INSTITUTIONAL RESEARCH

HSIE Results Daily

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Results Reviews

- **Infoedge:** Infoedge reported strong billings growth, but the margins were impacted due to higher investments. Info Edge's recruitment business billings were up 18.4% YoY in Q4FY25 and 14.6% for FY25. This growth was broad-based, observed across all segments. Specifically, the tech, IT services, & BPM segment grew by 18%, GCCs by 21%, other sectors by 19%, and the recruitment consultant segment by 16% YoY. The key sectors outside IT, such as BFSI, Healthcare, and Manufacturing Infrastructure, also saw double-digit growth. The company is aggressively investing in AI and machine learning, considering these are strategic for long-term growth. AI initiatives include enhancing existing products to improve recruiter productivity and job seeker engagement (resulting in a 15-20% improvement in hiring metrics), developing new AI-powered features using generative AI, and building entirely new products like data products and a recruiter agent. Investments in advertising have increased, contributing to higher expenditure in Q4FY25, partly due to campaigns like IPL advertising, with the goal of increasing visibility and gaining more users and market share. We expect recruitment billings to grow at a ~17% CAGR from FY25-27E, which is higher than the pre-COVID average of ~13%. The margin for the recruitment segment will be in the ~55-60% range, provided billings growth is over 15% YoY. We maintain our BUY rating with a SoTP-based TP of INR 1.550, valuing Naukri at 35x FY27E EV/EBITDA, 99acres/Jeevansathi+Shiksha at 5/4x P/S, while Zomato and Policybazaar have been assigned the market value. The core recruitment business is trading at 35/29x FY26/27E EV/EBITDA.
- **Aurobindo Pharma:** EBITDA^ growth of 12% YoY was led by 11% sales growth (+8% QoQ US, +17% EU, and +29% YoY in ARV) and a steady gross margin^ (+11 bps YoY). It was offset by higher staff/SG&A/R&D costs (+13/ 8%/ 8% YoY). ARBP expects (1) high-single-digit growth (ex-gRevlimid) and EBITDA margin to sustain (vs 21.2% in FY25); (2) steady growth in the US oral solid, led by new launches and volume gain; (3) normalization of sales run-rate for its specialty/injectable from Q1FY26; flattish growth in FY26 as Eugia Unit-3 (under waring letter) issues may blur new approval visibility. For FY27, it expects strong growth, led by few planned/settlement base launches (gBridion); (4) gRevlimid sales to be steady in FY26; (5) EU to sustain strong growth momentum, led by launches; (6) the launch of two biosimilars in the EU market in H2FY26; expects inflection point by CY28-29 (targeting double-digit sales in FY27) and will look for in-licensing; and (7) new plants (China, Pen-G, and two US-based plants) to have generate EBITDA contribution over the next 2-3 years. Factoring in FY25, we tweaked our estimates and revised the TP to INR 1,320 (17x FY27E). ADD stays, given growth visibility (the US/EU), steady margin, and monetization of R&D assets (biosimilars, respiratory, and specialty).
- **KEC International:** KECI reported a strong quarter with the highest-ever order backlog and an improvement in the EBITDA margin profile. Its revenue/EBITDA/APAT (miss)/beat stood at -2.0/-1.1/7.2% vs our estimates. The EBITDA margin improved on a QoQ basis to 7.8%. KECI guided for a revenue growth of 15% in FY26. Moreover, it guided for FY26 EBITDA margin to be in the range of 8-8.5% as the legacy projects are getting completed. The company continues to surprise on Order Inflows (OI), which came in at INR

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264bn, largely led by T&D, civil, and railways segments. The order book (OB) as of Mar'25 stood at INR 333.9bn (~1.5x FY25 revenue), while L1 stood at INR 40bn. Further, KEC has transferred its cables business to a subsidiary (KEC Asian Cables Ltd) in January 2025 as management remains optimistic about long-term growth (revenue of INR 28-29bn by FY27). KECI is well-positioned to capitalize on India's infrastructure push, with T&D and renewables leading growth, while disciplined execution and margin focus enhance profitability. However, we have marginally tweaked our estimates to factor in delayed client payments which could result in slower project execution, potentially impacting both revenue growth and profitability. We maintain our ADD rating on KECI with a revised target price of INR 959/sh

