

EMS & cables lead the charge

- Cables and wires on opposite tracks in Q3, while appliances stay on course with seasonal trends
- EMS companies poised for continued growth, fueled by strong order book, PLI boost, Make-in-India initiatives
- Expect revenue/EBIDTA/PAT growth of 30%/30%/39% YoY for our coverage universe

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Expect 3QFY25 revenue/PAT growth of 30%/39%: We expect strong 30% YoY revenue growth for 3QFY25 across our coverage universe. We expect this revenue growth to be driven mainly by the cables segment, driven by infra and industrial capex. Cables are also to outperform wires on robust power sector demand and commodity inflation. The EMS sector shows continued strength, with a growing order book and healthy customer additions across segments. Leading this growth are DIXON (92% YoY), followed by SYRMA (33% YoY) and AMBER (30% YoY) in EMS, and POLYCAB (23% YoY) and KEII (20% YoY) in wires and cables. This overall growth is underpinned by a 30% increase in EBITDA and a 39% rise in PAT.

Cables & wires poised for contrasting Q3 trends: Cables are set to sustain their strong growth momentum in Q3FY25, driven by increased infrastructure and industrial capex, with a notable boost from the BharatNet project awarded by BSNL for optical fibre cables. We expect this segment to outperform, supported by rising demand in the power sector for transmission and distribution (T&D), along with commodity price inflation, as copper and aluminum prices rise 15% YoY. However, wires are likely to remain subdued due to elevated inventory levels from Sep'24 and weak real estate demand. Fluctuations in commodity prices and an unfavourable revenue mix may weigh on wire margins, but anticipated improvements in exports could partially mitigate these pressures.

Appliances demand steady with seasonal trends: We expect the appliances segment to do well in Q3FY25, with water heaters benefiting from winter-driven demand and pumps witnessing steady growth. Fan sales, initially moderate, are projected to accelerate in late December, fueled by channel filling ahead of the summer season. We expect decent demand for room air conditioners due to a warmer October and lower inventory levels at the end of the previous quarter. We expect refrigerators and washing machines to see stronger traction in premium categories, such as frost-free refrigerators and fully automatic washing machines, while entry-level variants, including DC refrigerators and semi-automatic washing machines, may see comparatively weaker demand. The lighting segment may see good volume growth due to festive season, though price erosion may offset growth.



Fig 1 – BOBCAPS Consumer Durables universe: Q3FY25 snapshot

Companies	Revenue (Rs mn)					EBITDA (Rs mn)					EBITDA margin (%)			PAT (Rs mn)				
	Q3FY25E	Q3FY24	Q2FY25	YoY (%)	QoQ (%)	Q3FY25E	Q3FY24	Q2FY25	YoY (%)	QoQ (%)	Q3FY25E	Q3FY24	Q2FY25	Q3FY25E	Q3FY24	Q2FY25	YoY (%)	QoQ (%)
VOLT	29,359	26,257	26,191	11.8	12.1	1,861	284	1,622	555.3	14.7	6.3	1.1	6.2	1,559	(304)	1,340	NA	16.3
BLSTR	26,415	22,412	22,760	17.9	16.1	1,820	1,554	1,493	17.1	21.9	6.9	6.9	6.6	1,207	1,005	961	20.1	25.6
POLYCAB	53,181	43,405	54,984	22.5	(3.3)	6,561	5,695	6,316	15.2	3.9	12.3	13.1	11.5	4,520	4,129	4,398	9.5	2.8
CROMPTON	18,023	16,927	18,960	6.5	(4.9)	1,783	1,498	2,034	19.0	(12.3)	9.9	8.8	10.7	1,086	859	1,312	26.4	(17.2)
HAVL	49,595	44,139	45,393	12.4	9.3	4,710	4,327	3,751	8.9	25.6	9.5	9.8	8.3	3,398	2,879	2,678	18.0	26.9
ORIENTEL	8,271	7,519	6,602	10.0	25.3	523	489	357	7.0	46.5	6.3	6.5	5.4	213	243	104	NA	104.8
VGUARD	12,732	11,654	12,940	9.3	(1.6)	1,159	1,016	1,103	14.1	5.1	9.1	8.7	8.5	664	582	634	14.1	4.7
KEI	24,720	20,594	22,796	20.0	8.4	2,573	2,146	2,206	19.9	16.6	10.4	10.4	9.7	1,779	1,507	1,548	18.0	14.9
DIXON	92,910	48,183	115,341	92.8	(19.4)	3,393	1,844	4,264	84.0	(20.4)	3.7	3.8	3.7	1,768	964	3,899	83.4	(54.7)
AMBER	16,762	12,948	16,847	29.5	(0.5)	1,139	785	1,137	45.1	0.2	6.8	6.1	6.7	182	(5)	192	NA	(5.2)
SYRMA	9,408	7,067	8,327	33.1	13.0	631	388	710	62.6	(11.1)	6.7	5.5	8.5	331	155	396	113.5	(16.4)
Total	341,376	261,105	351,141	30.7	(2.8)	26,153	20,026	24,993	30.6	4.6	7.7	7.7	7.1	16,707	12,014	17,462	39.1	(4.3)

