

Netweb Technologies India Limited

Growth prospects remain healthy; maintain LONG

CMP
Rs 1,604

Rating
LONG

Target Price
Rs 2,175

Jun 2026

Upside
36% (↑)

- Netweb reported strong beat on sales but with miss on operating margins in 4QFY25.
- Despite macro led challenges globally, we believe that Netweb's growth prospects in medium to long term is likely to remain healthy given healthy pipeline/order book (with reported order pipeline excl L1 of INR 39.71bn with order book plus L1 order pipeline worth INR 6.88bn despite strong sales growth in FY25). We believe that order pipeline/book likely to remain robust ahead as well considering i) Netweb's unique tie up with NVIDIA (after successfully launching Grace CPU Superchip & GH200 Grace Hopper Superchip MGX server design, Netweb now established a roadmap to design and develop AI GPU systems based on advanced NVIDIA Blackwell platform) and increasing AI adoption post cost effective DeepSeek architecture launch in China and Netweb's launch of Skylus.ai – a AI native appliance with built-in GPU resource abstraction which is gaining traction as per Netweb, ii) Netweb is expected to benefit from GOI's recently announced India AI mission with a budget of Rs. 103.7bn (for 5-years) to create a 'Sovereign AI' computing infrastructure as a service (with services related RFPs out while hardware related RFPs to be floated in near term as per Netweb and not forming part of its pipeline yet) and Netweb to be in the pole position given its successful delivery of AIRAWAT-AI led SPC earlier, iii) existing catalysts from increasing adoption of Private Cloud, HPC and AI Servers across many industries besides make in India push and data security norms of GOI and iv) Netweb expansion plans for exports.
- Considering above, its consistent high growth, return ratios and recent material stock price correction, we maintain LONG rating with Jun'26 TP of Rs.2,175 (Mar'26; Rs.2,655 earlier) set at a fwd. PE of 50x EPS of Rs.43.5 (vs. EPS CAGR of 39% over FY25-FY28E) vs. earlier at 67x EPS of Rs.39.6.

Strong beat on Sales continues: Netweb reported 56% yoy growth in Sales in 4Q (EE: +31% yoy). High Performance Computing (HPC), Pvt Cloud & HCI, AI Workstation, High Performance Storage, Data Center Server, Software & Services, Other Spares Sales and Network Switches in 4QFY25/FY25 grew +57%/+55%, +46%/+52%, +80%/+112%, -8%/-19%, +19%/+11%, +298%/+159%, 24%/+49%, +114%/+273% YoY, respectively. It reported 59% growth in FY25 Sales on base +63%/+80% in FY24/FY23).

EBITDAM lower than expectations: Netweb reported 22.4%/14.4%/13.6% GM/EBITDAM/EBITM in 4Q (vs. EE of EBITDAM/EBITM of 15.4%/14.3%) after reporting PLI incentive worth INR59mn (1.4% of 4Q Sales). In FY25, it reported EBITDAM/EBITM of 13.9%/12.9% (vs. 14.2%/13.3% in FY24). For FY26E Netweb guided EBITDAM in the range of 13-14% and PAT margin of c.10% and not ruling out operating leverage worth 30-40bps p.a. given its target of Sales CAGR of 35-40% in the next couple of years.

Healthy order intake/pipeline: Despite strong show in sales on yoy basis in FY25, order book stood at INR 3.25bn (INR 3.60bn qoq) with order pipeline (ex. L1) worth INR 39.71bn (INR 38.15bn qoq) and L1 pipeline worth INR 3.63bn (INR 3.48bn qoq) at end of FY25.

Valuations: Our 1-yr target PE is now 35-40% discount to Netweb's mean since listing to factor increasing macro led headwinds globally post tariff related concerns. In our view Netweb needs to tighten its margin execution, working capital and FCF generation.

Financial Summary

YE Mar Rs mn	Sales	EBITDA	Recurring PAT	EPS (Rs)	P/E (x)	P/B (x)	EV/ EBITDA (x)	ROE (%)	Core ROIC (%)	EBITDA Margin (%)
FY25A	11,490	1,600	1,145	20.1	79.8	17.2	55.7	24.0	38.9	13.9
FY26E	16,017	2,241	1,607	28.2	56.9	13.4	39.6	26.6	37.5	14.0
FY27E	22,266	3,169	2,279	40.0	40.1	10.3	27.8	29.0	39.9	14.2
FY28E	29,885	4,270	3,072	53.9	29.8	7.8	20.4	29.7	40.9	14.3

Source: Company, Equirus Securities

Estimate Revision

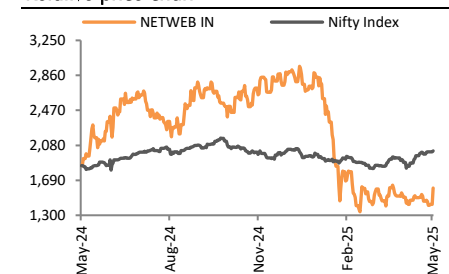
	Forecasts		% Change	
(Rs mn)	FY26E	FY27E	FY26E	FY27E
Sales	16,017	22,266	8.9%	7.4%
EBITDA	2,241	3,169	6.2%	3.6%
PAT	1,607	2,279	3.8%	1.0%
EPS	28.2	40.0	3.8%	1.0%