- **TTK Prestige:** We maintain REDUCE with a lower TP of 605/sh by valuing the company at 33x Mar-27 EPS. TTK Prestige's revenue grew by 4% YoY to INR 6.5bn, primarily due to a 14% YoY increase in the cookware segment. Gross margin rose by 90bps YoY to 41.7%, while EBITDAM contracted by 450bps YoY to 7.9% due to higher employee and other expenses, leading to a 33% YoY fall in EBITDA. APAT declined by 48% YoY. Traditional channels saw 10% YoY growth, but it was impacted by challenges in alternate channels. The company targets high single-digit growth in FY26, aiming for double-digit growth within two years. It foresees EBITDA margin dilution for eight quarters, with recovery to mid-teens post-opex investments of INR 2bn. MFI and CSD channels face persistent challenges. We maintain REDUCE with a lower TP of 605/sh by valuing the company at 33x Mar-27 EPS.

- **Stylam Industries:** We expect the growing tussle between Stylam's promoter families to pose a business risk to an otherwise strong growth story. Hence, we lower our valuation multiple to 15x Mar-27E EPS vs 20x earlier and downgrade Stylam to REDUCE from Buy earlier with a reduced target price of INR 1,700/sh. In Q4FY25, Stylam's revenue increased 11% YoY (export/domestic: 12/8%). However, gross margin fell 160bps QoQ due to higher raw material costs and change in product mix. So, EBITDA declined 10/7% YoY/QoQ as operating margin declined by 370/190bps YoY/QoQ to 16.2% (a 10-quarter low). Owing to lower EBITDA and tax rate in the base quarter, APAT declined 24% YoY (-1% QoQ). Working capital stretched to a multi-year high of 122 days in Mar-25, led by higher inventory and receivables. The brownfield laminates plant expansion is expected to be fully operational by September 2025 and should drive growth from FY25 to FY27E. So, Stylam has guided to ~20/40% export revenue growth for FY26/27E.

Infoedge

Strong billings; margin recovery with growth

Infoedge reported strong billings growth, but the margins were impacted due to higher investments. Info Edge's recruitment business billings were up 18.4% YoY in Q4FY25 and 14.6% for FY25. This growth was broad-based, observed across all segments. Specifically, the tech, IT services, & BPM segment grew by 18%, GCCs by 21%, other sectors by 19%, and the recruitment consultant segment by 16% YoY. The key sectors outside IT, such as BFSI, Healthcare, and Manufacturing Infrastructure, also saw double-digit growth. The company is aggressively investing in AI and machine learning, considering these are strategic for long-term growth. AI initiatives include enhancing existing products to improve recruiter productivity and job seeker engagement (resulting in a 15-20% improvement in hiring metrics), developing new AI-powered features using generative AI, and building entirely new products like data products and a recruiter agent. Investments in advertising have increased, contributing to higher expenditure in Q4FY25, partly due to campaigns like IPL advertising, with the goal of increasing visibility and gaining more users and market share. We expect recruitment billings to grow at a ~17% CAGR from FY25-27E, which is higher than the pre-COVID average of ~13%. The margin for the recruitment segment will be in the ~55-60% range, provided billings growth is over 15% YoY. We maintain our BUY rating with a SoTP-based TP of INR 1.550, valuing Naukri at 35x FY27E EV/EBITDA, 99acres/Jeevansathi+Shiksha at 5/4x P/S, while Zomato and Policybazaar have been assigned the market value. The core recruitment business is trading at 35/29x FY26/27E EV/EBITDA.

- **Q4FY25 highlights**: Infoedge revenue grew +2.3/13% QoQ/YoY to INR 6.87bn, driven by 1.3/1.5/11.8/12.6 QoQ growth in Recruitment, 99acres, Jeevansathi and Shiksha revenue; (2) total billings improved by 19% YoY, led by 18/22/24/16% YoY growth for recruitment, 99acres, Jeevansathi and Shiksha; (3) EBITDA margin for recruitment/99acres/Jeevansathi/Shiksha stood at +54.5/-14.1/-7.6/-1.3%; (4) the standalone margin was down 546bps QoQ to 37.7% due to higher employee expenses and rise in advertising costs by +9/27 QoQ; (5) APAT decreased by 4.6% QoQ to INR 2.47bn while RPAT stood at INR 2.55bn, impacted by an exceptional loss of INR 0.07bn (devaluation of investments); (6) Zomato/Policybazaar accounted for 26/9% in SoTP while Recruitment accounted for ~56% of SoTP.
- **Outlook**: We expect a revenue CAGR of 18% over FY25-27E, led by 18/18/22% CAGRs in recruitment/99acres/Jeevansathi. EBITDA margin estimates stand at 41.6/42.7% for FY26/27E, leading to an EPS CAGR of 18% over FY25-27E. Recruitment EBITDA margin estimates stand at 57.3/58.5% for FY26/27E.

