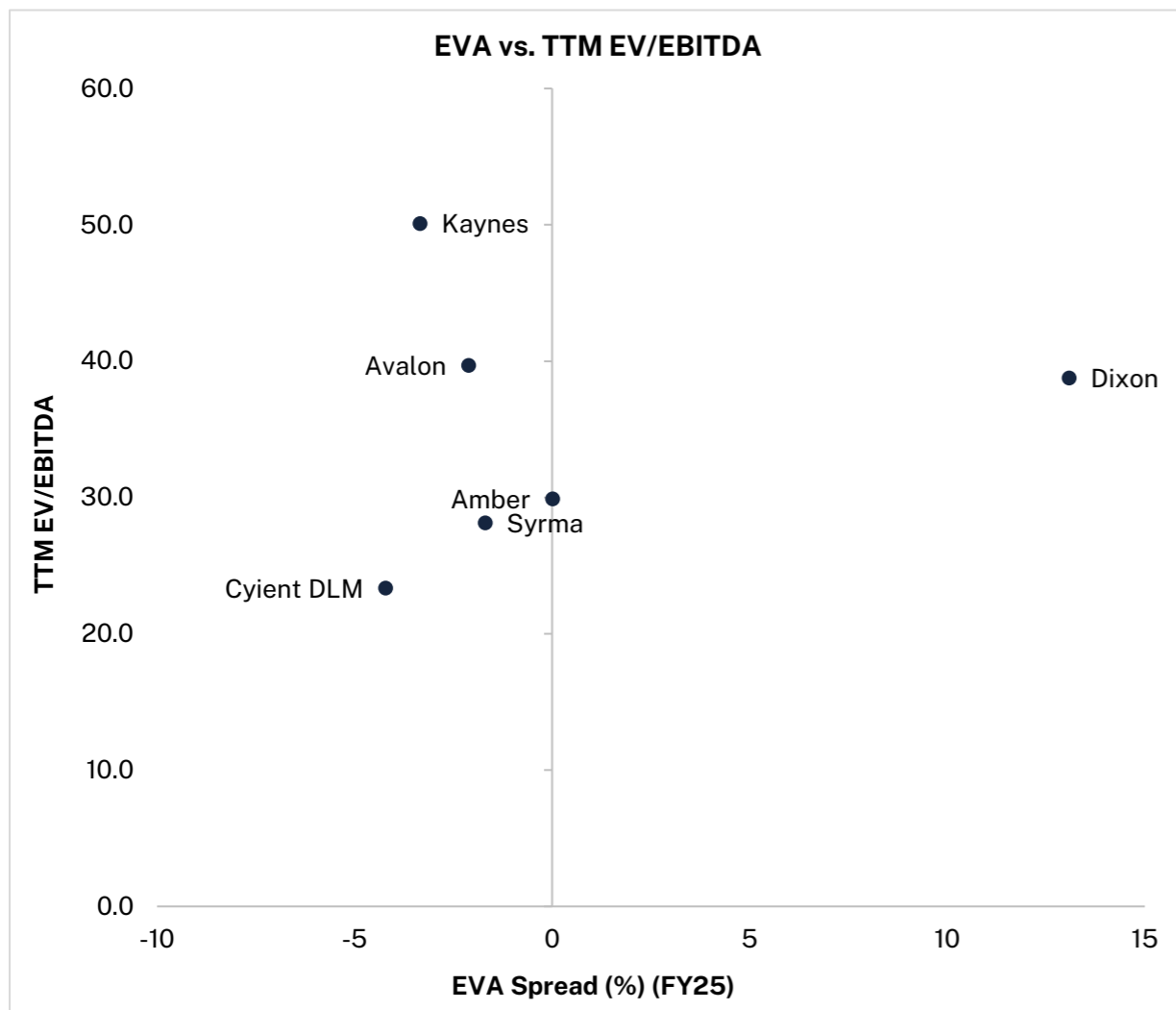
3.5 - Reflecting EVA

Economic value addition

5 7

The company has reported **negative economic value addition over the past three years**, primarily due to moderate return ratios. In **FY25**, the **EVA spread stood at ~-1.7%**, broadly in line with several other EMS peers. However, the company appears relatively better placed on an **EV/EBITDA** basis, leading to a **score of 5.0 on a scale of 0-7.0**.