Stock Information

Market Cap (Rs Mn)	90,895
52 Wk H/L (Rs)	3,060/1,252
Avg Daily Volume (1yr)	2,99,615
Avg Daily Value (Rs Mn)	640.6
Equity Cap (Rs Mn)	113.3
Face Value (Rs)	2
Share Outstanding (Mn)	56.7
Bloomberg Code	NETWEB IN
Ind Benchmark	BSE IT

Ownership (%)	Recent	3M	12M
Promoters	71.0	(0.4)	(4.0)
DII	5.3	0.1	(1.6)
FII	10.7	(0.4)	0.4
Public	13.0	0.7	5.2

Relative price chart



Source: Bloomberg

Analysts

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Exhibit 1: Quarterly performance

Particulars	Q4FY25	Q4FY25E	Q3FY25	Q4FY24	% Change			Comments
					Q4FY25E	Q3FY25	Q4FY24	
Net Sales (Rs Mn)	4,147	3,495	3,340	2,659	18.7%	24.1%	55.9%	Higher than expectations.
COGS	3,218	2,633	2,625	2,028	22.2%	22.6%	58.7%	
Other Expenses	331	323	276	226	2.3%	19.9%	46.1%	
Total Expenditures	3,549	2,956	2,901	2,255	20.0%	22.4%	57.4%	
EBITDA	598	538	439	404	11.0%	36.0%	47.9%	Above EE led by higher-than-expected sales. However, EBITM/EBITM are lower than expectations.
Depreciation	32	38	31	17	-15.4%	2.4%	83.7%	
EBIT	566	501	408	387	13.0%	38.6%	46.3%	
Other Income	13.11	10.62	0.86	11	23.4%	1424%	18.2%	
PBT	579	511	409	398	13.2%	41.5%	45.5%	
Tax	149	128	106	101	16.4%	40.6%	47.0%	
Profit from JV/Asso and MI	-	-	-	-				
Recurring PAT	430	383	303	297	12.1%	41.8%	45.0%	Above EE led by higher other income, lower depreciation partially offset by higher tax expense.
Extraordinaries	-	-	-	-				
Reported PAT	430	383	303	297	12.1%	41.8%	45.0%	
Recurring. EPS (Rs)	7.6	6.8	5.4	5.3	11.6%	41.1%	44.2%	
EBITDA Margin	14.4%	15.4%	13.2%	15.2%	-99 bps	126 bps	-79 bps	
EBIT Margin	13.6%	14.3%	12.2%	14.6%	-68 bps	142 bps	-90 bps	
PBT Margin	14.0%	14.6%	12.3%	15.0%	-67 bps	171 bps	-101 bps	
PAT Margin	10.4%	11.0%	9.1%	11.2%	-60 bps	129 bps	-79 bps	
Tax Rate	25.7%	25.0%	25.9%	25.5%	70 bps	-16 bps	26 bps	

