PL Capital
PRABHUDAS LILLADHER

Voltas (VOLT IN)

Q2FY27 Result Update

November 13, 2026

■ Estimate Change | ■ Target | ☑ Reco.

Change in Estimates

	Current		Previous	
	FY28E	FY29E	FY28E	FY29E
Rating	Accumulate		BUY	
Target Price	1,251		1,251	
Sales (INR mn)	184,754	204,820	184,754	204,820
% Chng.	-	-		
EBITDA (INR mn)	13,198	15,041	13,198	15,041
% Chng.	-	-		
EPS (INR)	29.3	33.8	29.3	33.8
% Chng.	-	-		

Key Data	VOLT.BO | VOLT IN
BSE Code	500575
NSE Code	VOLTAS
52-W High / Low	INR 1,582 / INR 930
Face Value	1
Sensex / Nifty	81,911 / 25,299
Market Cap	INR 368 bn / $ 3,909 mn
Shares Outstanding	330.88 mn
3M Avg. Daily Value	INR 1,173.56 mn

Shareholding Pattern (%)

Promoters	30.30
FIIs	16.90
Mutual Funds	15.58
Domestic Institutions	23.50
Public & Others	13.72
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	8.9	(13.9)	(12.5)	(16.9)
Relative	(4.4)	(18.0)	(20.3)	(14.3)

Key Financials - Consolidated

Y/e Mar	FY26	FY27E	FY28E	FY29E
Sales (INR mn)	142,445	166,524	184,754	204,820
EBITDA (INR mn)	6,469	10,155	13,198	15,041
Margin (%)	*4.5*	*6.1*	*7.1*	*7.3*
PAT (INR mn)	4,023	7,083	9,703	11,172
EV (INR mn)	368,055	362,597	363,340	359,594
Total Debt (INR mn)	9,664	12,084	12,996	13,999
C&C Eq. (INR mn)	7,809	15,161	14,916	19,216
EPS (INR)	12.2	21.4	29.3	33.8
Gr. (%)	*(52.2)*	*76.0*	*37.0*	*15.1*
DPS (INR)	4.0	4.0	4.0	4.0
Yield (%)	*0.4*	*0.4*	*0.4*	*0.4*
RoE (%)	*6.2*	*10.6*	*13.0*	*13.4*
RoCE (%)	*10.9*	*15.0*	*17.2*	*17.4*
EV/Sales (x)	2.6	2.2	2.0	1.8
EV/EBITDA (x)	56.9	35.7	27.5	23.9
PE (x)	91.6	52.1	38.0	33.0
P/BV (x)	5.8	5.2	4.7	4.2

UCP led recovery should support momentum

Quick Pointers

- RAC YTD Sep'26 RAC market share stood at 17.4%
- Reported RAC volume growth of 32% in Q2FY26

Voltas reported 15.3% YoY growth supported by 29.0% growth in UCP revenue and 32.0% growth in RAC volumes. YTD Sep'26 RAC market share stood at 17.4%, with a 4.2% lead over the nearest competitor. Despite 18% cost inflation, the company implemented cumulative price hikes of ~14%, and a 5-7% increase effective Oct'26, to mitigate input cost pressures. Company continued focus on localization, strategic sourcing, product redesign and manufacturing productivity to support profitability. RAC channel inventory remained healthy at ~3 weeks versus 4-6 weeks in the Q2FY26, while the company intends to maximize in-house production and use OEMs to meet incremental demand. EMPS maintained order momentum across domestic infrastructure, electronics manufacturing, metro, tunnel and data centre projects, with the order book at INR68bn as of Sep'26. Management reiterated a sustainable long-term EBIT margin range of 4-6% for the segment, while continuing to priorities selective order booking and execution discipline. Sidra bank guarantees of QAR 166mn (approximately INR4.4bn) were cancelled following a favourable court award, with the subsequent appeal dismissed. Voltbek recorded its highest-ever Q2 sales in value and volume, with YTD market shares of 8.8% in washing machines and 7.0% in refrigerators its position in home appliances while maintaining its No. 2 position in semi-automatic washing machines with 14.9% market share. We estimate FY26-29E revenue/EBITDA/PAT CAGR of 12.9%/32.5%/40.6%. Due to recent upward movement in stock price we downgrade the rating from 'BUY' to 'Accumulate' while we maintain our SOTP-based TP of INR1,251, implying PE of 40x Sep'29E.

