

November 11, 2025

Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	874		870	
Sales (Rs. m)	66,193	83,131	66,193	83,131
% Chng.	-	-	-	-
EBITDA (Rs. m)	5,968	7,512	5,656	7,346
% Chng.	5.5	2.3	5.5	2.3
EPS (Rs.)	18.5	23.7	18.3	23.7
% Chng.	1.2	0.1	1.2	0.1

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	37,867	49,557	66,193	83,131
EBITDA (Rs. m)	3,233	4,478	5,968	7,512
Margin (%)	8.5	9.0	9.0	9.0
PAT (Rs. m)	1,699	2,464	3,553	4,556
EPS (Rs.)	9.5	12.8	18.5	23.7
Gr. (%)	57.7	34.3	44.2	28.2
DPS (Rs.)	1.5	1.5	1.5	1.5
Yield (%)	0.2	0.2	0.2	0.2
RoE (%)	10.1	10.4	11.3	13.0
RoCE (%)	13.0	14.2	15.7	17.7
EV/Sales (x)	4.0	3.1	2.3	1.9
EV/EBITDA (x)	46.6	34.2	25.8	20.5
PE (x)	87.1	64.9	45.0	35.1
P/BV (x)	8.5	5.4	4.8	4.3

Key Data SYRM.BO | SYRMA IN

52-W High / Low	Rs.893 / Rs.355
Sensex / Nifty	83,871 / 25,695
Market Cap	Rs.160bn/ \$ 1,806m
Shares Outstanding	192m
3M Avg. Daily Value	Rs.1227.61m

Shareholding Pattern (%)

Promoter's	42.98
Foreign	7.02
Domestic Institution	16.38
Public & Others	33.62
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(1.5)	73.7	50.9
Relative	(3.1)	64.5	43.1

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Strong orderbook & contracts boost visibility

Syrma SGS Technology (SYRMA) has reported robust earnings growth of ~62% YoY. This performance was driven by a 150bps YoY expansion in EBITDA margin to 10.1%, attributed to a favourable segment mix (with consumer contribution reducing to 32% revenue) and improved operating efficiency. SYRMA in Q2FY26 made four strategic milestones/acquisition 1) Acquired stake in Elcome systems (Foray into Defence & Maritime business). 2) JV with Shinhyup for PCB manufacturing 3) Acquired 49% in KSolare Energy Pvt Ltd 4) JV with Italy-based Elemaster. Company order book stood at Rs 58bn in Q2FY26, majorly driven from industrial and auto segment. SYRMA has guided revenue growth of 30% with EBITDA margin of 9.0%+ for FY26, revenue will be mainly driven by auto/industrial segment. Company will receive PLI benefit of Rs200-250mn in FY26. We tweak our earnings estimates for FY27/FY28. We estimate FY25-28E revenue/EBITDA/PAT CAGR of 30.0%/32.4%/38.4%. We maintain our 'Accumulate' rating with a TP of Rs 874 (Earlier 870) valuing at 40x Sep'27 earnings.

Q2FY26 financial performance: Revenue grew by 37.6% YoY at Rs 11.5bn (PLe: Rs 10.8bn). Auto/Consumer/Healthcare/ Industrials/IT & Railway segment grew by 28.5%/34.7%/26.2%/8.6%/297.5% YoY. EBITDA grew by ~62.4% YoY to Rs 1.2bn (PLe: Rs 971mn). EBITDA margins expanded by ~150bps to 10.1% (PLe: 9.0%). PBT grew by ~76.6% YoY to Rs 895mn (PLe: Rs 717mn). PAT grew by 61.6% YoY to Rs 641mn (PLe: Rs 495mn).

H1FY26 financial performance: Revenue grew by 4.9% YoY at Rs 20.9bn Auto/Healthcare/ Industrials/IT & Railway segment grew by 23.6%/20.6%/20.3%/73.1% YoY, whereas its consumer segment declined by 23.0% YoY as company is focusing on high margin segment. EBITDA grew by 74.7% YoY to Rs 2.0bn. EBITDA margins expanded by ~390bps to 9.7%. PBT grew by 95.4% YoY to Rs 1.6bn. PAT grew by 89.7% YoY to Rs 1.1bn.

