INSTITUTIONAL RESEARCH

Consumer Durables & EMS

Healthy summer demand; cost inflation, price hikes

Demand trends remained decent across most consumer durables categories in Q1FY27. Cooling categories (RACs, coolers, and fans) delivered strong Q1 performance, aided by a favorable summer season and a low base from last year. Channel inventories across most product categories have largely normalized. W&C segment remained healthy during the quarter, with cables outperforming wires. The lighting segment is expected to witness an acceleration in revenue growth, supported by recent price hikes, while demand in the switchgear segment was marginally impacted. Kitchen appliances are likely to report healthy performance, driven by strong traction in induction cooktops. The television and water purifier segments are also expected to deliver healthy topline growth, aided by pricing actions. However, volumes in washing machines and refrigerators remained subdued during the quarter. Overall, we expect our consumer durables coverage universe to deliver revenue growth of ~18% YoY, with EBITDA and APAT projected to grow by ~22% and ~19% YoY. The EMS universe is expected to sustain growth, albeit at a moderated pace, primarily due to a slowdown in Dixon Technologies' mobile segment volume amid softness in the handset market and elevated memory prices. In contrast, Amber Enterprises, Kaynes Technology, and Syrma SGS are likely to deliver healthy topline growth. Overall, we forecast EMS revenues, and EBITDA will grow by 18% each, while APAT to decline 9% YoY. Industry fundamentals remain constructive; however, margin pressures from elevated input costs remain a key concern. Valuations have been rolled forward to Sep-28E (Symphony already updated in prior Company Update), with ratings unchanged across all stocks. Considering the input cost inflation, we have trimmed our earnings estimates and lowered valuation multiples for our coverage universe to reflect the near-term margin pressures and moderation in earnings outlook, as highlighted in Exhibit 2.

- **Cooling category saw healthy demand recovery:** Performance across cooling categories (RAC, coolers, and fans) remained healthy in Q1, aided by a favorable summer season and a low base from last year. While the North witnessed intermittent rainfall in the early part of the quarter, demand improved subsequently, whereas the South experienced strong demand throughout the period. Channel inventories across cooling product categories have largely normalized, except for the TPW fan segment, where inventories remained elevated. The industry has implemented price hikes of over the past few months to offset input cost inflation. However, with entire cost increases still to be absorbed, margin pressures are likely to persist especially in RAC segment.

- **W&C:** Demand momentum in the W&C segment remained healthy during the quarter, with cables outperforming wires. Commodity cost inflation persisted and was further exacerbated by geopolitical tensions in the Middle East. Consequently, the industry undertook price hikes to pass on higher input costs, supporting strong topline growth during the quarter.

- **Other product categories:** The lighting segment is expected to witness an acceleration in revenue growth, supported by recent price hikes, while demand in the switchgear segment was marginally impacted. Kitchen appliances are likely to report healthy performance, driven by strong traction in induction cooktops. The television and water purifier segments are also expected to deliver healthy topline growth, aided by pricing actions. However, volumes in washing machines and refrigerators remained subdued in the quarter. Overall, we expect our consumer durables coverage universe to deliver revenue growth of ~18% YoY, with EBITDA and APAT projected to grow by ~22% and ~19% YoY.

HSIE Universe

Companies	CMP* (INR)	TP (INR)	Rating
Consumer Durables			
Bajaj Electricals	322	320	REDUCE
Crompton Consumer	259	320	BUY
Eureka Forbes	441	640	BUY
Havells	1,214	1,315	ADD
LG Electronics	1,549	1,525	ADD
Orient Electric	169	225	BUY
Symphony	694	1,075	BUY
TTK Prestige	612	575	REDUCE
V-Guard	302	395	ADD
Voltas	1,251	1,390	ADD
EMS			
Amber Enterprises	7,425	8,250	REDUCE
Dixon Technologies	12,956	11,390	REDUCE
Kaynes Technology	3,218	3,280	REDUCE
Syrma SGS	1,370	1,300	BUY

* CMP as on July 08, 2026

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- **Key input prices continue upward trajectory:** Metal prices continued their upward trajectory in Q1, extending the trend seen in previous quarters. Average copper prices increased ~50% YoY (~7% QoQ), while aluminum prices rose ~60% YoY (~15% QoQ). Polypropylene prices were also up ~50% YoY (-15% QoQ). On a quarter-end basis, June-end prices were ~10% higher than March-end levels for copper, while aluminum and polypropylene prices were lower by ~10% and ~15%, respectively.