Syrma SGS's historical value dilution trajectory to turn to value generation



Source: Bloomberg, Midas Research

Valuation Rationale

Conclusion

We value Syrma SGS on 40x FY28E P/E to arrive at Target Price of Rs. 1,090 implying as upside potential of ~42%.

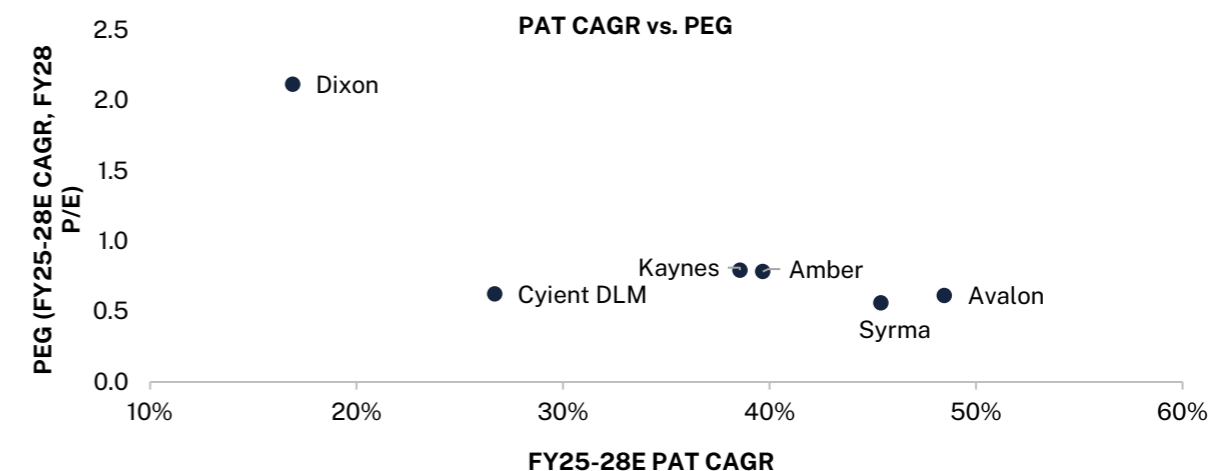
Why we have used P/E as the valuation metrics

- Syrma SGS is currently in an expansionary phase and has strong earnings growth visibility over foreseeable future supported by multi-year contracts and sticky customer relationships.
- Moderate capital intensity as well as fairly leveraged balance sheet (not exceeding 0.3x Net D/E), makes depreciation charge and finance cost trends largely stable.
- Since, earnings would reflect a better measure to gauge shareholder value creation, we use P/E multiple.
- Additionally, as business models are broadly comparable across the industry, relative peer analysis on P/E basis provides meaningful insights.
- We benchmark P/E against EPS growth and carry out PEG analysis across the board.

