

22 December 2025

India | Equity Research | Company Update

## Aditya Infotech

White Goods

### Structural growth drivers remain intact; focus on strengthening competitive advantages

Aditya Infotech (AIL) will likely continue to gain market share driven by increased brand equity, manufacturing expansion and favourable regulatory norms – this emerged as an essential insight from the management meet, held at IFSEC India. Other takeaways: (1) It launched two brands (Eyra and Nexivue) to capture market share at the bottom of the pyramid. (2) It is focusing on brand building by increasing its ad-spends and launching various galaxy stores. (3) Share of revenue from IP cameras is rising and will increase to over 90% in 3-4 years, in our view. (5) Smaller peers will remain in investment mode for 2-3 years, which will likely provide AIL the opportunity to sustain its market share. (6) Partnership with Qualcomm for video security solutions act as a long-term strategic growth driver.

(7) With STQC norms and growing brand equity under CP PLUS brand, AIL is well placed to gain market share and sustain profitable growth over medium-long term, in our view. Maintain **BUY** with a DCF-based TP of INR 1,800; implied target P/E at 46x FY28E EPS.

### New brands: Addressing white spaces across price points

It has introduced two brands (Eyra and Nexivue) to focus on bottom of the pyramid. Eyra is well positioned to take market share from Dahua, in our view. We also believe Nexivue is well positioned to capture market share from unorganised and entry-level market. This multi-brand strategy allows the company to address consumers across price points without diluting core brand equity, in our view.

### AIL continues to invest in brand building

Management indicated increased investments in brand building, including expansion of CP Plus Galaxy stores and higher ad-spend intensity. Distribution efforts are being stepped up in South and West India, where company penetration remains relatively lower. We believe this sustained brand push is critical to drive consumer pull and support premiumisation.

### Partnership with Qualcomm acts as a differentiator

The company announced exclusive partnership with Qualcomm which is aimed at launching insight-driven and AI-enabled video security solutions. This collaboration combines AIL's product ecosystem and distribution strength with Qualcomm's technology capabilities. In our view, this enhances product differentiation and strengthens long-term customer stickiness.

## Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	31,119	40,505	50,737	59,820
EBITDA	2,473	4,099	5,515	6,802
EBITDA Margin (%)	7.9	10.1	10.9	11.4
Net Profit	1,027	2,568	3,662	4,631
EPS (INR)	33.0	21.9	31.2	39.5
EPS % Chg YoY	197.6	(33.6)	42.6	26.5
P/E (x)	46.1	69.4	48.7	38.5
EV/EBITDA (x)	66.3	42.8	31.4	24.9
RoCE (%)	10.3	15.8	17.5	18.1
RoE (%)	48.7	18.4	18.7	19.5

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### Market Data

Market Cap (INR)	179bn
Market Cap (USD)	1,977mn
Bloomberg Code	CPPLUS IN
Reuters Code	AITN.BO
52-week Range (INR)	1,748 / 1,015
Free Float (%)	13.0
ADTV-3M (mn) (USD)	4.2

Price Performance (%)	3m	6m	12m
Absolute	3.9	0.0	0.0
Relative to Sensex	1.6	0.0	0.0

ESG Score	2023	2024	Change
ESG score	NA	NA	NA
Environment	NA	NA	NA
Social	NA	NA	NA
Governance	NA	NA	NA

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

### Previous Reports

05-12-2025: [Initiating Coverage](#)

### **Focusing on expanding manufacturing capacity**

AIL is focusing on expanding its manufacturing capacity in Kadapa, with monthly capacity expected to increase to ~2.2mn units by Mar'26 from ~1.8mn currently. Additionally, a new manufacturing unit is planned in North India. We believe this could improve service turnaround, reduce logistics costs and support faster market penetration.

### **Expanding the addressable market with new launches**

AIL continues to expand its product portfolio, including night-vision cameras, dashcams in consumer segment and attendance management systems. These initiatives broaden the addressable market and reduce the reliance on a single product category.

### **System integrators and network providers act as growth catalysts**

With over 3,000 system integrators, management emphasised the need to build a strong ecosystem to influence end-consumer adoption. Network providers and installers play a key role in customer education. We believe this ecosystem-led approach strengthens entry barriers and reinforces brand leadership.

