

Rating: BUY | CMP: Rs755 | TP: Rs929

January 30, 2026

Q3FY26 Result Update

☑ Change in Estimates | ☑ Target | ☑ Reco

Change in Estimates

	Current	Previous		
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		ACCUMULATE	
Target Price	929		860	
Sales (Rs. m)	65,574	82,075	64,044	83,162
% Chng.	2.4	(1.3)		
EBITDA (Rs. m)	6,240	7,909	5,774	7,515
% Chng.	8.1	5.2		
EPS (Rs.)	21.1	26.5	18.7	24.3
% Chng.	13.3	9.0		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	37,867	46,693	65,574	82,075
EBITDA (Rs. m)	3,233	5,064	6,240	7,909
Margin (%)	8.5	10.8	9.5	9.6
PAT (Rs. m)	1,699	3,045	4,065	5,103
EPS (Rs.)	9.5	15.8	21.1	26.5
Gr. (%)	57.7	65.9	33.5	25.5
DPS (Rs.)	1.5	1.5	1.5	1.5
Yield (%)	0.2	0.2	0.2	0.2
RoE (%)	10.1	12.7	12.6	14.0
RoCE (%)	13.0	16.8	16.8	18.4
EV/Sales (x)	3.6	2.9	2.1	1.7
EV/EBITDA (x)	42.4	27.1	22.3	17.5
PE (x)	79.1	47.7	35.7	28.5
P/BV (x)	7.7	4.8	4.3	3.7

Key Data

	SYRM.BO SYRMA IN
52-W High / Low	Rs.910 / Rs.355
Sensex / Nifty	82,270 / 25,321
Market Cap	Rs.146bn/ \$ 1,583m
Shares Outstanding	193m
3M Avg. Daily Value	Rs.1399.62m

Shareholding Pattern (%)

Promoter's	42.98
Foreign	7.02
Domestic Institution	16.38
Public & Others	33.62
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	4.5	(1.0)	40.8
Relative	7.5	(2.0)	31.4

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Strong orderbook & exports to drive growth

We upward revise our earnings estimates for FY27/FY28 by 13.3%/9.0% and upgrade rating to 'BUY' due to strong performance. Syrma SGS Technology (SYRMA) has reported robust earnings growth of ~108% YoY for Q3FY26. Growth was driven by a 350bps YoY expansion in EBITDA margin to 12.6%, attributed to a favorable segment mix (with consumer contribution reducing to 31% of revenue) and improved operating efficiency. Its orderbook stood at Rs64bn, driven by industrials and auto segments. SYRMA has maintained its revenue growth guidance of 30%, but upgraded its EBITDA margin guidance to 10%+ from 9% for FY26; revenue growth will be driven by auto and industrials segments. SYRMA expects exports to reach Rs11bn by FY26 (Rs8.4bn in 9MFY26), driven by the industrials and medtech segments and supported by the EU-India FTA. The management anticipates 25–30% growth in exports in FY27, backed by strong EU market exposure. The company expects to receive PLI benefit of Rs300-320mn in FY26. We estimate FY25-28E revenue/EBITDA/PAT CAGR of 29.4%/34.7%/43.7%. Upgrade to 'BUY' from 'Accumulate' with TP of Rs929 (earlier Rs860) valuing at 35x Mar'28 earnings.

Q3FY26 financial performance: Revenue grew by 45.4% YoY to Rs12.6bn (PLe: Rs10.7bn). Auto/Consumer/Healthcare/Industrials/IT & Railways grew by 43.7%/43.0%/47.4%/45.1%/65.0% YoY. EBITDA grew by ~100% YoY to Rs1.6bn (PLe: Rs1.0bn). EBITDA margin expanded by ~350bps to 12.6% (PLe: 9.7%). PBT grew by ~116% YoY to Rs1.4bn (PLe: Rs791mn). PAT grew by 108% YoY to Rs1.1bn (PLe: Rs562mn).

