

December 18, 2025

Analyst Meet Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	HOLD		HOLD	
Target Price	1,415		1,411	
Sales (Rs. m)	1,78,489	1,99,611	1,80,667	2,02,166
% Chng.	(1.2)	(1.3)		
EBITDA (Rs. m)	12,976	14,811	13,135	15,001
% Chng.	(1.2)	(1.3)		
EPS (Rs.)	29.9	35.9	30.3	36.4
% Chng.	(1.4)	(1.3)		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	1,54,129	1,49,250	1,78,489	1,99,611
EBITDA (Rs. m)	11,163	7,808	12,976	14,811
Margin (%)	7.2	5.2	7.3	7.4
PAT (Rs. m)	8,415	5,505	9,890	11,869
EPS (Rs.)	25.4	16.6	29.9	35.9
Gr. (%)	233.9	(34.6)	79.6	20.0
DPS (Rs.)	7.0	7.0	7.0	7.0
Yield (%)	0.5	0.5	0.5	0.5
RoE (%)	13.6	8.3	13.7	14.7
RoCE (%)	19.8	13.0	18.5	19.1
EV/Sales (x)	3.0	3.1	2.6	2.3
EV/EBITDA (x)	41.3	58.8	35.5	30.8
PE (x)	55.1	84.2	46.9	39.1
P/BV (x)	7.1	6.8	6.1	5.4

Key Data

VOLT.BO | VOLT IN

52-W High / Low	Rs.1,860 / Rs.1,135
Sensex / Nifty	84,482 / 25,816
Market Cap	Rs.464bn / \$ 5,139m
Shares Outstanding	331m
3M Avg. Daily Value	Rs.1501.82m

Shareholding Pattern (%)

Promoter's	30.30
Foreign	21.95
Domestic Institution	33.20
Public & Others	14.55
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	1.3	8.5	(20.2)
Relative	1.5	4.6	(24.3)

Praveen Sahay

praveensahay@plindia.com | 91-22-66322369

Shivam Patel

shivampatel@plindia.com | 91-22-66322274

RAC downcycle persists with margin pressure

We attended VOLT's analyst conference call, wherein the management highlighted continued weakness in the RAC industry, elevated channel inventory, and sustained margin pressures in the near term, while outlining early signs of channel pre-stocking ahead of BEE norm change and medium-term growth levers across non-RAC cooling categories, EMPS and Engineering Products. Company expects gradual normalization in the coming quarters, with growth visibility improving into FY27, contingent on summer demand and cost improvement actions. Voltbek continued growth momentum with market share gains across its key products. We estimate revenue/EBITDA/PAT CAGR of 9.0%/9.9%/12.1% for FY25-28E. The stock is currently trading at 47x/39x FY27/FY28E. we tweak our SOTP-based TP to Rs1,415 (Rs 1,411 earlier), implying PE of 39x FY28E. Maintain 'HOLD' rating.

Key Take Aways

RAC remains weak in coming quarters: RAC industry experienced a slighter lower impact in Q3FY26 compared to Q2FY25; however, demand conditions remained weak and the industry continued to be in a declining phase.

Volumes decline while pre-stocking begins: At the company level, volumes declined sequentially on a QoQ basis from Q1FY26 to Q3FY26. Meanwhile, few channel partners started pre-stocking ahead of the BEE 2.0.

High channel inventory: Channel inventory stood at ~45 days at the channel level in Q3FY26, compared to ~20–25 days in Q3FY25.

UCP margins continue to be under pressure: UCP margins were impacted by a combination of factors, including rupee depreciation, elevated copper prices, over-absorption & underutilization of plants, and incremental costs arising from label changes mandated under the BEE norms. ~20–30% of the company's total raw material requirement is import-dependent.

Pricing and discounts: Price actions are being evaluated for upcoming products under the new BEE norms, while channel price support continued in Q3FY26, broadly in line with Q1/Q2FY26.

Other cooling products growth outlook: Management expects strong growth in FY27 in other cooling categories, including commercial refrigeration, water coolers, and dispensers, supported by an early summer onset.