Source: Company, BOBCAPS Research

Quarterly financial trends

Fig 2 – Quarterly revenue growth trend

YoY (%)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25E
VOLT	4.7	11.8	10.9	21.4	29.7	30.9	42.1	46.5	14.2	11.8
BLSTR	27.1	19.1	16.4	12.6	19.9	24.9	26.8	28.7	20.4	17.9
POLYCAB	10.8	10.2	8.9	42.1	26.6	16.8	29.3	20.8	30.4	22.5
CROMPTON	22.7	7.5	15.7	0.7	4.9	11.6	9.5	13.9	6.4	6.5
HAVL	13.6	12.6	9.8	13.9	6.0	6.9	12.0	20.1	16.4	12.4
ORIENTEL	(14.1)	8.9	(12.7)	13.5	11.0	1.7	19.7	7.0	16.4	10.0
VGUARD	8.7	1.4	7.6	19.3	15.0	18.8	17.8	21.6	14.1	9.3
KEI	18.8	14.1	9.1	13.9	21.1	15.4	18.7	15.6	17.1	20.0
DIXON	37.9	(21.8)	3.8	14.6	27.8	100.4	52.0	101.1	133.3	92.8
AMBER	27.7	38.4	55.0	(6.8)	23.5	(4.0)	(6.6)	41.1	81.7	29.5
SYRMA	NA	118.6	69.9	83.1	54.4	37.9	66.9	92.9	17.0	33.1

Source: Company, BOBCAPS Research

Fig 3 – Quarterly EBITDA margin trend

(%)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25E
VOLT	5.7	3.8	7.4	5.5	3.1	1.1	4.5	8.6	6.2	6.3
BLSTR	5.4	5.8	6.8	6.5	6.5	6.9	7.3	8.3	6.6	6.9
POLYCAB	12.8	13.6	14.1	14.1	14.4	13.1	13.6	12.4	11.5	12.3
CROMPTON	11.4	10.1	11.8	9.9	9.8	8.8	10.4	10.9	10.7	9.9
HAVL	7.8	10.3	10.8	8.3	9.5	9.8	11.7	9.9	8.3	9.5
ORIENTEL	2.3	7.4	7.0	6.2	3.6	6.5	3.9	5.3	5.4	6.3
VGUARD	7.4	6.7	8.7	8.6	8.2	8.7	9.5	10.5	8.5	9.1
KEI	10.0	10.2	10.4	10.0	10.5	10.4	10.5	10.4	9.7	10.4
DIXON	3.8	4.6	5.1	4.0	4.0	3.8	3.9	3.8	3.7	3.7
AMBER	4.9	5.8	6.8	7.8	6.4	6.1	7.9	8.2	6.8	6.8
SYRMA	10.1	9.3	8.7	6.1	6.9	5.5	6.5	3.8	8.5	6.7

