



Jan-Mar'25 Earnings Preview

April 4, 2025

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
Avalon Technologies	Acc	807	900
Cyient DLM	BUY	455	692
Kaynes Technology India	Acc	4,956	5,528
Syrma SGS Technology	BUY	469	629

Source: PL Acc=Accumulate

Top Picks

Kaynes Technology India

Robust growth continues with margin expansion

Electronics manufacturing services (EMS) companies continue to see healthy revenue growth despite a high base. In 4QFY25, we expect EMS coverage companies to see strong revenue growth on account of (1) healthy order flow and execution, (2) customer addition, (3) diversification in sector penetration, and (4) wide product portfolio. The coverage companies are focusing on higher margin orders/sectors, which is driving their operating margins.

We expect our EMS universe to register sales/EBITDA/PAT growth of 38.2%/52.6%/44.0% YoY, on the back of robust order execution and margin improvement led by cost rationalization and increased contribution from high-margin segments. We continue our positive view on EMS companies with healthy growth and continuously expanding opportunity market. Kaynes Technologies continues to be our top pick.

EMS sector to see robust revenue growth: EMS companies under our coverage universe are expected to report strong revenue growth of 38.2% YoY, as H2 has been historically strong. Avalon Technologies (AVAL) is expected to grow by 39.6% YoY, with Mobility/industrial/clean energy segments growing by 45%/47%/55% YoY. Cyient DLM (CYIENTDL) revenue is likely to grow by 36.2% YoY with continued addition of global clients and consolidation of Altek, which is expected to contribute 19% to the topline. Kaynes Technology India (KAYNES) is expected to grow by 53.4% YoY, driven by Automotive/industrial/aerospace. Syrma SGS Technology (SYRMA) revenue is expected to grow by 30.1% YoY, driven by the IT/Auto/industrial sectors, SYRMA's margins are expected to contract sequentially due to the PLI benefits received in Q3FY25 and a change in segment mix.

In 4QFY25, the coverage companies are expected to see margin expansion due to cost rationalization and increased contributions from high-margin sectors/segments, except for CYIENTDL where EBITDA margin expected ~94bps YoY contraction. AVAL/KAYNES/SYRMA are expected to see margin improvements of ~244/56/109bps YoY.

With strong revenue growth and margin improvement, the coverage companies are expected to report healthy profitability. AVAL / CYIENTDL / KAYNES / SYRMA are expected to see PAT growth of 135.0% / 27.8% / 26.1% / 77.9% YoY.

Impact of US Reciprocal Tariffs on EMS Players:

The US reciprocal tariffs are expected to have a limited impact on Indian EMS companies. Avalon Technologies, with 58% revenue from the USA, anticipates minimal risk as tariffs on peer countries are higher, and any costs can be passed on to customers, without impacting margins. Cyient DLM, with 20% revenue from the USA, primarily exports PCBAs to the aerospace and industrial segments, Kaynes Technology, with 5-6% revenue exposure to the USA, sees the impact depending on tariff applicability across modules, components, or full units. However, semiconductor exemptions and APAC dominance in OSAT business further reduce risks towards KAYNES's OSAT business in future.

Key changes in ratings/TP: We have downgraded our rating for Avalon Technologies/ Kaynes Technology India from 'BUY' to 'Accumulate', due to uptick in stock prices.

Praveen Sahay

praveensahay@plindia.com | 91-22-66322369

Rahul Shah

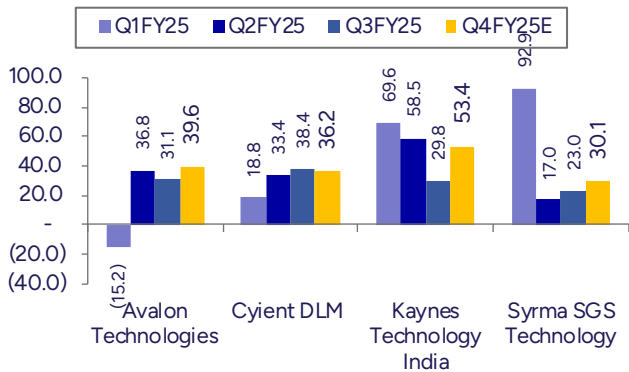
rahulshah@plindia.com | 91-22-66322274

Exhibit 2: Coverage companies' financials

	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25E	YoY gr. (%)
Revenue (Rs mn)										
Avalon Technologies	2,718	2,351	2,010	2,143	2,168	1,995	2,750	2,809	3,028	39.6
Cyient DLM	2,774	2,171	2,918	3,210	3,618	2,579	3,895	4,442	4,929	36.2
Kaynes Technology India	3,646	2,972	3,608	5,093	6,373	5,040	5,721	6,612	9,776	53.4
Syrma SGS Technology	6,795	6,013	7,117	7,067	11,341	11,599	8,327	8,692	14,754	30.1
EBITDA margin (%)										
Avalon Technologies	15.1	6.9	6.3	7.7	7.9	2.2	11.0	12.3	10.4	244 bps
Cyient DLM	11.5	9.2	8.1	9.2	10.5	7.8	7.8	6.3	9.6	-93
Kaynes Technology India	16.3	13.5	13.5	13.7	14.9	13.3	14.4	14.2	15.5	56
Syrma SGS Technology	8.5	6.1	6.9	5.5	6.5	3.8	8.5	9.1	7.6	108
PAT (Rs mn)										
Avalon Technologies	227	71	73	66	71	-23	175	240	166	135.0
Cyient DLM	126	54	147	184	228	106	155	110	291	27.8
Kaynes Technology India	413	246	323	452	813	508	602	665	1,025	26.1
Syrma SGS Technology	423	285	297	203	349	203	396	422	622	77.9