Source: Company, Equirus Securities

Earnings call takeaways for 4QFY25

- **Revenue:** During 4QFY25 total revenue up 56% yoy / 24% qoq and stood at Rs. 4,147mn. Revenue for FY25 stood at Rs.11,490mn (+59% in FY25 vs. +63% in FY24 and +80% in FY23). Going-forward Netweb expects healthy revenue growth in coming years as well (with its growth target of around 35-40% CAGR in the next couple of years).
- **Revenue by Service Offering:**
 - Among product/solution offering High Performance Computing (HPC), Pvt Cloud & HCL, AI Workstation, High Performance Storage (HPS), Data Center Server, Software & Services, Other Spares Sales and Network Switches in 4QFY25/FY25 grew +57%/+55%, +46%/+52%, +80%/+112%, -8%/-19%, +19%/+11%, +298%/+159%, -24%/+49%, +114%/+273% YoY, respectively.
 - Netweb reiterated their strategic focus on three major offerings (ie. HPC, Private Cloud and AI) which contributes more than 80% of their total revenue.
 - In 4Q AI and Workstation systems formed 14.8% of sales vs. 14.7% qoq/12.9% yoy. In FY24 it stood at 11% and increased to 14.7% in FY25. Further Netweb expect this segment's contribution to increase in coming years as well with target to reach 19-20% in medium term. Netweb believes, that it is uniquely positioned to harness the opportunities of increasing demand of AI and expects AI Systems and Enterprise Workstations' sales contribution to increase ahead as well led by India's flourishing AI research ecosystem, supported by government initiatives and industry partnerships.
 - During 2HFY24 Netweb has launched Network Switches, and which has contributed Rs.33mn in FY24 and Rs.123mn in FY25 (with Rs.49mn in 4Q).
- **Revenue by Application Industry:** In terms of revenues by application industry, revenues from Higher Education & Research, IT & ITES, Other Enterprises, Space & Défense in 4QFY25/FY25 grew +22%/+28%, +37%/+29%, +31%/+27%, +8%/15% yoy respectively.
- **Revenue from Exports:** Further Netweb started receiving export orders during FY25 (aligns with their growth strategy to enter overseas markets). As per Netweb currently export revenue form c. 5% of its sales and expects the similar contribution to continue in FY26E as well given growth opportunities remain higher even in the domestic market.
- **Revenue from Govt customer/non-Govt customer:** Netweb mentioned its 50% business comes from government and 50% from enterprises clients. During 4Q it stood at 52.1%/47.9% from Govt/non-Govt (vs. 59.9%/40.1% in 3QFY25; 37.5%/62.5% in 2QFY25/ vs. 59.2%/40.8% in 1QFY25 and 47.3%/52.7% in FY24) respectively.
- **Repeat Revenue:** Repeat revenue for FY25 stood at 81% (vs. 69% in FY24, 90.7% in FY23 and 77.7% in FY22). During FY25 Netweb has acquired 147 new customers across industries.
- **Margin Management:**
 - Gross margin (post PLI income) came at 22.4% in 4Q vs. 21.4% qoq/23.7% yoy (FY25:23.2% vs. FY24:24.8%). Post PLI, EBITDA margins came at 14.4% in 4Q vs. 13.2% qoq/15.2% yoy (FY25 EBITDAM at 13.9% vs. 14.2% yoy). Post PLI, EBIT Margins came at 13.6% vs. 12.2% qoq / 14.6% yoy (12.9% in FY25 vs 13.3% in FY24).
 - Netweb is targeting FY26E EBITDA margin in range of 13% to 14% and PAT margin of c.10% with focus on profitable and scalable growth.
 - Netweb reiterated that its integrated full-stack approach (designing, manufacturing, and providing software and hardware) allows it to command better margins in the market, unlike its competitors who are either hardware or software companies that bundle their products together.

- **Order Pipeline and Oder book:**

- **Order Pipeline:** Reported order pipeline worth Rs.39,714mn besides L1 order pipeline worth Rs.3,628mn implying total order pipeline worth INR 43,342mn. (vs. in 3QFY25 end it reported Rs.38,149mn pipeline besides L1 order pipeline worth Rs. 3,481mn implying total order pipeline worth Rs. 41,630mn). Netweb clarified order pipeline does not include govt. order for India AI mission (since RFP is still few months away from the Govt. side)
- **Reported order book** stood at Rs. 3,252mn (vs. Rs. 3,603m qoq/ Rs. 4,112m yoy).
- As per Netweb their strong business pipeline and order book, coupled with ongoing capability enhancements and product expansion, position them for sustained growth while maintaining technological leadership.

- **Demand environment:** On demand side Netweb expects growth across its focussed segments due to (i) increase in demand for high-end computing system in various industries (ii) rising demand of cyber security solutions (iii) growing demand for AI across various industries, business verticals with rising investments in Generative AI infra by Govt & large enterprises to cater to demand for LLM oriented solutions (iv) rising adoption of private cloud by enterprises (v) various Govt initiative relating high end compute infrastructure building and promotion (including GOI's approval of over Rs.103bn for the India AI Mission) (vi) Increasing Data centre demand in India.

- **Major Development During FY25: On Capabilities enhancement Netweb mentioned:**

- (i) During 1QFY25 (in May'24) Netweb has commission, 'State of the art - new manufacturing facility with latest Surface Mount Technology (SMT)' Faridabad. As per Netweb, the new facility represents a substantial leap in its manufacturing capabilities for cutting-edge computing systems, encompassing the entire production process including PCB design, manufacturing, and SMT for high-end servers, storage, and switches, with advanced manufacturing skills.
- (ii) During 1QFY25, Netweb has unveil new AMD based Make-in-India Servers for data centres AI systems.
- (iii) During 2QFY25 Netweb won "Outstanding Growth - Data Center & AI Group" award from Intel Corporation. As per Netweb this award is also a testament to the support from the customers and Netweb's ability to deliver the products and solutions around Data Centre and AI.
- (iv) During 2QFY25, Netweb unveiled Advanced Make-in-India Server Systems. As per Netweb it is designed to handle some of the most demanding tasks, from data centres to AI applications, with required performance and flexibility.
- (v) During 3QFY25, Netweb expanded its range of NVIDIA MGX platform-based servers. Incorporating NVIDIA MGX-based Grace and NVIDIA GH200 Grace Hopper Superchips, and to be offered by Netweb for off-prem and on-prem AI cloud infrastructure.
- (vi) During 3QFY25, under OEM partnership with NVIDIA, Netweb has established a roadmap to design and develop AI GPU systems based on the world's most advanced NVIDIA Blackwell platform. Netweb expects to launch this design by mid of CY25E.
- (vii) During 4QFY25, Netweb Technologies Introduced "Skylus.ai: Simplified and Easy Way to Set up a GPU-based AI Lab infrastructure". It addresses the critical challenges faced by organizations in utilizing multi-vendor GPU and CPU resources, offering a vendor-agnostic solution that drives faster ideation, fosters collaboration, and accelerates experimentation while optimizing resource utilization and total cost of ownership. So overall, Netweb's Skylus.ai simplifies the integration of multi-vendor GPUs and CPUs, enabling the creation of tailored workspaces that align with specific workload needs.