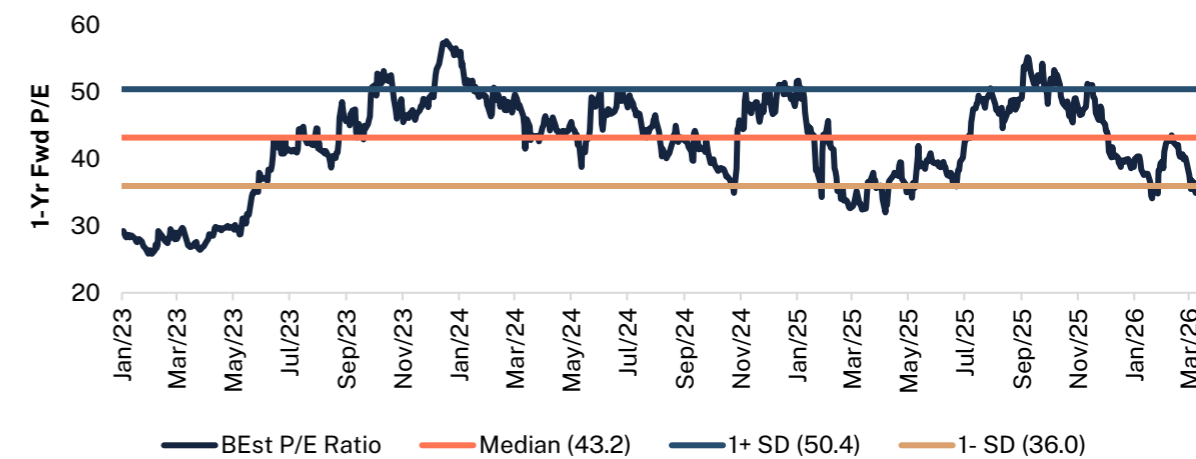
Rationale for 40x P/E Multiple

- Over FY25-28E, we expect PAT to grow at ~45% CAGR, marginally ahead of industry average. We value Syrma SGS at ~40x FY28E P/E multiple which is slightly below its long-term 1-Yr Fwd P/E average levels.
- At 40x FY28E P/E, the implied PEG stands at ~0.9x, thus providing sufficient cushioning in terms of valuation in case of any adverse externalities.
- Return ratio improvement and anticipation of healthy cash flow generation over medium term supports sound fundamentals while valuations at par with long-term average provides the necessary comfort.

Syrma SGS trading at attractive PEG ratio



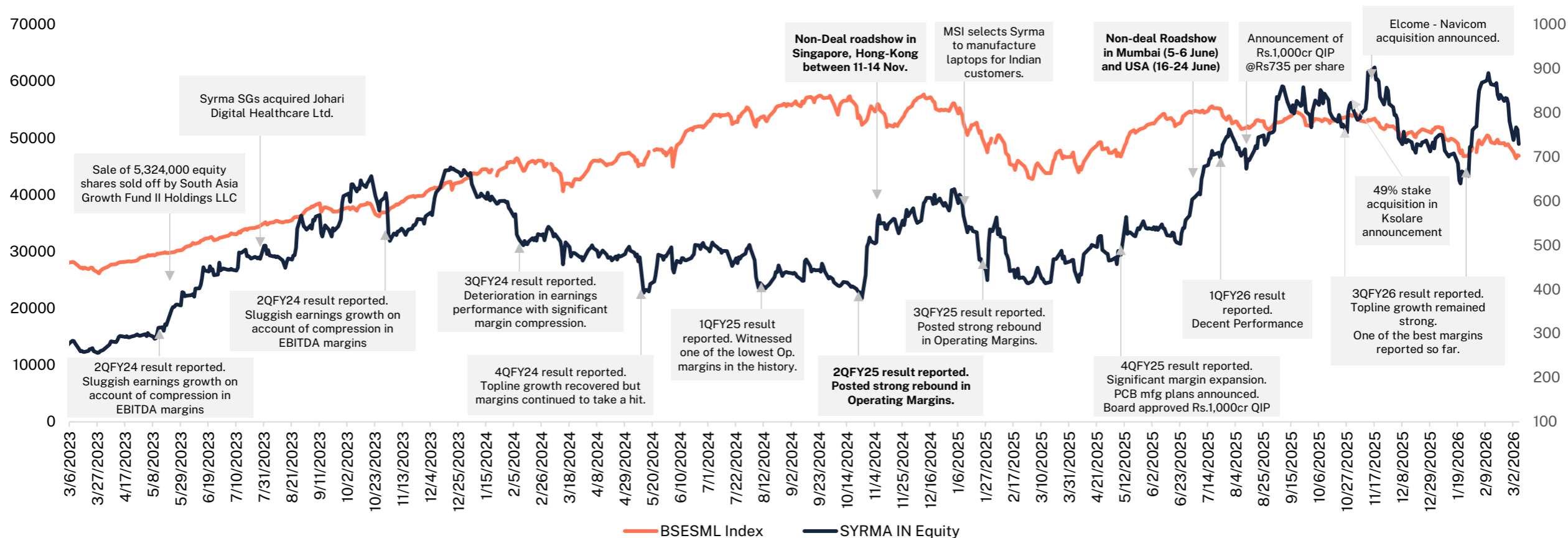
Valuations near the long-term 1-SD offer a potential investment opportunity



Source: Bloomberg, Midas Research

4 - Stock Buzz and Influencing Factors (1/2)

Noise vs. signal: what really drove the stock?