Q2FY26 Concall Highlights

- **Guidance for FY26:** Mgmt has maintained its guidance of 30% revenue growth in FY26, driven primarily by the industrial and automotive segments, with margin of 9%+.
- **Strong Orderbook and Long-Term Contracts Driving Revenue Visibility:** The company has a order book of Rs 58bn in Q2FY26, auto/consumer/industrial/healthcare/IT & Railway segments contribute 35-35%/25%/25%/6%/9%.
- Syрма SGS onboarded eight major customers with a combined revenue potential of USD 100mn for next year and signed a long-term framework contract worth USD250mn over 2–3 years. The company aims to sustain growth through such contracts, ensuring strong revenue visibility and margin improvement ahead.

- **Key Acquisitions & JVs to Drive Growth and Diversification:** Syrma SGS has acquired a 60% stake in Elcome Integrated Systems Pvt. Ltd. for Rs 2.4 bn, marking its entry into the defence and maritime sectors. Elcome is a reputed player providing navigation, communication, and surveillance solutions to defence, paramilitary, and private sectors. The acquisition is expected to be margin accretive and drive strong growth in the coming years.
- Syrma SGS has formed a joint venture with Shinhyup Electronics Co. Ltd. to establish multi-layer and flexible PCB manufacturing capabilities with a planned capacity of 1.5–2 sqm. Company has received ECMS approval from the Government of India and clearance from the Andhra Pradesh government. Construction is expected to begin by Dec'25, with trial production targeted for Dec'26. The Rs 8bn project will span FY27–FY32, with PLI incentives of 4–10% on revenues during the six-year period.
 - Shinhyup manufactures both multilayer and HDI PCBs, with the company planning HDI production from FY27–28. The focus remains on high-volume multilayer PCBs (70–80% of demand), while HDI clients will be onboarded once production starts. A CCL plant will be set up in phase two (2.5mn sq. m capacity) for captive use and to supply other PCB companies.
 - Phase one CapEx is ~Rs8 bn, with state incentives covering 50% of spending (expected in FY27–28) and central incentives of 5–6% of revenue over six years. Phase two (CCL and HDI) is planned for FY27, with additional multilayer lines commissioned as utilization reaches 50–70%.
- Syrma SGS, in partnership with Premier Energies, has acquired KSolare Energy Pvt. Ltd. (49:51 stake) for Rs1.7bn, marking its entry into India's residential solar inverter market under the PM Surya Ghar initiative. KSolare, a 15-year-old company with revenues of around Rs3bn, will manufacture solar inverters at Syrma's Pune facility. The partnership aims to diversify the product portfolio beyond rooftop solar into grid and micro inverters, with strong revenue growth expected in the coming year.
- Syrma SGS has entered a joint venture with Italy-based Elemaster to serve European OEM programs in Railways and Industrial Automation, focusing on design transfer and localized production in India. Initially catering to the domestic market, the partnership is expected to integrate into Elemaster's global supply chain over time, forming a key long-term growth driver for the company.
- **Other highlights:** Industrial segment grew by 20.3% in H1FY26, despite challenges such as US tariffs. Management expects this segment to continue as a key driver of growth and profitability. New orders from customers are spread across industrial verticals, including power management and power distribution.
- The company's IT products, mainly laptops, have seen strong growth in H1FY26, and with Dynavook onboarded, the customer base is expanding, supporting continued revenue growth.
- Smart meter business contributes Rs 500mn in Q2FY26, Company expects Rs 3bn for FY26.

- In H1FY26, the company's networking capital stood at 73 days, up 4 days YoY. Mgmt is expecting to keep it to below 65 days and expects a further decline of 5–10 days over the next two to three quarters.
- OCF in H1FY26 was negative at Rs1.2bn, primarily due to incremental working capital investments, including higher inventory of Rs 1bn to mitigate anticipated supply chain constraints and US tariff impacts. Management remains confident of achieving positive cash flow of 25–30% for FY26.
- In H1FY26, the company incurred a CapEx of Rs 450mn and plans Rs600–1,000mn in H2FY26. Total CapEx over FY26–28 would be Rs7–8bn.
- The USA currently contributes around 5–6% of revenue and is expected to become a key export market once US tariff and policy clarity emerges. For FY26, the company expects export revenue to reach Rs 10bn.
- Company expects PLI benefit of Rs 200-250mn for FY26.
- The company's top 10 customers contribute ~ 66–67% of revenue, while the top 20 customers account for around 72%.