9MFY26 financial performance: Revenue grew by 17.2% YoY to Rs33.5bn. Auto/Healthcare/Industrials/IT & Railways grew by 30.5%/30.5%/29.4%/70.7% YoY, whereas the consumer segment declined by ~8.0% YoY as the company is focusing on high-margin segments. EBITDA grew by 85.2% YoY to Rs3.6bn. EBITDA margin expanded by ~400bps to 10.8%. PBT grew by 104.6% YoY to Rs3.0bn. PAT grew by 99.1% YoY to Rs2.2bn.

Q3FY26 Concill Highlights

- Guidance for FY26:** The management has maintained its guidance of 30% revenue growth in FY26, which will be driven by the industrials and automotive segments, while revising EBITDA margin guidance to 10%+ from 9%, and expects similar growth in FY27.
- The management expects exports to grow to Rs11bn (Rs8.4bn in 9MFY26), driven by the industrials and medtech segments, and supported by the EU-India FTA. We see the FTA as a long-term positive, considering the duty reductions on end equipment such as automobiles and the company's strong exposure to the EU market. The management expects exports to grow 25–30% in FY27.

- **Segmental highlights:** In Q3FY26, the consumer segment was driven by the telecom business, including set-top box (IDU/ODU) programs, along with continued traction in ODM-led consumer products such as water purification systems and limited RFID-based applications.
- Industrials' growth was broad-based, with smart meters contributing to ~Rs500mn, while the balance was supported by exports, power supplies, telecom-related applications, and other industrial programs.
- The management highlighted that the smart meter business is 'sticky' due to a long working capital cycle, and is being selective with customers to ensure sales translate into positive cash flow. For FY26, the company expects smart meter revenue of ~Rs2bn, with 20–30% growth next year.
- IT & railways revenue stood at Rs 825mn in Q3FY26, with railways contributing Rs170–180mn, while the balance was driven by IT-related programs.
- Healthcare contributed Rs1.bn (primarily to the US) and industrials contributed Rs1.8bn (largely to Europe) to exports revenue, with geographical distribution for the 9MFY26 being ~5% exports to the US and ~35% to Europe for healthcare, while ~90% to Europe for industrials.
- **Strong orderbook across segments:** The company's orderbook stood at Rs64bn in Q3FY26, with contributions from auto (31%), consumer (25%), and industrials (27%), while the balance came from other segments. Export orders accounted for 24–25% of the orderbook, driven by the industrials, medtech and healthcare segments.
- **Capex plans for PCB manufacturing:** SYRMA plans to expand PCB manufacturing in phases, with a capex of Rs3.6–4.0bn for Phase 1 (completion by Dec'26), creating 720,000sqm of multi-layer and 480,000sqm of single-layer PCB capacity.
- The capex will be funded through 50% debt and 50% equity, with 25% of the equity contribution provided by a partner, and the company expects a 50% subsidy from Andhra Pradesh government. Funding will be supported by a combination of operating cash flow, equity infusion, and debt, with the government subsidy acting as bridge financing over FY27–28.
- The facility is being built to accommodate 2 additional multi-layer lines, which may be commissioned earlier than planned due to strong customer interest. The broader PCB-related expansion, including CCL, HDI and flex projects, is dependent on government approvals, with total capex of Rs15bn expected to be spent by FY30.
- SYRMA stated that in its PCB business, bulk consumption largely comprises single- to sub-8-layer boards, accounting for 70–75% of total PCB demand, while higher layer PCBs (8–15 layers and HDI boards) represent a much smaller volume. The company intends to focus on the bulk market initially, though it may selectively target higher layer PCBs where demand exists.

- The company is engaging with industrials, automotive and consumer segments, targeting 15–17% EBITDA margin in line with industry norms, focusing initially on accessible opportunities while progressively building a pipeline for high-end PCBAs, including medtech and export markets.
- **Other highlights:** SYRMA expects Elcome to deliver Rs 2.8-3bn in revenue FY26, with potential growth of 10–15% next year, driven by its existing product offerings and defense applications, which have a longer gestation period and can lead to lumpy orders. Elcome is having an EBITDA margin of 20–25%, which the management expects to sustain in the coming years. However, revenue for Elcome will not be recorded fully in FY26 as it was acquired recently in Dec'25.
- The company expects PLI benefit of Rs300-320mn for FY26.