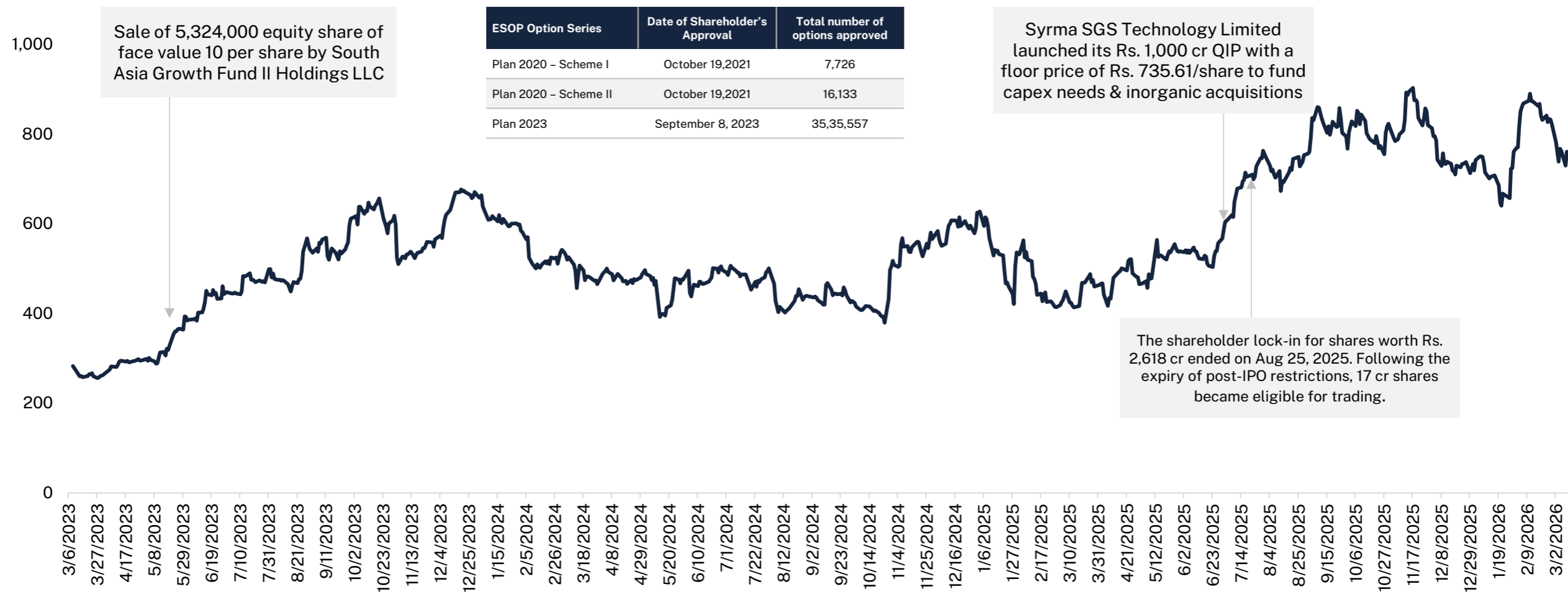


- **Raw material sourcing:** The company sources a significant portion of electronic components externally, with imports accounting for ~67% of total procurement. The majority supplies come from China, Taiwan, North Korea, and Japan.
- **Regulatory environment:** Facilities involved in healthcare manufacturing need regulatory approvals. Syrma SGS has an advantage here, as its subsidiary Johari Healthcare operates a US FDA-approved, cGMP-compliant facility.

Syrma SGS Technology Ltd. listed in Aug'22 on exchanges. Thus, we conduct stock price analysis for last three years.

4 - Stock Buzz and Influencing Factors (2/2)

Follow the money



Post successful completion of Rs.1,000cr via QIP in August 2025, Syrma SGS currently maintains a strong liquidity position.

Given anticipation of improving return ratios and healthy cash flow generation, there will be less possibility of any equity fundraise requirement in near-term soon.

Historically, Syrma SGS's shareholding patterns have been very strong, with no significant promoters stake sales / PE exits / pledge.

Source: Trading View, Midas Research

5 - Technical Analysis

Textbook breakout and retest setup



Technical View

- The stock signaled a major structural shift in mid-2025 by breaking out of a **long-term descending channel**, effectively ending an 18–20 month consolidation phase and paving the way for a sustained uptrend.
- This inherent strength is further validated on the weekly chart, where the price is holding firmly above both the **50 and 200 EMAs**.
- Additionally, the **Ichimoku setup** remains bullish on the weekly timeframe, while the **RSI** hovers in the mid-range, suggesting a period of healthy sideways-to-positive movement ahead.
- Given this constructive backdrop, current levels offer a solid entry point, with the strategy of adding to positions on any dips toward the **630–650 zone**.

EMS

Reco/View

Buy

Last Day Close

Rs. 766

RESEARCH ANALYST

Riches M. Vanara

Riches.v@sparkcapital.in

Source: Trading View, Midas Research
1-Year TP: 1-Year Target Price

Syrma SGS Tech. Ltd

Midas
Equities and Research

Key Risks



Client concentration remains notable (especially the top five clients); any large contract cancellations or renegotiations could impact topline.