Exhibit 1: Q2FY26 result overview: Sales grew by 37.6% YoY; PAT grew by 61.6% YoY.

Y/e March (Rs mn)	Q2 FY26	Q2 FY25	YoY gr. (%)	Q2 FY26E	%Var.	Q1 FY26	QoQ gr. (%)	H1 FY26	H1 FY25	YoY gr. (%)
Net Sales	11,459	8,327	37.6	10,784	6.3	9,440	21.4	20,899	19,926	4.9
Expenditure										
Operating & Manufacturing Expenses	8,730	6,294	38.7	8,196	6.5	7,107	22.8	15,837	16,153	(2.0)
<i>% of Net Sales</i>	<i>76.2</i>	<i>75.6</i>		<i>76.0</i>		<i>75.3</i>		<i>75.8</i>	<i>81.1</i>	
Gross Profit	2,728	2,033	34.2	2,588	5.4	2,333	16.9	5,062	3,773	34.1
<i>Gross Margin (%)</i>	<i>23.8</i>	<i>24.4</i>	<i>-0.60</i>	<i>24.0</i>	<i>-0.19</i>	<i>24.7</i>		<i>24.2</i>	<i>18.9</i>	
Personnel Cost	515	459	12.0	539	-4.6	504	2.1	1,018	913	11.5
<i>% of Net Sales</i>	<i>4.5</i>	<i>5.5</i>		<i>5.0</i>		<i>5.3</i>		<i>4.9</i>	<i>4.6</i>	
Other Expenses	1,061	864	22.8	1,078	-1.6	963	10.2	2,025	1,704	18.8
<i>% of Net Sales</i>	<i>9.3</i>	<i>10.4</i>		<i>10.0</i>		<i>10.2</i>		<i>9.7</i>	<i>8.6</i>	
Total Expenditure	10,307	7,618	35.3	9,814	5.0	8,574	20.2	18,880	18,771	0.6
EBITDA	1,152	710	62.4	971	18.7	866	33.0	2,019	1,155	74.7
<i>Margin (%)</i>	<i>10.1</i>	<i>8.5</i>	<i>1.54</i>	<i>9.0</i>	<i>1.06</i>	<i>9.2</i>		<i>9.7</i>	<i>5.8</i>	
Depreciation	218	167	30.7	206	6.2	206	6.2	424	341	24.4
EBIT	934	542	72.2	765	22.1	660	41.4	1,594	815	95.7
Other income	87	100	-12.9	102	-14.3	160	-45.5	248	253	(2.2)
Interest	126	136	-7.0	149	-15.4	149	-15.4	276	266	3.5
PBT	895	507	76.6	717	24.7	671	33.3	1,566	802	95.4
Total Taxes	232	110	109.9	181	28.2	172	34.4	404	202	100.1
<i>ETR (%)</i>	<i>25.9</i>	<i>21.8</i>		<i>25.2</i>		<i>25.7</i>		<i>25.8</i>	<i>25.2</i>	
Adj. PAT	641	396	61.6	495	29.4	497	28.8	1,138	600	89.7
Exceptional Items	-	-	-	-	-	-	-	-	-	-
Reported PAT	641	396	61.6	495	29.4	497	28.8	1,138	600	89.7

Source: Company, PL

Exhibit 2: Segmental breakup: Auto/Consumer segment grew by ~28.5%/34.7% YoY.

Y/e March (Rs mn)	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	H1FY26	H1FY25	YoY gr. (%)
Revenues								
Auto	2,710	2109	28.5	2215	22.3	4,925	3986	23.6
Consumer	3,656	2,715	34.7	3,178	15.0	6,834	8881	(23.0)
Healthcare	834	661	26.2	674	23.7	1,508	1250	20.6
Industrials	2,649	2,439	8.6	2,873	(7.8)	5,522	4591	20.3
IT and Railways	1,610	405	297.5	500	222.0	2,110	1219	73.1
Total	11,459	8,329	37.6	9,440	21.4	20,899	19,927	4.9