- **Electronics Manufacturing Services (EMS):** The EMS universe is expected to sustain growth, albeit at a moderated pace, primarily due to a slowdown in Dixon Technologies' mobile segment volume amid softness in the handset market and elevated memory prices. In contrast, Amber Enterprises, Kaynes Technology, and Syrma SGS are likely to deliver healthy topline growth. Overall, we forecast EMS revenues, and EBITDA will grow by 18% each, while APAT to decline 9% YoY.

- **Valuation:** The consumer durables sector continues to operate in a competitive environment. Cooling categories benefited from a strong summer season, driving healthy demand and largely normalized channel inventories, except for the TPW fan segment, where inventories remained elevated. However, demand trends across the broader portfolio remain mixed. Elevated commodity prices are resulting in renewed input cost inflation, posing downside risks to margins. While industry fundamentals remain constructive, we remain cautious on margins amid cost pressures. We have rolled forward valuations to Sep-28E (Symphony already updated in prior Company Update. Considering the input cost inflation across the sector, which has not been fully passed on to customers, we have reduced our APAT estimates for most of our coverage universe (as highlighted in Exhibit 2). Accordingly, we have also lowered our target valuation multiples for Havells (from 45x to 38x), Eureka Forbes (from 40x to 38x), Crompton Greaves (from 30x to 28x), and Orient Electric (from 30x to 28x) to reflect the near-term margin pressures and moderation in earnings outlook.

Exhibit 1: Q1FY27 Quarterly Estimates Snapshot

Companies	Net Sales (INR mn)			EBITDA (INR mn)			EBITDA Margin (%)			APAT (INR mn)			Adj. EPS (INR)		
	Q1 FY27E	*YoY (%)*	*QoQ (%)*	Q1 FY27E	*YoY (%)*	*QoQ (%)*	Q1 FY27E	*YoY (bps)*	*QoQ (bps)*	Q1 FY27E	*YoY (%)*	*QoQ (%)*	Q1 FY27E	*YoY (%)*	*QoQ (%)*
Consumer Durables															
Bajaj Electricals	11,391	7.0	(8.1)	353	5.9	(18.2)	3.1	-	(40.0)	2	(97.2)	(86.8)	0.0	(97.2)	(86.8)
Crompton	21,582	8.0	(5.5)	2,050	7.0	(24.3)	9.5	(10.0)	(240.0)	1,220	(0.2)	(33.0)	1.9	(0.3)	(33.0)
Eureka Forbes	6,930	14.0	1.4	637	3.6	(25.5)	9.2	(90.0)	(330.0)	360	(6.8)	(29.4)	1.9	(6.8)	(29.4)
Havells	65,474	20.4	(2.1)	5,762	10.8	(20.8)	8.8	(80)	(210.0)	3,984	13.1	(24.0)	6.4	13.1	(24.0)
LG Electronics	71,711	14.5	(11.0)	8,749	22.1	(7.5)	12.2	80.0	50.0	6,309	22.9	(8.9)	9.3	22.9	(8.9)
Orient Electric	8,844	15.0	(6.7)	540	17.1	(30.3)	6.1	10.0	(210.0)	236	35.0	(43.4)	1.1	35.0	(43.4)
Symphony	2,610	4.0	(22.8)	249	(4.2)	(50.2)	9.5	(80.0)	(530.0)	251	(26.1)	(28.2)	3.6	(26.1)	(28.2)
TTK Prestige	7,129	17.0	(2.2)	642	59.0	(4.2)	9.0	240.0	(20.0)	427	60.5	9.2	3.1	60.5	9.2
V-Guard	17,048	16.3	(2.9)	1,483	20.0	(13.1)	8.7	30.0	(100.0)	949	28.5	(15.4)	2.2	28.5	(15.4)
Voltas	52,064	32.2	6.5	3,096	73.4	40.3	5.9	140.0	140.0	2,006	42.8	72.7	6.1	42.8	72.7
Aggregates	**2,64,783**	**18.2**	**(4.1)**	**23,561**	**21.6**	**(11.4)**				**15,745**	**18.6**	**(12.3)**			
EMS															
Amber	42,684	23.8	2.9	3,415	33.0	(4.7)	8.0	60.0	(60.0)	686	(34.0)	(1.8)	19.6	(36.3)	(1.8)
Dixon	1,45,043	13.0	38.0	4,786	(0.8)	17.2	3.3	(50.0)	(60.0)	2,189	(2.7)	14.7	36.1	(3.4)	14.7
Kaynes	8,553	27.0	(31.2)	1,300	15.0	(32.9)	15.2	(160.0)	(40.0)	540	(27.6)	(40.8)	8.1	(30.8)	(40.8)
Syrma SGS	15,000	58.9	2.4	1,575	81.8	(9.6)	10.5	130.0	(140.0)	706	41.9	(31.0)	3.7	31.2	(31.0)
Aggregates	**2,11,279**	**18.0**	**21.7**	**11,076**	**18.0**	**(2.4)**				**4,121**	**(9.1)**	**(9.3)**			