- **Netweb believes the emergence of DeepSeek as a significant opportunity for their business growth considering** (i) DeepSeek paves the way for inclusive AI adoption (ii) Netweb's AI solutions portfolio is designed to provide multi-GPU/APU platforms (i.e. platform agnostic).
- **PLI Incentive Under IT Hardware Scheme 2.0:** In 4QFY25/FY25 Netweb reported PLI incentive worth Rs.59.4mn (1.4% of 4QFY25 Sales / 0.5% of FY25 Sales) (as per Netweb, this PLI is received for the period from July 1, 2023, to March 31, 2024). Further Netweb mentioned it is committed to supporting the 'Make in India' initiative and contributing to India's growth as a global manufacturing hub.
- **Employee details:** During FY25 Netweb added 79 employees (including 46 technical professional) taking total of 441 employees (include 238 technical professionals).
- **Cash Conversion:** Reported DSO came at 87 days vs 96 days qoq/85 days yoy, reported Inventory days at 54 days vs. 67 days qoq/43 days yoy, reported payables days at 67 days vs. 75 days qoq/58 days yoy, net of three elements net working capital days came at 73 days vs. 88 days qoq/69 days yoy. As on 31 March 2025, Netweb reported Cash & equivalents of Rs. 1701mn vs. Rs. 915mn qoq and Rs.1113mn yoy.
- **Dividend details:** Announced dividend worth INR 2.50/Share for FY25 vs. INR 2.0/Share in FY24.

Exhibit 2: Revenue growth by HCS Offering (% change yoy)

HCS Offering (Rs. in mn)	FY22	FY23	FY24	FY25			4QFY25		
	Revenue (Rs. in mn)	Revenue (Rs. in mn)	Revenue (Rs. in mn)	Revenue (Rs. in mn)	% to Revenue	% chg yoy	Revenue (Rs. in mn)	% to Revenue	% chg yoy
High performance computing (Supercomputing / HPC) systems	1,030	1,729	2,624	4,055	35%	55%	1,387	34%	57%
Private cloud and hyperconverged Infrastructure (HCI)	479	1,460	2,644	4,027	35%	52%	1,479	36%	46%
AI systems and enterprise workstations	243	310	799	1,694	15%	112%	615	15%	80%
High performance storage (HPS/Enterprise Storage) solutions	217	308	339	275	2%	-19%	82	2%	-8%
Data Centre servers	241	284	337	373	3%	11%	118	3%	19%
Software and services for HCS offerings	69	94	176	455	4%	159%	243	6%	298%
Network switches	-	-	33	123	1%	NA	49	1%	NA
Others (spares sales)	192	225	289	429	4%	49%	114	3%	-24%

Source: Company data, Equirus

Exhibit 3: Revenue growth by Application Industry (% chg yoy)

Application Industry (Rs. in mn)	FY22	FY23	FY24	FY25			4QFY25		
	Revenue (Rs. in mn)	Revenue (Rs. in mn)	Revenue (Rs. in mn)	Revenue (Rs. in mn)	% to Revenue	% chg yoy	Revenue (Rs. in mn)	% to Revenue	% chg yoy
Higher Education and Research	1409	2,060	2,637	3,273	29%	24%	926	23%	1%
Information Technology and Information Technology Enabled Services	526	1,094	2,880	3,343	29%	16%	1,533	38%	26%
Other Enterprises	272	985	1,392	3,102	27%	123%	1,294	32%	169%
Space and Defence	263	272	331	1,713	15%	418%	334	8%	765%

Source: Company data, Equirus

Exhibit 4: Other Operational Matrix

Other Operational Matrix	FY22	FY23	FY24	FY25
Revenue from repeat customers (in %)	77.7%	90.7%	69.0%	81.4%
Customer concentration				
Revenue from Top 5 Customer	38.40%	47.10%	50.30%	50.80%
Revenue from Top 10 Customer	49.50%	57.80%	64.50%	65.80%
New customer acquisition	174	192	171	147

Source: Company data, Equirus

Exhibit 5: Order Pipeline and Order book (at the end of quarter)

