BUY (Maintain)

CMP: **INR 18,002** Target Price: **INR 21,000 (INR 20,700)** ▲ 17%

ICICI Securities

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17 February 2026

India | Equity Research | Results Update

PTC Industries

Defence

Positive outlook intact; geared up for quantum jump in earnings

PTC Industries' (PTCIL) Q3FY26 EBITDA grew 62% YoY to INR 248mn (-4% YoY) aided by more-than-double sales growth. ATL and TARC registered good top-line growth but margins were under pressure due to product mix. PTCIL has already commissioned VAR (1,500tpa) and VIM (900tpa) facilities and is gradually ramping up. The 5,000tpa EBCHR plant is expected to commission by Q4FY26/Q1FY27. Given that Indian aerospace ecosystem is at an inflection point, ripe for 10x growth within a decade, material/machine parts supply ecosystem could be the biggest beneficiary considering the global tightness. PTCIL is geared up for a quantum jump in earnings. We retain **BUY**, with a revised TP of INR 21,000 (from INR 20,700; based on 50x FY28E EPS).

Strong sales momentum; margins lower than street estimates

PTCIL's Q3FY26 top-line performance was stellar at INR 1.56bn (+132%/+25% YoY/QoQ), partially driven by strong growth in Aero Technologies (ATL) and TARC. Consolidated EBITDA stood at INR 248mn (+62%/-4% YoY/QoQ), though margin at 15.9% took a hit of 690bps YoY and 470bps QoQ, mainly due to TARC performance still being weak (revenue grew impressively but margin remained low as turnaround is taking some time) and weaker product mix at ATL. Other highlights: 1) Gross margin dropped 130bps YoY to 78%. 2) Employee cost jumped 256% YoY to INR 387mn (+8% QoQ) due to increased personnel on capacity addition. 3) Received a prestigious order from Blue Origin for large superalloy investment castings for new BE-4 engine. 4) Received a prestigious order from the Vikram Sarabhai Space Centre.

Maintains robust growth outlook on capacity commissioning

PTCIL has commissioned 1,500tpa VAR and 900tpa VIM capacities. The remaining 5,000tpa titanium metal capacity (EBCHR) is likely to be commissioned by Q4FY26/Q1FY27, making PTCIL one of the top titanium players in India. In order to sell its capacities quickly, PTCIL has been busy securing approvals and new orders. The company is also looking to set up an aerospace-grade titanium sponge unit in Odisha for backward integration. We believe, put together, these could propel PTCIL's earnings multi-fold in next 4–5 years.

Financial Summary

Y/E March (INR mn)	FY25A	FY26E	FY27E	FY28E
Net Revenue	3,080	7,297	12,175	24,066
EBITDA	752	1,304	3,276	8,209
EBITDA Margin (%)	24.4	17.9	26.9	34.1
Net Profit	610	934	2,399	6,293
EPS (INR)	40.7	62.3	160.1	420.0
EPS % Chg YoY	41.4	50.8	156.8	162.3
P/E (x)	435.6	288.8	112.4	42.9
EV/EBITDA (x)	293.4	204.9	81.9	32.8
RoCE (%)	7.6	8.2	17.0	35.0
RoE (%)	6.4	6.5	14.8	30.6

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Market Data

Market Cap (INR)	270bn
Market Cap (USD)	2,977mn
Bloomberg Code	PTCIL IN
Reuters Code	PCIN.BO
52-week Range (INR)	19,440 /9,756
Free Float (%)	40.0
ADTV-3M (mn) (USD)	3.4

Price Performance (%)	3m	6m	12m
Absolute	6.2	31.1	37.6
Relative to Sensex	7.8	27.8	27.9

ESG Score	2024	2025	Change
ESG score	**68.2**	**69.9**	**1.7**
Environment	48.5	51.1	2.6
Social	78.5	81.9	3.4
Governance	79.1	78.8	(0.3)

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

Source: SES ESG, I-sec research

Previous Reports

17-11-2025: Q2FY26 results review

10-08-2025: Q1FY26 results review

Outlook: Gearing up for a quantum jump

PTCIL is gradually ramping up its recently commissioned 1,500tpa VAR capacity, However, start of ~5ktepa titanium metal capacity (EBCHR) by early Q4FY26/Q1FY27 will be the main milestone for the company and could potentially support growth for the next 6-7 years. Further, its endeavour to backward integrate into titanium sponge production (signed an MoU with Odisha government) is a positive step, as it may make the company an integrated player in the titanium manufacturing value chain. Only few companies in the world have aerospace-grade titanium capabilities, and PTC is one of them. This, in conjunction with Indian government's plan to create a robust aerospace component and engine manufacturing ecosystem in India, opens a portal of huge new opportunities for PTCIL, driving a sharp multi-year growth in coming years.

