SECTOR RATING: Overweight

Apr-Jun'26 Earnings Preview

Education

July 08, 2026

Coverage Universe

Name of the Company	Rating	CMP (INR)	TP (INR)
DOMS Industries	Buy	2,307	2,850
Flair Writing Industries	Buy	261	406

RM inflation to weigh on margins

Quick Pointers

- EBITDA of our stationery coverage universe to decline 7.8% YoY in Q1FY27E

While education companies under our coverage are expected to report 15.9% YoY growth in topline, persistent raw material inflation is likely to weigh on profitability across the sector. DOMS IN is likely to report 18.5% YoY growth in topline led by the core stationery business. However, FLAIR IN is likely to report modest growth of 10.8% YoY amid export headwinds arising from the geopolitical tensions in West Asia.

Margin pressure is expected to persist given elevated crude-linked input costs, with DOMS IN's EBITDA margin likely to contract 430bps YoY to 13.3% while FLAIR IN's EBITDA margin is likely to decline 220bps YoY to 15.0%. We believe margin headwinds are transitory as raw material prices have started softening and mid-single digit price hike has been taken by both the players. Retain 'BUY' on DOMS IN with TP of INR2,850 and FLAIR IN with TP of INR406.

EBITDA margin of DOMS IN to contract by 430bps to 13.3%: DOMS IN is likely to report 18.5% YoY growth in topline to INR6,665mn in 1QFY27E. The core stationery revenue is likely to grow by 18.8% YoY to INR6,252mn. On the other hand, hygiene business is expected to report a revenue growth of 14.8% YoY to INR414mn. EBITDA margin is likely to contract by 430bps YoY to 13.3% on the back of raw material inflation. We cut our EPS estimates by 9% for FY27E on the back of weak margin performance anticipated in 1QFY27E. We retain 'BUY' on the stock with TP of INR2,850 (50x FY28E EPS; no change in target multiple).

FLAIR IN's topline growth to be impacted by export headwinds: We expect FLAIR IN's topline to increase by 10.8% YoY to INR3,197mn amid weak export performance due to the geopolitical challenges in West Asia. On the other hand, EBITDA margin is expected to contract by 220bps YoY to 15.0%, reflecting the impact of rising crude derivative prices. We retain 'BUY' on the stock with TP of INR406 (23x FY28E EPS; no change in target multiple).

Jinesh Joshi
jineshjoshi@plindia.com | +91-22-66322238

Stuti Beria
stutiberia@plindia.com | +91-22-66322246

Dhvanit Shah
dhvanitshah@plindia.com | +91-22-66322258

Exhibit 1: Q1FY27 Result Preview (INR mn)

Company Name		Q1FY27E	Q1FY26	*YoY gr. (%)*	Q4FY26	*QoQ gr. (%)*	Remark
DOMS Industries	Sales	6,665	5,623	*18.5*	6,040	*10.4*	We expect DOMS IN's topline to increase 18.5% YoY to INR6,665mn. The core stationery business is expected to report top-line growth of 18.8% YoY to INR6,252mn while the hygiene business is expected to register a growth of 14.8% YoY to INR414mn. Overall, EBITDA margin is expected to decline to 13.3% for the quarter due to raw material price inflation.
	EBITDA	886	987	*(10.2)*	1,009	*(12.2)*	
	Margin (%)	*13.3*	*17.6*	*-427 bps*	*16.7*	*-342 bps*	
	PBT	665	793	*(16.2)*	789	*(15.7)*	
	Adj. PAT	460	573	*(19.6)*	567	*(18.9)*	
Flair Writing Industries	Sales	3,197	2,885	*10.8*	3,230	*(1.0)*	We expect FLAIR IN's topline to increase by 10.8% YoY to INR3,197mn impacted by weak stationery exports amid ongoing geopolitical challenges in West Asia. Further, EBITDA margin is expected to decline to 15.0% reflecting the impact of cost inflation.
	EBITDA	480	495	*(3.2)*	577	*(16.9)*	
	Margin (%)	*15.0*	*17.2*	*-217 bps*	*17.9*	*-287 bps*	
	PBT	363	388	*(6.6)*	486	*(25.4)*	
	Adj. PAT	269	286	*(5.9)*	358	*(24.8)*	

Source: Company, PL

Exhibit 2: 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	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
DOMS Industries	C	BUY	2,307	2,850	140.0	19,126	23,264	28,004	34,094	3,484	4,026	4,359	5,899	2,023	2,302	2,428	3,459	33.3	37.9	40.0	57.0	22.3	20.7	18.2	21.3	69.2	60.8	57.7	40.5
Flair Writing Industries	C	BUY	261	406	27.6	10,799	12,501	14,485	16,517	1,847	2,245	2,371	3,014	1,196	1,398	1,403	1,862	11.3	13.3	13.3	17.7	12.5	12.9	11.6	13.7	23.0	19.7	19.6	14.8

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

Exhibit 3: Change in Estimates

	Rating		Target Price			Sales (INR mn)						PAT (INR mn)						EPS (INR)					
						FY27E			FY28E			FY27E			FY28E			FY27E			FY28E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
DOMS Industries	BUY	BUY	2,850	2,883	-1.2%	28,004	27,845	0.6%	34,094	33,728	1.1%	2,428	2,662	-8.8%	3,459	3,650	-5.2%	40.0	43.9	-8.8%	57.0	60.1	-5.2%
Flair Writing Industries	BUY	BUY	406	411	-1.2%	14,485	14,563	-0.5%	16,517	16,599	-0.5%	1,403	1,423	-1.4%	1,862	1,883	-1.2%	13.3	13.5	-1.4%	17.7	17.9	-1.2%

Source: Company, PL *C = Current / P = Previous*

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Apeejay Surrendra Park Hotels	BUY	168	116
2	Chalet Hotels	BUY	994	785
3	Delhivery	Hold	534	518
4	DOMS Industries	Buy	2883	2330
5	Flair Writing Industries	Buy	411	295
6	Imagicaaworld Entertainment	BUY	64	48
7	Indian Railway Catering and Tourism Corporation	BUY	712	523
8	InterGlobe Aviation	HOLD	4724	4538
9	Lemon Tree Hotels	BUY	138	114
10	Mahindra Logistics	BUY	504	392
11	Nazara Technologies	BUY	343	299
12	PVR Inox	BUY	1309	1014
13	Safari Industries (India)	BUY	1953	1427
14	Samhi Hotels	Buy	230	150
15	TCI Express	BUY	575	503
16	V.I.P. Industries	Sell	245	303
17	Zee Entertainment Enterprises	Accumulate	117	102

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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Prabhudas Lilladher Pvt. Ltd.

Corporate Office: 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

Registered Office: 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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