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	37,867	49,557	66,193	83,131
YoY gr. (%)	20.1	30.9	33.6	25.6
Cost of Goods Sold	29,315	37,645	50,282	63,233
Gross Profit	8,552	11,912	15,910	19,898
Margin (%)	22.6	24.0	24.0	23.9
Employee Cost	1,910	2,181	2,860	3,492
Other Expenses	3,409	5,253	7,083	8,895
EBITDA	3,233	4,478	5,968	7,512
YoY gr. (%)	59.9	38.5	33.3	25.9
Margin (%)	8.5	9.0	9.0	9.0
Depreciation and Amortization	751	894	1,000	1,230
EBIT	2,482	3,584	4,969	6,282
Margin (%)	6.6	7.2	7.5	7.6
Net Interest	585	430	334	388
Other Income	494	334	358	500
Profit Before Tax	2,371	3,488	4,992	6,393
Margin (%)	6.3	7.0	7.5	7.7
Total Tax	526	878	1,257	1,609
Effective tax rate (%)	22.2	25.2	25.2	25.2
Profit after tax	1,845	2,610	3,736	4,784
Minority interest	146	146	182	228
Share Profit from Associate	-	-	-	-
Adjusted PAT	1,699	2,464	3,553	4,556
YoY gr. (%)	58.3	45.1	44.2	28.2
Margin (%)	4.5	5.0	5.4	5.5
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,699	2,464	3,553	4,556
YoY gr. (%)	58.3	45.1	44.2	28.2
Margin (%)	4.5	5.0	5.4	5.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,699	2,464	3,553	4,556
Equity Shares O/s (m)	178	192	192	192
EPS (Rs)	9.5	12.8	18.5	23.7

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	10,407	11,917	15,394	18,038
Tangibles	10,019	11,432	14,789	17,281
Intangibles	388	484	606	757
Acc: Dep / Amortization	2,185	3,078	4,078	5,308
Tangibles	1,989	2,735	3,626	4,720
Intangibles	195	343	452	589
Net fixed assets	8,222	8,838	11,316	12,730
Tangibles	8,030	8,697	11,163	12,562
Intangibles	192	141	153	168
Capital Work In Progress	656	665	676	639
Goodwill	3,221	3,221	3,221	3,221
Non-Current Investments	291	162	162	162
Net Deferred tax assets	(117)	(117)	(117)	(117)
Other Non-Current Assets	226	226	226	226
Current Assets				
Investments	514	514	514	514
Inventories	8,219	10,183	13,601	17,082
Trade receivables	14,775	19,959	25,752	32,341
Cash & Bank Balance	2,958	8,147	8,305	8,435
Other Current Assets	1,960	2,462	3,175	3,944
Total Assets	42,047	55,382	67,955	80,301
Equity				
Equity Share Capital	1,780	1,924	1,924	1,924
Other Equity	15,719	27,805	31,070	35,337
Total Networth	17,500	29,728	32,993	37,261
Non-Current Liabilities				
Long Term borrowings	619	0	150	150
Provisions	152	174	228	279
Other non current liabilities	67	88	118	148
Current Liabilities				
ST Debt / Current of LT Debt	5,579	1,850	3,060	3,168
Trade payables	15,744	20,604	27,521	34,563
Other current liabilities	812	1,080	1,438	1,804
Total Equity & Liabilities	42,047	55,382	67,955	80,301

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	2,371	3,488	4,992	6,393
Add. Depreciation	751	894	1,000	1,230
Add. Interest	585	430	334	388
Less Financial Other Income	494	334	358	500
Add. Other	(401)	(292)	(274)	(419)
Op. profit before WC changes	3,306	4,520	6,052	7,593
Net Changes-WC	(934)	(2,521)	(2,650)	(3,431)
Direct tax	(607)	(878)	(1,257)	(1,609)
Net cash from Op. activities	1,765	1,121	2,145	2,552
Capital expenditures	(2,452)	(1,519)	(3,489)	(2,608)
Interest / Dividend Income	169	334	358	500
Others	1,231	128	-	-
Net Cash from Invst. activities	(1,052)	(1,056)	(3,131)	(2,108)
Issue of share cap. / premium	(125)	143	-	-
Debt changes	330	(4,210)	1,767	362
Dividend paid	(266)	(267)	(289)	(289)
Interest paid	(513)	(430)	(334)	(388)
Others	(133)	-	-	-
Net cash from Fin. activities	(707)	(4,764)	1,144	(315)
Net change in cash	6	(4,699)	159	129
Free Cash Flow	(687)	(398)	(1,343)	(56)