Q2FY27 financial performance: Revenues grew by 15.3% YoY to INR27.1bn (PLe: INR25.9bn). Gross margins expanded by 400bps YoY to 28.9% (PLe: 22%). EBITDA grew by 82% YoY to INR1.3bn (PLe: INR855mn). EBITDA margin expanded by 170bps YoY to 4.7% (PLe: 3.3%). UCP revenues grew by 28.9% YoY to INR15.7bn and EBIT margin expanded by 500bps YoY to 1.3%. EMPS revenues declined by 15.5% YoY to INR8.2bn and EBIT margin contracted by 40bps YoY to 9.2%. EPS revenues grew by 33.3% YoY to INR1.9bn and EBIT margin contracted by 310bps YoY to 28.5%. PAT grew by 53.5% YoY to INR526mn (PLe: INR582n). VOLT's share of loss from JV & associates stood at INR411mn.

Quarter Summary

Y/e Mar	Q2'27E	Q2'27A	*% Var.*	Q2'26A	*YoY gr. (%)*
Net Sales (INR mn)	25,915	27,066	*4.4*	23,473	*15.3*
EBITDA (INR mn)	855	1,279	*49.6*	704	*81.7*
Margin (%)	*3.3*	*4.7*	*140 bps*	*3.0*	*170 bps*
PAT (INR mn)	582	526	*(9.6)*	343	*53.4*

Source: Company, PL

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Conference Call Highlights:

- Cumulative price hikes stood at ~14% till Q2FY27, including BEE changes, against ~18% cost inflation.
- Additional price hikes of 5-7% were implemented from Oct'26.
- Voltbek reported YTD Sep'26 market share of 8.8% in washing machines and 7.0% in refrigerators; semi-automatic washing machine share was 14.9%.
- Management reiterated a long-term sustainable EBITDA margin expectation of 4-6% for EMPS.
- RAC channel inventory stood at ~3 weeks as of Sep'26 versus 4-6 weeks as of Sep'25.
- Channel stocking is expected to commence in Q4FY27, starting in South India during Jan'27-Feb'27, followed by North and East India during Mar'27-May'27.
- Chennai plant has 1.5mn units of capacity and commenced operations in Aug'24, Management aims to maintain year-round production at Chennai to avoid overhead under-absorption.
- Voltbek has an installed RAC manufacturing capacity of ~26mn units, providing a sizeable replacement opportunity.
- PLI benefits stood at ~INR50mn in Q2FY27, with similar benefits expected over the next 5-6 quarters.
- Voltbek targets EBITDA breakeven by FY28, with commodity inflation delaying its recovery trajectory.

Exhibit 1: Quarterly Estimates

(INR bn)	Q1FY27	*YoY gr. (%)*	Q2FY27	*YoY gr. (%)*	Q3FY27E	*YoY gr. (%)*	Q4FY27E	*YoY gr. (%)*
Sales	46.7	*18.7*	27.1	*15.3*	35.2	*14.7*	58.2	*19.1*
EBITDA	2.7	*48.7*	1.3	*81.6*	2.1	*19.2*	4.1	*86.2*
Margin (%)	*5.7*	*110bps*	*4.7*	*170bps*	*6.0*	*20bps*	*7.1*	*250bps*
Adj. PAT	2.1	*52.2*	0.5	*53.5*	1.3	*18.6*	3.1	*166.6*

Source: Company, PL

Exhibit 1 : Q2FY27 Result Overview (INR mn)