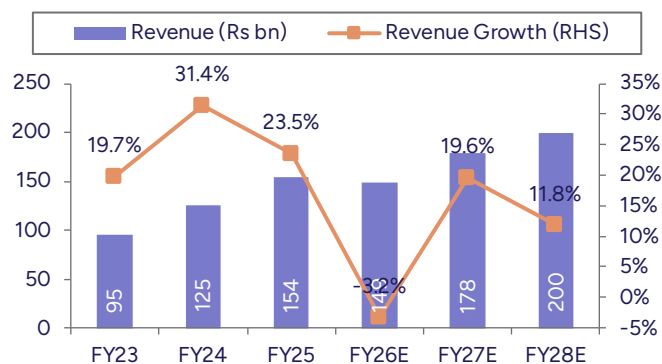
Re-entry into south region: South India capacity of ~1.5 mn units strengthens regional presence and supply-chain efficiency, with strengthening channel partners.

Voltas Beko continues to gain market share: Semi-automatic washing machine ranks #2 in market share and is close to #1 player by ~50bps. washing machines continue to gain market share while revenue growth remains sluggish. company is undertaking cost-reduction initiatives alongside efforts to improve realizations and expects to improve gross margins in FY27.

EMPS segment's growth opportunity: company sees a significant opportunity in data centers with group companies investments in semiconductors, EVs and batteries to contribute growth in this segment.

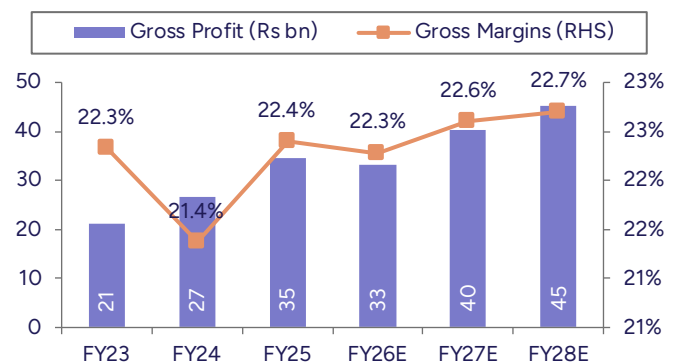
Engineering Products & Services: Textiles machinery business continues to hold ~65% market share in spinning space.