High reliance on imported electronic components (~67% of procurement) exposes the company to geopolitical risks.



Exposure to export markets, incorporation of subsidiaries, and focus on high-margin verticals can increase WC volatility.

Financial Summary

All figures in Rs. Cr

- Over FY25-28E, Revenue expected to clock 29% CAGR led by strong order-book, execution improvement and contribution from existing as well as newly acquired subsidiaries.
- Operating profit (EBITDA) is poised to grow at higher rate of 38% CAGR as we bake in ~185bps+ EBITDA margin expansion coming in from operating leverage, shift to favorable product mix and foray into better margin segments.
- Profitability will improve further with PAT expected to grow at 45% CAGR as the finance costs likely to remain muted.

- Expectations for healthy OCF generation likely to support company's future fund requirements for working capital as well as capital expenditure. This is likely to result in stable pre-tax OCF/EBITDA at ~0.7x levels.
- Healthy improvement in profitability to be driven by robust operating performance will be reflected in expansionary return ratios as we expect RoE to witness ~400bps expansion over FY25-28E period.
- WC optimization initiatives likely to start delivering result; thus, we expect WC cycle to remain largely stable at 65-70.

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Profit And Loss					
Revenue	3,154	3,787	4,896	6,433	8,217
EBITDA	219	324	542	674	856
Depreciation	51	75	90	123	154
EBIT	168	249	451	551	702
Other Income	41	49	39	55	72
Finance Costs	41	58	53	50	52
Profit Before Tax	168	239	437	556	722
Reported PAT (after MI)	107	170	319	403	522
EPS	6	10	17	21	27
Balance Sheet					
Net Worth	1,677	1,825	3,137	3,571	4,141
Total Debt	630	665	604	567	636
Other liabilities and provisions	159	141	141	141	141
Total Net Worth and Liabilities	2,466	2,630	3,881	4,279	4,918
Gross Block	873	1,002	1,528	2,033	2,338
Net Block	737	803	1,249	1,644	1,810
Capital Work-in-progress	11	61	61	61	61
Cash and Bank Balances	87	296	954	684	839
Loans & Advances and other assets	921	746	745	744	744
Net Working Capital	711	725	872	1,146	1,463
Total Assets	2,466	2,630	3,881	4,279	4,918
Capital Employed	2,307	2,489	3,740	4,138	4,777
Invested Capital (CE-Cash-CWIP)	2,210	2,133	2,725	3,393	3,877
Net Debt	543	369	-350	-118	-204
Cash Flows					
Cash flow from Operations (Pre-tax)	-55	237	434	455	610
Cash flow from Operations (Post-tax)	-109	176	333	323	438
Capex	-568	-245	-536	-517	-320
Free Cashflows	-623	-8	-102	-62	290
free Cashflows (post Interest Cost)	-677	-69	-203	-194	118
Cash Flow from Investments	-28	-105	-536	-517	-320
Cash Flow from Financing	150	-71	862	-76	37
Total Cash and Liquid Investments	78	81	739	469	624

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Revenue	54%	20%	29%	31%	28%
EBITDA	12%	48%	67%	24%	27%
PAT	-10%	58%	88%	26%	30%
Margin Ratios					
EBITDA	6.9%	8.6%	11.0%	10.5%	10.4%
PAT	3.4%	4.5%	6.5%	6.3%	6.4%
Performance Ratios					
Pre-tax OCF/EBITDA	-0.3	0.7	0.8	0.7	0.7
OCF/IC (%)	-0.0	0.1	0.1	0.1	0.1
RoE (%)	7%	10%	13%	12%	14%
RoCE (%)	8%	10%	14%	14%	16%
Fixed Asset Turnover	5.5	4.9	4.8	4.4	4.8
Total Asset Turnover	1.0	1.0	1.0	1.0	1.1
Financial Stability Ratios					
Net Debt to Equity (x)	0.3	0.2	-0.1	-0.0	-0.0
Net Debt to EBITDA (x)	2.5	1.1	-0.6	-0.2	-0.2
Interest Cover (x)	4.0	4.5	4.3	4.2	4.2
Working Capital Days	70	69	65	65	65
Valuation Metrics					
Fully Dil. Shares (cr)	17.8	17.8	19.2	19.2	19.2
Market Cap (Rs. Cr)			14,763		
P/E (x)	127	80	46	37	28
P/OCF (x)	-124	77	44	46	34
EV (Rs cr) (ex -CWIP)	15,296	15,071	14,352	14,585	14,498
EV / EBITDA	70	47	27	22	17
EV / OCF	-140	86	43	45	33
FCF Yield	-4.6%	-0.5%	-1.4%	-1.3%	0.8%
Price to BV	8.4	7.8	4.8	4.3	3.7
Dividend Pay-out (%)	15%	15%	15%	15%	15%
Dividend Yield (%)	0%	0%	0%	0%	0%
Cash as a % of CE	4%	12%	26%	17%	18%