Y/e March	Q2FY27	Q2FY26	YoY gr. (%)	Q2FY27E	% Var.	Q1FY27	QoQ gr. (%)	H1FY27	H1FY26	YoY gr. (%)
Net Sales	**27,066**	**23,473**	***15.3***	**25,915**	***4.4***	**46,735**	***-42.1***	**73,801**	**62,859**	***17.4***
Expenditure										
Operating & Manufacturing Expenses	19,256	17,645	*9.1*	20,214	*-4.7*	36,509	*-47.3*	55,765	48,441	*15.1*
% of Net Sales	*71.1*	*75.2*	*-4.0*	*78.0*	*-6.9*	*78.1*		*75.6*	*77.1*	*-1.5*
Gross Profit	7,810	5,829	*34.0*	5,701	*37.0*	10,226	*-23.6*	18,036	14,419	*25.1*
% of Net Sales	*28.9*	*24.8*	*4.0*	*22.0*	*6.9*	*21.9*		*24.4*	*22.9*	*1.5*
Personnel Cost	2,670	2,408	*10.9*	1,995	*33.8*	2,582	*3.4*	5,252	4,713	*11.4*
% of Net Sales	*9.9*	*10.3*	*-0.4*	*7.7*	*2.2*	*5.5*		*7.1*	*7.5*	*-0.4*
Other Expenses	3,862	2,717	*42.1*	2,851	*35.5*	4,989	*-22.6*	8,851	7,216	*22.6*
% of Net Sales	*14.3*	*11.6*	*2.7*	*11.0*	*3.3*	*10.7*		*12.0*	*11.5*	*0.5*
Total Expenditure	25,787	22,769	*13.3*	25,060	*2.9*	44,080	*-41.5*	69,867	60,370	*15.7*
EBITDA	**1,279**	**704**	***81.6***	**855**	***49.5***	**2,655**	***-51.8***	**3,934**	**2,489**	***58.0***
Margin (%)	*4.7*	*3.0*	*1.7*	*3.3*	*1.4*	*5.7*		*5.3*	*4.0*	*1.4*
Depreciation	236	244	*-3.5*	215	*9.6*	213	*10.6*	449	429	*4.6*
EBIT	**1,043**	**460**	***126.8***	**640**	***62.9***	**2,442**	***-57.3***	**3,485**	**2,061**	***69.1***
Other income	395	646	*-38.8*	620	*-36.3*	912	*-56.7*	1,308	1,467	*-10.9*
Interest	198	200	*-1.0*	198	*-0.2*	128	*55.1*	325	335	*-2.9*
PBT	**1,240**	**906**	***36.8***	**1,062**	***16.8***	**3,227**	***-61.6***	**4,467**	**3,192**	***39.9***
Total Taxes	352	226	*55.7*	266	*32.6*	727	*-51.6*	1,079	847	*27.4*
ETR (%)	*28.4*	*25.0*	*3.4*	*25.0*	*3.4*	*22.5*		*24.2*	*26.5*	*-2.4*
Share of JV/Associates	(411)	(365)	*12.5*	(230)	*78.7*	(372)		(783)	(624)	
Minority Interest	(49.3)	(28)		(15.00)		(10)		(59)	(26)	
Adj. PAT	**526**	**343**	***53.5***	**582**	***-9.5***	**2,138**	***-75.4***	**2,664**	**1,748**	***52.4***
Exceptional Items	-	-		-		-		-	-	
Reported PAT	**526**	**343**	***53.5***	**582**	***-9.5***	**2,138**	***-75.4***	**2,664**	**1,748**	***52.4***

Source: Company, PL

Exhibit 2 : Segmental Breakup (INR mn)