Quarterly financial summary*

YE March (INR bn)	4Q FY25	4Q FY24	YoY (%)	3Q FY25	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E
Net Sales	6.87	6.08	*13.0*	6.72	*2.3*	21.59	23.81	26.54	30.79	36.77
EBITDA	2.59	2.47	*4.9*	2.90	*-10.6*	7.84	9.55	10.73	12.80	15.71
APAT	2.47	2.20	*12.5*	2.59	*-4.6*	6.08	8.46	9.77	11.34	13.56
Diluted EPS (INR)	3.8	3.4	*12.5*	4.0	*-4.6*	9.4	13.1	15.1	17.5	20.9
P/E (x)						154.6	111.1	96.2	82.9	69.3
EV / Revenue (x)						42.0	37.8	33.7	28.6	23.5
EV / EBITDA (x)						115.6	94.2	83.3	68.8	55.0
RoE (%)						2.9	5.9	9.1	9.3	10.3

Source: Company, HSIE Research, *standalone financials

Change in estimate

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %
Revenue	31.13	30.79	*-1.1*	36.75	36.77	*0.1*
EBITDA	13.24	12.80	*-3.3*	15.86	15.71	*-0.9*
EBITDA margin (%)	42.5	41.6	*-95bps*	43.2	42.7	*-43bps*
APAT	11.58	11.34	*-2.1*	13.57	13.56	*-0.1*
EPS (INR)	17.9	17.5	*-2.3*	21.0	20.9	*-0.3*

Source: Company, HSIE Research

BUY

CMP *(as on 27 May 2025)*	**INR 1,453**
Target Price	**INR 1,550**
NIFTY	**24,826**

KEY CHANGES	**OLD**	**NEW**
Rating	BUY	BUY
Price Target	INR 1,512	INR 1,550
EPS %	FY26E	FY27E
	-2.3%	-0.3%

KEY STOCK DATA	
Bloomberg code	INFOE IN
No. of Shares (mn)	648
MCap (INR bn) / ($ mn)	941/11,027
6m avg traded value (INR mn)	2,243
52 Week high / low	INR 1,839/1,050

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(1.6)	(12.9)	16.1
Relative (%)	(10.9)	(14.6)	7.9

SHAREHOLDING PATTERN (%)

	Dec-24	Mar-25
Promoters	37.63	37.63
FIs & Local MFs	19.24	18.83
FPIs	32.63	33.25
Public & Others	10.50	10.29
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Aurobindo Pharma

Stable Q4; steady growth and margin visbility

EBITDA^ growth of 12% YoY was led by 11% sales growth (+8% QoQ US, +17% EU, and +29% YoY in ARV) and a steady gross margin^ (+11 bps YoY). It was offset by higher staff/SG&A/R&D costs (+13/ 8%/ 8% YoY). ARBP expects (1) high-single-digit growth (ex-gRevlimid) and EBITDA margin to sustain (vs 21.2% in FY25); (2) steady growth in the US oral solid, led by new launches and volume gain; (3) normalization of sales run-rate for its specialty/injectable from Q1FY26; flattish growth in FY26 as Eugia Unit-3 (under waring letter) issues may blur new approval visibility. For FY27, it expects strong growth, led by few planned/settlement base launches (gBridion); (4) gRevlimid sales to be steady in FY26; (5) EU to sustain strong growth momentum, led by launches; (6) the launch of two biosimilars in the EU market in H2FY26; expects inflection point by CY28-29 (targeting double-digit sales in FY27) and will look for in-licensing; and (7) new plants (China, Pen-G, and two US-based plants) to have generate EBITDA contribution over the next 2-3 years. Factoring in FY25, we tweaked our estimates and revised the TP to INR 1,320 (17x FY27E). ADD stays, given growth visibility (the US/EU), steady margin, and monetization of R&D assets (biosimilars, respiratory, and specialty).