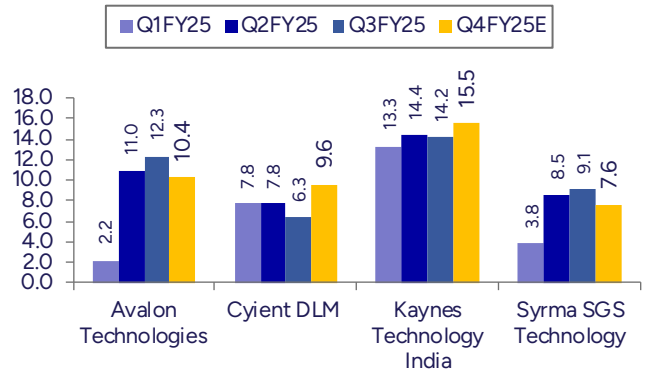
Source: Company, PL

Exhibit 3: Robust revenue growth of 38.2% YoY in Q4FY25E



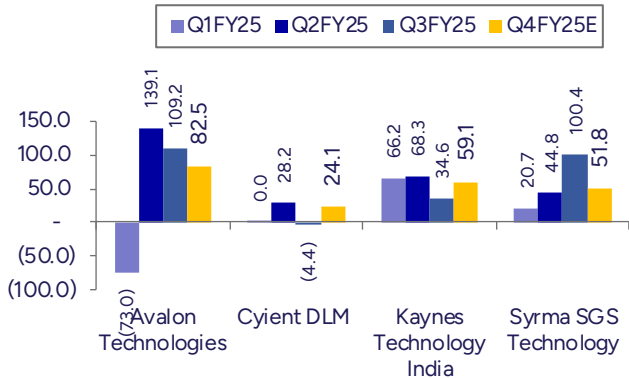
Source: Company, PL

Exhibit 4: EBITDA margin to see ~99bps improvement



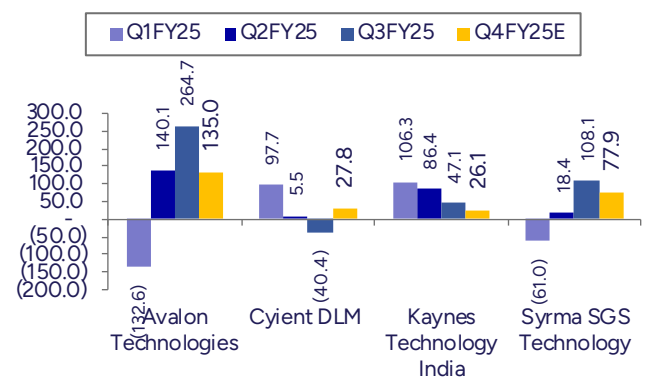
Source: Company, PL

Exhibit 5: Healthy EBITDA growth of 52.6% YoY



Source: Company, PL

Exhibit 6: PAT growth of 44.0% YoY



Source: Company, PL

Exhibit 7: Q4FY25 Result Preview

Company Name		Q4FY25E	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	Remark
Avalon Technologies	Sales	3,028	2,168	39.6	2,809	7.8	
	EBITDA	314	172	82.5	346	(9.4)	We expect sales growth of 39.6% YoY.
	Margin (%)	10.4	7.9	244 bps	12.3	-196 bps	Mobility/Industrial/Clean Energy segment to grow by 45%/47%/55% YoY. EBITDA margin to expand by ~244 bps and PAT to grow by 135%
	PBT	232	99	133.1	327	(29.2)	
	Adj. PAT	166	71	135.0	240	(30.8)	
Cyient DLM	Sales	4,929	3,618	36.2	4,442	11.0	
	EBITDA	472	380	24.1	281	67.9	We expect sales to grow by 36.2% YoY. Medtech/Industrial to grow by 241%/142% YoY. Margin is expected to contracted by ~94bps to 9.6%. PAT is expected to grow by 27.8%.
	Margin (%)	9.6	10.5	-93 bps	6.3	325 bps	
	PBT	396	307	29.0	150	163.9	
	Adj. PAT	291	228	27.8	110	164.9	
Kaynes Technology India	Sales	9,776	6,373	53.4	6,612	47.9	
	EBITDA	1,515	952	59.1	940	61.2	We expect sales growth of 53.4% YoY. Automotive/Industrial/Aerospace to grow by 56%/54%/46% YoY. Margins to expand by 55.64bps to 15.5%. PAT to grow by 26.1% YoY
	Margin (%)	15.5	14.9	56 bps	14.2	128 bps	
	PBT	1,346	1,019	32.0	808	66.5	
	Adj. PAT	1,025	813	26.1	665	54.2	
Syrma SGS Technology	Sales	14,754	11,341	30.1	8,692	69.7	
	EBITDA	1,119	737	51.8	791	41.5	We expect sales to grow by 22.4% YOY. IT/Auto/Industrial to grow by 52%/89%/43% YoY. Margin is expected to expand by ~109bps to 7.6%. PAT to grow by 65.8%
	Margin (%)	7.6	6.5	108 bps	9.1	-151 bps	
	PBT	840	612	37.3	657	27.9	
	Adj. PAT	622	349	77.9	422	47.3	