Y/e March	Q2FY27	Q2FY26	YoY gr. (%)	Q1FY27	QoQ gr. (%)	H1FY27	H1FY26	YoY gr. (%)
Revenues								
Unitary Cooling Products	15,668	12,151	*28.9*	37,935	*-58.7*	53,603	40,830	*31.3*
Electro-Mechanical Projects & Services	8,164	9,662	*-15.5*	6,718	*21.5*	14,882	18,880	*-21.2*
Engineering Products & Services	1,854	1,391	*33.3*	1,589	*16.7*	3,442	2,745	*25.4*
EBIT								
Unitary Cooling Products	197	-458	*-143*	2,016	*-90*	2,214	586	*277.9*
EBIT margin (%)	*1.3*	*-3.8*	*5.0*	*5.3*	*-4.1*	*4.1*	*1.4*	*2.7*
Electro-Mechanical Projects & Services	748	920	*-19*	378	*98*	1,125	1,413	*-20.4*
EBIT margin (%)	*9.2*	*9.5*	*-0.4*	*5.6*	*3.5*	*7.6*	*7.5*	*0.1*
Engineering Products & Services	529	439	*20*	412	*28*	941	840	*11.9*
EBIT margin (%)	*28.5*	*31.6*	*-3.1*	*25.9*	*2.6*	*27.3*	*30.6*	*-3.3*

Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Net Revenues	**142,445**	**166,524**	**184,754**	**204,820**
YoY gr. (%)	*(7.6)*	*16.9*	*10.9*	*10.9*
Cost of Goods Sold	110,698	128,809	140,979	155,881
Gross Profit	31,747	37,715	43,775	48,939
Margin (%)	*22.3*	*22.6*	*23.7*	*23.9*
Employee Cost	9,386	9,991	11,639	12,904
Other Expenses	13,869	13,821	14,780	16,386
EBITDA	**6,469**	**10,155**	**13,198**	**15,041**
YoY gr. (%)	*(42.1)*	*57.0*	*30.0*	*14.0*
Margin (%)	*4.5*	*6.1*	*7.1*	*7.3*
Depreciation and Amortization	841	856	877	1,017
EBIT	**5,628**	**9,299**	**12,322**	**14,025**
Margin (%)	*4.0*	*5.6*	*6.7*	*6.8*
Net Interest	868	871	994	1,071
Other Income	2,382	2,418	2,642	2,919
Profit Before Tax	**7,141**	**10,845**	**13,969**	**15,872**
Margin (%)	*5.0*	*6.5*	*7.6*	*7.7*
Total Tax	1,871	2,711	3,492	3,968
Effective Tax Rate (%)	*26.2*	*25.0*	*25.0*	*25.0*
Profit After Tax	**5,270**	**8,134**	**10,477**	**11,904**
Minority Interest	(59)	(59)	(59)	(59)
Share Profit from Associate	(1,306)	(1,110)	(832)	(791)
Adjusted PAT	**4,023**	**7,083**	**9,703**	**11,172**
YoY gr. (%)	*(52.2)*	*76.0*	*37.0*	*15.1*
Margin (%)	*2.8*	*4.3*	*5.3*	*5.5*
Extra Ord. Income / (Exp)	(265)	-	-	-
Reported PAT	**3,759**	**7,083**	**9,703**	**11,172**
YoY gr. (%)	*(55.3)*	*88.5*	*37.0*	*15.1*
Margin (%)	*2.6*	*4.3*	*5.3*	*5.5*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	3,759	7,083	9,703	11,172
Equity Shares O/s (mn)	**331**	**331**	**331**	**331**
EPS (INR)	**12.2**	**21.4**	**29.3**	**33.8**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
Non-Current Assets				
Gross Block	**15,340**	**17,593**	**20,738**	**23,892**
Tangibles	14,597	16,800	19,895	22,999
Intangibles	743	793	843	893
Acc: Dep / Amortization	**5,259**	**6,115**	**6,992**	**8,009**
Tangibles	4,554	5,392	6,250	7,246
Intangibles	705	723	742	763
Net Fixed Assets	**10,081**	**11,478**	**13,745**	**15,883**
Tangibles	10,043	11,408	13,645	15,753
Intangibles	38	69	100	130
Capital Work In Progress	221	221	221	221
Goodwill	723	723	723	723
Non-Current Investments	29,384	27,396	31,149	32,692
Net Deferred Tax Assets	370	370	370	370
Other Non-Current Assets	890	924	958	992
Current Assets				
Investments	2,771	3,239	3,594	3,984
Inventories	34,329	35,934	39,868	44,198
Trade Receivables	30,350	32,420	35,969	39,876
Cash & Bank Balance	7,809	15,161	14,916	19,216
Other Current Assets	23,378	22,198	24,619	27,283
Total Assets	**145,095**	**157,914**	**174,502**	**194,008**
Equity				
Equity Share Capital	331	331	331	331
Other Equity	63,431	70,041	78,421	88,270
Total Networth	**63,762**	**70,372**	**78,752**	**88,601**
Non-Current Liabilities				
Long Term Borrowings	3,758	3,758	3,758	3,758
Provisions	962	1,125	1,248	1,383
Other Non Current Liabilities	100	100	100	100
Current Liabilities				
ST Debt / Current of LT Debt	5,906	8,326	9,238	10,241
Trade Payables	52,278	53,064	58,077	64,216
Other Current Liabilities	17,355	20,151	22,292	24,644
Total Equity & Liabilities	**145,095**	**157,914**	**174,502**	**194,008**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY26	FY27E	FY28E	FY29E
PBT	5,571	10,845	13,969	15,872
Add. Depreciation	841	856	877	1,017
Add. Interest	868	871	994	1,071
Less Financial Other Income	2,382	2,418	2,642	2,919
Add. Other	(938)	(1,645)	(1,246)	(1,242)
Op. Profit before WC Changes	6,342	10,928	14,595	16,718
Net Changes-WC	(3,519)	446	(2,358)	(1,605)
Direct Tax	(2,113)	(2,711)	(3,492)	(3,968)
Net Cash from Op. Activities	**710**	**8,662**	**8,744**	**11,144**
Capital Expenditures	448	(2,253)	(3,145)	(3,154)
Interest / Dividend Income	763	-	-	-
Others	1,607	627	(4,436)	(2,303)
Net Cash from Invt. Activities	**2,818**	**(1,626)**	**(7,581)**	**(5,457)**
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	761	2,420	912	1,003
Dividend Paid	(2,321)	(1,323)	(1,323)	(1,323)
Interest Paid	(914)	(871)	(994)	(1,071)
Others	-	-	-	-
Net Cash from Fin. Activities	**(2,474)**	**226**	**(1,406)**	**(1,391)**
Net Change in Cash	**1,053**	**7,262**	**(243)**	**4,296**
Free Cash Flow	(618)	6,409	5,599	7,990