- **Q4 highlights:** Sales grew 11% YoY to INR 83.8 bn as the US (49% of sales) was up 8% QoQ to USD 470 mn (+7% YoY), led by volume gain, steady gRevlimid, and launches. EU sales (26%) grew 17% YoY. ARV sales (4%) grew 29% YoY, growth markets (9%) declined 9%, and API (13%) was up 5%. GM^ of 59.7% (+11 bps YoY) and higher staff/SG&A/R&D costs (+13%/8%/8% YoY) led to an EBITDA^ of INR 18.95 bn (+12% YoY) and a margin of 22.6% (+37 bps). Higher interest (+29% YoY) and lower other income (-9%) led to a PAT of INR 9 bn (-1% YoY). PAT (ex-one-offs) was at INR 9.6 bn (-4% YoY).
- **Concall takeaways: Specialty and injectables**: To see normalized sales from Q1FY26. Eugia Plant 3 - most of the remediation work completed; no big launch planned for FY26. Eugia Unit 5 –has 4 lines and adding 4 more to create capacity of aseptic, cartridge, and PFS; expects to file 10 ANDAs in the US and 15 products in EU. FY27 will see good traction from new launches. **China facility**: to start supplies in EU; it expects a few approvals and launches for China in Q2FY26. **Dayton plant**: it expects commissioning and commercialization by Q2FY26. **Pen-G**: in Apr'25, the plant was shut down for 20-25 days following a fire incident and that impacted by ~INR 40 mn; the renewal application for 'consent to operate' and approval is awaited; the government working on minimum import price policy to have a positive impact on profitability. **Biosimilars**: (1) Denosumab (Prolia): it expects EU filing in Q3FY26. (2) Omalizumab (Xolair): to complete Phase-3 in Q3FY26 and EU filing in Q4FY2. (3) Bevacizumab: to complete Phase-3 in Q4FY26. (4) CDMO: ARBP invested ~INR 10 bn to create a bioreactor capacity; commissioning by Q2FY27 and validation in Q4FY27-end; commercialization likely from FY28 and in 3-5 years, expected to reach company-level margin.

Quarterly financial summary

(INR mn)	4Q FY25	4Q FY24	YoY (%)	3Q FY25	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E
Net Revenue	83,821	75,802	11	79,785	5	2,48,554	2,90,019	3,17,237	3,42,392	3,68,531
EBITDA	18,969	16,871	12	16,278	17	37,582	58,430	67,331	73,957	79,234
APAT	9,666	10,094	-4	8,626	12	19,567	32,837	35,558	41,543	45,098
EPS (INR)	16.6	17.4	-4	14.9	12	33.7	56.5	61.2	71.5	77.6
P/E (x)						35.4	21.1	19.5	16.7	15.3
EV/EBITDA (x)						18.2	11.9	10.3	9.1	8.1
RoCE (%)						9	14	14	15	15

Source: Company, HSIE Research, PAT adjusted for one-offs, ^Adjusted for one-offs of INR 1.05 bn

ADD

CMP *(as on 27 May 2025)*	INR 1,191
Target Price	INR 1,320
NIFTY	24,826

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1350	INR 1320
EPS %	FY26E	FY27E
	-2.2	2.7

KEY STOCK DATA	
Bloomberg code	ARBP IN
No. of Shares (mn)	581
MCap (INR bn) / ($ mn)	692/8,107
6m avg traded value (INR mn)	1,367
52 Week high / low	INR 1,593/994

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	10.2	(2.6)	(0.4)
Relative (%)	0.9	(4.3)	(8.6)

SHAREHOLDING PATTERN (%)	Dec-24	Mar-25
Promoters	51.82	51.82
FIs & Local MFs	25.21	26.23
FPIs	16.29	15.23
Public & Others	6.68	6.72
Pledged Shares	17.8	16.9