Source: Company; HSIE Research

Exhibit 2: Change in estimates/rating

Company	Rating		TP (INR)		Target P/E (x)		Old EPS			New EPS			Change %	
	OLD	NEW	OLD	NEW	OLD	NEW	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E
Consumer Durables														
Bajaj Electricals	REDUCE	REDUCE	315	320	25x	25x	1.2	10.4	12.5	1.2	10.1	12.4	-2.9	-0.7
Crompton Consumer	BUY	BUY	335	320	30x	28x	7.8	9.5	11.2	7.8	9.0	10.8	-5.1	-3.3
$ Eureka Forbes	BUY	BUY	645	640	40x	38x	10.0	11.6	14.7	10.0	11.5	14.5	-1.0	-1.8
Havells	ADD	ADD	1,470	1,315	45x	38x	24.6	28.4	32.6	24.6	27.6	31.7	-2.5	-2.7
LG Electronics	ADD	ADD	1,455	1,525	38x	38x	25.2	32.6	38.3	25.2	32.6	38.3	-	-
Orient Electric	BUY	BUY	235	225	30x	28x	5.0	6.2	7.8	5.0	6.0	7.7	-3.3	-1.7
Symphony	BUY	BUY	1,075	1,075	30x	30x	9.8	25.5	34.5	9.8	25.5	34.5	-	-
TTK Prestige	REDUCE	REDUCE	540	575	30x	30x	13.8	15.1	18.0	13.8	15.3	18.2	1.3	1.3
V-Guard	ADD	ADD	365	395	35x	35x	7.6	8.8	10.5	7.6	8.8	10.5	-	-
# Voltas	ADD	ADD	1,320	1,390	SOTP	SOTP	12.2	24.5	32.6	12.2	23.7	32.3	-3.4	-0.9
EMS														
Amber	REDUCE	REDUCE	8,250	8,250	DCF	DCF	58.8	113.9	186.2	58.8	113.9	186.2	-	-
Dixon	REDUCE	REDUCE	10,560	11,390	DCF	DCF	136.9	152.9	212.9	136.9	150.9	210.8	-1.3	-1.0
Kaynes	REDUCE	REDUCE	3,280	3,280	DCF	DCF	54.7	61.8	77.8	54.7	61.8	77.8	-	-
Syrma SGS	BUY	BUY	1,150	1,300	DCF	DCF	16.7	21.9	29.3	16.7	21.9	29.3	-	-

Source: Company, HSIE Research. ^Valuation is based on Sep-28E EPS. # Voltas is valued using a SOTP approach, with the UPC/EMPS/EPS segments valued at 40x/18x/18x, respectively, and the Voltas Beko JV at 2x P/S. $ Eureka Forbes is valued at 38x earnings, excluding non-cash intangible amortisation and 50% of performance-based ESOP expenses.