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q3FY26	Q4FY26	Q1FY27	Q2FY27
Net Revenues	**30,708**	**48,878**	**46,735**	**27,066**
YoY gr. (%)	*(1.1)*	*2.5*	*18.7*	*15.3*
Raw Material Expenses	23,442	38,816	36,509	19,256
Gross Profit	7,266	10,063	10,226	7,810
Margin (%)	*23.7*	*20.6*	*21.9*	*28.9*
EBITDA	**1,773**	**2,207**	**2,655**	**1,279**
YoY gr. (%)	*(10.2)*	*(33.7)*	*48.7*	*81.6*
Margin (%)	*5.8*	*4.5*	*5.7*	*4.7*
Depreciation / Depletion	206	206	213	236
EBIT	**1,567**	**2,001**	**2,442**	**1,043**
Margin (%)	*5.1*	*4.1*	*5.2*	*3.9*
Net Interest	311	222	128	198
Other Income	488	426	912	395
Profit before Tax	**1,744**	**2,205**	**3,227**	**1,240**
Margin (%)	*5.7*	*4.5*	*6.9*	*4.6*
Total Tax	313	711	727	352
Effective Tax Rate (%)	*18.0*	*32.2*	*22.5*	*28.4*
Profit After Tax	**1,431**	**1,494**	**2,500**	**888**
Minority Interest	(5)	(28)	(10)	(49)
Share Profit from Associate	(322)	(360)	(372)	(411)
Adjusted PAT	**1,114**	**1,162**	**2,138**	**526**
YoY gr. (%)	*(15.7)*	*(51.8)*	*52.2*	*53.5*
Margin (%)	*3.6*	*2.4*	*4.6*	*1.9*
Extra Ord. Income / (Exp)	(265)	-	-	-
Reported PAT	**850**	**1,162**	**2,138**	**526**
YoY gr. (%)	*(35.7)*	*(51.8)*	*52.2*	*53.5*
Margin (%)	*2.8*	*2.4*	*4.6*	*1.9*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**850**	**1,162**	**2,138**	**526**
Avg. Shares O/s (mn)	331	331	331	331
EPS (INR)	**3.4**	**3.5**	**6.5**	**1.6**