Source: BSE

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KEC International

Strong performance

KECI reported a strong quarter with the highest-ever order backlog and an improvement in the EBITDA margin profile. Its revenue/EBITDA/APAT (miss)/beat stood at -2.0/-1.1/7.2% vs our estimates. The EBITDA margin improved on a QoQ basis to 7.8%. KECI guided for a revenue growth of 15% in FY26. Moreover, it guided for FY26 EBITDA margin to be in the range of 8-8.5% as the legacy projects are getting completed. The company continues to surprise on Order Inflows (OI), which came in at INR 264bn, largely led by T&D, civil, and railways segments. The order book (OB) as of Mar'25 stood at INR 333.9bn (~1.5x FY25 revenue), while L1 stood at INR 40bn. Further, KEC has transferred its cables business to a subsidiary (KEC Asian Cables Ltd) in January 2025 as management remains optimistic about long-term growth (revenue of INR 28-29bn by FY27). KECI is well-positioned to capitalize on India's infrastructure push, with T&D and renewables leading growth, while disciplined execution and margin focus enhance profitability. However, we have marginally tweaked our estimates to factor in delayed client payments which could result in slower project execution, potentially impacting both revenue growth and profitability. We maintain our ADD rating on KECI with a revised target price of INR 959/sh

- **Q4FY25 financial snapshot:** KECI generated revenue of INR 68.7bn (+11.5/28.5%, YoY/QoQ, a miss by 2.0%). The EBITDA came in at INR 5.4bn (+38.9/+43.9%, YoY/QoQ, a miss by 1.1%) while EBITDA margin stood at 7.8% (+154.7/+84.71ps, YoY/QoQ, in line with our estimate). APAT came in at INR 2.6bn (+76.7/107.0% YoY/QoQ, a beat of 7.2%). KECI is expanding into the semiconductor segment via civil business, focusing on improving order book quality, margins, and cash flows by tightening criteria for non-T&D orders.
- **Robust order intake; targeting high-margin orders:** KECI's OI stood at INR 246.9bn in FY25, a surge of 36% YoY, led by T&D, civil, railways, and others at 72/10/9/9% respectively. The tender pipeline is currently at INR 1.8trn with KEC targeting OI of INR 300bn for FY26. The OB as of Mar'25 stood at INR 333.9bn (~1.5x FY25 revenue), and including an L1 of INR 40bn, it stood at INR 373.9bn, led by T&D, civil, railways and others at 59/26/11/5%. Geographically, the OI and OB are diversified at 56/44% and 67/33%, domestic and international, respectively.
- **Focus on optimizing working capital through various measures:** The consolidated net debt, including interest-bearing acceptances, has decreased by INR 10.1bn to INR 45.5bn (from INR 55.7bn as of Dec'24). The NWC days as of Dec'24 stood at 122 (-12 QoQ) and are expected to be less than 100 by FY26-end.

Consolidated financial summary (INR mn)

Particulars	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	FY24	FY25	FY26E	FY27E
Net Revenues	68,721	61,648	11.5	53,494	28.5	1,99,142	2,18,467	2,50,806	2,84,424
EBITDA	5,388	3,880	38.9	3,745	43.9	12,146	15,039	20,701	24,988
APAT	2,682	1,518	76.7	1,296	107.0	3,468	5,707	9,999	12,761
EPS (INR)	10	6	76.7	5	107.0	13	21.4	37.6	47.9
P/E (x)						57	34.9	19.9	15.6
EV/EBITDA (x)						21	15.3	12.6	10.4
RoE (%)						9	12.1	17.2	18.6

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E		
	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	2,50,806	2,53,112	(0.9)	2,84,424	2,83,041	0.5
EBITDA	20,701	22,407	(7.6)	24,988	26,081	(4.2)
EBITDA (%)	8.3	8.9	(59.9)	8.8	9.2	(42.9)
APAT	9,999	10,930	(8.5)	12,761	13,444	(5.1)

Source: Company, HSIE Research

ADD

CMP (*as on 27 May 2025*)	INR 862
Target Price	INR 959
NIFTY	24,826

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 963	INR 959
EPS Change %	FY26E	FY27E
	(8.5)	(5.1)

KEY STOCK DATA	
Bloomberg code	KECI IN
No. of Shares (mn)	266
MCap (INR bn) / ($ mn)	229/2,688
6m avg traded value (INR mn)	1,365
52 Week high / low	INR 1,313/605

