

# Electronic Manufacturing Services

Apr-Jun'26  
Earnings  
Preview

July 06, 2026

## Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
Amber Enterprises India	BUY	7,485	9,375
Avalon Technologies	Reduce	1,788	1,374
Cyient DLM	HOLD	509	532
Kaynes Technology India	Accumulate	3,334	3,506
Syrma SGS Technology	HOLD	1,376	1,383

## Revenue Momentum to Remain Intact, Margins Soft

### Quick Pointers

- EMS universe is expected to report 24.2% YoY revenue growth in Q1FY27, led by strong execution across players.
- AMBER is likely to growth moderating to 16% YoY, dragged by single-digit growth in the CD segment.

Electronics manufacturing services (EMS) companies under our coverage are expected to post healthy YoY revenue growth of 24.2% in Q1FY27, driven by strong revenue momentum in CYIENTDL, SYRMA and AVAL, with YoY revenue growth of 26.4%, 52.1% and 27.0%, respectively. We expect margins to contract by 20bps to 8.8% for the EMS universe. Overall, profit is expected to grow 26.5% YoY. We expect SYRMA to outperform in terms of both revenue and earnings growth. Looking ahead, we expect pickup in order book across companies, supported by their strategic focus on higher margin sectors and orders, which should further support margin expansion in the coming quarters.

We expect our EMS universe to register sales/EBITDA/PAT growth of 24.2%/21.3%/26.5% YoY in Q1FY27, on the back of robust order execution, while margins are likely to contract due to RM cost inflation. We continue our positive view on EMS companies that will see healthy growth and continuous expansion in opportunity market.

**EMS coverage universe to maintain healthy growth:** Our EMS coverage companies focused on PCBA & box-build manufacturing (incl. AMBER's Electronics segment) are expected to report healthy revenue growth of 36.5% YoY in Q1FY27. AMBER's EMS business is likely to post 35.0% growth with consolidation of inorganic expansion. SYRMA's revenue is expected to grow by 52.0% YoY, driven by the Auto/Industrial/Consumer segments, which are likely to grow by 55%/50%/55% and contribute ~24%/30%/34% to the topline. SYRMA is likely to outperform, driven by strong revenue growth and robust earnings growth, with EBITDA/PAT rising 57.5%/85.0% YoY. EBITDA margin is expected to improve marginally to 9.5% from 9.2%.

AVAL is expected to grow by 27.0% YoY, with Mobility/Industrial/Clean Energy segments growing by 32%/35%/41% YoY. CYIENTDL is expected to report revenue growth of 26.4% YoY, driven by strong growth in the Industrial (~25%) and Aerospace (~35%) segments. Healthy order momentum is expected to continue, supported by a book-to-bill ratio of 1.3x and normalization of the export business.

KAYNES is expected to report moderate revenue growth of 25.0% YoY, driven by healthy performance across most segments. However, Automotive growth is likely to moderate to ~18% YoY due to weakness in the 4W segment, while the Smart Metering business is expected to remain subdued owing to the company's strategic focus on the higher margin product business over lower margin EPC projects, along with slower order inflows.

In Q1FY27, margins across the coverage universe are expected to contract by ~20bps YoY to 8.8%, due to KAYNES, which is likely to see margin contraction of 200bps YoY to 14.8%. This is on a high base, as the company had reported EBITDA margins of 16.8% in Q1FY26.

AMBER/AVAL/CYIENYDL/SYRMA are expected to see PAT growth of 25.3%/69.4%/109%/85.1% YoY. However, in KAYNES PAT is expected to decline by 27.3% YoY, primarily due to margin contraction.