Exhibit 3: Valuation summary

Company	Mcap (INR bn)	CMP (INR)	TP (INR)	RECO	EPS (INR)				P/E (x)				RoE %				Rev CAGR FY26-29E	EPS CAGR FY26-29E
					FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E		
Consumer Durables																		
Bajaj Electricals	38	322	320	REDUCE	1.2	10.1	12.4	13.2	267.4	31.9	25.9	24.4	0.9	7.8	9.0	8.9	7.8	122.0
Crompton Consumer	176	259	320	BUY	7.8	9.0	10.8	12.1	33.1	28.7	24.0	21.4	13.8	16.0	17.1	17.1	11.4	15.7
Eureka Forbes	92	441	640	BUY	10.0	11.5	14.5	16.9	44.2	38.3	30.5	26.0	4.3	4.7	5.7	6.3	13.7	19.3
Havells	746	1,214	1,315	ADD	24.6	27.6	31.7	37.4	49.4	43.9	38.2	32.5	17.3	17.4	18.3	19.8	13.1	15.0
LG Electronics	1,087	1,549	1,525	ADD	25.2	32.6	38.3	42.0	61.4	47.5	40.5	36.9	25.1	25.2	23.7	21.7	11.5	18.5
Orient Electric	38	169	225	BUY	5.0	6.0	7.7	8.5	34.0	28.0	22.0	19.9	14.6	16.0	18.2	18.0	10.6	19.6
Symphony	48	694	1,075	BUY	9.8	25.5	34.5	37.2	71.1	27.2	20.1	18.6	10.3	29.4	33.1	29.9	13.9	56.3
TTK Prestige	76	612	575	REDUCE	13.8	15.3	18.2	20.2	44.5	40.0	33.6	30.3	9.8	10.3	11.6	12.1	9.5	13.6
V-Guard	136	302	395	ADD	7.6	8.8	10.5	12.0	39.9	34.3	28.9	25.1	19.7	20.5	21.3	21.4	12.2	16.7
Voltas	438	1,251	1,390	ADD	12.2	23.7	32.3	38.3	102.8	52.9	38.7	32.7	6.2	11.6	14.5	15.6	13.8	46.5
EMS																		
Amber Enterprises	251	7,425	8,250	REDUCE	58.8	113.9	186.2	252.1	126.3	65.2	39.9	29.5	6.2	8.8	12.8	15.1	48.8	62.4
Dixon Technologies	781	12,956	11,390	REDUCE	136.9	150.9	210.8	277.6	94.6	85.9	61.4	46.7	21.7	18.0	20.9	22.5	24.4	26.6
Kaynes Technology	206	3,218	3,280	REDUCE	54.7	61.8	77.8	88.3	58.9	52.0	41.4	36.5	9.7	8.4	9.6	9.9	32.9	17.3
Syrma SGS	264	1,370	1,300	BUY	16.7	21.9	29.3	39.4	81.9	62.6	46.7	34.8	14.0	13.7	15.9	18.2	29.7	33.0

Source: Company; HSIE Research | CMP as on July 08, 2026

Exhibit 4: Copper prices up ~50/7% YoY/QoQ

Source: Bloomberg

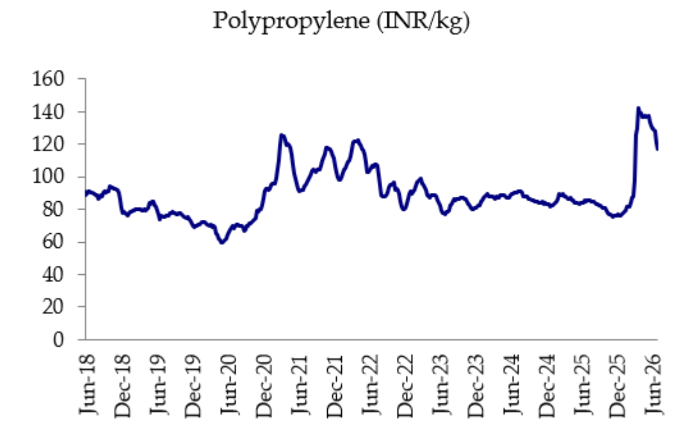
Exhibit 5: Aluminum prices up ~60/15% YoY/QoQ