Order Pipeline and Order book (Rs.in mn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Order pipeline (excluding L1)	22,845	31,479	32,322	34,466	35,477	37,038	38,149	39,714
L1 Order pipeline	5,392	3,496	3,024	3,142	3,225	3,316	3,481	3,628
Total Order Pipeline	28,237	34,975	35,346	37,608	38,702	40,354	41,630	43,342
Order book	994	2,174	3,391	4,112	4,197	3,697	3,603	3,252
Order book + L1 Order pipeline	6,386	5,670	6,415	7,254	7,422	7,013	7,084	6,880

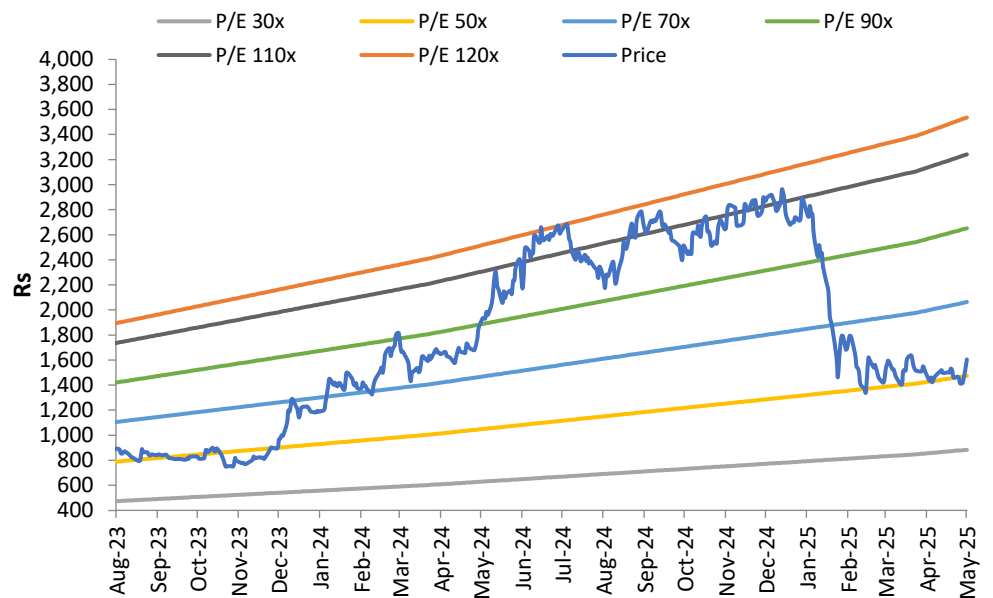
Source: Company data, Equirus

Exhibit 6: Breakup of Revenue from Govt / Non-Govt Customers (in %)

Breakup of Govt and non-govt. customers revenue (in% terms)	FY22	FY23	FY24	1QFY25	2QFY25	3QFY25	4QFY25
Government Customers	61.8%	53.2%	47.3%	59.2%	37.5%	59.9%	52.1%
Non-Government Customers	38.2%	46.8%	52.7%	40.8%	62.5%	40.1%	47.9%

Source: Company data, Equirus

Exhibit 7: 1-year forward PE chart



Source: Company Data, Equirus, Bloomberg

Company Snapshot

How we differ from consensus

Particular (Rs Mn)		Equirus	Consensus	% Diff	Comment
EPS	FY26E	28.3	28.0	1.2%	
	FY27E	40.0	40.4	-0.9%	
Sales	FY26E	16,017	15,201	5.4%	
	FY27E	22,266	21,067	5.7%	
PAT	FY26E	1,607	1,574	2.1%	
	FY27E	2,279	2,278	0.02%	

Source: Company data, Equirus

Key Estimates

	Earlier estimates		Revised estimates		Difference	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue (Rs mn)	14,702	20,734	16,017	22,266	8.9%	7.4%
EBITDA (Rs mn)	2,111	3,058	2,241	3,169	6.2%	3.6%
EBITDA (%)	14.4%	14.7%	14.0%	14.2%	-37 bps	-52 bps
EBIT (Rs mn)	1,961	2,872	2,090	2,971	6.6%	3.5%
EBIT (%)	13.3%	13.8%	13.1%	13.3%	-29 bps	-51 bps
PAT (Rs mn)	1,548	2,256	1,607	2,279	3.8%	1.0%
EPS* (Rs)	27.2	39.6	28.3	40.0	3.8%	1.0%

Source: Company data, Equirus; *Weighted average diluted EPS

Our Key Investment arguments:

- Despite macro led challenges globally, we believe that Netweb's growth prospects in medium to long term is likely to remain healthy given healthy pipeline/order book (with reported order pipeline excl L1 of INR 39.71bn with order book plus L1 order pipeline worth INR 6.88bn despite strong sales growth in FY25). We believe that order pipeline/book likely to remain robust ahead as well considering i) Netweb's unique tie up with NVIDIA (after successfully launching Grace CPU Superchip & GH200 Grace Hopper Superchip MGX server design, Netweb now established a roadmap to design and develop AI GPU systems based on advanced NVIDIA Blackwell platform) and increasing AI adoption post cost effective DeepSeek architecture launch in China and Netweb's launch of Skylus.ai - a AI native appliance with built-in GPU resource abstraction which is gaining traction as per Netweb, ii) Netweb is expected to benefit from GOI's recently announced India AI mission with a budget of Rs. 103.7bn (for 5-years) to create a 'Sovereign AI' computing infrastructure as a service (with services related RFPs out while hardware related RFPs to be floated in near term as per Netweb and not forming part of its pipeline yet) and Netweb to be in the pole position given its successful delivery of AIRAWAT-AI led SPC earlier, iii) existing catalysts from increasing adoption of Private Cloud, HPC and AI Servers across many industries besides make in India push and data security norms of GOI and iv) Netweb expansion plans for exports.
- Considering above, its consistent high growth, return ratios and recent material stock price correction, we maintain LONG rating.

Risk to Our View:

- High client concentration and high exposure to Government clients.
- Any material adverse change in relationship/partnership with leading global tech vendors.
- Any intense competition and any execution related issues in large orders.
- Any higher currency depreciation and its impact on raw material prices.
- Any failure in launching new products / solutions and/or failure to meet quality standard.
- Any higher-than-expected attrition in the leadership/R&D team.
- Any major adverse macro / geo-political risks.
- Any breach of the non-compete agreement executed by Netweb with entity of the relative of the promoter. Any adverse actions initiated against the member of the promoter group in relation to the business operations carried out under identical brands (trademarks) in respective markets.
- Any lower-than-expected PLI income and/or higher than expected time for PLI claim approval.
- Any major technology led disruption and its adverse impact on Netweb's products and/or solution offerings

Peer Comparison analysis (Table-I)

Company	Revenue			EBITDA			PAT		
	Rs. mn - FY25E	CAGR (FY22E-FY25E)	CAGR (FY25E-FY28E)	% - FY25E	CAGR (FY22E-FY25E)	CAGR (FY25E-FY28E)	% - FY25E	CAGR (FY22E-FY25E)	CAGR (FY25E-FY28E)
Kaynes Technology India*	27,830	58%	40%	14.7%	63%	44%	10.7%	93%	36%
Syrma SGS Technology*	42,726	61%	28%	7.1%	48%	36%	3.6%	39%	29%
Dixon Technologies*	3,96,978	55%	34%	3.7%	58%	36%	2.2%	66%	33%
Netweb	11,490	67%	38%	13.9%	67%	39%	10.0%	72%	39%

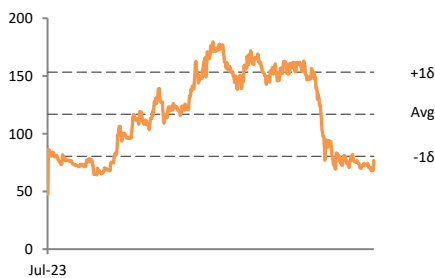
Source: Company data, Bloomberg, Equirus; *Financials/estimates taken from Bloomberg reported/consensus figures; In case of Netweb Tech FY25 numbers are actual while other companies' number are estimated.

Peer Comparison analysis (Table-II)

Company	Sales Growth (%)			EBITDA %			EBIT (%)			PAT Margin (%)			RoE (%)			P/E Ratio			
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY28E
Kaynes Technology India*	54%	52%	44%	14.7%	14.9%	15.3%	13.1%	12.9%	13.0%	10.7%	9.9%	9.6%	10.9%	13.5%	16.6%	126.0	89.8	63.9	48.9
Syrma SGS Technology*	35%	34%	31%	7.1%	7.4%	7.5%	5.3%	5.9%	6.2%	3.6%	3.8%	4.0%	9.5%	12.5%	15.5%	55.2	38.4	27.5	25.4
Dixon Technologies*	124%	44%	27%	3.7%	3.8%	3.9%	3.1%	3.3%	3.5%	2.2%	2.2%	2.3%	36.9%	38.1%	35.4%	116.9	81.4	61.0	51.9
Netweb	59%	39%	39%	13.9%	14.0%	14.2%	12.9%	13.1%	13.3%	10.0%	10.0%	10.2%	24.0%	26.6%	29.0%	79.6	56.7	40.1	29.8

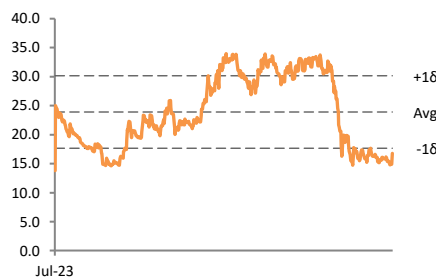
Source: Company data, Bloomberg, Equirus; * Financials/estimates taken from Bloomberg reported/consensus figures; priced as on 5th May 2025 closing prices ;In case of Netweb Tech FY25 numbers are actual while other companies' numbers are estimated.