We maintain **BUY** on PTCIL with TP of INR 21,000 (based on 50x FY28E EPS).

Key risks

- Dependence on exports.
- Delay in commissioning/ramp-up of new capacity.
- Product development, approvals and sales execution are lengthy and expensive processes.

Other highlights

- **Blue Origin order win** - PTC Industries won a development and supply order from Blue Origin for large superalloy investment castings for new BE-4 engines. The order is expected to be executed over a two-year period from the start of delivery. Though the order value is not given, various estimates suggest that BE 4 engines could cost USD 7-10mn each (derived from comparisons from Russian RD 180 engines as BE 4 is expected to be 30% cheaper). Typically, material cost could be 25-40% of the total cost, and thus, provides a big opportunity (Blue Origin targets annual capacity of 50 engines; current demand ~20-25 engines assuming 2-3 Vulcan flights and two New Glenn missions annually).
- Trac Precision Solutions has partnered with Coolbrook to supply critical machines and cast components for its RotoDynamic Heater (RDH).
- Signed an MoU with BDL to establish a JV for manufacturing advanced propulsion systems and aero-engines for missiles and UAVs.
- Received an order from GTRE for single crystal 'ready-to-fit' turbine blades.
- Announced expansion plans of adding 50,000sq.ft.+ of new shop floor area at its Gujarat facility.
- Aerolloy Technologies signed a long-term agreement with Honeywell Aerospace for titanium and superalloy castings.
- Received an order from VSSC (ISRO) for supply of double VAR melted aerospace-grade titanium ingots.
- Aerolloy Technologies completed the installation of Plasma Arc Melting Furnace at Lucknow facility.
- Aerolloy Technologies signed MoUs with Ministry of Steel under PLI scheme 1.2 for titanium alloys and super alloys.

Exhibit 1: PTC Industries' Q3FY26 performance review

(INR mn)	Q3FY26	Q3FY25	% Chg YoY	Q2FY26	% Chg QoQ	9MFY26	9MFY25	% Chg YoY
Net sales	**1,555**	**669**	*132.4*	**1,246**	*24.8*	**3,773**	**1,862**	*102.7*
Gross Margin	1,209	529	*128.7*	1,086	*11.3*	3,144	1,466	*114.4*
Gross Margin (%)	*77.7*	*79.0*	*(1.3)*	*87.1*		83.3	78.8	
Employee cost	387	109	256.3	357	8.4	1,084	266	308.1
Other expenditure	574	267	114.8	471	21.8	1,467	735	99.5
EBITDA	**248**	**153**	62.2	**257**	(3.8)	**593**	**465**	27.3
Margin (%)	15.9	22.8	(6.9)	20.6		15.7	25.0	
Other Income	99	102	(2.8)	82	20.7	205	223	(8.1)
Depreciation	94	54	73.7	91	3.1	271	138	97.1
EBIT	253	200	26.1	248	1.8	526	550	(4.4)
Interest	27	10	177.8	19	45.6	62	76	(17.7)
PBT	**226**	**186**	21.1	**230**	(1.7)	**546**	**470**	16.1
Tax expense:	42	44	(5.2)	48	(13.8)	129	106	21.8
PAT	**184**	**142**	29.2	**181**	1.5	**417**	**364**	14.4

Source: I-Sec research, Company data

Exhibit 2: Shareholding pattern

%	Jun'25	Sep'25	Dec'25
Promoters	59.8	59.8	59.7
Institutional investors	11.1	11.9	12.3
MFs and others	6.0	6.5	6.5
FIs/Banks	0.0	0.0	0.0
Insurance	0.0	0.1	0.0
FIIs	5.1	5.3	5.8
Others	29.1	28.3	28.0

Source: Bloomberg, I-Sec research

Exhibit 3: Price chart

Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 4: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Net Sales	**3,080**	**7,297**	**12,175**	**24,066**
Operating Expenses	1,794	3,341	4,623	7,814
EBITDA	**752**	**1,304**	**3,276**	**8,209**
EBITDA Margin (%)	24.4	17.9	26.9	34.1
Depreciation & Amortization	213	365	530	668
EBIT	539	939	2,746	7,541
Interest expenditure	-	-	-	-
Other Non-operating Income	342	359	323	290
Recurring PBT	**792**	**1,168**	**2,926**	**7,674**
Profit / (Loss) from Associates	**-**	**-**	**-**	**-**
Less: Taxes	173	234	527	1,381
PAT	619	934	2,399	6,293
Less: Minority Interest	-	-	-	-
Extraordinaries (Net)	-	-	-	-
Net Income (Reported)	**610**	**934**	**2,399**	**6,293**
Net Income (Adjusted)	**610**	**934**	**2,399**	**6,293**