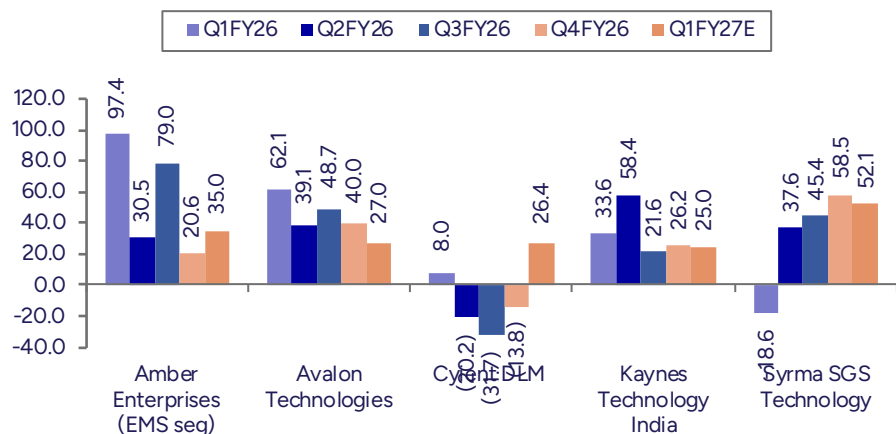
**Key changes in ratings/TP:** We have revised upward our FY28E earnings estimates for SYRMA, while maintaining our estimates for the remaining companies in our EMS coverage. We have retained our existing ratings across the coverage universe, except for AVAL, which has been downgraded to 'REDUCE' from 'HOLD' following the recent sharp run-up in stock price.

Exhibit 1: Coverage companies' financials

	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27E	YoY gr. (%)
<b>Revenue (INR mn)</b>										
Amber Enterprises	24013	16847	21333	37537	34491	16470	29428	41475	40025	16.0
Avalon Technologies	1,995	2,750	2,809	3,428	3,233	3,825	4,175	4,799	4,106	27.0
Cyient DLM	2,579	3,895	4,442	4,281	2,784	3,106	3,033	3,691	3,518	26.4
Kaynes Technology India	5,040	5,721	6,612	9,845	6,735	9,062	8,040	12,426	8,418	25.0
Syrma SGS Technology	11,599	8,327	8,697	9,244	9,440	11,459	12,642	14,650	14,361	52.1
<b>EBITDA margin (%)</b>										
										<i>bps change</i>
Amber Enterprises	8.2	6.8	7.4	7.9	7.4	5.5	8.4	8.6	7.2	-24
Avalon Technologies	2.2	11.0	12.3	12.1	9.2	10.1	11.5	11.8	9.5	28
Cyient DLM	7.8	8.1	6.3	13.4	9.0	10.0	10.2	11.7	9.2	20
Kaynes Technology India	13.3	14.4	14.2	17.1	16.8	16.3	14.8	15.6	14.8	-201
Syrma SGS Technology	3.8	8.5	9.1	11.6	9.2	10.1	12.6	11.9	9.5	32
<b>PAT (INR mn)</b>										
										<i>YoY gr. (%)</i>
Amber Enterprises	723	192	359	1,161	1,039	-329	-272	1,339	1,302	25.3
Avalon Technologies	-23	175	240	243	142	250	326	412	241	69.4
Cyient DLM	106	155	110	310	75	321	112	239	156	108.8
Kaynes Technology India	508	602	665	1,162	746	1,214	766	912	543	-27.3
Syrma SGS Technology	203	396	380	654	497	641	1,028	1,012	920	85.1