### **Industry growth and margin expansion**

While industry growth may moderate in FY26, management expects there is potential for a J-curve recovery in FY27. Margin expansion is expected to be driven by scale, localisation and product mix improvement. Management highlighted strong traction in Southern India, where the company's penetration is currently lower. A sharper focus in this region should support incremental growth, in our view.

### **Partnerships with semi-con players provide long-term advantage**

The company is focusing on collaborations with semiconductor players to co-develop chips for CCTV applications. It has collaborated with LTSC to develop an indigenous IP SoC. Successful execution could lead to superior product performance and cost efficiencies over time. We view this as a long-term strategic lever.

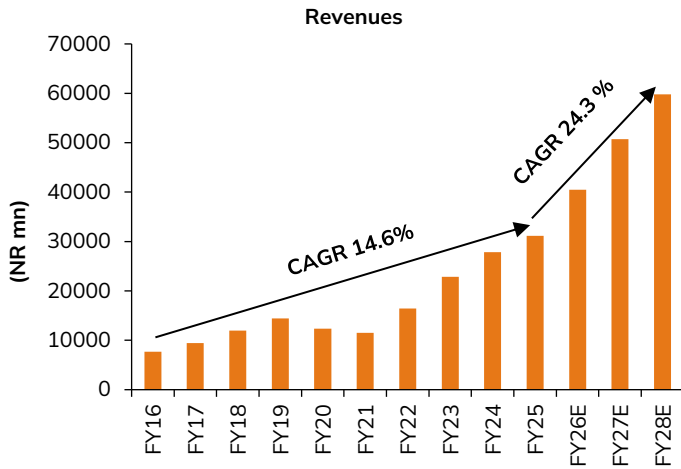
### **Maintain BUY**

We model AIL to report revenue/PAT CAGR of 24.3%/65.2% over FY25-28E. Maintain **BUY** with a DCF-based target price of INR 1,800 (implying 58x FY27E and 46x FY28E EPS).