Source: Bloomberg

Exhibit 6: Rupee price up 10% YoY, flat QoQ

Source: Bloomberg

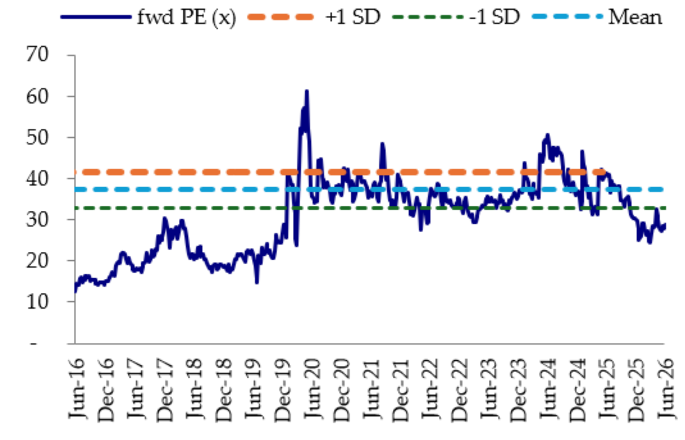
Exhibit 7: Polypropylene prices have surged ~40% YoY (-15% QoQ)



Source: Bloomberg

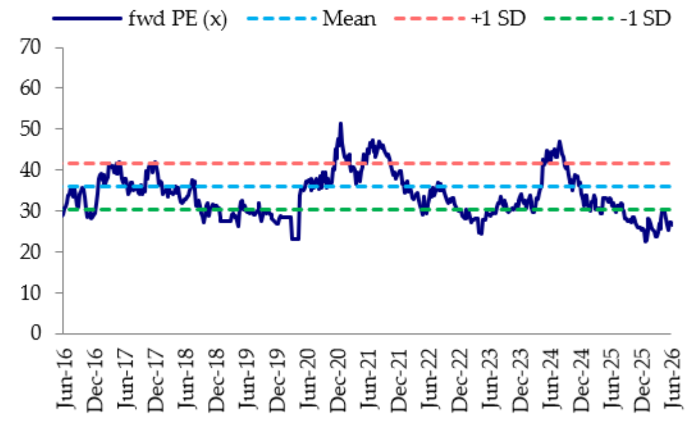
Exhibit 8: 1-year Forward P/E chart

Bajaj Electricals



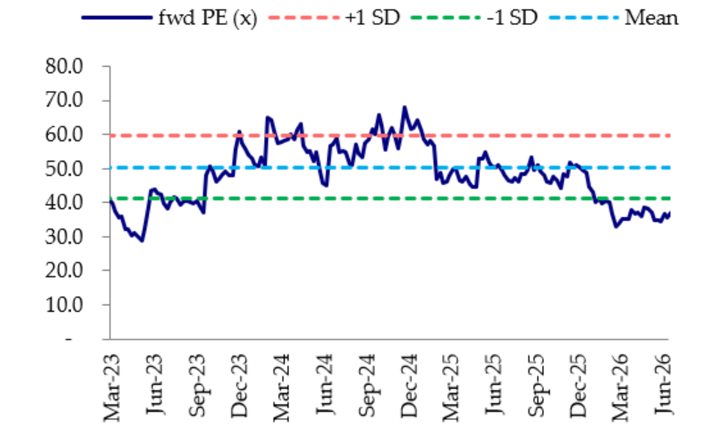
Source: Bloomberg, HSIE Research

Crompton Greaves Consumer



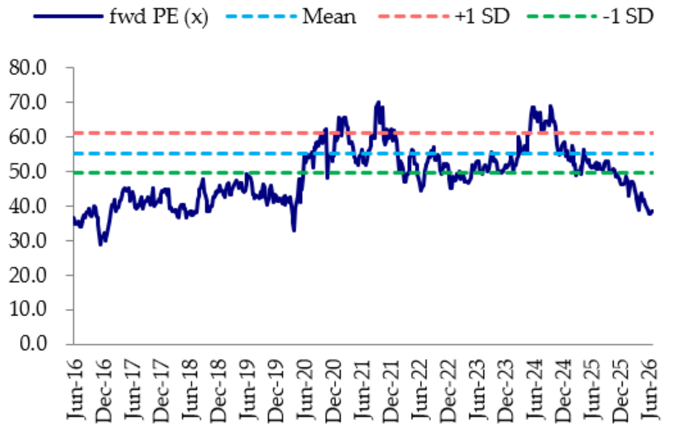
Source: Bloomberg, HSIE Research

Eureka Forbes