Exhibit 1: Revenue to clock CAGR 9.0% over FY25-28E



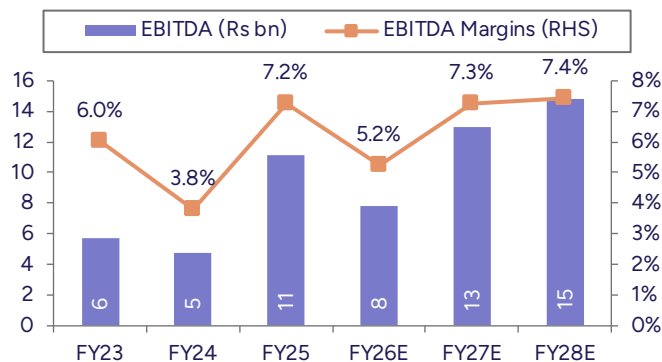
Source: PL, Company

Exhibit 2: Gross margins to expand by 30bps by FY28E



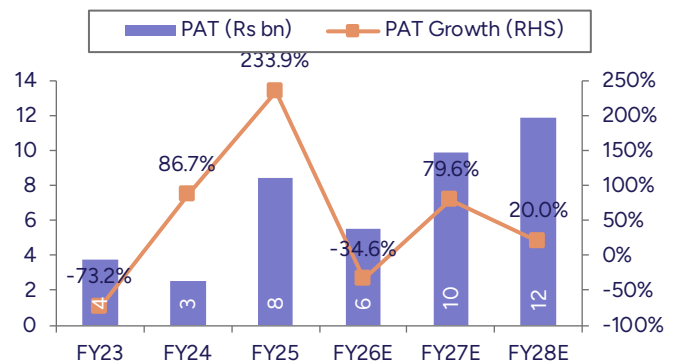
Source: PL, Company

Exhibit 3: EBITDA to grow at 9.9% CAGR over FY25-28E



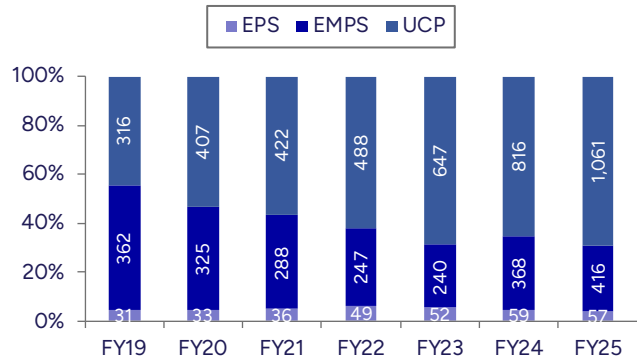
Source: PL, Company

Exhibit 4: PAT to grow at 12.1% CAGR over FY25-28E



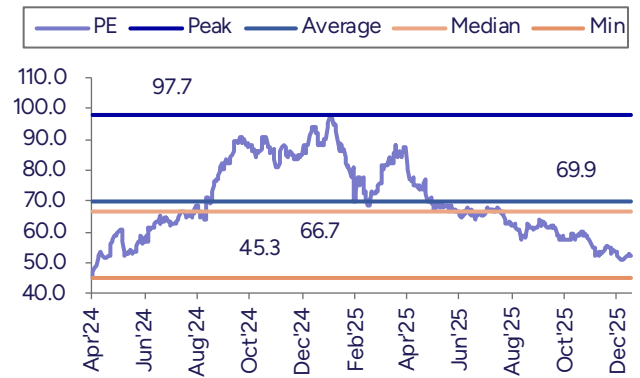
Source: PL, Company

Exhibit 5: UCP revenue clocks 22.4% CAGR over FY19-25



Source: PL, Company

Exhibit 6: VOLT is trading at 46x/39x FY27/FY28E



Source: PL, Company

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	1,54,129	1,49,250	1,78,489	1,99,611
YoY gr. (%)	23.5	(3.2)	19.6	11.8
Cost of Goods Sold	1,19,604	1,15,997	1,38,151	1,54,299
Gross Profit	34,525	33,253	40,339	45,312
Margin (%)	22.4	22.3	22.6	22.7
Employee Cost	8,901	8,358	9,281	10,280
Other Expenses	12,971	13,385	15,975	17,865
EBITDA	11,163	7,808	12,976	14,811
YoY gr. (%)	135.2	(30.1)	66.2	14.1
Margin (%)	7.2	5.2	7.3	7.4
Depreciation and Amortization	618	919	854	962
EBIT	10,545	6,889	12,123	13,849
Margin (%)	6.8	4.6	6.8	6.9
Net Interest	621	639	676	726
Other Income	3,245	2,864	2,837	3,407
Profit Before Tax	13,169	9,114	14,284	16,530
Margin (%)	8.5	6.1	8.0	8.3
Total Tax	3,565	2,351	3,595	4,161
Effective tax rate (%)	27.1	25.8	25.2	25.2
Profit after tax	9,604	6,763	10,689	12,369
Minority interest	(71)	(53)	(53)	(53)
Share Profit from Associate	(1,260)	(1,310)	(852)	(554)
Adjusted PAT	8,415	5,505	9,890	11,869
YoY gr. (%)	233.9	(34.6)	79.6	20.0
Margin (%)	5.5	3.7	5.5	5.9
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	8,415	5,505	9,890	11,869
YoY gr. (%)	233.9	(34.6)	79.6	20.0
Margin (%)	5.5	3.7	5.5	5.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	8,415	5,505	9,890	11,869
Equity Shares O/s (m)	331	331	331	331
EPS (Rs)	25.4	16.6	29.9	35.9