**Key risks:** Steep increase in commodity prices and material increase in competitive pressures.

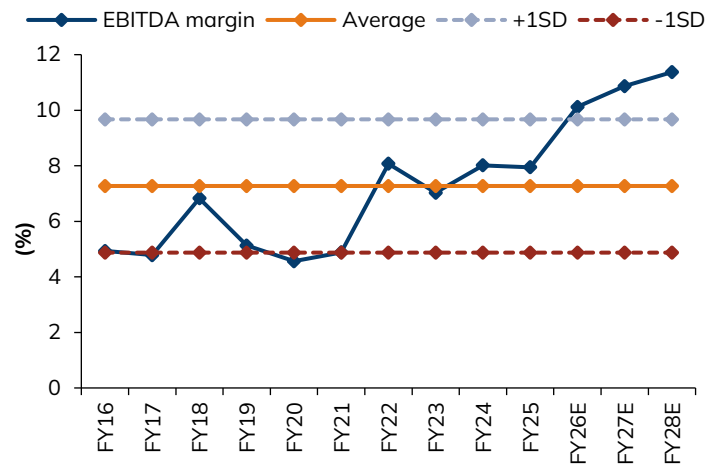
## Key indicators – Annual

**Exhibit 1: Revenue and revenue growth**



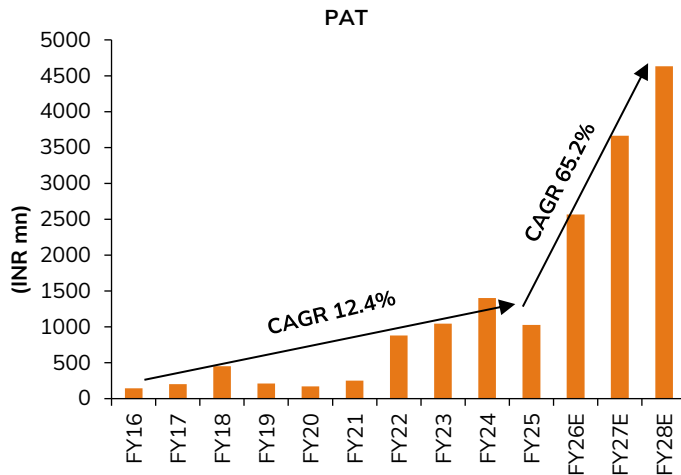
Source: Company data, I-Sec research

**Exhibit 2: EBITDA margin**



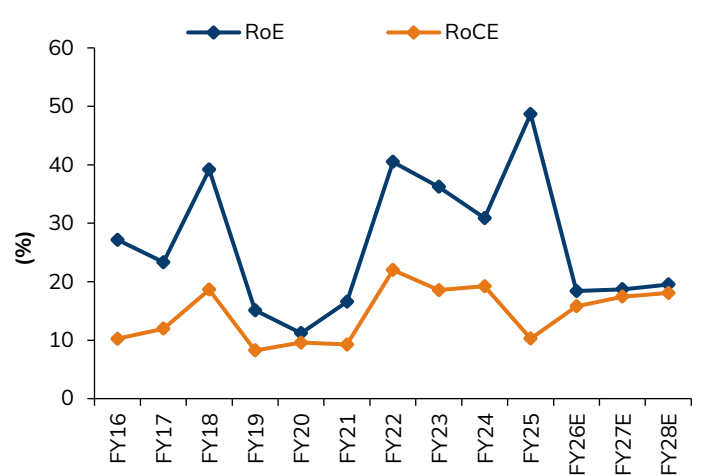
Source: Company data, I-Sec research

**Exhibit 3: PAT and PAT growth**



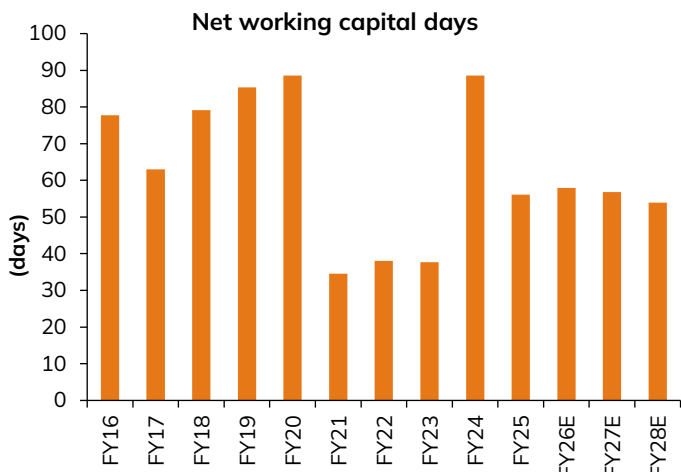
Source: Company data, I-Sec research

**Exhibit 4: RoE and RoCE**



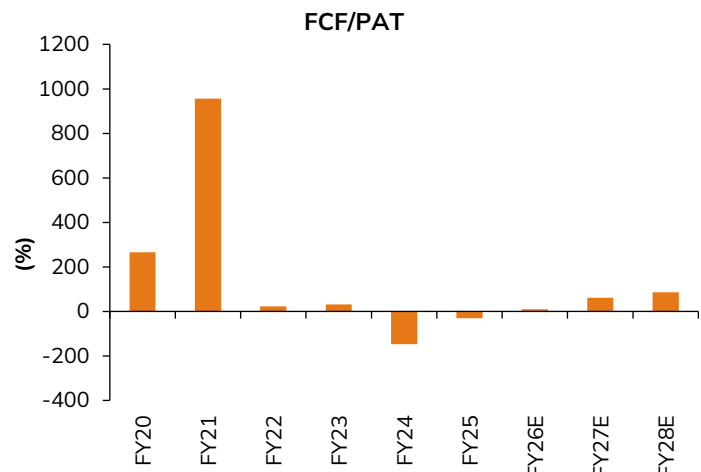
Source: Company data, I-Sec research

**Exhibit 5: Net working capital days**



Source: Company data, I-Sec research

**Exhibit 6: FCF/PAT (%)**



Source: Company data, I-Sec research

## Valuation and key risks

### DCF valuation

We model AIL to report revenue/PAT CAGR of 24.3%/65.2% over FY25-28E. Maintain **BUY** with a DCF-based target price of INR 1,800 (implying 58x FY27E and 46x FY28E EPS).