Source: Company, PL

Exhibit 8: Valuation Summary

Company Names	S/C	Rating	CMP (Rs)	TP (Rs)	M Cap (Rs bn)	Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)				RoE (%)				PE (x)			
						FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E
Avalon Technologies	C	Acc	807	900	53.3	8,672	10,581	13,713	17,369	625	1,005	1,508	2,102	280	568	915	1,309	4.3	8.6	13.9	19.8	5.2	9.9	14.1	17.2	189.5	93.8	58.2	40.7
Cyient DLM	C	BUY	455	692	36.1	11,919	15,845	20,094	25,765	1,110	1,276	1,929	2,731	612	676	1,240	1,829	7.7	8.5	15.6	23.1	11.1	7.1	11.7	15.1	59.0	53.4	29.1	19.7
Kaynes Technology India	C	Acc	4,956	5,528	317.2	18,046	27,149	43,175	62,580	2,542	3,966	6,778	10,075	1,833	2,820	3,805	5,906	28.7	44.1	59.4	92.3	10.6	10.4	12.2	16.4	172.8	112.5	83.4	53.7
Syrma SGS Technology	C	BUY	469	629	83.6	31,538	43,372	58,596	77,743	1,985	3,072	4,138	5,491	1,073	1,542	1,997	2,800	6.0	8.7	11.2	15.7	6.8	9.2	10.9	13.7	77.6	54.2	41.9	29.9

Source: Company, PL

Acc=Accumulate / S=Standalone / C=Consolidated

Exhibit 9: Change in Estimates

	Rating		Target Price			Sales						PAT						EPS					
					% Chng.	FY25E			FY26E			FY25E			FY26E			FY25E			FY26E		
	C	P	C	P		C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Avalon Technologies	Acc	BUY	900	900	0.0%	10,581	10,581	0.0%	13,713	13,713	0.0%	568	568	0.0%	915	915	0.0%	8.6	8.6	0.0%	13.9	13.9	0.0%
Cyient DLM	BUY	BUY	692	692	0.0%	15,845	15,845	0.0%	20,094	20,094	0.0%	676	676	0.0%	1,240	1,240	0.0%	8.5	8.5	0.0%	15.6	15.6	0.0%
Kaynes Technology India	Acc	BUY	5,528	5,528	0.0%	27,149	27,149	0.0%	43,175	43,175	0.0%	2,820	2,820	0.0%	3,805	3,805	0.0%	44.1	44.1	0.0%	59.4	59.4	0.0%
Syrma SGS Technology	BUY	BUY	629	629	0.0%	43,372	43,372	0.0%	58,596	58,596	0.0%	1,542	1,542	0.0%	1,997	1,997	0.0%	8.7	8.7	-0.4%	11.2	11.3	-0.4%

Source: Company, PL

Acc=Accumulate / C=Current / P=Previous

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	BUY	1,808	1,470
2	Avalon Technologies	BUY	900	733
3	Bajaj Electricals	Hold	552	551
4	Cello World	BUY	770	545
5	Century Plyboard (I)	Hold	811	804
6	Cera Sanitaryware	BUY	7,456	5,651
7	Crompton Greaves Consumer Electricals	BUY	440	339
8	Cyient DLM	BUY	692	515
9	Finolex Industries	Accumulate	229	195
10	Greenpanel Industries	Hold	373	352
11	Havells India	BUY	1,750	1,513
12	Kajaria Ceramics	BUY	1,224	960
13	Kaynes Technology India	BUY	5,528	4,661
14	KEI Industries	BUY	4,278	2,880
15	Polycab India	BUY	7,152	5,286
16	R R Kabel	BUY	1,292	944
17	Supreme Industries	Accumulate	3,748	3,533
18	Syrma SGS Technology	BUY	629	505
19	Voltas	BUY	1,593	1,345

PL's Recommendation Nomenclature

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

ANALYST CERTIFICATION

(Indian Clients)

We/I Mr. Praveen Sahay- MBA Finance, Mr. Rahul Shah- MBA Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Praveen Sahay- MBA Finance, Mr. Rahul Shah- MBA Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com