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	13,559	16,288	18,490	20,650
Tangibles	12,840	15,512	17,664	19,774
Intangibles	719	776	826	876
Acc: Dep / Amortization	4,547	5,466	6,320	7,282
Tangibles	3,863	4,757	5,584	6,519
Intangibles	685	709	735	763
Net fixed assets	9,012	10,822	12,170	13,368
Tangibles	8,978	10,755	12,080	13,255
Intangibles	34	66	90	112
Capital Work In Progress	824	824	824	824
Goodwill	723	723	723	723
Non-Current Investments	30,819	31,016	34,149	35,253
Net Deferred tax assets	(140)	(140)	(140)	(140)
Other Non-Current Assets	921	952	986	1,020
Current Assets				
Investments	3,987	3,860	4,617	5,163
Inventories	27,148	24,534	29,341	32,813
Trade receivables	25,115	24,423	29,207	32,664
Cash & Bank Balance	6,782	9,167	7,875	12,027
Other Current Assets	17,312	16,593	19,825	22,159
Total Assets	1,31,520	1,31,292	1,49,646	1,67,169
Equity				
Equity Share Capital	331	331	331	331
Other Equity	64,802	67,985	75,559	85,113
Total Networth	65,133	68,316	75,890	85,443
Non-Current Liabilities				
Long Term borrowings	3,823	3,823	3,823	3,823
Provisions	952	922	1,103	1,233
Other non current liabilities	107	107	107	107
Current Liabilities				
ST Debt / Current of LT Debt	4,810	4,658	5,355	5,988
Trade payables	38,928	37,183	44,284	49,460
Other current liabilities	16,317	14,905	17,646	19,646
Total Equity & Liabilities	1,31,520	1,31,292	1,49,646	1,67,169

Source: Company Data, PL Research


Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	11,908	9,114	14,284	16,530
Add. Depreciation	618	919	854	962
Add. Interest	621	639	676	726
Less Financial Other Income	3,245	2,864	2,837	3,407
Add. Other	(1,349)	(1,316)	(1,042)	(700)
Op. profit before WC changes	11,797	9,355	14,772	17,518
Net Changes-WC	(10,932)	1,217	(3,835)	(2,679)
Direct tax	(3,107)	(2,351)	(3,595)	(4,161)
Net cash from Op. activities	(2,241)	8,220	7,341	10,678
Capital expenditures	11,396	(2,729)	(2,202)	(2,160)
Interest / Dividend Income	168	-	-	-
Others	(9,984)	(147)	(3,439)	(1,325)
Net Cash from Invt. activities	1,579	(2,876)	(5,641)	(3,485)
Issue of share cap. / premium	-	-	-	-
Debt changes	1,358	-	-	-
Dividend paid	(1,820)	(2,316)	(2,316)	(2,316)
Interest paid	(535)	(639)	(676)	(726)
Others	-	-	-	-
Net cash from Fin. activities	(997)	(2,954)	(2,991)	(3,041)
Net change in cash	(1,659)	2,391	(1,292)	4,152
Free Cash Flow	(4,323)	5,491	5,139	8,518

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	25.4	16.6	29.9	35.9
CEPS	27.3	19.4	32.5	38.8
BVPS	196.9	206.5	229.4	258.3
FCF	(13.1)	16.6	15.5	25.8
DPS	7.0	7.0	7.0	7.0
Return Ratio(%)				
RoCE	19.8	13.0	18.5	19.1
ROIC	13.1	8.2	13.3	14.2
RoE	13.6	8.3	13.7	14.7
Balance Sheet				
Net Debt : Equity (x)	0.0	(0.1)	0.0	(0.1)
Net Working Capital (Days)	32	29	29	29
Valuation(x)				
PER	55.1	84.2	46.9	39.1
P/B	7.1	6.8	6.1	5.4
P/CEPS	51.3	72.2	43.2	36.1
EV/EBITDA	41.3	58.8	35.5	30.8
EV/Sales	3.0	3.1	2.6	2.3
Dividend Yield (%)	0.5	0.5	0.5	0.5