Exhibit 1: Q3FY26 result overview: Sales grows by 45.4% YoY, PAT up by 108.1% YoY

Y/e March (Rs mn)	Q3FY26	Q3FY25	YoY gr. (%)	Q3FY26E	% Var.	Q2FY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
Net Sales	12,642	8,697	45.4	10,681	18.4	11,459	10.3	33,540	28,623	17.2
Expenditure										
Operating & Manufacturing Expenses	9,174	6,430	42.7	8,139	12.7	8,730	5.1	25,011	22,583	10.7
% of Net Sales	72.6	73.9		76.2		76.2		74.6	78.9	
Gross Profit	3,468	2,267	53.0	2,542	36.4	2,728	27.1	8,530	6,040	41.2
Gross Margin (%)	27.4	26.1	1.37	23.8	3.64	23.8		25.4	21.1	
Personnel Cost	556	465	19.7	513	8.5	515	8.1	1,575	1,378	14.3
% of Net Sales	4.4	5.3		4.8		4.5		4.7	4.8	
Other Expenses	1,318	1,006	31.0	993	32.7	1,061	24.2	3,343	2,711	23.3
% of Net Sales	10.4	11.6		9.3		9.3		10.0	9.5	
Total Expenditure	11,048	7,901	39.8	9,645	14.5	10,307	7.2	29,928	26,672	12.2
EBITDA	1,594	796	100.3	1,036	53.9	1,152	38.3	3,613	1,951	85.2
Margin (%)	12.6	9.1	3.46	9.7	2.91	10.1		10.8	6.8	3.95
Depreciation	203	202	0.3	218	-7.2	218	-7.2	627	543	15.4
EBIT	1,391	593	134.5	818	70.2	934	49.0	2,985	1,408	112.1
Other income	103	218	-52.7	100	3.0	87	17.7	351	471	(25.5)
Interest	77	154	-50.2	126	-39.2	126	-39.2	352	421	(16.2)
PBT	1,417	657	115.8	791	79.1	895	58.4	2,984	1,458	104.6
Total Taxes	280	105	166.3	199	40.8	232	21.1	684	307	122.8
ETR (%)	19.8	16.0		25.2		25.9		22.9	21.1	
Adj. PAT	1,137	551	106.2	562	102.3	663	71.4	2,200	1,109	98.3
Exceptional Items	(34)	(21)		-		-		(34)	87	
Reported PAT	1,103	530	108.1	562	96.3	663	66.3	2,166	1,088	99.1

Source: Company, PL

Exhibit 2: Segmental breakup – Auto/Industrials up by 43.7%/45.1% YoY

Y/e March (Rs mn)	Q3FY26	Q3FY25	YoY gr. (%)	Q2FY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
Revenues								
Auto	2,990	2081	43.7	2710	10.3	7,915	6067	30.5
Consumer	3,866	2,704	43.0	3,656	5.7	10,700	11585	(7.6)
Healthcare	1,082	734	47.4	834	29.7	2,590	1984	30.5
Industrials	3,879	2,674	45.1	2,649	46.4	9,401	7265	29.4
IT and Railways	825	500	65.0	1,610	(48.8)	2,935	1719	70.7
Total	12,642	8,693	45.4	11,459	10.3	33,541	28,620	17.2

Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	37,867	46,693	65,574	82,075
YoY gr. (%)	20.1	23.3	40.4	25.2
Cost of Goods Sold	29,315	34,769	49,484	61,937
Gross Profit	8,552	11,924	16,089	20,138
Margin (%)	22.6	25.5	24.5	24.5
Employee Cost	1,910	2,148	2,833	3,447
Other Expenses	3,409	4,711	7,016	8,782
EBITDA	3,233	5,064	6,240	7,909
YoY gr. (%)	59.9	56.6	23.2	26.7
Margin (%)	8.5	10.8	9.5	9.6
Depreciation and Amortization	751	831	927	1,143
EBIT	2,482	4,233	5,313	6,766
Margin (%)	6.6	9.1	8.1	8.2
Net Interest	585	428	305	389
Other Income	494	435	450	485
Profit Before Tax	2,371	4,207	5,459	6,863
Margin (%)	6.3	9.0	8.3	8.4
Total Tax	526	1,009	1,374	1,727
Effective tax rate (%)	22.2	24.0	25.2	25.2
Profit after tax	1,845	3,198	4,085	5,135
Minority interest	146	153	19	32
Share Profit from Associate	-	-	-	-
Adjusted PAT	1,699	3,045	4,065	5,103
YoY gr. (%)	58.3	79.2	33.5	25.5
Margin (%)	4.5	6.5	6.2	6.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,699	3,045	4,065	5,103
YoY gr. (%)	58.3	79.2	33.5	25.5
Margin (%)	4.5	6.5	6.2	6.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,699	3,045	4,065	5,103
Equity Shares O/s (m)	178	192	192	192
EPS (Rs)	9.5	15.8	21.1	26.5

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	10,407	11,935	15,574	18,218
Tangibles	10,019	11,450	14,969	17,461
Intangibles	388	484	606	757
Acc: Dep / Amortization	2,185	3,016	3,942	5,085
Tangibles	1,989	2,673	3,490	4,497
Intangibles	195	343	452	589
Net fixed assets	8,222	8,919	11,632	13,133
Tangibles	8,030	8,778	11,478	12,965
Intangibles	192	141	153	168
Capital Work In Progress	656	665	676	639
Goodwill	3,221	3,221	3,221	3,221
Non-Current Investments	291	162	162	162
Net Deferred tax assets	(117)	(117)	(117)	(117)
Other Non-Current Assets	226	226	226	226
Current Assets				
Investments	514	514	514	514
Inventories	8,219	9,594	13,474	16,865
Trade receivables	14,775	18,805	25,511	31,931
Cash & Bank Balance	2,958	8,812	8,674	9,144
Other Current Assets	1,960	2,339	3,149	3,898
Total Assets	42,047	54,263	68,245	80,739
Equity				
Equity Share Capital	1,780	1,924	1,924	1,924
Other Equity	15,719	28,385	32,162	36,977
Total Networth	17,500	30,309	34,086	38,900
Non-Current Liabilities				
Long Term borrowings	619	0	150	150
Provisions	152	171	226	275
Other non current liabilities	67	83	117	146
Current Liabilities				
ST Debt / Current of LT Debt	5,579	1,437	2,697	2,802
Trade payables	15,744	19,413	27,264	34,124
Other current liabilities	812	1,018	1,425	1,781
Total Equity & Liabilities	42,047	54,263	68,245	80,739

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	2,371	4,241	5,459	6,863
Add. Depreciation	751	831	927	1,143
Add. Interest	585	428	305	389
Less Financial Other Income	494	435	450	485
Add. Other	(401)	(434)	(362)	(407)
Op. profit before WC changes	3,306	5,065	6,328	7,987
Net Changes-WC	(934)	(1,909)	(3,138)	(3,343)
Direct tax	(607)	(1,009)	(1,374)	(1,727)
Net cash from Op. activities	1,765	2,147	1,816	2,917
Capital expenditures	(2,452)	(1,537)	(3,651)	(2,608)
Interest / Dividend Income	169	435	450	485
Others	1,231	128	-	-
Net Cash from Inv. activities	(1,052)	(973)	(3,201)	(2,123)
Issue of share cap. / premium	(125)	143	-	-
Debt changes	330	(4,656)	1,840	352
Dividend paid	(266)	(267)	(289)	(289)
Interest paid	(513)	(428)	(305)	(389)
Others	(133)	-	-	-
Net cash from Fin. activities	(707)	(5,208)	1,247	(325)
Net change in cash	6	(4,034)	(137)	470
Free Cash Flow	(687)	610	(1,835)	309