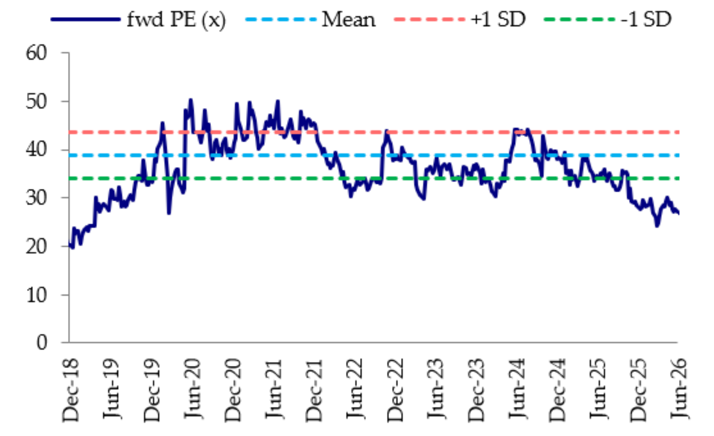
Source: Bloomberg, HSIE Research

Havells



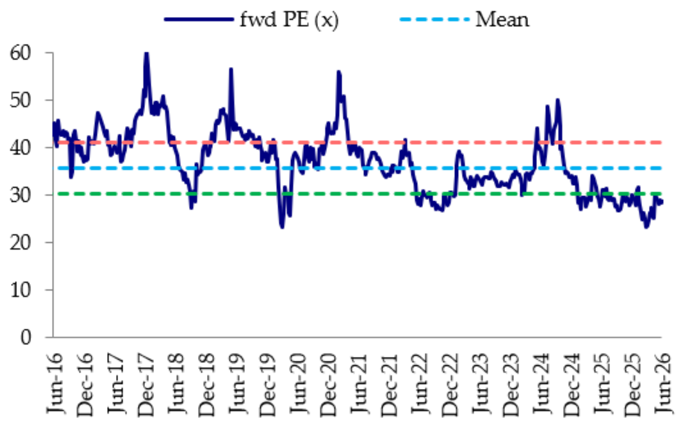
Source: Bloomberg, HSIE Research

Orient Electric



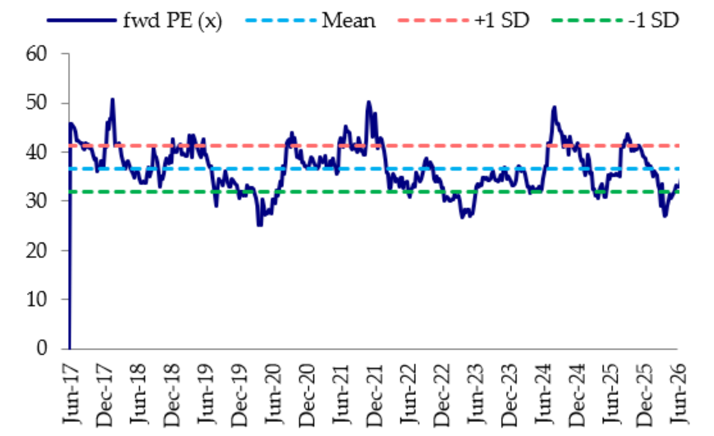
Source: Bloomberg, HSIE Research

Symphony



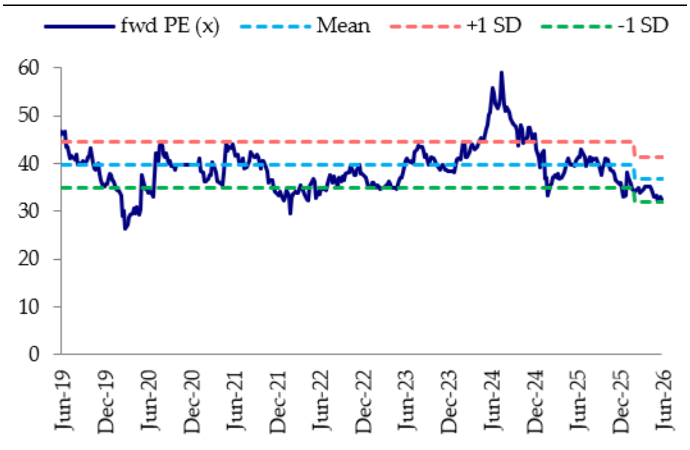
Source: Bloomberg, HSIE Research

TTK Prestige



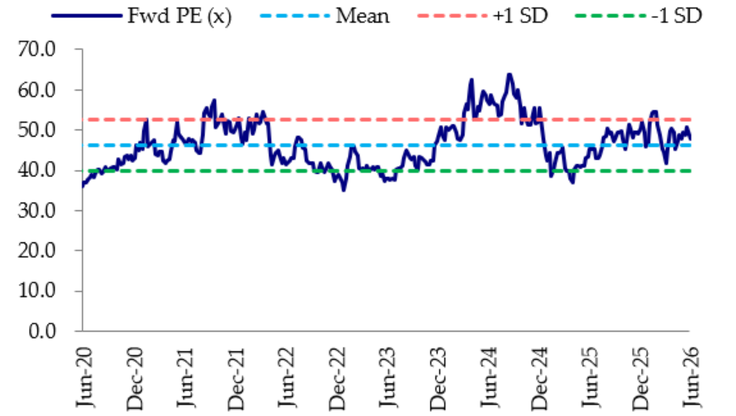
Source: Bloomberg, HSIE Research

V-Guard Industries



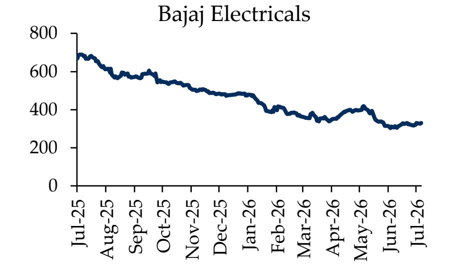
Source: Bloomberg, HSIE Research