Source: Company, BOBCAPS Research

Fig 4 – Quarterly PAT growth trend

YoY (%)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25E
VOLT	4.9	(53.7)	(18.9)	14.2	(46.7)	(85.7)	(13.0)	127.1	139.9	NA
BLSTR	35.9	22.6	(28.4)	12.3	66.2	72.0	192.9	102.3	35.8	20.1
POLYCAB	36.9	45.8	33.5	80.0	58.4	15.2	27.3	(0.3)	3.6	9.5
CROMPTON	(17.7)	(40.5)	(25.5)	(7.8)	(22.8)	(3.1)	1.4	24.8	27.0	26.4
HAVL	(38.2)	(7.3)	1.6	18.1	32.4	1.5	24.8	42.0	8.2	18.0
ORIENTEL	(101.0)	(14.0)	(50.0)	4.0	NA	(25.0)	(48.0)	(27.2)	NA	NA
VGUARD	(26.4)	(26.1)	(41.2)	20.5	35.0	48.2	44.5	54.1	7.5	14.1
KEI	16.4	27.0	19.1	16.9	31.3	17.2	22.1	23.8	10.4	18.0
DIXON	22.9	11.8	28.0	43.5	39.4	85.9	18.1	103.9	68.0	83.4
AMBER	(129.2)	(54.2)	82.3	8.7	145.5	(103.4)	(6.2)	58.6	NA	NA
SYRMA	152.4	69.7	153.1	65.9	5.4	(40.9)	5.5	(28.2)	29.9	113.5

Source: Company, BOBCAPS Research

Fig 5 – Valuation snapshot

Companies	CMP (Rs)	Market Cap (Rs bn)	Revenue (Rs bn)					EBITDA (Rs bn)				
			FY24	FY25E	FY26E	FY27E	CAGR (%)	FY24	FY25E	FY26E	FY27E	CAGR (%)
VOLT	1,593	527.2	125	151	181	209	18.8	5	12	15	18	55.8
BLSTR	1,855	357.3	97	118	138	163	18.8	7	9	11	14	27.9
POLYCAB	6,249	935.0	180	216	249	288	16.9	25	29	34	40	17.0
CROMPTON	353	223.7	73	85	100	120	18.0	7	9	11	14	25.0
HAVL	1,533	960.1	186	212	246	286	15.4	18	22	28	34	22.7
ORIENTEL	226	48.0	28	33	39	47	18.8	1	2	3	4	40.6
VGRD	400	172.6	49	56	65	75	15.7	4	6	7	8	23.3
KEII	3,980	361.0	81	95	113	136	18.8	8	11	14	17	26.5
DIXON	15,829	942.6	177	338	480	629	52.6	7	13	18	23	48.9
AMBER	7,066	238.0	67	88	121	151	30.9	5	6	9	11	31.6
SYRMA	533	93.9	31	43	57	77	34.8	2	3	4	5	40.0

Source: Company, BOBCAPS Research

Fig 6 – Valuation snapshot

Companies	EBITDA Margin (%)				PAT (Rs bn)					PE (x)			
	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	CAGR (%)	FY24	FY25E	FY26E	FY27E
VOLT	3.8	7.6	8.4	8.6	3	8	11	13	71	209.2	63.6	48.9	41.9
BLSTR	6.9	7.9	8.2	8.6	4	6	8	9	31	86.1	59.5	47.3	38.0
POLYCAB	13.8	13.3	13.6	13.8	18	20	24	28	16	52.4	46.9	39.5	33.8
CROMPTON	9.8	11.0	11.3	11.6	4	6	8	10	31	50.8	35.7	28.6	22.5
HAVL	9.9	10.5	11.4	11.9	13	16	20	24	24	75.6	59.8	47.6	39.4
ORIENTEL	5.1	7.4	8.0	8.5	1	1	2	2	41	63.7	45.0	31.3	22.6
VGRD	8.8	10.0	10.3	10.6	3	4	5	6	30	67.0	47.0	36.8	30.5
KEII	10.3	12.0	12.4	12.5	6	8	10	11	25	62.2	47.3	37.8	31.5
DIXON	3.9	3.8	3.7	3.7	4	9	11	15	60	256.3	100.0	86.2	63.0
AMBER	7.3	7.2	7.5	7.4	1	2	4	6	64	179.1	101.6	54.5	40.8
SYRMA	6.3	7.0	7.2	7.1	1	2	2	3	45	87.5	53.0	38.3	29.0

Source: Company, BOBCAPS Research

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