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E	
Per Share(Rs)					
EPS		9.5	15.8	21.1	26.5
CEPS		13.8	20.1	26.0	32.5
BVPS		98.3	157.6	177.2	202.2
FCF		(3.9)	3.2	(9.5)	1.6
DPS		1.5	1.5	1.5	1.5
Return Ratio(%)					
RoCE		13.0	16.8	16.8	18.4
ROIC		10.0	17.5	15.8	17.0
RoE		10.1	12.7	12.6	14.0
Balance Sheet					
Net Debt : Equity (x)		0.2	(0.3)	(0.2)	(0.2)
Net Working Capital (Days)		70	70	65	65
Valuation(x)					
PER		79.1	47.7	35.7	28.5
P/B		7.7	4.8	4.3	3.7
P/CEPS		54.9	37.5	29.1	23.3
EV/EBITDA		42.4	27.1	22.3	17.5
EV/Sales		3.6	2.9	2.1	1.7
Dividend Yield (%)		0.2	0.2	0.2	0.2

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenue	9,244	9,440	11,459	12,642
YoY gr. (%)	(18.5)	(18.6)	37.6	45.4
Raw Material Expenses	6,731	7,107	8,730	9,174
Gross Profit	2,512	2,333	2,728	3,468
Margin (%)	27.2	24.7	23.8	27.4
EBITDA	1,075	866	1,152	1,594
YoY gr. (%)	45.9	94.3	62.4	100.3
Margin (%)	11.6	9.2	10.1	12.6
Depreciation / Depletion	208	206	218	203
EBIT	867	660	934	1,391
Margin (%)	9.4	7.0	8.1	11.0
Net Interest	156	149	126	77
Other Income	223	160	87	103
Profit before Tax	934	671	895	1,417
Margin (%)	10.1	7.1	7.8	11.2
Total Tax	219	172	232	280
Effective tax rate (%)	23.5	25.7	25.9	19.8
Profit after Tax	715	499	663	1,137
Minority interest	60	2	23	75
Share Profit from Associates	-	-	-	-
Adjusted PAT	654	497	641	1,028
YoY gr. (%)	87.2	144.5	61.6	170.5
Margin (%)	7.1	5.3	5.6	8.1
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	654	497	641	1,028
YoY gr. (%)	80.3	144.5	61.6	110.7
Margin (%)	7.1	5.3	5.6	8.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	654	497	641	1,028
Avg. Shares O/s (m)	178	178	178	192
EPS (Rs)	3.7	2.8	3.6	5.3

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	06-Jan-26	Accumulate	860	750
2	11-Nov-25	Accumulate	874	831
3	07-Oct-25	Accumulate	870	852
4	24-Jul-25	Hold	705	706
5	04-Jul-25	Hold	625	607
6	15-May-25	BUY	618	526
7	04-Apr-25	BUY	629	469

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Amber Enterprises India	BUY	8,263	6,712
2	Astral Ltd.	BUY	1,736	1,487
3	Avalon Technologies	BUY	1,100	908
4	Bajaj Electricals	BUY	597	476
5	Cello World	BUY	732	533
6	Century Plyboard (I)	Hold	842	811
7	Cera Sanitaryware	BUY	7,372	5,177
8	Crompton Greaves Consumer Electricals	BUY	362	263
9	Cyient DLM	Accumulate	418	364
10	Finolex Industries	Accumulate	211	181
11	Greenpanel Industries	BUY	400	229
12	Havells India	Accumulate	1,634	1,447
13	Kajaria Ceramics	Hold	1,053	1,003
14	Kaynes Technology India	BUY	5,542	3,998
15	KEI Industries	BUY	5,573	3,853
16	LG Electronics India	BUY	1,920	1,456
17	Polycab India	BUY	9,744	7,122
18	Premier Energies	BUY	892	683
19	R R Kabel	BUY	1,788	1,537
20	Supreme Industries	BUY	4,566	3,349
21	Syrsa SGS Technology	Accumulate	860	750
22	Vikram Solar	BUY	326	215
23	Volta	Hold	1,442	1,349
24	Waaree Energies	BUY	3,600	2,599

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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