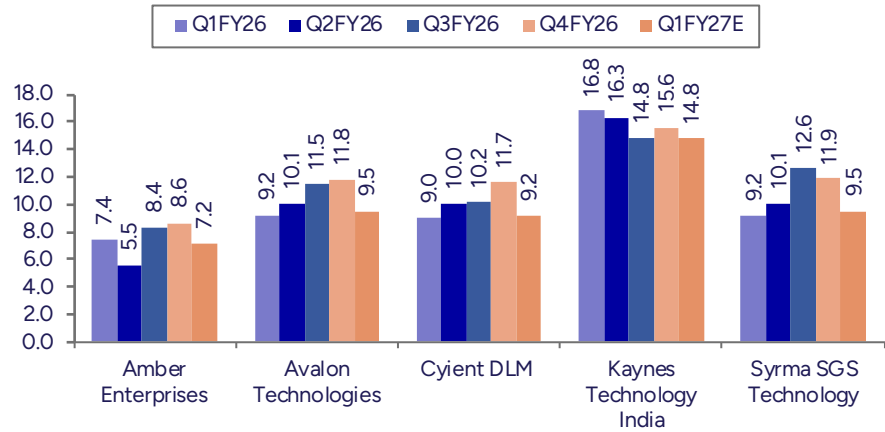
Source: Company, PL

Exhibit 2: Healthy revenue growth of 24.2% YoY in Q1FY27E



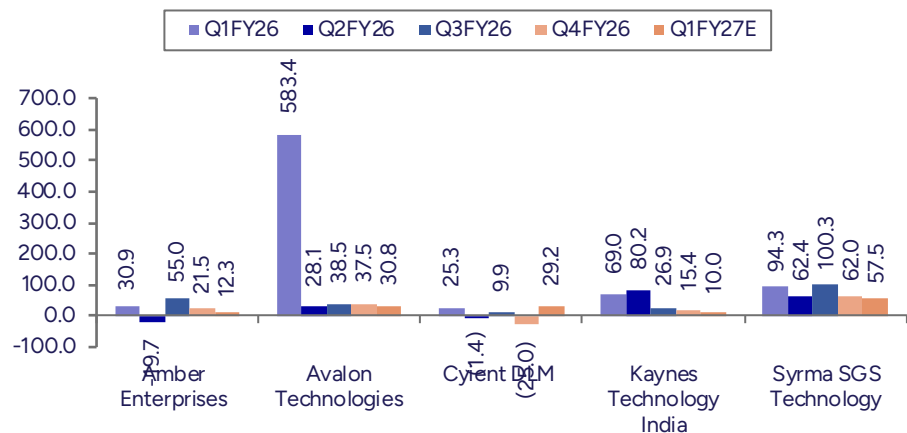
Source: Company, PL

Exhibit 3: EBITDA margin to contract by ~20bps to 8.8% YoY



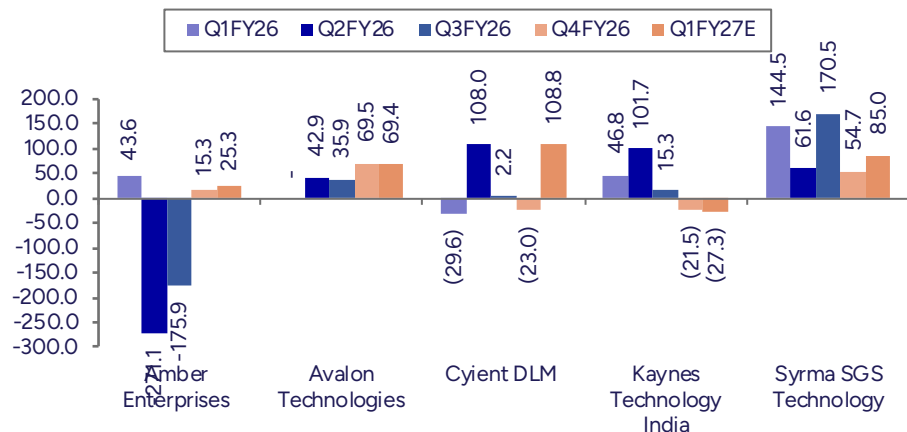
Source: Company, PL

Exhibit 4: Healthy EBITDA growth of 21.3% YoY



Source: Company, PL

Exhibit 5: PAT growth of 26.5% YoY with margin of 4.5%



Source: Company, PL

## Exhibit 6: Q1FY27 Result Preview (INR mn)

Company Name		Q1FY27E	Q1Y26	YoY gr. (%)	Q4FY26	QoQ gr. (%)	Remark
Amber Enterprises India	Sales	40,025	34,491	16.0	41,475	(3.5)	
	EBITDA	2,882	2,567	12.3	3,582	(19.6)	We expect sales to grow by 16.0% YoY. CD/Electronics/Railway segment revenue to grow by 7.0%/35.0%/25.0% YoY. EBITDA margin to remain stable at 7.2% and PAT to grow by 25.3% YoY
	Margin (%)	7.2	7.4	-24 bps	8.6	-144 bps	
	PBT	1,537	1,612	(4.6)	2,143	(28.3)	
	Adj. PAT	1,302	1,039	25.3	1,339	(2.8)	
Avalon Technologies	Sales	4,106	3,233	27.0	4,799	(14.4)	
	EBITDA	391	299	30.8	569	(31.2)	We expect sales growth of 27.0% YoY. Mobility/Industrial/Clean Energy segment to grow by 32%/35%/41% YoY. EBITDA margin to expand by ~30 bps to 9.5%. PAT is expected to grow by 69.4% YoY
	Margin (%)	9.5	9.2	28 bps	11.8	-233 bps	
	PBT	323	193	67.4	563	(42.6)	
	Adj. PAT	241	142	69.4	412	(41.5)	
Cyient DLM	Sales	3,518	2,784	26.4	3,691	(4.7)	
	EBITDA	324	251	29.2	431	(24.9)	We expects sales to grow by 26.4% YoY. Margins are expected to remained flat at 9.2% YoY. PAT expected to increase by ~109% YoY.
	Margin (%)	9.2	9.0	20 bps	11.7	-247 bps	
	PBT	211	101	108.5	317	(33.5)	
	Adj. PAT	156	75	108.8	239	(34.8)	
Kaynes Technology India	Sales	8,418	6,735	25.0	12,426	(32.3)	We expect sales to grow 25.0% YoY, led by strong performance across segments — Automotive/Railways/Medical/IT/Aerospace is expected to grow by 18.1%/37.5%/150%/175%/275% YoY, respectively. Margins are likely to contract by 200bps to 14.8%, with PAT expected to decline by 27.3% YoY.