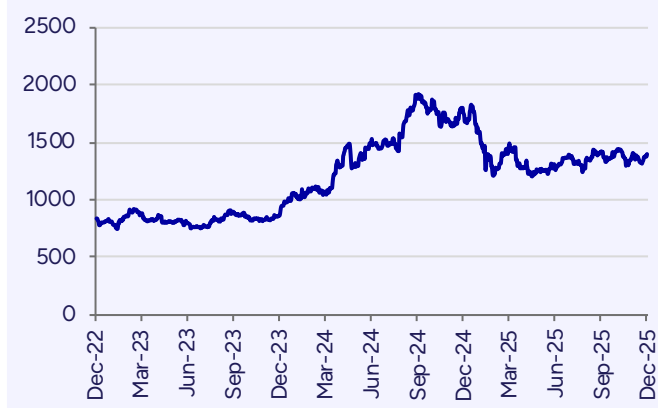
Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	31,051	47,676	39,386	23,473
YoY gr. (%)	18.3	13.4	(20.0)	(10.4)
Raw Material Expenses	23,807	37,454	30,796	17,645
Gross Profit	7,244	10,222	8,590	5,829
Margin (%)	23.3	21.4	21.8	24.8
EBITDA	1,974	3,328	1,785	704
YoY gr. (%)	594.5	74.6	(57.9)	(56.6)
Margin (%)	6.4	7.0	4.5	3.0
Depreciation / Depletion	179	141	185	244
EBIT	1,795	3,187	1,601	460
Margin (%)	5.8	6.7	4.1	2.0
Net Interest	155	233	135	200
Other Income	591	797	821	646
Profit before Tax	2,231	3,751	2,286	906
Margin (%)	7.2	7.9	5.8	3.9
Total Tax	599	1,075	621	226
Effective tax rate (%)	26.8	28.7	27.2	25.0
Profit after Tax	1,632	2,677	1,665	680
Minority interest	(14)	(53)	2	(28)
Share Profit from Associates	(324)	(320)	(259)	(365)
Adjusted PAT	1,321	2,410	1,405	343
YoY gr. (%)	(534.5)	107.0	(58.0)	(74.4)
Margin (%)	4.3	5.1	3.6	1.5
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,321	2,410	1,405	343
YoY gr. (%)	(534.5)	107.0	(58.0)	(74.4)
Margin (%)	4.3	5.1	3.6	1.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,321	2,410	1,405	343
Avg. Shares O/s (m)	331	331	331	331
EPS (Rs)	4.0	7.3	4.2	1.0

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	15-Nov-25	Hold	1,411	1,351
2	03-Oct-25	Hold	1,440	1,354
3	22-Sep-25	Hold	1,441	1,420
4	09-Aug-25	Hold	1,268	1,305
5	04-Jul-25	Hold	1,350	1,367
6	08-May-25	BUY	1,516	1,223
7	03-Apr-25	BUY	1,593	1,345
8	21-Mar-25	Accumulate	1,593	1,470
9	31-Jan-25	BUY	1,593	1,261
10	08-Jan-25	Accumulate	1,980	1,780

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Amber Enterprises India	BUY	8,269	6,626
2	Astral Ltd.	BUY	1,778	1,566
3	Avalon Technologies	Hold	1,083	1,062
4	Bajaj Electricals	BUY	600	514
5	Cello World	BUY	732	611
6	Century Plyboard (I)	Hold	845	799
7	Cera Sanitaryware	BUY	7,178	5,761
8	Crompton Greaves Consumer Electricals	BUY	375	279
9	Cyient DLM	Accumulate	478	441
10	Finolex Industries	Accumulate	228	188
11	Greenpanel Industries	BUY	399	270
12	Havells India	Accumulate	1,653	1,487
13	Kajaria Ceramics	Hold	1,288	1,251
14	Kaynes Technology India	BUY	5,624	3,807
15	KEI Industries	BUY	4,926	4,173
16	LG Electronics India	BUY	1,920	1,618
17	Polycab India	BUY	8,808	7,440
18	R R Kabel	BUY	1,634	1,391
19	Supreme Industries	BUY	4,723	4,001
20	Syrma SGS Technology	Accumulate	874	831
21	Voltas	Hold	1,411	1,351

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

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