Price to earning chart



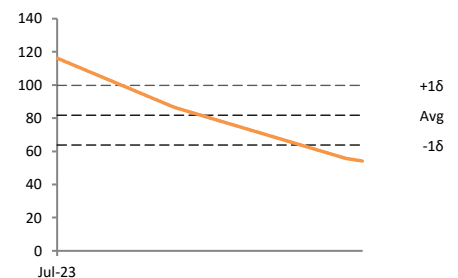
Source: Company, Equirus Research

Price to book chart



Source: Company, Equirus Research

EV-EBITDA chart



Source: Company, Equirus Research

Quarterly performance

Y/E Mar (Rs mn)	1QFY25A	2QFY25A	3QFY25A	4QFY25A	1QFY26E	2QFY26E	3QFY26E	4QFY26E
Revenue	1,493	2,511	3,340	4,147	1,842	3,564	5,339	5,273
COGS	1,092	1,891	2,625	3,218	1,291	2,769	4,241	4,051
Employee Cost	0	0	0	0	0	0	0	0
Other Expenses	201	257	276	331	320	345	368	390
EBITDA	200	363	439	598	230	450	729	832
Depreciation	24	26	31	32	33	36	40	42
EBIT	176	337	408	566	197	414	690	790
Interest Exp.	0	0	0	0	0	0	0	0
Other Income	31	8	1	13	14	15	18	20
Profit before Tax	207	345	409	579	211	429	708	810
Tax Expenses	52	87	106	149	54	110	181	207
Profit After Tax	154	257	303	430	157	319	527	603
Minority Interest	0	0	0	0	0	0	0	0
Profit/(Loss) from Associates	0	0	0	0	0	0	0	0
Recurring PAT	154	257	303	430	157	319	527	603
Exceptional Items	0	0	0	0	0	0	0	0
Reported PAT	154	257	303	430	157	319	527	603
Other comprehensive income.	0	0	0	0	0	0	0	0
PAT after comp. income.	154	257	303	430	157	319	527	603
FDEPS	2.7	4.5	5.3	7.5	2.8	5.6	9.3	10.6
Cost items as % of sales								
RM expenses	73.1	75.3	78.6	77.6	70.1	77.7	79.4	76.8
Employee expenses	13.5	10.2	8.3	8.0	17.4	9.7	6.9	7.4
Other expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Margin (%)								
Gross Margin	26.9	24.7	21.4	22.4	29.9	22.3	20.6	23.2
EBITDA Margin	13.4	14.5	13.2	14.4	12.5	12.6	13.7	15.8
PAT Margin	10.3	10.2	9.1	10.4	8.5	9.0	9.9	11.4
YoY Growth (%)								
Sales	149.7	73.2	31.8	55.9	23.4	42.0	59.8	27.2
EBITDA	131.8	88.8	28.3	47.9	15.2	23.8	65.9	39.1
EBIT	139.4	89.1	25.9	46.3	12.2	22.8	68.8	39.6
PAT	203.4	69.8	16.6	45.0	1.9	24.2	73.8	40.3

Key Financials (Consolidated)

Income Statement

Y/E Mar (Rs mn)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	2,470	4,450	7,241	11,490	16,017	22,266	29,885
COGS	1,865	3,244	5,445	8,825	12,353	17,223	23,182
Employee Cost	0	0	0	0	0	0	0
Other Expenses	260	506	770	1,065	1,424	1,874	2,433
EBITDA	346	700	1,025	1,600	2,241	3,169	4,270
Depreciation	16	37	63	113	151	198	261
EBIT	330	664	963	1,487	2,090	2,971	4,009
Interest Exp.	(27)	(26)	(50)	(27)	(25)	(23)	(20)
Other Income	0	(8)	107	80	93	111	137
Profit before Tax	302	630	1,020	1,540	2,158	3,060	4,126
Tax Expenses	78	160	261	395	551	781	1,054
Profit After Tax	225	469	759	1,145	1,607	2,279	3,072
Minority Interest	0	0	0	0	0	0	0
Profit/(Loss) from Associates	0	0	0	0	0	0	0
Recurring PAT	225	469	759	1,145	1,607	2,279	3,072
Exceptional Items	0	0	0	0	0	0	0
Reported PAT	225	469	759	1,145	1,607	2,279	3,072
Other comprehensive income.	0	0	0	0	0	0	0
PAT after comp. income.	225	469	759	1,145	1,607	2,279	3,072
FDEPS	4.4	9.2	13.3	20.1	28.2	40.0	53.9
DPS	0	1	2	3	3	4	6
BVPS	9	18	74	93	119	156	207

YoY Growth (%)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Sales	73.0	80.1	62.7	58.7	39.4	39.0	34.2
EBITDA	140.6	102.4	46.4	56.1	40.0	41.4	34.7
EBIT	154.9	101.3	45.1	54.4	40.6	42.1	34.9
PAT	172.8	109.0	61.7	50.8	40.4	41.8	34.8