Source: Company, Midas Research

Future Lens

Syrma SGS's sticky customer base, diversified industry presence and capability to provide end-to-end solutions, will enable it to maintain leading position in the Indian EMS industry.

We believe, multiple drivers are in place such as PCB manufacturing commencement in FY28, Johari ramp-up led growth in exports business, contribution from Defense and strong traction in core business, will enable the company to maintain ~28-30% CAGR topline growth over FY25-30E. Additionally, several operating margin levers such as change in product mix, rise in contribution from inorganic segments (i.e. Defense & PCB) and expectations for operating leverage to play out, will drive earnings growth of 40-43% CAGR over the same period. We expect, any announcements on OSAT front or sooner finalization of anticipated CAPEX on HDI and CCL, will further strengthen the company's position in the industry.

Entry at **Rs. 766** @ 37x
FY27E P/E

Exit multiple at **40x**
on FY30E EPS

+

Cumulative Dividend of
Rs. 6/share

Total returns
144%

Sensitivity of 3-yr TP

Sensitivity Analysis	Market cap	Dividend	Target price	Upside
35x	31,393	6	1,628	113%
40x	35,878	6	1,861	144%
45x	40,363	6	2,093	174%

Glossary

EMS	Electronics Manufacturing Services
ODM	Original Design Manufacturer
PCB	Printed Circuit Board
IoT	Internet of Things
RFID	Radio Frequency Identification
PLI	Production Linked Incentive
TAM	Total Addressable Market
OEMs	Original Equipment Manufacturers (OEMs)
EV	Enterprise Value
FCF	Free Cash Flow
P/E	Price to Earnings
PBT	Profit Before Tax
RoE	Return on Equity

RoCE	Return on Capital Employed
RoIC	Return on Invested Capital
R&D	Research and Development
PBT	Profits Before Tax
ROA	Return on Assets
DTL	Deferred Tax Liabilities
CAPEX	Capital Expenditure
CF	Cash Flow
QoQ	Quarter on Quarter
RM	Raw Material
CoGS	Cost of Goods Sold
Crs	Crores
DCF	Discounted Cash Flow

Annexure

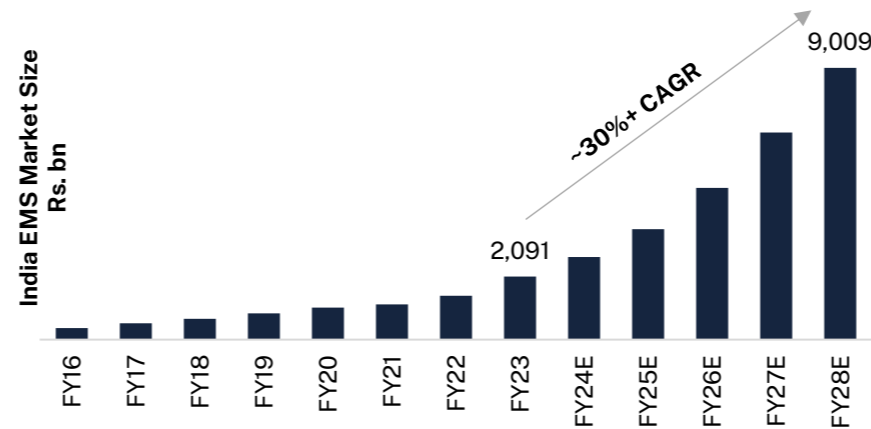
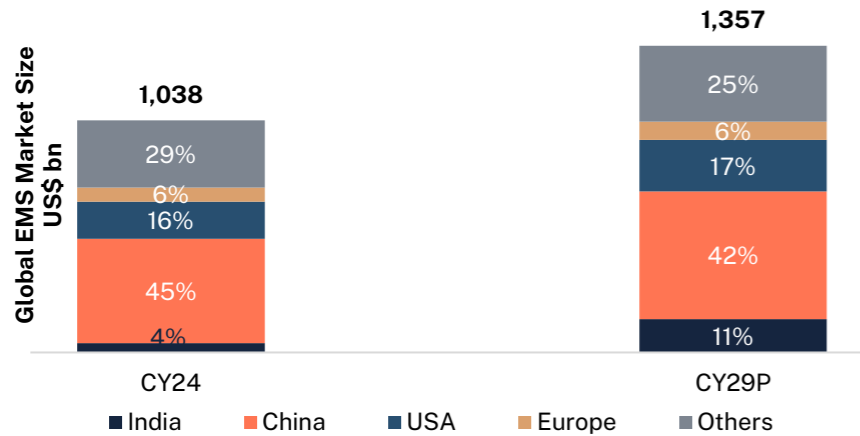