### Exhibit 7: DCF-based valuation

Particulars	
Cost of Equity (%)	11.5%
Terminal growth rate (%)	5.0%
Discounted interim cash flows (INR mn)	71,693
Discounted terminal value (INR mn)	139,286
Total equity value (INR mn)	210,980
<b>Value per share (INR)</b>	<b>1,800</b>

Source: Company data, I-Sec research

### Risks

#### Sharp increase in input prices and competitive pressures

Major increase in input prices and/or increase in competitive pressures may result in downside to our estimates.

#### Delays in launch of new plants/products

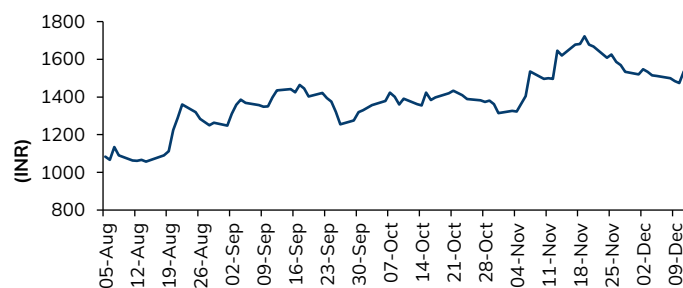
Any delays in launch of new products may result in lower earnings than estimated.

### Exhibit 8: Shareholding pattern

%	Aug'25	Sep'25
Promoters	60.3	77.1
Institutional investors	12.3	14.5
MFs and others	4.8	9.0
FIs/Banks	1.7	0.4
Insurance	1.0	0.7
FIIIs	4.8	4.4
Others	27.4	8.4

Source: Bloomberg, I-Sec research

### Exhibit 9: Price chart



Source: Bloomberg, I-Sec research

## Financial Summary

### Exhibit 10: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
<b>Net Sales</b>	<b>31,119</b>	<b>40,505</b>	<b>50,737</b>	<b>59,820</b>
Operating Expenses	28,645	36,406	45,221	53,018
<b>EBITDA</b>	<b>2,473</b>	<b>4,099</b>	<b>5,515</b>	<b>6,802</b>
EBITDA Margin (%)	7.9	10.1	10.9	11.4
Depreciation & Amortization	311	567	745	854
EBIT	2,162	3,532	4,770	5,947
Interest expenditure	418	216	63	63
Other Non-operating Income	111	131	208	332
<b>Recurring PBT</b>	<b>1,855</b>	<b>3,447</b>	<b>4,915</b>	<b>6,216</b>
<b>Profit / (Loss) from Associates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less: Taxes	827	879	1,253	1,585
PAT	1,027	2,568	3,662	4,631
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	2,483	-	-	-
<b>Net Income (Reported)</b>	<b>3,510</b>	<b>2,568</b>	<b>3,662</b>	<b>4,631</b>
<b>Net Income (Adjusted)</b>	<b>1,027</b>	<b>2,568</b>	<b>3,662</b>	<b>4,631</b>

Source Company data, I-Sec research

### Exhibit 11: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	23,559	29,976	38,306	47,656
of which cash & cash eqv.	1,819	3,233	5,476	9,421
Total Current Liabilities & Provisions	16,954	20,313	24,937	29,401
<b>Net Current Assets</b>	<b>6,604</b>	<b>9,662</b>	<b>13,369</b>	<b>18,254</b>
Investments	556	556	556	556
Net Fixed Assets	1,931	2,781	2,736	2,482
ROU Assets	-	-	-	-
Capital Work-in-Progress	167	-	-	-
Total Intangible Assets	5,350	5,350	5,350	5,350
Other assets	-	-	-	-
Deferred Tax assets	-	-	-	-
<b>Total Assets</b>	<b>14,608</b>	<b>18,349</b>	<b>22,011</b>	<b>26,642</b>
<b>Liabilities</b>				
<b>Borrowings</b>	<b>4,614</b>	<b>787</b>	<b>787</b>	<b>787</b>
<b>Deferred Tax Liability</b>	<b>(183)</b>	<b>(183)</b>	<b>(183)</b>	<b>(183)</b>
provisions	-	-	-	-
other Liabilities	-	-	-	-
Equity Share Capital	110	110	110	110
Reserves & Surplus	10,067	17,635	21,297	25,928
<b>Total Net Worth</b>	<b>10,177</b>	<b>17,744</b>	<b>21,406</b>	<b>26,037</b>
Minority Interest	-	-	-	-
<b>Total Liabilities</b>	<b>14,608</b>	<b>18,349</b>	<b>22,011</b>	<b>26,642</b>