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	9.5	12.8	18.5	23.7
CEPS	13.8	17.5	23.7	30.1
BVPS	98.3	154.6	171.5	193.7
FCF	(3.9)	(2.1)	(7.0)	(0.3)
DPS	1.5	1.5	1.5	1.5
Return Ratio(%)				
RoCE	13.0	14.2	15.7	17.7
ROIC	10.0	14.1	14.8	16.0
RoE	10.1	10.4	11.3	13.0
Balance Sheet				
Net Debt : Equity (x)	0.2	(0.2)	(0.2)	(0.2)
Net Working Capital (Days)	70	70	65	65
Valuation(x)				
PER	87.1	64.9	45.0	35.1
P/B	8.5	5.4	4.8	4.3
P/CEPS	60.4	47.6	35.1	27.6
EV/EBITDA	46.6	34.2	25.8	20.5
EV/Sales	4.0	3.1	2.3	1.9
Dividend Yield (%)	0.2	0.2	0.2	0.2

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	8,697	9,244	9,440	11,459
YoY gr. (%)	23.1	(18.5)	(18.6)	37.6
Raw Material Expenses	6,430	6,731	7,107	8,730
Gross Profit	2,267	2,512	2,333	2,728
Margin (%)	26.1	27.2	24.7	23.8
EBITDA	796	1,075	866	1,152
YoY gr. (%)	101.7	45.9	94.3	62.4
Margin (%)	9.1	11.6	9.2	10.1
Depreciation / Depletion	202	208	206	218
EBIT	593	867	660	934
Margin (%)	6.8	9.4	7.0	8.1
Net Interest	154	156	149	126
Other Income	218	223	160	87
Profit before Tax	657	934	671	895
Margin (%)	7.6	10.1	7.1	7.8
Total Tax	105	219	172	232
Effective tax rate (%)	16.0	23.5	25.7	25.9
Profit after Tax	551	715	499	663
Minority interest	42	60	2	23
Share Profit from Associates	-	-	-	-
Adjusted PAT	380	654	497	641
YoY gr. (%)	87.3	87.2	144.5	61.6
Margin (%)	4.4	7.1	5.3	5.6
Extra Ord. Income / (Exp)	108	-	-	-
Reported PAT	488	654	497	641
YoY gr. (%)	140.6	80.3	144.5	61.6
Margin (%)	5.6	7.1	5.3	5.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	488	654	497	641
Avg. Shares O/s (m)	178	178	178	178
EPS (Rs)	2.1	3.7	2.8	3.6

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Oct-25	Accumulate	870	852
2	24-Jul-25	Hold	705	706
3	04-Jul-25	Hold	625	607
4	15-May-25	BUY	618	526
5	04-Apr-25	BUY	629	469
6	29-Jan-25	BUY	629	505
7	09-Jan-25	Hold	629	610
8	09-Dec-24	BUY	629	556

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Amber Enterprises India	BUY	8,901	7,227
2	Astral Ltd.	BUY	1,778	1,566
3	Avalon Technologies	Hold	1,083	1,062
4	Bajaj Electricals	BUY	600	514
5	Cello World	BUY	686	575
6	Century Plyboard (I)	Hold	818	808
7	Cera Sanitaryware	BUY	7,424	6,149
8	Crompton Greaves Consumer Electricals	BUY	375	279
9	Cyient DLM	Accumulate	478	441
10	Finolex Industries	Accumulate	228	188
11	Greenpanel Industries	BUY	399	284
12	Havells India	Accumulate	1,653	1,487
13	Kajaria Ceramics	Hold	1,288	1,251
14	Kaynes Technology India	Accumulate	7,565	6,659
15	KEI Industries	BUY	4,926	4,173
16	LG Electronics India	BUY	1,780	1,688
17	Polycab India	BUY	8,808	7,440
18	R R Kabel	BUY	1,634	1,391
19	Supreme Industries	BUY	4,723	4,001
20	Syrma SGS Technology	Accumulate	870	852
21	Voltas	Hold	1,440	1,354

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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