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	24.4	(15.8)	11.6
Relative (%)	15.1	(17.4)	3.4

SHAREHOLDING PATTERN (%)

	Dec-24	Mar-25
Promoters	50.1	50.1
FIs & Local MFs	24.91	24.18
FPIs	15.20	15.42
Public & Others	9.79	10.29
Pledged Shares	-	-

Source: BSE

Pledge share as a % of total shares

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TTK Prestige

Nineteen-quarter low margin

We maintain REDUCE with a lower TP of 605/sh by valuing the company at 33x Mar-27 EPS. TTK Prestige's revenue grew by 4% YoY to INR 6.5bn, primarily due to a 14% YoY increase in the cookware segment. Gross margin rose by 90bps YoY to 41.7%, while EBITDAM contracted by 450bps YoY to 7.9% due to higher employee and other expenses, leading to a 33% YoY fall in EBITDA. APAT declined by 48% YoY. Traditional channels saw 10% YoY growth, but it was impacted by challenges in alternate channels. The company targets high single-digit growth in FY26, aiming for double-digit growth within two years. It foresees EBITDA margin dilution for eight quarters, with recovery to mid-teens post-opex investments of INR 2bn. MFI and CSD channels face persistent challenges. We maintain REDUCE with a lower TP of 605/sh by valuing the company at 33x Mar-27 EPS.

- **Q4FY25 highlights:** Revenue grew by 4% YoY (2-year CAGR: +3%) to INR 6.5bn, primarily led by cookware segment, which grew 14% YoY (16% revenue mix). Cookware/appliances grew 2/1% YoY (30/42% revenue mix). Gross margin rose by 90bps YoY to 41.7% (-40bps QoQ). EBITDAM contracted 450bps YoY to 7.9% (-300bps QoQ) due to increase in employee cost (9% YoY) and other expenses (32% YoY). Consequently, EBITDA falls 33% YoY. The company has incurred soft operational expense of INR 163mn in Q4 (PY: NIL), so operating margin adjusted for this will increase to 10.4% (still down 200bps YoY). APAT declined 48% YoY owing to lower EBITDA, other income, and higher depreciation and tax rate. During the quarter, the company has booked an exceptional charge of INR 714mn toward provision for impairment of goodwill in the UK Subsidiary.
- **Other highlights:** In Q4, traditional channels (general trade, exclusive stores, e-commerce, and modern trade) saw 10% YoY growth. However, it was offset by ongoing challenges in alternate channels (rural MFI and institutional), which significantly impacted the overall revenue growth. The Judge brand grew in double digits, and the UK subsidiary (Horwood) revenue grew 9% YoY with improved EBITDAM. Domestically, Ultrafresh revenue grew by 5% YoY, though its EBITDAM remained negative.
- **Concall takeaways and outlook:** The company is targeting high single-digit growth in FY26, aiming for double-digit growth within two years. They foresee EBITDA margin dilution for eight quarters, with recovery to mid-teens post-opex investments. The company is planning an INR 5bn investment over three years, of which INR 2bn will be soft operational expenses. It expects demand revival, with appliances outpacing kitchenware and cookware growing faster than cookers. Southern markets are expected to drive growth due to premiumization, though MFI and CSD channels face persistent challenges. Factoring in the poor Q4 performance, we cut our APAT estimates by 25/21% for FY26/27E, respectively. We maintain REDUCE with a lower TP of 605/sh by valuing the company at 33x Mar-27 EPS.

Financial summary

(INR mn)	Q4 FY25	Q4 FY24	YoY (%)	Q3 FY25	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E
Net Sales	6,496	6,226	4.3	7,272	(10.7)	27,771	26,781	27,148	29,373	32,604
EBITDA	514	772	(33.5)	794	(35.3)	3,585	3,037	2,577	2,761	3,537
APAT	308	587	(47.6)	585	(47.3)	2,542	2,285	1,839	1,960	2,504
EPS (INR)	2.2	4.2	(46.9)	4.3	(47.3)	18.3	16.5	13.4	14.3	18.3
P/E (x)						35.3	39.3	48.2	45.2	35.4
EV / EBITDA (x)						22.8	26.4	31.4	29.1	22.5
RoE (%)						13.9	11.3	9.3	10.1	12.1