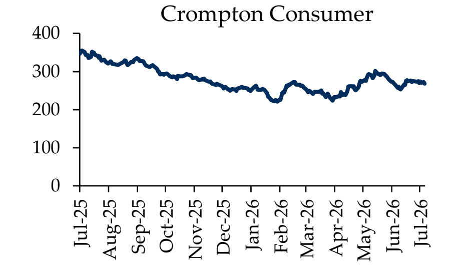
Voltas

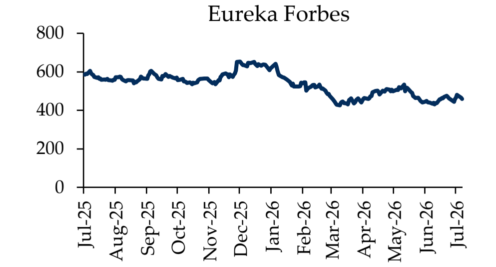


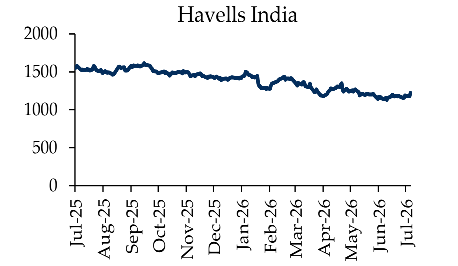
Source: Bloomberg, HSIE Research

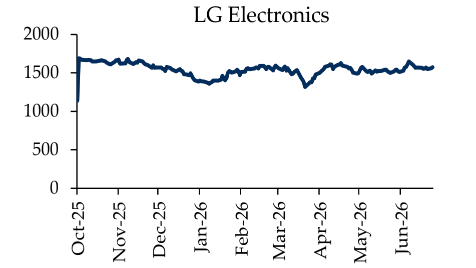
Price history

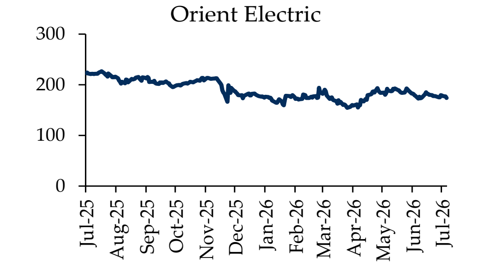


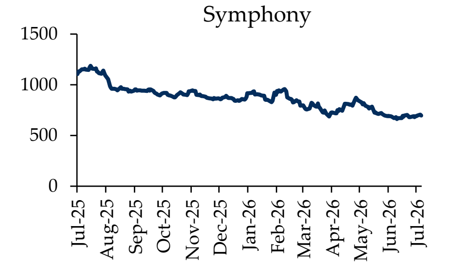


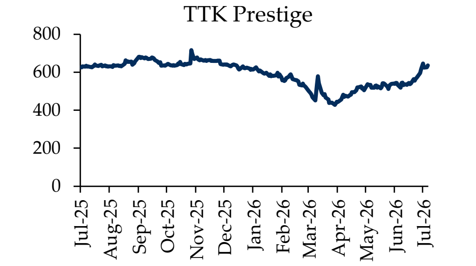


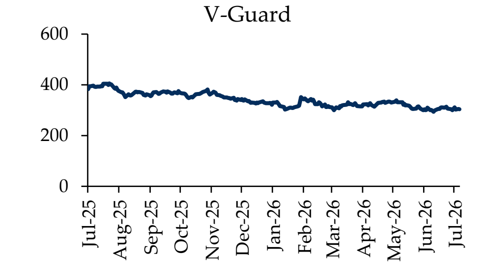


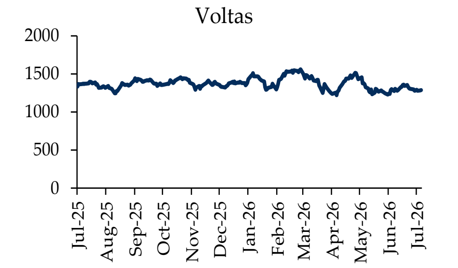


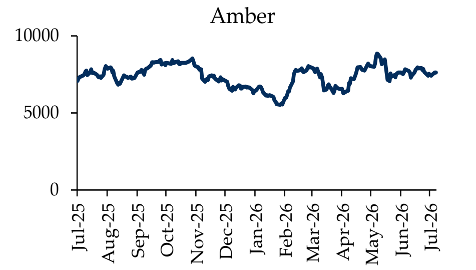


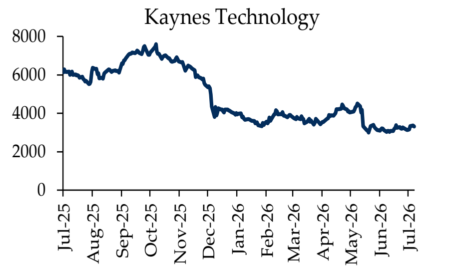


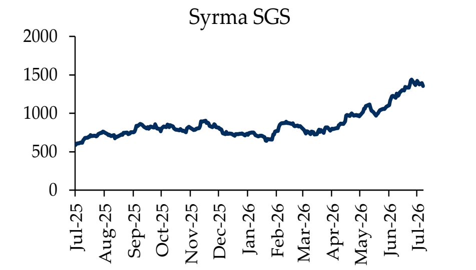












Rating Criteria

BUY:	>+15% return potential
ADD:	+5% to +15% return potential
REDUCE:	-10% to +5% return potential
SELL:	>10% Downside return potential

Disclosure:

We, **Keshav Lahoti, CA & CFA, Rajesh Ravi, MBA & Mahesh Nagda, CA** authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect my views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. I also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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