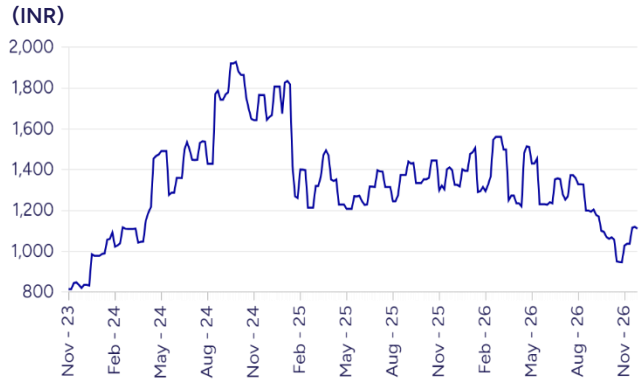
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY26	FY27E	FY28E	FY29E
Per Share (INR)				
EPS	12.2	21.4	29.3	33.8
CEPS	14.7	24.0	32.0	36.8
BVPS	192.8	212.7	238.1	267.8
FCF	(1.9)	19.4	16.9	24.2
DPS	4.0	4.0	4.0	4.0
Return Ratio (%)				
RoCE	10.9	15.0	17.2	17.4
ROIC	6.6	11.7	13.5	14.2
RoE	6.2	10.6	13.0	13.4
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	32	34	35	35
Valuation (x)				
PER	91.6	52.1	38.0	33.0
P/B	5.8	5.2	4.7	4.2
P/CEPS	75.8	46.4	34.9	30.3
EV/EBITDA	56.9	35.7	27.5	23.9
EV/Sales	2.6	2.2	2.0	1.8
Dividend Yield (%)	0.4	0.4	0.4	0.4
FCFF Yield (%)	-	1.7	1.5	2.2
PEG Ratio	(1.8)	0.7	1.0	2.2

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	06-Oct-26	Buy	1251	1061
2	23-Sep-26	Accumulate	1258	1101
3	17-Aug-26	HOLD	1308	1321
4	03-Jul-26	Hold	1308	1280
5	15-May-26	Hold	1308	1294
6	06-Apr-26	Accumulate	1423	1235
7	29-Jan-26	Hold	1442	1349
8	08-Jan-26	Hold	1442	1508
9	15-Nov-25	Hold	1411	1351
10	03-Oct-25	Hold	1440	1354

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Amber Enterprises India	BUY	9234	6925
2	Astral	BUY	1595	1388
3	Avalon Technologies	REDUCE	1786	2430
4	Bajaj Electricals	HOLD	281	293
5	Blue Star	Accumulate	1783	1628
6	Cello World	Accumulate	394	370
7	Century Plyboard (I)	BUY	772	650
8	Cera Sanitaryware	BUY	6868	4801
9	Crompton Greaves Consumer Electricals	BUY	294	216
10	Cyient DLM	REDUCE	873	1030
11	Finolex Industries	BUY	206	141
12	Greenpanel Industries	BUY	239	125
13	Havells India	Accumulate	1212	1073
14	Kajaria Ceramics	BUY	1325	1138
15	Kaynes Technology India	BUY	4280	3365
16	KEI Industries	BUY	5961	3873
17	LG Electronics India	Accumulate	1881	1772
18	Polycab India	BUY	11083	8207
19	Premier Energies	BUY	1288	883
20	R R Kabel	BUY	2735	2123
21	Supreme Industries	Accumulate	3583	3250
22	Syrma SGS Technology	Accumulate	1788	1625
23	Vikram Solar	Accumulate	162	149
24	Voltas	Buy	1251	1061
25	Waaree Energies	BUY	3115	2238

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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