Source Company data, I-Sec research

### Exhibit 12: Quarterly trend

(INR mn, year ending March)

	Jun-25	Sept-25
Net Sales	7,400	9,196
% growth (YOY)	16.4	37.5
EBITDA	609	1,085
Margin %	8.2	11.8
Other Income	40	26
Extraordinaries	(2)	5
Adjusted Net Profit	329	700

Source Company data, I-Sec research

### Exhibit 13: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
<b>Operating Cashflow</b>	<b>(47)</b>	<b>1,491</b>	<b>2,943</b>	<b>4,545</b>
Working Capital Changes	(1,886)	(1,644)	(1,464)	(940)
Capital Commitments	(262)	(1,250)	(700)	(600)
<b>Free Cashflow</b>	<b>(310)</b>	<b>241</b>	<b>2,243</b>	<b>3,945</b>
<b>Other investing cashflow</b>	<b>160</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cashflow from Investing Activities	(103)	(1,250)	(700)	(600)
Issue of Share Capital	-	5,000	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	403	(3,827)	-	-
Dividend paid	(180)	-	-	-
Others	-	-	-	-
Cash flow from Financing Activities	223	1,173	-	-
<b>Chg. in Cash &amp; Bank balance</b>	<b>73</b>	<b>1,414</b>	<b>2,243</b>	<b>3,945</b>
Closing cash & balance	1,362	3,233	5,476	9,421

Source Company data, I-Sec research

### Exhibit 14: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
<b>Per Share Data (INR)</b>				
Reported EPS	33.0	21.9	31.2	39.5
Adjusted EPS (Diluted)	9.7	21.9	31.2	39.5
Cash EPS	12.6	26.7	37.6	46.8
Dividend per share (DPS)	1.7	-	-	-
Book Value per share (BV)	95.6	151.4	182.6	222.1
Dividend Payout (%)	5.1	-	-	-
<b>Growth (%)</b>				
Net Sales	11.8	30.2	25.3	17.9
EBITDA	10.9	65.7	34.5	23.3
EPS (INR)	197.6	(33.6)	42.6	26.5
<b>Valuation Ratios (x)</b>				
P/E	46.1	69.4	48.7	38.5
P/CEPS	120.9	56.9	40.5	32.5
P/BV	15.9	10.0	8.3	6.8
EV / EBITDA	66.3	42.8	31.4	24.9
P / Sales	5.2	4.4	3.5	3.0
Dividend Yield (%)	0.1	-	-	-
<b>Operating Ratios</b>				
Gross Profit Margins (%)	21.5	23.0	23.9	24.5
EBITDA Margins (%)	7.9	10.1	10.9	11.4
Effective Tax Rate (%)	44.6	25.5	25.5	25.5
Net Profit Margins (%)	3.3	6.3	7.2	7.7
NWC / Total Assets (%)	45.2	52.7	60.7	68.5
Net Debt / Equity (x)	0.2	(0.2)	(0.2)	(0.4)
Net Debt / EBITDA (x)	0.9	(0.7)	(1.0)	(1.4)
<b>Profitability Ratios</b>				
RoCE (%)	10.3	15.8	17.5	18.1
RoE (%)	48.7	18.4	18.7	19.5
RoC (%)	12.0	19.4	23.0	26.8
Fixed Asset Turnover (x)	17.1	12.0	11.4	11.8
Inventory Turnover Days	108	111	110	107
Receivables Days	129	134	132	128
Payables Days	209	206	199	194

Source Company data, I-Sec research

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