Source: Company, HSIE Research

REDUCE

CMP *(as on 27 May 2025)*	INR 647
Target Price	INR 605
NIFTY	24,826

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 755	INR 605
EPS %	FY26E	FY27E
	-24%	-20%

KEY STOCK DATA	
Bloomberg code	TTKPT IN
No. of Shares (mn)	137
MCap (INR bn) / ($ mn)	88/1,036
6m avg traded value (INR mn)	44
52 Week high / low	INR 1,025/582

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(1.7)	(26.0)	(8.3)
Relative (%)	(11.0)	(27.6)	(16.5)

SHAREHOLDING PATTERN (%)	Dec-24	Mar-25
Promoters	70.52	70.52
FIs & Local MFs	14.25	14.42
FPIs	7.74	7.40
Public & Others	7.49	7.66
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Stylam Industries

Margin dips to a 10-quarter low; promoter tussel grows

We expect the growing tussle between Stylam's promoter families to pose a business risk to an otherwise strong growth story. Hence, we lower our valuation multiple to 15x Mar-27E EPS vs 20x earlier and downgrade Stylam to REDUCE from Buy earlier with a reduced target price of INR 1,700/sh. In Q4FY25, Stylam's revenue increased 11% YoY (export/domestic: 12/8%). However, gross margin fell 160bps QoQ due to higher raw material costs and change in product mix. So, EBITDA declined 10/7% YoY/QoQ as operating margin declined by 370/190bps YoY/QoQ to 16.2% (a 10-quarter low). Owing to lower EBITDA and tax rate in the base quarter, APAT declined 24% YoY (-1% QoQ). Working capital stretched to a multi-year high of 122 days in Mar-25, led by higher inventory and receivables. The brownfield laminates plant expansion is expected to be fully operational by September 2025 and should drive growth from FY25 to FY27E. So, Stylam has guided to ~20/40% export revenue growth for FY26/27E.

- **Q4FY25 performance:** Revenue grew 11% YoY (export/domestic: 12/8%). Volume grew 6% YoY (domestic/export: 8/5% YoY). Overall, realisation increased 4% YoY (down 2% QoQ). Export and domestic realisations declined 1% QoQ each. Gross margin declined 160bps QoQ due to increase in raw material cost and change in product mix. Export revenue mix declined 260bps QoQ to 70.5%. Employee costs rose 23/11% YoY/QoQ, up 80/50bps YoY/QoQ to 8.7% of sales. So, EBITDA declined 10/7% YoY/QoQ as operating margin contracted 370/190bps YoY/QoQ to 16.2% (a 10-quarter low). Owing to lower EBITDA and tax rate in the base quarter, APAT fell 24% YoY (-1% QoQ). Working capital spiked to a multi-year high of 122 days vs 107 YoY, led by rise in inventory and receivable days.
- **Outlook, valuation, and recommendation**: Stylam guided for ~20/40% export revenue growth in FY26/27E, aided by brownfield expansion. It expects its acrylic sales to surge from INR 195mn in FY25 to over INR 1bn in FY26, which in our view is ambitious. The ongoing brownfield laminates plant expansion, costing INR 2.6bn (INR 1.2bn already incurred), is expected to be fully commissioned by September 2025. Considering the weak Q4 result, we cut our APAT estimates by 9/10% for FY26/27E, respectively. We are projecting 22/25/26% revenue/EBITDA/APAT CAGR for F25-27E, aided by ramp-up of brownfield expansion. The strained relationship between the two promoter families has further aggravated as was evident from the commentaries during the results concall. We see this as a business risk and, hence, lower our target multiple to 15x Mar-27E EPS vs 20x earlier. We also downgrade Stylam to REDUCE from Buy with a lower TP of INR 1,700/sh.