Key Ratios

Profitability (%)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Gross Margin	24.5	27.1	24.8	23.2	22.9	22.6	22.4
EBITDA Margin	14.0	15.7	14.2	13.9	14.0	14.2	14.3
PAT Margin	9.1	10.5	10.5	10.0	10.0	10.2	10.3
ROE	67.8	68.0	29.4	24.0	26.6	29.0	29.7
ROIC	37.5	47.2	28.5	24.1	26.6	28.9	29.6
Core ROIC	42.5	53.2	44.0	38.9	37.5	39.9	40.9
Dividend Payout	0.0	5.4	14.9	12.4	11.0	10.0	11.0

CAGR (%)	1 year	2 years	3 years	5 years	7 years	10 years
Revenue	58.7	60.7	66.9	49.1	52.6	NA
EBITDA	56.1	51.2	66.6	81.8	75.0	NA
PAT	50.8	56.2	72.1	96.5	104.4	NA

Valuation (x)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	363.9	174.1	120.4	79.8	56.9	40.1	29.8
P/B	184.1	87.2	21.6	17.2	13.4	10.3	7.8
P/FCFF	(2,425.6)	1,059.5	(1,410.9)	(304.9)	188.0	136.9	77.3
EV/EBITDA	263.4	130.1	86.5	55.7	39.6	27.8	20.4
EV/Sales	36.9	20.5	12.2	7.8	5.5	4.0	2.9
Dividend Yield (%)	0.0	0.0	0.1	0.2	0.2	0.2	0.4

Balance Sheet

Y/E Mar (Rs mn)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Equity Capital	57	102	113	113	114	114	114
Reserves	387	835	4,115	5,190	6,685	8,797	11,651
Net Worth	444	937	4,228	5,303	6,799	8,911	11,765
Total Debt	336	304	16	13	14	15	16
Other long term liabilities	10	53	80	60	60	61	62
Minority Interest	0	0	0	0	0	0	0
Account Payables	533	1,034	1,266	2,979	3,691	5,032	6,349
Other Current Liabilities	165	333	535	720	742	983	1,333
Total Liabilities	1,486	2,660	6,125	9,076	11,306	15,002	19,524
Gross Fixed Assets	107	222	445	610	753	901	1,096
Acc. Depreciation	(11)	(38)	(78)	(165)	(287)	(452)	(675)
Net Fixed Assets	96	184	367	445	466	449	421
Capital WIP	5	18	6	56	5	50	25
long term investments	0	0	0	0	0	0	0
Others	29	74	152	174	189	225	264
Inventory	383	541	1,147	2,228	2,968	4,027	5,208
Receivables	778	1,515	1,838	3,615	4,635	6,346	8,229
Loans and advances	0	0	0	0	0	0	0
Other current assets	111	189	399	752	883	1,237	1,734
Cash & Cash Equivalents.	84	139	2,216	1,805	2,161	2,668	3,643
Total Assets	1,486	2,660	6,125	9,076	11,306	15,002	19,524
Non-Cash WC	575	879	1,583	2,896	4,053	5,594	7,489
Cash Conv. Cycle	85.0	72.1	79.8	92.0	92.4	91.7	91.5
WC Turnover	4.3	5.1	4.6	4.0	4.0	4.0	4.0
Gross Asset Turnover	23.0	20.0	16.3	18.8	21.3	24.7	27.3
Net Asset Turnover	25.8	24.1	19.7	25.8	34.4	49.6	70.9
Net D/E	0.6	0.2	(0.5)	(0.3)	(0.3)	(0.3)	(0.3)
Days (x)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Receivable Days	115	124	93	115	106	104	100
Inventory Days	57	44	58	71	68	66	64
Payable Days	104	116	85	123	109	107	100
Non-cash WC days	85	72	80	92	92	92	91
Cash Flow							
Y/E Mar (Rs mn)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Profit Before Tax	302	630	1,020	1,540	2,158	3,060	4,126
Depreciation	16	37	63	113	151	198	261
Others	0	23	55	58	30	10	10
Tax paid	(75)	(156)	(263)	(402)	(561)	(796)	(1,073)
Change in WC	(217)	(277)	(668)	(1,350)	(1,189)	(1,597)	(1,952)
Operating Cashflow	26	256	206	(41)	588	876	1,372
Capex	(59)	(179)	(271)	(259)	(102)	(208)	(190)
Change in Invest.	(7)	(4)	(1,251)	(52)	(48)	(67)	(82)
Others	0	0	9	26	0	0	0
Investing Cashflow	(66)	(183)	(1,514)	(286)	(150)	(275)	(272)
Change in Debt	45	(32)	(288)	(4)	1	1	1
Change in Equity	0	0	2,571	1	1	0	0
Others	(4)	9	(150)	(134)	(132)	(162)	(208)
Financing Cashflow	40	(22)	2,133	(137)	(130)	(161)	(207)
Net Change in Cash	0	51	826	(463)	308	440	893

Source: Company, Equirus Research



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