Industry Overview

India to lead global EMS industry growth

Global EMS market to grow at 6%+ CAGR (FY24-29E).
India's market share to rise from 4% to 11%....

....to be driven by strong ~30%+ CAGR growth....

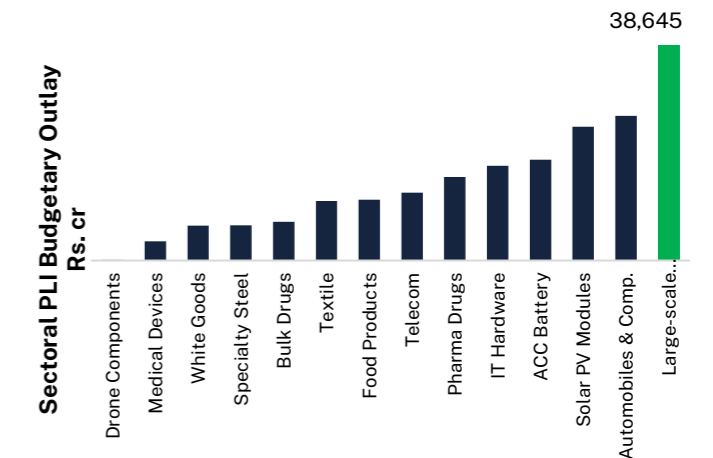


Industry	FY23	FY28E	CAGR (FY23-28E)
Total ESDM	2091	9009	34%
Automotive	90	315	29%
Industrial	75	189	20%
IT	71	802	62%
Telecom	75	180	19%
Lighting	65	216	27%
Medical	40	243	44%
Mobiles	40	243	44%
Consumer Elec.	299	1270	34%
Others	69	450	46%

In the past 5–7 years, government initiatives have underpinned the EMS sector's turnaround

February 2019	April 2020	April 2020	April 2020	Dec 2021	Mar 2025	Feb 2026
<ul style="list-style-type: none"> National Policy on Electronics (NPE) 2019 Make India a global ESDM hub 	<ul style="list-style-type: none"> PLI - Large Scale Electronics Manufacturing PLI of 4-6% incentive 	<ul style="list-style-type: none"> Scheme for Promotion of Manufacturing Electronic Components & Semiconductors (SPECs) 25% Incentive on capital expenditure. 	<ul style="list-style-type: none"> Electronics Manufacturing Clusters 2.0 50% Financial Assistance for Infra Projects capped at Rs.70cr per 100 Acres 	<ul style="list-style-type: none"> India Semiconductor Mission 50% Financial Assistance for FABS, ATMP and OSAT 	<ul style="list-style-type: none"> Electronic Compo. Manufacturing Scheme (ECMS) Turnover and capex-linked incentives 	<ul style="list-style-type: none"> Electronic Compo. Manufacturing Scheme 2.0 (ECMS) Turnover and capex-linked incentives

EMS industry has received the highest sector-wise PLI budgetary outlay.



Source: Care-Edge, Company, Industry, Midas Research

Disclaimer (1/2)

Absolute Rating Interpretation

BUY	Stock expected to provide positive returns of >15% over a 1-year horizon	REDUCE	Stock expected to provide returns of <5% – -10% over a 1-year horizon
ACCUMULATE	Stock expected to provide positive returns of >5% – <15% over a 1-year horizon	SELL	Stock expected to fall >10% over a 1-year horizon

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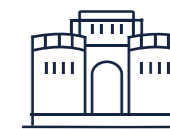
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