Source Company data, I-Sec research

Exhibit 5: Balance sheet

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Total Current Assets	8,256	8,090	9,194	14,561
of which cash & cash eqv.	3,818	4,087	2,958	2,442
Total Current Liabilities & Provisions	1,078	1,347	2,021	2,927
Net Current Assets	**7,177**	**6,744**	**7,173**	**11,633**
Investments	45	45	45	45
Net Fixed Assets	3,828	4,764	7,234	9,066
ROU Assets	-	-	-	-
Capital Work-in-Progress	1,849	3,422	2,922	2,922
Total Intangible Assets	647	647	647	647
Other assets	1,121	1,121	1,121	1,121
Deferred Tax Assets	37	37	37	37
Total Assets	**14,760**	**16,835**	**19,234**	**25,527**
Liabilities				
Borrowings	**608**	**1,550**	**1,550**	**1,550**
Deferred Tax Liability	**204**	**204**	**204**	**204**
provisions	10	10	10	10
other Liabilities	71	71	71	71
Equity Share Capital	150	150	150	150
Reserves & Surplus	13,717	14,850	17,249	23,542
Total Net Worth	**13,867**	**15,000**	**17,399**	**23,692**
Minority Interest	-	-	-	-
Total Liabilities	**14,760**	**16,835**	**19,234**	**25,527**

Source Company data, I-Sec research

Exhibit 6: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26E	FY27E	FY28E
Operating Cashflow	**(72)**	**2,131**	**1,515**	**2,141**
Working Capital Changes	(1,019)	702	(1,558)	(4,977)
Capital Commitments	(2,640)	(2,874)	(2,500)	(2,500)
Free Cashflow	**(2,712)**	**(743)**	**(985)**	**(359)**
Other investing cashflow	**(538)**	**-**	**-**	**-**
Cashflow from Investing Activities	(3,178)	(2,874)	(2,500)	(2,500)
Issue of Share Capital	7,411	1,134	2,399	6,293
Interest Cost	(89)	(130)	(143)	(157)
Inc (Dec) in Borrowings	(1,221)	942	-	-
Dividend paid	-	-	-	-
Others	(610)	(934)	(2,399)	(6,293)
Cash flow from Financing Activities	5,491	1,011	(143)	(157)
Chg. in Cash & Bank balance	**2,241**	**269**	**(1,128)**	**(517)**
Closing cash & balance	3,818	4,087	2,958	2,442

Source Company data, I-Sec research

Exhibit 7: Key ratios

(Year ending March)

	FY25A	FY26E	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	41.3	62.3	160.1	420.0
Adjusted EPS (Diluted)	40.7	62.3	160.1	420.0
Cash EPS	54.9	86.7	195.5	464.5
Dividend per share (DPS)	-	-	-	-
Book Value per share (BV)	925.4	1,001.1	1,161.2	1,581.1
Dividend Payout (%)	-	-	-	-
Growth (%)				
Net Sales	19.9	136.9	66.8	97.7
EBITDA	3.6	73.4	151.2	150.6
EPS (INR)	41.4	50.8	156.8	162.3
Valuation Ratios (x)				
P/E	435.6	288.8	112.4	42.9
P/CEPS	327.8	207.6	92.1	38.8
P/BV	19.5	18.0	15.5	11.4
EV / EBITDA	293.4	204.9	81.9	32.8
P / Sales	87.6	37.0	22.2	11.2
Dividend Yield (%)	-	-	-	-
Operating Ratios				
Gross Profit Margins (%)	82.7	63.7	64.9	66.6
EBITDA Margins (%)	24.4	17.9	26.9	34.1
Effective Tax Rate (%)	21.8	20.0	18.0	18.0
Net Profit Margins (%)	20.1	12.8	19.7	26.1
NWC / Total Assets (%)	-	-	-	-
Net Debt / Equity (x)	(0.2)	(0.2)	(0.1)	0.0
Net Debt / EBITDA (x)	(4.3)	(2.0)	(0.4)	(0.1)
Profitability Ratios				
RoCE (%)	7.6	8.2	17.0	35.0
RoE (%)	6.4	6.5	14.8	30.6
RoIC (%)	7.8	8.8	17.4	32.7
Fixed Asset Turnover (x)	-	-	-	-
Inventory Turnover Days	291	144	151	171
Receivables Days	201	117	108	111
Payables Days	68	64	69	59

Source Company data, I-Sec research

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