	EBITDA	1,244	1,130	10.0	1,937	(35.8)	
	Margin (%)	14.8	16.8	-201 bps	15.6	-81 bps	
	PBT	705	961	(26.7)	1,403	(49.8)	
	Adj. PAT	543	746	(27.3)	912	(40.5)	
Syrma SGS Technology	Sales	14,361	9,440	52.1	14,650	(2.0)	
	EBITDA	1,364	866	57.5	1,741	(21.7)	We expect sales to grow by 52.1% YOY. Auto/Industrial/Consumer to grow by 55%/50%/55% YoY respectively. Margin is expected to expand by ~30bps to 9.5%. PAT to grow by 85.0% YoY
	Margin (%)	9.5	9.2	32 bps	11.9	-239 bps	
	PBT	1,151	671	71.4	1,516	(24.1)	
	Adj. PAT	920	497	85.0	1,012	(9.1)	

Source: Company, PL

**Exhibit 7: Valuation Summary**

Company Name	C/S	Rating	CMP (INR)	TP (INR)	Mcap (INR bn)	Sales (INR mn)				EBITDA (INR mn)				Adj. PAT (INR mn)				EPS (INR)				RoE (%)				PE (x)			
						FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E
Amber Enterprises India	C	BUY	7,485	9,375	263.4	99,730	1,21,865	1,51,487	2,46,864	7,634	9,523	12,770	16,861	2,436	2,167	5,013	7,079	72.0	61.6	142.4	201.2	11.2	6.5	10.3	12.5	103.9	121.5	52.5	37.2
Avalon Technologies	C	Reduce	1,788	1,374	119.4	10,981	16,032	21,012	27,297	1,149	1,733	2,311	3,085	634	1,129	1,520	2,036	9.6	16.9	22.8	30.5	10.9	16.9	19.1	20.9	186.5	105.7	78.6	58.6
Cyient DLM	C	HOLD	509	532	40.4	15,196	12,615	16,355	21,335	1,372	1,268	1,668	2,219	681	733	939	1,224	8.6	9.2	11.8	15.4	7.3	7.5	8.7	10.1	59.3	55.2	43.1	33.0
Kaynes Technology India	C	Accumulate	3,334	3,506	223.5	27,218	36,264	49,353	70,080	4,107	5,741	7,600	10,862	2,934	3,639	4,151	5,809	45.8	54.3	61.9	86.7	11.0	9.6	8.4	10.7	72.8	61.4	53.8	38.5
Syrma SGS Technology	C	HOLD	1,376	1,383	265.1	37,867	48,191	71,265	88,622	3,233	5,445	7,503	9,330	1,699	3,178	4,763	5,921	9.5	16.5	24.7	30.7	10.1	13.8	15.0	15.7	144.2	83.4	55.7	44.8