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q4 FY25	Q4 FY24	YoY (%)	Q3 FY25	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E
Net Sales	2,653	2,399	10.6	2,545	4.2	9,521	9,141	10,251	12,260	15,219
EBITDA	429	477	(9.9)	460	(6.6)	1,548	1,845	1,852	2,224	2,884
EBITDAM (%)	16.2	19.9		18.1		16.3	20.2	18.1	18.1	19.0
APAT	296	387	(23.6)	298	(0.8)	960	1,296	1,219	1,439	1,935
AEPS (INR)	17.5	22.8	(23.6)	17.6	(0.8)	56.6	76.5	71.9	84.9	114.1
EV/EBITDA (x)						20.0	16.2	16.5	13.5	10.5
P/E (x)						32.0	23.7	25.2	21.3	15.9
RoE (%)						26.4	27.3	20.4	19.9	22.1

Source: Company, HSIE Research

REDUCE

CMP *(as on 27 May 2025)*	INR 1,838
Target Price	INR 1,700
NIFTY	24,826

KEY CHANGES	OLD	NEW
Rating	BUY	REDUCE
Price Target	INR 2,525	INR 1,700
EPS revision %	FY26E *(8.9)*	FY27E *(9.5)*

KEY STOCK DATA	
Bloomberg code	SYIL IN
No. of Shares (mn)	17
MCap (INR bn) / ($ mn)	31/365
6m avg traded value (INR mn)	82
52 Week high / low	INR 2,736/1,407

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	14.8	(26.5)	17.8
Relative (%)	5.5	(28.2)	9.7

SHAREHOLDING PATTERN (%)	Dec-24	Mar-25
Promoters	52.19	52.19
FIs & Local MFs	11.59	12.61
FPIs	3.96	3.68
Public & Others	32.26	31.52
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Rating Criteria

BUY: >+15% return potential

ADD: +5% to +15% return potential

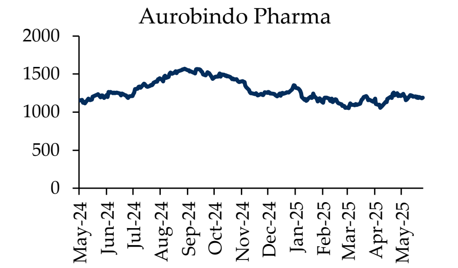
REDUCE: -10% to +5% return potential

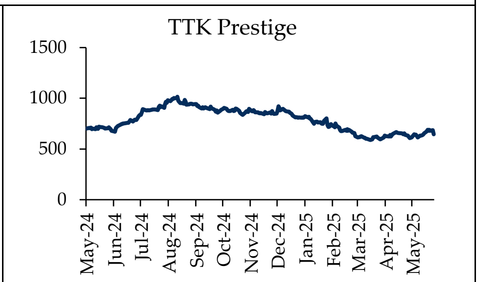
SELL: > 10% Downside return potential

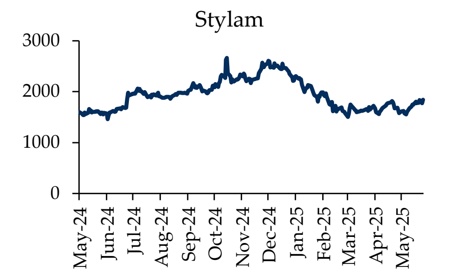
Disclosure:

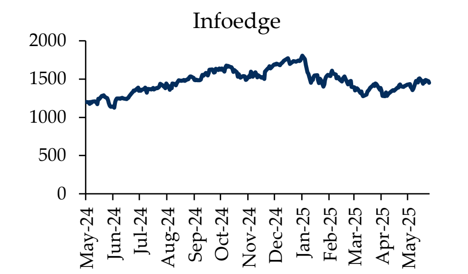
Analyst	Company Covered	Qualification	Any holding in the stock
Mehul Sheth	Aurobindo Pharma	MBA	NO
Divyaxa Agnihotri	Aurobindo Pharma	MSC	NO
Parikshit Kandpal	KEC International	CFA	NO
Aditya Sahu	KEC International	MBA	NO
Jay Shah	KEC International	CA	NO
Keshav Lahoti	TTK Prestige, Stylam Industries	CA, CFA	NO
Rajesh Ravi	TTK Prestige, Stylam Industries	MBA	NO
Mahesh Nagda	TTK Prestige, Stylam Industries	CA	NO
Riddhi Shah	TTK Prestige, Stylam Industries	MBA	NO
Amit Chandra	Infoedge	MBA	NO
Dhananjay Jain	Infoedge	CA	NO

1 Yr Price movement









Disclosure:

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