Source: Company, PL C=Consolidated / S=Standalone

**Exhibit 8: Change in Estimates**

	Rating		Target Price			Sales (INR mn)						PAT (INR mn)						EPS (INR)					
	C	P	C	P	% Chng.	FY27E			FY28E			FY27E			FY28E			FY27E			FY28E		
						C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Amber Enterprises India	BUY	BUY	9,375	9,375	0.0%	1,51,487	1,51,487	0.0%	2,46,864	2,46,864	0.0%	5,013	5,013	0.0%	7,079	7,079	0.0%	142.4	142.4	0.0%	201.2	201.2	0.0%
Avalon Technologies	Reduce	HOLD	1,374	1,233	11.4%	21,012	21,012	0.0%	27,297	27,297	0.0%	1,520	1,520	0.0%	2,036	2,036	0.0%	22.8	22.8	0.0%	30.5	30.5	0.0%
Cyient DLM	HOLD	HOLD	532	370	43.8%	16,355	16,355	0.0%	21,335	21,335	0.0%	939	939	0.0%	1,224	1,224	0.0%	11.8	11.8	0.0%	15.4	15.4	0.0%
Kaynes Technology India	Accumulate	Accumulate	3,506	3,506	0.0%	49,353	49,353	0.0%	70,080	70,080	0.0%	4,151	4,151	0.0%	5,809	5,809	0.0%	61.9	61.9	0.0%	86.7	86.7	0.0%
Syrma SGS Technology	HOLD	HOLD	1,383	1,128	22.6%	71,265	65,594	8.6%	88,622	85,624	3.5%	4,763	4,318	10.3%	5,921	5,432	9.0%	24.7	22.4	10.3%	30.7	28.2	9.0%

Source: PL C = Current / P = Previous

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Amber Enterprises India	BUY	9375	7889
2	Astral	BUY	1779	1363
3	Avalon Technologies	Hold	1233	1256
4	Bajaj Electricals	Accumulate	382	329
5	Blue Star	BUY	1873	1583
6	Cello World	BUY	503	367
7	Century Plyboard (I)	Accumulate	862	749
8	Cera Sanitaryware	BUY	7430	6476
9	Crompton Greaves Consumer Electricals	BUY	319	271
10	Cyient DLM	HOLD	370	358
11	Finolex Industries	Accumulate	207	176
12	Greenpanel Industries	BUY	325	190
13	Havells India	Accumulate	1328	1181
14	Kajaria Ceramics	Accumulate	1338	1204
15	Kaynes Technology India	Accumulate	3506	3337
16	KEI Industries	Accumulate	5650	5271
17	LG Electronics India	Accumulate	1690	1548
18	Polycab India	Accumulate	10503	9549
19	Premier Energies	HOLD	1138	1087
20	R R Kabel	Hold	1964	2343
21	Supreme Industries	BUY	4454	3276
22	Syrma SGS Technology	Hold	1128	1075
23	Vikram Solar	Accumulate	226	215
24	Voltas	Hold	1308	1280
25	Waaree Energies	Buy	3713	3230

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>BUY</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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